

INTERNATIONAL VISITORS | JAPAN

NEW ZEALAND | SERIES C5 | JUNE 2009



INTRODUCTION

This report provides an overview of the Japanese 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)

Japanese Outbound Travel Market

In 2008, the population of the Japan was estimated at 127 million. Japanese residents made 16 million trips abroad. The majority of these trips were to China, Korea and other North and South East Asian destinations. Travel to long haul destinations continued to decline in recent years. The Japanese propensity for outbound travel was 13 trips per 100 people (compared with 46 trips per 100 people for New Zealanders).

Japan is New Zealand's fifth largest international market, providing 102,000 visitors in 2008 or 0.64% share of the Japanese outbound market.

Air Services to New Zealand

Air links between the Japan and New Zealand include daily services by Air New Zealand from Tokyo and five flights each week from Osaka. No Japanese carrier flies to New Zealand although Japan Airlines code shares on flights operated by Air New Zealand. There are also connecting services with carriers operating via Korea, Hong Kong, Bangkok, Singapore and Australia.

TRENDS IN VISITOR ARRIVALS FROM JAPAN

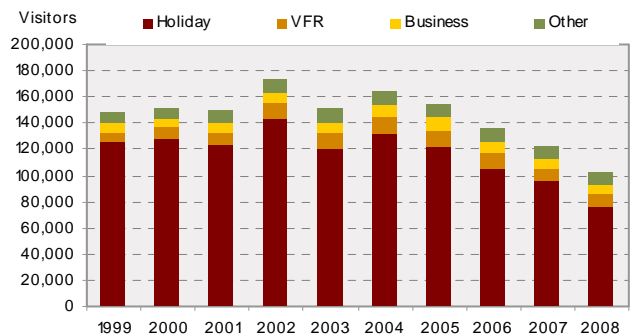
How many visitors come from Japan?

In 2008 Japan provided just over 102,000 visitors, or 4% of all New Zealand's overseas arrivals for the year. Arrival figures from Japan peaked at 173,500 in 2002, but since then have declined by more than 40%. Japanese travellers are extremely safety conscious and the SARS epidemic and bird flu health scares in 2003 and 2005, plus recent economic uncertainties have all impacted negatively on long-haul overseas travel.

Over the last 10 years total visitor arrivals from Japan have fallen by around 30% from 147,000 to 102,000 in 2008. Japan is primarily a holiday market, with this category now making up 75% of all arrivals.

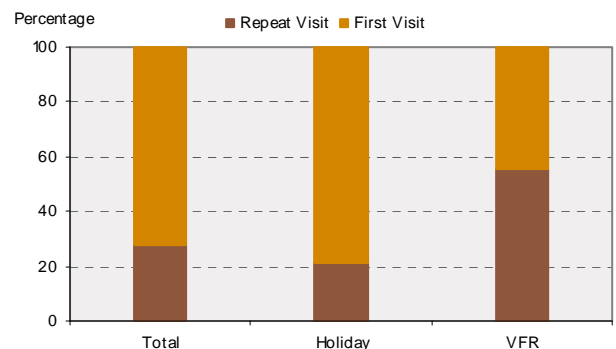
This proportion has declined slightly from 85% in 1999 while the size of the Visiting Friends and Relatives (VFR) segment has increased from 5% to 9% over 10 years. Nearly 77,000 holiday travellers from Japan visited New Zealand in 2008 (Figure 1).

Figure 1: Japanese Visitor Arrivals by Main Purpose *1



There is a moderate level of repeat travel from Japan, with 28% of all Japanese visitors in 2008 saying they had previously visited New Zealand. Only around 20% of holiday travellers had previously been to New Zealand (Figure 2).

Figure 2: Repeat Visits from Japan, 2008 *2



Where in Japan do they come from?

The two regions of Kanto and Kinki together provide 66% of all Japanese visitors in 2008. Kanto (43% of arrivals) includes the highly urbanised area around Tokyo while Osaka is located in the Kinki region (22% of arrivals). The number of visitors from these two areas has increased from 58% over the last five years while arrivals from other regions such as Chubu have fallen. This pattern is virtually identical for holiday travellers.



