

INTERNATIONAL VISITORS | UNITED KINGDOM

NEW ZEALAND | SERIES C2 | JUNE 2009



INTRODUCTION

This report provides an overview of the United Kingdom 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)

United Kingdom Outbound Travel Market

In 2008, the population of the UK was estimated at 61 million. UK residents made 68.6 million trips abroad: 54.3 million trips to Europe, 4.5 million trips to North America and 9.8 million trips to other destinations. Around 21% percent of the outbound trips were to long-haul destinations beyond Europe. The UK population has a high propensity for outbound travel at 112 trips per 100 people (compared with 46 trips per 100 people for New Zealanders).

The United Kingdom is New Zealand's second largest international market, providing 285,000 visitors or 0.41% share of the UK outbound market.

Air Services to New Zealand

Air links between the UK and New Zealand include daily Air New Zealand flights operating services by via both the USA and Hong Kong. There are also many connecting services with carriers operating via the eastern hemisphere.

TRENDS IN VISITOR ARRIVALS FROM THE UK

How many visitors come from the UK?

In 2008 the United Kingdom provided over 285,000 visitors, or 12% of all New Zealand's overseas arrivals for the year. Arrival figures from the UK peaked at 307,000 in 2005 following 20 successive years of growth, but have declined by 7% since then (Figure 1).

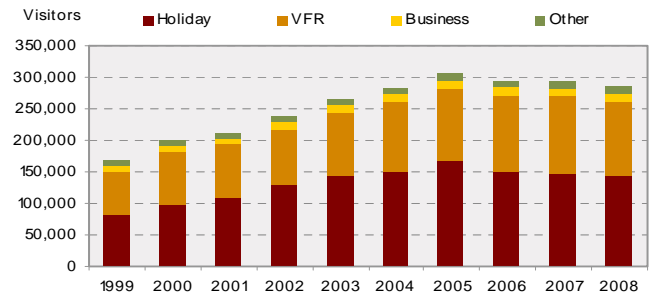
Since 1999, total visitor arrivals from the UK to New Zealand have increased by 69%. Holiday visitors, which now make up 50% of all UK arrivals, have shown the strongest growth with an increase of 76% from 81,500 in 1999 to 144,000 in 2008.

A significant number of UK arrivals are Visiting Friends and Relatives (VFR) in New Zealand. Over the last decade VFR numbers have increased by 71% from 68,500 to 117,000 in 2008.

The number of VFR visitors as a proportion of total arrivals has remained relatively stable over the last ten years at just over 40%.

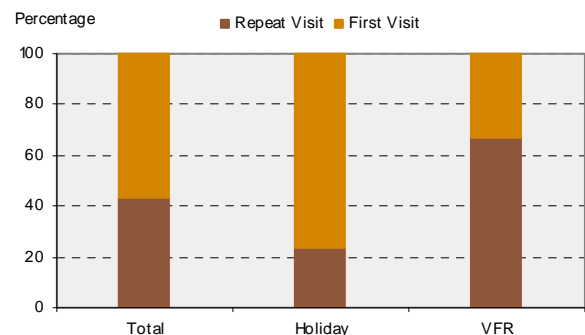


Figure 1: UK Visitor Arrivals by Main Purpose *1



There is a relatively high proportion of repeat visits amongst UK visitors with 43% having previously visited New Zealand. This figure is strongly influenced by the VFR segment with 67% repeat visits compared with 24% for UK holiday visitors. The high number of repeat visits by VFR travellers suggests regular reunions between families in the UK and New Zealand (Figure 2).

Figure 2: Repeat Visits from the UK, 2008 *2



Where in the UK do they come from?

England provides the vast majority of our UK visitors (84%) with the balance split between Scotland (7%), Wales (3%) and Northern Ireland (1%). This pattern is virtually identical for holiday and VFR travellers. The south-eastern part of England, from Essex across to Buckinghamshire and south to Hampshire, produces 41% of all arrivals from England. Within this region the Greater London Area alone generates 16% of all English visitors. Other key areas include the northern counties: Cheshire and Lancashire and across to North, West and South Yorkshire, and the south western counties from Avon south to Devon.

