Australia Insight Session December 2017 (H1 FY18)
Active Considerer (AC) Monitor Australia (H1 FY18)
Published December 2017
INSIGHT 1

Efforts to address the decline in the incidence of Active Considerers (ACs) observed throughout FY16 and FY17 have paid off, but further focus is needed to sustainably grow the ACs base

- The incidence of ACs is stable, at 25%, compared to Q4 FY17 and a year ago
- The AC incidence however has increased among IPs from 22% a year ago to 25% in Q2 FY18
- Preference for New Zealand is also stable at 65%, with indicatively more ACs stating New Zealand is their first choice
- ACs are more likely to be male relative to non-ACs, but overall the results show that the profile of non-ACs and ACs is similar

- **Incidence of Active Considerers**
  - Q4 FY17: 27%
  - Q2 FY18: 25%

- **Preference KPI**
  - First: Q4 FY17: 64%, Q2 FY18: 65%
  - Second: Q4 FY17: 38%, Q2 FY18: 45%

*Significantly higher / lower than six months ago at 99% for incidence and 95% for preference*
INSIGHT 2

To grow preference, focus on reinforcing destination preference drivers where the brand is relatively weak vs. competitors, while continuing to leverage its key strengths

- There has been an uplift in relative performance on ‘easy to travel around’; relative performance on ‘see lots without travelling far’ also follows the long term upward trend
- Uniqueness of New Zealand’s brand proposition continues to be an issue: relative performance on ‘unique experiences’ and ‘range of adventure’ continues to decline over the long term; ‘range of experiences’ also remains a relative weakness

Key brand strengths to leverage:

- Clean & unpolluted
- Affordability

Key brand weakness to focus on:

- Landscapes & scenery
- Range of unique experiences
- Easy to travel around
- Friendly people

Top 5 competitors
(% selected destination in their top five preferred destinations)

- Canada: 30%
- Hawaii: 26%
- Tasmania: 25%
- UK: 24%
- USA: 23%
INSIGHT 3

Conversion of ACs from ‘planning’ to ‘booking’ has improved, and as a result a smaller proportion of ACs are now in the planning stage
• With a large proportion of ACs remaining in the dreaming stage, consider ramping up efforts to move them through the funnel

INSIGHT 4

To further accelerate the conversion of ACs through the funnel, focus on addressing their knowledge gaps
• TNZ’s focus on ‘everything close’ drivers is working: less ACs have concerns relating to these drivers
• For 25% of ACs worried about crime, the key concerns are crimes that target tourists, assaults and credit card fraud
INSIGHT 5

There is a reasonable opportunity to drive seasonal travel with the Australian ACs given their relatively strong levels of consideration for both spring and autumn

- Opportunity is potentially stronger for spring, given its stronger levels of consideration compared to autumn
- Autumn consideration has been declining in previous quarters, but is showing signs of recovery
- The decline in consideration for winter holiday is something to watch out for, given the importance of the Australian market to driving holiday arrivals at this time
Active Considerer journey funnel – Australia

1. Find New Zealand highly appealing as a holiday destination, and...
   
2. Would seriously consider visiting in the next three years, and...
   
3. New Zealand is a preferred destination for their next holiday, and...
   
4. Willing to spend at least AUD $1,500 per person on a holiday to New Zealand

Notes:
1. Including accommodation and daily expenses. Based off actual market data spend (IVS year end Dec 2015)

Total population = 23.5m
Online population, 18-74 years of age = 14.5m

8.8m
70%

6.2m
82%

5.1m
71%

3.6m

Active considerers = 3.6m people

16% Holiday arrivals = 591K

I.e. 48% of ACs have moved beyond dreaming and into planning and booking

I.e. 61% of ACs that have begun planning are now ready to book

25% incidence of ACs
Active Considerer Funnel – Australia

**Dream Destination:**
- Incidence of ACs – 25% stable (IPs 25% up)
- Preference ACs – 65% stable (IPs 67% stable)
- Percentage of ACs in dreaming – ACs 52% (IPs 50%)
- Newzealand.com Visits Target: 42% achieved

**Plan Destination:**
- Brand attributes to focus on -
  - Landscapes & Scenery
  - Range of unique experiences
  - Easy to travel around
  - Friendly people
- Percentage of ACs in Planning – 19% down (IPs 16% down)
- Newzealand.com Active Visits Target: 43% achieved

**Book Destination:**
- Percentage of ACs in booking - 29% (IPs 34%)
- Seasons – Spring 50%, Autumn 40%, Peak 57%
- Newzealand.com Referrals Target: 46% achieved

**Arrivals:**
- Arrivals YE Oct 2017 591K + 6.7% YAGO
- Holiday Spend YE Sep 2017 NZD 1.241B -2% YAGO ($2,549 per person - 4% YAGO)
The incidence of ACs is stable at 25%
There have been no changes in the levels of appeal, consideration and preference for New Zealand compared to a year ago, resulting in a stable incidence of ACs within the Australian online population aged 18-74 years old.

Qualifying criteria for defining ACs
AC Monitor | % | Current 6M | Online users aged 18-74

- Online Australians aged 18 to 74: 100%
- NZ is highly appealing: 61%
- Would definitely consider NZ: 42%
- NZ is a preferred destination to visit: 35%
- Would spend at least $1500 on a trip: 25%

ACs – We only survey these people in more detail.

