

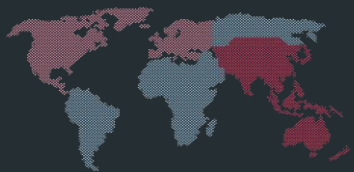


# New Zealand Rental Vehicle Market Insights Report

**November 2019**

**13<sup>th</sup> Edition**

Issued 3<sup>rd</sup> December 2019



# Introduction

Herewith MarginFuel's thirteenth 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 Current month analysis;** overall the average rate was **down** year on year (YoY)
- **Section 2 Year to date (YTD) analysis;** average rates were **lower** YoY, but up versus prior month
- **Section 3 Forward market analysis;** average rates **building** over Christmas, but weaker 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

# SECTION 1

## CURRENT MONTH ANALYSIS

# SECTION 1 – Current Month Analysis NOVEMBER 2019

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

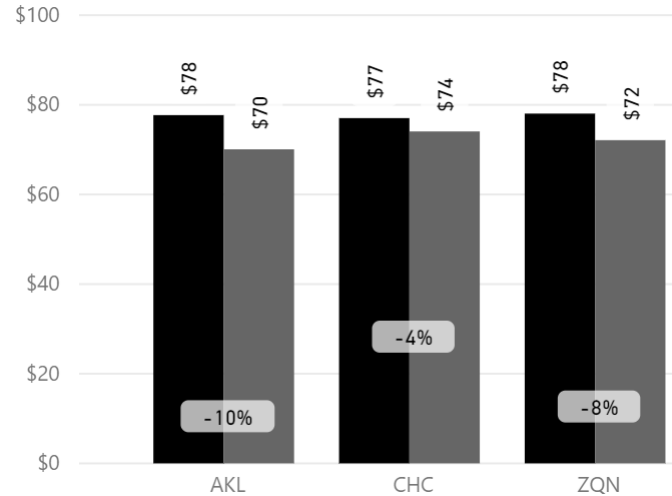


Fig.1

Year ● 2018 ● 2019 % Change

- For all three locations, across all sales channels, the average rate was lower by **-9% YoY**
- The average rate for Auckland Airport (AKL) **-10%** lower versus prior year
- Christchurch Airport (CHC) average rate was **-4%** YoY
- Queenstown Airport (ZQN) average rate was **-8%** YoY

# SECTION 1 – Current Month Analysis NOVEMBER 2019

## 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 we approach the peak season the average rates for the longer 7 and 14-day durations are increasing, as are rates for the smaller vehicle categories.

