

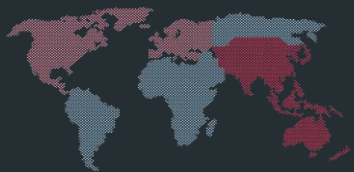


# New Zealand Rental Vehicle Market Insights Report

**May 2019**

**7<sup>th</sup> Edition**

Issued 1<sup>st</sup> June 2019



# Introduction

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

The report summarises the Average Market Rate# (average rate) of the New Zealand Rental Car 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 May 2019 Analysis**; overall the average rate **increased** year on year (YoY), with direct sales channels performing strongly
- **Section 2 Year to Date (YTD) Analysis from February to May 2019**; average rates **peaked** in February 2019, and April 2019 was an extension of the peak season and performed well YoY
- **Section 3 Forward Market Analysis from June to September 2019**; there is a current soft spot in early June 2019, thereafter, average rates are still trending **upwards** between July and September 2019

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

# SECTION 1

## MAY 2019 ANALYSIS

# SECTION 1 May 2019 Analysis

## Year on Year (YoY<sup>^</sup>) Average Rate Change

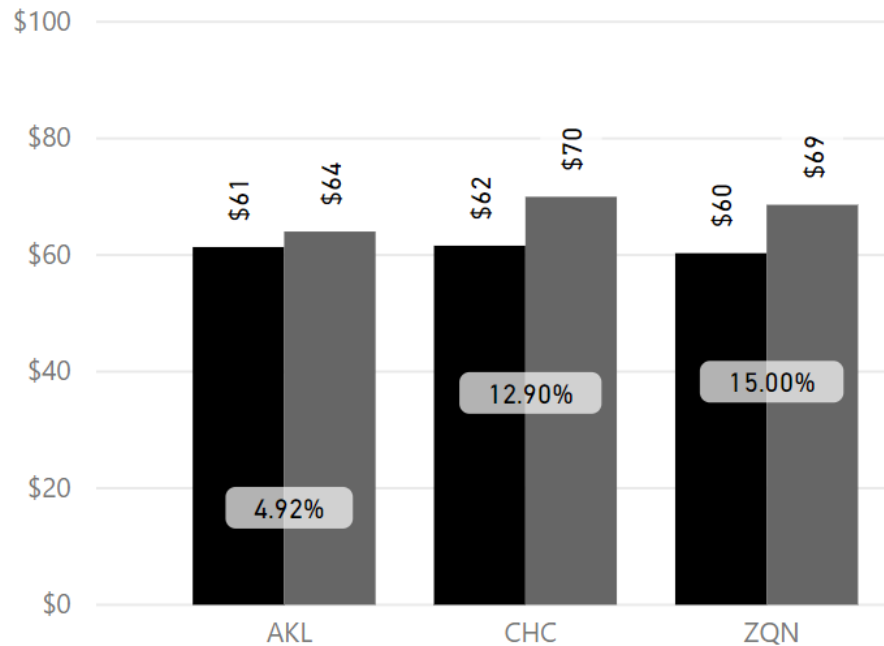


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there was an overall YoY average rate increase of **+11%**
- Auckland Airport (AKL) had a YoY average rate increase of **+5%**
- Christchurch Airport (CHC) had a YoY average rate increase of **+13%**
- Queenstown Airport (ZQN) had a YoY average rate increase of **+15%**

# SECTION 1 May 2019 Analysis

## Channel, Duration and Vehicle Category

In May 2019, for all locations, average rates were consistently high across all sales channels (Fig.2), duration (Fig.3) and vehicle categories (Fig.4).