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



INTERNATIONAL VISITORS | UNITED KINGDOM

Dual Destination Travel

More than two thirds of all UK visitors visit another country en route either to or from New Zealand. This figure is higher for holiday travellers (82%) and lower for the VFR segment (50%). 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.

The most popular stopover en route is Australia, which attracts 45% of all our UK visitors and 60% of our holiday travellers. Singapore, Thailand, the USA and Hong Kong are other destinations that feature strongly in the itineraries of our UK visitors, reflecting the frequency of air services through these travel hubs en route to or from New Zealand.

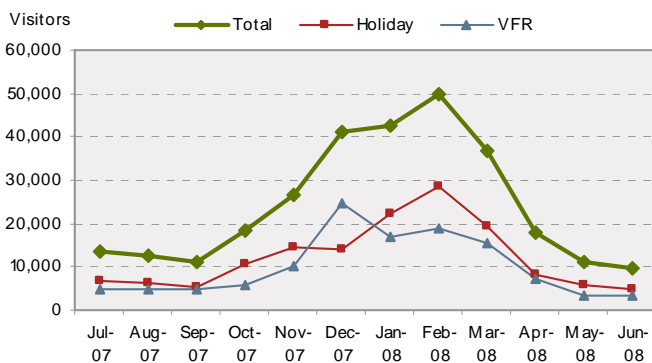
Where do they arrive in New Zealand?

Seventy five per cent of all UK visitors arrive via Auckland while 20% arrive via Christchurch. Over the last decade the number of Auckland arrivals has fallen by three percentage points while the proportion via Christchurch has increased by this amount. The pattern is similar for holiday visitors, with 70% arriving via Auckland and 25% via Christchurch.

What is the seasonal pattern of UK visitors?

December to March is the most popular time for UK visitors to travel to New Zealand, with nearly 60% of all arrivals and all holiday travellers coming during these months (Figure 3). This contrasts the low season from May to September. Family visits over the Christmas season make December the most popular month for VFR visitors, with 20% of all VFR visitors arriving in this month. February is the peak month for UK holiday visitors.

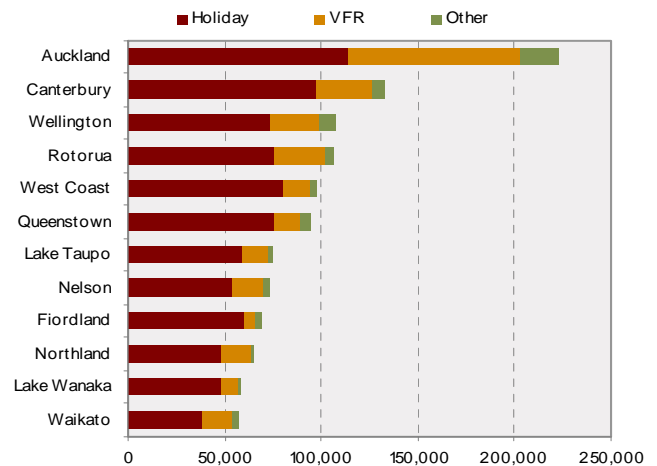
Figure 3: UK Visitor Arrivals by Month & Purpose of Travel, 2007/08¹

**What regions do they visit?**

The larger regions such as Auckland, Canterbury and Wellington are the areas most visited by UK visitors (Figure 4). Auckland attracts 86% of all arrivals from the UK, 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 UK visitors. This pattern is heavily influenced the VFR visitors, with 87% visiting Auckland and only Wellington, Canterbury, Northland and the Coromandel region attracting more than 20% of the VFR market. VFR visitors travel mostly to the large urban areas where their families or friends are living.

The holiday market shows a very different pattern, with significant numbers travelling beyond the larger centres in both the North and South Islands. Twelve regions, ranging from Northland to Fiordland attract at least 30% of all UK holiday visitors.