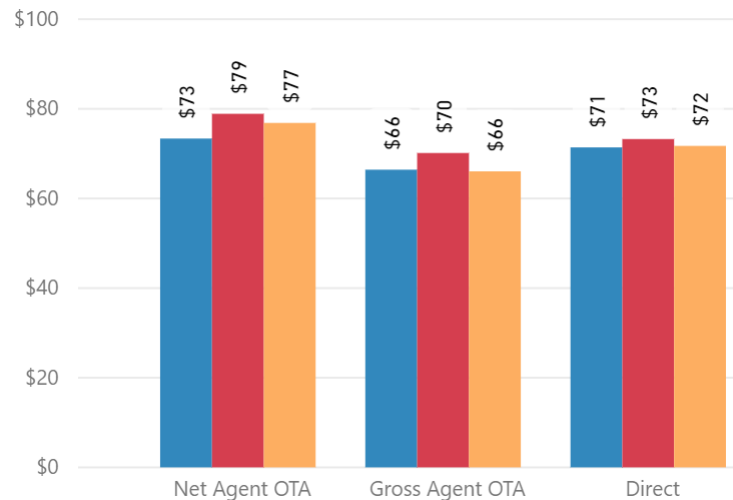


Fig.2

Location ● AKL ● CHC ● ZQN

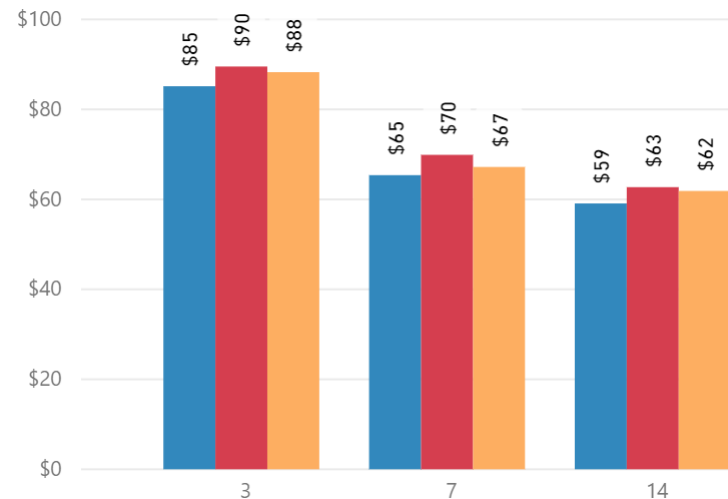


Fig.3

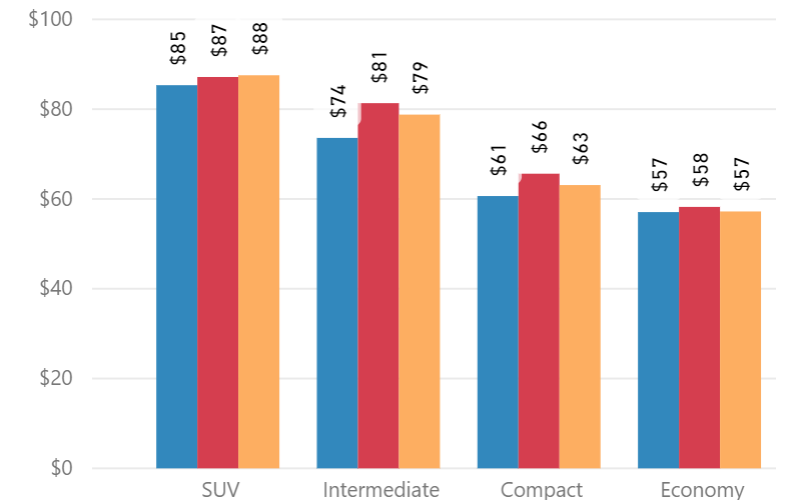


Fig.4

# SECTION 1 – Current Month Analysis NOVEMBER 2019

## Auckland Airport YoY Summary

Overall Auckland Airport had a YoY average rate decrease of **-10%**.

The Net Agent OTA sales channel average rate was **-8%** lower, while the Gross Agent OTA and the direct sales channels showed decreases of **-13%** and **-8%** respectively (Fig. 5).

The average rate for 3-day duration decreased **-7%**, while the average rate for longer 7-day was **-11%**, and 14-day duration **-13%** (Fig. 6).

The average rate for SUVs in Auckland was **-11%** YoY, with all other categories showing average rates of between **-2%** and **-11%** (Fig. 7).

