Germany Insight Session FY18 H1
Active Considerer (AC) Monitor Germany (H1 FY18)

Published December 2017
INSIGHT 1

With a relatively large and stable pool of German Active Considerers (ACs) available to target, continue to focus on converting the existing ACs through the visitor consideration funnel.

- Incidence of ACs is stable at 14%
- Preference for New Zealand among ACs has remained very consistent over time, at 69% in Q2 FY18

**Preference KPI**

- Q4 FY17: 70% First, 32% Second
- Q2 FY18: 69% First, 31% Second

*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

- New Zealand’s key strengths are largely the hygiene drivers of preference
- Stronger ‘everything close’ messaging is needed: relative performance on ‘easy to travel around’ is consistently tracking below the parity line while relative perceptions of ‘see lots without travelling far’ have dipped in the latest quarter back to the parity line

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**Top 5 competitors**

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
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<tbody>
<tr>
<td>Australia</td>
<td>52%</td>
</tr>
<tr>
<td>Canada</td>
<td>43%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>38%</td>
</tr>
<tr>
<td>USA</td>
<td>37%</td>
</tr>
<tr>
<td>South Africa</td>
<td>28%</td>
</tr>
</tbody>
</table>

*% selected destination in their top five preferred destinations*
INSIGHT 3

There is immediate intervention opportunity is to convert dreamers into the planning mind-set, as once ACs start their planning the conversion into booking is relatively strong.

INSIGHT 4

To accelerate conversion of ACs through the funnel, focus on overcoming their key knowledge gaps:

- The length of time required to fly to New Zealand is the largest concern that needs to be addressed.
- Crime is not a major knowledge gap, but among ACs who are concerned, theft is the main cause of unease.

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY17</th>
<th>Q2 FY18</th>
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</thead>
<tbody>
<tr>
<td>Dreaming</td>
<td>59%</td>
<td>62%</td>
</tr>
<tr>
<td>Planning</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>Booking</td>
<td>25%</td>
<td>24%</td>
</tr>
</tbody>
</table>
INSIGHT 5

There is a solid opportunity to drive seasonal arrivals among German ACs, and spring arrivals in particular

- Consideration (53%) and preference (30%) to visit New Zealand in spring is relatively strong
- While behind the levels of consideration for spring, autumn consideration is trending upwards, now at 32% among ACs as a whole and IPs specifically
Active Considerer journey funnel – Germany

- **Find New Zealand highly appealing as a holiday destination, and...**
  - Conversion
  - Would seriously consider visiting in the next three years, and...
    - Conversion
  - New Zealand is a preferred destination for their next holiday, and...
    - Conversion
  - Willing to spend at least €2,000 per person on a holiday to New Zealand(1)
    - Dreaming
    - Planning
    - Booking
    - Conversion

**Active considerers = 7.0m people**

**Holiday arrivals = 78K**

**Total population = 81.1m**
**Online population, 18-74 years of age = 51.3m**

- **33.1m**
  - 42%
  - 14% incidence of ACs
- **13.8m**
  - 83%
  - i.e. 38% of ACs have moved beyond dreaming and into planning or booking
- **11.4m**
  - 62%
  - i.e. 61% of ACs that have begun planning are now ready to book
- **7.0m**

**Notes:**
1. Including accommodation and daily expenses. Based off actual market data spend (IVS year end Dec 2015)
Active Considerer Funnel – Germany

**Dream Destination:**
- Incidence of ACs – 14% stable (IPs 15% stable)
- Preference ACs – 69% stable (IPs 68% stable)
- Percentage of ACs in dreaming – ACs 62% (IPs 60%)
  - Newzealand.com Visits target: 39% Achieved

**Plan Destination:**
- Brand attributes to focus on -
  - Landscapes & scenery
  - Easy to travel around
  - Range of unique experiences
- Percentage of ACs in Planning – 15% (IPs 14%)
  - Newzealand.com Visits target: 42% Achieved

**Book Destination:**
- Percentage of ACs in booking - 24% (IPs 26%)
- Seasons - Spring 53%, Autumn 32%, Peak 62%
- Newzealand.com Visits target: 45% Achieved

**Holiday Arrivals:**
- Arrivals YE Oct 2017 78K + 12.2% YAGO
- Spend YE June FY16 NZD $389M -4% YAGO ($5,439 per person -8% YAGO)
Incidence of ACs is stable at 14% compared to the previous six months

Incidence of ACs over time
AC Monitor | % | 6MRA | Online users aged 18-74

Q2 Q3 Q4 Q1 FY16 Q2 Q3 Q4 Q1 FY17 Q2 Q3 Q4 Q1 FY18
12% 13% 13% 12% 12% 11% 12% 12% 13% 14% 14% 14%

▲ ▼ Significantly higher / lower than six months ago at 99%
The proportion of Germans finding New Zealand highly appealing has increased to 65% compared to the same six months a year ago, but this has not yet converted into an increase in the incidence of ACs.

