Australia FY18 H2
Active Considerer (AC) Monitor Australia (H2 FY18)

Published July 2018
Market size

Updated using AC incidence rates for the six months to July 2018

Australia - 3.8m
(Dec 16: 3.3m)

Japan – 6.6m
(Dec 16: 6.5m)

UK – 7.2m
(Dec 2016: 6.8m)

China – 48.3m\(^{(1)}\)
(Dec 16: 30.9m)

Germany – 7.8m
(Dec 16: 6.4m)

USA – 34.4m
(Dec 2016: 27.9m)

Japan

Australia

UK

China

Germany

USA

Total in top 6 markets = 108 million
(Dec 16: 81.8m)

NOTES:
1. China estimates are as of Mar 18 and include ACs based in Chongqing and Tianjin, while these cities were not included in Dec 16 estimates. Inclusion of these two cities along with the growth in the AC incidence seen over the last two years in China contributed to the sharp increase the size of the AC pool in this market.
The size of the AC pool in Australia has increased from 3.3m people to 3.8m people since December 16, largely driven by growth in the Australian online population.

Market size, based on the AC incidence rate for the six months to Jul 2018
Jul 18 | Million people

| Category                        | Value
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Aus Population</td>
<td>24.6</td>
</tr>
<tr>
<td>Less than 18 or 75+ yrs</td>
<td>7.1</td>
</tr>
<tr>
<td>18-74 Population</td>
<td>17.5</td>
</tr>
<tr>
<td>Don't use the internet</td>
<td>1.7</td>
</tr>
<tr>
<td>Internet users 18-74 (100%)</td>
<td>15.8</td>
</tr>
<tr>
<td>Not ACs</td>
<td>12.0</td>
</tr>
<tr>
<td>Active Considerers (18-74)</td>
<td>3.8</td>
</tr>
<tr>
<td>Active Considerers (18-74)</td>
<td>3.3m</td>
</tr>
</tbody>
</table>

Sources/Notes:
1. Australian Bureau of Statistics, Australian Demographic Statistics, Jun 2017, Table 8 Estimated resident population, by age and sex; Time period: at 30 June 2017; Coverage: All Australian residents
3. ITU, Percentage of Individuals using the Internet 2005-2016; Time period: 2016; Coverage: Australian persons aged 15 years and over; Internet user definition: Have accessed the internet from any site within the previous 12 months
4. Tourism New Zealand, Active Considerer Monitor Australia; Time period: Jan18 – Jul18, under the latest AC definition
5. Kantar TNS Analysis
INSIGHT 1

With 3.8m Active Considerers (ACs) in Australia, the key strategic focus should remain on converting these ACs into arrivals

- The decline in the AC incidence seen earlier in FY18 has stabilised, with the AC incidence sitting at 24% (stable compared to the previous six months, though below the level of a year ago)
- Preference for New Zealand is stable at 63%, but less ACs, and especially ACs who are previous visitors, are stating that New Zealand is their first choice
- Independent Professionals (IPs) are 67% of ACs, and should continue to be the key target audience in this market
INSIGHT 2

To grow preference, focus brand messages on showing how New Zealand can deliver on the key drivers of destination preference by reinforcing performance on the drivers where the brand is weak vs. competitors, while leveraging brand’s key strengths

• New Zealand’s strengths are all within the hygiene drivers of preference

• Thus, communications are needed to strengthen New Zealand’s position on the core preference drivers, while continuing to message ‘everything close’ drivers

• Uniqueness of New Zealand’s brand proposition continues to be an issue: relative performance on both ‘unique experiences’ and ‘range of adventure’ continue to be a significant relative weakness for the brand

Key brand weaknesses to focus on:
- Range of experiences
- Comfortable
- Unique experiences
- See lots without travelling far
- Safe destination

Key brand strengths to leverage:
- Range of adventure
- Clean & unpolluted
- Affordable to fly to
- Affordable activities

Top 5 competitors
(% selected destination in their top five preferred destinations)
- Canada 33%
- USA 28%
- UK 26%
- Hawaii 26%
- Japan 24%
**INSIGHT 3**

The immediate opportunity to drive arrivals is in converting a large proportion of ACs (46%, approx. 0.8m people) already in planning and booking mindsets into arrivals.

