INTERNATIONAL VISITORS | TOTAL

NEW ZEALAND | SERIES C10 | JUNE 2009

INTRODUCTION

This report provides an overview of the total international visitor market to New Zealand, including visitor trends and characteristics for the period 1999-2008.

For the latest data and market information on international markets, visit the following websites:

- Ministry of Tourism: www.tourismresearch.govt.nz
- Tourism New Zealand: www.tourismnewzealand.com (Market Research, Market Guides)

World Outbound Travel Market

In 2008, the world population was estimated at 6.75 billion. An estimated 924 million international trips were undertaken spread across Europe (53%), Asia (19%), Americas (16%), Middle East (6%), Africa (5%) and Oceania (1%) (UNWTO). The world population propensity for outbound travel was 14 trips per 100 people (compared with 46 trips per 100 people for New Zealanders).

The global markets provided 2.5 million visitors to New Zealand or 0.27% share of the total world market.

Air Services to New Zealand

New Zealand has 6 international airports that are served by 19 international airlines which fly to/from 33 overseas airports. In 2008, there were over 58,000 flights to/from New Zealand, at an average of 159 flights per day. The majority of the flights serve Australia (66%). The remaining flights serve Asia 17%, Pacific Islands 12%, the Americas 9%, the Middle East 5% and Europe 3% (note: some flights call at more than one airport and may be counted in two regions).

TRENDS IN INTERNATIONAL VISITOR ARRIVALS

How many International Visitors come to New Zealand?

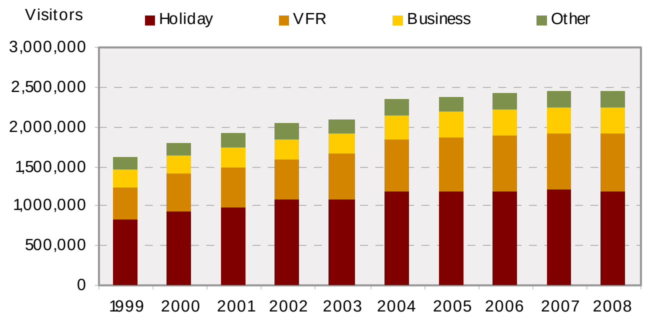
In 1999, 1.61 million international visitors came to New Zealand. By the end of 2008 this number had increased by 52% to 2.45 million visitors, an average annual growth rate of 4.8%. Visitor arrival figures increased rapidly between 1999 and 2004, out performing the global average, but the rate of growth has eased recently. Since 2005 visitor arrival numbers have increased by just three per cent.

Holiday visitors, which now make up 48% of all arrivals, have increased from 820,000 in 1999 to 1,184,000 in 2008, up 44% (Figure 1). As a proportion of total arrivals, holiday travellers have declined by two percentage points since 1999.

The second largest visitor group are those Visiting Friends and Relatives (VFR). Over the last decade VFR numbers have shown the fastest increase, from 412,000 in 1999 to 743,000 in 2008 (up 80%). The number of VFR visitors as a proportion of total arrivals has increased from 26% to 30% over the period.

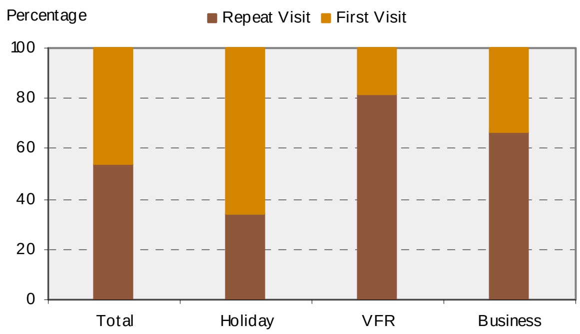
Business travellers, mainly from Australia, the USA and the UK have increased from 227,000 in 1999 to 312,000 in 2008, an increase of 37%. Business arrivals as a proportion of the total have remained stable over the period at around 13%.

