

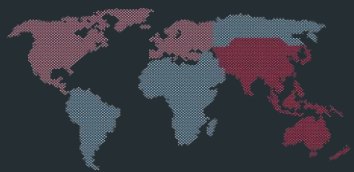


New Zealand Rental Vehicle Market Insights Report

January 2020

15th Edition

Issued 3rd February 2020



Introduction

Herewith MarginFuel's latest edition of the "New Zealand Rental Vehicle Market Insights Report".

The report summarises the Average Market Rate# (average rate) of the New Zealand Rental Vehicle Market, with a focus on the most popular Vehicle Categories^ from New Zealand's three major airports*, being Auckland, Christchurch and Queenstown.

The report is split into three sections:

- **Section 1 Current month analysis;** overall the average rate was **+6%** year on year (YoY)
- **Section 2 Year to date (YTD) analysis;** average rates were **Up** YoY, but below prior month per seasonal trend
- **Section 3 Forward market analysis;** average rates were **stronger** during January 2020, with a weakening of rates from February 2020

Please do not hesitate to get in contact to discuss the Report, or your pricing requirements.

Thanks, The MarginFuel Team

Notes:

^ Underlying car type (make & model) data was mapped to commonly used car categories, being SUV, Intermediate, Compact and Economy, using the internationally recognised SIPP code mapping table

* All three (3) airport locations include aggregated data for both domestic and international rental kiosks, however, no delineation has been made between Domestic and International rental vehicle customers

~ Average Rates referenced in the report are NZD

~ Average Rates are reported as Gross Rates and include GST and Compulsory Fees & Charges (generally; Airport Fee, Admin Fee)

~ Average Rates also include a base/basic level of Insurance

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SECTION 1

CURRENT MONTH ANALYSIS

SECTION 1 – Current Month Analysis

Year on Year (YoY[^]) Average Rate Change Movement

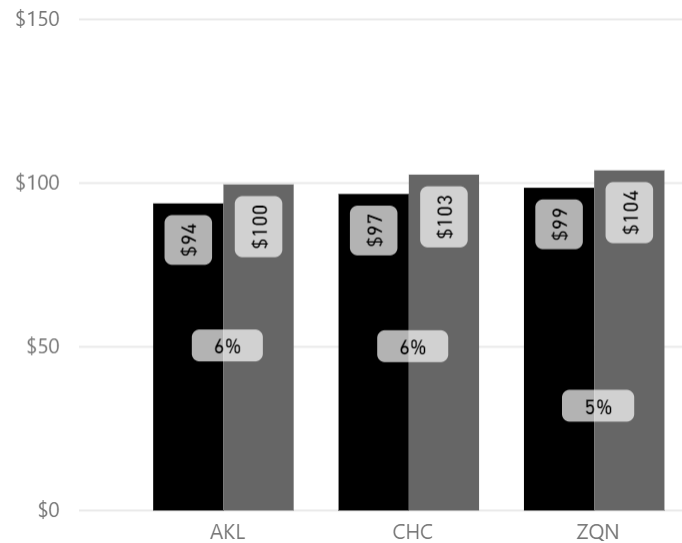


Fig.1

Year ● 2019 ● 2020 % Change

- For all three locations, across all sales channels, the average rate was higher by +6% YoY
- The average rate for Auckland Airport (AKL) +6% higher versus prior year
- Christchurch Airport (CHC) average rate was +6% YoY
- Queenstown Airport (ZQN) average rate was +5% YoY

SECTION 1 – Current Month Analysis

Channel, Duration and Vehicle Category

Refer to sales channels (Fig.2), duration (Fig.3) and vehicle category (Fig.4) graphs for the average rates during the month. As it is still peak season, the average rate for all durations and vehicle categories remain high, with the average rates for the SUV class almost doubling from November 2019.