- Given strong conversion from booking to arrivals (15%) secondary focus is on moving dreamers into planning, i.e. keep priming ACs to get them into booking, then convert to arrivals.

**INSIGHT 4**

To convert ACs already in planning or booking into arrivals, focus on addressing their key knowledge gaps

- Keep focusing on ‘everything close’ drivers: logistics of travel around New Zealand is one of the key knowledge gaps for ACs across funnel stages
INSIGHT 5

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

- Opportunity is potentially stronger for spring, given its stronger levels of consideration compared to autumn.
- Previous research found that to unlock spring demand TNZ needs to address knowledge gaps around the weather, in particular how cold gets here during the autumn months.
- Increasing consideration of autumn among ACs is more difficult as they are primarily held back by functional barriers such as not being able to travel during the autumn months, which is something TNZ have less or no ability to influence.

<table>
<thead>
<tr>
<th>Season of arrival</th>
<th>Consideration</th>
<th>Preference</th>
<th>Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring</td>
<td>51%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Summer</td>
<td>59%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Autumn</td>
<td>41%</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Winter</td>
<td>27%</td>
<td>14%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Shoulder growth -0.3%  Peak growth -4.0%
Active Considerer journey funnel – Australia

These estimates are updated biannually, based on the six month AC incidence at the end of Jun and at the end of Dec

Total population = 24.6m
Online population, 18-74 years of age = 15.8m

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 AUD $1,500 per person on a holiday to New Zealand(1)
Conversion

Dreaming
Conversion

Planning
Conversion

Booking
Conversion

Active considerers = 3.8m people

15%

Holiday arrivals = 584K

Notes:
1. Including accommodation and daily expenses. Based off actual market data spend (IVS year end Mar 2018)
Active Considerer Funnel – Australia

**Dream Destination:**
- Incidence of ACs – 24%, down on YAGO (IPs 24%, down on YAGO)
- Preference ACs – 63% stable (IPs 63% stable)
- Percentage of ACs in dreaming – ACs 54% (IPs 53%)
- *Newzealand.com Visits Target*: 95% of Target

**Plan Destination:**
- Brand attributes to focus on -
  - Range of experiences
  - Comfortable
  - Unique experiences
  - See lots without traveling far
  - Safe destination
- Percentage of ACs in Planning – 25%, up (IPs 23%, up)
- *Newzealand.com Active Visits Target*: 99% of Target

**Book Destination:**
- Percentage of ACs in booking - 22%, down (IPs 24%, down)
- Seasons - Spring 51%, Autumn 41%, Peak 59%
- *Newzealand.com Referrals Target*: 85% of Target

**Arrivals:**
- Arrivals YE May 2018 584K + 0.1% YAGO
- Spend YE Mar 2018 NZD 1,292 M +12% YAGO ($2,600 per person +4% YAGO)
The declining trend in the AC incidence seen earlier in FY18 has stabilised, with the AC incidence in Q4 FY18 stable at 24% vs. the previously six months.

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

Significantly higher / lower than six months ago at 99%
Compared to a year ago, however, the AC incidence has declined driven by indicative declines in appeal, consideration and preference for New Zealand.

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

<table>
<thead>
<tr>
<th>Q4 FY17</th>
<th>Online Australians aged 18 to 74</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>100%</td>
<td>100%</td>
<td>37%</td>
<td>63%</td>
<td>19%</td>
<td>42%</td>
</tr>
<tr>
<td>39%</td>
<td></td>
<td></td>
<td>19%</td>
<td>8%</td>
<td>34%</td>
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<td></td>
<td></td>
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<td>44%</td>
<td>8%</td>
<td>36%</td>
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<td></td>
<td>10%</td>
<td>27%</td>
</tr>
</tbody>
</table>

(1) The approx. AC pool size is based on the online population estimates as of July 2018 and the AC incidence rate for the current six months.

ACs – We only survey these people in more detail

This 24% equates to approx. 3.8m people

Would spend at least $1500 on a trip

Significantly higher / lower than YAGO at 99%
Less IPs are meeting the AC criteria compared to a year ago, as the proportions of IPs who consider and prefer New Zealand for their next holiday have indicatively declined.

