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

Published December 2017
INSIGHT 1

With a relatively large and stable pool of Active Considerers (ACs) available to target in the UK, focus on moving the existing ACs through the visitor consideration funnel

- The incidence of ACs in the UK has remained stable at 17%
- Preference is also stable at a healthy 73%

Preferential KPI

<table>
<thead>
<tr>
<th></th>
<th>First</th>
<th>Second</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY17</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>Q2 FY18</td>
<td>44%</td>
<td>29%</td>
</tr>
</tbody>
</table>

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

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

- Stronger ‘everything close’ messaging is needed: relative performance on ‘easy to travel around’ is consistently tracking below the parity line; relative performance on ‘see lots without travelling far’ is slowly but steadily trending upwards but not yet a strength for New Zealand

- A softer relative performance on ‘unique experiences’ in the latest quarter is something to watch out for

Key brand weakness to focus on:
- Range of experiences
- Easy to travel around
- Unique experiences

Key brand strengths to leverage:
- Landscapes & scenery
- Clean & unpolluted
- See lots without travelling far

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

- Australia 50%
- Canada 40%
- USA 38%
- Italy 30%
- Caribbean 26%
INSIGHT 3

There is a strategic opportunity to drive arrivals by moving ACs from dreaming into planning mind set; once ACs start their planning the conversion into booking is strong

• A smaller proportion of IPs are in the booking stage (28% in Q4 FY17 vs. 22% in Q2 FY18), as conversion into booking has dropped

INSIGHT 4

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

• Reassure ACs about how long it takes to get to New Zealand, how easy it is to travel around and safety from crime
• Crime is a moderate concern, and mainly relates to crimes that target tourists, theft and physical assault
INSIGHT 5

There is a reasonable opportunity to drive spring and autumn arrivals, given the relatively strong levels of consideration for these times of year.

- To unlock this opportunity stronger messaging and trade activity are needed as consideration for both spring and autumn has been tracking stable over the last twelve months.
Active Considerer journey funnel – UK

- 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 £1,500 per person on a holiday to New Zealand
  - Conversion

Dreaming
  - Conversion
Planning
  - Conversion
Booking
  - Conversion

Active considerers = 6.9m people

Holiday arrivals = 113K

Total population = 62.8m
Online population, 18-74 years of age = 40.3m

- 24.1m
  - 51%
- 12.3m
  - 72%
- 8.9m
  - 77%
- 6.9m

17% incidence of ACs

i.e. 39% of ACs have moved beyond dreaming and into planning or booking
i.e. 49% of ACs that have begun planning are now ready to book

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

**Dream Destination:**
- Incidence of ACs – 17% stable (IPs 19% stable)
- Preference ACs – 73% stable (IPs 73% stable)
- Percentage of ACs in dreaming – ACs 61% (IPs 58%)
- Newzealand.com Visits target: 36% Achieved

**Plan Destination:**
- Brand attributes to focus on -
  - Range of experiences
  - Easy to travel around
  - Unique experiences
- Percentage of ACs in Planning – 20% (IPs 20%)
- Newzealand.com Active Visits target: 42% Achieved

**Book Destination:**
- Percentage of ACs in booking - 19% (IPs 22% down)
- Seasons - Spring 45%, Autumn 45%, Peak 69%
- Newzealand.com Referrals target: 48% Achieved

**Holiday Arrivals:**
- Arrivals YE Oct 2017 113K + 21.4% YAGO
- Spend YE Sep 2017 NZD $558M +15% YAGO (NZD$5,026 per person +3% YAGO)
The incidence of ACs in the UK has remained stable at 17% compared to the previous six months.

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

(1) At the beginning of FY17 the spend criterion was changed, specifically, dropping the minimum spend threshold from £2000 to £1500.
There has been an increase in the appeal for New Zealand compared to the same six months a year ago, but this has not flowed through into an increase in consideration and therefore the AC incidence

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

Online UK aged 18 to 74
- 100%

NZ is highly appealing
- 60%

Would definitely consider NZ
- 31%

NZ is a preferred destination to visit
- 22%

Would spend at least £1500 on a trip
- 17%

(1) At the beginning of FY17 the spend criterion was changed; specifically, dropping the minimum spend threshold from £2000 to £1500

ACs – We only survey these people in more detail

Significantly higher / lower than YAGO at 99%
As with ACs as whole, the appeal for New Zealand has also increased among IPs, but has not flowed through to consideration and thus the AC incidence is stable.

