

Destination Queenstown

International Markets Portfolio Strategy

Thursday, April 11, 2019

Graham Budd – Chief Executive
Kiran Nambiar – Business Dev Director



Introduction

Business Plan Goals

Why Portfolio?

Selection Methodology

Market Matrix

Discussion

Business Plan Goals

Annual growth goals & **FY19-20 organisational objectives**

Continue to build our brand positioning to inspire visitors and strengthen Queenstown's reputation.

Continue to target a diverse portfolio of visitors to optimise opportunities and drive sustainable future demand for our members

Grow the value of visitors to Queenstown by positioning Queenstown as an aspirational and accessible destination for travellers of all styles

Engage with our stakeholders to support positive community sentiment toward tourism

Annual growth goals over three years:

VALUE
GROWTH
BY **5%**

VOLUME
GROWTH
BY **2.5%**

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

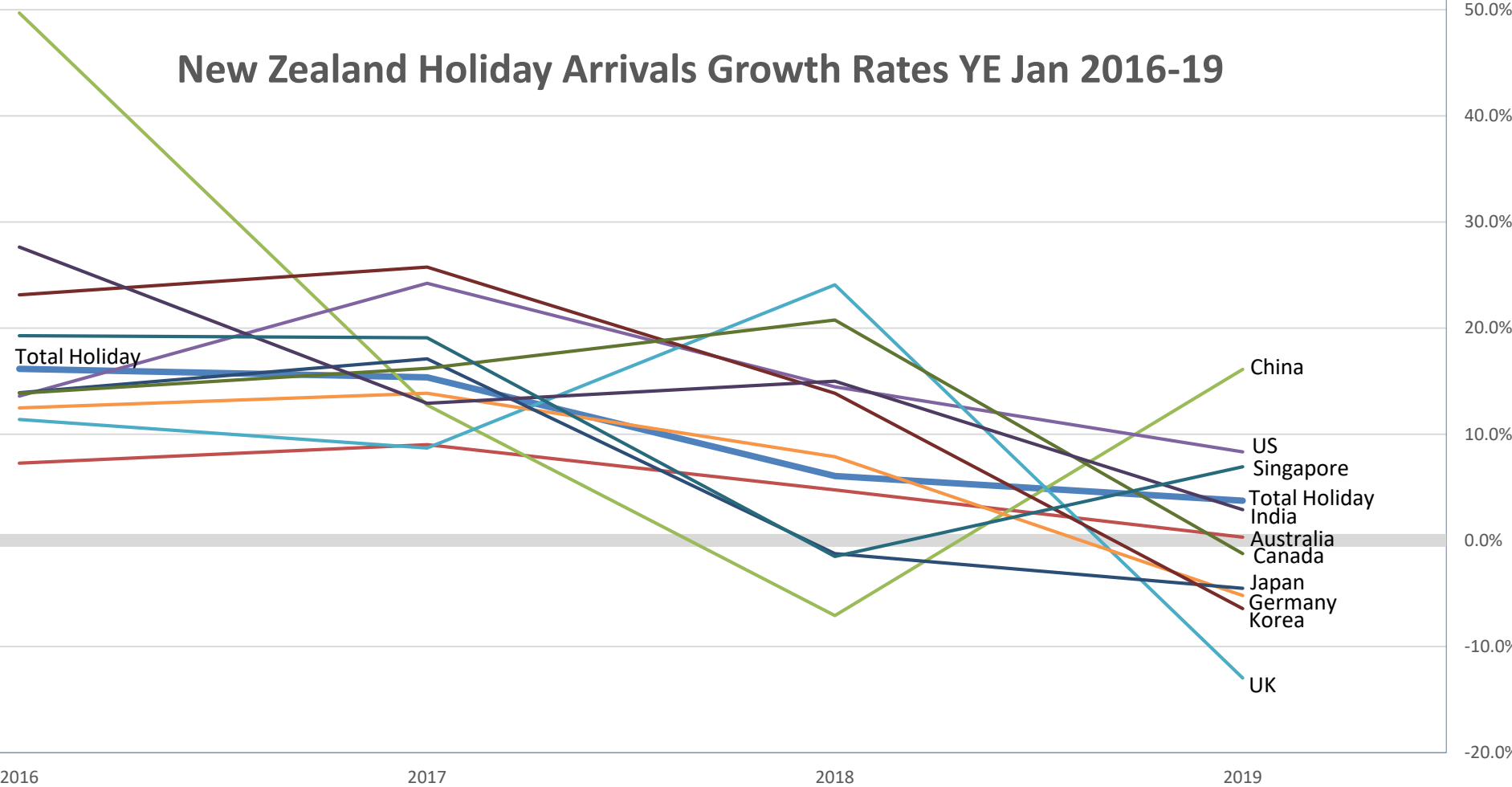
Why Portfolio?