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

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY17</th>
<th>100%</th>
<th>38%</th>
<th>62%</th>
<th>17%</th>
<th>46%</th>
<th>7%</th>
<th>38%</th>
<th>10%</th>
<th>28%</th>
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<tbody>
<tr>
<td>Online Australians</td>
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<td>aged 25 to 54</td>
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<td>NZ is highly</td>
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<tr>
<td>NZ is a preferred</td>
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<tr>
<td>destination to visit</td>
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<tr>
<td>Would spend at least</td>
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<tr>
<td>$1500 on a trip</td>
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</tbody>
</table>

(1) The approx. AC pool size is based on the online population estimates as of July 2018 and the AC incidence rate for the current six months.

i.e. 24% of people in the IP age group meet our AC criteria

This equates to approx. 2.5m people

Would spend at least $1500 on a trip

Significantly higher / lower than YAGO at 99%
Males are more likely to be an AC, but overall the demographic profile of ACs is similar to that of non-ACs

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

By age segment:
- Youth ACs: 23%
- IPs: 24%
- ABs: 10%
- 66%
- 67%

By gender:
- Male: 46%
- Female: 51%
- 54%

By region:
- NSW: 22%
- VIC: 24%
- Queensland (QLD): 21%
- Rest of Australia: 20%
- 26%
- 25%

By visitation:
- FTAs: 44%
- Previous Visitors: 56%
Canada and USA are the key competitors based on their levels of preference; USA and Fiji have seen an increase in their preference rank compared to a year ago.

Top ten competitor set for ACs

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

- **Canada**: 33%
- **USA**: 28%
- **Hawaii**: 26%
- **UK**: 26%
- **France**: 16%
- **Italy**: 16%
- **Japan**: 24%
- **Queensland**: 17%
- **Tasmania**: 19%
- **Fiji**: 19%

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

100% PURE NEW ZEALAND
Preference for New Zealand among ACs is stable this quarter, at 63%

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

Total ACs

58% 58% 61% 63% 63% 63% 61% 63% 64% 64% 63% 63%

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

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

Significantly higher / lower than six months prior at 95%
There is a downward trend in ‘first choice’ preference among ACs and it is something to keep an eye on.

**Preference KPI**

AC Monitor | % | 6MRA | Total Active Considerers

- **First**
- **Second**

<table>
<thead>
<tr>
<th>Quartile</th>
<th>First</th>
<th>Second</th>
<th>Total</th>
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<tbody>
<tr>
<td>Q3</td>
<td>64%</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>Q4</td>
<td>64%</td>
<td>26%</td>
<td>38%</td>
</tr>
<tr>
<td>Q1 FY18</td>
<td>67%</td>
<td>23%</td>
<td>44%</td>
</tr>
<tr>
<td>Q2</td>
<td>64%</td>
<td>21%</td>
<td>44%</td>
</tr>
<tr>
<td>Q3</td>
<td>63%</td>
<td>26%</td>
<td>37%</td>
</tr>
<tr>
<td>Q4</td>
<td>63%</td>
<td>27%</td>
<td>36%</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%
Among IPs, Canada and USA remain the top competitors based on their levels of preference; Fiji rises in preference rank, while Italy, UK and Tasmania all drop.

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

- **Canada**: 30%
- **USA**: 29%
- **Hawaii**: 28%
- **UK**: 25%
- **France**: 15%
- **Italy**: 16%
- **Japan**: 26%
- **Queensland**: 18%
- **Tasmania**: 17%
- **Fiji**: 20%

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

**Change in rank by at least two places compared to YAGO**
Preference for New Zealand among IPs is holding at 63%

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

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

Significantly higher / lower than six months prior at 95%
Among IPs, there is a downward trend in ‘first choice’ preference for New Zealand

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

- First
- Second

Q3 | 64% | 40% | 24%
Q4 | 64% | 38% | 26%
Q1 FY18 | 67% | 44% | 23%
Q2 | 64% | 44% | 21%
Q3 | 63% | 37% | 26%
Q4 | 63% | 36% | 27%

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%
Among potential FTAs, Queensland has seen an increase in preference rank compared to a year ago, while UK and Italy decline.