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Dual Destination Travel

A characteristic of many of our long-haul markets is the amount of dual destination travel by visitors, usually combining New Zealand with Australia. This feature is almost non-existent in the Japanese market, with 84% of all visitors treating New Zealand as a single destination. For those who do visit another destination en route, the only country of any significance is Australia which attracts about 8% of our arrivals.

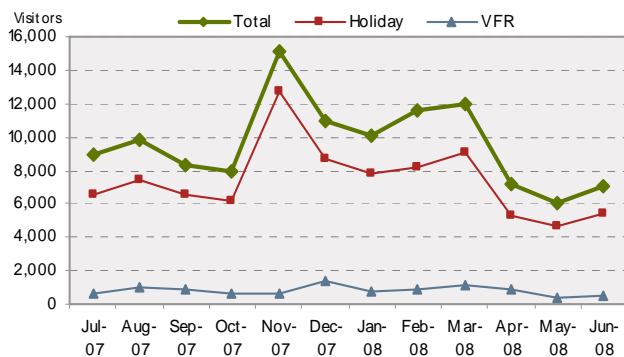
Where do they arrive in New Zealand?

In 2008 67% of all Japanese visitors arrived via Auckland while 32% arrived via Christchurch. Over the last decade the number of arrivals via Auckland has increased from 54% while the proportion via Christchurch has declined from 45%, reflecting the reduction of direct services into Christchurch in recent years. The pattern is similar for holiday visitors, with 64% arriving via Auckland and 35% via Christchurch.

What is the seasonal pattern of Japanese visitors?

November to March is the most popular time for Japanese visitors to travel to New Zealand, with more than 50% of all arrivals coming during these months. April to June are the weakest months from the Japanese market, with slightly better results for July and August reflecting the normal summer holiday period in the northern hemisphere. Holiday visitor arrival numbers mirror this seasonal pattern (Figure 3).

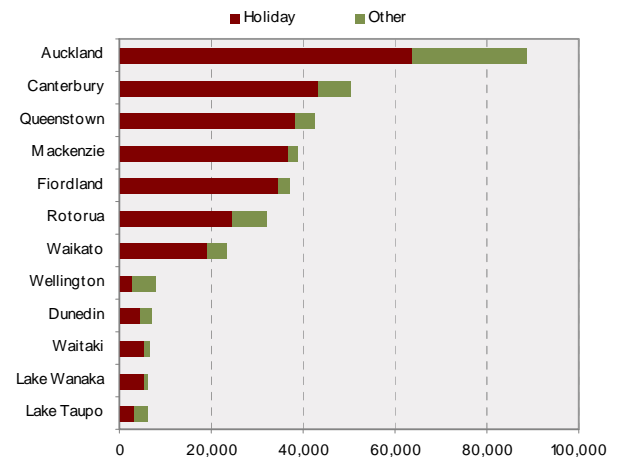
Figure 3: Japanese Visitor Arrivals by Month & Purpose of Travel, 2007/08¹



What regions do they visit?

Auckland, Canterbury and Queenstown are the most visited regions by Japanese visitors. Auckland attracts 92% of all arrivals from Japan, nearly double the number travelling to any other region in New Zealand. To some extent, this is the result of outbound flight schedules from the northern gateway. Auckland, Canterbury, Queenstown, the MacKenzie region (Mount Cook), Fiordland and Rotorua attract more than 30% of all Japanese visitors and this pattern is the same for holiday travellers. VFR visitors travel mostly to Auckland, Canterbury, Wellington, the Waikato, Rotorua or Northland (Figure 4).

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



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

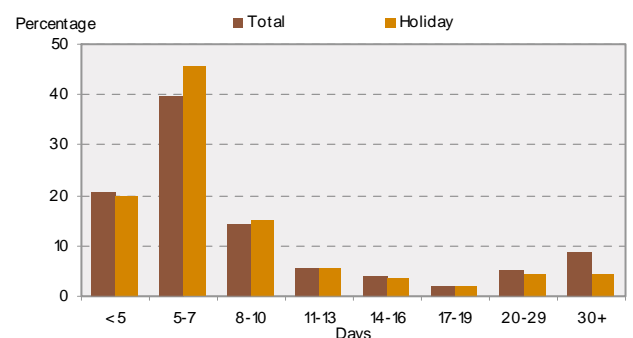
How long do they stay?