Significantly higher / lower than YAGO at 99%
The proportion of IPs who consider and prefer New Zealand for their next holiday has increased from a year ago, and this has led to an increase in the AC incidence among IPs, which is up from 22% to 25%.

Qualifying criteria for defining ACs, among IPs
AC Monitor | % | Current 6M | Online users aged 25-54

- Online Australians aged 25 to 54: 100%
- NZ is highly appealing: 43%
- NZ is a preferred destination to visit: 36%
- Would spend at least $1500 on a trip: 25%
- Would definitely consider NZ: 39%
- 10%

Significantly higher / lower than YAGO at 99%
IPs and males are over-represented in the AC audience, making up 68% and 57% of the audience respectively.

Profile of AC segments
AC Monitor | % | Current 6M | Total Active Considerers

By age segment
- AC BPs
- IPs
- ABs

By gender
- Male
- Female

By region
- NSW
- VIC
- QLD
- Rest of AU

By visitation
- FTAs
- Previous Visitors

Outer ring: Australian ACs
Inner ring: Australian non-ACs

△ ▼ Significantly higher / lower than non-ACs at 95%
The USA and UK have seen a decline in their preference rank and have now dropped behind Hawaii and Tasmania, both of which have increased in their preference rank.

**Top ten competitor set for ACs**

AC Monitor(1)(2) | % | Current 6M | Total Active Considerers

- **Canada**: 30%
- **USA**: 23%
- **Hawaii**: 26%
- **UK**: 24%
- **France**: 17%
- **Italy**: 22%
- **Japan**: 21%
- **Queensland**: 20%
- **Tasmania**: 25%
- **Fiji**: 15%

Notes:
1. % selected destination in their top five preferred destinations
2. Question: “Aside from New Zealand, what other four destinations make up your top five preferred destinations to visit for a holiday?”
Preference for New Zealand remains stable at 65%

Preference KPI
AC Monitor | % | GMRA | Total Active Considerers

Total ACs

Q2 | Q3 | Q4 | Q2 | Q3 | Q4 | Q2 | Q3 | Q4 | Q2
57% | 59% | 58% | 58% | 61% | 63% | 63% | 61% | 63% | 64% | 64% | 67% | 65%

% = ACs ranking New Zealand top two out of top five preferred destination to visit

Significantly higher / lower than six months prior at 95%
The top ten competitor set for IPs follows the same trend as with ACs as a whole, with a rise in preference rank for Hawaii and Tasmania; Italy moves up in its preference rank and is now the top preferred destination in Europe

Top ten competitor set for IPs

AC Monitor®(1)(2) | % | Current 6M | Independent Professionals

- Canada: 25%
- USA: 23%
- Hawaii: 27%
- UK: 22%
- France: 17%
- Italy: 23%
- Japan: 21%
- Queensland: 20%
- Tasmania: 25%
- Fiji: 16%

Notes:
1. % selected destination in their top five preferred destinations
2. Question: "Aside from New Zealand, what other four destinations make up your top five preferred destinations to visit for a holiday?"

Change in rank by at least two places compared to YAGO
Preference for New Zealand among IPs is stable at 67%

Preference KPI, among IPs
AC Monitor | % | GMRA | Independent Professionals

% = ACs ranking New Zealand top two out of top five preferred destination to visit

Significantly higher / lower than six months prior at 95%
Among FTAs, Hawaii and Tasmania move up in the preference rank compared to a year ago.

Top ten competitor set for Potential FTAs
AC Monitor\(^{(1,2)}\) | % | Current 6M | Potential FTAs

- Canada: 33%
- USA: 26%
- Hawaii: 25%
- UK: 23%
- France: 16%
- Italy: 22%
- Japan: 19%
- Queensland: 21%
- Tasmania: 23%
- Fiji: 17%

Notes:
1. % selected destination in their top five preferred destinations
2. Question: "Aside from New Zealand, what other four destinations make up your top five preferred destinations to visit for a holiday?"

Change in rank by at least two places compared to YAGO
Preference for New Zealand among FTAs continue to make gains over the long term

Preference KPI, among Potential FTAs
AC Monitor | % | 6MRA | Potential FTAs

% = ACs ranking New Zealand top two out of top five preferred destination to visit
This heat map shows the relative performance of the attributes we measure that drive preference for New Zealand, as shown across the rows. Our role is to influence how our target audience perceive New Zealand relative to its competitive set; we cannot influence our competitors, we can only influence how New Zealand is seen through our communications.

### Relative brand positioning

AC Monitor | index (see appendix) | Current 6M | Total Active Considerers | New Zealand and top five competitors

<table>
<thead>
<tr>
<th></th>
<th>New Zealand</th>
<th>Canada</th>
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**Actions for TNZ:**

More focus is needed on communicating:
- Landscapes & scenery
- Range and uniqueness of experiences
- Easy to travel around
- Friendly people

While leveraging our strengths:
- Clean & unpolluted
- Affordable activities
- Affordable to fly

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*Heat map shading is across rows, i.e. compares the six countries on that attribute*
This heat map shows the relative performance of the attributes we measure that drive preference for New Zealand, as shown across the rows. Our role is to influence how our target audience perceive New Zealand relative to its competitive set; we cannot influence our competitors, we can only influence how New Zealand is seen through our communications.

