QCB Report
Q3 2019–20

1 January – 31 March 2020

Market Overview & Insights

The following report outlines the key activity and results of the Queenstown Convention Bureau for Q3 (January – March) of 2019–2020 financial year.

This report includes insights from the managers, lead generation by market, and breakdown of these leads into conference and incentive. We display how the leads were generated, the source from which the business originated and reasons any events were lost. This quarter due to the current COVID-19 pandemic, we have added a new section which endeavors to capture any changes to our confirmed leads – whether it be to postponement or cancellation.

An activity summary from the Bureau includes a breakdown of sales calls, tradeshow appointments, networking meetings/updates, site inspection participants and famil participants. We also report on year to date (YTD) totals for the above where appropriate.

In this report we also provide a running annual summary of total leads, the breakdown of conference vs incentive and our activity summary.

In our pipeline reports all confirmed business for the next 7 quarters, along with a summary of all prospective business is also outlined.

Finally, the calendar of events outlines the activities the Queenstown Convention Bureau will undertake for the upcoming financial year. It also indicates which industry partners we are working with (if any) for each event.

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JANA KINGSTON
Business Development Manager – Australia & North America

The Jan-Mar 2020 quarter has proven to be one of the most interesting and challenging we have ever seen. The calendar year started with the Australian bushfires that decimated large parts of QLD, NSW, ACT and VIC led to the formation of a task force comprised of key Australian tourism industry leaders, charged with working with both state and federal government to establish a strategy to drive tourism business into Australia. The Australian Federal Government announced a $76 million tourism recovery programme aimed at protecting jobs in the sector. From this, a $20 million campaign was launched promoting Australia as a holiday destination for domestic travellers. Additionally, Business Events Australia coordinated a domestic campaign to encourage Australia to Event Here This Year, aimed at boosting the events industry in the wake of the bushfires. Part of the National Bushfire Recovery Fund, the campaign urges organisations to hold their business events at home this year rather than abroad. Event Here This Year aligns with Tourism Australia's broader tourism campaign encouraging Australians to Holiday Here This Year.

However, all this has now been overshadowed by the catastrophic effect Covid-19 is having on the global economy. With tourism at a stand-still for the

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SOPHIE ARCHIBALD
NZ Business Development & Marketing Manager

Our thoughts are with everyone during these challenging times, both personally and as an industry. QCB are here to support our members, so please reach out if you have any questions or would just like to chat.

The feedback from our domestic clients who have had to cancel/postpone events this year due to COVID-19, have informed us that they are looking to reschedule these events to 2021. A key focus for QCB will be following up with clients to ensure Queenstown is still top of mind and assisting in any way we can to win the business for Queenstown.

Over the last four months, QCB have been working on the development of our New Zealand strategy. The domestic market is going to be extremely important when domestic travel restrictions are lifted, as these will be the first restrictions to lift and this market will be the fastest to bounce back. During times of economic slowdown, long haul incentives will turn short haul, companies will have tightened their belts and look to take their conference and incentive trips closer to home. Our domestic market see Queenstown as an aspirational destination to visit, giving us a strong competitive advantage over many other NZ destinations. It is important that we

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ELLA ZHANG
Business Development Manager – Asia

I don't think any of us could have anticipated the dramatic events, and ensuing shift in the business landscape that has since unfolded from COVID-19. I hope that you and your colleagues are physically well, and successfully transitioning to working remotely.

With the stress, uncertainty and isolation it has never been more important to stay connected with fellow humans. Our key clients are positive about the future of incentive travel out of Asia with the majority of business being postponed instead of cancelled.

This is a rapidly evolving situation for our industry and it's important for destinations to make decisions based on facts and hard data as they begin to prepare recovery strategies. Since the COVID-19 outbreak in January, the DQ team reached out to TNZ and our key partners to collect first-hand information to aid in the creation of our recovery strategy and will continue to do so.

While there is no precedence for this situation, we know that travel has spiked following previous crises, and data will help influence

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For additional information, the Members Area of the Destination Queenstown website houses reports from the managers on processes, tradeshows and sales calls. Find them here to get more insights and details on specific markets, the trips we carry out and the way the Bureau operates.

JANA KINGSTON

foreseeable future, we are now rethinking our short and medium term strategies to ensure the Bureau is ready to hit the ground running once we start to see a return to normal business functions. Encouragingly, we are still seeing some leads coming in from both the US and Australian markets – for October 2020 and beyond, and are keeping in close contact with key accounts and industry partners regarding industry sentiment and forward planning.

SOPHIE ARCHIBALD

develop a robust strategy to ensure we have a good pipeline of business in the short and long term. We will share the strategy document with our members shortly.