Reduce Variability of Returns
Spread Risk to Reduce Risk

Holiday Arrivals YE Jan 2019

Australia +0.3%	UK -13%	
China +16%	Germany -5.2%	
US +8.3%	Japan -4.5%	
Singapore +6.9%	Korea -6.4%	
India +2.9%	Canada -1.2%	World +3.7%

New Zealand Holiday Arrivals Growth Rates YE Jan 2016-19



CE Brief

Markets Holiday annuals 2018 April 4/5

Ⓐ 100-100,000

- Australia
- China
- USA
- UK

Ⓑ 50-100,000

- Germany
- Japan
- Korea


Ⓒ 25-50,000

- Singapore
- Canada
- Malaysia
- Hong Kong
- France
- India
- Taiwan

Weighting

- ① Size new
- ② Growth rate
- ③ Market Economy
- ④ Connectivity - services
- ⑤ Culture
- ⑥ Value \$ per day
- ⑦ Seasonality
- ⑧ Mkt forecast
- ⑨ Length of stay
- ⑩ T&A priority

	<u>Now</u>	<u>5 year horizon</u>	<u>10 year horizon</u>
--	------------	-----------------------	------------------------




Methodology

- Step 1: Top 20 Long Haul Source Markets for Visitors (+AU)
- Step 2: Compile Data on 22 Parameters
- Step 3: Rank each market on each parameter
- Step 4: Allocate Weightage and Calculate Scoring
- Step 5: Sense Check and Finalize Portfolio

Methodology – Step 1 (Top 20 +AU)

	Market	Outbound Market Size (2017)	NZ Share of Outbound Departures	Total Arrivals YE Oct2018		Market	Outbound Market Size (2017)	NZ Share of Outbound Departures	Total Arrivals YE Oct2018	
1	Australia	10,000,000	14.84%	1,484,400		11	Hong Kong	92,000,000	0.06%	59,408
2	China	135,000,000	0.33%	451,344		12	Malaysia	11,900,000	0.47%	55,392
3	United States	73,000,000	0.47%	343,984		13	France	26,483,000	0.17%	44,352
4	United Kingdom	71,000,000	0.33%	234,160		14	Taiwan	15,600,000	0.27%	41,504
5	Japan	17,000,000	0.60%	101,280		15	Thailand	8,204,000	0.38%	31,200
6	Germany	91,000,000	0.11%	100,960		16	Netherlands	17,938,000	0.17%	30,432
7	South Korea	22,000,000	0.41%	89,616		17	Philippines	3,400,000	0.83%	28,288
8	Canada	31,000,000	0.23%	69,808		18	Indonesia	8,000,000	0.33%	26,272
9	India	22,000,000	0.31%	68,784		19	Switzerland	13,857,000	0.16%	22,656
10	Singapore	9,000,000	0.68%	61,040		20	Argentina	10,297,000	0.22%	22,368
						21	Brazil	8,528,000	0.23%	19,536

Methodology – Step 2 (22 Parameters)

1	Outbound Market Size		12	Growth Holiday Shoulder
2	NZ Share of Outbound Deps		13	Economy 2018
3	Total Arrivals YE Oct2018		14	Economy 2050
4	Total Forecast Arrivals 2024 (Top 10)		15	GDP Growth
5	Projected Growth 2024		16	Air Capacity & Connectivity
6	Holiday Arrivals YE Oct2018		17	Length of Stay Median
7	Shoulder Total Arrivals YE Oct2018		18	Visitor Spend 2018 (Top 7)
8	Shoulder Holiday Arrivals YE Oct2018		19	Visitor Spend per person
9	Growth Total Arrivals		20	Visitor Spend 2024 (Top 7)
10	Growth Holiday Arrivals		21	TNZ Priority (Horizon)
11	Growth Total Shoulder		22	TNZ Office (Y/N)

Methodology – Step 3 (Parameter Rank)

Rank (Points)	Outbound Market Size (2017)	NZ Share of Outbound Departures	Total Arrivals YE Oct2018	Total Arrivals Annual 2024	Growth 2024
21	China	Australia	Australia	Australia	China
20	Hong Kong	Philippines	China	China	India
19	Germany	Singapore	United States	United States	United States
18	United States	Japan	United Kingdom	United Kingdom	Germany
17	United Kingdom	United States	Japan	Japan	Japan
16	Canada	Malaysia	Germany	Germany	South Korea
15	France	South Korea	South Korea	South Korea	Singapore
14	South Korea	Thailand	Canada	India	Canada
13	India	China	India	Canada	United Kingdom
12	Netherlands	United Kingdom	Singapore	Singapore	Australia