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

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Q2 FY17</th>
<th>100%</th>
<th>38%</th>
<th>37%</th>
<th>25%</th>
<th>4%</th>
<th>21%</th>
<th>9%</th>
<th>12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Germans aged 18 to 74</td>
<td></td>
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<tr>
<td>NZ is highly appealing</td>
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<tr>
<td>Would definitely consider NZ</td>
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<td></td>
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<tr>
<td>NZ is a preferred destination to visit</td>
<td></td>
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</tbody>
</table>

ACs – We only survey these people in more detail

Significantly higher / lower than YAGO at 99%
Likewise, while a higher proportion of Independent Professionals (IPs) are finding New Zealand highly appealing and would definitely consider it compared to a year ago, this has not yet led to an increase in the incidence of ACs, as preference levels (top 5) have remained stable.

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: 39%
Would definitely consider NZ: 61%
NZ is a preferred destination to visit: 36%
Would spend at least £2000 on a trip: 9%

i.e. 15% of people in the IP age group meet our AC criteria

Significantly higher / lower than YAGO at 99%
ACs in Germany are more likely to be male and IPs when compared to non-ACs

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

By age segment
- AC BPs
- IPs
- ABs
- 22%
- 27%
- 9%
- 9%
- 64%
- 69%

By gender
- Male
- Female
- 41%
- 49%
- 51%
- 59%

By region
- North
- East
- Central
- South
- 28%
- 35%
- 36%
- 29%
- 16%
- 18%
- 20%
- 18%

Outer ring: German ACs
Inner ring: German non-ACs
△ ▼ Significantly higher / lower than non-ACs population at 95%
Italy has increased in its preference rank, while Sweden has slipped compared to a year ago; although, the list of destinations that make up the top ten competitor set is the same as last year.

**Top ten competitor set for ACs**

AC Monitor[^1][^2] | % | Current 6M | Total Active Considerers
---|---|---|---
Canada | 43% |  |  
USA | 37% |  |  
Caribbean | 38% |  |  
Spain | 16% |  |  
Italy | 17% |  |  
UAE | 15% |  |  
Thailand | 26% |  |  
South Africa | 28% |  |  
Australia | 52% |  |  
Sweden | 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?”
Preference for New Zealand has been tracking stable and is at 69%

Preference KPI
AC Monitor | % | 6MRA | Total Active Considerers

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

Significantly higher / lower than six months prior at 95%
Among IPs specifically, Italy and Greece have both increased in their preference rank compared to a year ago, while Sweden and the USA have declined.

Top ten competitor set for IPs
AC Monitor(1)(2) | % | Current 6M | Independent Professionals

- **Canada**: 41%
- **USA**: 38%
- **Caribbean**: 39%
- **Switzerland**: 16%
- **Spain**: 17%
- **Italy**: 18%
- **Greece**: 15%
- **South Africa**: 26%
- **Thailand**: 26%
- **Australia**: 51%

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?”
Among IPs, preference has also been consistent over time and is now at 68%