QCB are still planning to host a Domestic Famil in June, which will be a three day showcase of Queenstown, accompanied by a mini tradeshow. We are aiming to have around 20 buyers from NZ Corporates and Associations. At present, there are still a lot of unknowns with what is ahead and we will continue to monitor information from the government regarding COVID-19, in particular domestic travel restrictions and timeframes. When we have a clearer idea, we hope to be able to present this exciting Famil opportunity to our members.

ELLA ZHANG

how destinations keep clients and communities informed until travel restrictions are eased and bookings return. DQ is in regular contact with our key PCOs and partners. There is also a strong desire for some destination training while our key PCOs work from home. As the situation is improving in China and Singapore, DQ is in discussion with TNZ to do some webinars to upskill key PCOs in these key markets.

Auckland Convention Bureau and Queenstown Convention Bureau has temporarily suspended the agreement with JCIM to promote Auckland and Queenstown as a dual destination proposition in China, we are hoping to re-engage in market as soon as there is an indication of improvement in border management guidelines.

DQ is here to share market insights and support your business. We look forward to showcasing Queenstown as the premium incentive destination in Asia with your support very soon.

QCB Report
Leads

QUEENSTOWN CONVENTION BUREAU

Total Leads

This table reflects the leads generated within the quarter and their current status (won/lost/in progress) and compares the figures with the same quarter in the previous financial year. Running year to dates totals are also provided with a comparison against last financial year.

In progress means a decision is still pending on the piece of business. Leads cancelled are those that are cancelled after initially confirming. The won/lost figures are low as the status of a lead rarely becomes confirmed/lost within the same quarter it was generated.

This Quarter has seen a significant increase in leads generated vs same period last year. Leads generated in Q3 2019-2020 YTD has seen a 78% increase vs Q3 FY2018-2019. The leads generated in the 3 quarters of this year to date are the same as the total of the entire last year. The number of leads won are also tracking well with almost three times year to date (25 leads) vs same period last year (9 leads).

Surprisingly, leads are still being generated even in the current COVID-19 related environment, due in part to the long-term nature of the C&I sector. In the month of March the QCB team has received 22 new leads. The majority of the lost leads in Q3 19-20 have been directly related to COVID-19; further details are broken down in the lost lead section of this report.

The rest of world category has performed particularly well with seven leads being generated from the United States, two leads from China and one from India.

Total Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q3 19–20 TOTAL	Q3 18–19 TOTAL	YTD 19–20 TOTAL	YTD 18–19 TOTAL
GENERATED	30	12	13	55	30	137	77
WON	4	2	2	8	1	25	9
LOST	8	2	0	10	4	25	22
CANCELLED	0	1	1	2	0	2	0
IN PROGRESS	18	7	10	35	25	85	44

Market Segmentation

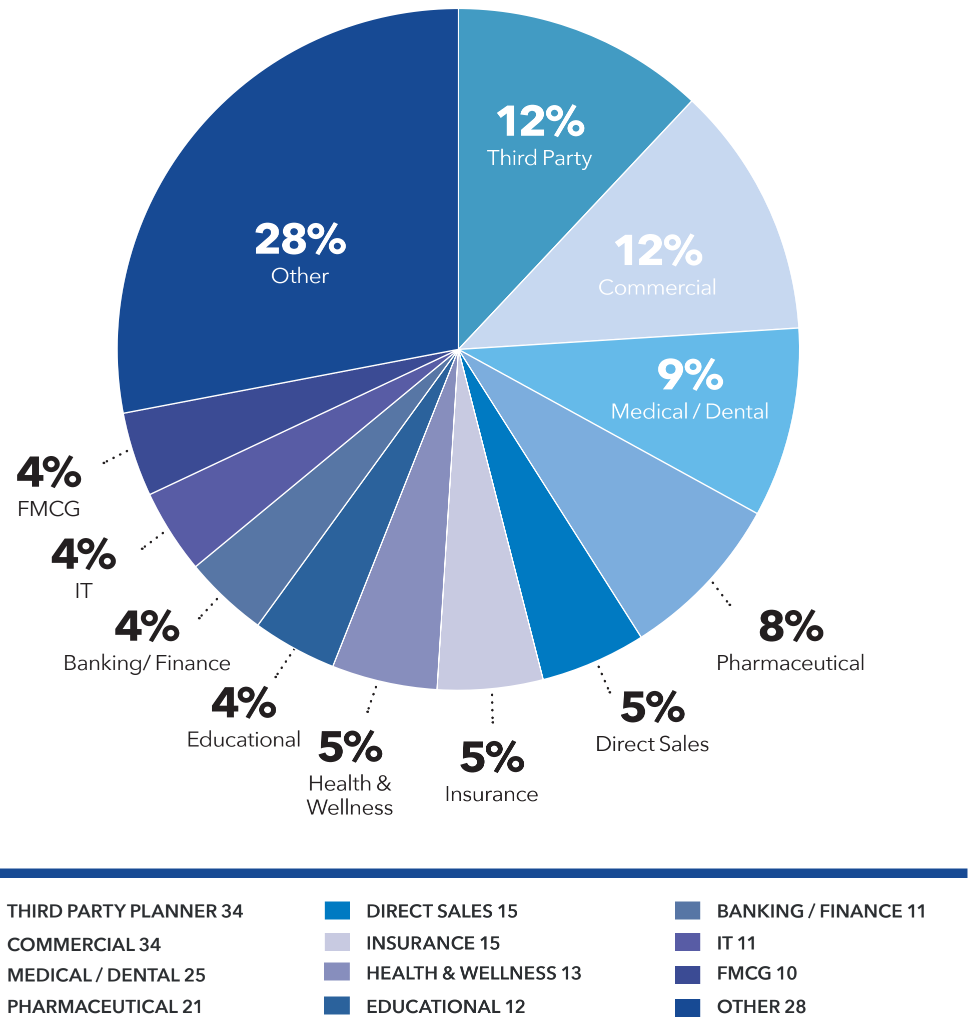
This chart shows the market segment from which leads have been generated from July 1st 2018 to end of Q3 FY19–20.