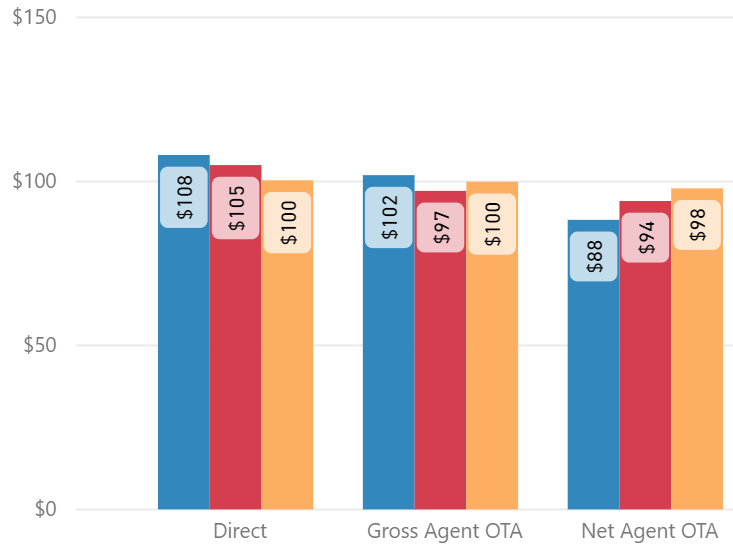


Fig.2

Location ● AKL ● CHC ● ZQN



Fig.3

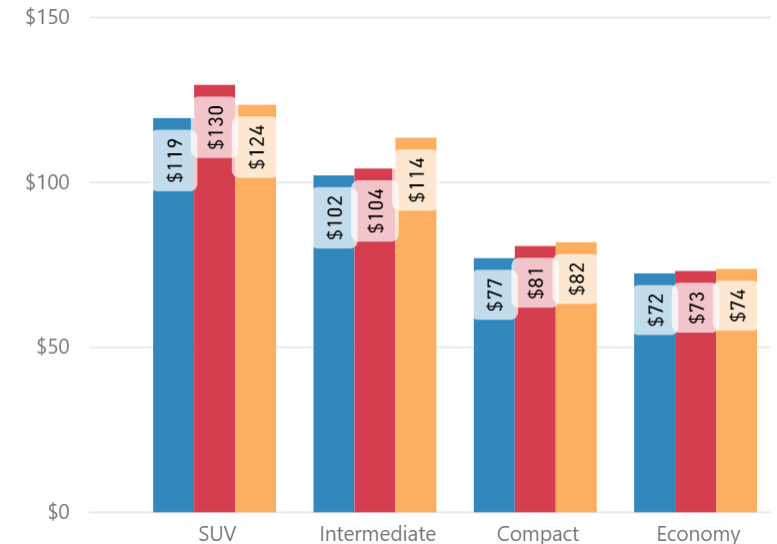


Fig.4

SECTION 1 – Current Month Analysis

Auckland Airport YoY Summary

Overall Auckland Airport had a YoY average rate increase of **+6%**.

The Net Agent OTA sales channel average rate was **+19%** higher, while the Gross Agent OTA and the Direct sales channels showed decreases of **-11%** and **-6%** respectively (Fig. 5).

The average rate for 3-day duration increased **+5%**, while the average rate for 7-day duration was **+4%**, and 14-day duration **+8%** (Fig. 6).

The average rate for SUV's in Auckland was **+6%** YoY, with all other categories showed average rate increases of between **+3%** and **+13%** (Fig. 7).