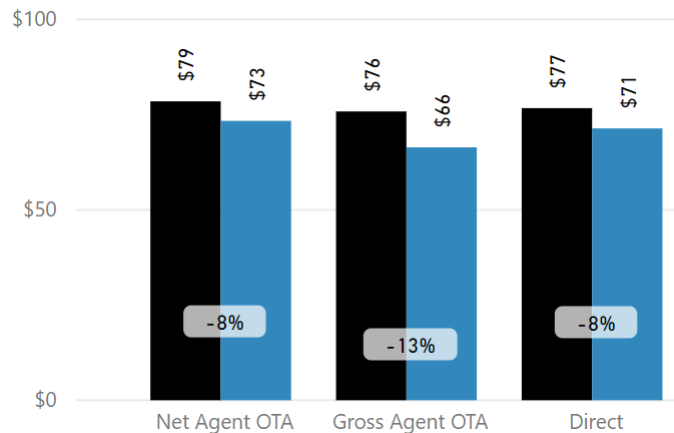


Fig.5

Year ● 2018 ● 2019 % Change

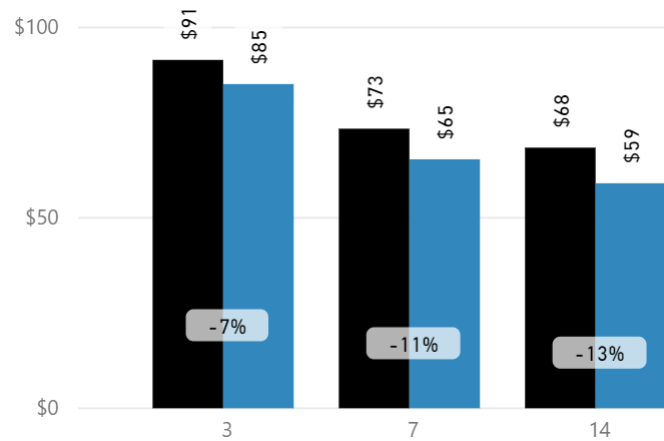


Fig.6

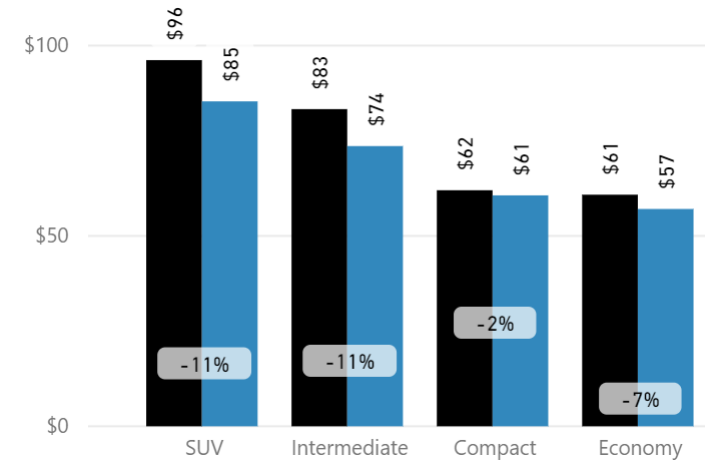


Fig.7

# SECTION 1 – Current Month Analysis NOVEMBER 2019

## Christchurch Airport YoY Summary

Overall Christchurch Airport had a YoY average rate decrease of **-4%**.

The Net Agent OTA sales channel average rate was **+1%**, while the Gross Agent OTA and the direct sales channels showed decreases of **-9%** and **-4%** respectively (Fig. 8).

The average rate for 3-day duration decreased **-5%**, while the average rate for longer 7-day and 14-day durations were lower by **-3%** (Fig. 9).

The average rate for SUVs was down **-11%**, with all other categories showing average rates of between **+2%** and **-2%** (Fig. 10).