**Top ten competitor set for Potential FTAs**

AC Monitor[^1][^2] | % | Current 6M | Potential FTAs

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Hawaii</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>24%</td>
<td>↓</td>
</tr>
<tr>
<td>France</td>
<td>13%</td>
<td>↓</td>
</tr>
<tr>
<td>Italy</td>
<td>17%</td>
<td>↓</td>
</tr>
<tr>
<td>Japan</td>
<td>21%</td>
<td>↓</td>
</tr>
<tr>
<td>Queensland</td>
<td>19%</td>
<td>↑</td>
</tr>
<tr>
<td>Tasmania</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

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?”

[^1]: Change in rank by at least two places compared to YAGO
Preference for New Zealand among potential FTAs is stable at 65%.

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

% = 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>Canada</th>
<th>USA</th>
<th>UK</th>
<th>Hawaii</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core drivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscapes &amp; scenery</td>
<td>101</td>
<td>121</td>
<td>90</td>
<td>81</td>
<td>110</td>
<td>92</td>
</tr>
<tr>
<td>Friendly people</td>
<td>98</td>
<td>106</td>
<td>86</td>
<td>85</td>
<td>117</td>
<td>104</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>85</td>
<td>93</td>
<td>116</td>
<td>109</td>
<td>92</td>
<td>118</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>108</td>
<td>119</td>
<td>120</td>
<td>61</td>
<td>106</td>
<td>77</td>
</tr>
<tr>
<td>‘Everything close’ drivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of experiences</td>
<td>78</td>
<td>100</td>
<td>126</td>
<td>122</td>
<td>90</td>
<td>104</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>99</td>
<td>93</td>
<td>95</td>
<td>122</td>
<td>95</td>
<td>100</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>96</td>
<td>60</td>
<td>83</td>
<td>130</td>
<td>124</td>
<td>111</td>
</tr>
<tr>
<td>Hygiene drivers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfortable</td>
<td>131</td>
<td>134</td>
<td>63</td>
<td>55</td>
<td>110</td>
<td>77</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>94</td>
<td>112</td>
<td>87</td>
<td>120</td>
<td>84</td>
<td>108</td>
</tr>
<tr>
<td>Safe destination</td>
<td>115</td>
<td>79</td>
<td>116</td>
<td>95</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>Affordable activities</td>
<td>165</td>
<td>54</td>
<td>71</td>
<td>61</td>
<td>97</td>
<td>107</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td></td>
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</tbody>
</table>

**Actions for TNZ:**

More focus is needed on communicating:
- Range of experiences
- Comfortable
- Unique experiences
- See lots without travelling far
- Safe destination

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

---

*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>Core drivers</th>
<th>New Zealand</th>
<th>Canada</th>
<th>USA</th>
<th>Hawaii</th>
<th>Japan</th>
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</tr>
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<tbody>
<tr>
<td>Landscapes &amp; scenery</td>
<td>104</td>
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<tr>
<td>Range of adventure</td>
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<td>117</td>
<td>117</td>
<td>103</td>
<td>81</td>
<td>62</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>‘Everything close’ drivers</th>
<th>New Zealand</th>
<th>Canada</th>
<th>USA</th>
<th>Hawaii</th>
<th>Japan</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range of experiences</td>
<td>80</td>
<td>98</td>
<td>128</td>
<td>89</td>
<td>105</td>
<td>119</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>96</td>
<td>97</td>
<td>100</td>
<td>101</td>
<td>97</td>
<td>113</td>
</tr>
<tr>
<td>See lots without travelling far</td>
<td>95</td>
<td>68</td>
<td>84</td>
<td>118</td>
<td>116</td>
<td>124</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hygiene drivers</th>
<th>New Zealand</th>
<th>Canada</th>
<th>USA</th>
<th>Hawaii</th>
<th>Japan</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfortable</td>
<td>125</td>
<td>122</td>
<td>70</td>
<td>112</td>
<td>75</td>
<td>71</td>
</tr>
<tr>
<td>Clean &amp; unpolluted</td>
<td>96</td>
<td>111</td>
<td>88</td>
<td>82</td>
<td>108</td>
<td>120</td>
</tr>
<tr>
<td>Safe destination</td>
<td>109</td>
<td>81</td>
<td>118</td>
<td>91</td>
<td>104</td>
<td>96</td>
</tr>
<tr>
<td>Affordable activities</td>
<td>158</td>
<td>59</td>
<td>67</td>
<td>102</td>
<td>114</td>
<td>59</td>
</tr>
<tr>
<td>Affordable to fly to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

