

Quarterly Members Update

Thursday 12 March 2020



HOME OF
ADVENTURE



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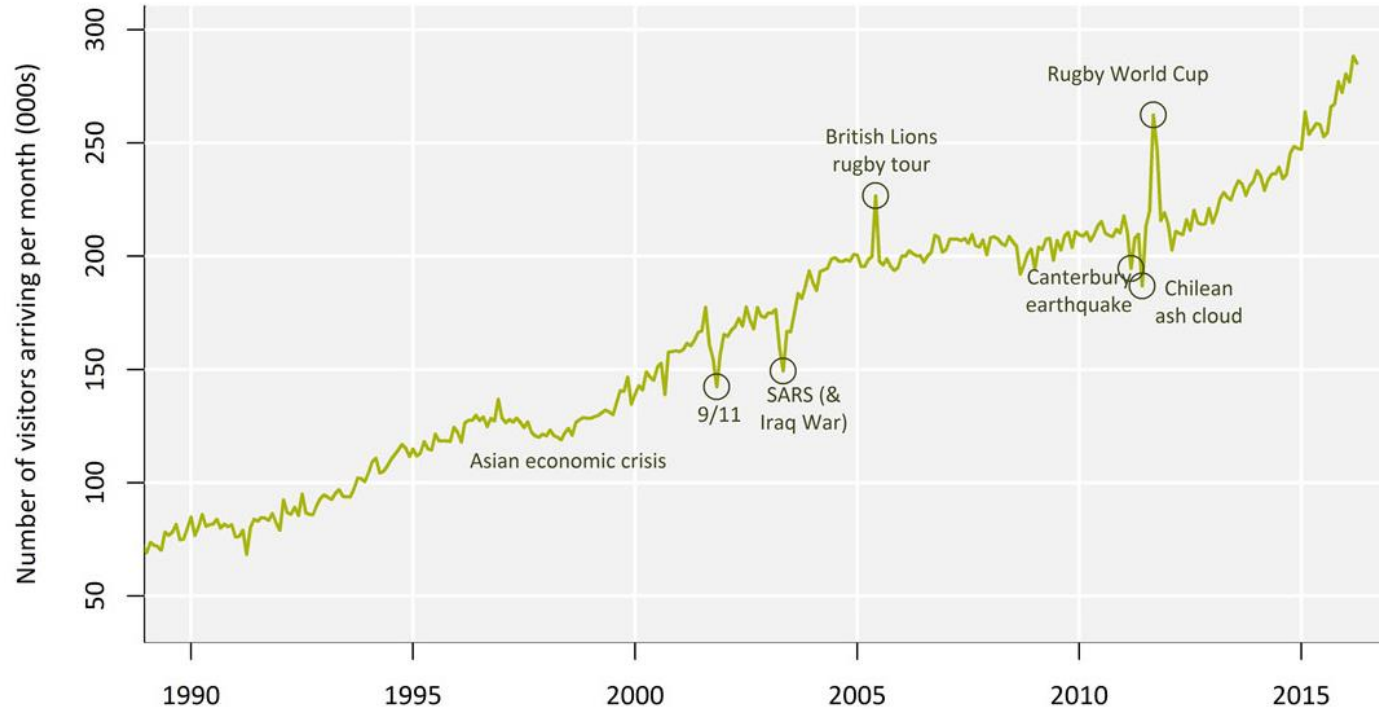
Team Update

- Ruby Soole – Marketing Executive
- Eilidh Blanchard – Business Development Executive
- Linda McIntosh – Business Development Executive
- Kate Baxter – International Markets Manager: Western

Ann Lockhart

Interim CEO

NZ long term international visitor arrivals



Destination Queenstown

Annual Business Plan FY20-21



HOME OF
ADVENTURE

FY20-21 Introduction

- Final year of three year strategic plan FY19-21
- Shift from tail winds to head winds – reflected in DQ growth goals
- Demand creation focus following recent events
- Embedding Home of Adventure proposition across FY20-21
- Target resilient markets short to medium term and developing recovery strategies for effected markets

Strategic priorities 2019 - 2021

1. OUR BRAND, OUR PLACE AND OUR STORYTELLING
2. GROWING VISITOR VALUE
3. A DIVERSE VISITOR PORTFOLIO
4. A SUSTAINABLE HOST COMMUNITY

FY20-21 Organisation Objectives

- Fully embed Queenstown's evolved brand strategy, building awareness and credibility around the Home of Adventure proposition, leveraging it to drive preference in a competitive global market and strengthen Queenstown's reputation.
- Concentrate focus on resilient markets and develop recovery strategies for effected markets to optimise opportunities for Queenstown, mitigate the effect of lower performing markets in the medium term while maintaining diversity of markets and visitors over the long term.
- Grow the value of visitors to Queenstown by positioning our destination as an aspirational and accessible destination for travellers of all styles.
- Engage with our stakeholders to support positive community sentiment toward tourism and industry resilience.

SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Diverse portfolio of markets being targeted for many years• Launch of new Queenstown brand proposition and DQ is campaign-ready• Dedicated DQ marketing budget and marketing focus across all channels (consumer, media, trade, bureau)• Resilient industry historically• Queenstown remains NZ's premier visitor destination – world class product and product diversity• Strong reputation internationally	<ul style="list-style-type: none">• Queenstown's infrastructure challenges• Pricing perception of Queenstown in domestic market• Negative community sentiment toward tourism
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• RTNZ/MBIE Domestic Tourism Relief Fund• Increased TNZ activity in Australia Queenstown can leverage• Opportunity to get continuity plans well honed, review business plans• Year 2 of increased DQ funding• Unrealised latent demand in certain markets• Community sentiment towards tourism may change with reduction in visitor numbers	<ul style="list-style-type: none">• Ongoing impact of Covid-19 internationally/slow recovery• Serious outbreak of Covid-19 in Queenstown• Changes in government policy as a result of Covid-19• Impact of Tourism Australia's domestic marketing campaign• Other residual effects of Australian bushfires (dual destination)• Changes/decline in airline scheduling• Increased competition from other destinations domestically and internationally

Growth Goals

THREE YEAR GROWTH GOALS FY19-21

VOLUME
GROWTH
BY **2.5%**

VALUE
GROWTH
BY **5%**

THE GOAL IS
TO ACHIEVE **\$2.5 BILLION**
VISITOR SPEND BY 2021

Growth Goals

ANNUAL GROWTH GOALS FY20-21

OVERALL VOLUME GROWTH OF -3.7%*

VALUE GROWTH OF -0.8%**

* Volume assessed as total visitor numbers to Queenstown as measured by Qrious year-end June 2021 visitor number.