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

<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 UK aged 25 to 54</td>
<td>100%</td>
<td>44%</td>
<td>56%</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>NZ is highly appealing</td>
<td></td>
<td>56%</td>
<td></td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Would definitely consider NZ</td>
<td></td>
<td></td>
<td>26%</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>NZ is a preferred destination to visit</td>
<td></td>
<td></td>
<td></td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Would spend at least £1500 on a trip (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) At the beginning of FY17 the spend criterion was changed; specifically, dropping the minimum spend threshold from £2000 to £1500.
ACs are more likely to reside in London, to be males and those in the IP age segment compared to non-ACs

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

By age segment
- AC BPs: 29%
- IPs: 60%
- ABs: 11%

By gender
- Male: 52%
- Female: 48%

By region
- England: 73%
- London: 14%
- Scotland: 9%
- Wales: 8%
The destination competitor set has remained much the same as six months ago, with Australia, Canada and the USA remaining the main competitors; Greece and India have increased in their preference rank

Top ten competitor set for ACs
AC Monitor(1)(2) | % | Current 6M | Total Active Considerers

- Canada 40%
- USA 38%
- Hawaii 24%
- Caribbean 26%
- Spain 18%
- Italy 30%
- Greece 14%
- India 14%
- Thailand 23%
- Australia 50%

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 has increased to 73% from a year ago when it was 68%.

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

Total ACs

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

70% 70% 72% 72% 74% 75% 75% 72% 68% 69% 69% 71% 73%

% - ACs ranking New Zealand top two out of top five preferred destination to visit
(1) At the beginning of FY17 the spend criterion was changed, specifically, dropping the minimum spend threshold from £2000 to £1500
Among IPs specifically, Hawaii has dropped in its preference rank while Italy, Greece and India have all increased.

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

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 among IPs has been trending upwards, increasing from 65% a year ago to now being 73%.

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

% – ACs ranking New Zealand top two out of top five preferred destination to visit  
(1) At the beginning of FY17 the spend criterion was changed, specifically, dropping the minimum spend threshold from £2000 to £1500
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>USA</th>
<th>Italy</th>
<th>Caribbean</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>103</td>
<td>107</td>
<td>98</td>
<td>92</td>
<td>91</td>
</tr>
<tr>
<td>Friendly people</td>
<td>101</td>
<td>101</td>
<td>105</td>
<td>91</td>
<td>96</td>
<td>106</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>100</td>
<td>102</td>
<td>94</td>
<td>106</td>
<td>87</td>
<td>113</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>110</td>
<td>116</td>
<td>110</td>
<td>111</td>
<td>48</td>
<td>93</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>93</td>
<td>101</td>
<td>99</td>
<td>114</td>
<td>96</td>
<td>100</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>92</td>
<td>94</td>
<td>99</td>
<td>116</td>
<td>120</td>
<td>80</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>103</td>
<td>82</td>
<td>72</td>
<td>90</td>
<td>138</td>
<td>125</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>98</td>
<td>39</td>
<td>37</td>
<td>103</td>
<td>104</td>
<td>115</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>131</td>
<td>117</td>
<td>121</td>
<td>47</td>
<td>59</td>
<td>108</td>
</tr>
<tr>
<td>Safe destination</td>
<td>104</td>
<td>103</td>
<td>113</td>
<td>92</td>
<td>100</td>
<td>83</td>
</tr>
<tr>
<td>Affordable activities</td>
<td>38</td>
<td>37</td>
<td>38</td>
<td>115</td>
<td>102</td>
<td>33</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td>71</td>
<td>73</td>
<td>75</td>
<td>114</td>
<td>104</td>
<td>33</td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

- More focus is needed on communicating:
  - Range of experiences
  - Easy to travel around
  - Unique experiences

- While leveraging our strengths:
  - Clean & unpolluted
  - Landscapes & scenery
  - See lots without traveling far