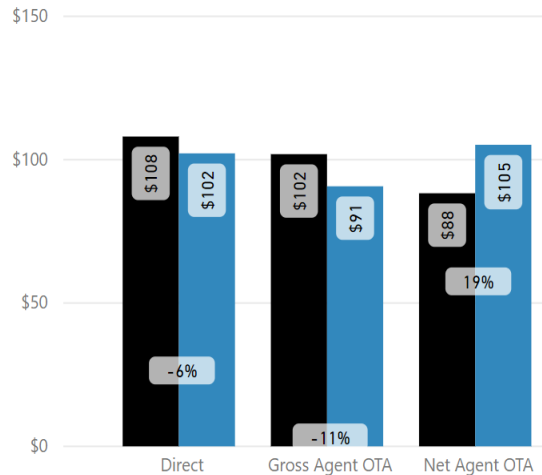


Fig.5

Year ● 2019 ● 2020 — % Change

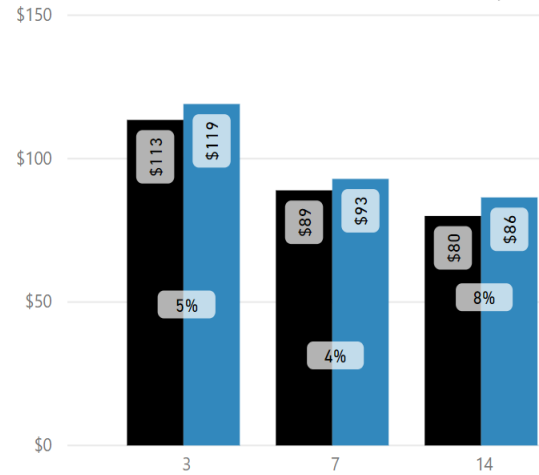


Fig.6

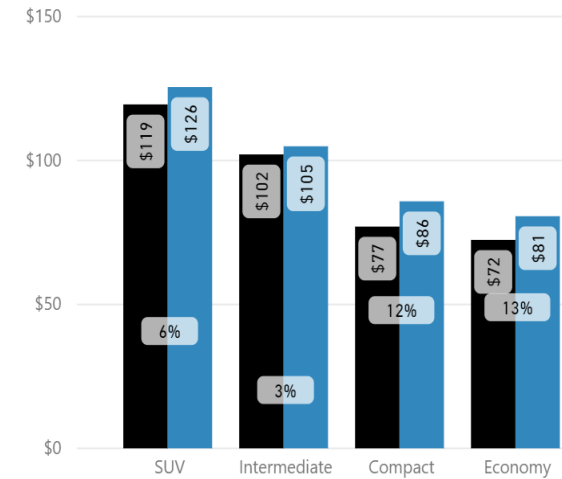


Fig.7

SECTION 1 – Current Month Analysis

Christchurch Airport YoY Summary

Overall Christchurch Airport had a YoY average rate increase of **+6%**.

The Net Agent OTA sales channel average rate was **+18%**, while the Gross Agent OTA and the Direct sales channels showed decreases of **-5%** and **-1%** respectively (Fig. 8).

The average rate for 3-day duration was up **+3%**, while the average rate for longer 7-day and 14-day durations were higher by **+4%** and **+11%** respectively (Fig. 9).

The average rate for SUV's in Christchurch was up **+1%**, with all other categories showing average rate increases of between **+5%** and **+11%** (Fig. 10).