**Value assessed as total visitor expenditure in Queenstown as measured by the Monthly Regional Tourism Estimates year-end June 2021

Market Matrix

Market Type	Market	Objective	Target Audiences	High impact campaign	Always on digital	Content and website	PR and DQ media program	IMP	Trade	QCB
Critical Core	New Zealand	Demand creation to drive domestic visitor numbers, specifically in autumn, winter and spring, anchored in the Home of Adventure proposition.	<ul style="list-style-type: none"> Independent professionals Active Boomers Conference and Incentive market Self-developers/ youth 	✓	✓	✓	✓			✓
	Australia	Demand creation to grow our share of Australian outbound travellers, targeting winter and spring visitation but with a focus on year round appeal under Home of Adventure brand proposition.	<ul style="list-style-type: none"> Independent professionals Self-developers/ youth Active Boomers Conference and Incentive market 	✓	✓	✓	✓	✓	✓	✓
Pacific Rim	North America	Deliver increased trade activity in the US, leveraging and building on new airline routes. Leverage and align with TNZ work in US.	<ul style="list-style-type: none"> High value young professionals Active boomers Incentive market 			✓		✓	✓	✓
	China	Develop China recovery strategy, aligning with key partners, to be ready to increase Queenstown's market share when China recovers.	<ul style="list-style-type: none"> Young professionals High value multi-generational FIT family groups High value ADS groups Incentive market 			✓ (via 3rd parties)		✓	✓	✓
	South East Asia	Capitalise on high density air routes from Kuala Lumpur, Bangkok and Singapore to Auckland and Christchurch to grow Queenstown's share of New Zealand arrivals for leisure and incentives from SEA by participating in TNZ events	<ul style="list-style-type: none"> Independent professionals Incentive market 			✓		✓	✓	✓
Long Haul	India	Target visitors that travel in autumn and spring, aiming to grow both overall Indian arrivals into Queenstown and increase length of stay.	<ul style="list-style-type: none"> Family market (travel in May) Honeymoon market (travel October - January) Incentive market 			✓		✓	✓	✓
	UK & Europe	Reenergise and reinforce our adventure credentials, specifically targeting the youth market and leveraging the Home of Adventure proposition.	<ul style="list-style-type: none"> Youth market Active Boomers 			✓		✓	✓	✓

Next steps

- Draft Plan live on www.queenstownNZ.nz and via Special Remarks newsletter
- Feedback welcome by 30 March to saraho@queenstownNZ.nz
- DQ's Strategic Review Board meeting 8 April
- Submission deadline to QLDC Annual Plan 17 April

Domestic Tourism Relief Fund



Background

- \$11M Government tourism relief fund
- \$10M to Tourism NZ for offshore marketing
- \$1 M to four RTOs: Auckland, Rotorua, Christchurch and Queenstown
- Fund managed by RTNZ

Fund Criteria

- Activity that stimulates NEW travel plans
- Mitigate immediate impact of reduced Chinese visitor numbers
- Activity promotes travel before 30 June 2020
- Demonstrate measurements and expected results

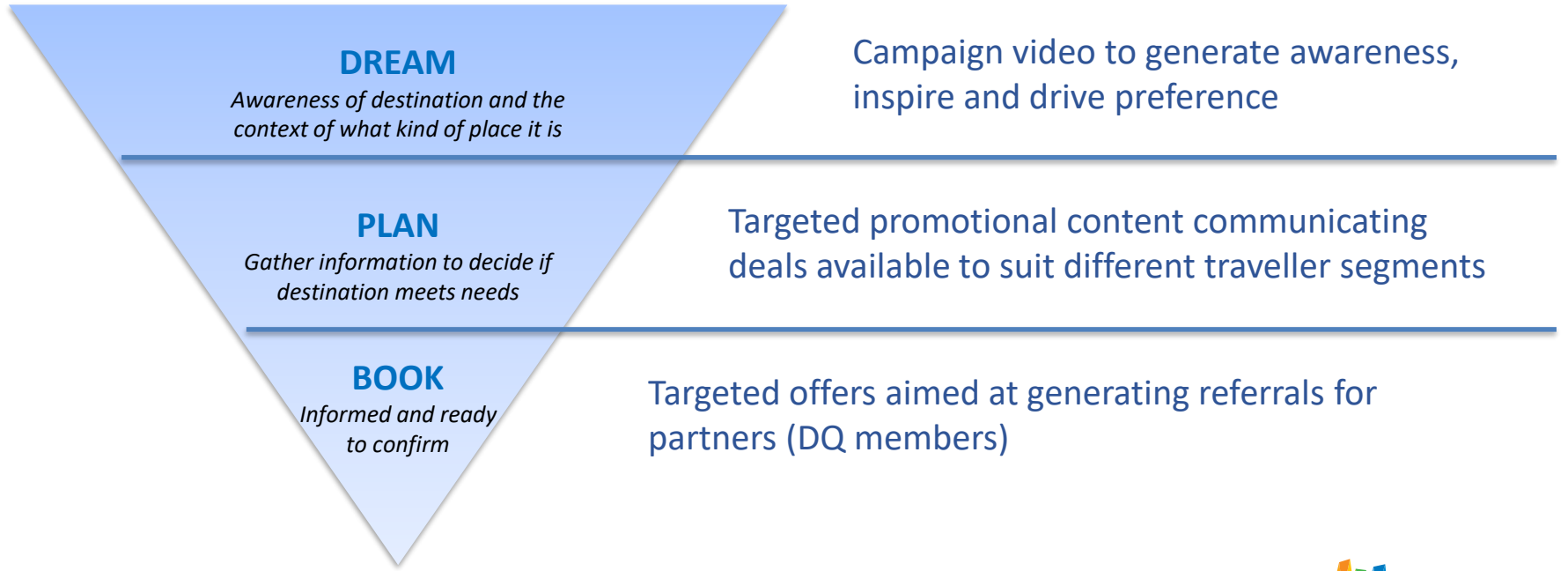
Campaign Outline

- Deals-based domestic campaign
- Key targets are Auckland, Christchurch and regional drive zone
- Aim to motivate short-lead arrivals in autumn
- In market 23 March, travel period 23 March – 30 June
- Leveraging Home of Adventure launch and timing
- Regional approach including Wanaka and Fiordland

Campaign mechanics

- Utilise new Queenstown brand video to create awareness
- Largest investment in conversion activity promoting deals on digital channels
- Traffic driven to landing page on queenstownNZ.nz featuring operator deals
- Deals for Wanaka and Fiordland pushed to partner sites

Campaign Funnel



Member opportunity

- Deals valid between 23 March – 30 June
- Existing deals on queenstownNZ.nz will be automatically included
- Please load new deals on DQ website by Friday 20th March
- Include black out periods such as Easter if desired
- Further comms out tomorrow

Timeline

- Proposal lodged with RTNZ Friday 6 March 2020
- Campaign in market: 23 March to 30 April 2020
- Booking deadline: 30 April 2020
- Travel period: 23 March to 30 June 2020
- ALL investment/activity complete by Tuesday 30 June

Australian Stimulus Activity

New Australian activity

- Up weighted investment in “This is how we winter” campaign
- New Short Break campaign
- Targeting May - November travel. In market during May.
- Featured regions/entry ports: Akld/Northland, Waikato/Rotorua, Wellington/Wairarapa, Christchurch/Kaikoura, Queenstown/Wanaka, Dunedin.
- Air New Zealand trade partner

QUEENSTOWN

ADVENTURE FESTIVAL

THURSDAY 19 MARCH 2020 - CORONET PEAK FROM 3PM



Adventure Festival Programme

- 3:00pm: Festival opens (free gondola rides, guided hikes, mountain activities)
- 5:00pm : Warren Miller 'Timeless' movie screening
- 6:45pm: Adventure speakers
- 8:15pm: Preview of new Queenstown brand video
- 8:30pm: Fireworks & DJ's Sweet Mix Kids
- 10:00pm: Event ends



18 - 21 June, 2020

Four days filled with free community events, food vendors, an amazing line up of local and national live music across three stages and a host of fun activities from the snow capped hills of Cardrona to the shores of Lake Wakatipu for the whole family to enjoy.

join the celebration
winter starts here!