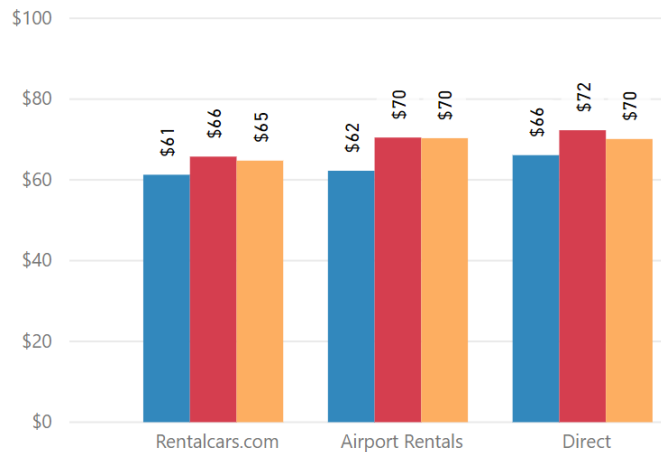


Fig.2

Location ● AKL ● CHC ● ZQN

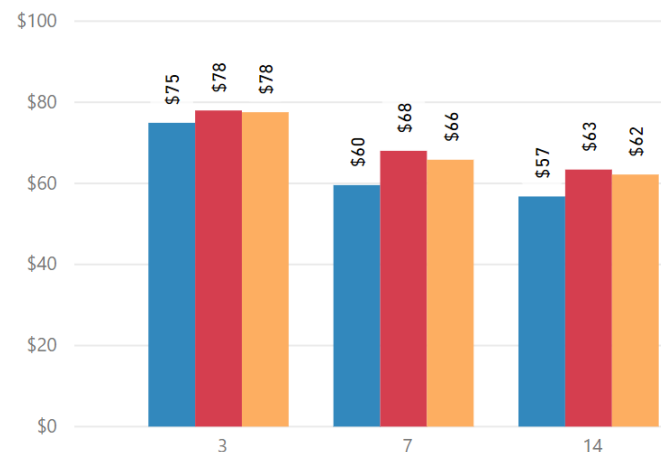


Fig.3

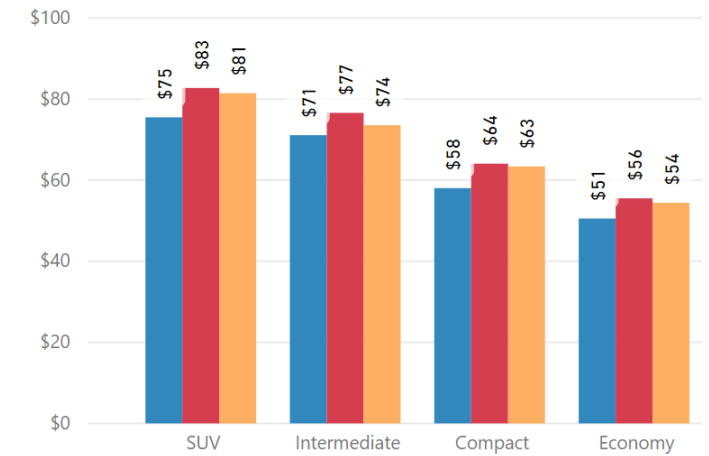


Fig.4

# SECTION 1 May 2019 Analysis

## Auckland Airport YoY Summary

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

The rentalcars.com sales channel showed an average rate decrease of **-6%**, while Airport Rentals and the direct sales channels showed increases of **+2%** and **+10%** respectively (Fig. 5).

The average rate for a 3-day duration increased **+14%**, while the average rate for the longer 7-day and 14-day durations were **-3%** down and flat respectively (Fig. 6).

With the exception of SUV, all other vehicle categories showed average rate increases of between **+2%** and **+9%** (Fig. 7).

