

INTERNATIONAL VISITORS | CANADA

NEW ZEALAND | SERIES C8 | JUNE 2009



INTRODUCTION

This report provides an overview of the Canadian 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)

Canadian Outbound Travel Market

In 2008, the population of Canada was estimated at 33 million. Canadian residents undertook 27 million trips abroad. A majority of the outbound travel went to the US (70%) and 30% to other countries of which a large proportion went to Mexico and Caribbean countries, while the United Kingdom, France and other European destinations were also popular. The Canadian propensity for outbound travel was 82 trips per 100 people (compared with 46 trips per 100 people for New Zealanders).

Canada is New Zealand's eighth largest international market, providing 53,000 visitors or 0.2% share of the Canadian outbound market.

Air Services to New Zealand

Air New Zealand provides direct flights between Vancouver and Auckland (since late 2007). There are also connecting flights available via Los Angeles and San Francisco. Air Canada code-shares on a number of Air New Zealand services from North American airports.

TRENDS IN VISITOR ARRIVALS FROM CANADA

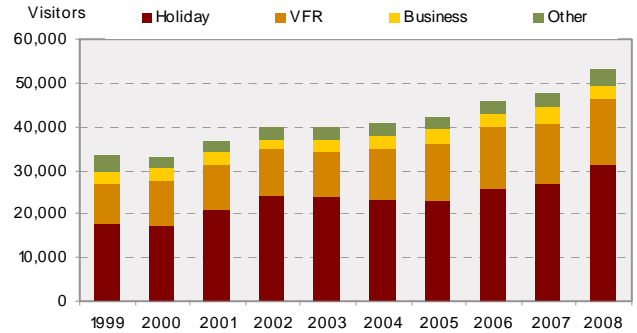
How many visitors come from Canada?

Canada is an important secondary market for New Zealand which has shown steady growth over the last decade. In 2008, visitor arrivals from Canada exceeded the 50,000 mark to reach 53,000 (Figure 1).

Since 1999, total visitor arrivals from the Canada to New Zealand have increased by 60%. Holiday visitors, which now make up 59% of all arrivals, have shown the strongest growth with an increase of 74% from 18,000 in 1999 to 31,300 in 2008.

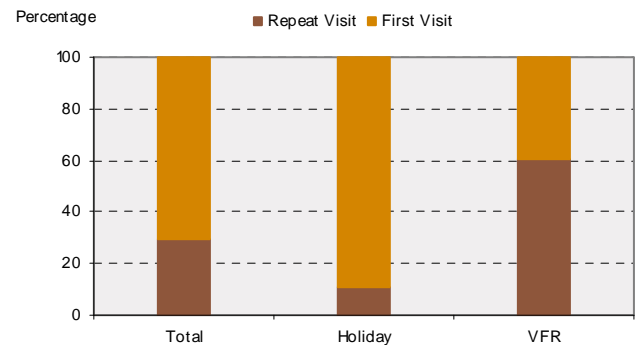
Over the same time VFR numbers have increased from 9,000 to 15,000 in 2008. This segment, as a proportion of total arrivals, has remained relatively constant over the last 10 years at around 28%.

Figure 1: Canadian Visitor Arrivals by Main Purpose *1



There is a moderate level of repeat travel from the Canadian market, with 30% of all arrivals stating they have previously visited New Zealand in 2008. Like a number of our main markets, this figure is influenced by the VFR category (61%) as only around 11% of all our holiday visitors from Canada have previously been to New Zealand (Figure 2).

Figure 2: Repeat Visits from Canada, 2008 *2



Where in Canada do they come from?

Although British Columbia is the closest province to New Zealand and has the advantage of direct airline links with Auckland, Ontario (with its much larger population base) produces the largest number of visitors from Canada. The four main provincial markets are Ontario (35%), British Columbia (30%), Alberta (17%) and Quebec (11%). Similarly Ontario produces the largest number of holiday travellers (38%) while British Columbia generates 27%, Alberta 19% and Quebec 10%. This pattern has prevailed over the last five years.



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



INTERNATIONAL VISITORS | CANADA

Dual Destination Travel

Nearly three quarters of all Canadian arrivals take the opportunity to visit another country en route either to or from New Zealand. This figure is slightly higher for holiday travellers (81%) and lower for the VFR segment (61%). Many tour companies jointly package Australia and New Zealand to offer the maximum benefit from the trans-Pacific airfare.

