







**TRADE &
EXCHANGE**

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EXCHANGE**

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

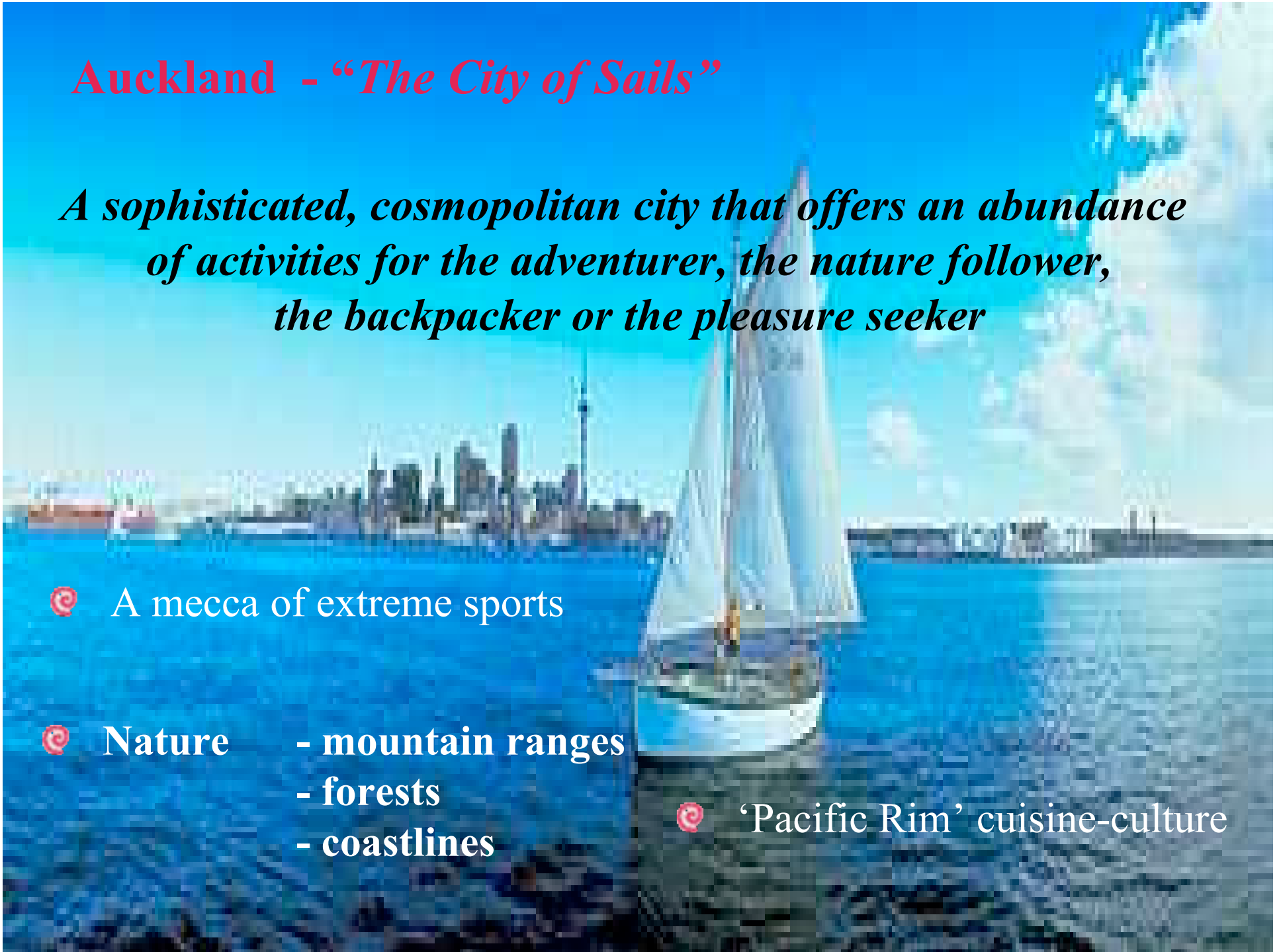
Auckland - “*The City of Sails*”

