

INTERNATIONAL VISITORS | INDIA

NEW ZEALAND | SERIES C9 | JUNE 2009



INTRODUCTION

This report provides an overview of the Indian 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)

Indian Outbound Travel Market

In 2008, the population of India was estimated at 1.15 billion. The Indian outbound travel market has expanded steadily in recent years, rising from 4 million in 2000 to almost 10 million in 2007. Limited data are available, but many first-time travellers will visit destinations within Asia (e.g. 775,000 visited Singapore in 2008) before venturing further regions. Many countries, including Singapore, Malaysia, Australia, Canada and the United Kingdom, have large populations of Indian origin and generate significant volume of Visiting Friends and Relatives (VFR) travel.

The Indian propensity for outbound travel was one trip per 100 people (compared with 46 trips per 100 people for New Zealanders).

India is New Zealand's eleventh largest international visitor market, providing 24,000 visitors in 2008 or approximately 0.2% of the total Indian outbound market.

Air Services to New Zealand

There are no direct air services between India and New Zealand, but connecting flights are available via Australia, Thailand, Malaysia and Singapore.

TRENDS IN VISITOR ARRIVALS FROM INDIA

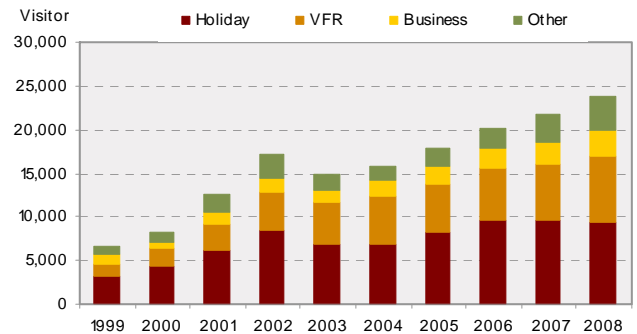
How many visitors come from India?

In 2008, India provided nearly 24,000 visitors, or one percent of all New Zealand's overseas arrivals for the year. Over the last 10 years total visitor arrivals from India have increased from 6,600 in 1999 to 23,900 in 2008, an average annual increase of 15% (Figure 1).

Holiday travellers account for around 40% of the overall market and since 1999 the number of holiday visitors from India has increased from 3,100 to 9,500 in 2008. Increased migration from India over the last decade has resulted in a corresponding increase in the number of VFR travellers. More than 7,500 VFR visitors arrived from India in 2008, a fourfold increase since 1999. VFR travellers now account for around 32% of the total market, up from 23% ten years ago.

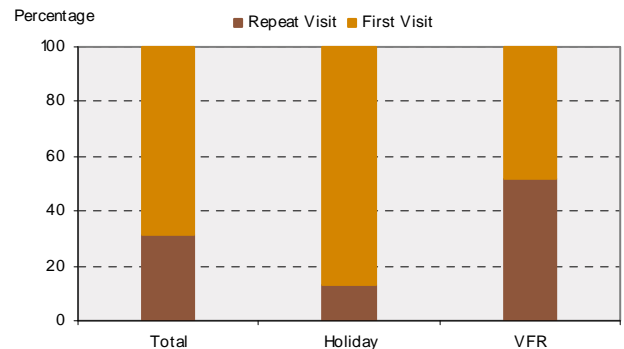


Figure 1: Indian Visitor Arrivals by Main Purpose*1



There is a moderate level of repeat travel from India, although this is mostly by VFR visitors (52%). Thirty one per cent of all Indian visitors have previously visited New Zealand but the vast majority of holiday travellers (87%) are first time visitors (Figure 2).

Figure 2: Repeat Visits from India, 2008*2



Dual Destination Travel

Nearly 60% of all Indian arrivals visit another destination en route either to or from New Zealand. This figure is higher for holiday travellers (73%) while 57% of all VFR visitors visit another country. Australia and Singapore are the only destinations to attract significant numbers of our Indian visitors. Just over 30% of all Indian arrivals to New Zealand also visit Australia and 19% visit Singapore. Fifty six per cent of Indian holiday travellers also visit Australia and 28% visit Singapore. These figures may reflect convenient airline connections via these two countries.