More focus is needed on communicating:
- Range of experiences
- Comfortable
- Unique experiences
- Safe destination
- See lots without travelling far

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

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

**Relative brand positioning with Potential FTAs**

<table>
<thead>
<tr>
<th>AC Monitor</th>
<th>Index (see appendix)</th>
<th>Current 6M</th>
<th>Potential FTAs</th>
<th>New Zealand and top five competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscapes &amp; scenery</td>
<td>New Zealand</td>
<td>103</td>
<td>Canada</td>
<td>121</td>
</tr>
<tr>
<td>Friendly people</td>
<td>New Zealand</td>
<td>97</td>
<td>Canada</td>
<td>106</td>
</tr>
<tr>
<td>Unique experiences</td>
<td>New Zealand</td>
<td>87</td>
<td>Canada</td>
<td>94</td>
</tr>
<tr>
<td>Range of adventure</td>
<td>New Zealand</td>
<td>109</td>
<td>Canada</td>
<td>114</td>
</tr>
<tr>
<td><strong>‘Everything close’ drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of experiences</td>
<td>New Zealand</td>
<td>79</td>
<td>Canada</td>
<td>94</td>
</tr>
<tr>
<td>Easy to travel around</td>
<td>New Zealand</td>
<td>94</td>
<td>Canada</td>
<td>97</td>
</tr>
<tr>
<td>See lots without travelling far</td>
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<td><strong>Hygiene drivers</strong></td>
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</tr>
<tr>
<td>Affordable to fly to</td>
<td>New Zealand</td>
<td>170</td>
<td>Canada</td>
<td>63</td>
</tr>
</tbody>
</table>

**Actions for TNZ:**

- More focus is needed on communicating:
  - Range of experiences
  - Comfortable
  - Unique experiences
  - Safe destination
  - See lots without travelling far

While leveraging our strengths:

- Clean & unpolluted
- Range of adventure
- Affordable to fly to
- Affordable activities

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

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

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

- 100 = in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
- Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
- This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees
New Zealand’s relative performance on ‘friendly people’ has been showing a slight upward trend since Q2 FY18

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 remains relatively weak on ‘unique experiences’, behind all other top competitors

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
Perceptions of offering a ‘range of adventure’ are a strength for New Zealand, however Canada and USA are stronger on this driver.

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

Core driver
- ‘Everything close’ driver

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

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

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

100 = in line with expectations given the level of preference for this destination and given the performance of all destinations on all attributes
Scores are relative, i.e. removing / adding attributes and / or destinations from the analysis would give different scores
This approach allows us to account for the fact all respondents prefer NZ by definition and thus rate NZ favourably, whilst other destinations are preferred to varying degrees.
New Zealand’s relative performance on ‘easy to travel around’ hovers around parity; despite its performance declining over the past few quarters, UK continues to lead on this driver by a significant distance.

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
Relative perceptions of New Zealand being a destination where you can ‘see lots without travelling far’ have seen a slight decline since the start of FY18

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 perceptions of New Zealand being ‘comfortable’ have remained stable, but weak compared to the top five competitors

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

Core driver
‘Everything close’ driver
Hygiene driver

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Being ‘clean & unpolluted’ continues to be one of New Zealand’s strengths, however Canada also performs strongly on this driver and remains the strongest destination.

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
The UK has grown considerably in its relative performance on being a ‘safe destination’ over the last nine months to now being the strongest performing competitor; at the same time relative perceptions of New Zealand on this driver are trending downwards.

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
New Zealand’s relative performance on ‘affordable activities’ is showing a downward trend

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)
- **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 ‘affordable to fly to’ New Zealand is a clear leader

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

![Graph showing brand positioning over time for New Zealand and top five competitors]
To help ACs to move through the funnel focus on closing their key knowledge gaps: how easy it is to travel around, New Zealand weather, safety, and time required to experience New Zealand properly

### Top ten knowledge gaps

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>Now</th>
<th>Six months ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How easy is it to travel around?</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>2. How often does it rain?</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>3. How safe is it from crime?</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>4. How long does it take to travel between the main attractions?</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>5. What is the length of time needed to experience New Zealand properly?</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>6. Does it get too cold in winter?</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>7. What are the transportation options for travelling within New Zealand?</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>8. How welcoming are the locals?</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>9. What / where are the recommended things to see and do?</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>10. What is the driving behaviour of locals like?</td>
<td>16%</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Ranks higher now than six months ago as a knowledge gap*
The list of knowledge gaps among IPs largely mirrors that of ACs as a whole, although less IPs are concerned with safety, length of time needed to experience New Zealand, how easy it is to travel around, and weather.