### Relative brand positioning with IPs

**AC Monitor | index (see appendix) | Current 6M | Independent Professionals | New Zealand and top five competitors**

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**Actions for TNZ:**

- More focus is needed on communicating:
  - Landscapes & scenery
  - Range and uniqueness of experiences
  - Friendly people

- While leveraging our strengths:
  - Clean & unpolluted
  - Affordable activities
  - Affordable to fly to

*Relative weakness* | *Relative strength* | *100*
---|---|---

Heat map shading is across rows, i.e. compares the six countries on that attribute.
This heat map shows the relative performance of the attributes we measure that drive preference for New Zealand, as shown across the rows. Our role is to influence how our target audience perceive New Zealand relative to its competitive set; we cannot influence our competitors, we can only influence how New Zealand is seen through our communications.

### Relative brand positioning with Potential FTAs

**AC Monitor | index (see appendix) | Current 6M | Potential FTAs | New Zealand and top five competitors**

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*Actions for TNZ:*

More focus is needed on communicating:
- Landscapes & scenery
- Range and uniqueness of experiences
- Friendly people

While leveraging our strengths:
- Clean & unpolulated
- Affordable activities
- Affordable to fly

*Relative weakness* 100 | 100 | 100 | 100 | Relative strength

*Heat map shading is across rows, i.e. compares the six countries on that attribute*
New Zealand’s relative performance on ‘landscapes and scenery’ is stable but below parity, while Canada continues to lead in this area.

Relative brand positioning over time: ‘Landscapes & scenery’

AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weakness (<95)

100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores

This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand’s relative position on ‘friendly people’ remains below parity, while UK has seen an increase in its relative performance in this area.

Relative brand positioning over time: ‘Friendly people’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weaknesses (<95)

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand continues a long term downward trend in its relative performance on ‘unique experiences’, while Hawaii improves.

Relative brand positioning over time: ‘Unique experiences’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

* 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
* Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
* This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand continues a long term downward trend in its performance on ‘unique experiences’

Absolute brand positioning scores over time: ‘Unique experiences’

AC Monitor | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand’s relative perceptions of offering a ‘range of adventure’ is also showing signs of long term decline, while the USA has now built a sizable lead over Canada.

Relative brand positioning over time: ‘Range of adventure’

AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weaknesses (<95)

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing/adding attributes and/or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees

Core driver
‘Everything close’
Hygiene driver

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New Zealand’s relative performance on ‘range of experiences’ remains stable but considerably weaker than its key competitors; UK and USA perform the strongest here.

Relative brand positioning over time: ‘Range of experiences’

AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weakness (<95)

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
All destinations are seeing long term decline on perceptions on ‘range of experiences’, so New Zealand’s relative performance remains stable

Absolute brand positioning scores over time: ‘Range of experiences’
AC Monitor | GMRA | Total Active Considerers | New Zealand and current top five competitors

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand has shown a small uplift in relative perceptions of ‘easy to travel around’ in the recent quarter and is closing the gap on third placed USA.

Relative brand positioning over time: ‘Easy to travel around’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- **Strength** (>105)
- **Parity** (100)
- **Weaknesses** (<95)

100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores

This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees.
Relative perceptions of New Zealand being a destination where you can ‘see lots without travelling far’ continue to make gains over the longer term, while USA’s relative performance on this driver has dropped significantly in the last two quarters.

Relative brand positioning over time: ‘See lots without travelling far’

AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weaknesses (<95)

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores.

100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes.

This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees.
Relative perceptions of New Zealand being ‘comfortable’ have remained stable, but weak

Relative brand positioning over time: ‘Comfortable’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees

[Graph showing brand positioning over time for New Zealand, Canada, Hawaii, Tasmania, UK, and USA from Q2 of FY16 to Q2 of FY18]
Being ‘clean and unpolluted’ continues to be one of New Zealand’s strengths, however Tasmania and Canada also perform strongly on this driver.

Relative brand positioning over time: ‘Clean & unpolluted’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- **Strength** (>105)
- **Parity** (100)
- **Weaknesses** (<95)

Scores are relative, i.e., removing/adding attributes and/or destinations from the analysis would give different scores. This approach allows us to account for the fact that all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees.

100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes.

Core driver

‘Everything close’ driver

Hygiene driver

New Zealand

Canada

Hawaii

Tasmania

UK

USA
UK has slipped considerably in its relative performance on being a ‘safe destination’ over the last nine months

Relative brand positioning over time: ‘Safe destination’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- Strength (>105)
- Parity (100)
- Weaknesses (<95)

100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores

This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
‘Affordable activities’ remains a key strength for New Zealand, lagging behind domestic travel options

Relative brand positioning over time: ‘Affordable activities’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
On relative perceptions of ‘affordable to fly to’ New Zealand and domestic destinations are clear leaders

Relative brand positioning over time: ‘Affordable to fly to’
AC Monitor | index (see appendix) | 6MRA | Total Active Considerers | New Zealand and current top five competitors

- **Strength (>105)**
- **Parity (100)**
- **Weaknesses (<95)**

- 100 – in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing/adding attributes and/or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
While easy to travel around and safety from crime remain the top ranked knowledge gaps, there has been a decline in the proportion of ACs interested in knowing how long it takes to travel between attractions, transport options and recommended things to see and do.

