

TRADE &
EXCHANGE

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New Zealand

Aotearoa - *The land of the long white cloud*

- ⦿ Located in the South Pacific ocean
- ⦿ Comprises 2 main islands
- ⦿ Land mass 36 times smaller than America
- ⦿ Maori are the indigenous people of NZ
- ⦿ Total population: 4 million
- ⦿ Multicultural society who embrace outdoor activity

New Zealand

Aotearoa - *The land of the long white cloud*

- ➲ Over \$5.9 billion generated by tourism per year
- ➲ 2 million international visitors per year
- ➲ Majority holiday makers are from Australia, North America, United Kingdom and Japan
- ➲ Agriculture products total over 50% of exports
- ➲ Increasingly strong competitive advantage in high-tech industries

Auckland - “*The City of Sails*”

A sophisticated, cosmopolitan city that offers an abundance of activities for the adventurer, the nature follower, the backpacker or the pleasure seeker

- ➊ A mecca of extreme sports
- ➋ Nature
 - mountain ranges
 - forests
 - coastlines

- ➌ ‘Pacific Rim’ cuisine-culture

Auckland has it all...

- ➊ Two mountain ranges
- ➋ 48 volcanic cones
- ➌ Three huge harbours
- ➍ Maori, European, Polynesian and Asian cultures



Total population

4,024,400

North Island Population

2,991,300

Wellington Population

445,400

South Island Population

947,500

New Zealand media environment

- ◉ Media environment
- ◉ Extremely competitive in terms of “voice”
- ◉ Often 2 or 3 publications for same market
- ◉ 5 main metropolitan daily papers
- ◉ 21 provincial daily papers
- ◉ 140 small market / community / suburban papers
- ◉ 3 weekly national papers (includes 2 Sundays)