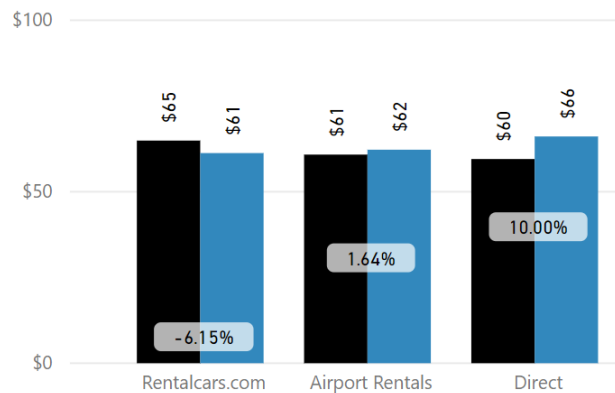


Fig.5

Year ● 2018 ● 2019 % Change

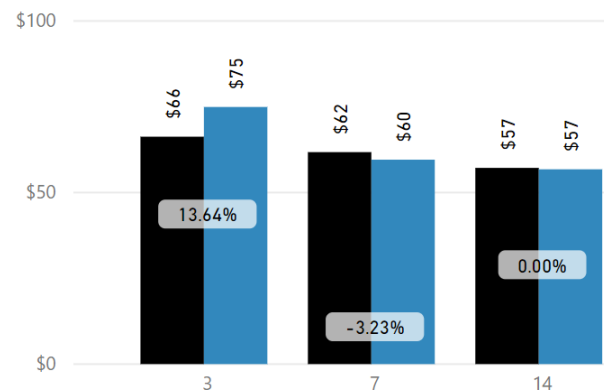


Fig.6

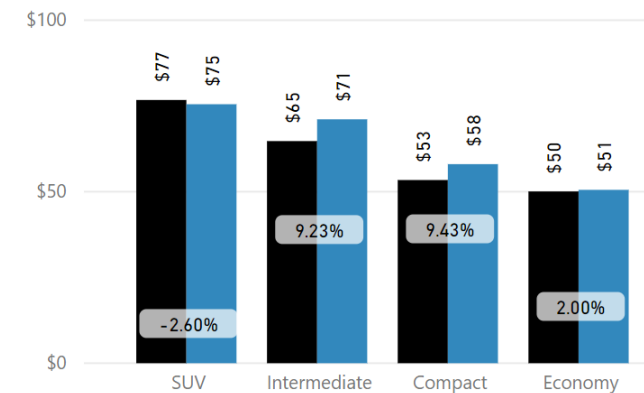


Fig.7

# SECTION 1 May 2019 Analysis

## Christchurch Airport YoY Summary

Christchurch Airport had a YoY average rate increase of **+13%**.

The rentalcars.com sales channel showed an average rate increase of **+2%**, while Airport Rentals and the direct sales channels showed increases of between **+15%** and **+20%** respectively (Fig. 8).

The average rate for a 3-day duration increased **+15%**, while the average rate for longer 7-day and 14-day durations increased between **+10%** and **+11%** (Fig. 9).

All vehicle categories showed average rate increases of between **+8%** and **+20%** (Fig. 10).