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Where do they arrive in New Zealand?

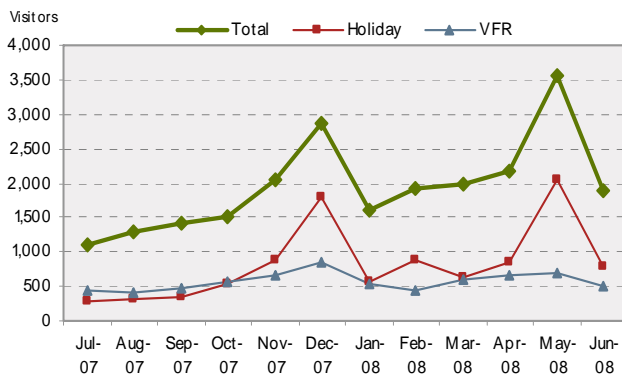
Three quarters of all Indian visitors arrive via Auckland while 21% arrive via Christchurch. Over the last 10 years the proportion arriving via Auckland has increased by thirteen percentage points while the number arriving via Christchurch has declined by nine percentage points.

The pattern is different for holiday visitors, with 58% arriving via Auckland and 40% via Christchurch.

What is the seasonal pattern of Indian visitors?

November/December and April/May are popular times for Indian visitors to travel to New Zealand, with May being the single most popular month as it is the hottest time in India (Figure 3). More than 45% of all arrivals come during these two periods, with the balance of the market fairly evenly distributed throughout the rest of the year. Holiday visitor arrival numbers mirror this seasonal pattern.

Figure 3: Indian Visitor Arrivals by Month & Purpose of Travel, 2007/08^{*1}



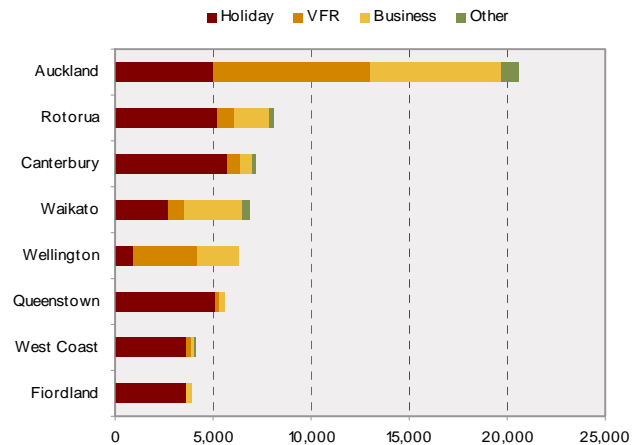
What regions do they visit?

Auckland, Rotorua, Waikato and Canterbury are the areas most visited by Indian travellers. These four regions are the only ones to attract at least 30% of the overall market. Nearly 90% of all Indian arrivals visit Auckland, 35% visit Rotorua and 30% visit Waikato. In the South Island, 31% visit Canterbury (Figure 4).

Four regions also dominate the holiday segment travel pattern, with Canterbury attracting 88% and Rotorua 81% of these visitors. Auckland and Queenstown each attract just under 80% of this segment. At least one third of all holiday travellers also visit Waikato (Waitomo Caves), Fiordland, the West Coast and the Mackenzie Country (Mount Cook). No other region attracts more than 20% of the Indian holiday market.

Ninety seven per cent of all VFR travellers visit Auckland and 40% visit Wellington, but few venture beyond these two regions.

Figure 4: Main RTO Regions Visited by Indian 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.

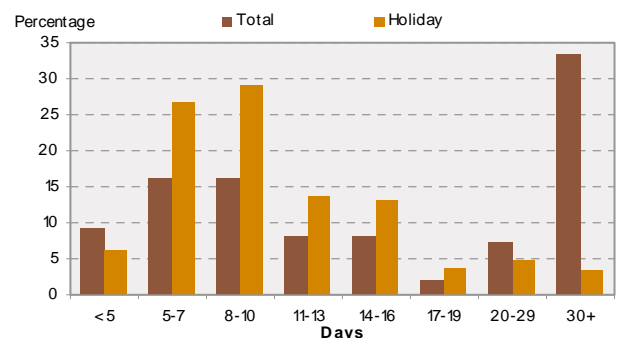
How long do they stay?