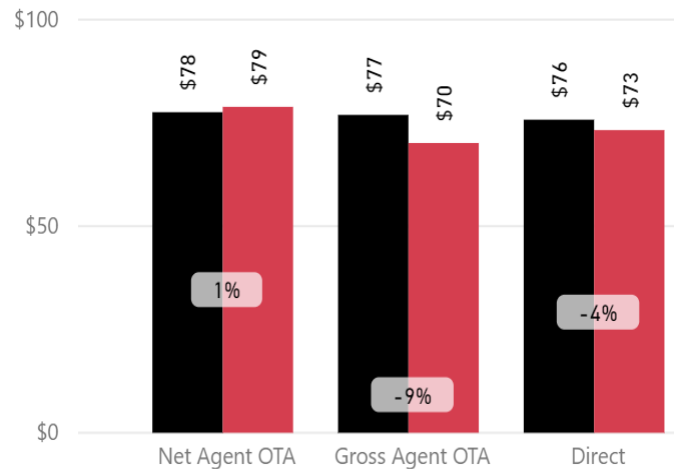


Fig.8

Year ● 2018 ● 2019 % Change

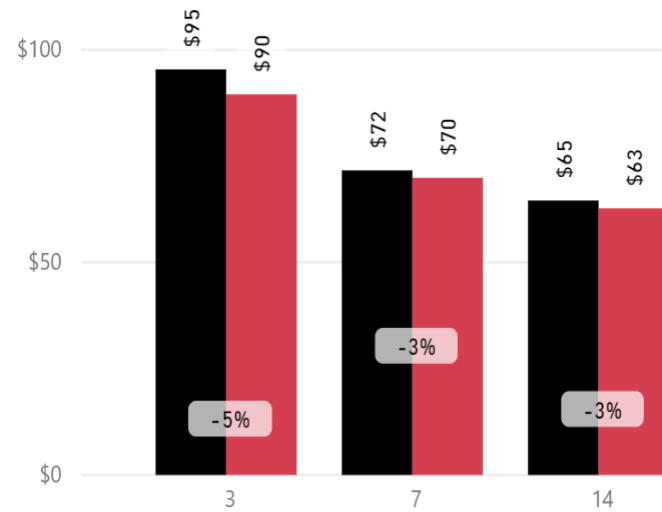


Fig.9

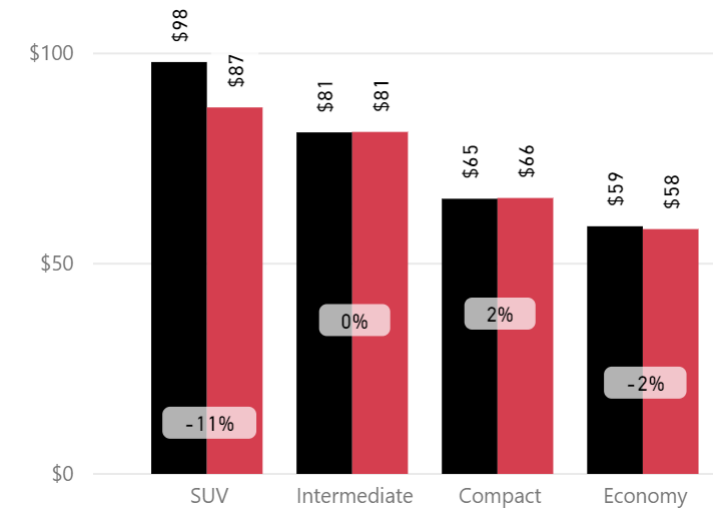


Fig.10

# SECTION 1 – Current Month Analysis NOVEMBER 2019

## Queenstown Airport YoY Summary

Overall Queenstown Airport had a YoY average rate decrease of **-8%**.

The Net Agent OTA sales channel average rate was **-1%**, while the Gross Agent OTA and the direct sales channels showed decreases of **-18%** and **-6%** respectively (Fig. 11).

The average rate for a 3-day duration decreased **-9%**, while the average rate for longer 7-day and 14-day **-7%** and **-6%** respectively (Fig. 12).

The average rate for SUVs was down **-9%**, with all other categories showing average rates of between **-3%** and **-7%** (Fig. 13).