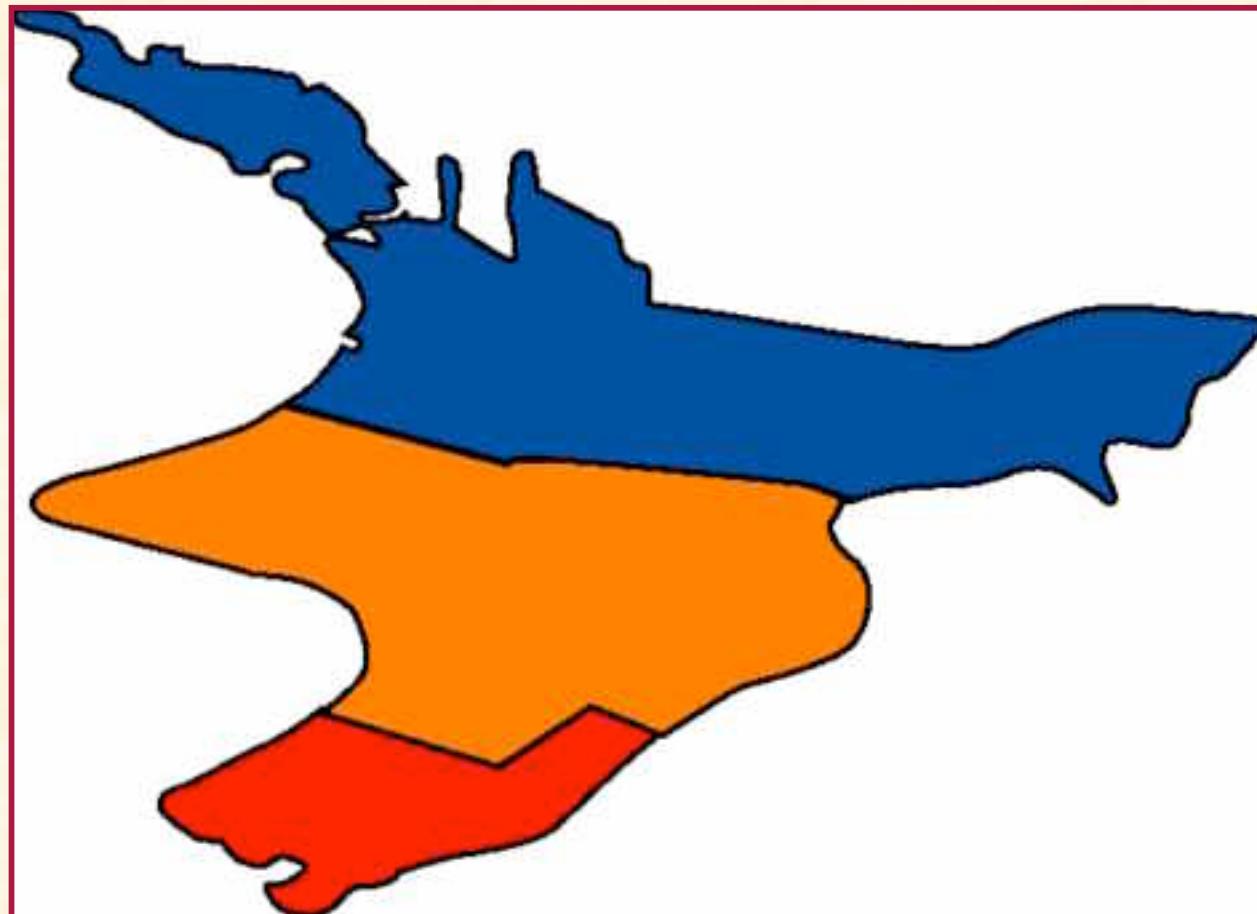
New Zealand media environment

- Trader publications – every city / town has one
- Strong magazine market, now influenced by access to international titles
- NZer's read 29.4 magazines annually per head of population - second only to United Kingdom
- Saturated radio market:
 - New Zealand - 1 station for every 13,000 people
 - Australia - 1 station for every 82,000 people



Trade and Exchange – distribution areas

North Island's leading free ad paper



Auckland region

Central North
Island

Wellington region

T & E is a NZ icon comparable with.....



Australia



Canada



Italy



Egypt



Ireland



New Zealand



France



England



England

Trade and Exchange.....

- Established 1981 – a great NZ success story
- Main provider of free ads in the north island
- 11% of Auckland and Wellington population read T&E
- Published every Thursday and Saturday for Auckland region

Thursday Issue 1322 23 September - 1 October 2002 \$2.80 Freepost 82122

TRADE & EXCHANGE

NEW! TO T&E

EXTREME SPORTS!

HOT COUPON!!
BATHROOM CABINETS WITH MIRROR DOORS

Importers clearance to have custom designed 1, 2 & 3 door mirror cabinets.

ALL NOW JUST \$30*

Importers clearance to have custom designed 1, 2 & 3 door mirror cabinets.

ALL NOW JUST \$30*

IMPORTER'S CLEARANCE!!

GROVE MITRE 10

It's all in Trade & Exchange!

The image is the front cover of the Saturday Trade & Exchange magazine. The title 'Saturday' is at the top left in a large, bold, blue font. To its right, the issue number 'Issue 348' and the publication date '4 - 10 October 2003' are printed. The top right corner shows the price '\$2.80' and the postage cost 'Postage 85c'. The main title 'TRADE & EXCHANGE' is prominently displayed in large, bold, black letters across the top. Below the title is a large photograph of a silver piggy bank tilted, with numerous small, colorful coins (resembling Smarties) spilling out into a jar. Overlaid on this image is the text 'Hundreds & Thousands of Bargains!' in a stylized, bold font. To the right of the jar, a blue oval contains the text 'MORE THAN 17,656 bargains inside this week!' with a small blue play button icon. At the bottom left, there is a yellow box for a 'MAG & TYRE MANIA SALE' featuring three car wheels, a phone number '0800 624 8873', and the text '99 Station Road, Penrose'. The bottom right corner features a barcode and a circular logo with a yellow mouse and the text 'Independently NZ owned and operated since 1983.'

Trade and Exchange.....

- ⦿ Weekly into Wellington and Central regions of lower North Island
- ⦿ Circulation trending a gradual decline
- ⦿ www.te.co.nz launched 1998
- ⦿ One of the top 10 websites in New Zealand for a number of years



Trade and Exchange.....

- Website re-launched in 2001
 - less successful due to new entrants in market
- Pleasing growth in paying subscribers - 44% in 2002
 - 25% this YTD

Strong brand - approaching 25th anniversary

Competition

- ② Regional and small local trader publications
- ② Local / community papers
- ② Daily newspapers
- ② Internet sites – Trade Me, Traderpoint

Umbrella Brand



- Strategy has been deliberate and focused on one brand
- An umbrella brand with incredible strength
- Single brand:
Replication throughout the North Island



A competitor: Loot (NZ)

- ② Loot (NZ) launched February 2002
- ② Previously on sale in provincial Waikato – little threat to T&E
- ② T&E response
 - Canvassing free ads
 - Intense radio and television advertising
 - Consistent cover price and display rates
 - Improvements to design
 - Bumper issues
 - Pagination increase
 - 21% Saturday
 - 28% Thursday

A competitor: Loot (NZ)

- ⌚ Two free ads papers in the market
 - + intense advertising
 - = expansion of the general free ads market
- ⌚ Loot (NZ) left the market in September 2003

T&E success

- ⌚ Brand strength, readership and advertiser loyalty

After 21 years the arrival of Loot (NZ) was a significant driver of change

Gathering Challenges

What we know:

T&E has always connected buyers and sellers

Our core business:

Maintaining the strength of that relationship is critical to future success

However:

Factors serving to weaken that relationship:

- ⌚ Availability of cheaper goods, rising standards of living, parallel importing and consumer society
- ⌚ Goods not made to last
- ⌚ The higher the household income, the higher the access to the internet = less demand for print
- ⌚ Effect of immigration