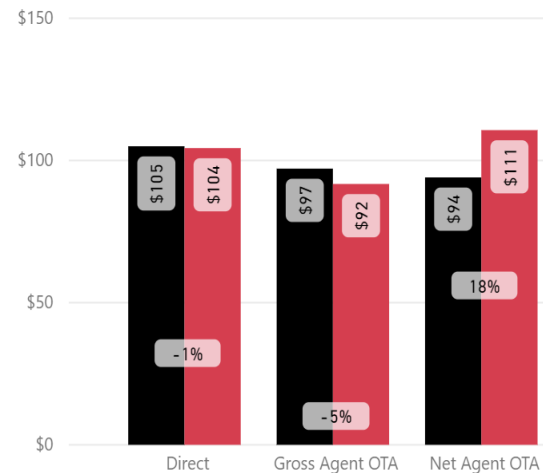


Fig.8

Year ● 2019 ● 2020 — % Change

^ YoY is same month 2019 versus current month 2020

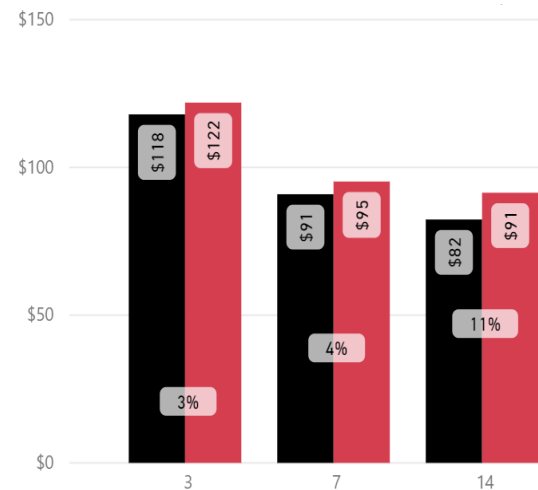


Fig.9

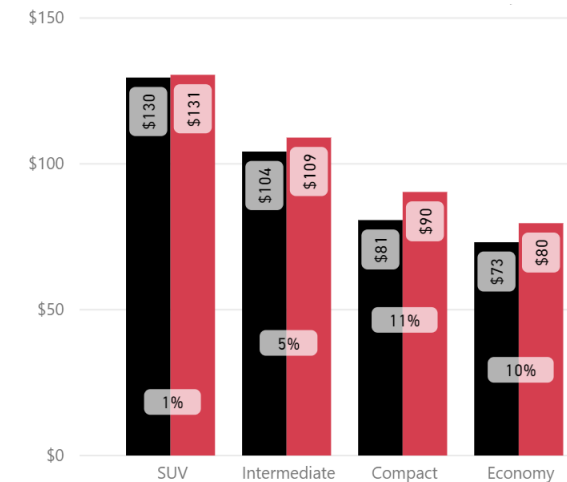


Fig.10

SECTION 1 – Current Month Analysis

Queenstown Airport YoY Summary

Overall Queenstown Airport had a YoY average rate increase of **+5%**.

The Net Agent OTA sales channel average rate was **+12%**, while the Gross Agent OTA was **-7%** lower, and the Direct sales channels showed an increase of **+5%** (Fig. 11).

The average rate for a 3-day duration decreased **-2%**, while the average rate for longer 7-day and 14-day durations were up between **+8%** and **+12%** respectively (Fig. 12).

The average rate for SUV's in Queenstown was up **+4%**, and all other categories showed average rate movement of between **-1%** and **+12%** (Fig. 13).