---

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>USA</th>
<th>Canada</th>
<th>Italy</th>
<th>Caribean</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>103</td>
<td>104</td>
<td>95</td>
<td>104</td>
<td>94</td>
<td>98</td>
</tr>
<tr>
<td>Friendly people</td>
<td>103</td>
<td>102</td>
<td>88</td>
<td>108</td>
<td>88</td>
<td>111</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>99</td>
<td>103</td>
<td>103</td>
<td>92</td>
<td>91</td>
<td>113</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>108</td>
<td>115</td>
<td>115</td>
<td>109</td>
<td>52</td>
<td>92</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>94</td>
<td>101</td>
<td>113</td>
<td>101</td>
<td>98</td>
<td>94</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>92</td>
<td>93</td>
<td>115</td>
<td>100</td>
<td>118</td>
<td>84</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>103</td>
<td>85</td>
<td>89</td>
<td>77</td>
<td>126</td>
<td>125</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>91</td>
<td>93</td>
<td>103</td>
<td>93</td>
<td>98</td>
<td>112</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>131</td>
<td>115</td>
<td>52</td>
<td>115</td>
<td>66</td>
<td>106</td>
</tr>
<tr>
<td>Safe destination</td>
<td>104</td>
<td>104</td>
<td>51</td>
<td>110</td>
<td>101</td>
<td>88</td>
</tr>
<tr>
<td>Affordable activities</td>
<td>95</td>
<td>92</td>
<td>110</td>
<td>83</td>
<td>105</td>
<td>80</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td>77</td>
<td>73</td>
<td>111</td>
<td>73</td>
<td>139</td>
<td>90</td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

- More focus is needed on communicating:
  - Range of experiences
  - Easy to travel around
  - Unique experiences

- While leveraging our strengths:
  - Clean & unpolluted
  - Landscapes & scenery
  - See lots without traveling far
New Zealand’s relative performance on ‘landscapes & scenery’ is comparable to that of Australia and Canada

Relative brand positioning over time: ‘Landscapes & scenery’
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 to perform at parity on relative perceptions of ‘friendly people’

Relative brand positioning over time: ‘Friendly people’
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’s relative performance on ‘unique experiences’ has been historically tracking just above parity, but it has weakened somewhat in the latest quarter.

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
‘Range of adventure’ is a relative strength for New Zealand, however performance is similar to that of the USA, Australia and 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)
- **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

![Graph showing relative brand positioning over time for 'Range of adventure' in New Zealand and several competitors.](image-url)
‘Range of experiences’ continues to be a relative weakness for New Zealand, with the USA leading on this driver.

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
On relative perceptions of ‘easy to travel around’, New Zealand performs on par with Australia, but significantly behind the USA and Italy.

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

- 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 ‘see lots without travelling far’ has been slowly but steadily trending upwards

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
Relative performance on ‘comfortable’ is a weakness for New Zealand

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
New Zealand has maintained its relatively strong perceptions on being ‘clean & unpolluted’ while Canada has dropped off somewhat.

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 continues to perform well on being a ‘safe destination’, at the same level as Australia, but both destinations are tracking behind Canada.

Relative brand positioning over time: ‘Safe destination’
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’s relative performance on ‘affordable activities’ is middling

Relative brand positioning over time: ‘Affordable activities’
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
Despite being further away, relative perceptions of New Zealand being ‘affordable to fly to’ are similar to those of Canada and Australia

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

Core driver
‘Everything close’ driver
Hygiene driver
There has been very little change in the knowledge gaps compared to six months ago, with the length of flight, ease of travelling around and safety from crime being the main concerns.