Methodology – Step 4 (Weightage & Score)

Priority Parameters	Weight	Australia		China		United States		United Kingdom		Gern
		Rank	Average	Rank	Average	Rank	Average	Rank	Average	
			15.51		17.24		17.22		13.51	
	17		263.75		293		292.75		229.75	
Outbound Market Size	0.50	6	3	21	10.5	18	9	17	8.5	19
NZ Share of Outbound Deps	1.00	21	21	13	13	17	17	12	12	2
Total Arrivals YE Oct2018	1.00	21	21	20	20	19	19	18	18	16
Total Forecast Arrivals 2024 (Top 10)	0.75	21	15.75	20	15	19	14.25	18	13.5	16
Projected Growth 2024	0.50	12	6	21	10.5	19	9.5	13	6.5	18
Holiday Arrivals YE Oct2018	1.00	21	21	20	20	19	19	18	18	17
Shoulder Total Arrivals YE Oct2018	1.00	21	21	20	20	19	19	18	18	13
Shoulder Holiday Arrivals YE Oct2018	1.00	21	21	20	20	19	19	18	18	14
Growth Total Arrivals	1.00	7	7	13	13	12	12	1	1	2
Growth Holiday Arrivals	1.00	9	9	17	17	16	16	7	7	8
Growth Total Shoulder	1.00	7	7	8	8	10	10	1	1	6
Growth Holiday Shoulder	1.00	11	11	12	12	17	17	7	7	9
Economy 2018	0.75	11	8.25	20	15	21	15.75	17	12.75	18
Economy 2050	0.25	12	3	21	5.25	19	4.75	14	3.5	15

Methodology – Step 5 (Finalize)

1	China	17.2353		11	South Korea	12.4706		
2	United States	17.2206		12	Malaysia	12.3971		
3	Australia	15.5147		13	Thailand	12.2647		
4	India	14.6618		14	Taiwan	12.2206		
5	United Kingdom	13.5147		15	France	11.8382		
6	Singapore	13.3235		16	Philippines	11.4118		
7	Japan	13.0294		17	Indonesia	11.3382		
8	Hong Kong	12.8382		18	Netherlands	9.3529		
9	Canada	12.7647		19	Brazil	8.1324		
10	Germany	12.6765		20	Switzerland	7.9265		
				21	Argentina	7.6029		

Portfolio of Markets

Critical Core – New Zealand & Australia

Pacific Rim – China, North America, South East Asia

Long Haul – India, United Kingdom, Germany

Emerging – Indonesia, Brazil & Argentina

Market Matrix

Market Type	Market	Objective	Target Audiences
Critical Core	New Zealand	Grow domestic visitation in Autumn, Winter and Spring by continuing to build seasonal propositions.	Independent professionals Active Boomers Conference and Incentive market
	Australia	Grow our share of Australian outbound travellers, targeting winter and spring visitation, maximising opportunities through integrated consumer and trade marketing activity.	Independent professionals Active Boomers Conference and Incentive market
Pacific Rim	China	Influence high value segments to travel outside of peak Chinese travel seasons, specifically developing our winter and spring propositions, targeting tier 1 & 2 cities in China.	High value young professionals High value multi-generational FIT family groups High value ADS groups Incentive market
	North America	Target premium visitors across the channels, raising the profile of Queenstown in new ports as well existing ports	High value young professionals and active boomers Incentive market
	South East Asia	Grow Queenstown's share of New Zealand arrivals from SEA	Independent professionals Incentive market
Long Haul	India	Target high value visitors that travel in autumn and spring, aiming to both grow overall Indian arrivals into Queenstown in shoulder months and increase length of stay.	Family market (travel in May) Honeymoon market (travel October - January) Incentive market
	UK & Germany	Reenergise and reinforce our adventure credentials, specifically with the youth market.	High value travelers of all styles Youth market
Emerging	Indonesia, Brazil and Argentina	Develop market entry strategy and leverage TNZ-led opportunities	

Market Matrix

Market Type	Market	High impact campaign	Always on digital	Content & website	PR/Media	IMP	Trade	QCB
Critical Core	New Zealand	✓	✓	✓	✓			✓
	Australia	✓	✓	✓	✓	✓	✓	✓
Pacific Rim	China			✓ (via 3rd parties)		✓	✓	✓
	North America			✓		✓	✓	✓
	South East Asia			✓		✓	✓	✓
Long Haul	India			✓		✓	✓	✓
	UK & Germany			✓		✓	✓	✓
Emerging	Indonesia, Brazil and Argentina					✓	✓	

Discussion

Critical Core – New Zealand & Australia

Pacific Rim – China, North America, South East Asia

Long Haul – India, United Kingdom, Germany

Emerging – Indonesia, Brazil & Argentina