### Top ten knowledge gaps, for IPs

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

*Note: Ranks higher with IPs than with non-IPs as a knowledge gap.*
Compared to the previous visitors, potential FTAs are more likely to have knowledge gaps and concerns, with logistics of travelling around New Zealand and how safe New Zealand is from crime being the main ones.

### Top ten knowledge gaps, for Potential FTAs

**AC Monitor | % | Current 6M | Potential FTAs**

<table>
<thead>
<tr>
<th>What do ACs want to know more about before choosing New Zealand?</th>
<th>Potential FTAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How easy is it to travel around?</td>
<td>31%</td>
</tr>
<tr>
<td>2. What is the <strong>length of time</strong> needed to <strong>experience New Zealand properly</strong>?</td>
<td>30%</td>
</tr>
<tr>
<td>3. How long does it take to <strong>travel between</strong> the main attractions?</td>
<td>28%</td>
</tr>
<tr>
<td>4. How <strong>safe</strong> is it from crime?</td>
<td>27%</td>
</tr>
<tr>
<td>5. How often does it <strong>rain</strong>?</td>
<td>26%</td>
</tr>
<tr>
<td>6. What are the <strong>transportation options</strong> for travelling within New Zealand?</td>
<td>24%</td>
</tr>
<tr>
<td>7. Does it <strong>get too cold</strong> in winter?</td>
<td>23%</td>
</tr>
<tr>
<td>8. What / where are the recommended <strong>things to see and do</strong>?</td>
<td>20%</td>
</tr>
<tr>
<td>9. Does it <strong>get too hot</strong> in summer?</td>
<td>19%</td>
</tr>
<tr>
<td>10. How <strong>physically fit</strong> do I need to be?</td>
<td>19%</td>
</tr>
</tbody>
</table>

*Ranks higher with FTAs than with previous visitors as a knowledge gap*  
[significant higher/lower than previous visitors at 95%]
The proportion of ACs in the booking stage of the visitor consideration funnel has declined compared to the six months prior, with a corresponding increase in the proportion of ACs in planning.

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

<table>
<thead>
<tr>
<th></th>
<th>Global Average(1)</th>
<th>Now (Current 6M)</th>
<th>Six months ago (Previous 6M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dreaming</td>
<td>58%</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>Planning</td>
<td>18%</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Booking</td>
<td>23%</td>
<td>22%</td>
<td>28%</td>
</tr>
</tbody>
</table>

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

This decline is evident among IPs, Potential FTAs and ACs in NSW.

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

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

**Now (Current 6M)**
- **Dreaming**: 46%
- **Planning**: 22%

Conversion = 46%

i.e. 46% of ACs have moved beyond dreaming and into planning

Global average(1) = 42%

**Six months ago (Previous 6M)**
- **Dreaming**: 48%
- **Planning**: 28%

Conversion = 47% ▼

i.e. 47% of ACs that have begun planning are now ready to book

Global average(1) = 56%

Conversion = 60%

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

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

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

- **Now (Current 6M):**
  - Dreaming: 53%
  - Planning: 23% (△)
  - Booking: 24% (▼)

- **Six months ago (Previous 6M):**
  - Dreaming: 50%
  - Planning: 17%
  - Booking: 33%

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

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

**Now**
(Current 6M)

- **Dreaming**
- **Planning**
  - **Conversion = 47%**
  - *i.e. 47% of IPs have moved beyond dreaming and into planning*
- **Booking**
  - **Conversion = 50%**
  - *i.e. 50% of IPs that have begun planning are now ready to book*

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

- **Conversion = 50%**
- **Conversion = 66%**

*Significantly higher / lower than six months ago at 95%*
As with ACs as a whole, there has been a decline in the proportion of potential FTAs in the booking stage of the consideration funnel.