Preference KPI, among IPs
AC Monitor | % | 6MRA | Independent Professionals

74% 71% 69% 69% 69% 68% 70% 71% 71% 71% 68% 68% 68% 68%

Q2 Q3 Q4 Q2 Q3 Q4 Q1 FY16 Q1 FY17 Q2 Q3 Q4 Q1 FY18

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

Significantly higher / lower than six months prior at 95%
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>Australia</th>
<th>Canada</th>
<th>Caribbean</th>
<th>USA</th>
<th>South Africa</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>104</td>
<td>104</td>
<td>105</td>
<td>76</td>
<td>99</td>
<td>108</td>
</tr>
<tr>
<td>Friendly people</td>
<td>98</td>
<td>104</td>
<td>105</td>
<td>109</td>
<td>88</td>
<td>95</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>102</td>
<td>102</td>
<td>86</td>
<td>95</td>
<td>101</td>
<td>115</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>104</td>
<td>115</td>
<td>109</td>
<td>61</td>
<td>101</td>
<td>113</td>
</tr>
<tr>
<td><strong>‘Everything close’ drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Range of experiences</td>
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<td>99</td>
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<tr>
<td>Easy to travel around</td>
<td>82</td>
<td>81</td>
<td>112</td>
<td>99</td>
<td>145</td>
<td>91</td>
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<tr>
<td>See lots without travelling far</td>
<td>100</td>
<td>73</td>
<td>64</td>
<td>165</td>
<td>108</td>
<td>106</td>
</tr>
<tr>
<td><strong>Hygiene drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Comfortable</td>
<td>97</td>
<td>112</td>
<td>96</td>
<td>111</td>
<td>92</td>
<td>93</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>151</td>
<td>99</td>
<td>118</td>
<td>110</td>
<td>29</td>
<td>68</td>
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<td>Safe destination</td>
<td>110</td>
<td>112</td>
<td>118</td>
<td>102</td>
<td>87</td>
<td>62</td>
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<tr>
<td>Affordable activities</td>
<td>81</td>
<td>84</td>
<td>86</td>
<td>112</td>
<td>118</td>
<td>131</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td>71</td>
<td>68</td>
<td>89</td>
<td>119</td>
<td>148</td>
<td>126</td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

More focus is needed on communicating:
- Landscapes & scenery
- Easy to travel around
- Range of unique experiences

While leveraging our strengths:
- Clean and unpolluted
- Safe destination

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_Q: 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**

<table>
<thead>
<tr>
<th></th>
<th>New Zealand</th>
<th>Australia</th>
<th>Canada</th>
<th>Caribbean</th>
<th>USA</th>
<th>South Africa</th>
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<tbody>
<tr>
<td><strong>Core drivers</strong></td>
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<td>103</td>
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<td>88</td>
</tr>
<tr>
<td>Unique experiences</td>
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<td>100</td>
<td>87</td>
<td>97</td>
<td>106</td>
<td>114</td>
</tr>
<tr>
<td>Range of adventure</td>
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<td>114</td>
<td>109</td>
<td>63</td>
<td>102</td>
<td>114</td>
</tr>
<tr>
<td><strong>‘Everything close’ drivers</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of experiences</td>
<td>87</td>
<td>99</td>
<td>93</td>
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<td>114</td>
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<tr>
<td>Easy to travel around</td>
<td>82</td>
<td>75</td>
<td>110</td>
<td>92</td>
<td>149</td>
<td>101</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>102</td>
<td>74</td>
<td>69</td>
<td>177</td>
<td>92</td>
<td>98</td>
</tr>
<tr>
<td><strong>Hygiene drivers</strong></td>
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<tr>
<td>Comfortable</td>
<td>98</td>
<td>116</td>
<td>97</td>
<td>110</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>148</td>
<td>102</td>
<td>115</td>
<td>107</td>
<td>28</td>
<td>75</td>
</tr>
<tr>
<td>Safe destination</td>
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<td>115</td>
<td>112</td>
<td>103</td>
<td>87</td>
<td>63</td>
</tr>
<tr>
<td>Affordable activities</td>
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<td>82</td>
<td>84</td>
<td>104</td>
<td>129</td>
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<tr>
<td>Affordable to fly to</td>
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<td>58</td>
<td>88</td>
<td>111</td>
<td>164</td>
<td>124</td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

More focus is needed on communicating:
- Landscapes & scenery
- Easy to travel around
- Range of unique experiences

While leveraging our strengths:
- Clean and unpolluted
- Safe destination

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*Heat map shading is across rows, i.e. compares the six countries on that attribute.*
New Zealand’s relative performance on ‘landscapes & scenery’ is on par with other competitor destinations, with South Africa’s lead in this area eroding.

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 performance on ‘friendly people’ is middling, while this is a relative strength of Caribbean

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)
- **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 performance on ‘unique experiences’ is slowly tacking upwards after a small dip in Q4 FY17, while South Africa continues to dominate on this driver.

**Relative brand positioning over time: ‘Unique experiences’**

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

![Graph showing relative brand positioning over time for 'Unique experiences' with New Zealand, Australia, Canada, Caribbean, USA, and South Africa.]

- **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 performance on ‘range of experiences’ continues to hover around the parity mark, closely matched by South Africa and the USA.