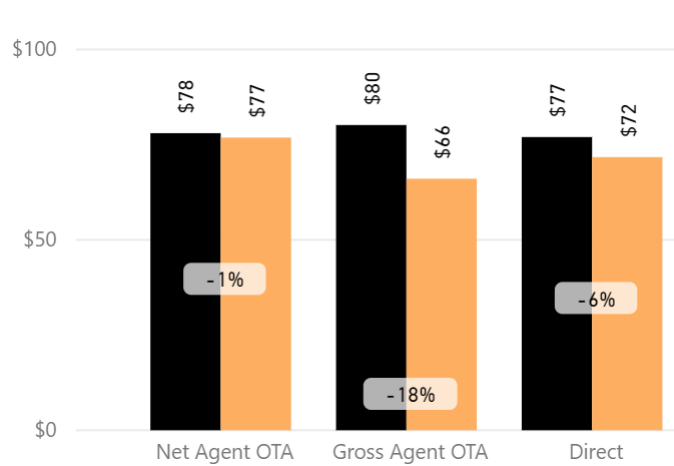


Fig.11

Year ● 2018 ● 2019 % Change

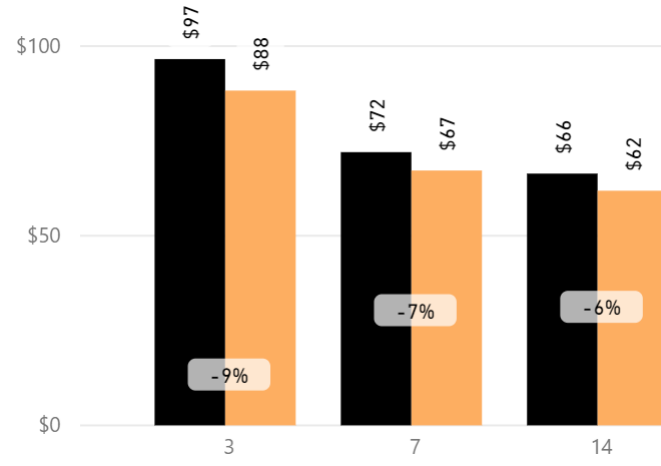


Fig.12

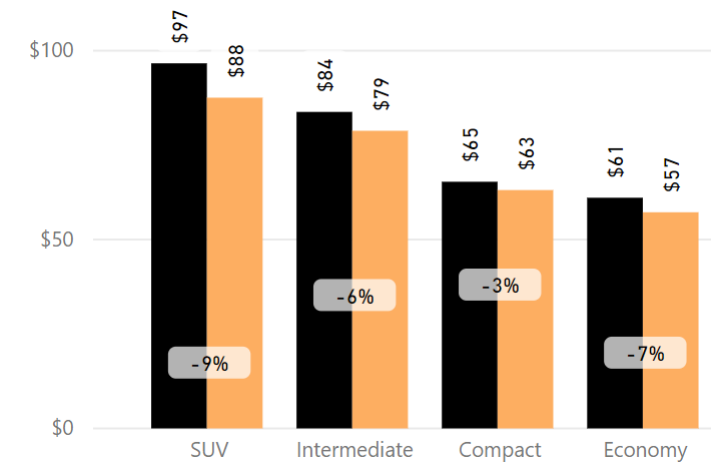


Fig.13

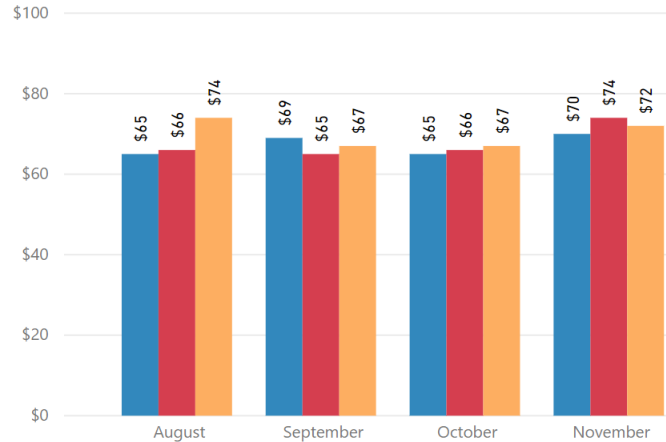


# SECTION 2

## YEAR TO DATE (YTD) ANALYSIS

# SECTION 2 - Year to Date (YTD) Analysis

## August to November 2019



- Average rates began to rise from October 2019 (Fig.14)
- November 2019 was a weak month compared to same month last year, with average rates dropping between -4% and -10% across all three locations

Fig.14  
Location ● AKL ● CHC ● ZQN

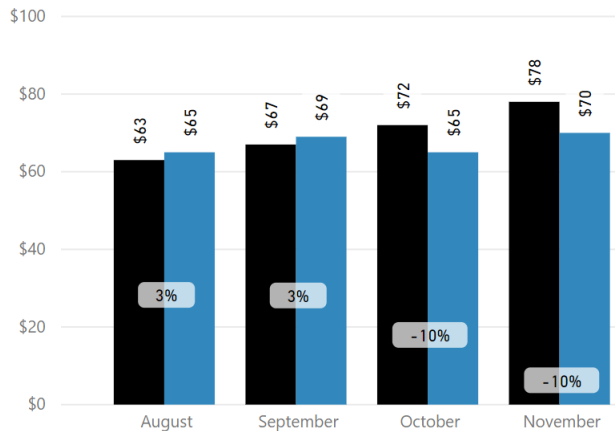


Fig.15  
Year ● 2018 ● 2019

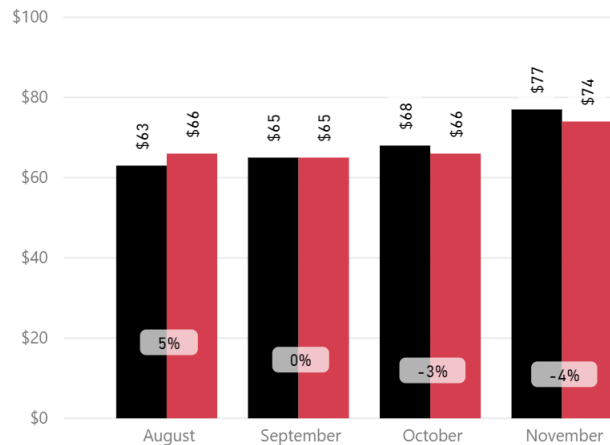


Fig.16  
Year ● 2018 ● 2019 [www.marginfuel.com](http://www.marginfuel.com)