Australia is by far the most popular en route destination, attracting 58% of all Canadian travellers and 63% of the holiday visitors. A small number of Canadians chose to travel via South East Asia (e.g. Thailand or Singapore) but the only other destination to attract a significant number of travellers en route is Fiji. More than 60% of all Canadian VFR travellers also visit another country.

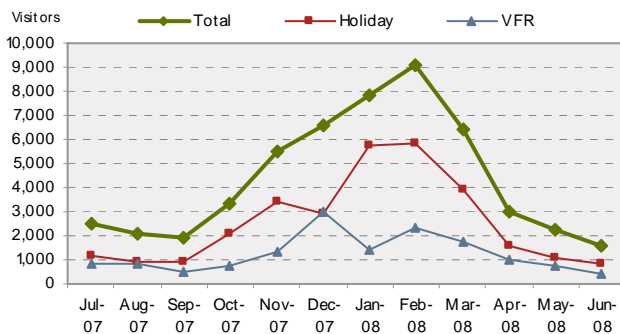
Where do they arrive in New Zealand?

More than 80% of all Canadian visitors arrive via Auckland while 10% arrive via Christchurch. Over the last decade the number of arrivals via Auckland has fallen by six percentage points while the proportion via Christchurch has remained constant at around 10%. The pattern is similar for holiday visitors, with 76% arriving via Auckland and 13% via Christchurch. These patterns reflect the number of direct or connecting flights from Canada that arrive into Auckland.

What is the seasonal pattern of Canadian visitors?

December to March is the most popular time for Canadian visitors to travel to New Zealand, with around 60% of all arrivals and all holiday travellers coming during these months. Few Canadians visit New Zealand between May to September and arrival numbers begin to increase in October, the beginning of the Canadian winter (Figure 3).

Figure 3: Canadian Visitor Arrivals by Month & Purpose of Travel, 2007/08¹

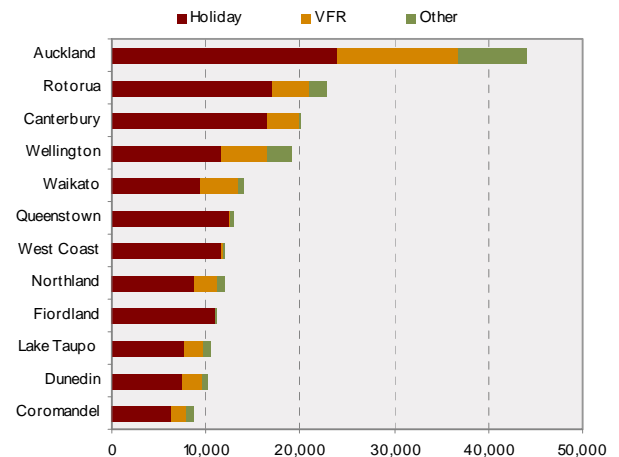
**What regions do they visit?**

The larger regions such as Auckland, Canterbury and Wellington plus Rotorua are the areas most visited by Canadian visitors. Auckland attracts 92% of all arrivals from Canada, nearly double the number travelling to any other region in New Zealand. Only Auckland, Canterbury, Wellington and the Rotorua region attract more than 40% of all Canadian visitors, with much smaller numbers spreading out from Northland to Fiordland (Figure 4).

The holiday market exhibits a similar pattern, but with greater numbers travelling beyond just the larger centres in both the North and South Islands. Twelve regions throughout New Zealand attract a quarter of all Canadian holiday visitors.

In contrast, 97% of all Canadian VFR travellers visit Auckland and only five other regions attract 25% or more of this segment.

Figure 4: Main RTO Regions Visited by Canadian Visitors, 2008²



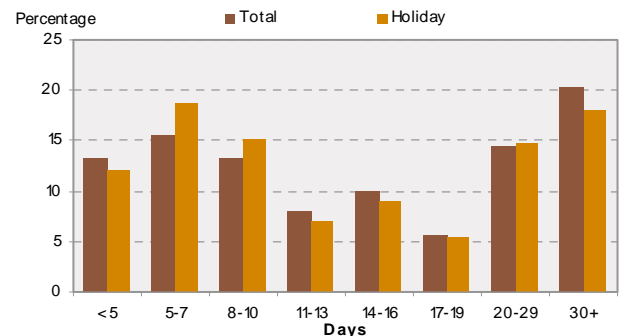
Note: Visits to Regional Tourism Organisation (RTO) regions include all overnight stays and day visits to RTOs for one hour or more.