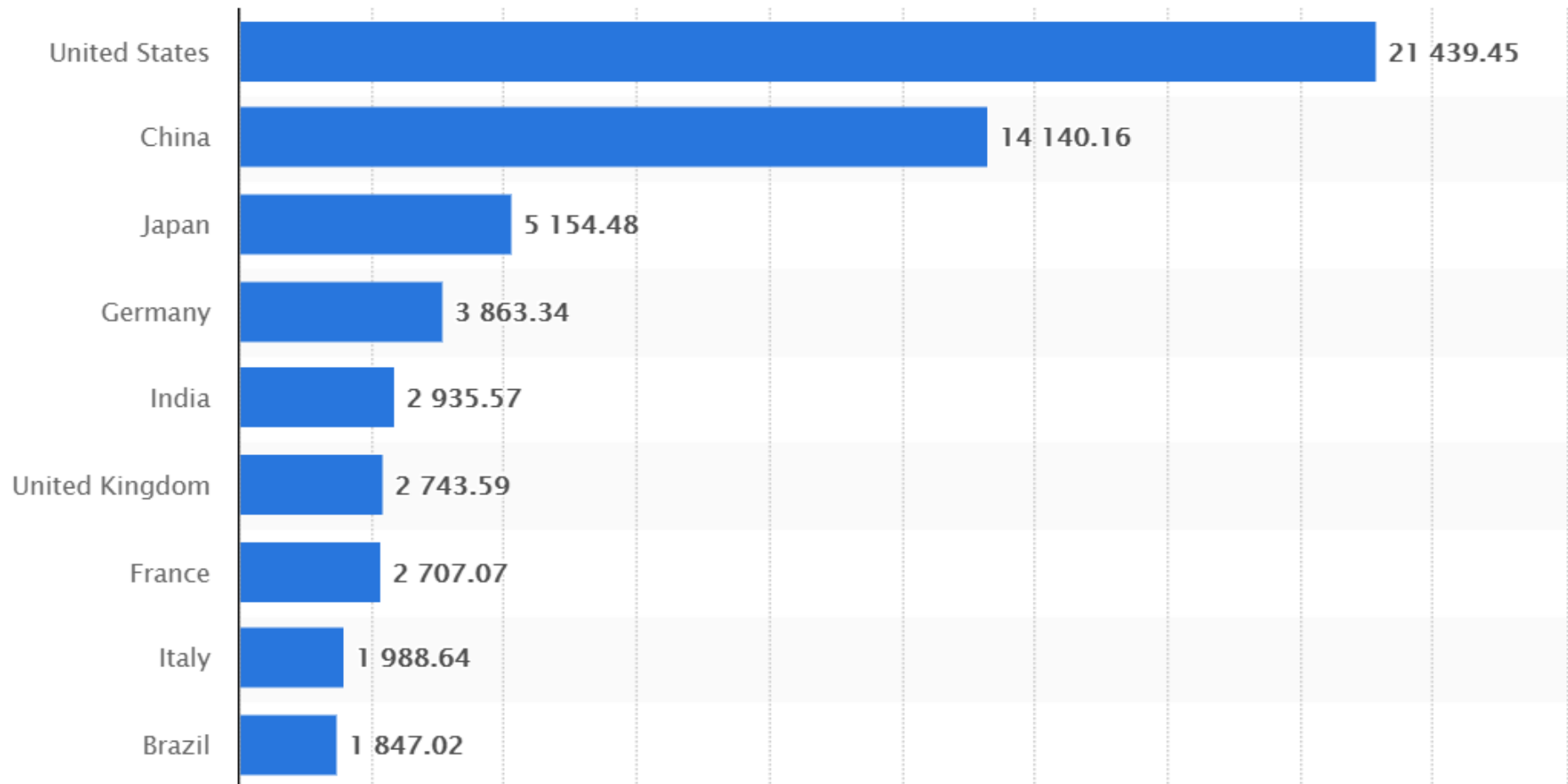
THE FOLLOWING **PREVIEW** HAS BEEN APPROVED FOR
APPROPRIATE AUDIENCES
BY THE MOTION PICTURE ASSOCIATION OF AMERICA, INC.