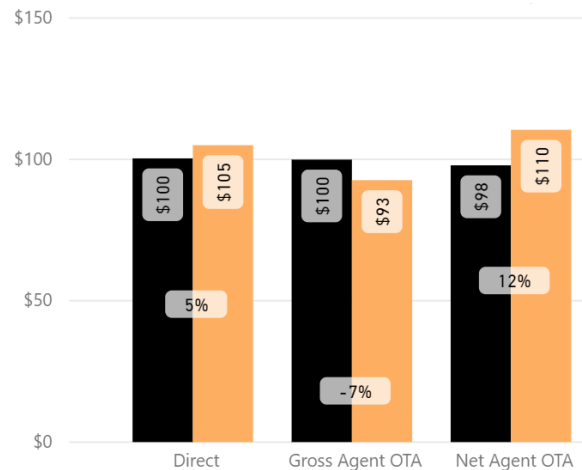


Fig.11
Year ● 2019 ● 2020 % Change

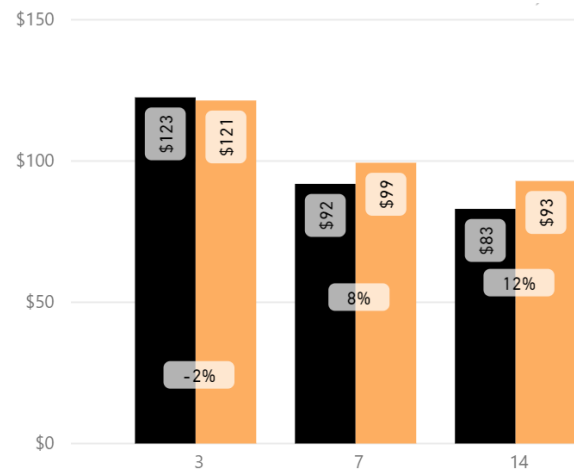


Fig.12

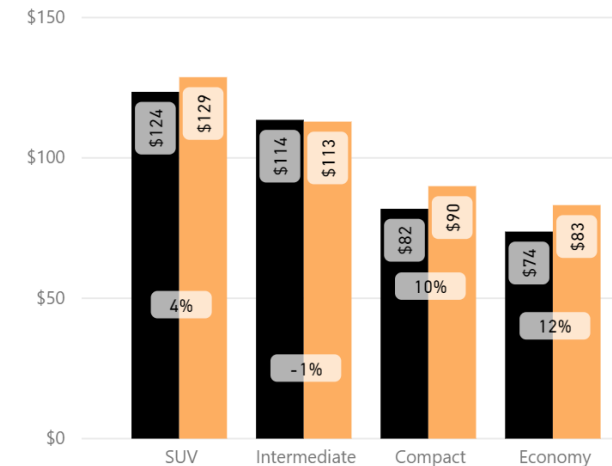


Fig.13

SECTION 2

YEAR TO DATE (YTD) ANALYSIS

SECTION 2 - Year to Date (YTD) Analysis

October 2019 to January 2020

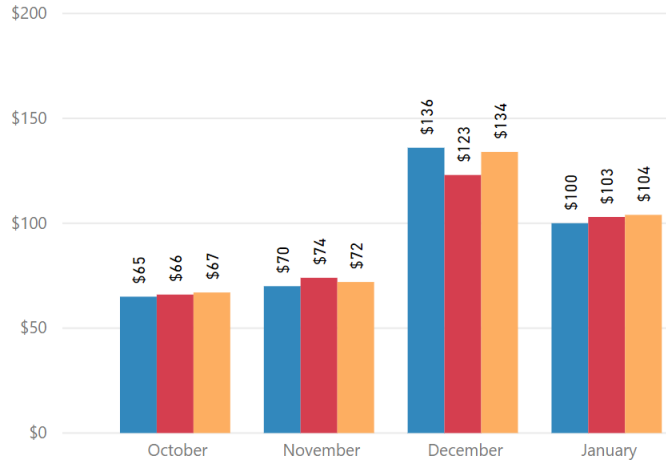


Fig.14
Location ● AKL ● CHC ● ZQN

- Average rates dropped between December 2019 and January 2020 which is the normal peak season cycle as the market drops off immediately after the Christmas/New Year break (Fig.14), and this trend was consistent across all locations (Fig.15 to Fig.17)