**Top ten knowledge gaps**

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>Now</th>
<th>Six months ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How easy is it to travel around?</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>2. How safe is it from crime?</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>3. How often does it rain?</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>4. How long does it take to travel between the main attractions?</td>
<td>18% ▼</td>
<td>22%</td>
</tr>
<tr>
<td>5. Does it get too cold in winter?</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>6. What are the transportation options for travelling within New Zealand?</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>7. What is the length of time needed to experience New Zealand properly?</td>
<td>16% ▼</td>
<td>21%</td>
</tr>
<tr>
<td>8. How welcoming are the locals?</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>9. How safe is it to participate in adventure activities?</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>10. What / where are the recommended things to see and do?</td>
<td>15% ▼</td>
<td>19%</td>
</tr>
</tbody>
</table>

Ranks higher now than six months ago as a knowledge gap  
▲▼ Significantly higher / lower than six months ago at 95%
While IPs knowledge gaps largely mirror that of ACs as a whole, they are not as concerned about transportation options and time it takes to experience New Zealand properly.

**Top ten knowledge gaps, for IPs**

*AC Monitor | % | Current 6M | Independent Professionals*

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>IPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How easy is it to travel around?</td>
<td>22%</td>
</tr>
<tr>
<td>2. How safe is it from crime?</td>
<td>21%</td>
</tr>
<tr>
<td>3. How often does it rain?</td>
<td>19% ▼</td>
</tr>
<tr>
<td>4. Does it get too cold in winter?</td>
<td>17%</td>
</tr>
<tr>
<td>5. How safe is it to participate in adventure activities?</td>
<td>17% ▼</td>
</tr>
<tr>
<td>6. How long does it take to travel between the main attractions?</td>
<td>16%</td>
</tr>
<tr>
<td>7. How welcoming are the locals?</td>
<td>15%</td>
</tr>
<tr>
<td>8. What are the transportation options for travelling within New Zealand?</td>
<td>15% ▼</td>
</tr>
<tr>
<td>9. What is the length of time needed to experience New Zealand properly?</td>
<td>13% ▼</td>
</tr>
<tr>
<td>10. Does it get too hot in summer?</td>
<td>13%</td>
</tr>
</tbody>
</table>

Ranks higher with IPs than with non IPs as a knowledge gap

▲▼ Significantly higher / lower than non-IPs at 95%
As expected, FTAs know less about New Zealand than previous visitors and have more concerns/knowledge gaps that need addressing.

### Top ten knowledge gaps, for Potential FTAs

AC Monitor | % | Current 6M | Potential FTAs

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>Potential FTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How easy is it to travel around?</td>
<td>28%</td>
</tr>
<tr>
<td>2. How safe is it from crime?</td>
<td>25%</td>
</tr>
<tr>
<td>3. How often does it rain?</td>
<td>23%</td>
</tr>
<tr>
<td>4. How long does it take to travel between the main attractions?</td>
<td>21%</td>
</tr>
<tr>
<td>5. Does it get too cold in winter?</td>
<td>19%</td>
</tr>
<tr>
<td>6. What is the length of time needed to experience New Zealand properly?</td>
<td>18%</td>
</tr>
<tr>
<td>7. What are the transportation options for travelling within New Zealand?</td>
<td>18%</td>
</tr>
<tr>
<td>8. What is the driving behaviour of locals like?</td>
<td>17%</td>
</tr>
<tr>
<td>9. How welcoming are the locals?</td>
<td>17%</td>
</tr>
<tr>
<td>10. How physically fit do I need to be?</td>
<td>17%</td>
</tr>
</tbody>
</table>

Ranks higher with FTAs than with previous visitors as a knowledge gap. Significantly higher/lower than previous visitors at 95%.
The proportion of ACs in the planning stage of the visitor consideration funnel has declined compared to the six months prior.

**Visitor consideration funnel – size of funnel segments**

<table>
<thead>
<tr>
<th></th>
<th>Global Average</th>
<th>Now (Current 6M)</th>
<th>Six months ago (Previous 6M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dreaming</strong></td>
<td>60%</td>
<td>52%</td>
<td>49%</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>17%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Booking</strong></td>
<td>23%</td>
<td>29%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Notes:
1. A simple average of total ACs across the six tier 1 and 2 markets for the current 6M

Significantly higher / lower than six months ago at 95%
This lower proportion of ACs in the planning phase is a result of an increased conversion rate from planning into booking stages.

Visitor consideration funnel – conversion to funnel segments
AC Monitor | % | Current 6M vs. Previous 6M | Total Active Considerers

**Now**  
(Current 6M)

- **Dreaming**
  - Conversion = 48%  
  i.e. 48% of ACs have moved beyond dreaming and into planning  
  Global average⁴ = 40%

- **Planning**
  - 48%

- **Booking**
  - 29%

**Six months ago**  
(Previous 6M)

- **Conversion = 51%**

- **Planning**
  - 51%

- **Booking**
  - 27%

Conversion = 61%

i.e. 61% of ACs that have begun planning are now ready to book  
Global average⁵ = 58%

Notes:
1. A simple average of total ACs across the six tier 1 and 2 markets for the current 6M

Significantly higher / lower than six months ago at 95%
As with ACs as whole, a smaller proportion of IPs are in the planning stage of the funnel, with corresponding indicative increase in the proportion who are ready to book.

Visitor consideration funnel – size of funnel segments, for IPs
AC Monitor | % | Current 6M vs. Previous 6M | Independent Professionals

Now (Current 6M)
- Dreaming: 50%
- Planning: 16% (↓)
- Booking: 34%

Six months ago (Previous 6M)
- Dreaming: 47%
- Planning: 22%
- Booking: 30%

Significantly higher / lower than six months ago at 95%
Among IPs, the conversion rate from planning into booking stages has improved compared to the previous six months.