THE FILM ADVERTISED HAS BEEN RATED



www.filmratings.com

www.mpa.org

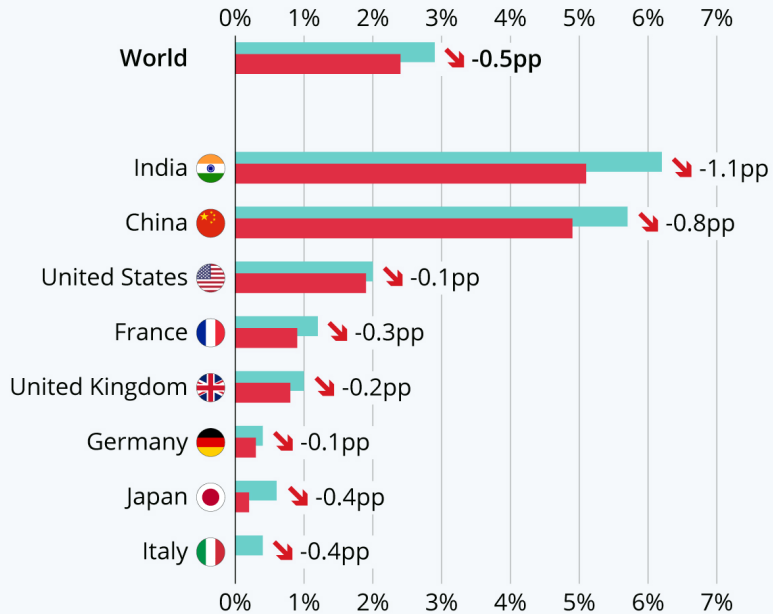


3 Mar 2020

Coronavirus: OECD Slashes Forecast for World Economy

GDP growth forecast for the world's largest economies in 2020*

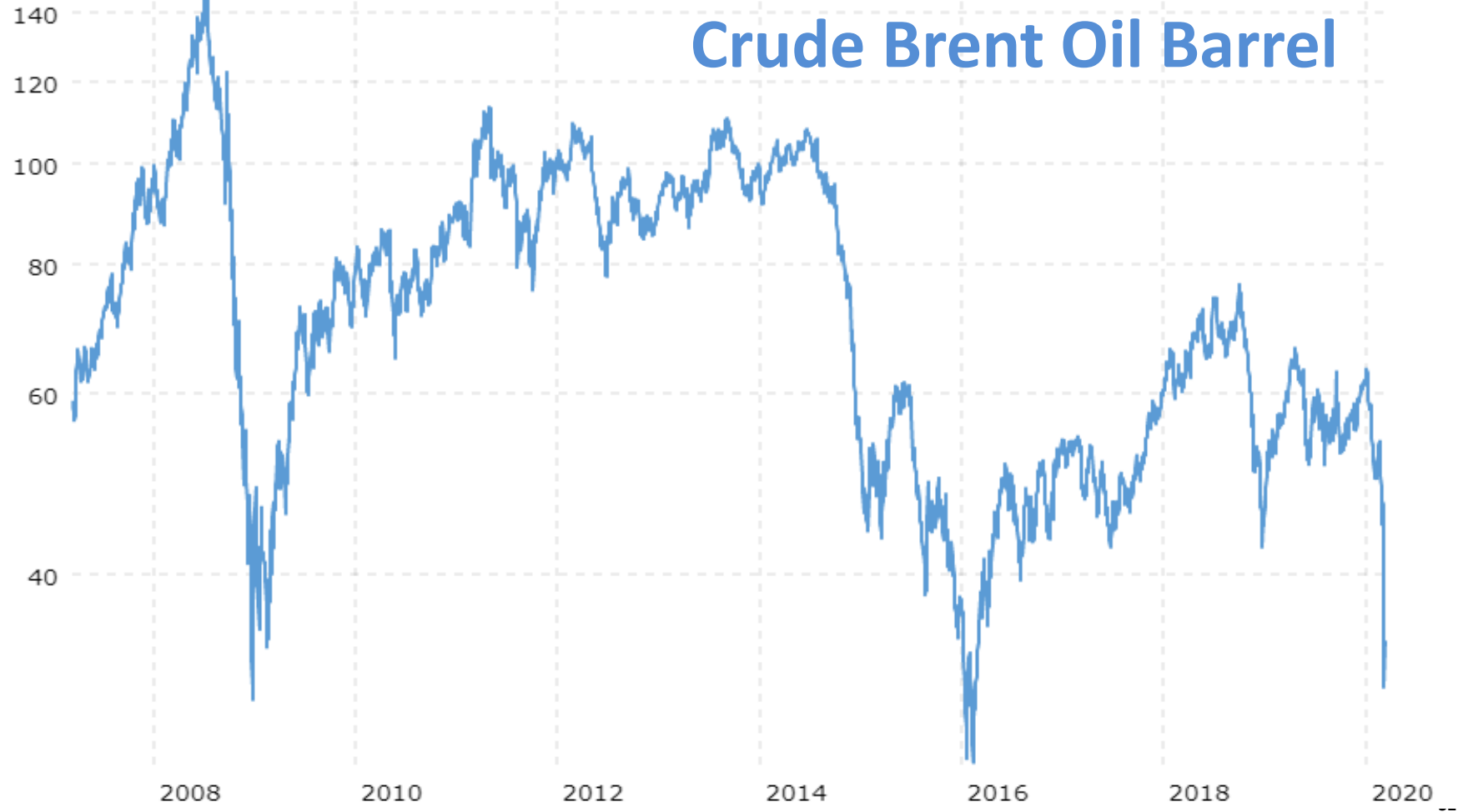
■ November 2019 forecast ■ March 2020 forecast
↘ Change from previous forecast



Source: OECD



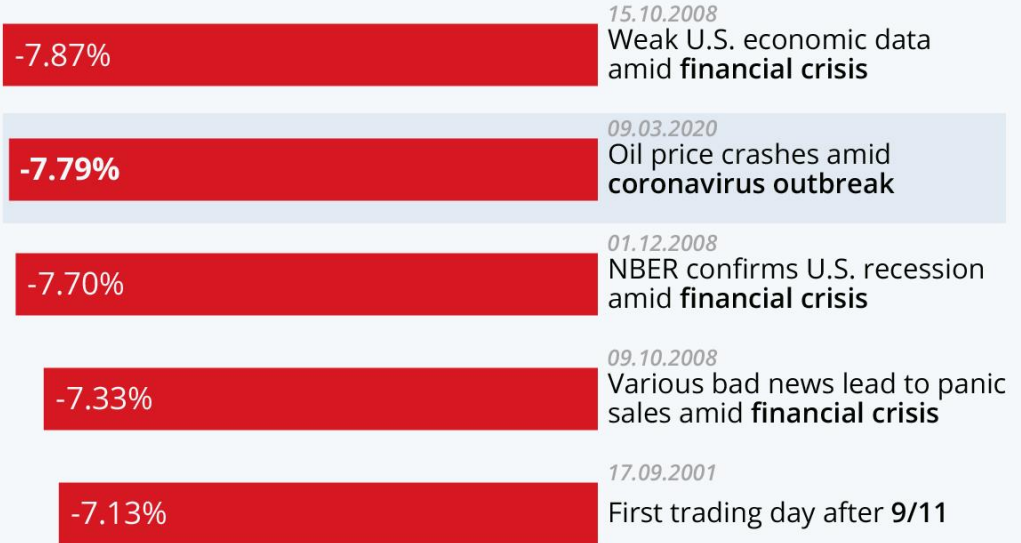
Crude Brent Oil Barrel



9 March 2020

Black Monday Among the Worst 21st Century Crashes

Largest single-day percentage losses of the Dow Jones Industrial Average since 2000