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

**Now (Current 6M)**
- Dreaming: 61%
- Planning: 26% (▲)
- Booking: 12% (▼)

**Six months ago (Previous 6M)**
- Dreaming: 62%
- Planning: 19%
- Booking: 19%

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

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

Now
(Current 6M)

Dreaming

Planning

Conversion = 39%  
\text{i.e. 39\% of FTAs have moved beyond dreaming and into planning}

Booking

Conversion = 32% ▼\text{●}
\text{i.e. 32\% of FTAs that have begun planning are now ready to book}

Six months ago
(Previous 6M)

Conversion = 38%

Conversion = 49%

\text{Significantly higher / lower than six months ago at 95\%}
To accelerate the conversion of ACs from dreaming into planning and booking, continue focusing on addressing their knowledge gaps about how easy it is to get around New Zealand and safety from crime.

**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. How easy is it to travel around?</td>
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<td>29%</td>
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<tr>
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<td>6. How often does it rain?</td>
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</tr>
<tr>
<td>10. How physically fit do I need to be?</td>
<td>16%</td>
<td>20% ▲</td>
<td></td>
</tr>
<tr>
<td>11. How safe is it to participate in adventure activities?</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>12. What is the driving behaviour of locals like?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Does it get hot enough in summer?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: ▲ indicates significantly higher than other stages at 95% confidence level.*

Ranks higher with 'dreaming' than with 'booking' as a knowledge gap.
Based on the levels of consideration and preference, off-peak spring and autumn seasons offer a reasonable opportunity for TNZ to drive seasonal travel with Australian ACs.

**Seasons – consideration & preference**

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

Conversion of consideration to preference

- **Off-peak**
  - Consider: 51%
  - Prefer: 25%

- **Peak**
  - Consider: 59%
  - Prefer: 42%

- **Off-peak**
  - Consider: 41%
  - Prefer: 19%

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.
Similar to ACs as a whole, the spring and autumn off-peak seasons offer reasonable opportunities to drive seasonal arrivals among IPs

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

Conversion of consideration to preference

- Spring Off-peak: 47% Consider, 24% Prefer
- Summer Peak: 61% Consider, 46% Prefer
- Autumn Off-peak: 36% Consider, 21% Prefer
- Winter Off-peak: 30% Consider, 14% 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
Autumn consideration looks to have stabilised after declines from Q1 FY18, while spring consideration has maintained a stable performance over the past year.

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

**Total ACs**
- Off-peak: 49% 48% 50% 49% 48% 48% 47% 49% 50% 51%
- Q1: 47% 45% 46% 46% 44% 43% 45% 46% 47%
- Q2: 34% 34% 35% 38% 38% 42% 41% 39% 38% 36%
- Q3: 36% 36% 38% 40% 40% 42% 42% 41% 41% 40%
- Q4: 37% 37% 39% 41% 42% 46% 45% 43% 42% 41%

**IPs**
- Off-peak: 49% 48% 50% 49% 48% 48% 47% 49% 50% 51%
- Q1: 47% 46% 48% 47% 47% 49% 49% 50% 50% 51%
- Q2: 34% 34% 35% 38% 38% 42% 41% 39% 38% 36%
- Q3: 36% 36% 38% 40% 40% 42% 42% 41% 41% 40%
- Q4: 37% 37% 39% 41% 42% 46% 45% 43% 42% 41%

**Potential FTAs**
- Off-peak: 49% 48% 50% 49% 48% 48% 47% 49% 50% 51%
- Q1: 47% 46% 48% 47% 47% 49% 49% 50% 50% 51%
- Q2: 34% 34% 35% 38% 38% 42% 41% 39% 38% 36%
- Q3: 36% 36% 38% 40% 40% 42% 42% 41% 41% 40%
- Q4: 37% 37% 39% 41% 42% 46% 45% 43% 42% 41%