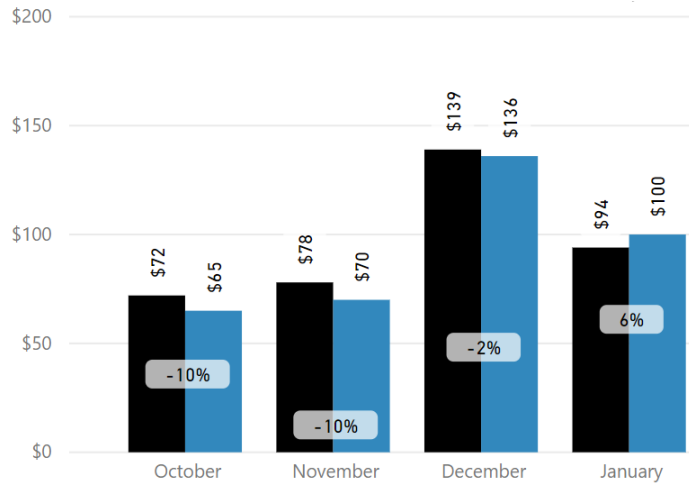


Fig.15
Year ● 2019 ● 2020

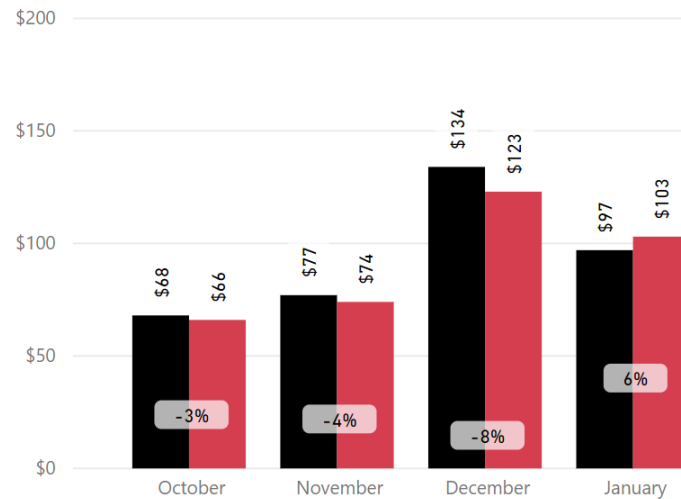


Fig.16
Year ● 2019 ● 2020

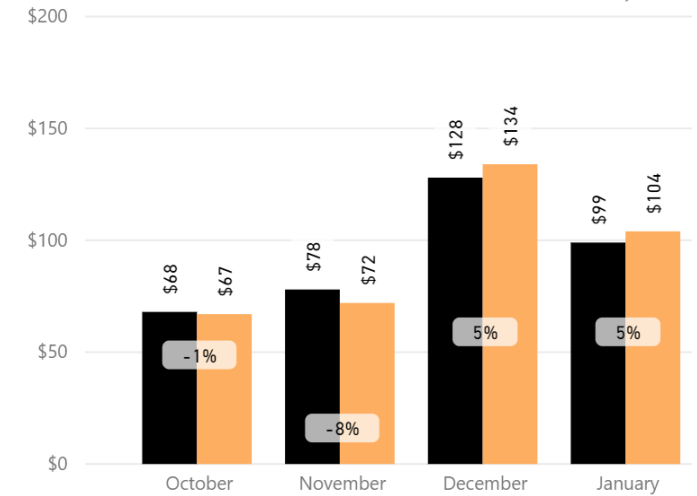


Fig.17
Year ● 2019 ● 2020

SECTION 3

FORWARD MARKET ANALYSIS

SECTION 3 – Forward Market Analysis

January to May 2020

As noted in the December 2019 report, the average rate was below last year for the first week of January 2020, however, thereafter the remainder tracked ahead of last year due to the seasonal timing of Chinese New Year (Fig.18). The flipside of the strong January 2020 is a projected weakening of rates from February 2020, again attributable to Chinese New Year, the trend is for all regions (Fig.19 to Fig.21).