Source: Yahoo! Finance



AU

CN

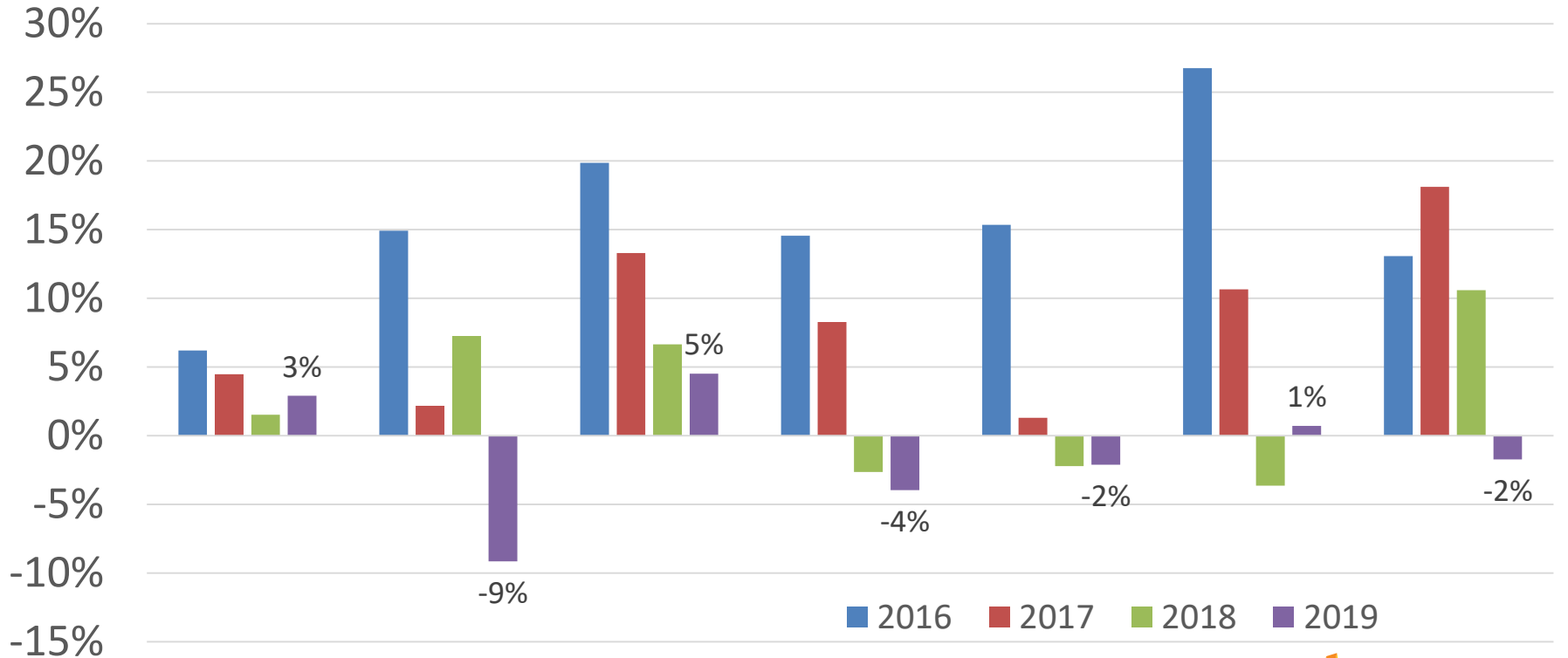
US

JP

DE

KR

IN



AU

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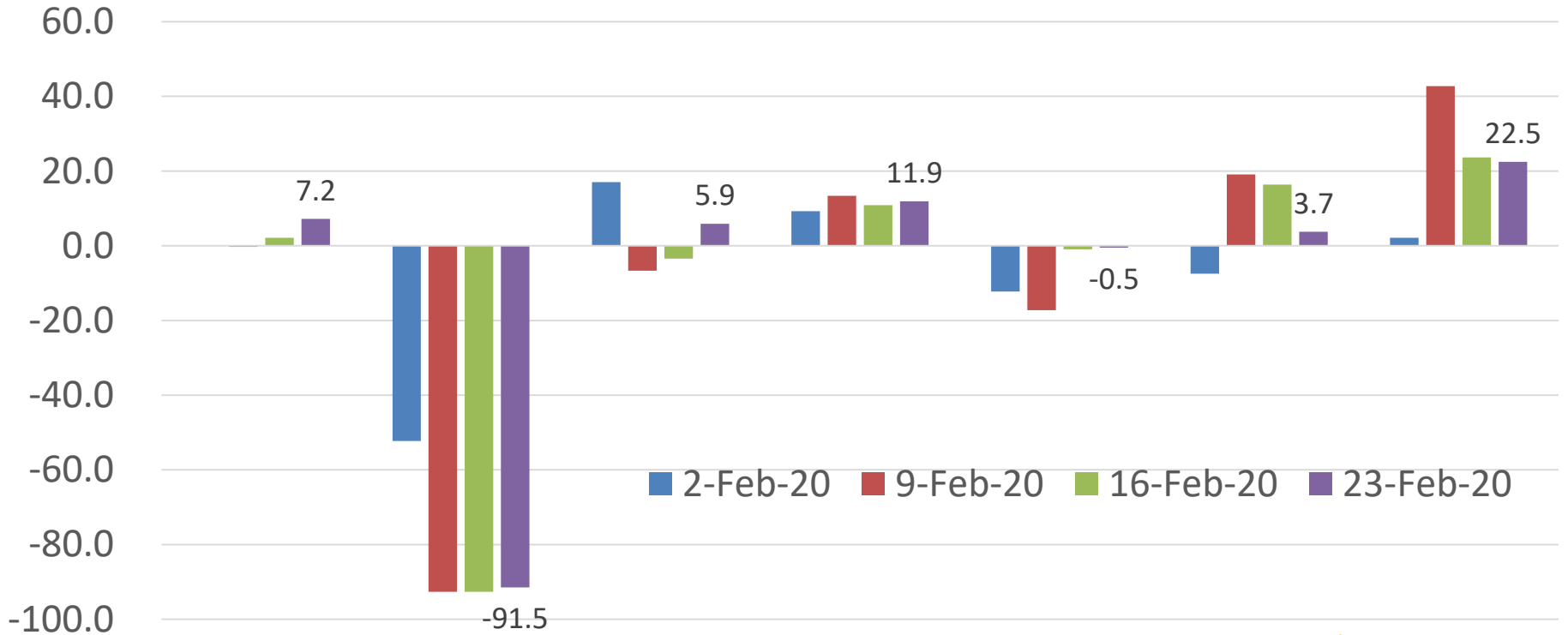
US