The length of stay for Indian visitors varies across a wide range depending on the purpose of travel. The average length of stay for all Indian visitors in 2008 was 48.9 days but this figure was distorted by VFR travellers staying in New Zealand for a relatively long period. The average stay for holiday visitors in 2008 was 12 days while the average for VFR travellers was 78.9 days.

The median length of stay, which often more typically represents the time spent in New Zealand, is shorter. In 2008 the median stay for all Indian visitors was 13.7 days, 9.3 days for holiday travellers and 52.2 days for VFR travellers.

Figure 5 shows the length of stay for Indian visitors by the total market and the holiday segment. One third of all arrivals stay for 30 days or more, but most holiday travellers (62%) stay for less than 10 days.

Figure 5: Length of Stay Patterns for Indian Visitors, 2008^{*1}



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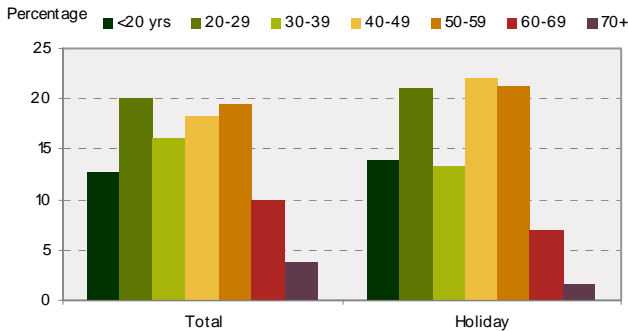
CHARACTERISTICS OF INDIAN VISITORS

Age

Three main age groupings, each of similar size, account for nearly 60% of all arrivals from India. These are: 20–29 years (20%), 50–59 years (19%) and 40–49 years (18%). These same groups form the largest proportion of the holiday segment (Figure 6).

The largest group in the VFR category are aged between 50-59 years old (23%) while 17% are aged between 60-69 years old.

Figure 6: Indian Visitors by Age, 2008*1



Gender

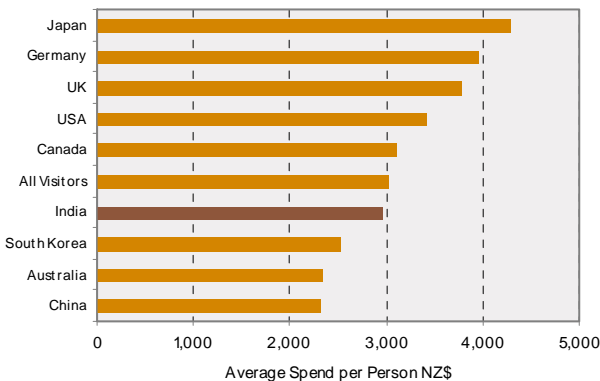
Overall more males than females from India visit New Zealand each year. Over the last five years the gender split for all Indian visitors has moved more towards a male bias, from 54% male and 46% female to 58% male and 42% female in 2008. Males slightly outnumbered females by 52% to 48% in the holiday market while this pattern was reversed for VFR travellers.

How much do they spend in New Zealand?

Indian visitors spent a total of NZ\$74 million in New Zealand in 2008, making this our fourth largest Asian market for expenditure. Spending by holiday visitors amounted to NZ\$19 million.

Average expenditure per person for the Indian market overall was NZ\$3,219 (compared with NZ\$2,682 for all visitors to New Zealand). The average spend for Indian holiday visitors was lower at NZ\$2,967 (compared with NZ\$3,027 for all holiday arrivals) (Figure 7).