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

☉ A mecca of extreme sports

☉ **Nature** - mountain ranges
 - forests
 - coastlines

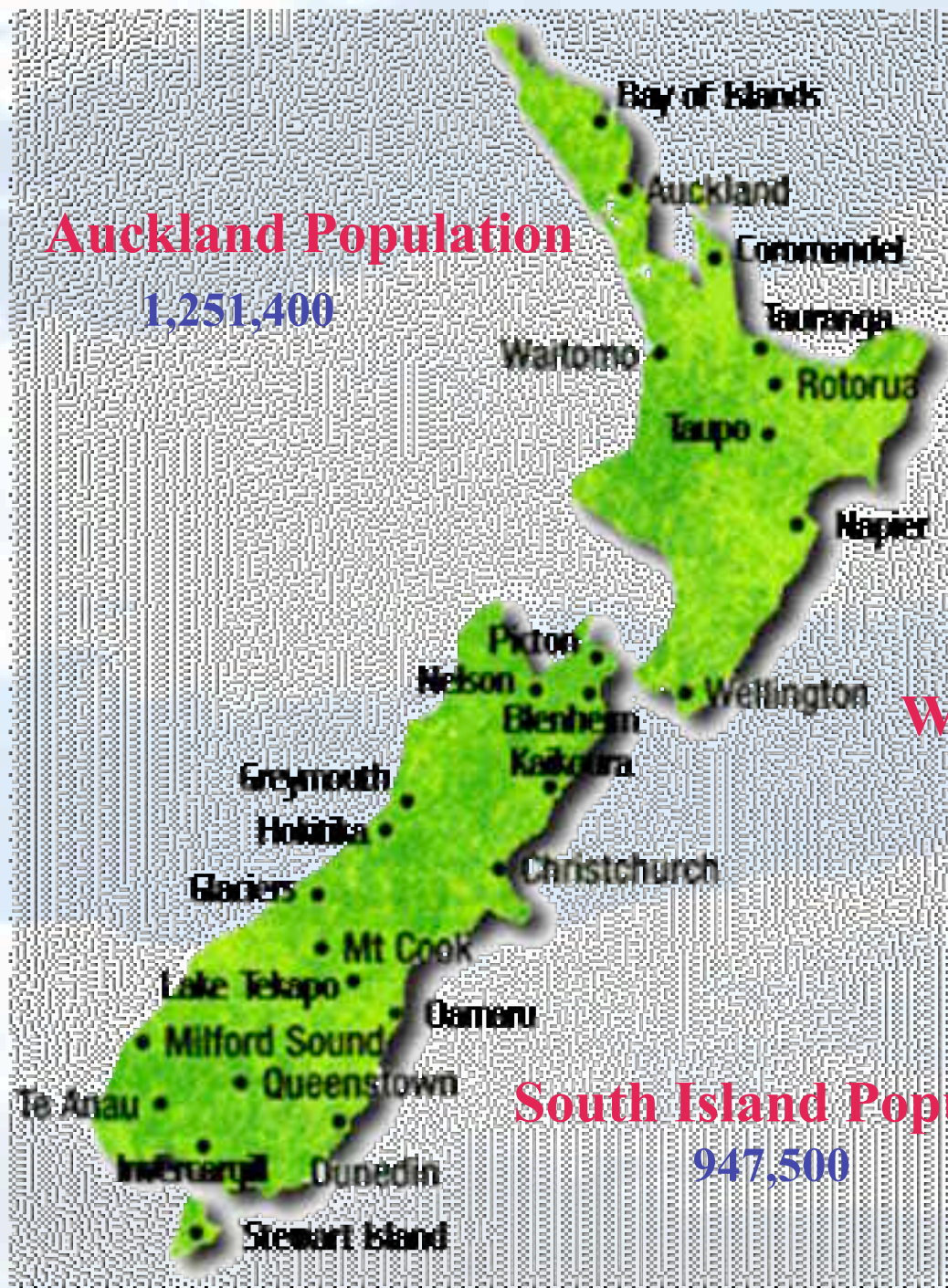
☉ ‘Pacific Rim’ cuisine-culture



Auckland has it all...