The average length of stay for all Japanese visitors in 2008 was 16.4 days while the average for holiday travellers was lower at 10.8 days. VFR travellers stayed for an average of 20.7 days. In contrast, Japanese travellers visiting for educational purposes stayed for an average of 87.2 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 Japanese arrivals was 6.5 days, 6.3 days for holiday travellers and 8.8 days for VFR travellers. The median stay for those who came for educational purposes in 2008 was 42 days.

Figure 5 shows the length of stay for Japanese visitors by total market and the holiday segment. Three quarters of all arrivals stay for 10 days or less and this pattern is even more pronounced for holiday travellers (81%).

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



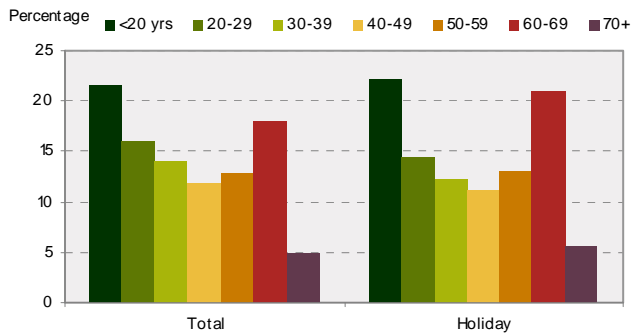
Both the average and median length of stay have declined over the last five years, in common with some of our other markets where a shift to shorter holidays has been the trend.

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CHARACTERISTICS OF JAPANESE VISITORS

Age

Three main age groups account for more than half of all visitor arrivals from Japan, including those aged less than 20 years (22%), 20–29 years (16%) and 60–69 years (18%). These same groups form the largest proportion of the holiday segment, although those aged 60–69 years represent 21% of this category (Figure 6).

Figure 6: Japanese Visitors by Age, 2008¹

Despite an aging population, and in contrast to some of our Western markets, younger aged visitors from Japan now form 38% of all arrivals, up from 34% five years ago. This trend is mirrored in the age characteristics for holiday travellers and suggests that school groups have maintained their share of the market while the number of older visitors has declined.

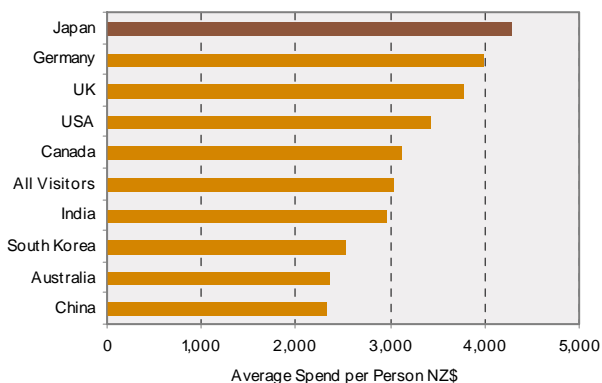
Gender

For the last five years the gender split for all Japanese visitors has remained constant at 56% female and 44% male. The pattern is similar for holiday travellers, with females outnumbering males 58% to 42%.

How much do they spend in New Zealand?

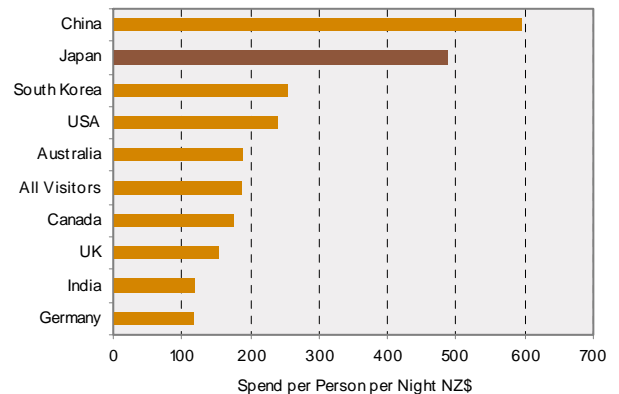
Japanese visitors spent a total of \$419 million in New Zealand during 2008, making this our largest Asian market in terms of expenditure. Spending by holiday visitors amounted to \$293 million.