Figure 1: International Visitor Arrivals by Main Purpose [*1]



There is a relatively high proportion of repeat visits from countries that have traditional links with New Zealand, especially from Australia and the UK. Fifty four per cent of all visitors have previously visited New Zealand, a figure influenced by the VFR (81%) and business segments (67%). Only one-third of all our holiday visitors have previously been to New Zealand. The high number of repeat visits by VFR travellers suggests regular reunions between families split between New Zealand and Australia or the UK (Figure 2).

Figure 2: Repeat Visits by International Visitors, 2008 [*2]



Where do they come from?

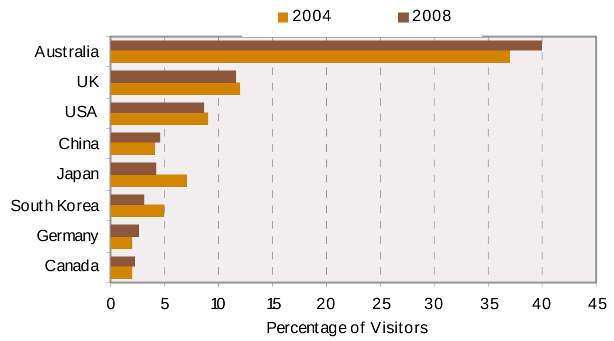
New Zealand's international visitors come from over 150 countries. The top eight countries provide 77% of the total visitors. Australia provides the majority of visitors (40%), followed by UK (11.6%), USA (8.7%), China (4.6%), Japan (4.2%), South Korea (3.2%), Germany (2.5%) and Canada (2.2%) (Figure 3).

The Ministry of Tourism
Telephone: (04) 498 7440
Email: info@tourism.govt.nz
www.tourismresearch.govt.nz

MINISTRY OF TOURISM
TE MANATŪ TĀPOI

This pattern is similar for holiday travellers while most of the VFR and business traffic comes from Australia, the UK, the USA and China.

Figure 3: Key International Visitor Markets, 2004 and 2008 *2



Dual Destination Travel

Just over one-third of all visitors and nearly half (46%) of all holiday travellers take the opportunity to visit another country en route either to or from New Zealand. Dual destination travel from Australia is minimal, which is typical for a short-haul market.

Dual destination patterns for all of our other markets are significantly different. Excluding the Australian visitors, 55% of other visitors visited another country en route either to or from New Zealand in 2008. This figure was slightly higher for holiday visitors (64%) and lower for VFR travellers (40%). Given the relatively high cost and long journey to New Zealand, people seek to break their travel into shorter segments and take the opportunity to visit other destinations.

Australia is the most common co-destination as it is visited by 40% of non-Australian visitors. Singapore ranks second at 8%, followed by Hong Kong, USA, Thailand, Fiji, the Cook Islands and Malaysia. The pattern is similar for the holiday market. These destinations reflect the schedules of airline services linking New Zealand with our main markets. One-third of all long-haul business travellers combine New Zealand with Australia.

Where do they arrive in New Zealand?

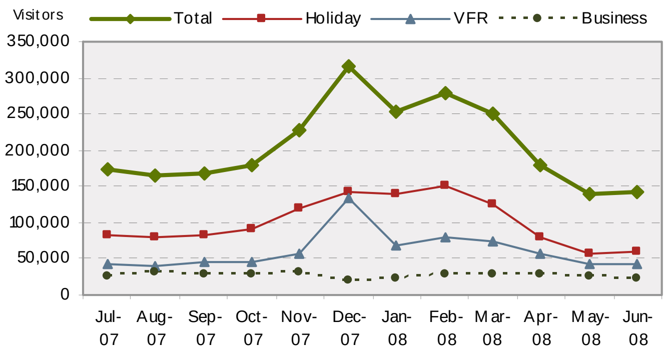
Sixty nine per cent of all visitors arrive via Auckland while 21% arrive via Christchurch. A much smaller number, 5% arrive via Wellington. Despite changes in the aviation scene over the last decade the proportion of arrivals via these three main centres has remained almost unchanged. Two per cent of all visitors now arrive by sea.