JP

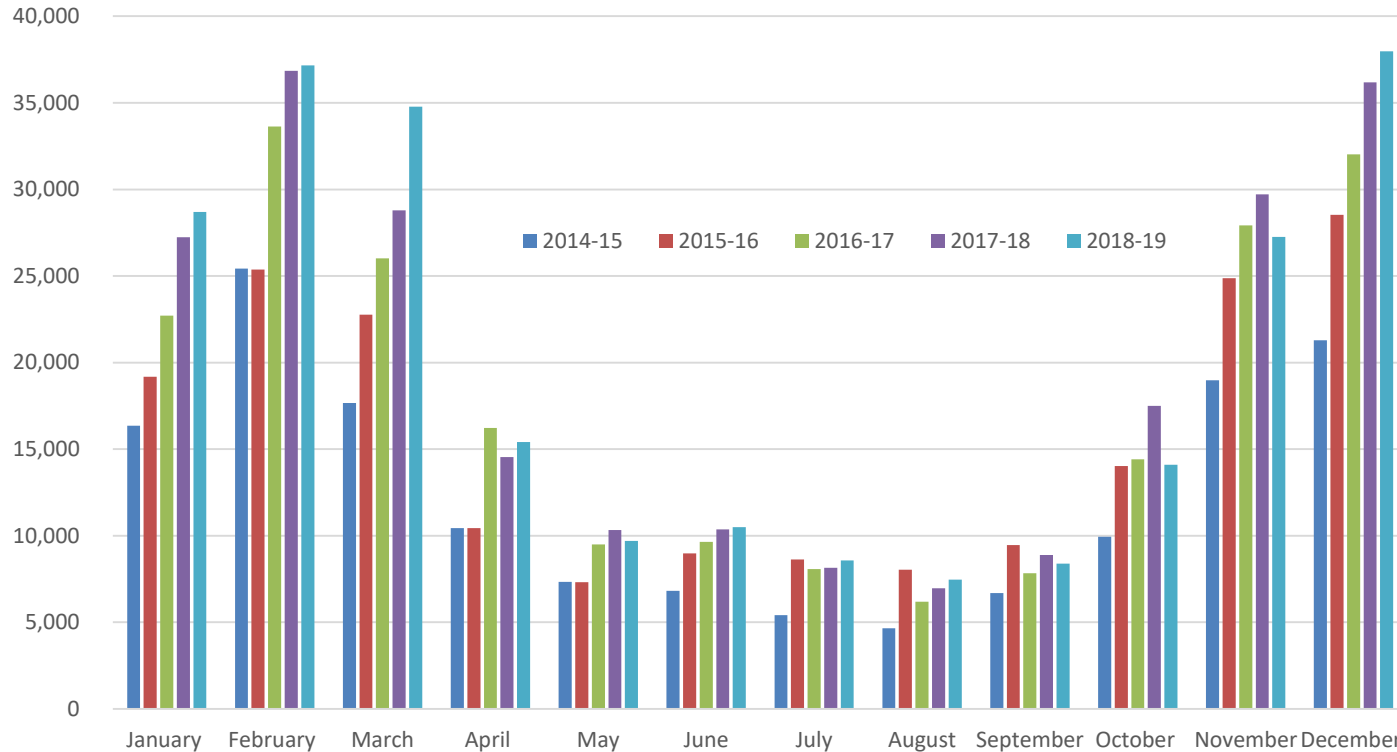
DE

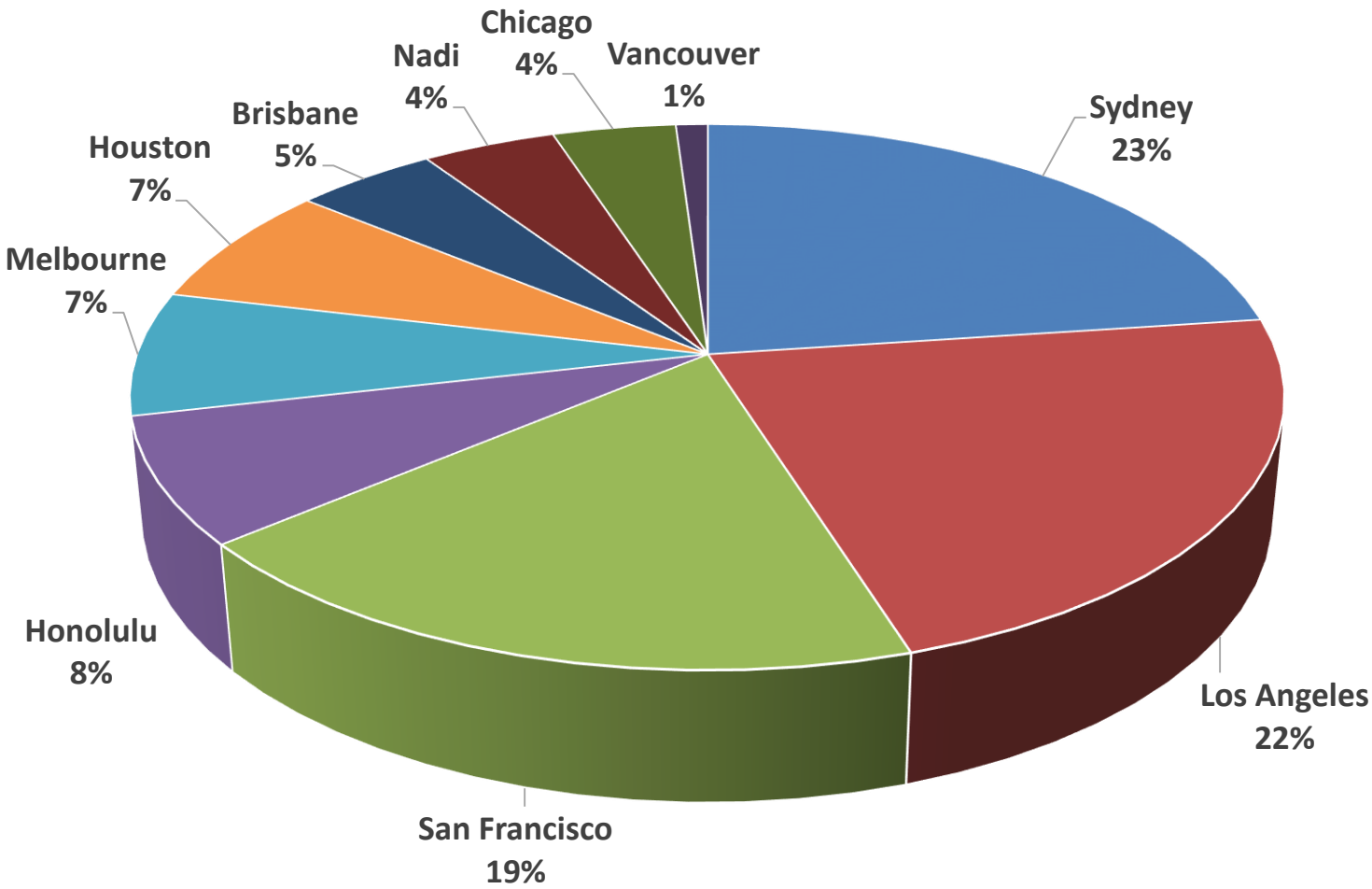
KR

IN



US Arrivals into New Zealand





Capacity 2020



APPROXIMATE
FLIGHT TIMES TO
QUEENSTOWN

12
HRS

LOS ANGELES

12
HRS

BUENOS AIRES

13
HRS

VANCOUVER

12
HRS

SAN FRANCISCO

15
HRS

CHICAGO

13.5
HRS

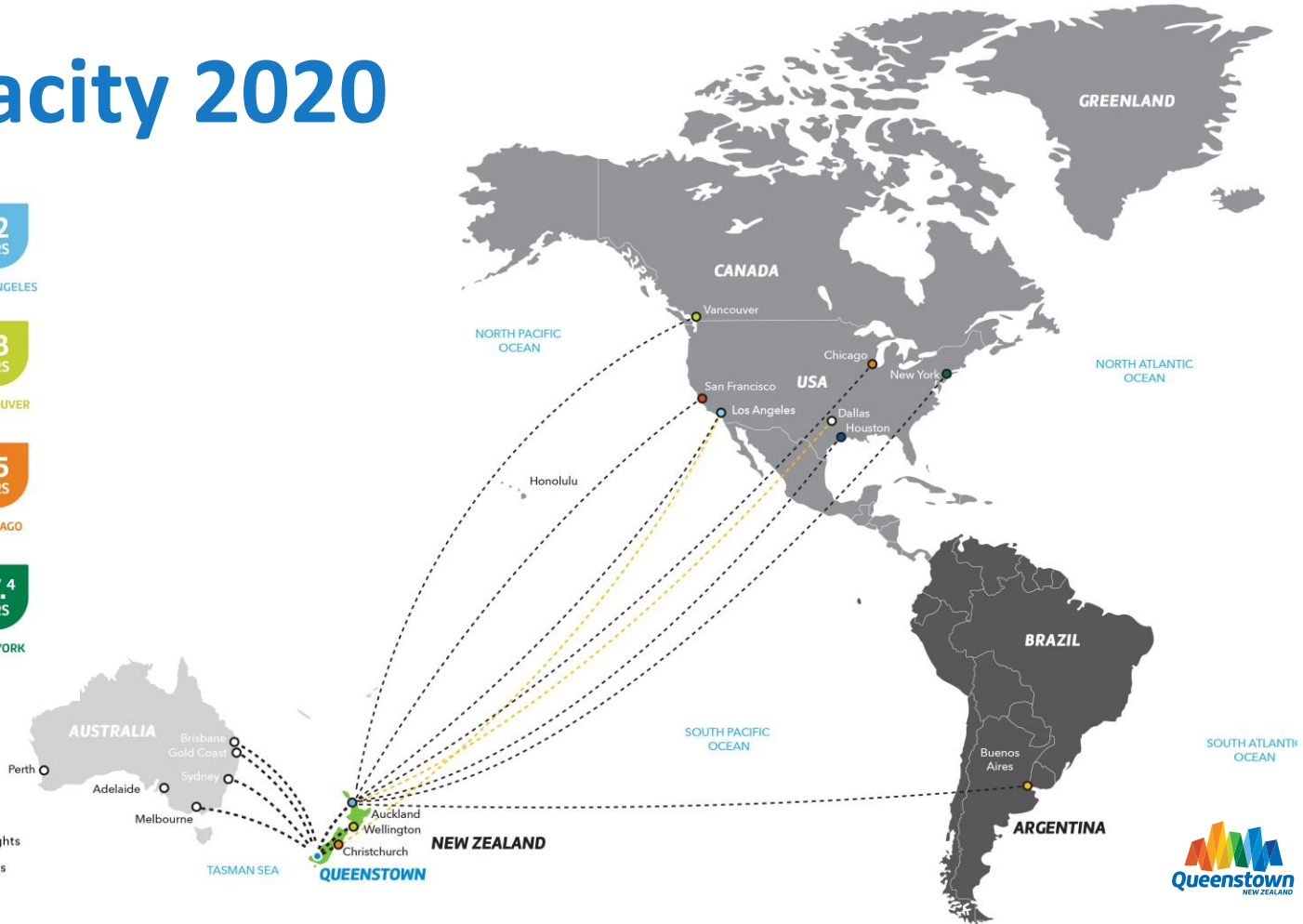
HOUSTON

17.4
HRS

NEW YORK

----- Year Round Flights

----- Seasonal Flights



American Airlines In-flight Magazine: Front Cover for March 2020



The Best Things to Do in Christchurch, New Zealand

americanway.com