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)**
- **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.

<table>
<thead>
<tr>
<th>Core driver</th>
<th>Hygiene driver</th>
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<tbody>
<tr>
<td>'Everything close' driver</td>
<td></td>
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</table>
‘Range of experiences’ continues to be an area of relative weakness for New Zealand

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
New Zealand performs relatively weakly on perceptions of ‘easy to travel around’; only the USA and Canada perform strongly on this driver.

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)
- 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 has dropped slightly in relative perceptions of ‘see lots without travelling far’ since the gains made in Q4 FY17, with stronger messaging needed to make sustainable gains on this driver.

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)**
- **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 performance on ‘comfortable’ hovers around the parity mark, below Australia and Caribbean

Relative brand positioning over time: ‘Comfortable’
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
‘Clean & unpolluted’ is the perception that New Zealand is far ahead in, with Canada a distant second.

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)
- 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 and Australia are equally matched as being relatively ‘safe destinations’, while it is a significant weakness for South Africa and the USA

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)
- 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
In terms of relative perceptions of ‘affordable activities’, New Zealand is on par with Australia although both are significantly weaker than most other competitor destinations.

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

![Graph showing the relative brand positioning over time for 'Affordable activities'](image-url)
As expected due to the physical distance, New Zealand and Australia continue to be seen as the least affordable destinations to fly to.

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)**
- **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
The largest knowledge gaps among German ACs continue to be around the amount of time a holiday to New Zealand would require and concerns about driving on the left hand side of the road

**Top ten knowledge gaps**
AC Monitor | % | Current 6M vs. Previous 6M | Total Active Considerers

<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 What is the length of time required to fly to New Zealand?</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>2 What is the length of time needed to experience New Zealand properly?</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td>3 Driving on the left hand side of the road</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>4 How often does it rain?</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>5 How safe is it from crime?</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>6 How long does it take to travel between the main attractions?</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>7 Does it get too hot in summer?</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>8 How welcoming are the locals?</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>9 What / where are the recommended things to see and do?</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>10 How physically fit do I need to be?</td>
<td>17%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Ranks higher now than six months ago as a knowledge gap

Significantly higher / lower than six months ago at 95%
IPs have a very similar set of knowledge gaps compared to ACs as a whole, with the only major difference being that they are less like to be concerned with how friendly the locals are.

### Top ten knowledge gaps, for IPs

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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Question</th>
<th>IPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is the <strong>length of time</strong> required to fly to New Zealand?</td>
<td>38%</td>
</tr>
<tr>
<td>2</td>
<td>What is the <strong>length of time</strong> needed to experience New Zealand <strong>properly</strong>?</td>
<td>25%</td>
</tr>
<tr>
<td>3</td>
<td>How often does it <strong>rain</strong>?</td>
<td>22%</td>
</tr>
<tr>
<td>4</td>
<td>Driving on the left hand side of the road</td>
<td>21%</td>
</tr>
<tr>
<td>5</td>
<td>How <strong>safe</strong> is it from <strong>crime</strong>?</td>
<td>21%</td>
</tr>
<tr>
<td>6</td>
<td>How long does it take to <strong>travel between</strong> the main attractions?</td>
<td>20%</td>
</tr>
<tr>
<td>7</td>
<td>Does it <strong>get too hot</strong> in summer?</td>
<td>17%</td>
</tr>
<tr>
<td>8</td>
<td>What / where are the recommended <strong>things to see and do</strong>?</td>
<td>16%</td>
</tr>
<tr>
<td>9</td>
<td>How <strong>welcoming</strong> are the locals?</td>
<td>16%</td>
</tr>
<tr>
<td>10</td>
<td>How <strong>physically fit</strong> do I need to be?</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Note: The last row indicates a decrease in the importance of the question for IPs compared to non-IPs at 95% confidence level.*
The visitor consideration funnel remains unchanged from six months ago, with a significant proportion still in the dreaming stage.

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Global Average</th>
<th>Now (Current 6M)</th>
<th>Six months ago (Previous 6M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dreaming</td>
<td>60%</td>
<td>62%</td>
<td>59%</td>
</tr>
<tr>
<td>Planning</td>
<td>17%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Booking</td>
<td>23%</td>
<td>24%</td>
<td>25%</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%*
The conversion between the stages is also stable compared to six months ago.