Average expenditure per person for the Japanese market overall was \$4,365, considerably more than the average of \$2,682 for all visitors to New Zealand. The average spend for Japanese holiday visitors was slightly lower at \$4,290 (compared with \$3,027 for all holiday arrivals) (Figure 7).

Figure 7: Average Spend by Market for Holiday Visitors, 2008²

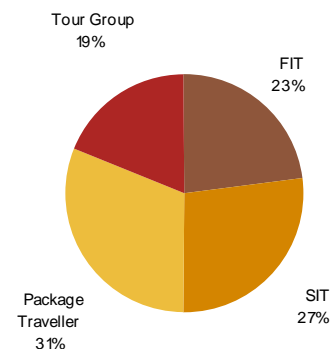
The average spend per night in 2008 was \$209 for all visitors from Japan while holiday visitors spent \$486. The spend per night by Japanese holiday visitors was one of the highest for all our main markets, and well above the spend for visitors from South Korea, the United States of America or Australia (Figure 8).

Note: All references to spend exclude international air fares

Figure 8: Average Spend per Night by Market for Holiday Visitors, 2008²

Travel Styles

More than 75% of all Japanese visitors have at least some part of their itinerary pre-arranged before they arrive in New Zealand. Those on a group or packaged tour make up around 50% of the overall market and 65% of the holiday market. Fully-independent travellers (FIT) and semi-independent travellers (SIT) form half of all total arrivals but only 35% of holiday arrivals. Only 10% of all holiday travellers from Japan arrive in New Zealand with nothing pre-arranged (Figure 9).

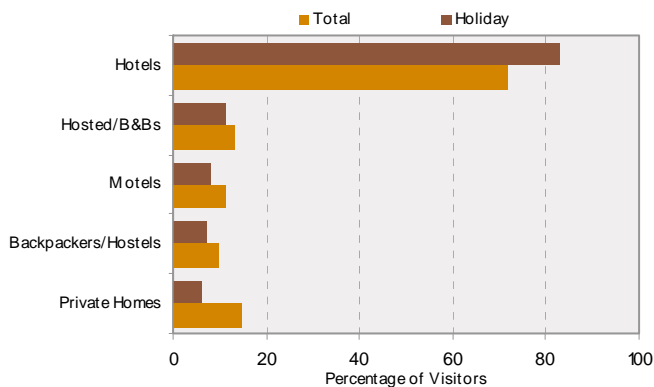
Figure 9: Travel Styles of Japanese Visitors, 2008²

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?

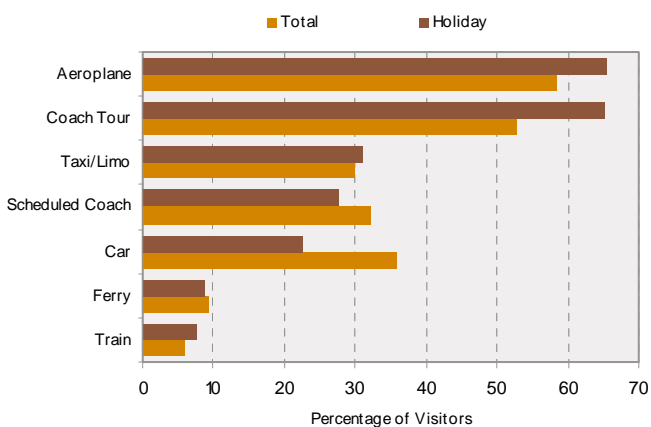
Hotels (72%), privately owned dwellings (15%) and hosted/B&Bs (13%) are the most common accommodation types used by the overall Japanese market. Around 10% of all visitors also use motels or backpackers. Most holiday visitors (83%) use hotels which are generally arranged by their tour company in Japan. A small number of holiday travellers also use hosted/B&Bs, motels and backpackers (Figure 10).

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

What transport types are used?