- ☪ Two mountain ranges
- ☪ 48 volcanic cones
- ☪ Three huge harbours
- ☪ 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)



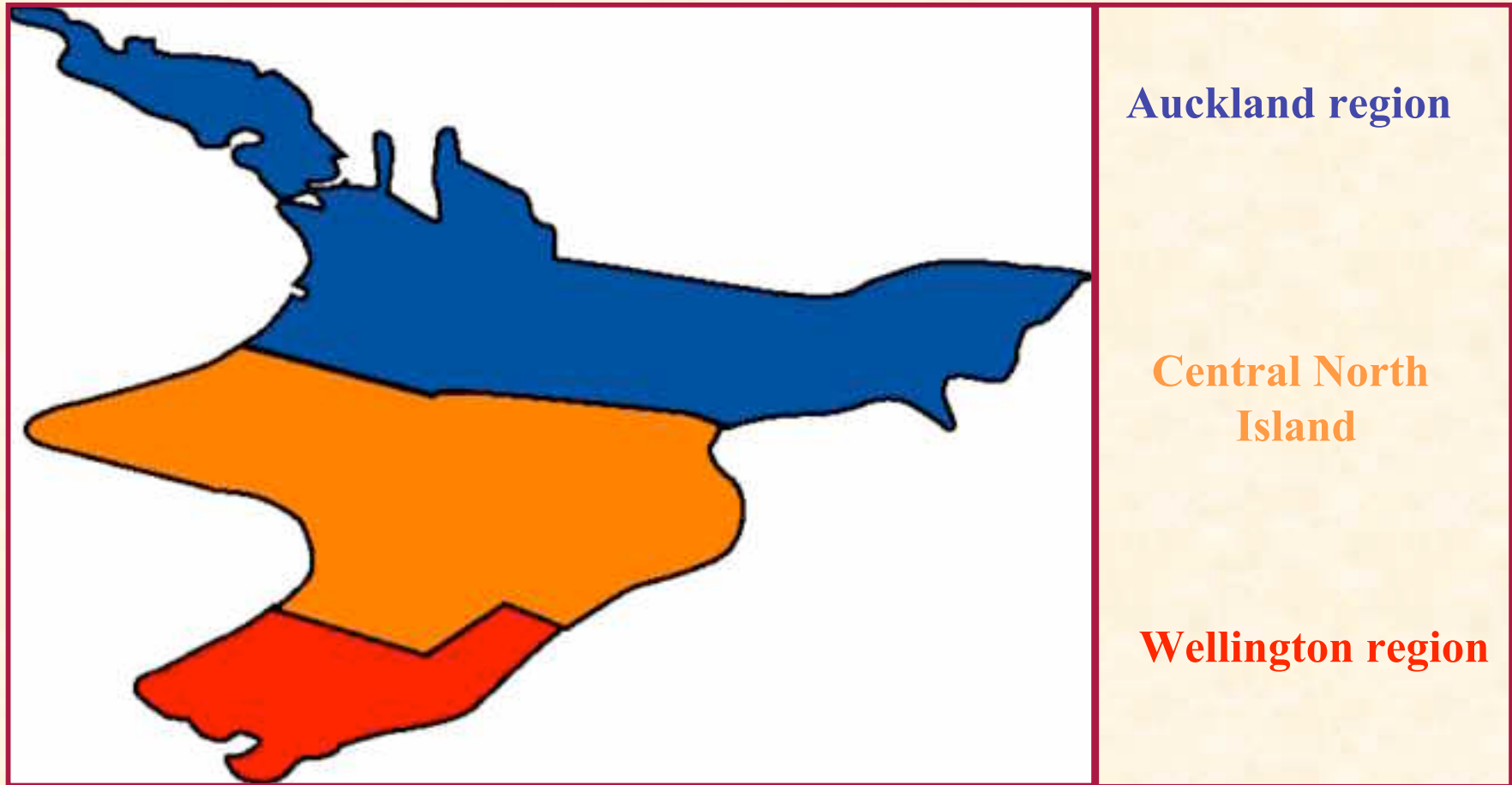
New Zealand media environment

- ☉ 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



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



Canada



Ireland



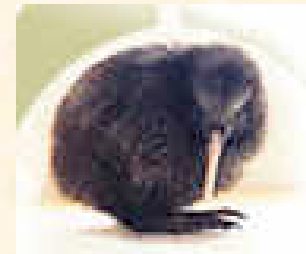
England



Australia



Italy



New Zealand



Egypt



France



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 1222
23 September - 1 October 2003 **\$2.80**
Freight \$2.15

TRADE & EXCHANGE



**NEW!
TO T&E**

EXTREME SPORTS!