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



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

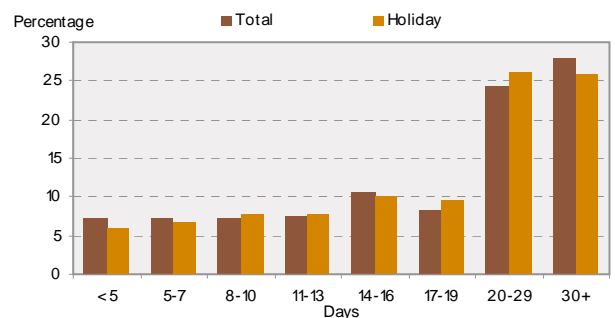
How long do they stay?

UK travellers tend to stay longer than visitors from many other countries. The average length of stay for all UK visitors in 2008 was 29.8 days. The average for holiday visitors was slightly shorter at 28.2 days. VFR visitors stayed for an average of 29.9 days in 2008.

The median length of stay in 2008 was 20.1 days for all UK arrivals and for holiday travellers, and 20.8 days for VFR visitors.

Figure 5 shows the length of stay for UK visitors by the total market and the holiday segment. Approximately half of visitors stayed under 20 days, one quarter stayed 20-29 days and one quarter stayed 30 or more days.

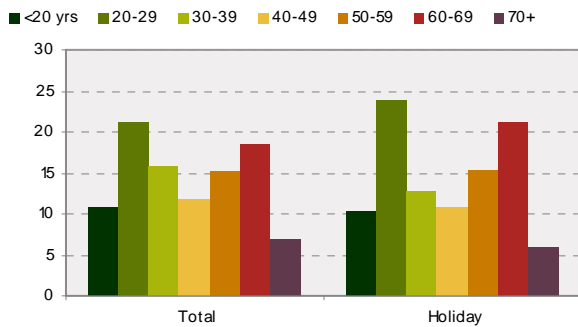
Figure 5: Length of Stay Patterns for UK Visitors, 2008¹

**CHARACTERISTICS OF UK VISITORS****Age**

Three main age groups account for more than half of all arrivals from the UK, including 20–29 years (21%), 60–69 years (18%) and 30–39 years (16%). There has, however, been a significant demographic shift over the last five years. Numerically those aged between 20-29 years still form the largest single segment, but visitor numbers for those aged 60-69 years have shown the strongest rate of growth (up 43%). Visitor numbers for those aged 20-29 years and 30-39 years have declined significantly. This trend is mirrored in the age characteristics for UK holiday travellers (Figure 6).

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

INTERNATIONAL VISITORS | UNITED KINGDOM

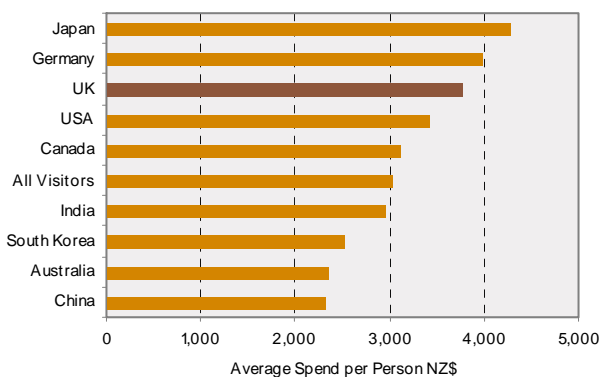
Figure 6: UK Visitors by Age, 2008^{*1}**Gender**

For the last five years the gender share of UK visitors has been stable with slightly more females (51%) than males (49%). This ratio is similar for the holiday segment, while in the VFR segment there is a greater proportion of females (55%) than males (45%).

How much do they spend in New Zealand?

Visitors from the UK spent a total of \$912 million in New Zealand during 2008, making this our second largest source market for expenditure. Spending by holiday visitors amounted to \$501 million.