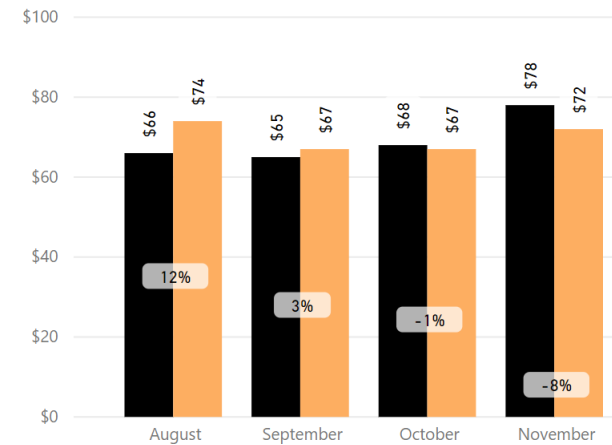


Fig.17  
Year ● 2018 ● 2019

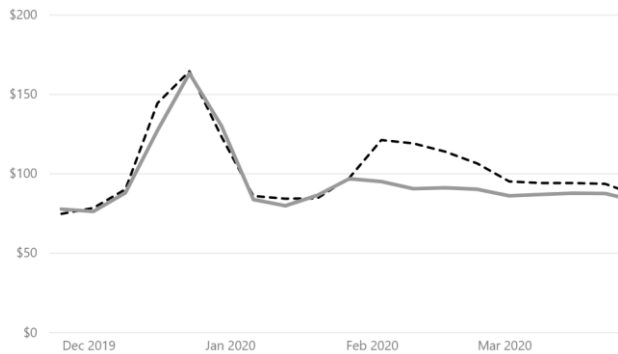
# SECTION 3

# FORWARD MARKET ANALYSIS

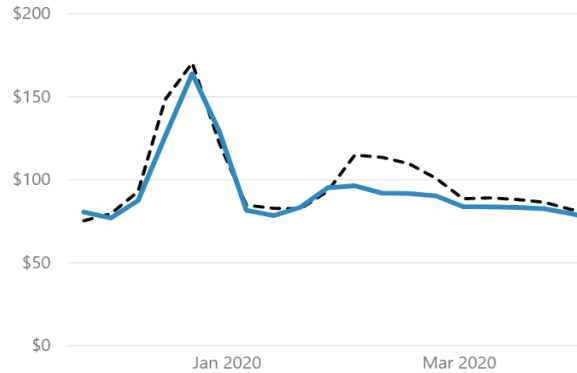
# SECTION 3 – Forward Market Analysis

## December 2019 to March 2020

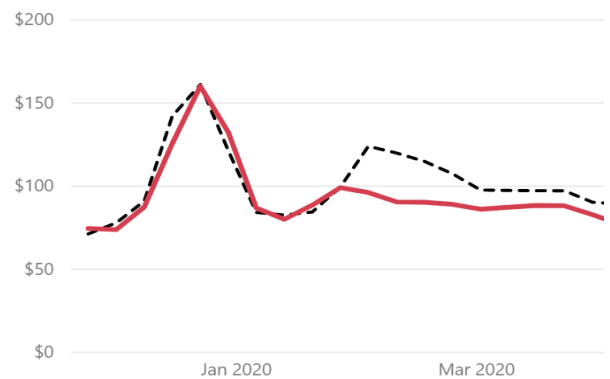
Overall average rates are a little soft in the lead up to, and through the Christmas season (Fig.18). Average rates remain strong throughout January 2020, but start to trend lower from early February 2020 due in part to the seasonal timing of Chinese New Year (Fig.19 to Fig.21).



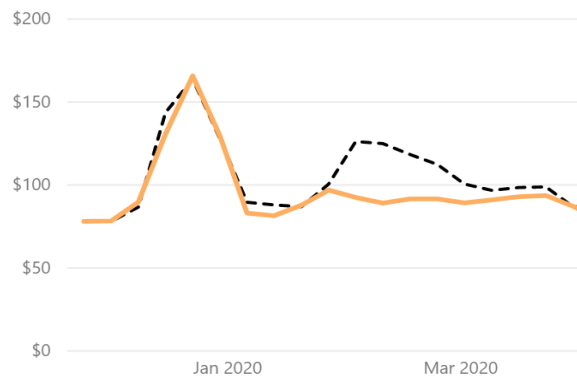
**Fig.18**  
Year --- 2018 — 2019



**Fig.19**  
Year --- 2018 — 2019



**Fig.20**  
Year --- 2018 — 2019



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

**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. One way to do this is with targeted campaigns, such as the weekend promotions.*