How long do they stay?

Canadian visitors stay longer than visitors from many other countries. The average length of stay for all Canadian visitors in 2008 was 24.6 days while the average for holiday visitors was slightly lower at 22 days. VFR arrivals stayed for an average of 25.8 days in 2008.

Figure 5 shows the length of stay for Canadian visitors by the total market and the holiday segment. Forty two per cent of all arrivals stay for 10 days or less while 34% stay longer than 20 days. This pattern is very similar for both holiday and VFR travellers. The next most popular period is 14 – 16 days (around 10% of the market).

Figure 5: Length of Stay Patterns for Canadian Visitors, 2008¹



The median length of stay, which often more typically represents the time spent in New Zealand, is shorter. The median stay in 2008 was 13.5 days for all Canadian visitors and 12.2 days for holiday travellers. For VFR travellers the median was slightly higher at 16.9 days.

The average length of stay for all visitors and also for holiday and VFR travellers has declined over the last five years, in common with some of our other main markets where a shift to shorter holidays has been the trend.

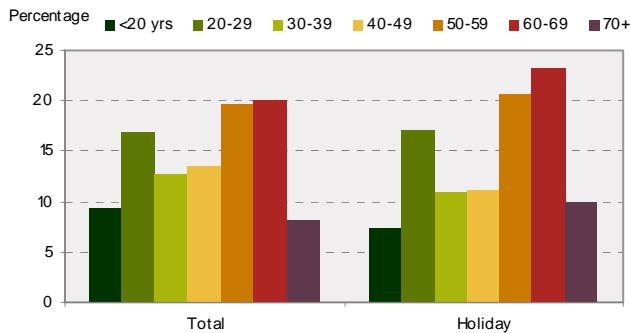
INTERNATIONAL VISITORS | CANADA

CHARACTERISTICS OF CANADIAN VISITORS

Age

Those aged between 50-69 years account for 60% of all Canadian arrivals, while 17% are aged 20-29 years. This pattern is very similar for Canadian holiday travellers although the percentages are slightly higher for the older age groups (Figure 6).

With an aging population in Canada, travellers in the older aged groups will become even more significant in the future.

Figure 6: Canadian Visitors by Age, 2008^{*1}

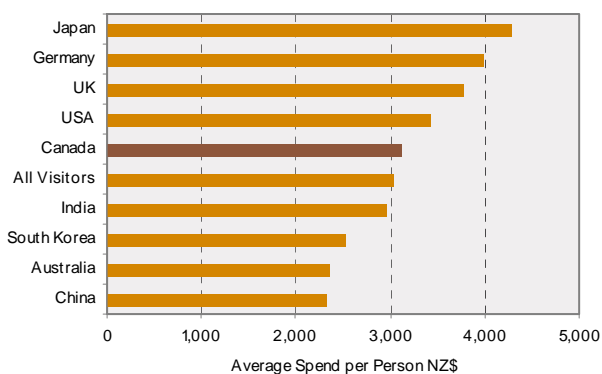
Gender

For the last five years the gender split for all Canadian visitors has been relatively consistent at 48% male and 52% female. Females outnumber males in the holiday segment 53% to 47% and in the VFR segment by 54% to 46%.

How much do they spend in New Zealand?

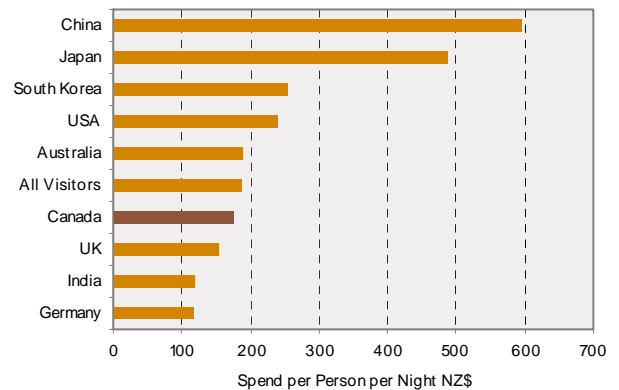
Canadian visitors spent a total of \$141 million in New Zealand during 2008. Spending by holiday visitors amounted to \$83 million.