In this period the other segment (with 9 leads or less associated to them) encompasses:

Agriculture/ Farming (9)
Government (9)
Manufacturing (9)
Automotive (6)
Marketing/ PR/ Advertising (6)
Legal (5)
Real Estate (5)
Technology (5)
Engineering (4)
Hobby & Vocational (4)
Retail (3)
Scientific (3)
Transportation (3)
Environmental (2)
Tourism (2)
Athletic & Sports/Recreation (1)
Charity (1)
Cultural, Fine Arts, Libraries (1)
Other (1)

This quarter the Third Party Planner segment has increased its proportion so that it is now equal to the commercial segment. In Q3 there were 7 requests in total from third party planners - 5 from the Australian market and 2 from New Zealand. Third party planners have always represented a high proportion of the total leads as they also encompass all leads that come via PCOs who are unable or unwilling to pass on the market segment of the end client.

The commercial segment, which encompasses business such as recruitment, project management, commercial business, trade construction etc still accounted for 4 new leads. The decrease in leads generated from this segment in Q3 is potentially due to immediate business priorities changing to focus on COVID-19 related planning.



QCB Report
Leads

QUEENSTOWN CONVENTION BUREAU

Conference vs Incentive

This table breaks down the leads generated this quarter into conferences or incentives and the number of delegates.

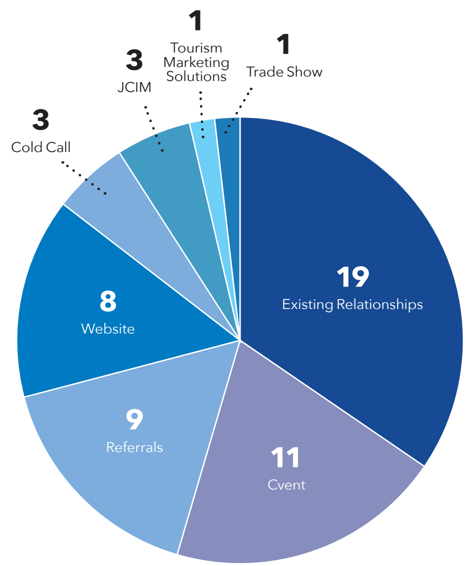
Of the 36 conference leads 20 were from Australia, 10 were from New Zealand and 6 were rest of the world (1 from India,1 from China, 1 from the United States and 3 from a mix of origin countries)

Of the 18 incentives 10 were from Australia, 1 was from New Zealand and 7 from the rest of the world (3 from China and 4 from the United States).

	Conference		Incentive		Totals	
	EVENTS	ATTENDEES	EVENTS	ATTENDEES	EVENTS	ATTENDEES
GENERATED	37	6475	18	1652	55	8127
WON	5	650	3	224	8	874
LOST	7	685	3	200	10	885
CANCELLED	2	250	0	0	2	250
IN PROGRESS	23	4890	12	1228	35	6118