The pattern is slightly different for holiday visitors, with 64% arriving via Auckland and 28% via Christchurch. Just 3% of holiday visitors arrive via Wellington while the number arriving by sea has increased slightly, reflecting the popularity of the cruise market. Seventy two per cent of all VFR travellers arrive via Auckland, 16% via Christchurch and 8% via Wellington. The pattern is similar for business travellers, although the proportion now arriving by Auckland has increased slightly, at Wellington's expense.

What is the seasonal pattern of International Visitors?

December – March is the most popular time for travelling to New Zealand, with nearly 44% of all visitors arriving during these months (Figure 4). May and June are the weakest months, and this pattern is very similar for the holiday segment. Family visits over the Christmas season make December the most popular month for VFR visitors, with 18% of all VFR travellers arriving in this month. Business traffic is relatively consistent throughout the year.

Figure 4: International Visitor Arrivals by Month & Purpose of Travel, 2007/08 *1



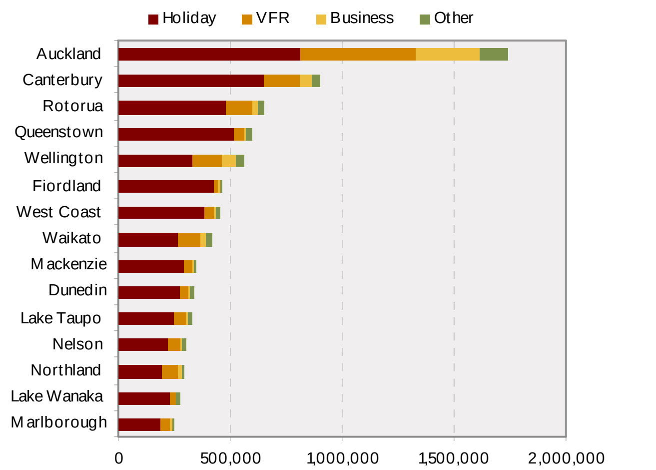
What regions do they visit?

Auckland, Canterbury, Rotorua, Queenstown and Wellington are visited by at least one quarter of all travellers to New Zealand (Figure 5). Seventy eight per cent of all travellers visit Auckland. While this is nearly double the number visiting Canterbury (41%), it reflects the pattern of international flights servicing New Zealand, most of which use Auckland as a gateway. Rotorua attracts 29% of all travellers, 27% visit Queenstown and 25% visit Wellington. This pattern is also influenced by the VFR and business segments, with 78% of all VFR visitors and 83% of business travellers visiting Auckland.

VFR visitors travel mostly to the large urban areas such as Auckland, Canterbury and Wellington, where their families or friends are living, and also to Waikato and Rotorua. Few business travellers venture beyond Auckland, Wellington or Christchurch.

The holiday market shows a very different pattern, with significant numbers travelling beyond just the larger centres in both the North and South Islands. Thirteen regions, ranging from Auckland to Fiordland attract at least 20% of all holiday visitors.

Figure 5: Main RTO Regions Visited by International Visitors, 2008 *2



Note: Visits to Regional Tourism Organisation (RTO) regions include all overnight stays and day visits to RTOs for one hour or more.

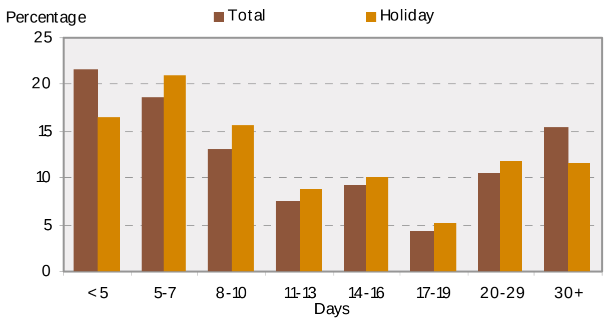
How long do they stay?