Visitor consideration funnel – conversion to funnel segments, for IPs
AC Monitor | % | Current 6M vs. Previous 6M | Independent Professionals

**Now**
(Current 6M)

- **Dreaming**
  - Conversion = 50%
  - i.e. 50% of IPs have moved beyond dreaming and into planning

- **Planning**
  - 50%

- **Booking**
  - 34%

**Six months ago**
(Previous 6M)

- Conversion = 53%
- Conversion = 58%

Significantly higher / lower than six months ago at 95%

100% Pure New Zealand
As with ACs as a whole, there has been a decline in the proportion of potential FTAs in the planning stage of the consideration funnel.

Visitor consideration funnel – size of funnel segments, for Potential FTAs
AC Monitor | % | Current 6M vs. Previous 6M | Potential FTAs

Now  
(Current 6M)

Six months ago  
(Previous 6M)

Dreaming

Planning

Booking

63%

19% ▼

18%

58%

27%

15%

Significantly higher / lower than six months ago at 95%
The decline in the proportion of FTAs in the planning stage is a result of improved conversion from planning into booking.

Visitor consideration funnel – conversion to funnel segments, for Potential FTAs

**Now**  
(Current 6M)

**Six months ago**  
(Previous 6M)

**Conversion** = 37%  
i.e. 37% of FTAs have moved beyond dreaming and into planning

**Conversion** = 42%  
**Conversion** = 48%  
i.e. 48% of FTAs that have begun planning are now ready to book

**Conversion** = 35%

▲ ▼ Significantly higher / lower than six months ago at 95%
To accelerate the conversion of ACs from ‘dreaming’ into ‘planning’ and ‘booking’, TNZ should continue focusing on addressing their knowledge gaps about how easy it is to get around and also safety from crime.

### Top ten knowledge gaps, by funnel stage

**AC Monitor | % | Current 6M | Total Active Considerers**

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>Dreaming</th>
<th>Planning</th>
<th>Booking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>How easy is it to travel around?</strong></td>
<td>24%</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>2. <strong>How often does it rain?</strong></td>
<td>22%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>3. <strong>How safe is it from crime?</strong></td>
<td>19% ▼</td>
<td>31% ▲</td>
<td>21%</td>
</tr>
<tr>
<td>4. <strong>What are the transportation options for travelling within New Zealand?</strong></td>
<td>19%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>5. <strong>Does it get too cold in winter?</strong></td>
<td>19%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>6. <strong>How long does it take to travel between the main attractions?</strong></td>
<td>18%</td>
<td>24% ▲</td>
<td>15%</td>
</tr>
<tr>
<td>7. <strong>What is the length of time needed to experience New Zealand properly?</strong></td>
<td>17%</td>
<td>24% ▲</td>
<td></td>
</tr>
<tr>
<td>8. <strong>How physically fit do I need to be?</strong></td>
<td>16%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>9. <strong>What / where are the recommended things to see and do?</strong></td>
<td>15%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>10. <strong>How safe is it to participate in adventure activities?</strong></td>
<td>14%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>11. <strong>How welcoming are the locals?</strong></td>
<td></td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>12. <strong>Does it get too hot in summer?</strong></td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>13. <strong>What is the quality / condition of the main highways?</strong></td>
<td></td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>14. <strong>What level of service can I expect?</strong></td>
<td></td>
<td></td>
<td>17% ▲</td>
</tr>
</tbody>
</table>

- **Ranks higher with ‘dreaming’ than with ‘booking’ as a knowledge gap**
- **Significantly higher / lower than other stages at 95%**
Based on the levels of consideration and preference, off-peak spring season offers a reasonable opportunity for TNZ to drive seasonal travel with the Australian ACs.

**Seasons – consideration & preference**

AC Monitor | % | Current 6M | Total Active Considerers

Conversion of consideration to preference

- **56%**
  - Consider: 50%
  - Prefer: 22%
  - Off-peak

- **74%**
  - Consider: 57%
  - Prefer: 42%
  - Peak

- **48%**
  - Consider: 40%
  - Prefer: 21%
  - Off-peak

- **43%**
  - Consider: 25%
  - Prefer: 14%
  - Off-peak

**Notes:**
1. Spring ‘Off-peak’ refers to the period Sep, Oct, Nov; ‘Peak’ refers to the period Dec, Jan, Feb; Autumn ‘Off-peak’ refers to the period Mar, Apr, May; ‘Off peak’ refers to the period Jun, Jul, Aug

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Similar to ACs as a whole, the spring off-peak season offers the strongest opportunity to drive seasonal arrivals among IPs relative to off-peak autumn season.

Seasons – consideration & preference, with IPs
AC Monitor | % | Current 6M | Independent Professionals

Conversion of consideration to preference

- Spring 'Off-peak' refers to the period Sep, Oct, Nov; 'Peak' refers to the period Dec, Jan, Feb; Autumn 'Off-peak' refers to the period Mar, Apr, May; 'Off peak' refers to the period Jun, Jul, Aug
Autumn consideration looks to be bouncing back after consecutive waves of decline, while spring consideration has maintained its improved performance from last wave.