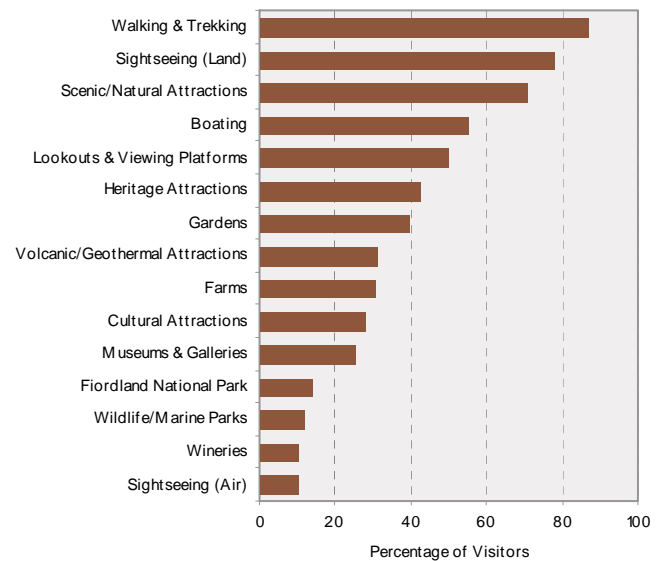
Travel by air (59%) is the most frequently used option for Japanese visitors, with coach tours (53%), scheduled coach services (32%) and travel by car (36%) also widely used (Figure 11). The pattern is similar for holiday travellers although a higher proportion use air services and coach tours to travel through New Zealand. Many Japanese tour operators use flights on sectors such as Auckland – Christchurch or Rotorua – Queenstown to fit North and South Island highlights into a relatively short stay itinerary.

Figure 11: Transport Types used by Japanese Visitors, 2008²

What are the popular activities and attractions?

Walking/trekking, natural attractions, land-based sightseeing activities, boating, heritage attractions and gardens each attract more than 30% of all visitors from Japan. The pattern is very similar for holiday travellers although a larger proportion participate in all the leading attractions during their visit.

As shown in Figure 12, 87% of holiday visitors from Japan enjoy walking/trekking, 78% participate in sightseeing activities, 71% visit natural attractions, 50% visit lookouts/viewing platforms and heritage attractions attract 43%. Gardens, farms and volcanic/geothermal attractions are also popular with holiday visitors

Figure 12: Key Activities by Japanese Holiday Visitors, 2008²

Tables 1-4: Japanese Visitors – Trends and Characteristics

1. VISITOR ARRIVALS * ¹	2003	2004	2005	2006	2007	2008
Total	151,000	165,000	155,000	136,000	122,000	102,000
Holiday	121,000	131,000	122,000	106,000	96,000	77,000
VFR	12,000	14,000	13,000	12,000	10,000	9,000
Business	8,000	8,000	10,000	8,000	7,000	7,000
Other	10,000	12,000	11,000	11,000	9,000	9,000

2. RTO VISITS 2008 * ²	Holiday	Other	Total *
Auckland	64,000	25,000	89,000
Canterbury	43,000	7,000	50,000
Queenstown	38,000	4,000	43,000
Mackenzie	37,000	2,000	39,000
Fiordland	34,000	3,000	37,000
Rotorua	25,000	7,000	32,000
Waikato	19,000	4,000	23,000
Wellington	3,000	5,000	8,000
Dunedin	5,000	3,000	7,000
Waitaki	6,000	1,000	6,000
Lake Wanaka	5,000	1,000	6,000
Lake Taupo	3,000	3,000	6,000

3. EXPENDITURE 2008 NZ\$ *	Holiday	VFR	Business	Total *
Total Spend (Millions)	293	21	26	419
Average Per Person	4,290	2,017	3,056	4,365
Average/Person/Night	486	138	212	209

4. LENGTH OF STAY 2008 * ¹	Holiday	Total *
< 5 Days	15,000	21,000
5-7 Days	35,000	41,000
8-10 Days	12,000	15,000
11-13 Days	4,000	6,000
14-16 Days	3,000	4,000
17-19 Days	1,000	2,000
20-29 Days	3,000	5,000
30 or More Days	3,000	9,000
Average (Days)	10.8	16.4
Median (Days)**	6.3	6.5

* 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)

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