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

**Now**
(Current 6M)

- **Dreaming**
  - Conversion = 38%
  - i.e. 38% of ACs have moved beyond dreaming and into planning or booking
  - Global average(1) = 40%

- **Planning**
  - 38%

- **Booking**
  - 24%

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

- Conversion = 41%
- 41%

- Conversion = 61%
- i.e. 61% of ACs that have begun planning are now ready to book
- Global average(1) = 58%
- 25%

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%
Just as with ACs as a whole, among IPs the visitor consideration funnel is unchanged from six months ago.

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

- **Dreaming**
  - Current: 60%
  - Previous: 61%

- **Planning**
  - Current: 14%
  - Previous: 13%

- **Booking**
  - Current: 26%
  - Previous: 27%

*Significantly higher / lower than six months ago at 95%*
This stability in the funnel means that the conversion between the funnel stages is also stable among IPs compared to six months ago.

**Visitor consideration funnel – conversion to funnel segments, for IPs**

**AC Monitor | % | Current 6M vs. Previous 6M | Independent Professionals**

**Now**
(Current 6M)

**Dreaming**

**Planning**

**Conversion = 40%**

i.e. 40% of IPs have moved beyond dreaming and into planning or booking

**Conversion = 64%**

i.e. 64% of IPs that have begun planning are now ready to book

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

**Conversion = 39%**

**Conversion = 68%**

Significantly higher / lower than six months ago at 95%
The length of time required to fly to New Zealand is a significant concern that needs to be addressed to accelerate the conversion of dreamers into planners as 42% of ACs in the dreaming stage list it as their main knowledge gap.

### Top ten knowledge gaps, by funnel stage

<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. What is the <strong>length of time</strong> required to fly to New Zealand?</td>
<td>42% ▲</td>
<td>36%</td>
<td>27% ▼</td>
</tr>
<tr>
<td>2. What is the <strong>length of time</strong> needed to experience New Zealand properly?</td>
<td>25%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>3. Driving on the left hand side of the road</td>
<td>23%</td>
<td>18%</td>
<td>24%</td>
</tr>
<tr>
<td>4. Does it <strong>get too hot</strong> in summer?</td>
<td>22% ▲</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>5. How <strong>safe</strong> is it from crime?</td>
<td></td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>6. How often does it rain?</td>
<td></td>
<td>20%</td>
<td>27%</td>
</tr>
<tr>
<td>7. How long does it take to <strong>travel between</strong> the main attractions?</td>
<td>20%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>8. How <strong>physically fit</strong> do I need to be?</td>
<td></td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>9. How <strong>welcoming</strong> are the locals?</td>
<td></td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>10. What / where are the recommended <strong>things to see and do</strong></td>
<td></td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>11. How <strong>safe</strong> is it to participate in adventure activities?</td>
<td></td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>12. What <strong>level of service</strong> can I expect?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. What / where are the <strong>main cities</strong>?</td>
<td></td>
<td></td>
<td>16% ▲</td>
</tr>
</tbody>
</table>

▲ Ranks higher with ‘dreaming’ than with ‘booking’ as a knowledge gap
▼ Significantly higher / lower than other stages at 95%
There is a strong preference to visit New Zealand in the summer, with opportunity to drive arrivals limited mostly to the spring season.

**Seasons – consideration & preference**

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

Conversion of consideration to preference

- **Off-peak**: 53% Consider, 23% Prefer
- **Peak**: 62% Consider, 52% Prefer
- **Off-peak**: 32% Consider, 14% Prefer
- **Off-peak**: 14% Consider, 10% Prefer

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

100% PURE NEW ZEALAND
For IPs, the relative preference for summer holidays in New Zealand is even stronger, with spring being the only other season having a decent level of preference.

**Seasons – consideration & preference, with IPs**

AC Monitor | % | Current 6M | Independent Professionals

Conversion of consideration to preference

- **Spring (Off-peak):**
  - Consider: 48%
  - Prefer: 27%

- **Summer (Peak):**
  - Consider: 62%
  - Prefer: 53%

- **Autumn (Off-peak):**
  - Consider: 32%
  - Prefer: 14%

- **Winter (Off-peak):**
  - Consider: 14%
  - Prefer: 6%

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.
Although there is still more work to be done, autumn consideration continues to grow and is now at 32% among ACs as a whole and IPs.