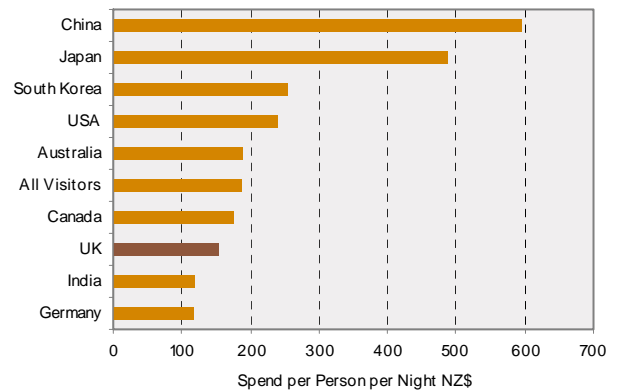
Average expenditure per person for the UK market overall was \$3,521 (compared with \$2,682 for all visitors to New Zealand). The average spend for UK holiday visitors was slightly higher at \$3,772 (compared with \$3,027 for all holiday arrivals) (Figure 7).

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

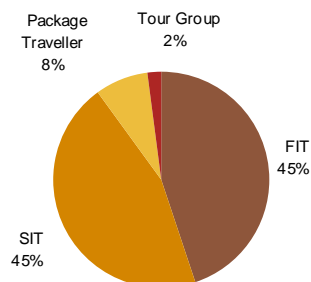
The average spend per night was \$114 for all visitors from the UK while holiday visitors spent \$154. Spend per night by UK holiday visitors was below the average for all our main markets, and considerably less than spend for visitors from China, Japan, South Korea or the United States of America (Figure 8).

UK visitors relatively long stay has contributed to the high level of spend per visitor and lower spend per night.

Note: All references to spend exclude international air fares.

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 UK visitors tend 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 (90%) and holiday arrivals (81%) from the UK market. Those on a group or packaged tour make up around 10% of the overall market (Figure 9), but 19% of the holiday market.

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

FIT: made and paid for all travel arrangements after arrival in New Zealand

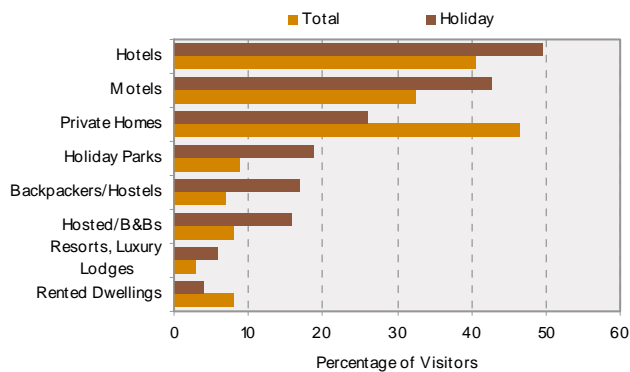
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

What accommodation types do they use?

Hotels (37%), motels (31%) and privately owned dwellings (57%) are the most common accommodation types used by the overall UK market (Figure 10). The influence of the VFR market is seen in the use of privately owned dwellings as 95% of all VFR visitors use this form of accommodation.

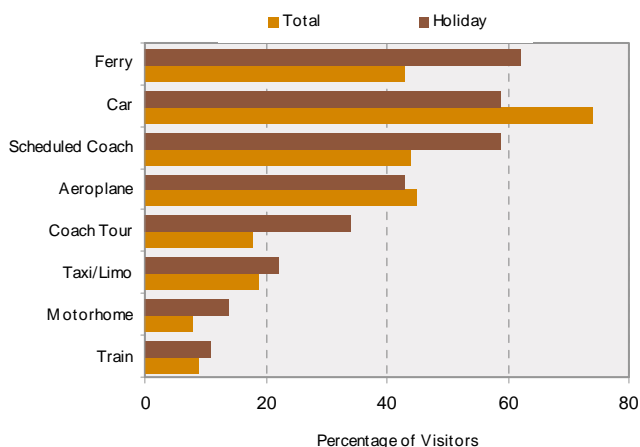
Holiday visitors use a wider range of accommodation types, including hotels (50%), motels (34%) privately owned dwellings (33%), backpackers (35%) and campgrounds/holiday parks (18%).