### 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 <strong>length of time</strong> required to <strong>fly to New Zealand</strong>?</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>2. How easy is it to <strong>travel around</strong>?</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>3. How <strong>safe</strong> is it from <strong>crime</strong>?</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>4. How long does it take to <strong>travel between</strong> the main attractions?</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>5. What is the <strong>length of time</strong> needed to <strong>experience New Zealand properly</strong>?</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>6. How <strong>welcoming</strong> are the locals?</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>7. Does it get too <strong>hot</strong> in summer?</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>8. What are the <strong>transportation options</strong> for travelling within New Zealand?</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>9. How often does it <strong>rain</strong>?</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>10. What / where are the recommended <strong>things to see and do</strong>?</td>
<td>19%</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 fewer concerns relative to other ACs, especially around the ease of travelling around New Zealand and the time it takes to see 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. What is the length of time required to fly to New Zealand?</td>
<td>32%</td>
</tr>
<tr>
<td>2. How easy is it to travel around?</td>
<td>28% ▼</td>
</tr>
<tr>
<td>3. How safe is it from crime?</td>
<td>26%</td>
</tr>
<tr>
<td>4. How welcoming are the locals?</td>
<td>22%</td>
</tr>
<tr>
<td>5. How long does it take to travel between the main attractions?</td>
<td>21% ▼</td>
</tr>
<tr>
<td>6. What is the length of time needed to experience New Zealand properly?</td>
<td>20% ▼</td>
</tr>
<tr>
<td>7. Does it get too hot in summer?</td>
<td>19% ▼</td>
</tr>
<tr>
<td>8. What are the transportation options for travelling within New Zealand?</td>
<td>19%</td>
</tr>
<tr>
<td>9. How often does it rain?</td>
<td>17%</td>
</tr>
<tr>
<td>10. I’m worried about the impact of the time difference</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Higher ranks indicate higher percentages among IPs compared to non-IPs.*

*Significantly higher / lower than non-IPs at 95%.*
The visitor consideration funnel is stable compared to six months ago

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

- **Dreaming**
  - Global Average: 60%
  - Now (Current 6M): 61%
  - Six months ago (Previous 6M): 58%

- **Planning**
  - Global Average: 17%
  - Now (Current 6M): 20%
  - Six months ago (Previous 6M): 19%

- **Booking**
  - Global Average: 23%
  - Now (Current 6M): 19%
  - Six months ago (Previous 6M): 23%

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%](image)
This stable consideration funnel is driven by stable conversion rates between the stages.

Visitor consideration funnel – conversion to funnel segments

AC Monitor | % | Current 6M vs. Previous 6M | Total Active Considerers

**Now** (Current 6M)

- **Dreaming**
  - Conversion = 39%
  - i.e. 39% of ACs have moved beyond dreaming and into planning or booking
  - **Global average** = 40%

- **Planning**
  - 39%

- **Booking**
  - 19%

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

- **Conversion** = 42%

- **Booking**
  - 23%

- **Conversion** = 55%

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%
Among IPs specifically, there has been a significant decline in the proportion of ACs sitting in the booking stage.

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

Now (Current 6M)
- Dreaming: 58%
- Planning: 20%
- Booking: 22%

Six months ago (Previous 6M)
- Dreaming: 55%
- Planning: 17%
- Booking: 28%

Significantly higher / lower than six months ago at 95%
The decline in the proportion of IPs in the booking stage is driven by a drop in the conversion rate from planning to booking.

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

Now
(Current 6M)

Conversion = 42%
i.e. 42% of IPs have moved beyond dreaming and into planning

Planning

Conversion = 53%
i.e. 53% of IPs that have begun planning are now ready to book

Booking

Conversion = 45%

Six months ago
(Previous 6M)

Conversion = 63%

▲ ▼ Significantly higher / lower than six months ago at 95%
Reassuring ACs about how long they will have to spend travelling to New Zealand, how easy it is to travel around once here, and how safe it is from crime will make them much more likely to convert to planning.

### 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</td>
<td>What is the length of time required to fly to New Zealand?</td>
<td>37%</td>
<td>38%</td>
</tr>
<tr>
<td>2</td>
<td>How easy is it to travel around?</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>3</td>
<td>How safe is it from crime?</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>How long does it take to travel between the main attractions?</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>5</td>
<td>What is the length of time needed to experience New Zealand properly?</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>6</td>
<td>Does it get too hot in summer?</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>7</td>
<td>How welcoming are the locals?</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>8</td>
<td>What are the transportation options for travelling within New Zealand?</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>9</td>
<td>I’m worried about the impact of the time difference</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>How often does it rain?</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>What / where are the recommended things to see and do?</td>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>12</td>
<td>What is the driving behaviour of locals like?</td>
<td></td>
<td>26%</td>
</tr>
<tr>
<td>13</td>
<td>What level of service can I expect?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>How safe is it to participate in adventure activities?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Does it get hot enough in summer?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>What is the quality / condition of the main highways?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Ranks higher with ‘dreaming’ than with ‘booking’ as a knowledge gap. Significantly higher / lower than other stages at 95%.*
Summer remains the preferred time to visit, although there is a relatively large opportunity to convert consideration into preference for spring and autumn.