QCB Report
Leads

Source by Channel Q3 FY 19–20

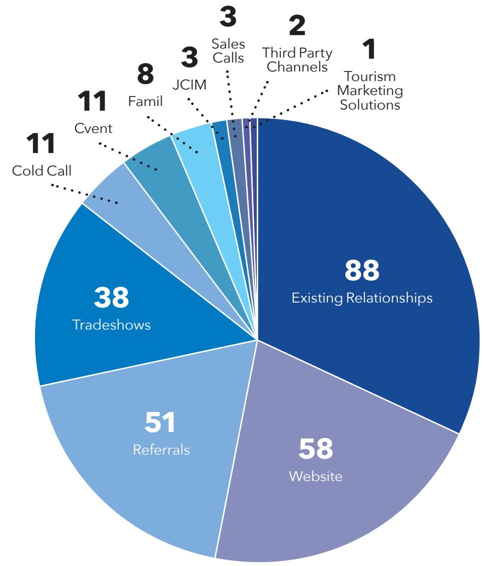


This chart illustrates a breakdown of the channel from which leads are sourced for Q3 FY19–20

The QCB investment in a Cvent membership has proven extremely beneficial with 11 leads generated this quarter. Cvent is a lead generation platform used by a significant number of corporate clients and third party planners globally. Creating this profile has meant the bureau is now involved in the RFP process from the start and can work closely with the client providing full destination support as they navigate the tender process

The largest source for leads continues to be our existing relationships accounting for 19 leads.

Source by Channel 1 July 2018– 31 March 2020



This chart illustrates a breakdown of the channel from which leads are sourced for all leads generated from 1 July 2018 to 31 March 2020.

These figures reflect all leads that have been generated from 1 July 2018 until 31 March 2020. Over this period 274 leads have been generated. We can conclude that there are 4 primary sources of lead generation with existing relationships constantly proving to be the top source. This reinforces the importance of the Bureau's in market work across all sectors. It will become particularly important to maintain and leverage our existing market relationships as the COVID-19 ramifications are realised in the future.

Website enquiries (generated when a client completes the RFP form), referrals (from industry partners like TNZ, CINZ, airlines etc.) and trade shows also continue to prove valuable lead generation sources.

Source by Account Category

Associations, Corporate, PCO/Incentive House:

This graph shows the breakdown of the lead source for all leads generated this financial year.

This quarter the breakdown of the 55 leads generated is as follows:

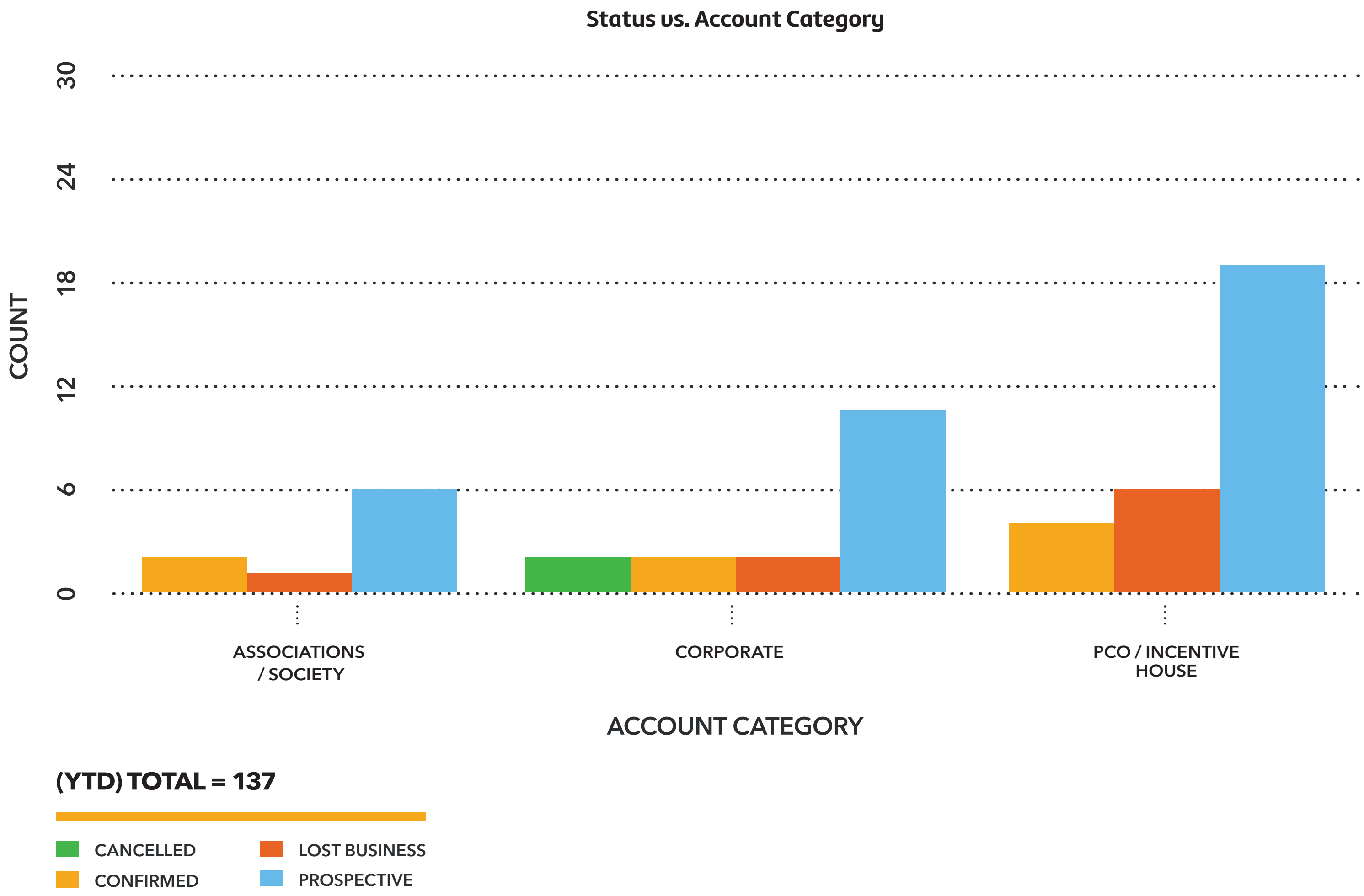
Associations: 9

Corporate Companies: 17

PCO / Incentive house: 29

The major increase in leads generated in Q3 FY 19-20 in comparison to Q3 FY 18-19 comes from the PCO/ Incentive house channel which provided 29 leads this quarter vs 10 leads for the same period last year. Most of these leads are at the prospective status but 4 have already confirmed Queenstown as their destination within the Q3 period.

YTD leads generate by the QCB is sitting at a 22% conversion rate to confirmed status, 33% lost/ cancelled rate (which has been majority due to the COVID-19 effects) with the remaining 45% sitting in the prospective phase.



Lost Reasons

Lost Reasons

This chart highlights the reasons business has been lost for the destination (segmented into conferences and incentives) for leads generated between 1 July 2018 until 31 March 2020. A reminder that "lost" business is an event for which we sent a proposal to the client but was never confirmed for Queenstown.

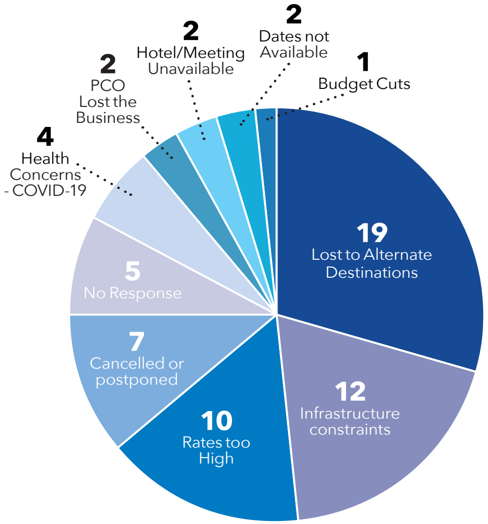
In Q3 FY19-20 a total of 10 leads were lost with the most common reason being due to COVID-19 related effects.

In this quarter we have had the addition of a new reason for losing business – "health related concerns - COVID-19". For Q3 FY19-20 we have lost 7 potential events due to COVID-19 effects. The majority of these loses actually occurred prior to New Zealand being in level 4 status. They were due to factors such as companywide travel bans and the 14 day isolation restrictions in New Zealand which were introduced 14/03/2020.

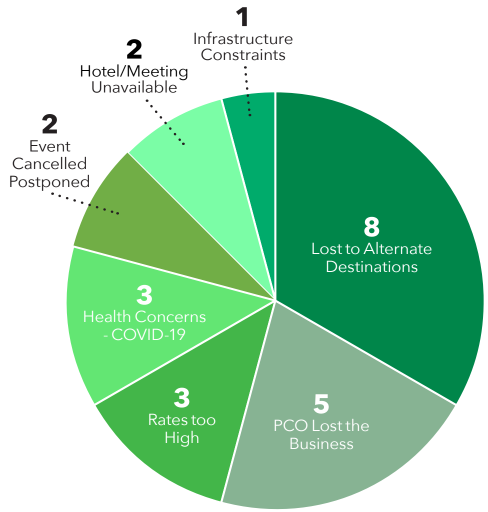
Losing to an alternative destination continues to be the most common reason over all that Queenstown does not secure business. In Q3 however with all the COVID-19 related developments this occurred only once. Generally Queenstown loses to an Australian destination but in a in a post COVID-19 world and with our New Zealand strategy in place this could change.