# SECTION 3 FORWARD MARKET ANALYSIS

## Christmas 2019<sup>^</sup> (23<sup>rd</sup> December 2019 to 5th January 2020)

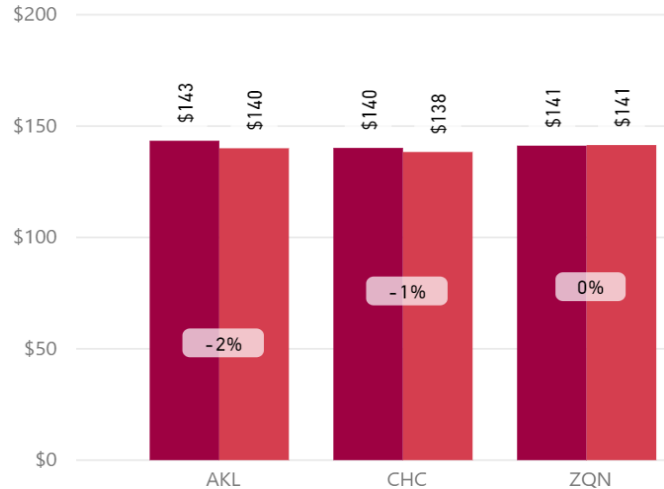


Fig.22

### Market Insider Tip:

Manage your channels effectively. As demand builds on direct channels, make the most of the favourable yields.

Your channels need active management, so make sure you are on top of them.

Having fleet in the right place is once again crucial, with Auckland demand being able to swallow most of the demand at higher rates.

- For Christmas 2019, for all three locations, across all sales channels, there is currently an overall YoY average rate decrease of **-1%** (Fig. 22)
- The average rate across all sales channels is strong (Fig. 23)
  - Net Agent OTA **+6%**
  - Gross Agent OTA **-9%**
  - Direct **-3%**
- Average rates remain lower for all durations, with the 14-day duration **+5%** (Fig. 24), and all vehicle categories were up YoY except SUV (Fig. 25)
- Last years Christmas 2018 season was very strong, meaning the comparable baseline is very high, therefore, the underlying performance of the current Christmas 2019 season is relatively strong