*Significantly higher / lower than six months ago at 95%*
## Australia summary

<table>
<thead>
<tr>
<th></th>
<th>Arrivals</th>
<th>Length of Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE Jun 18</td>
<td>Qtr End Jun 18</td>
</tr>
<tr>
<td>Total</td>
<td>1,471K</td>
<td>299K</td>
</tr>
<tr>
<td></td>
<td>+1.4%</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>579K</td>
<td>104K</td>
</tr>
<tr>
<td></td>
<td>-1.8%</td>
<td>-15.9%</td>
</tr>
<tr>
<td></td>
<td>YE Jun 18</td>
<td>Qtr End May 18</td>
</tr>
<tr>
<td>Total</td>
<td>9.6</td>
<td>8.5</td>
</tr>
<tr>
<td></td>
<td>-4.0%</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Holiday</td>
<td>10.3</td>
<td>9.6</td>
</tr>
<tr>
<td></td>
<td>-5.8%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Stay Days</th>
<th>Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE Jun 18</td>
<td>Qtr End Jun 18</td>
</tr>
<tr>
<td>Total</td>
<td>14.1M</td>
<td>2.5M</td>
</tr>
<tr>
<td></td>
<td>-2.6%</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Holiday</td>
<td>5.9M</td>
<td>998K</td>
</tr>
<tr>
<td></td>
<td>-7.5%</td>
<td>-18.4%</td>
</tr>
<tr>
<td></td>
<td>Total $12,585M</td>
<td>$1,948</td>
</tr>
<tr>
<td></td>
<td>+7%</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>Holiday $1,292M</td>
<td>$2,600</td>
</tr>
<tr>
<td></td>
<td>+12%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Jun 2018; MBIE International Visitor Survey Mar 2018
Australian market has slowed to a point of negative growth in holiday arrivals for YE Jun 2018 vs. prior year

Source: Stats NZ International Travel and Migration Jun 2018
Regular months of negative yoy holiday growth from October 2017 has dragged down annual growth

Provisional total arrivals 4 weeks ending 24 June 18 down -9.6% on LY, and down 3.4% on 2YA

Australia Holiday Arrivals - Annual and Monthly Growth

Source: Stats NZ International Travel and Migration Jun 2018
Only AB segment remains in positive yoy growth

<table>
<thead>
<tr>
<th></th>
<th>YE May 2017</th>
<th>YE May 2018</th>
<th>Change on LY</th>
<th>% Change on LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth 18-24</td>
<td>68,608</td>
<td>64,032</td>
<td>-4,576</td>
<td>-6.7%</td>
</tr>
<tr>
<td>IP 25-54</td>
<td>297,136</td>
<td>293,808</td>
<td>-3,328</td>
<td>-1.1%</td>
</tr>
<tr>
<td>AB 55-74</td>
<td>126,176</td>
<td>126,736</td>
<td>560</td>
<td>0.4%</td>
</tr>
<tr>
<td>Other</td>
<td>97,216</td>
<td>94,064</td>
<td>-3,152</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Total</td>
<td>589,136</td>
<td>578,640</td>
<td>-10,496</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Jun 2018
Australian outbound to New Zealand lags total outbound after a sustain period of being ahead of total outbound growth

Source: Australian Bureau of Statistics April 2018
Arrival growth into Auckland has been moderating since mid 2017 and has now moved into negative yoy growth – arrival growth in CHC and ZQN is relatively stable by comparison.

Source: Stats NZ International Travel and Migration Jun 2018
AKL arrival fall driven by SYD, it has had a significant capacity decrease and cost increase.

BNE also decreased but hasn’t had capacity fall* and had a relatively lower price increase

Australia Holiday Arrivals into Auckland by Closest Australian Port

<table>
<thead>
<tr>
<th></th>
<th>CAPACITY</th>
<th>AVG FARE</th>
<th>CARRIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-12%</td>
<td>+28%</td>
<td>5 (-2)</td>
</tr>
<tr>
<td></td>
<td>+4%</td>
<td>+13%</td>
<td>5* (N/C)</td>
</tr>
<tr>
<td></td>
<td>+3%</td>
<td>+9%</td>
<td>5* (N/C)</td>
</tr>
<tr>
<td></td>
<td>+1%</td>
<td>+8%</td>
<td>4 (N/C)</td>
</tr>
<tr>
<td></td>
<td>-5%</td>
<td>+10%</td>
<td>2** (N/C)</td>
</tr>
</tbody>
</table>

Source: Stats NZ International Travel and Migration Apr 2018; Sabre Market Intelligence

*Carriers on MEL-AKL and BNE-AKL falls to 4 from April 18 with withdrawal of Emirates – this time period only captures one month of data without the Emirates service

**Qantas seasonal flights reduced to only Dec-Jan in 17/18