Spring and autumn off-peak seasons – consideration over time
AC Monitor | % | GMRA | Total Active Considerers, Independent Professionals, Potential FTAs

Off-peak
47% 47% 45% 47% 46% 49% 49% 48% 50% 50%
42% 42% 41% 40% 37% 36% 37% 37% 39% 40%

Total ACs
Q3 Q4 Q1 Q2
Q3 Q4 Q1 Q2

IPs
45% 46% 44% 46% 45% 47% 47% 45% 46% 45%
40% 41% 40% 39% 36% 32% 34% 34% 35% 37%

Q3 Q4 Q1 Q2
Q3 Q4 Q1 Q2

Potential FTAs
49% 50% 47% 49% 46% 47% 47% 46% 48% 47%
38% 39% 37% 37% 35% 35% 36% 36% 38% 39%

Q3 Q4 Q1 Q2
Q3 Q4 Q1 Q2

Significantly higher / lower than six months ago at 95%
Understanding safety
Safety while traveling has a broad meaning to Australians: risk of natural disasters, being safe while out at night, safety of accommodation, access to medical care and petty crime are the key concerns.

**Things that come to mind when ACs think about safety while travelling**

% Active Considerers, Q2 FY18

<table>
<thead>
<tr>
<th></th>
<th>IPs</th>
<th>FTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of natural disasters - e.g. earthquakes</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Whether it is safe being out at night</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Safety of accommodation</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Access to medical care</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Robbery / theft of belongings</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Threat of violence / physical assault</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>The destination's crime rate</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Food hygiene</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Road safety</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>The destination's climate / weather</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Safety when travelling alone</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Safety for women</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Threat of terrorism</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Flight safety</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Whether the locals are friendly and welcoming...</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

Sample size: ACs n = 305; IPs n = 185; FTAs n = 157

▲▼ IPs significantly higher/ lower than non-IPs /group
The vast majority of Australians do not feel that safety from crime in New Zealand is a concern, with those who are concerned generally worrying about a range of serious crimes.

Safety from crime is a knowledge gap for ACs
% Active Considerers, Q2 FY18

22%

Of these 22%
of ACs have knowledge gaps around how safe New Zealand is from crime

<table>
<thead>
<tr>
<th>Crime</th>
<th>IPs</th>
<th>FTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crimes that target tourists</td>
<td>46%</td>
<td>43%</td>
</tr>
<tr>
<td>Physical assault</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>Credit card fraud</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>Terrorism</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>Mugging</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Drug related crime</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Pickpocketing</td>
<td>23%</td>
<td>19%</td>
</tr>
<tr>
<td>Car break ins</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Gang related crime</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Kidnapping</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td>Sexual assault</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Murder</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>I actually think NZ is relatively safe</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Sample size: Total ACs n = 303; Total IPs n = 185; FTAs n = 157
ACs with the knowledge gap n = 77; IPs with the knowledge gap n = 45; FTAs with the knowledge gap n = 45

▲ ▼ IPs significantly higher/ lower than non-ips /previous visitors
Appendix

- AC Monitor research specifications
- Market size
- Visitor consideration funnel
- Brand attribute wording
- Brand positioning ‘how to’
- Top activities of interest
- Preference KPI for New Zealand (top 2 box) – ACs and IPs
- Incidence, preference and visitor consideration funnel metrics for Active Boomers (ABs)
- Activity summary
Appendix: AC Monitor research specifications

- Kantar TNS conducts a monthly **online survey** in each of Tourism New Zealand’s six tier 1 & 2 markets:
  - Australia; China; Germany; Japan; UK and USA
- The monthly sample size is **n = 150 ACs per country**
  - Standard reporting is of a six **month rolling average** which avoids month-by-month variability and ensures a focus on long term trends in the data

- We survey **Active Considerers (ACs) of New Zealand**
  - ACs are those who are aware of New Zealand, **serious** about visiting and who have a **realistic** budget

- TNS ensures a representative sample by **weighting** to the age, gender and region distribution of the online population
  - Online population estimates come from TNS’s 2015 market sizing exercise

---

The current Active Considerer **age-based segment definitions** were introduced in Q2 FY16

<table>
<thead>
<tr>
<th>Old (up to Q1 FY16)</th>
<th>Current segment definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth</strong>&lt;br&gt;ACs aged 18-29 years old</td>
<td><strong>AC Backpackers / AC BPs</strong>&lt;br&gt;<strong>ACs aged 18 – 24 years old</strong></td>
</tr>
<tr>
<td><strong>Independent Professionals</strong>&lt;br&gt;ACs aged 30 – 49 years old</td>
<td><strong>Independent Professionals / IPs</strong>&lt;br&gt;<strong>ACs aged 25 – 54 years old</strong></td>
</tr>
<tr>
<td><strong>Active Boomers</strong>&lt;br&gt;ACs aged 55 – 74 years old</td>
<td><strong>Active Boomers / ABs</strong>&lt;br&gt;<strong>ACs aged 55 – 74 years old</strong></td>
</tr>
</tbody>
</table>
Appendix: Market size
Updated using AC incidence rates for the six months to Dec 2016

Australia - 3.3m
China – 30.9m
Germany – 6.4m
Japan – 6.5m
UK – 6.8m
USA – 27.9m

Tier 1 & 2 total = **81.8** million
Appendix: Market size

Market sizing as at Q2 FY17 AC incidence rates

<table>
<thead>
<tr>
<th>Total Aus Population&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>&lt;18 yrs or 75+ yrs</th>
<th>18-74 Population&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Don’t use the internet</th>
<th>Internet users 18-74&lt;sup&gt;(1)(2)(3)(4)(5)&lt;/sup&gt;</th>
<th>Not ACs</th>
<th>Active Considerers&lt;sup&gt;(2)(3)(4)(5)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.5m</td>
<td></td>
<td>16.7m</td>
<td></td>
<td>14.5m</td>
<td></td>
<td>3.3m</td>
</tr>
</tbody>
</table>