Average expenditure per person for the Canadian market overall was \$2,946 (compared with \$2,682 for all visitors to New Zealand). The average spend for Canadian holiday visitors was slightly higher at \$3,116 (compared with \$3,027 for all holiday arrivals) (Figure 7).

Figure 7: Average Spend by Market for Holiday Visitors, 2008^{*2}

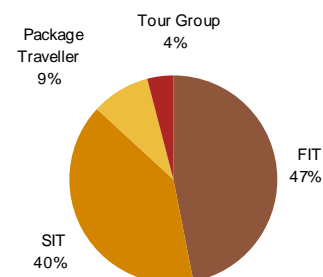
The average spend per night was \$126 for all visitors from Canada while holiday visitors spent \$174. The spend per night by Canadian holiday visitors was slightly below the average for all our main markets, and considerably less than the spend for visitors from China, Japan, South Korea or the USA (Figure 8).

Note: All references to spend exclude international airfares

Figure 8: Average Spend per Night by Market for Holiday Visitors, 2008^{*2}

Travel Styles

While some parts of an itinerary may be pre-booked, most Canadian visitors like to make arrangements as they travel through New Zealand. Fully-independent travellers (FIT) and semi-independent travellers (SIT) form the largest proportion of total arrivals (87%) and holiday arrivals (76%) from the Canadian market. Those on a group or packaged tour make up around 13% of the overall market, but 23% of the holiday market (Figure 9).

Figure 9: Travel Styles of Canadian Visitors, 2008^{*2}

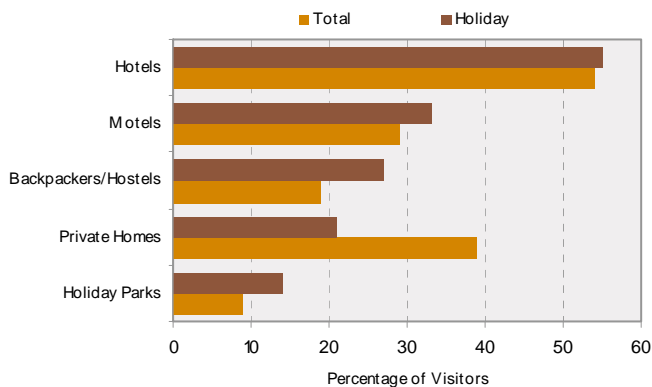
FIT: made and paid for all travel arrangements after arrival in New Zealand
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

What accommodation types do they use?

Hotels (54%), privately owned dwellings (39%), motels (29%) and backpackers (19%) are the most common accommodation types used by the overall Canadian market. The influence of the VFR market is seen in the use of privately owned dwellings as 91% of all VFR visitors use this form of accommodation.

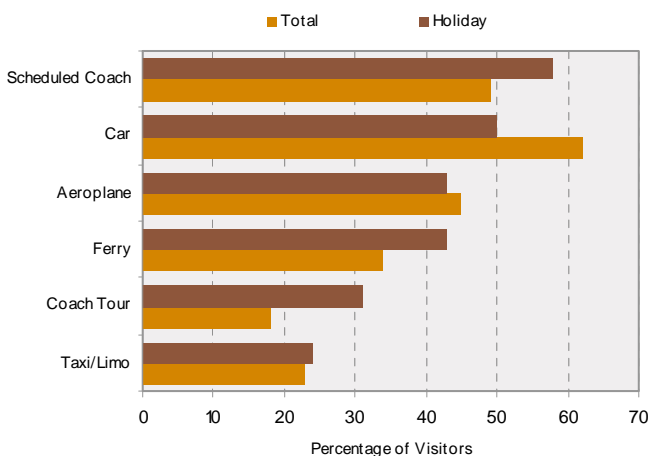
Holiday visitors use the same range of options, with hotels (55%), motels (33%) topping the list and fewer visitors using privately owned dwellings (21%). Fourteen per cent also use campgrounds/holiday parks (Figure 10).

INTERNATIONAL VISITORS | CANADA

Figure 10: Main Accommodation Types used by Canadian Visitors, 2008²

What transport types are used?