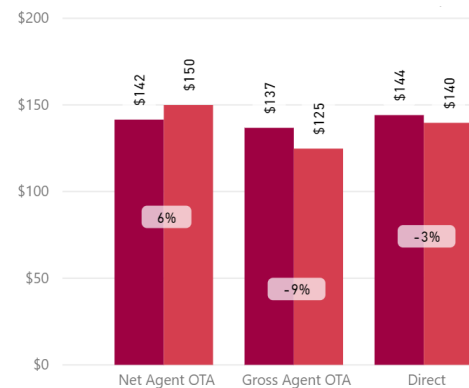


Fig.23

Year ● 2019 ● 2020 % Change

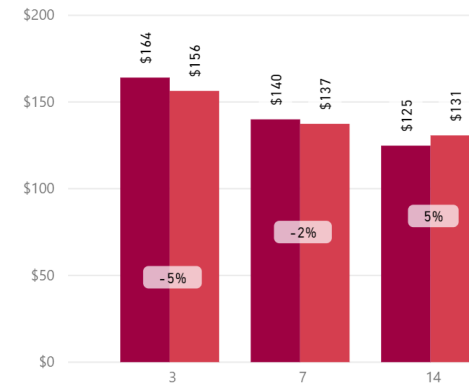


Fig.24

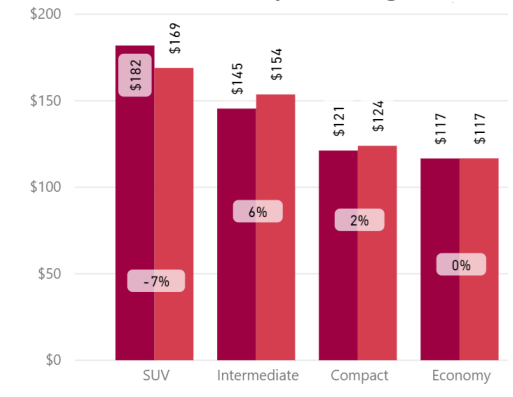


Fig.25

# SECTION 3 FORWARD MARKET ANALYSIS

## Extended Chinese New Year 2020<sup>^</sup> (20<sup>th</sup> January to 9<sup>th</sup> February)

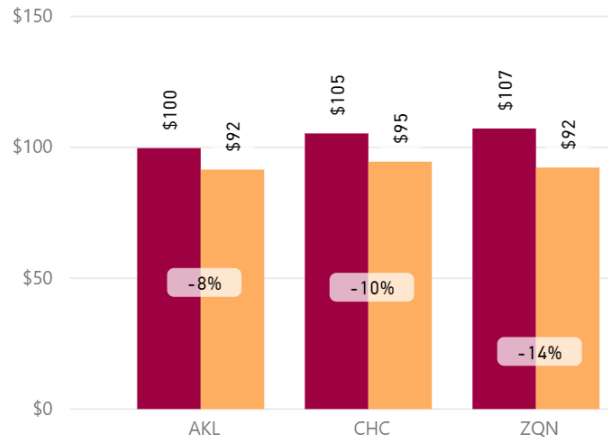


Fig.26

**Market Insider Tip:**

The earlier Chinese New Year holiday falls into Auckland Anniversary weekend and the tail of the School Holidays and can extend to Waitangi Day.

Effectively the Chinese New Year holiday period is from 20<sup>th</sup> January to 9<sup>th</sup> February 2020, with a bulk of the revenue generation being in late January 2020.

Make sure your fleet mix is correct: traditionally SUVs and 4x4s are very popular in Christchurch.

- For the extended Chinese New Year 2020 season, for all three locations, across all sales channels, there is currently an overall YoY Average Rate decrease of **-11%** (Fig. 26)
  - Auckland Airport is showing a YoY average rate decrease of **-8%**
  - Christchurch and Queenstown Airports are showing an YoY average rate decrease of **-10%** and **-14%** respectively
- The Average Rate across all the sales channels were lower between **-5%** and **-15%** (Fig.27)
- The shorter 3-day duration is lower YoY by **-15%**, while the longer durations are down between **-7%** and **-8%** (Fig.28)
- All vehicle categories have a lower average rate of between **-4%** to **-16%** (Fig. 29)

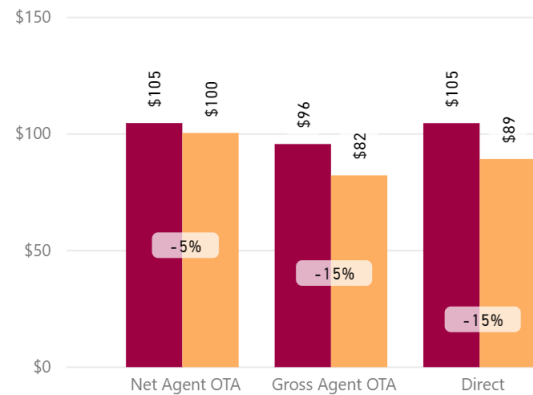


Fig.27

Year ● 2018 ● 2019 Change %

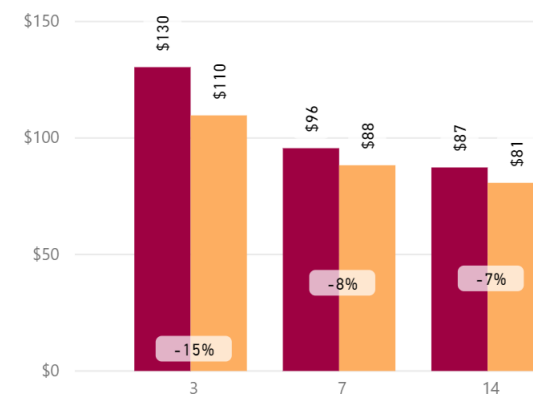


Fig.28

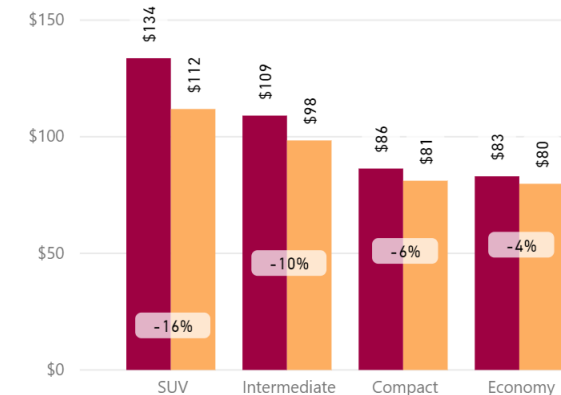


Fig.29

<sup>^</sup> Compared to corresponding period from 2<sup>nd</sup> to 17<sup>th</sup> February 2019

# 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) 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

## Disclaimer:

This report is intended as a guide only