The average length of stay for all international visitors in 2008 was 20.9 days while the average for holiday travellers was slightly lower at 17.2 days. VFR visitors stayed for an average of 23 days in 2008 and business travellers stayed for 12.3 days.

The median length of stay, which often more typically represents the time spent in New Zealand, was shorter. The median stay in 2008 for all visitors was 9.8 days, compared with 9.9 days for holiday travellers, 13.5 days for VFR and 3.9 days for business travellers.

Figure 6 shows the length of stay for all visitors and holiday visitors. More than half (53%) of all visitors and all holiday travellers stay for 10 days or less, while more than 20% stay longer than 20 days. Forty per cent of all VFR travellers stay 10 days or less and more than one third stay longer than 20 days. Seventy five per cent of all business travellers stay 7 days or less.

Figure 6: Length of Stay Patterns for International Visitors, 2008*1

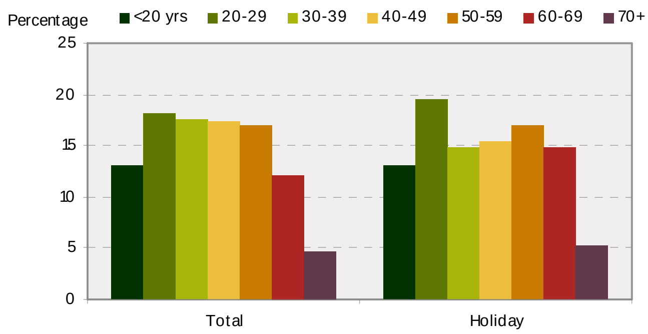


CHARACTERISTICS OF INTERNATIONAL VISITORS

Age

Four similarly sized age groupings account for 70% of all arrivals to New Zealand. These are: 20–29 years (18%), 30–39 years (18%), 40-49 years (17%) and 50-59 years (17%). These same age groupings also account for 67% of the holiday segment and 68% of the VFR market. For all these categories, the age grouping showing the fastest rate of growth over the last five years is those aged 60-69 years (up 17% for all visitors). With an aging population in many of our main markets, travellers in the older aged groups will become even more significant in the future (Figure 7).

Figure 7: International Visitors by Age, 2008*1



Gender

Amongst the total international visitors there are more males (52%) than females (48%), largely due to the high proportion of males (76%) in the business segment. In both the holiday and VFR segments females slightly outnumber males (by 2 and 4 percentage points respectively).

How much do they spend in New Zealand?

International visitors spent a total of NZ$5.95 billion in New Zealand during 2008, making a major contribution to foreign exchange earnings. Spending by holiday visitors amounted to NZ$3.26 billion while VFR visitors contributed NZ$1.19 billion.

Average expenditure per person was NZ$2,681 for all visitors to New Zealand. The average spend for holiday visitors was slightly higher at NZ$3,027, compared with NZ$2,376 for business travellers. VFR travellers had the lowest average spend at NZ$1,788.

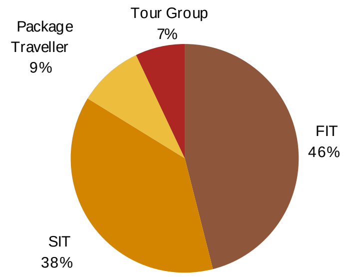
The average spend per night was NZ$131 for all visitors while holiday travellers spent NZ$188 per night. VFR and business travellers spent NZ$87 and NZ$179 per night respectively (Table 3).

All references to spend exclude international airfares

Travel Styles

While some parts of an itinerary may be pre-booked, most international visitors like to make many of their arrangements as they travel through New Zealand. Fully-independent travellers (FIT) and semi-independent travellers (SIT) form the largest proportion of total arrivals (84%) and holiday arrivals (70%). Those on a group or packaged tour make up around 16% of the overall market, but 30% of the holiday segment (Figure 8).