Spring and autumn off-peak seasons – consideration over time
AC Monitor | % | 6MRA | Total Active Considerers, Independent Professionals

Total ACs

- Off-peak
- Q3: 51%
- Q4: 53%
- Q1: 54%
- Q2: 53%

IPs

- Off-peak
- Q3: 50%
- Q4: 53%
- Q1: 54%
- Q2: 48%

Significantly higher / lower than six months ago at 95%
Understanding safety
Access to medical care is the primary concern about travelling for German ACs, with other significant concerns being crime rates and terrorism.

Things that come to mind when ACs think about safety while travelling
% Active Considerers, Q2 FY18

- Access to medical care: 37%
- The destination's crime rate: 29%
- Threat of terrorism: 29%
- Robbery / theft of belongings: 27%
- The destination's political climate: 26%
- Food hygiene: 26%
- Threat of violence / physical assault: 25%
- The destination's climate / weather: 24%
- Risk of contracting a disease: 23%
- Whether it is safe being out at night: 23%
- Flight safety: 22%
- Risk of natural disasters - e.g. earthquakes: 22%
- Safety for women: 20%
- Safety of accommodation: 20%
- Whether the locals are friendly and welcoming to tourists: 18%

Sample size: ACs n = 301; IPs n = 208
Among those who do see crime as a concern when travelling to New Zealand, theft is the main cause of unease.

**Safety from crime is a knowledge gap for ACs**

% Active Considerers, Q2 FY18

21%

of ACs have knowledge gaps around how safe New Zealand is from crime.

Ips - 21%

**What crime means to these ACs**

% ACs with the knowledge gap, Q2 FY18

<table>
<thead>
<tr>
<th>Crime</th>
<th>IPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mugging</td>
<td>52%</td>
</tr>
<tr>
<td>Pickpocketing</td>
<td>43%</td>
</tr>
<tr>
<td>Crimes that target tourists</td>
<td>42%</td>
</tr>
<tr>
<td>Physical assault</td>
<td>31%</td>
</tr>
<tr>
<td>Terrorism</td>
<td>29%</td>
</tr>
<tr>
<td>Murder</td>
<td>28%</td>
</tr>
<tr>
<td>Sexual assault</td>
<td>27%</td>
</tr>
<tr>
<td>Gang related crime</td>
<td>26%</td>
</tr>
<tr>
<td>Credit card fraud</td>
<td>25%</td>
</tr>
<tr>
<td>Car break ins</td>
<td>22%</td>
</tr>
<tr>
<td>Drug related crime</td>
<td>19%</td>
</tr>
<tr>
<td>Kidnapping</td>
<td>17%</td>
</tr>
</tbody>
</table>

I actually think NZ is relatively safe: 4%

Sample size: Total ACs n = 301; Total IPs n = 208; ACs with the knowledge gap n = 62; IPs with the knowledge gap n = 45
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 **ActiveConsiderers (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></td>
<td><strong>AC Backpackers / AC BPs</strong>(1)</td>
</tr>
<tr>
<td>ACs aged 18-29 years old</td>
<td><strong>ACs aged 18 - 24 years old</strong></td>
</tr>
<tr>
<td><strong>Independent Professionals</strong></td>
<td><strong>Independent Professionals / IPs</strong></td>
</tr>
<tr>
<td>ACs aged 30 - 49 years old</td>
<td><strong>ACs aged 25 - 54 years old</strong></td>
</tr>
<tr>
<td><strong>Active Boomers</strong></td>
<td><strong>Active Boomers / ABs</strong></td>
</tr>
<tr>
<td>ACs aged 55 - 74 years old</td>
<td><strong>ACs aged 55 - 74 years old</strong></td>
</tr>
</tbody>
</table>

Notes:
1. The Backpacker Monitor is the best source for Backpacker insights and should be referred to in the first instance.
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

= 1 million ACs
Appendix: Market size

Market size, based on the AC incidence rate for the six months to Dec 2016

- **Total German Population**: 81.1m
- **< 18 yrs or 75+ yrs**: 26%
- **18-74 Population**: 59.7m
- **Don't use the internet**: 10%
- **Internet users 18-74**: 51.3m
- **Not ACs**: 63%
- **Active Considerers**: 55%
- **Active Considerers**: 6.4m