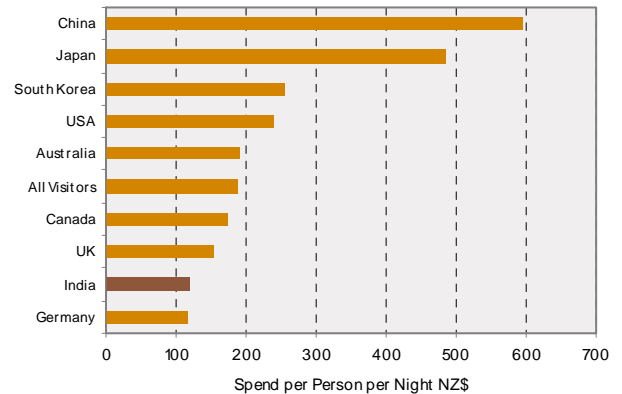
Figure 7: Average Spend by Market for Holiday Visitors, 2008*2



The average spend per night was NZ\$79 for all visitors from India while holiday visitors spent NZ\$119 per night. The average spend per night by Indian visitors is well below the average for all our main markets, as is the average spend per person (Figure 8).

Note: All references to spend exclude international airfares

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

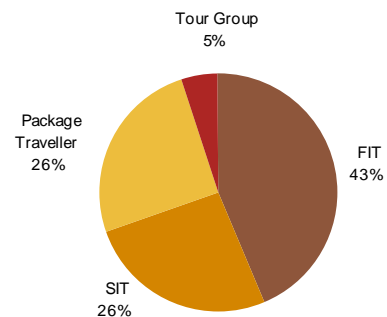


Travel Styles

Fully independent travellers (FIT) and semi-independent travellers (SIT) form around 70% of the overall market while the remainder travel with a group tour or on a package organised by Indian tour companies (Figure 9).

The pattern is very different for the holiday segment, with 53% of all holiday visitors from India travelling on semi-structured tour packages and 10% using an organised group tour. Eighty nine per cent of VFR visitors are FIT travellers.

Figure 9: Travel Styles of Indian Visitors, 2006-08*2



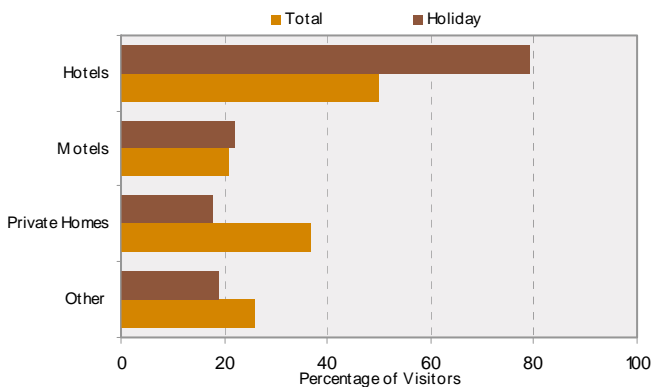
FIT: made and paid for all travel arrangements after arrival in New Zealand
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

What accommodation types do they use?

Indian travellers use a relatively small range of accommodation types in New Zealand. Hotels (50%), privately owned dwellings (37%) and motels (21%) are the most common accommodation types used by the overall Indian market. The influence of the VFR market is seen in the use of privately owned dwellings, as 98% of all VFR visitors use this form of accommodation.

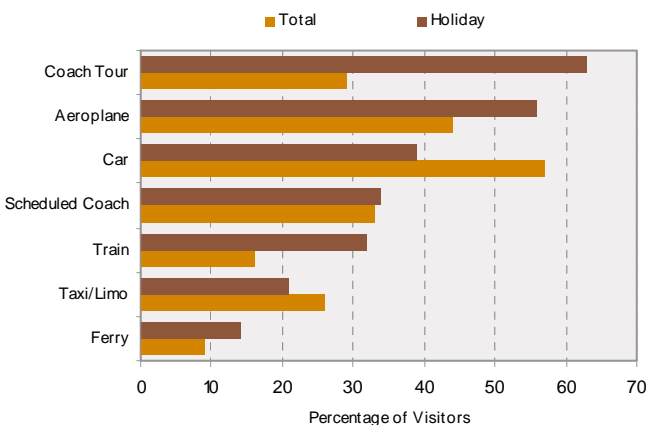
Holiday visitors use the same range of options, with a much higher proportion (79%) staying in hotels. Twenty two per cent stay in motels and a smaller number (18%) stay in privately owned dwellings. No other options feature to a significant level (Figure 10).