HOT COUPON!!
BATHROOM CABINETS WITH MIRROR DOORS

• Award winning to have mirror
• Awarded 1, 2 & 3 star ratings

ALL NOW JUST \$30

IMPORTER'S CLEARANCE!!

GROVE MITRE 10 Prices by
Dunelmans Target the
Midweek to
Telukong

26-28 September

SPORT EXPO

100 million in this year's
event to launch our
newest products!
Experience Sports Expo
Come Visit us at the Wharf



It's all in Trade & Exchange!

Saturday Issue 348
4 - 10 October 2003 **\$2.80**
Freight \$2.15

TRADE & EXCHANGE



MORE THAN
17,656
bargains inside this week!

Hundreds & Thousands of
Bargains!

MAG & TYRE MANIA SALE

PHONE
0800 624 0872
0800 MAGS & TYRES
From \$9.99

99 Station Road, Penrose



Independently
NZ owned
and operated
since 1981



It's all in Trade & Exchange!

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

- ④ Regional and small local trader publications
- ④ Local / community papers
- ④ Daily newspapers
- ④ 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)

- ☉ Loot (NZ) launched February 2002
- ☉ Previously on sale in provincial Waikato – little threat to T&E
- ☉ 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:

- ④ Availability of cheaper goods, rising standards of living, parallel importing and consumer society
- ④ Goods not made to last
- ④ The higher the household income, the higher the access to the internet = less demand for print
- ④ Effect of immigration

- ④ Early adopters of new technology – test marketing in NZ
- ④ The challenge of new technology - WAP
- ④ **Our readers consistently tell us they buy our product when they need to buy or sell**
- ④ Decreasing circulation means customers are saying they no longer need our product



We must create new points of difference

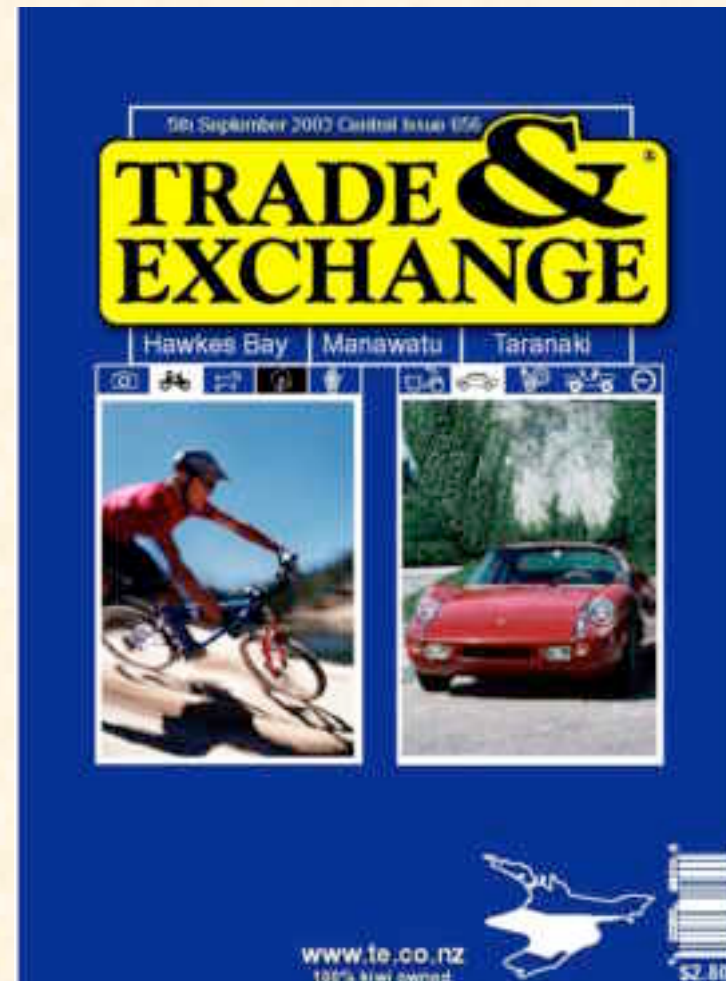
**Why would the customer choose to buy a
paper or go online?**