Figure 8: Travel Styles of International Visitors, 2008*2

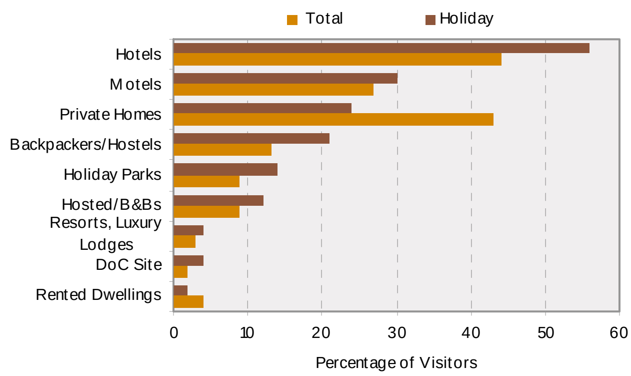


FIT: made and paid for all travel arrangements after arrival in New Zealand
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

What accommodation types do they use?

Hotels (44%) privately owned dwellings (43%) and motels (27%) are the most common accommodation types used by all international visitors. The influence of the VFR segment is seen in the use of privately owned dwellings, as used by 92% of these visitors. Backpackers, campgrounds and hosted/B&Bs are also popular (Figure 9). Holiday visitors predominantly use hotels (56%), motels (30%) privately owned dwellings (24%), backpackers (21%), campgrounds (14%) and hosted/B&Bs (12%), while business travellers mostly use hotels or motels.

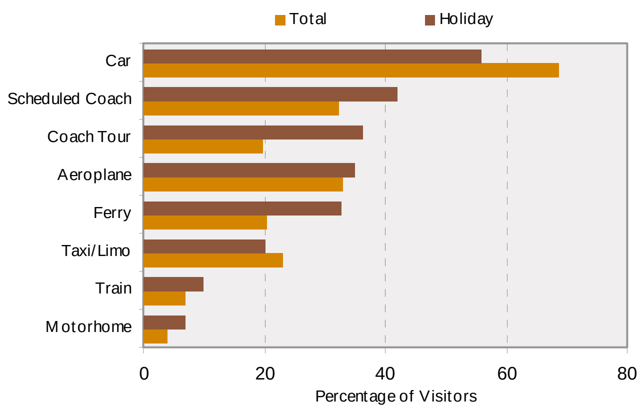
Figure 9: Main Accommodation Types used by International Visitors, 2008*2



What transport types are used?

Travel by car (69%) is the most frequently used option for international visitors, followed by air services (33%), scheduled coach services (32%), ferry services (21%) and tour coaches (20%). A smaller number also use trains and motorhomes. Cars and scheduled coach are most frequently used by holiday travellers and a larger proportion also uses trains and motorhomes. VFR and business travellers mostly use cars and air services (Figure 10).

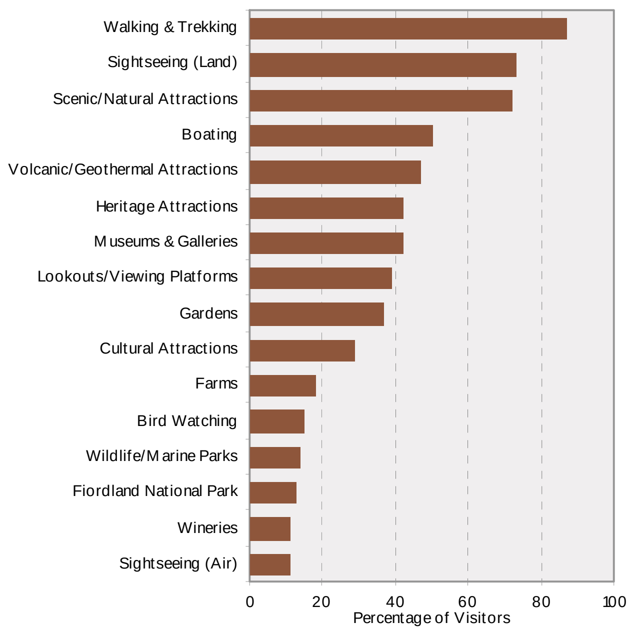
Figure 10: Transport Types used by International Visitors, 2008[*2]



What are the popular activities and attractions?