**Sources/Notes:**
3. AGOF, *Internet Facts 2015-04*, Time period: Jan 2015; Coverage: Population aged 10+; Internet user definition: Internet usage in the last three month prior to the survey
5. Tourism New Zealand, *Active Considerer Monitor Germany*, Time period: Jul16 – Dec16, under the latest AC definition
6. TNS Analysis
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><strong>Core drivers</strong></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><strong>‘Everything close’ drivers</strong></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><strong>Hygiene drivers</strong></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>Core drivers</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>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>
</tbody>
</table>

| ‘Everything close’ drivers    |             |              |              |              |              |              |
| Range of experiences          |             |              |              |              |              |              |
| Easy to travel around         |             |              |              |              |              |              |
| See lots without travelling far|             |              |              |              |              |              |

| Hygiene drivers               |             |              |              |              |              |              |
| Comfortable                   |             |              |              |              |              |              |
| Clean & unpolluted            |             |              |              |              |              |              |
| Safe destination              |             |              |              |              |              |              |
| Affordable activities         |             |              |              |              |              |              |
| Affordable to fly to          |             |              |              |              |              |              |

- 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

- Scenic attractions
- Shopping
- Wildlife
- Walking & cycling
- Arts & culture
- Food & wine

<table>
<thead>
<tr>
<th>Activity</th>
<th>IPs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches &amp; coasts</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>Lakes &amp; rivers</td>
<td>93%</td>
<td>93%</td>
</tr>
<tr>
<td>Native forests</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td>Geothermal sites</td>
<td>89%</td>
<td>91%</td>
</tr>
<tr>
<td>Fjords</td>
<td>87%</td>
<td>89%</td>
</tr>
<tr>
<td>Marine reserves</td>
<td>87%</td>
<td>88%</td>
</tr>
<tr>
<td>Local towns</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>Shop at local markets</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>Whale / dolphin watching</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>Penguin colony</td>
<td>85%</td>
<td>86%</td>
</tr>
<tr>
<td>Short nature walks</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Short city walks</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Historical sites</td>
<td>90%</td>
<td>92%</td>
</tr>
<tr>
<td>Maori village</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>Local cuisine</td>
<td>93%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Notes:
1. Sample size: ACs n = 791; IPs n = 502
Appendix: Preference KPI

Preference KPI
AC Monitor | % | 6MRA | Total Active Considerers

- First
- Second

<table>
<thead>
<tr>
<th>Quarter</th>
<th>First</th>
<th>Second</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY17</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>Q2 FY17</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>Q3 FY17</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Q4 FY17</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Q1 FY18</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Q2 FY18</td>
<td>38%</td>
<td>31%</td>
</tr>
</tbody>
</table>

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

Total significantly higher / lower than six months prior at 95%
Appendix: Preference KPI, for IPs

Preference KPI, for IPs
AC Monitor | % | 6MRA | Independent Professionals

<table>
<thead>
<tr>
<th>Quarter</th>
<th>First</th>
<th>Second</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY17</td>
<td>71%</td>
<td>34%</td>
</tr>
<tr>
<td>Q2 FY17</td>
<td>70%</td>
<td>36%</td>
</tr>
<tr>
<td>Q3 FY17</td>
<td>68%</td>
<td>36%</td>
</tr>
<tr>
<td>Q4 FY17</td>
<td>69%</td>
<td>37%</td>
</tr>
<tr>
<td>Q1 FY18</td>
<td>68%</td>
<td>39%</td>
</tr>
<tr>
<td>Q2 FY18</td>
<td>68%</td>
<td>39%</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 95%
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>100%</th>
<th>38%</th>
<th>62%</th>
<th>42%</th>
<th>20%</th>
<th>4%</th>
<th>17%</th>
<th>5%</th>
<th>12%</th>
<th>11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Germans aged 55 to 74</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NZ is highly appealing</td>
<td>36%</td>
<td>64%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would definitely consider NZ</td>
<td>44%</td>
<td>44%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NZ is a preferred destination to visit</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would spend at least €2000 on a trip</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

i.e. 12% of people in the AB age group meet our AC criteria

Significantly higher / lower than YAGO at 99%
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

Now
(Current 6M)

Six months ago
(Previous 6M)

Dreaming

Planning

Booking

68%
16%
16%

62%
23%
14%

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
  - Conversion = 32%
  - i.e. 32% of ABs have moved beyond dreaming and into planning or booking

Six months ago (Previous 6M)
- Planning
  - Conversion = 38%
  - Booking
    - Conversion = 51%
    - i.e. 51% of ABs that have begun planning are now ready to book
  - Conversion = 38%