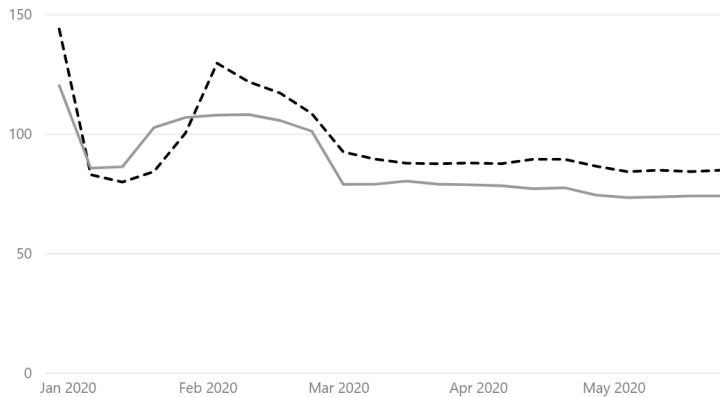


Fig.18
Year --- 2019 — 2020

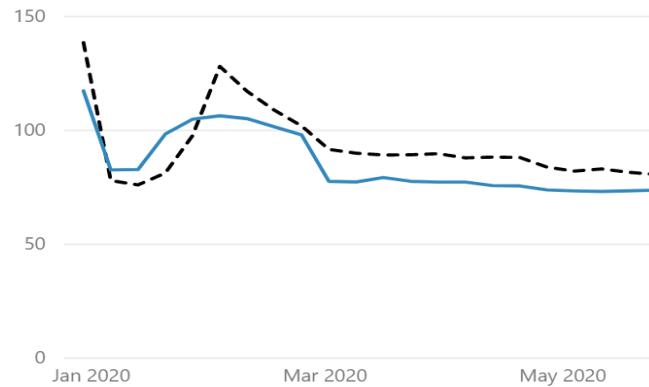


Fig.19
Year --- 2019 — 2020

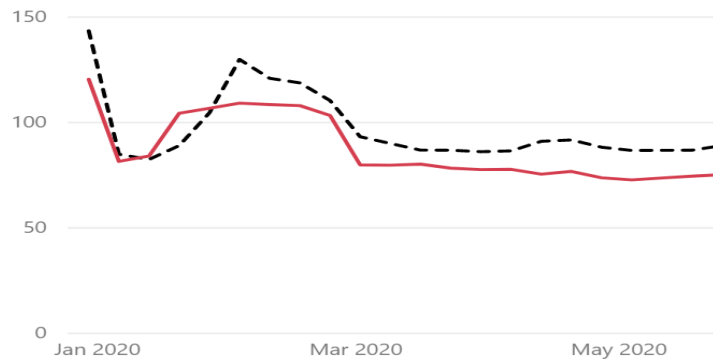


Fig.20
Year --- 2019 — 2020

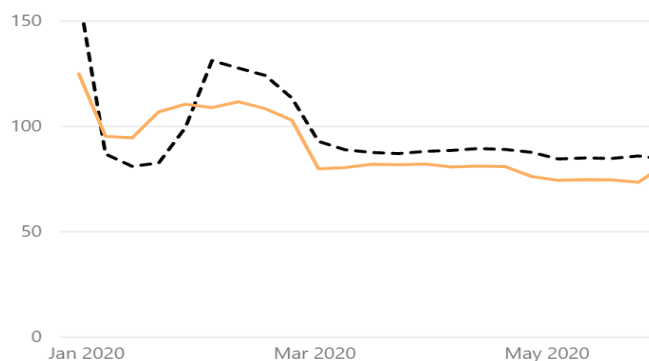


Fig.21 www.marginfuel.com
Year --- 2019 — 2020

Market Insider Tip:

Chinese New Year is a couple of weeks earlier in 2020 compared to 2019, and this will have a material impact on revenue during this period.

To allow for the potential shortfall in February revenue, focus will be on maximizing revenue as a result of all the seasonal holidays falling into what is effectively an extended long weekend during the latter part of January 2020. One way to do this is with targeted campaigns, such as the weekend promotions.

Methodology & Disclaimer

Methodology:

- The data was derived from circa. four (4) million datapoints, and this size dataset was deemed large enough to draw reasonable conclusions
- Inconsistent outlying datapoints were removed
- The data collected is from 13 individual rental vehicle (a mix of independent, franchise, small, medium and large operators, and thus the data includes the relative mixture of on and off airport operators)
- The data collected from the 13 rental vehicle operators has been anonymised and aggregated, then displayed to provide a general reflection of the overall market
- The pickup days included in the data are Tuesdays and Fridays

Terminology:

- **Net Agent OTA:** Is an agent who receives a wholesale price from the operator and then marks up that price to the level they want to sell in the market. In New Zealand an example of a Net Agent is [RentalCars.com](https://www.rentalcars.com)
- **Gross Agent OTA:** Is an agent who is paid by commission and sells at an agreed price. In New Zealand an example of a Gross Agent is [Airport Rentals](https://www.airportrentals.co.nz)

Disclaimer:

This report is intended as a guide only