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Figure 10: Main Accommodation Types used by Indian Visitors, 2006-08²

What transport types are used?

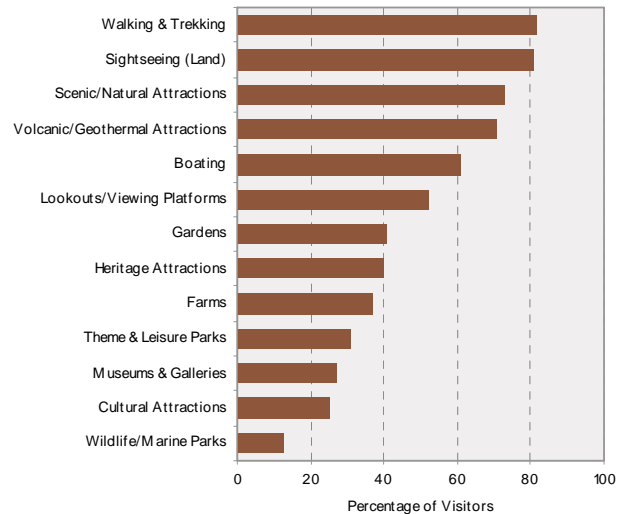
Travel by car (57%) is by far the most frequently used option for Indian visitors, with air services second (44%) followed by scheduled coach services (33%), tour coaches (29%) and train (16%). Travel by tour coach (63%) is the top option for holiday travellers, followed by air services (56%), car (39%), scheduled coach services (34%) and train (32%) (Figure 11).

Figure 11: Transport Types used by Indian Visitors, 2006-08²

What are the popular activities and attractions?

Only walking/trekking, natural attractions, or land-based sightseeing activities each attract more than 50% of all visitors from India. Thereafter there is a significant drop off to attractions visited by a much smaller (less than 40%) proportion of the overall market. These attractions include volcanic/geothermal attractions (38%), lookouts/viewing platforms (36%), boating (33%), museums/galleries (29%), gardens (28%) and heritage attractions (23%).

As shown in Figure 12, Indian holiday visitors undertake a similar range of activities although the percentages in most cases are higher.

Figure 12: Key Activities by Indian Holiday Visitors, 2006-08²

Tables 1-4: Indian Visitors – Trends and Characteristics

1. VISITOR ARRIVALS * ¹	2003	2004	2005	2006	2007	2008
Total	15,000	16,000	18,000	20,000	22,000	24,000
Holiday	7,000	7,000	8,000	10,000	10,000	9,000
VFR	5,000	6,000	6,000	6,000	7,000	8,000
Business	1,000	2,000	2,000	2,000	3,000	3,000
Other	2,000	1,000	2,000	2,000	3,000	4,000

2. RTO VISITS 2008 * ²	Holiday	VFR	Total *
Auckland	5,000	8,000	21,000
Rotorua	5,000	1,000	8,000
Canterbury	6,000	1,000	7,000
Waikato	3,000	1,000	7,000
Wellington	1,000	3,000	6,000
Queenstown	5,000	-	6,000
West Coast	4,000	-	4,000
Fiordland	4,000	-	4,000

3. EXPENDITURE 2008 NZ\$ *	Holiday	Total *
Total Spend (Millions)	19	74
Average Per Person	2,967	3,219
Average/Person/Night	119	79

4. LENGTH OF STAY 2008 * ¹	Holiday	Total *
< 5 Days	1,000	2,000
5-7 Days	3,000	4,000
8-10 Days	3,000	4,000
11-13 Days	1,000	2,000
14-16 Days	1,000	2,000
17-19 Days	-	-
20-29 Days	-	2,000
30 or More Days	-	8,000
Average (Days)	12.0	48.9
Median (Days)**	9.3	13.7

* Total includes all other categories

** 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) Note – due to small numbers data for Figures 9, 10, 11 and 12 has been aggregated for the years 2006-08.

IMAGE CREDITS

Wellington Willis St. – Positively Wellington Tourism, www.WellingtonNZ.com

Lake Taupo Lodge – www.laketapuolodge.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