### Seasons – consideration & preference

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

**Conversion of consideration to preference**

- **Spring off-peak**
  - Consider: 45%
  - Prefer: 25%
  - Opportunity: 19%

- **Peak**
  - Consider: 69%
  - Prefer: 54%
  - Opportunity: 15%

- **Autumn off-peak**
  - Consider: 45%
  - Prefer: 28%
  - Opportunity: 17%

- **Off-peak**
  - Consider: 27%
  - Prefer: 9%
  - Opportunity: 17%

---

**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.
The story is much the same for IPs as it is for ACs as a whole, with sizable opportunities to convert consideration into preference for both spring and autumn travel.

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

Conversion of consideration to preference

<table>
<thead>
<tr>
<th>Season</th>
<th>Consider</th>
<th>Prefer</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring off-peak</td>
<td>41%</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>Peak</td>
<td>71%</td>
<td>56%</td>
<td>15%</td>
</tr>
<tr>
<td>Autumn off-peak</td>
<td>46%</td>
<td>30%</td>
<td>16%</td>
</tr>
<tr>
<td>Off-peak</td>
<td>30%</td>
<td>19%</td>
<td>11%</td>
</tr>
</tbody>
</table>

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.
Consideration for travel in spring and autumn remains stable

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

**Spring off-peak**
- Total ACs: 44% 44% 42% 44% 45% 43% 43% 46% 45%
- IPs: 40% 40% 39% 41% 42% 40% 40% 40% 42% 41%

**Autumn off-peak**
- Total ACs: 42% 43% 43% 43% 44% 43% 44% 43% 44% 45%
- IPs: 42% 43% 44% 43% 44% 44% 45% 44% 45% 46%

Significantly higher / lower than six months ago at 95%
Understanding safety
When thinking about safety while travelling, ACs from the UK are primarily concerned with the accessibility of the medical care, theft, safety of accommodation and threat of terrorism; IPs are less concerned than ACs as a whole.

<table>
<thead>
<tr>
<th>Things that come to mind when ACs think about safety while travelling</th>
<th>% Active Considerers, Q2 FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to medical care</td>
<td><strong>35%</strong></td>
</tr>
<tr>
<td>Robbery / theft of belongings</td>
<td><strong>26%</strong></td>
</tr>
<tr>
<td>Safety of accommodation</td>
<td><strong>25%</strong></td>
</tr>
<tr>
<td>Threat of terrorism</td>
<td><strong>25%</strong></td>
</tr>
<tr>
<td>Whether it is safe being out at night</td>
<td><strong>23%</strong></td>
</tr>
<tr>
<td>The destination’s crime rate</td>
<td><strong>22%</strong></td>
</tr>
<tr>
<td>Threat of violence / physical assault</td>
<td><strong>21%</strong></td>
</tr>
<tr>
<td>Flight safety</td>
<td><strong>21%</strong></td>
</tr>
<tr>
<td>Food hygiene</td>
<td><strong>21%</strong></td>
</tr>
<tr>
<td>Risk of natural disasters - e.g....</td>
<td><strong>20%</strong></td>
</tr>
<tr>
<td>The destination’s climate / weather</td>
<td><strong>19%</strong></td>
</tr>
<tr>
<td>Road safety</td>
<td><strong>19%</strong></td>
</tr>
<tr>
<td>Risk of contracting a disease</td>
<td><strong>18%</strong></td>
</tr>
<tr>
<td>Safety for women</td>
<td><strong>16%</strong></td>
</tr>
<tr>
<td>Safety when travelling alone</td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>

Sample size: ACs n = 311; IPs n = 209

Concerns around natural disasters did not come through strongly in this market (-3%)
Crime is a moderate concern for UK ACs, and this concern is mainly related to crimes that target tourists, various methods of theft and physical assault.