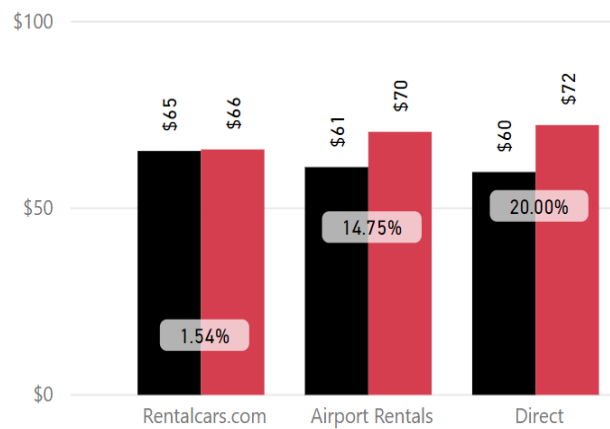


Fig.8

Year ● 2018 ● 2019 % Change

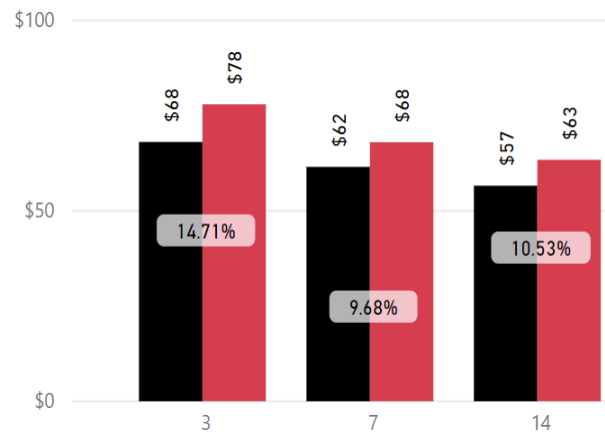


Fig.9

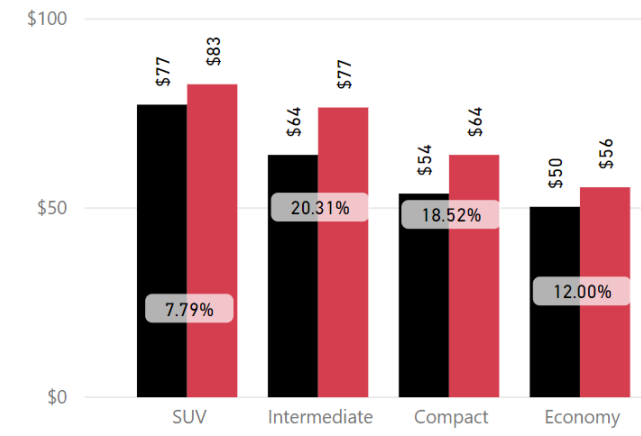


Fig.10

# SECTION 1 May 2019 Analysis

## Queenstown Airport YoY Summary

Queenstown Airport had a YoY average rate increase of **+15%**.

The rentalcars.com sales channel average rate was flat, while Airport Rentals and the direct channels showed increases of between **+17%** and **+21%** respectively (Fig. 11).

The average rate for a 3-day duration increased **+15%**, while the average rate for longer 7-day and 14-day durations increased between **+10%** and **+13%** (Fig. 12).

All vehicle categories showed average rate increases of between **+7%** and **+19%** (Fig. 13).