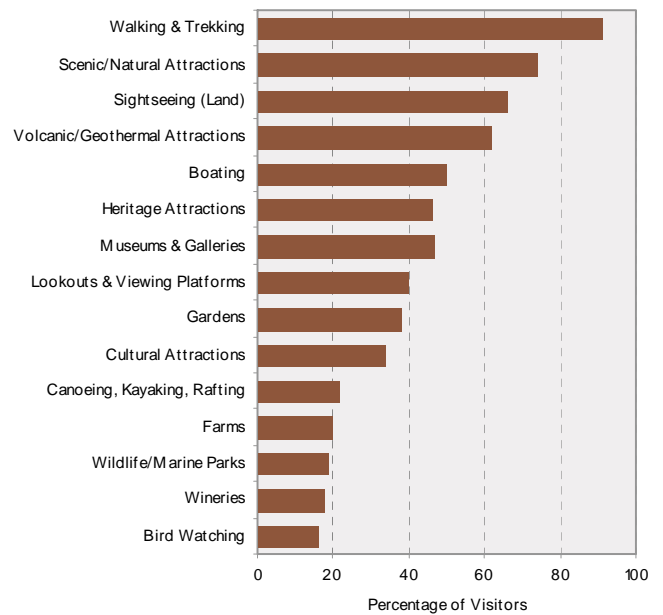
Travel by car (62%) is the most frequently used option for Canadian visitors, with scheduled coach services (49%), air services (45%) and ferry services (34%) also widely used. Holiday travellers broaden their choice to include coach tours and, to a lesser extent, rail services (Figure 11).

Figure 11: Transport Types used by Canadian Visitors, 2008²

What are the popular activities and attractions?

Walking/trekking, natural attractions, land-based sightseeing activities, volcanic/geothermal attractions and museums/galleries each attract more than 40% of all visitors from Canada. The pattern is fairly similar for VFR travellers, although numbers here are smaller.

A larger proportion of holiday travellers participate in a broader range of activities and attractions during their visit. As shown in Figure 12, 91% of holiday visitors from Canada enjoy walking/trekking, 74% visit natural attractions, 66% participate in sightseeing activities, 62% visit volcanic/geothermal regions while 47% visit museums/galleries and heritage attractions. Gardens, boating activities, cultural attractions, canoeing/kayaking/rafting and wineries are also popular with holiday visitors.

Figure 12: Key Activities by Canadian Holiday Visitors, 2008²

Tables 1-4: Canadian Visitors – Trends and Characteristics

1. VISITOR ARRIVALS	2003	2004	2005	2006	2007	2008
Total	40,000	41,000	42,000	46,000	48,000	53,000
Holiday	24,000	24,000	23,000	26,000	27,000	31,000
VFR	10,000	11,000	13,000	14,000	14,000	15,000
Business	3,000	3,000	3,000	3,000	4,000	3,000
Other	3,000	3,000	3,000	3,000	3,000	4,000

2. RTO VISITS 2008	Holiday	Other	Total *
Auckland	24,000	20,000	44,000
Rotorua	17,000	6,000	23,000
Canterbury	16,000	4,000	20,000
Wellington	12,000	7,000	19,000
Waikato	9,000	5,000	14,000
Queenstown	12,000	1,000	13,000
West Coast	12,000	-	12,000
Northland	9,000	3,000	12,000
Fiordland	11,000	-	11,000
Lake Taupo	8,000	3,000	11,000
Dunedin	7,000	3,000	10,000
Coromandel	6,000	2,000	9,000

3. EXPENDITURE 2008 NZ\$	Holiday	VFR	Total *
Total Spend (Millions)	83	19	141
Average Per Person	3,116	1,443	2,946
Average/Person/Night	174	54	126

4. LENGTH OF STAY 2008	Holiday	Total *
< 5 Days	4,000	7,000
5-7 Days	6,000	8,000
8-10 Days	5,000	7,000
11-13 Days	2,000	4,000
14-16 Days	3,000	5,000
17-19 Days	2,000	3,000
20-29 Days	5,000	8,000
30 or More Days	6,000	11,000
Average (Days)	22.0	24.6
Median (Days)**	12.2	13.5

Notes: Total includes all other categories. Business includes Conference arrivals.

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

- Figure too small to be reliable

DATA SOURCES

¹ IVA: International Visitor Arrivals (Statistics New Zealand)

² IVS: International Visitor Survey (Ministry of Tourism)

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