International visitors participate in a wide range of attractions and activities while in New Zealand. Generic activities such as walking/trekking, land-based sightseeing and scenic/natural attractions are most popular, each attracting over one million visitors (at least 50% of the total) in 2008. These are followed by a diverse range of specific options, including boating, volcanic/geothermal attractions, museums, gardens, cultural attractions and wineries, all of which attracted at least 150,000 visitors (7% of the total) in 2008.

Figure 11: Key Activities by International Holiday Visitors, 2008[*2]



A larger proportion of holiday travellers undertake a wide range of activities and attractions available during their visit (Figure 11) compared to VFR visitors who engage in a smaller range of options. Some high profile activities, for example bungy jumping, actually attract a comparatively small number of visitors (4% in 2008).

Tables 1-4: International Visitors – Trends and Characteristics

1. VISITOR ARRIVALS *[1]	2003	2004	2005	2006	2007	2008
Total	2,104,000	2,334,000	2,366,000	2,409,000	2,455,000	2,447,000
Holiday	1,084,000	1,190,000	1,192,000	1,195,000	1,211,000	1,184,000
VFR	572,000	660,000	674,000	690,000	713,000	743,000
Business	262,000	303,000	319,000	328,000	330,000	312,000
Other	186,000	181,000	181,000	195,000	202,000	208,000

2. RTO VISITS 2008 *[2]	Holiday	VFR	Business	Total *
Auckland	813,000	521,000	284,000	1,738,000
Canterbury	653,000	157,000	60,000	906,000
Rotorua	481,000	113,000	27,000	648,000
Queenstown	522,000	37,000	16,000	597,000
Wellington	327,000	134,000	68,000	559,000
Fiordland	428,000	19,000	6,000	468,000
West Coast	384,000	46,000	10,000	456,000
Waikato	270,000	98,000	29,000	421,000
MacKenzie	298,000	31,000	7,000	346,000
Dunedin	275,000	39,000	9,000	339,000
Lake Taupo	249,000	54,000	12,000	333,000
Nelson	225,000	50,000	9,000	300,000
Northland	195,000	76,000	12,000	296,000
Lake Wanaka	233,000	27,000	3,000	273,000
Marlborough	186,000	47,000	9,000	253,000

3. EXPENDITURE 2008 NZ$	Holiday	VFR	Business	Total *
Total Spend (Millions)	3,263	1,189	808	5,947
Average Per Person	3,027	1,788	2,376	2,682
Average/Person/Night	188	87	179	131

4. LENGTH OF STAY 2008 *[1]	Holiday	VFR	Business	Total *
< 5 Days	194,000	103,000	169,000	527,000
5-7 Days	247,000	111,000	67,000	456,000
8-10 Days	184,000	96,000	24,000	321,000
11-13 Days	103,000	61,000	11,000	185,000
14-16 Days	119,000	85,000	10,000	222,000
17-19 Days	62,000	35,000	3,000	104,000
20-29 Days	139,000	95,000	8,000	254,000
30 or More Days	137,000	156,000	19,000	378,000
Average (Days)	17.2	23.0	12.3	20.9
Median (Days)**	9.9	13.5	3.9	9.8

*** Total includes all other categories**

**** Half of the visitors stayed longer and the other half stayed less than the median**

DATA SOURCES

[*1] IVA: International Visitor Arrivals (Statistics New Zealand)

[*2] IVS: International Visitor Survey (Ministry of Tourism)

This report is available on **www.tourismresearch.govt.nz/profiles**.

IMAGE CREDITS

Wellington Willis St. – Positively Wellington Tourism, www.WellingtonNZ.com
Lake Taupo Lodge – www.laketaupolodge.co.nz
Cardrona Ski Field – www.cardrona.com
Southern Traverse – Michael Jacques, www.karapoti.co.nz
Wai-O-Tapu Champagne Pool – Destination Rotorua, www.rotoruaNZ.com
TSS Earnslaw, Queenstown – Real Journeys, www.realjourneys.co.nz