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

27% of ACs have knowledge gaps around how safe New Zealand is from crime

Ips – 26%

What crime means to these ACs
% ACs with the knowledge gap, Q2 FY18

<table>
<thead>
<tr>
<th>Crime</th>
<th>IPs</th>
<th>IPs significantly higher/ lower than non-IPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crimes that target tourists</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Pickpocketing</td>
<td>49%</td>
<td>39%</td>
</tr>
<tr>
<td>Mugging</td>
<td>47%</td>
<td>36%</td>
</tr>
<tr>
<td>Physical assault</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Credit card fraud</td>
<td>29%</td>
<td>19%</td>
</tr>
<tr>
<td>Drug related crime</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Car break ins</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Gang related crime</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Terrorism</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Murder</td>
<td>21%</td>
<td>26%</td>
</tr>
<tr>
<td>Sexual assault</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Kidnapping</td>
<td>17%</td>
<td>22%</td>
</tr>
</tbody>
</table>

I actually think NZ is relatively safe 8%
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>Youth</td>
<td>AC Backpackers / AC BPs&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>ACs aged 18-29 years old</td>
<td>ACs aged 18 – 24 years old</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>Independent Professionals / IPs</td>
</tr>
<tr>
<td>ACs aged 30 – 49 years old</td>
<td>ACs aged 25 – 54 years old</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>Active Boomers / ABs</td>
</tr>
<tr>
<td>ACs aged 55 – 74 years old</td>
<td>ACs aged 55 – 74 years old</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
Appendix: Incidence in UK has significantly increased on FY16 regardless of the change to the spend criterion, and lowering the minimum spend naturally improves it further; preference significantly fallen over the past year, independent of lowering the minimum spend limit suggesting other forces are at play.
Appendix: Market size

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

<table>
<thead>
<tr>
<th>Total UK Population&lt;sup&gt;(1)(4)&lt;/sup&gt;</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;(2)(3)&lt;/sup&gt;</th>
<th>Not ACs</th>
<th>Active Considerers&lt;sup&gt;(2)(3)&lt;/sup&gt;</th>
<th>Updated using the AC incidence rate for the six months to Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.8m</td>
<td>44.4m</td>
<td>71%</td>
<td>64%</td>
<td>53%</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

**SOURCES/NOTES:**
2. UK Office for National Statistics, *Internet Users, 2015*; Time period: Apr14-Jun14; Coverage: Persons aged 16 years and over; Internet user definition: Adults who have used the internet within the last 3 months
3. Tourism New Zealand, *Active Considerer Monitor UK*; Time period: Jul16 – Dec16, under the latest AC definition
4. Northern Ireland excluded
5. 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

No

Dreaming
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>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

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

1. Local towns: 91%
2. Beaches & coasts: 90%
3. Cities: 90%
4. Lakes & rivers: 90%
5. Mountains & alpine areas: 86%
6. Native forests: 86%
7. Scenic boat cruise: 85%
8. Geothermal sites: 85%
9. Shop at local markets: 88%
10. Whale / dolphin watching: 88%
11. Short nature walks: 88%
12. Short city walks: 87%
13. Historical sites: 89%
14. Maori village: 86%
15. Local cuisine: 93%

Notes:
1. Sample size: ACs n = 771; IPs n = 485

IPs significantly higher/lower than non-IPs
Appendix: Preference KPI

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

Q1 FY17: 72% (47% blue, 26% black)
Q2: 68% (41% blue, 27% black)
Q3: 69% (40% blue, 29% black)
Q4: 69% (40% blue, 29% black)
Q1 FY18: 71% (42% blue, 28% black)
Q2: 73% (44% blue, 29% black)

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

Q1 FY17: 70% (45% up, 24% down)
Q2: 65% (40% up, 25% down)
Q3: 69% (39% up, 29% down)
Q4: 70% (40% up, 30% down)
Q1 FY18: 71% (44% up, 27% down)
Q2: 73% (46% up, 27% down)

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

- Online UK aged 55 to 74: 100%
- NZ is highly appealing: 41%
- Would definitely consider NZ: 59%
- NZ is a preferred destination to visit: 31%
- Would spend at least £1500 on a trip: 28%
- 17%
- 9%
- 14%
- 3%

(1) At the beginning of FY17 the spend criterion was changed; specifically, dropping the minimum spend threshold from £2000 to £1500

*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)

- Dreaming: 70%
- Planning: 20%
- Booking: 10%

Six months ago
(PREVIOUS 6M)

- Dreaming: 70%
- Planning: 21%
- Booking: 9%

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**
  - 30%

- **Planning**
  - Conversion = 30% 
    i.e. 30% of ABs have moved beyond dreaming and into planning or booking
  - 30%

- **Booking**
  - 0%

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

- **Conversion = 30%**
  - 30%

- **Conversion = 33%**
  - i.e. 33% of ABs that have begun planning are now ready to book
  - 30%

- **Conversion = 31%**
  - 3%

Significantly higher / lower than six months ago at 95%
Arrival growth has been flat since the Lions tour, this is not unexpected as the event may have displaced some Spring travel into winter.