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

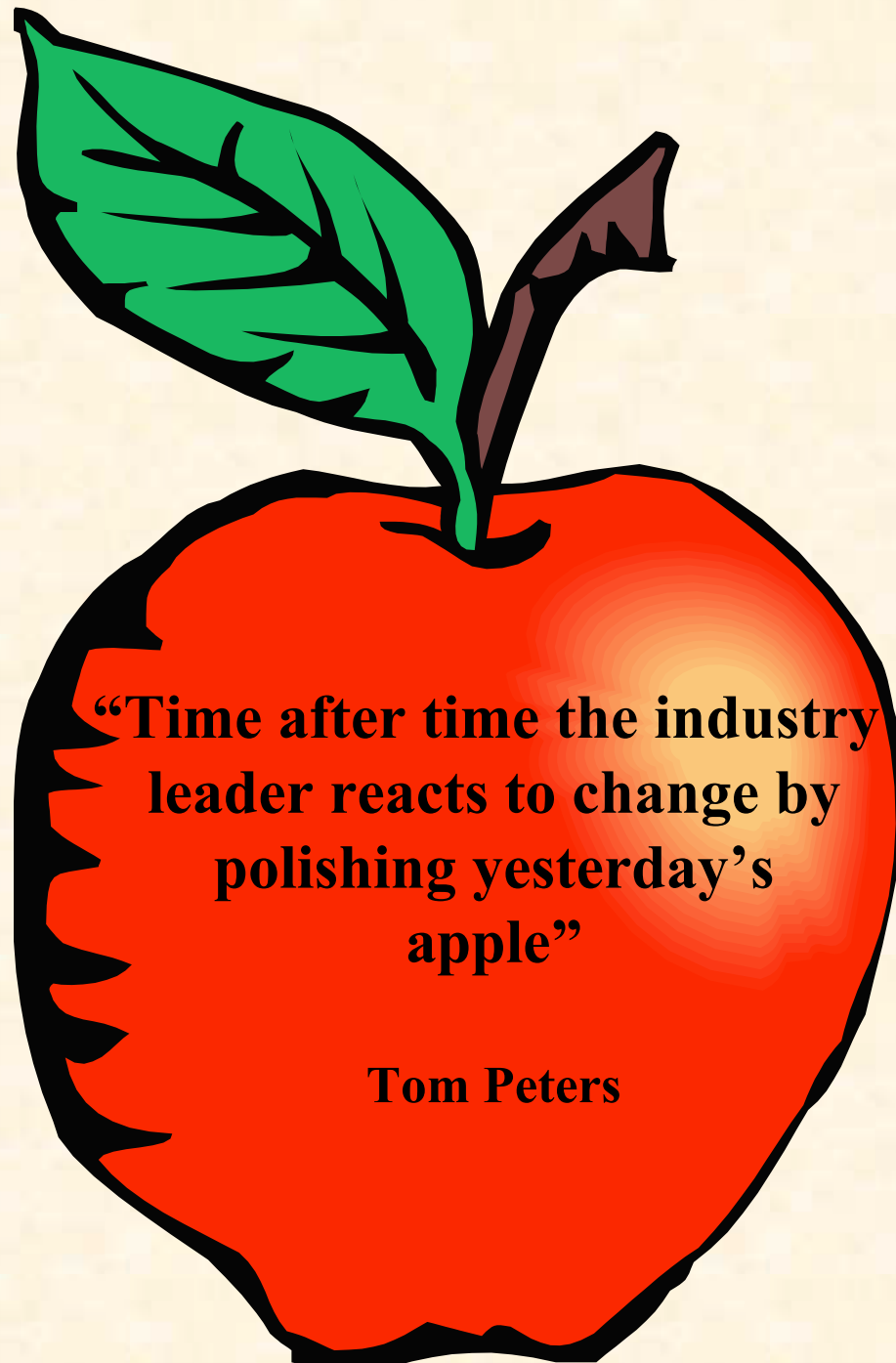
The biggest challenge for T&E is to identify the new, better and different experiences associated with purchasing and reading the paper and/or going on line.... and harnessing these into new innovative products.

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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