**Online Population**

- 100%
- 29%
- 71%
- 9%
- 62%
- 48%
- 14%

**Sources/Notes:**

2. Australian Bureau of Statistics, *Household Use of Information Technology, Australia, 2012-2013*; Time period: 2012-2013; Coverage: Persons aged 15 years and over; Internet user definition: Have accessed the internet from any site within the previous 12 months
3. ITU, *Percentage of Individuals using the Internet 2005-2014*; Time period: 2014; Coverage: Australian persons aged 15 years and over; Internet user definition: Have accessed the internet from any site within the previous 12 months
4. Tourism New Zealand, *Active Considerer Monitor Australia*; Time period: Jul16 – Dec16, under the latest AC definition
5. TNS Analysis

Updated with AC incidence for the six months to Dec16
Appendix: Visitor consideration funnel

We ask two questions to determine where someone is in the visitor consideration funnel …

Organising a holiday is a process that can start with dreaming about visiting a destination, from doing some research and planning, through to making bookings for flights to that destination. In the last 12 months, have you done any research about visiting New Zealand for a holiday?

Yes

Planning

Have you reached a stage where you are ready to make firm bookings to travel to New Zealand for a holiday?

Yes

Booking

No

Planning

Dreaming

No
Appendix: brand attribute wording

We ask ACs which of their preferred destinations they associate with a number of statements, including the following core attributes:

<table>
<thead>
<tr>
<th>Shorthand description</th>
<th>Full description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core drivers</td>
<td></td>
</tr>
<tr>
<td>Landscapes &amp; scenery</td>
<td>Spectacular natural landscapes and scenery</td>
</tr>
<tr>
<td>Friendly people</td>
<td>The locals are friendly and welcoming</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>Offers experiences that you can't get anywhere else</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>Offers a wide variety of outdoor &amp; adventure activities</td>
</tr>
<tr>
<td>‘Everything close’ drivers</td>
<td></td>
</tr>
<tr>
<td>Range of experiences</td>
<td>Offers a wide variety of tourist experiences</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>It’s easy to travel around to see and do things</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>Once there, you can see a lot without having to travel far</td>
</tr>
<tr>
<td>Hygiene drivers</td>
<td></td>
</tr>
<tr>
<td>Comfortable</td>
<td>I’d feel comfortable visiting, despite any cultural differences</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>The environment there is clean and unpolluted</td>
</tr>
<tr>
<td>Safe destination</td>
<td>I would feel safe travelling around this destination</td>
</tr>
<tr>
<td>Affordable activities</td>
<td>Things to see and do are affordable</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td>It’s affordable to fly to this destination</td>
</tr>
</tbody>
</table>
Appendix: brand positioning ‘how to’

ACs are biased towards New Zealand by design. Because we’re already talking to people that really like the idea of visiting New Zealand, New Zealand tends to get rated much more favourably on the brand attributes than competitors do. To better understand relative performance, we need to adjust for this bias and provide an indexed view of performance:

- A score of 100 means performance is in line with expectations after adjusting for bias
- Above 100 indicates a relative strength
- Below 100 indicates a relative weakness

Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores

<table>
<thead>
<tr>
<th>Brand attributes</th>
<th>New Zealand</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>Competitor 4</th>
<th>Competitor 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscapes &amp; scenery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendly people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unique experiences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of adventure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>‘Everything close’ drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of experiences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy to travel around</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hygiene drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfortable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safe destination</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- We look at how a given number of competitors perform on a given number of attributes to derive an index that measures expected performance

- It’s key to note that the score is relative – any change to the competitor and / or attribute sets will result in a change in the indices

- For example, if next quarter the top five competitors are different to the ones from this quarter, the scores reported for New Zealand next quarter will be different to the ones reported this quarter
## Appendix: Top 15 activities

### Top 15 activities of interest to see / do in New Zealand

AC Monitor | % | Current 6M | Total Active Considerers

| Activity                              | Scenic attractions | Shopping | Wildlife | Walking & cycling | Arts & culture | Food & wine | IPs
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local towns</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Lakes &amp; rivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Cities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Mountains &amp; alpine areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>79%</td>
</tr>
<tr>
<td>Beaches &amp; coasts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Geothermal sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Native forests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>76%</td>
</tr>
<tr>
<td>Scenic boat cruise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>Glaciers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>76%</td>
</tr>
<tr>
<td>Shop at local markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82%</td>
</tr>
<tr>
<td>Whale / dolphin watching</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Short nature walks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>79%</td>
</tr>
<tr>
<td>Short city walks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>76%</td>
</tr>
<tr>
<td>Historical sites</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>79%</td>
</tr>
<tr>
<td>Local cuisine</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Sample size: ACs n = 905; IPs n = 570

[Image of New Zealand flag] 100% PURE NEW ZEALAND
Appendix: Preference KPI

Preference KPI
AC Monitor | % | GMRA | Total Active Considerers

Q1 FY17: 61% (25% increase)
Q2 FY17: 63% (23% increase)
Q3 FY17: 64% (24% increase)
Q4 FY17: 64% (26% increase)
Q1 FY18: 67% (23% increase)
Q2 FY18: 65% (20% increase)