Infrastructure constraints was the other main reason that occurred for losing business this quarter with 2 leads being lost.

Reasons for Conference



Reasons for Incentive



(Based on leads generated from 1 July 2018 – 31 March 2020)

The lost lead categories we report on are:

- Hotel / meeting space not available
- Rates too high
- Dates not available
- Infrastructure constraints
- Event cancelled / postponed
- PCO lost the business
- Lost to alternative destination
- No air service
- Budget cuts
- No response from client to follow ups
- Health concerns - COVID-19

COVID–19 impact on Q4 FY19–20 (Apr–May–Jun 2020)

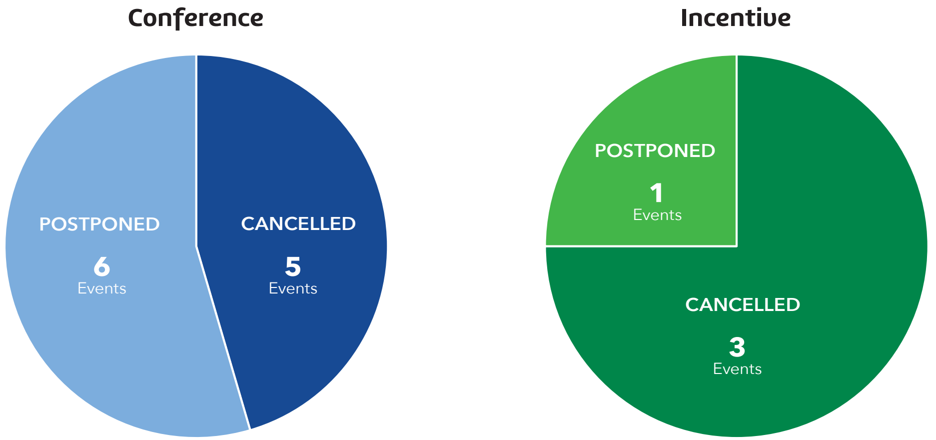
This table illustrates the events in Q4 FY19–20 that the Bureau have amended as cancelled or postponed as a direct effect of COVID–19 . The pie charts illustrate the split between event type and the decision to cancel or postpone.

In an effort to capture the ongoing COVID-19 effect on the C&I industry in Queenstown the bureau has been working closely with clients who had events confirmed in Q4 FY19-20 to ensure they have been able to cancel or postpone their event and provide support for organising their next event. It should be noted that an event that is defined as “cancelled” is an event that had confirmed Queenstown as their destination, where as an event that is “lost” as per page 8’s lost reasons chart was an event that had never officially confirmed Queenstown as their destination.

Currently there is a relatively even split between cancelling and postponing events with 8 being cancelled and 7 being postponed out of 15 total events that were confirmed to occur in Q4 but have subsequently been impacted by COVID-19.

To date it seems as though the New Zealand market is more comfortable with postponing dates with 50% of confirmed NZ events becoming postponed (3 out of 6 events). In contrast events from Australia are less likely to postpone to a later date with only 29% of Australian events being postponed (2 out of 7 events). This likely due to 2 main reasons. The first being the type of event – most Australian events will be incentives which are performance based rewards. With revenues down due to the current global situation, targets are unlikely to be met. The second reason is the uncertainty around the COVID-19 situation and New Zealand's border status. Interestingly though, both international events have been postponed with long lead preliminary dates

Please appreciate that as with everything COVID-19 related these numbers and confirmation statuses are changing quickly. Members can be assured that the QCB team is doing everything possible to reconfirm as many leads as we can.



	Conference		Incentive		Totals	
	EVENTS	ATTENDEES	EVENTS	ATTENDEES	EVENTS	ATTENDEES
POSTPONED	6	830	1	90	7	920
CANCELLED	5	420	3	370	8	790

QCB Report **Activity**

QUEENSTOWN CONVENTION BUREAU

Bureau Activity Summary

Sales calls were conducted in:

Australia - 8 x corporates/ PCOs/ associations

New Zealand - 6 x corporates/ PCOs/ associations

Networking Meeting / Updates hosted:

AIME VIP lunch event was hosted by the Bureau on 18th February, hosting 25 contacts from a variety of corporates/ PCOs and association accounts. This took place during the AIME 2020 trade show.