INTERNATIONAL VISITORS | UNITED KINGDOM

Figure 10: Main Accommodation Types used by UK Visitors, 2008^{*2}

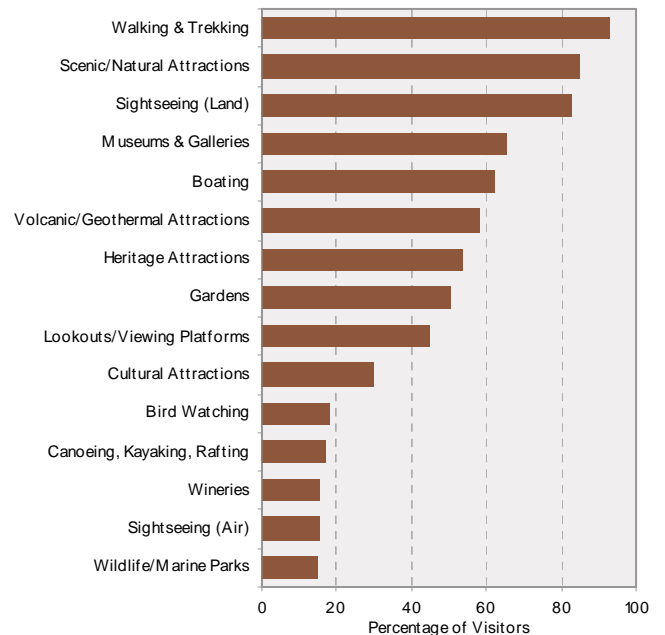
What transport types are used by UK visitors?

Travel by car (74%) is by far the most frequently used option for UK visitors, with air services (45%), scheduled coach services (44%) and ferry services (43%) also widely used. Holiday travellers broaden their options to include coach tours, rail services or motorhomes (Figure 11).

Figure 11: Transport Types used by UK Visitors, 2008^{*2}

What are the popular activities and attractions?

Walking/trekking, natural attractions, land-based sightseeing activities, museums/galleries and volcanic/geothermal attractions each attract more than 40% of all visitors from the UK. The pattern is fairly similar for VFR travellers. Holiday travellers participate in a broader range of activities and attractions in New Zealand. As shown in Figure 12, 93% of holiday visitors from the UK enjoy walking/trekking, 85% visit natural attractions, 83% participate in sightseeing activities, 65% visit museums/galleries and 53% visit heritage attractions. Gardens, volcanic/geothermal regions, cultural attractions and wineries are also popular with holiday visitors.

Figure 12: Key Activities by UK Holiday Visitors, 2008^{*2}

Tables 1-4: UK Visitors – Trends and Characteristics

1. VISITOR ARRIVALS	2003	2004	2005	2006	2007	2008
Total	265,000	284,000	307,000	295,000	293,000	285,000
Holiday	143,000	150,000	166,000	150,000	147,000	144,000
VFR	102,000	112,000	116,000	120,000	123,000	117,000
Business	11,000	12,000	13,000	14,000	13,000	13,000
Other	9,000	10,000	11,000	10,000	10,000	11,000

2. RTO VISITS 2008	Holiday	VFR	Business	Total *
Auckland	114,000	89,000	12,000	223,000
Canterbury	98,000	28,000	3,000	133,000
Wellington	73,000	26,000	5,000	108,000
Rotorua	76,000	26,000	2,000	106,000
West Coast	80,000	14,000	2,000	97,000
Queenstown	76,000	13,000	3,000	94,000
Lake Taupo	59,000	13,000	0,000	75,000
Nelson	54,000	17,000	1,000	73,000
Fiordland	60,000	6,000	2,000	69,000
Northland	48,000	15,000	1,000	65,000
Lake Wanaka	48,000	9,000	1,000	59,000
Waikato	38,000	15,000	1,000	56,000

3. EXPENDITURE 2008 NZ\$	Holiday	VFR	Total *
Total Spend (Millions)	501	305	912
Average Per Person	3,772	2,977	3,521
Average/Person/Night	154	96	114

4. LENGTH OF STAY 2008	Holiday	Total *
< 5 Days	9,000	20,000
5-7 Days	10,000	21,000
8-10 Days	11,000	20,000
11-13 Days	11,000	21,000
14-16 Days	14,000	30,000
17-19 Days	14,000	24,000
20-29 Days	38,000	69,000
30 or More Days	37,000	80,000
Average (Days)	28.2	29.8
Median (Days)**	20.1	20.1

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

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