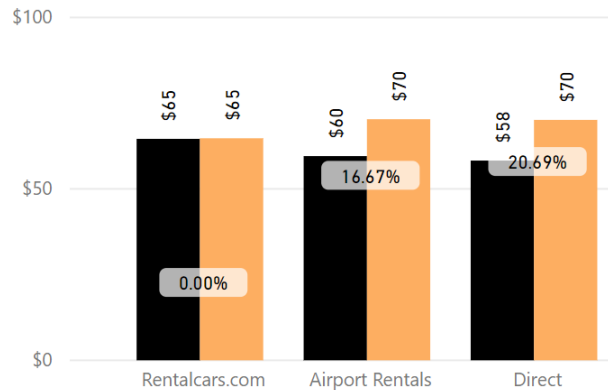


Fig.11

Year ● 2018 ● 2019 % Change

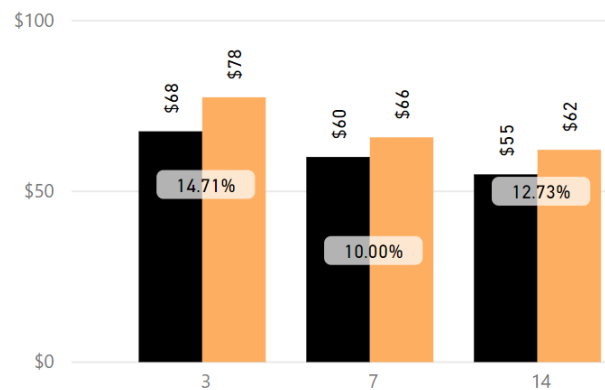


Fig.12

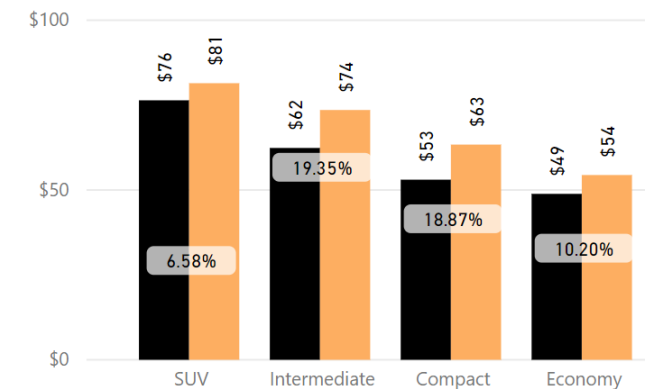


Fig.13



# SECTION 2

## YEAR TO DATE (YTD) ANALYSIS FROM FEBRUARY TO MAY 2019

# SECTION 2 Year to Date (YTD) Analysis February to May 2019

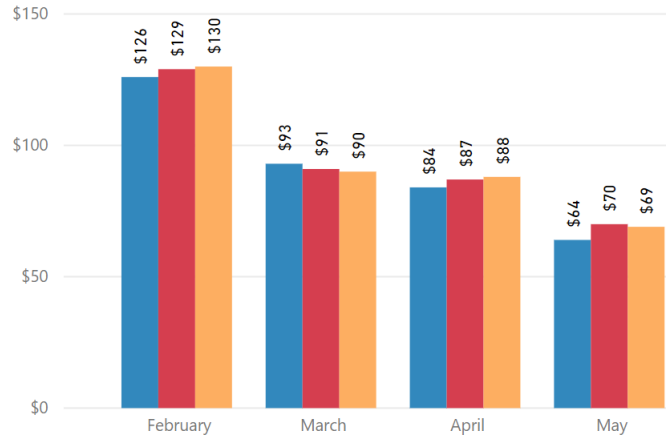


Fig.14  
Location ● AKL ● CHC ● ZQN

- The average rates for all three locations peaked in February 2019 (Fig.14)
- Averages rates remained strong in April 2019 due to Easter, School Holidays and ANZAC Day, all of which effectively extended the peak season
- The average rate across all locations in May 2019 was up YoY between +4% and +15%

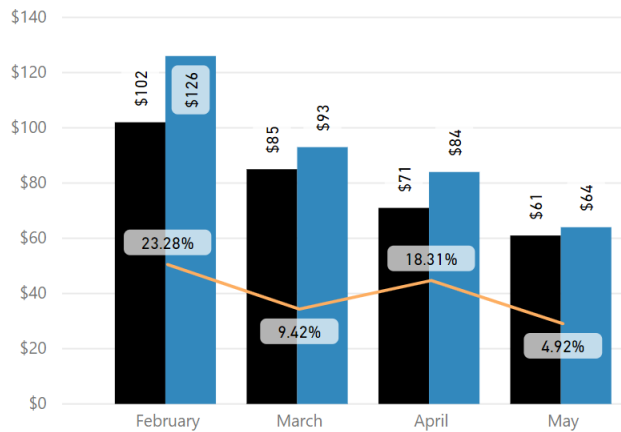


Fig.15  
Year ● 2018 ● 2019

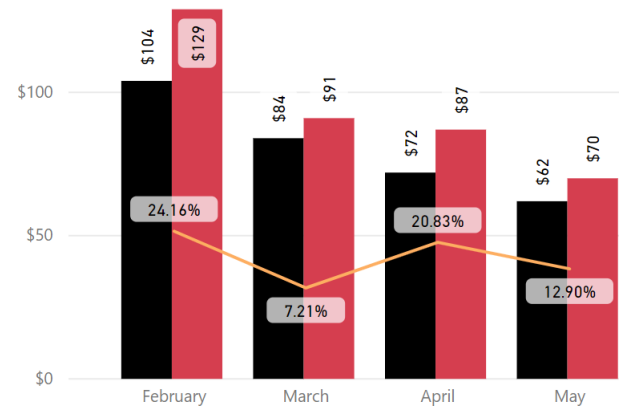


Fig.16  
Year ● 2018 ● 2019 [www.marginfuel.com](http://www.marginfuel.com)