Site inspections

A site inspection for two C&I buyers from a New Zealand based company occurred in early February

One site inspection for one C&I buyer was scheduled for end of March but was postponed due to COVID-19

Famils:

It was intended that three famils would have been completed by the Bureau this quarter but due to the COVID-19 impacts these have been delayed. They included the Destination Queenstown Home of Adventure brand repositioning (which is postponed), the ID/ American Airlines Famil (which has been postponed to October 2020)

Summary Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q3 19–20 TOTAL	Q3 18–19 TOTAL	YTD TOTAL 19–20	YTD TOTAL 18–19
SALES CALLS	8	6	0	14	43	53	91
NETWORKING MEETING / UPDATE	25	2	0	27	24	169	24
TRADE SHOW APPOINTMENTS	0	0	0	0	0	51	143
SITE INSPECTION PARTICIPANTS	0	2	0	2	6	25	34
FAMIL PARTICIPANTS	0	0	0	0	0	25	95

QCB Report
Pipeline

Events Confirmed

This table has been split into the upcoming 7 quarters. It indicates the number of events confirmed for each period, the total number of attendees and the estimated economic value. Due to the current and ongoing changing COVID-19 developments, we are endeavoring to keep our reporting as accurate as possible and are currently contact all confirmed events for Q4 of FY19/20 to establish the status of our current confirmed leads.

Please note the economic value differs depending on the source of the lead (e.g. domestic, international, Australia) as delegate spend varies accordingly. The calculations are based on MBIE research and reflects the same calculations TNZ use in their reporting to ensure consistency and comparability.

Calculations are as follows;

Domestic delegates = number of attendees x $1,828 which is average dollar spend per stay.

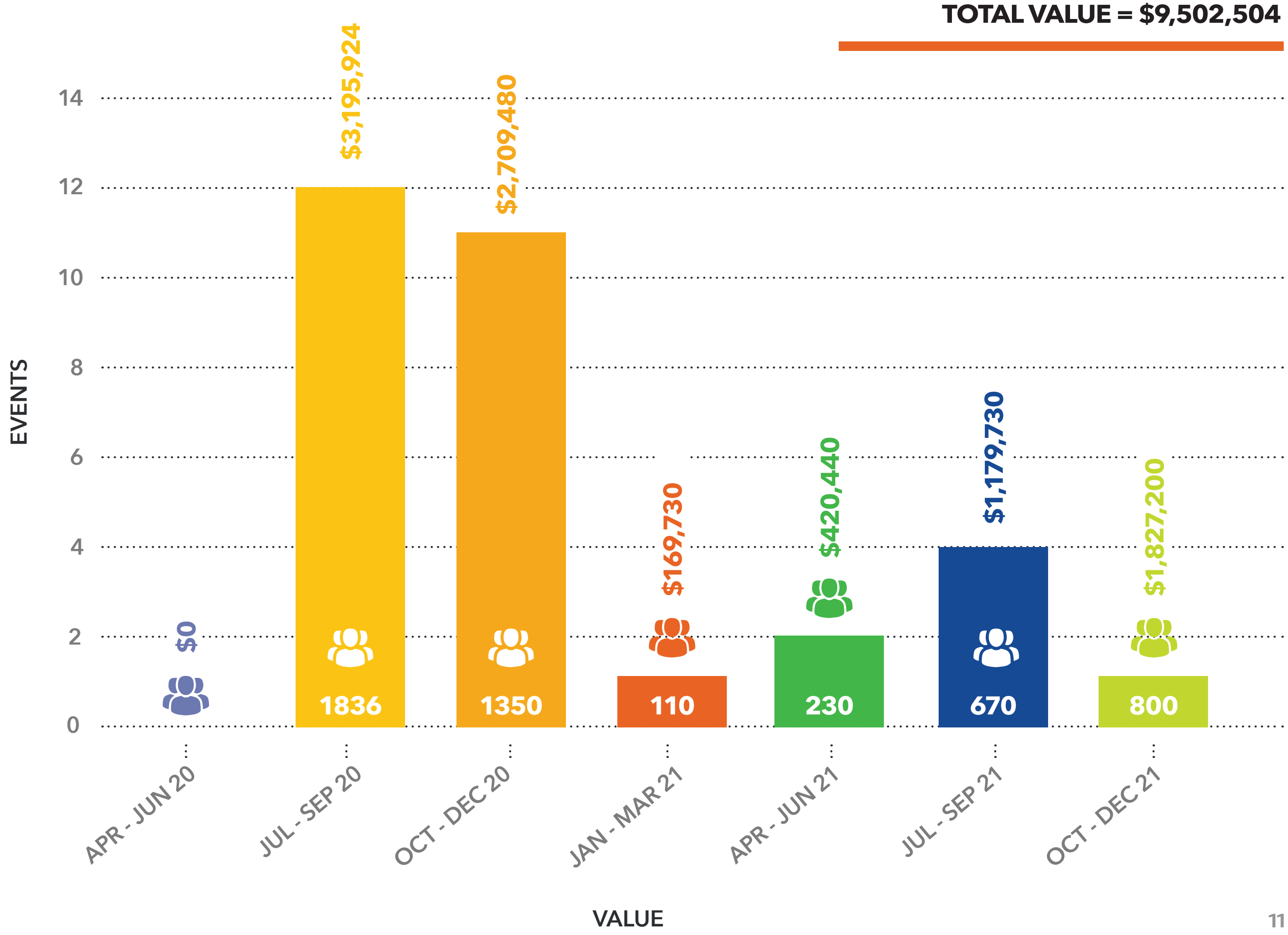
Australian delegates = number of attendees x $2,284 which is average dollar spend per stay.