Notes:
1. Total % = ACs ranking New Zealand top two out of top five preferred destination to visit
Appendix: Preference KPI, for IPs

Preference KPI, for IPs
AC Monitor | % | GMRA | Independent Professionals

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>64%</td>
<td>68%</td>
</tr>
<tr>
<td>Q2</td>
<td>66%</td>
<td>67%</td>
</tr>
<tr>
<td>Q3</td>
<td>66%</td>
<td>68%</td>
</tr>
<tr>
<td>Q4</td>
<td>66%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Notes:
1. Total % = IPs ranking New Zealand top two out of top five preferred destination to visit

Total significantly higher / lower than six months prior at 35%
Appendix: Incidence of Active Boomers

Qualifying criteria for defining ACs, among ABs
AC Monitor | % | Current 6M | Online users aged 55-74

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Q2 FY17</th>
<th>NZ is highly appealing</th>
<th>Would definitely consider NZ</th>
<th>NZ is a preferred destination to visit</th>
<th>Would spend at least $1500 on a trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Australians aged 55 to 74</td>
<td>100%</td>
<td>35%</td>
<td>65%</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>i.e. 23% of people in the AB age group meet our AC criteria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significantly higher / lower than YAGO at 99%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix: Preference KPI, among Active Boomers

Preference KPI, among ABs
AC Monitor | % | 6MRA | Active Boomers

% = ACs ranking New Zealand top two out of top five preferred destination to visit

Significantly higher / lower than six months prior at 95%
Appendix: Visitor consideration funnel for Active Boomers

Visitor consideration funnel – size of funnel segments, for ABs
AC Monitor | % | Current 6M vs. Previous 6M | Active Boomers

<table>
<thead>
<tr>
<th></th>
<th>Now (Current 6M)</th>
<th>Six months ago (Previous 6M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dreaming</td>
<td>65%</td>
<td>62%</td>
</tr>
<tr>
<td>Planning</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>Booking</td>
<td>10%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Significantly higher / lower than six months ago at 95%
Appendix: Visitor consideration funnel for Active Boomers

Visitor consideration funnel – conversion to funnel segments, for ABs
AC Monitor | % | Current 6M vs. Previous 6M | Active Boomers

**Now**
(Current 6M)

- **Dreaming**
- **Planning**
- **Booking**

**Six months ago**
(Previous 6M)

**Conversion = 35%**
i.e. 35% of ABs have moved beyond dreaming and into planning

**Conversion = 38%**

**Conversion = 30%**
i.e. 30% of ABs that have begun planning are now ready to book

**Conversion = 24%**

Significantly higher / lower than six months ago at 95%
AU FY18 H1 Core tourism data
Continued decline in length of stay coupled with moderate arrival growth is impacting overall stay days

<table>
<thead>
<tr>
<th></th>
<th>Arrivals</th>
<th>Length of Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE Oct 17</td>
<td>Qtr End June 17</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>+5.3%</td>
</tr>
<tr>
<td></td>
<td>1,464K</td>
<td></td>
</tr>
<tr>
<td>Holiday</td>
<td>+6.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>591K</td>
<td>+0.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stay Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>YE Oct 17</td>
<td>Qtr End Oct 17</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>-1.7%</td>
</tr>
<tr>
<td></td>
<td>14.3M</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>+0.7%</td>
<td>-4.2%</td>
</tr>
<tr>
<td></td>
<td>6.3M</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spend</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,562M</td>
<td>+5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>$1,241M</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017; MBIE International Visitor Survey Sep 2017
The negative growth in October for total and holiday arrivals has dragged down the annual growth rate.

Source: Stats NZ International Travel and Migration Sep 2017
Arrival decline in October is not a result of holiday phasing and against trend – interim November data shows a return to growth

Source: Stats NZ International Travel and Migration Oct 2017
Holiday visitors doing shorter 1-5 day holidays jumped in 2011 (RWC), then remained stable until the last year when they increased to 26%
Short breaks impacting LOS mix for Auckland arrivals and Queenstown growing both its market share and its mix of short breaks

**Holiday Length of Stay Mix by Port of Arrival**

<table>
<thead>
<tr>
<th>Year</th>
<th>ZQN Arrivals Share</th>
<th>AKL</th>
<th>ZQN</th>
<th>CHC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>13%</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>15%</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>18%</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>21%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>23%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>25%</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>26%</td>
<td>23%</td>
<td>28%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017
Australia continues to see arrival growth at similar rates across all segments

### Australia Holiday Arrival Growth by Segment

<table>
<thead>
<tr>
<th></th>
<th>YE Oct 2017</th>
<th>Growth on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>67,040</td>
<td>5.2%</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>298,624</td>
<td>6.5%</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>126,880</td>
<td>7.0%</td>
</tr>
<tr>
<td>Other</td>
<td>98,192</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>590,736</strong></td>
<td><strong>6.7%</strong></td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017
Australian spend growth in regions exceed that from gateways and upcoming regional campaigns should help drive dispersal further.

- GATEWAY : REGION SPEND SPLIT 64:36 – ON PAR WITH GLOBAL AVERAGE

Australia Total Spend and YoY Growth Gateways vs. Regions - YE Sep

Source: MBIE Monthly Regional Tourism Estimates Sep 2017