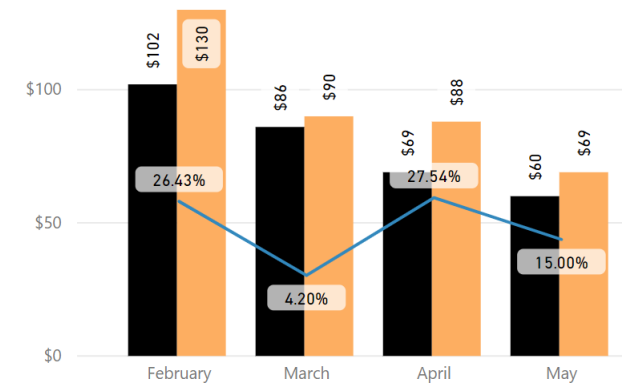


Fig.17  
Year ● 2018 ● 2019

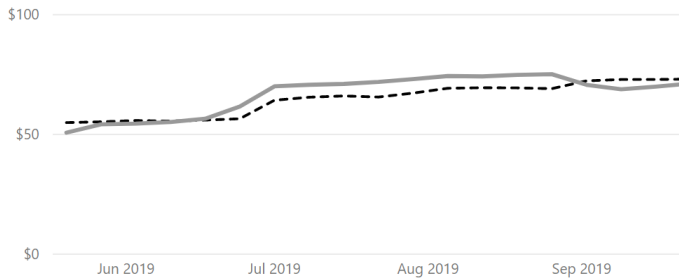
# SECTION 3

## FORWARD MARKET ANALYSIS FROM JUNE TO SEPTEMBER 2019

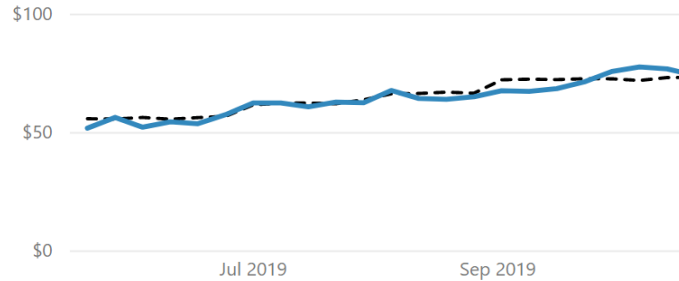
# SECTION 3 Forward Market Analysis

## June to September 2019

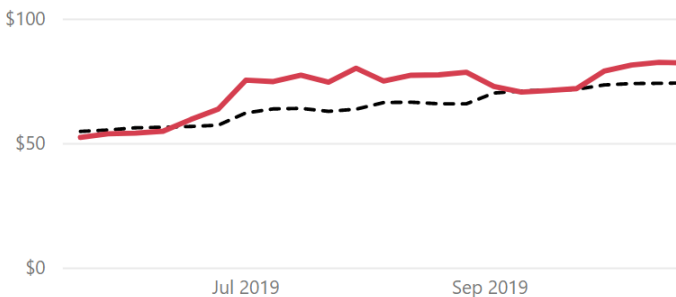
Overall average rates in June 2019 are flat YoY, then between July and August 2019 average rates are trending up YoY, while September 2019 is below prior year (Fig.18). The dip in September 2019 is largely led by Queenstown, as the other two locations are trending upwards (Fig.19 to Fig.21).



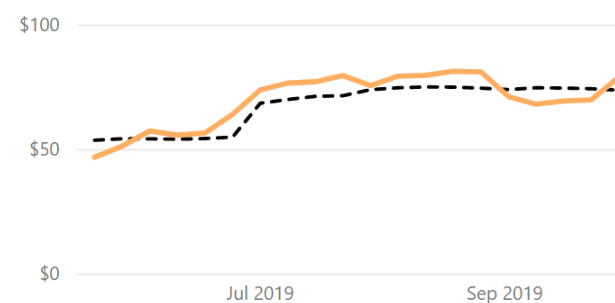
**Fig.18**  
Year --- 2018 — 2019



**Fig.19**  
Year --- 2018 — 2019



**Fig.20**  
Year --- 2018 — 2019



**Fig.21**  
Year --- 2018 — 2019  
[www.marginfuel.com](http://www.marginfuel.com)

**Market Insider Tip:**

*Continue to focus on the winter tourism inflow to the South Island, weekend breaks, and July 2019 School Holidays.*