International delegates = number of attendees x $1,543 which is average dollar spend per stay.

** these figures are for accommodation and all on-ground costs but do not include the air component

For Q3 FY 19-20 the Bureau has confirmed 18 events equating to NZD$5.5 million for Queenstown. 6 of these came from New Zealand, 8 from Australia and 4 from the rest of the world. It is worth noting that some of these event have likely subsequently been postponed or cancelled due COVID-19 related effects

TOTAL EVENTS = 31
TOTAL ATTENDEES = 4996
TOTAL VALUE = $9,502,504



QCB Report
Pipeline

Prospective Events

This table shows there are currently 83 pieces of prospective business still in the pipeline for Queenstown with an estimated economic value of over $23 million.

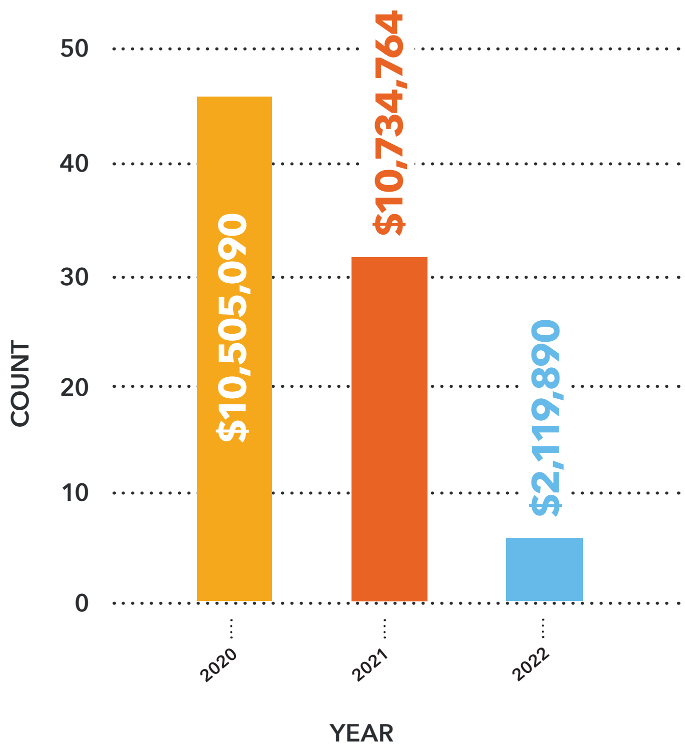
Calculations are as follows;

Domestic delegates = number of attendees x $1,828 which is average dollar spend per stay.

Australian delegates = number of attendees x $2,284 which is average dollar spend per stay.

International delegates = number of attendees x $1,543 which is average dollar spend per stay.

** these figures are for accommodation and all on-ground costs but do not include the air component



TOTAL COUNT = 83

TOTAL VALUE = $23,359,744

Useful links for more industry insights

Ministry of Business, Innovation and Employment (MBIE)

Business Events Activity Survey *is an outcome of the:*

Business Events Research Programme

International Visitor Survey

International Visitor Arrivals

Commercial Accommodation Monitor

Please note this report will no longer be produced by MBIE as of September 2019

Conventions & Incentives New Zealand (CINZ)

Industry Research & Statistics

Tourism New Zealand Business Events (TNZ)

Markets & Stats

Visitor Profile Tool

TNZ also publish interesting articles click here to view.

QCB Report
Calendar of Events

Calendar of Events

JUN 2020	7 - 9 JUNE	DOMESTIC FAMIL	NZ	QUEENSTOWN	SOPHIE ARCHIBALD	TENTATIVE
SEP 2020	SEPTEMBER	IMEX LAS VEGAS	UNITED STATES	LAS VEGAS	JANA KINGSTON	TENTATIVE
	SEPTEMBER	DESTINATION QUEENSTOWN C&I ROADSHOW	AUSTRALIA	VARIOUS CITIES	JANA KINGSTON	TENTATIVE
DEC 2020	DECEMBER TBC	BE RECONNECTED (MEETINGS 2020)	NZ	AUCKLAND	QCB TEAM	TENTATIVE