<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>246K</td>
<td>+13.5%</td>
<td>29K</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>113K</td>
<td>+21.4%</td>
<td>13K</td>
<td>+1.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>26.5</td>
<td>23.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Holiday</td>
<td>24.8</td>
<td>21.2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Stay Days</th>
<th></th>
<th>Spend</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE Oct 17</td>
<td>Qtr End Oct 17</td>
<td>YE Sep 17</td>
<td>Average YE Sep 17</td>
</tr>
<tr>
<td>Total</td>
<td>6.5M</td>
<td>+6.0%</td>
<td>$1,042M</td>
<td>+9%</td>
</tr>
<tr>
<td>Holiday</td>
<td>2.8M</td>
<td>+7.5%</td>
<td>$558M</td>
<td>+15%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017; MBIE International Visitor Survey March 2017
Modest growth in each month post Lions tour and earlier in year Easter phasing to April + World masters games

PROVISIONAL NOVEMBER 17 ARRIVALS (TO 26TH) +11%

UK Holiday Arrivals - Annual and Monthly Growth

Monthly Growth Rate (lhs)  Annual Growth Rate (rhs)

Source: Stats NZ International Travel and Migration Oct 2017
Little change to which segments are driving growth since June update – IP’s led growth at 30% and segment size is now same as AB’s

UK Holiday Arrival Growth by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>YE Jun 2017</th>
<th>Growth on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backpackers</td>
<td>16,224</td>
<td>11.8%</td>
</tr>
<tr>
<td>Independent Professionals</td>
<td>45,440</td>
<td>30.2%</td>
</tr>
<tr>
<td>Active Boomers</td>
<td>45,472</td>
<td>20.2%</td>
</tr>
<tr>
<td>Other</td>
<td>6,128</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113,264</strong></td>
<td><strong>21.4%</strong></td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Oct 2017
Working holiday visa approved for FY18 to date are down 3% vs. same period LY – note backpacker segment is broader than just WHV

UK Working Holiday Approvals by Month

<table>
<thead>
<tr>
<th></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>FY16</td>
<td>1094</td>
<td>1201</td>
<td>1314</td>
<td>1113</td>
<td>1144</td>
<td>828</td>
<td>1328</td>
<td>1112</td>
<td>1107</td>
<td>967</td>
<td>1079</td>
<td>874</td>
</tr>
<tr>
<td>FY17</td>
<td>1069</td>
<td>1457</td>
<td>1515</td>
<td>1282</td>
<td>1214</td>
<td>854</td>
<td>1464</td>
<td>1079</td>
<td>1082</td>
<td>952</td>
<td>1163</td>
<td>1020</td>
</tr>
<tr>
<td>FY18</td>
<td>1108</td>
<td>1428</td>
<td>1330</td>
<td>1269</td>
<td>1202</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Immigration New Zealand
UK visitors seeing a slow improvement in GBP/NZD exchange but not yet back to 2015 levels

GBP / NZD monthly exchange rate

<table>
<thead>
<tr>
<th>Date</th>
<th>Exchange Rate</th>
<th>Change on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2015</td>
<td>2.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Jul 2015</td>
<td>1.95</td>
<td>0.05</td>
</tr>
<tr>
<td>Aug 2015</td>
<td>1.90</td>
<td>0.10</td>
</tr>
<tr>
<td>Sep 2015</td>
<td>1.85</td>
<td>0.15</td>
</tr>
<tr>
<td>Oct 2015</td>
<td>1.80</td>
<td>0.20</td>
</tr>
<tr>
<td>Nov 2015</td>
<td>1.75</td>
<td>0.25</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>1.70</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Holiday average spend down 12% in YE March 2017

Exchange rate improving closer toward $2

Source: RBNZ monthly exchange rates