- ⌚ Early adopters of new technology – test marketing in NZ
- ⌚ The challenge of new technology - WAP
- ⌚ **Our readers consistently tell us they buy our product when they need to buy or sell**
- ⌚ Decreasing circulation means customers are saying they no longer need our product

We must create new points of difference

**Why would the customer choose to buy a
paper or go online?**

T&E response

- ⌚ Strengthening and reshaping the connection of buyers and sellers
- ⌚ Developing our product with a customer centric focus

Taking their total experience of T&E into account - from performance (function and form) to pleasure (experience)

- ⌚ Historically T&E focused on function and usability
- ⌚ New attention to improved visual appeal (design)

Innovation

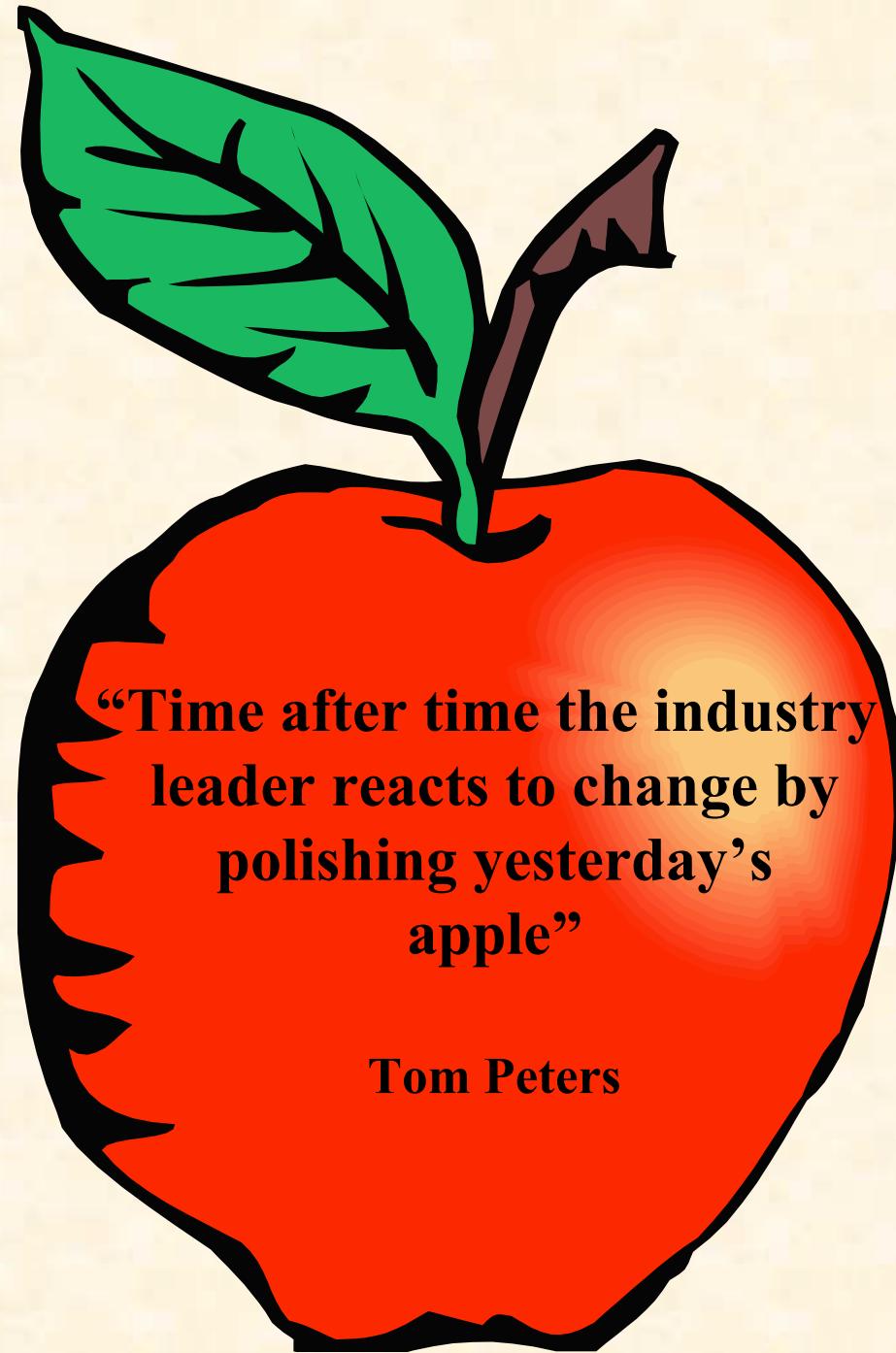
The biggest challenge for T&E is to identify the new, better and different experiences associated with purchasing and reading the paper and/or going on line.... and harnessing these into new innovative products.

Shifting our approach and aligning our brand, services and marketing with our customers' physical, practical, emotional and psychological needs.

T&E is beginning a journey – A process of change



Future-proofing the brand



**“Time after time the industry
leader reacts to change by
polishing yesterday’s
apple”**

Tom Peters

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