American Airlines Billboard at Los Angeles Airport



The New York Times

36 Hours in Queenstown, New Zealand

The adventure capital is a gateway to countless thrills, but after all the hiking and bungee jumping, the town offers a few adventures of its own.





New York City and Auckland sign new tourism partnership as Air NZ prepares for non-stop flights

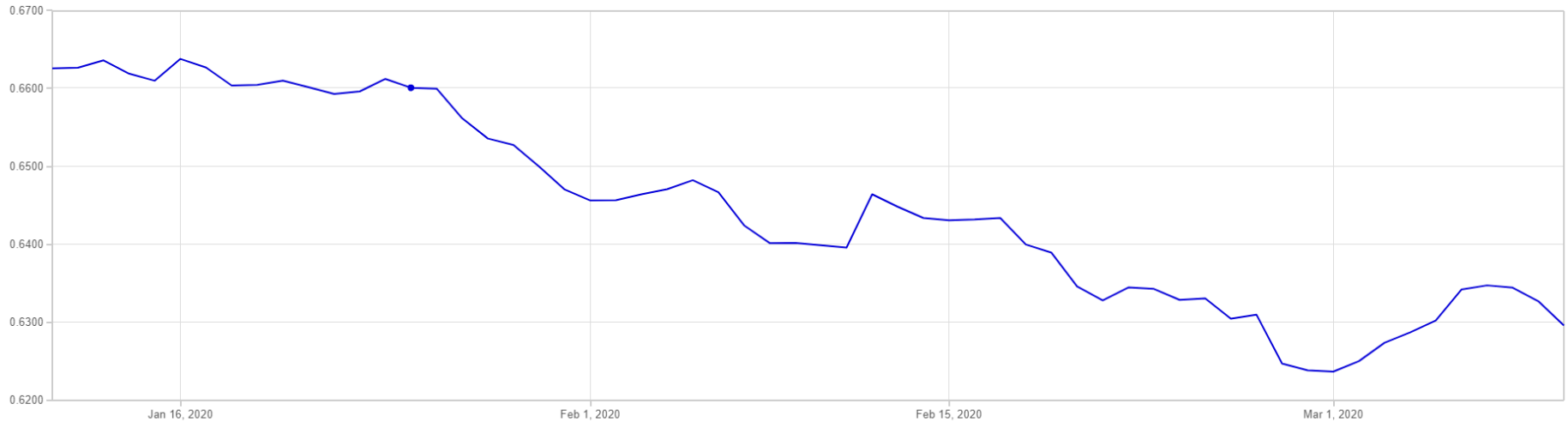
MON, FEB 17 • SOURCE: 1 NEWS



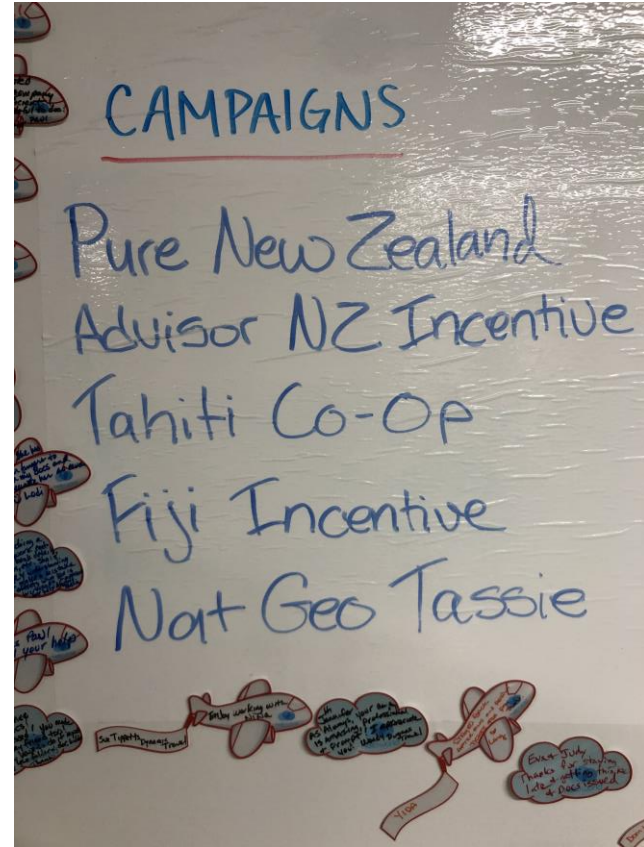
Auckland and New York City will cross-promote each other as tourism destinations under a new deal signed today.