Significantly higher / lower than six months ago at 95%
Arrival growth was more modest in the last three months but still positive, although shorter LOS is starting to impact stay days

<table>
<thead>
<tr>
<th></th>
<th>Arrivals</th>
<th></th>
<th>Length of Stay</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE Oct 17</td>
<td>Qtr End Oct 17</td>
<td>YE Oct 17</td>
<td>Qtr End Oct 17</td>
</tr>
<tr>
<td>Total</td>
<td>105K</td>
<td>+12.3%</td>
<td>18K</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Holiday</td>
<td>78K</td>
<td>+12.2%</td>
<td>13K</td>
<td>+6.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>46.2</td>
<td>-9.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50.4</td>
<td>-15.8%</td>
</tr>
<tr>
<td>Holiday</td>
<td></td>
<td></td>
<td>43.5</td>
<td>-7.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>39.4</td>
<td>-9.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stay Days</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>YE Oct 17</td>
<td>Qtr End Oct 17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.9M</td>
<td>+1.1%</td>
<td>891K</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>3.4M</td>
<td>+3.4%</td>
<td>516K</td>
<td>-4.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$495M</td>
<td>-11%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$5,079</td>
<td>-19%</td>
</tr>
<tr>
<td>Holiday</td>
<td></td>
<td></td>
<td>$389M</td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$5,439</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017; MBIE International Visitor Survey Sep 2017
Negative growth over winter only slightly moderated the annual growth rate being a low volume period – tentative return to growth for shoulder and peak
Key Independent Professional segment remains in strong growth, accounting for two thirds of additional holiday arrivals in last year.

### Germany Holiday Arrival Growth by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>YE Oct 2017</th>
<th>Growth on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>69,760</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>5,456</td>
<td>15.6%</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>2,448</td>
<td>20.6%</td>
</tr>
<tr>
<td>Other</td>
<td>912</td>
<td>26.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,256</strong></td>
<td><strong>12.2%</strong></td>
</tr>
</tbody>
</table>

### Oct Quarter

<table>
<thead>
<tr>
<th>Segment</th>
<th>YE Oct 2017</th>
<th>Growth on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>4.6k</td>
<td>-7%</td>
</tr>
<tr>
<td>IP’s</td>
<td>6.3k</td>
<td>+19%</td>
</tr>
<tr>
<td>AB’s</td>
<td>1.5k</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017
Small falls in length of stay for each segment, but IP’s and AB’s offset by strong arrival growth for overall stay increase

**German holiday average length of stay**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YE Oct 16</th>
<th>YE Oct 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>83</td>
<td>82</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>26</td>
<td>23</td>
</tr>
</tbody>
</table>

**German holiday stay days (M)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YE Oct 16</th>
<th>YE Oct 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>1.626</td>
<td>1.577</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>1.246</td>
<td>1.329</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>0.306</td>
<td>0.337</td>
</tr>
</tbody>
</table>

*Source: Stats NZ International Travel and Migration Oct 2017*
Busy period for WHV approvals saw a decline on LY, suggest softer WHV arrivals in summer, will in part impact Backpacker arrivals

WHV Arrivals are not necessarily Backpackers and vice versa but there is overlap

WHV approvals
Jul-Nov 17 -10.0%

Germany Working Holiday Approval Growth

<table>
<thead>
<tr>
<th>Germany WHV Approval Growth</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>15%</td>
<td>10%</td>
<td>18%</td>
<td>-4%</td>
<td>5%</td>
<td>10%</td>
<td>4%</td>
<td>10%</td>
<td>8%</td>
<td>23%</td>
<td>-1%</td>
<td>16%</td>
</tr>
<tr>
<td>FY16</td>
<td>7%</td>
<td>0%</td>
<td>5%</td>
<td>2%</td>
<td>29%</td>
<td>14%</td>
<td>16%</td>
<td>13%</td>
<td>9%</td>
<td>1%</td>
<td>23%</td>
<td>-12%</td>
</tr>
<tr>
<td>FY17</td>
<td>-2%</td>
<td>21%</td>
<td>15%</td>
<td>15%</td>
<td>6%</td>
<td>3%</td>
<td>10%</td>
<td>-3%</td>
<td>-2%</td>
<td>-2%</td>
<td>8%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Immigration New Zealand
Euro exchange rate vs. NZD was down compared to a year ago through late 2016 and first half of 2017 but now recovering.

Source: RBNZ monthly exchange rates