*Active pricing management will be key to maximising yield.*

# SECTION 3 Forward Market Analysis

## Winter School Holidays (1<sup>st</sup> to 22<sup>nd</sup> July 2019)

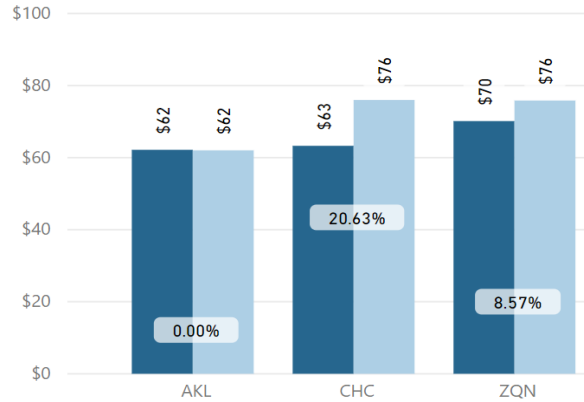


Fig.22  
Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, there is currently an overall YoY average rate increase of **+9%** (Fig.22), being:
  - Auckland flat
  - Christchurch **+21%**
  - Queenstown **+9%**
- OTA channels continue to trend lower, rentalcars.com **-8%** and Airport Rentals **-11%**. The direct sales channels are showing an increase of **+23%** (Fig.23)
- The shorter 3-day duration remains strong with a YoY average rate increase of **+13%** (Fig. 24)
- The average rate for all vehicles categories is higher than last year by between **+2%** and **+13%** (Fig.25)

**Market Insider Tip:**  
Continue to utilise multi channel strategies, ensuring good fleet management principals are adhered to.

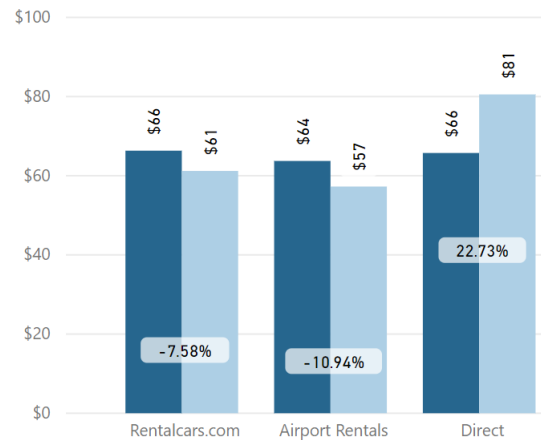


Fig.23

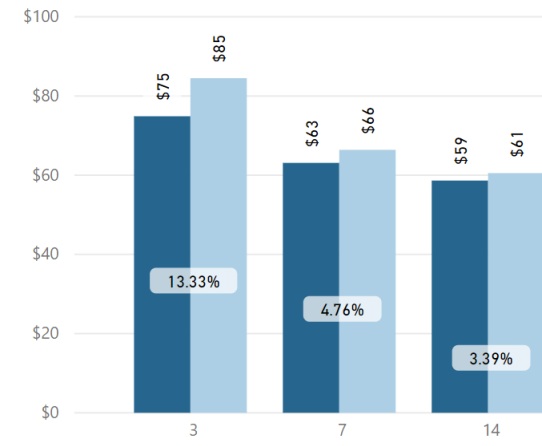


Fig.24

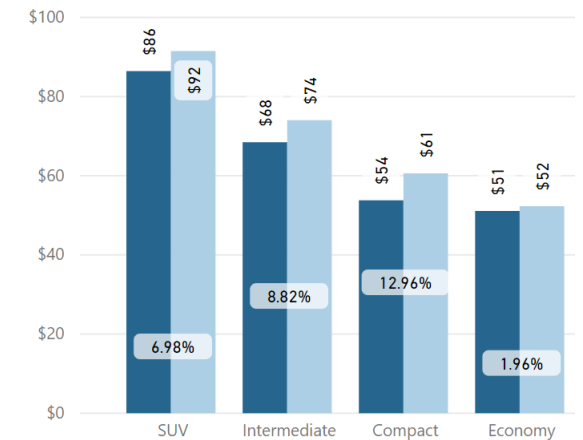


Fig.25

# 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 operators (a mix of independent, franchise, small, medium and large 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

## Disclaimer:

This report is intended as a guide only