NZ\$ Weaker vs US\$

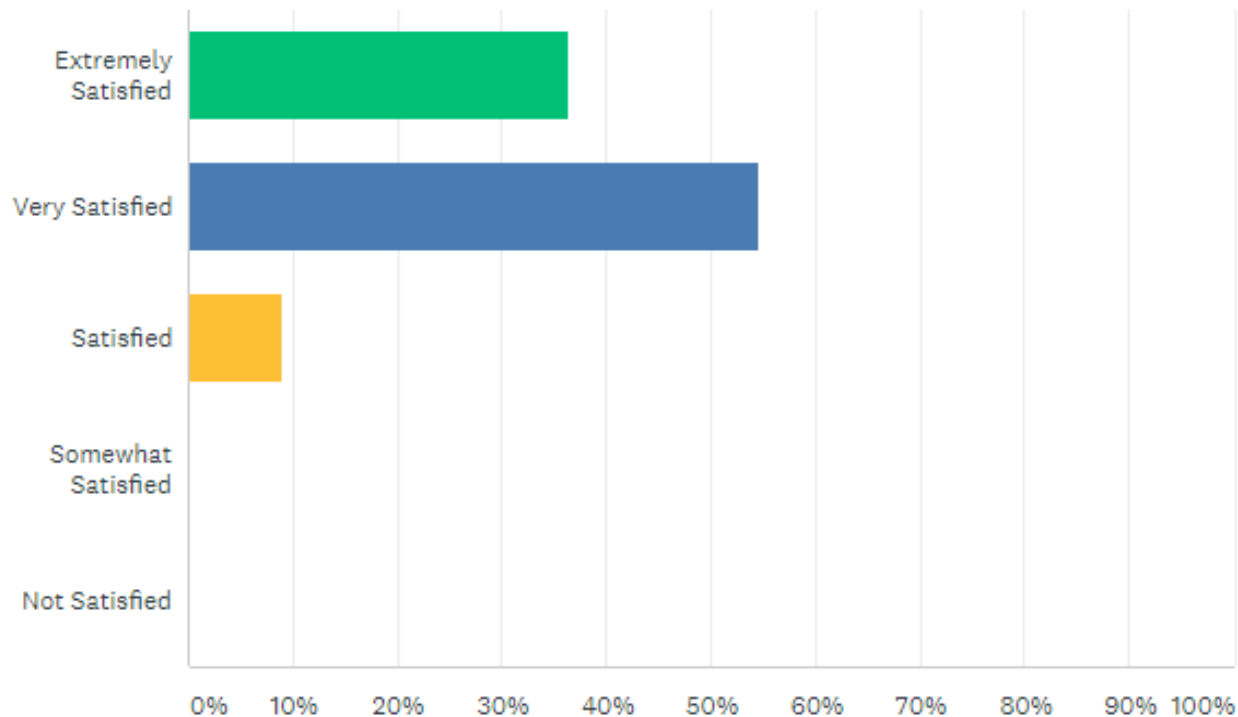


US Travel Trade Sentiment



How satisfied are you with the overall performance of the DQ Trade team in delivery of the DQ USA Trade Roadshow March 2020?

Answered: 11 Skipped: 0



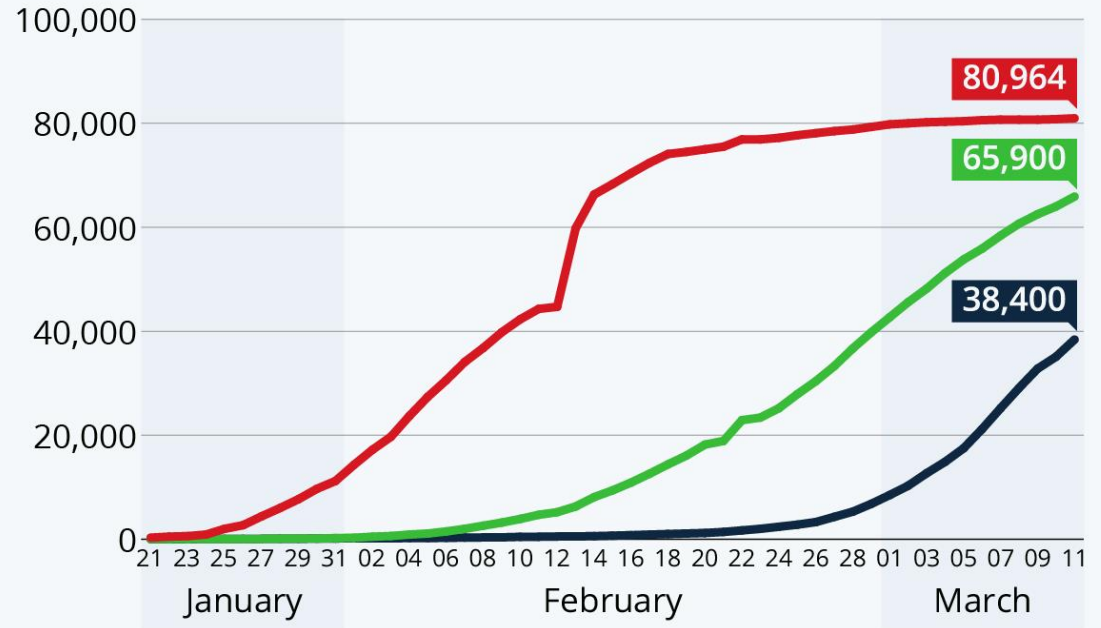
11 Mar 2020

0.000001%

COVID-19: Cases & Recoveries

Estimated number of COVID-19 cases and recoveries in 2020*

— Cases in China — Confirmed recoveries — Cases outside China



* As of 10 March, 2020 at 15:00 CET

Source: Johns Hopkins University



China's virus-hit airlines are showing signs of recovery

China Domestic Seat Capacity +25%

CN Travel Sellers:
May get warmer
July wake up
Sept bounce back
Oct completely back

WED, FEB 26, 2020 - 4:25 PM

[JAKARTA] China's airline industry could be showing the first signs of recovery after dramatically shrinking over the past month as the spreading coronavirus led to thousands of flight cancellations.

Scheduled airline capacity within China is up more than 25 per cent - by 1.3 million seats - week-on-week thanks to a rebound in domestic capacity, according to OAG Aviation Worldwide. Air China Ltd appears the most optimistic as it has added back 306,000 seats, almost double its capacity from the previous week, analyst John Grant wrote.

In total, 7,923 flights will be reintroduced this week, but there could be last minute capacity adjustments and cancellations, according to Mr Grant.

Scheduled international capacity continues to decline, however, and China now ranks as only the 28th biggest international aviation market, behind Austria, Mr Grant wrote. China was third just six weeks ago. The number of seats dropped by 25,000 from the previous week to 422,000, with 10,000 lost for Japan alone.

Highlights Future

- US Sales trip for US Incentives Strategy with Auckland Convention Bureau in March
- 2x famils from Australia supported by Air New Zealand in March & April (15pax)
- Flight Centre Canada Famil next week (40pax)
- Meetings 2020 - focus on Australia and New Zealand buyers
- TRENZ 2020 - New Queenstown 'HoA' stand; Pre and post famils (25pax)
- QCB New Zealand Domestic C&I Strategy
- Attendance at CHC Airport's Kia Ora South in China and United States
- Attendance at Kiwi Link India in July 2020

Wrap up and
Thank you



**HOME OF
ADVENTURE**