

INTERNATIONAL VISITORS | UNITED STATES OF AMERICA

NEW ZEALAND | SERIES C3 | JUNE 2009



INTRODUCTION

This report provides an overview of the United States 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 States Outbound Travel Market

In 2008, the population of the USA was estimated at 303 million. US residents made 40 million trips abroad: 9 million trips to Canada and Mexico, and 31 million trips to other long-haul destinations. Forty percent of the long-haul trips were to Europe and 18% travelled to Asia. The US propensity for outbound travel was 13 trips per 100 people (compared with 46 trips per 100 people for New Zealanders).

The United States is New Zealand's third largest international market, providing 212,000 visitors or 0.5% share of the US outbound market.

Air Services to New Zealand

Air links between the US and New Zealand include daily Air New Zealand flights from Auckland to the west coast cities of Los Angeles and San Francisco. Qantas operate daily services between Auckland and Los Angeles. There are no US-based airlines operating into New Zealand, although some US carriers code share on Air New Zealand (Star Alliance) and Qantas (One World) services.

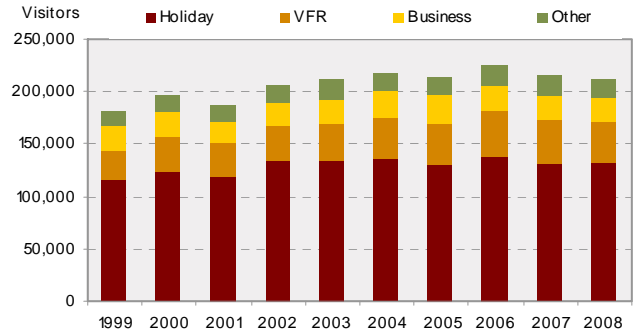
TRENDS IN VISITOR ARRIVALS FROM THE USA

How many visitors come from the USA?

In 2008 the USA provided over 212,000 visitors, or 9% of all New Zealand's overseas arrivals for the year. Arrival figures from the USA peaked at nearly 226,000 in 2006 following some good growth after September 11 2001, but numbers have declined by 6% over the last two years (Figure 1). Since 1999, total visitor arrivals from the USA to New Zealand have increased by around 17%.

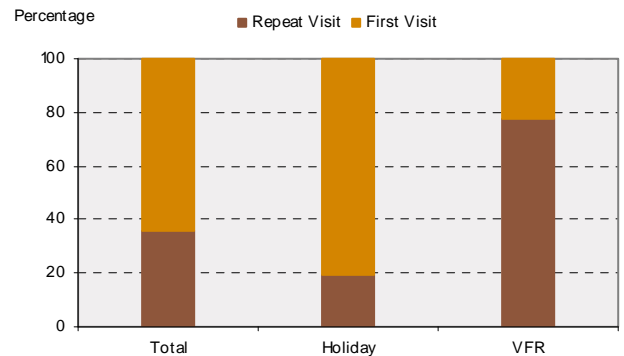
The USA is primarily a holiday market, with this segment making up 62% of all arrivals. This proportion has, however, remained static at around 60% while the size of the Visiting Friends and Relatives (VFR) segment has increased from 15% to 19% over the last 10 years.

Figure 1: US Visitor Arrivals by Main Purpose *1



Thirty five per cent of all US visitors have previously visited New Zealand, a figure influenced by the VFR category (78% repeat visitors). Only around 20% of all our holiday visitors from the USA have previously been to New Zealand (Figure 2).

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



Where in the USA do they come from?

The western and eastern seaboard states, with large populations, produce almost 60% of all the US visitors to New Zealand.

Nearly a quarter of all US visitors originate from California, which has long-established air service links across the Pacific to New Zealand. The next largest state for New Zealand is New York, which provides about 5% of our visitors. Other important states for New Zealand include Texas, Florida, Washington, Colorado and Illinois. Holiday and VFR arrivals mirror this pattern.



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Dual Destination Travel

Just over half of all our US arrivals visit another country en route either to or from New Zealand. This figure is slightly higher for the holiday category (64%) and lower for VFR travellers (36%). 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 45% of all US travellers and 55% of the holiday visitors. The only other destination to attract a significant number of US travellers en route is Fiji. Only 20% of all US VFR travellers visit another country.

Where do they arrive in New Zealand?

All direct air services from the USA to New Zealand arrive into Auckland and, consequently, 77% of US arrivals enter through this gateway. Another 14% enter via Christchurch, first visiting Australia en route.

The growing popularity of the cruise market has seen numbers arriving by sea increase to 7% of all US arrivals in 2008, up from 4% in 2006.

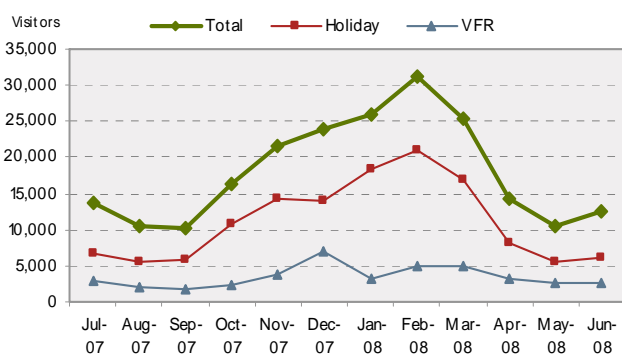
Many US visitors who arrive by sea have flown first to Australia in order to board a trans-Tasman cruise. At the conclusion of their voyages, most return home by air from Auckland.

What is the seasonal pattern of US visitors?

December to March is the most popular time for US visitors to travel to New Zealand, with nearly 50% of all US visitors coming during these months. May, August and September are the weakest months from the US market, with slightly better results for June and July. This may be a reflection of the normal holiday period in the northern hemisphere.

December is the most popular month for VFR visitors, with 17% of all VFR visitors arriving in this month (Figure 3).

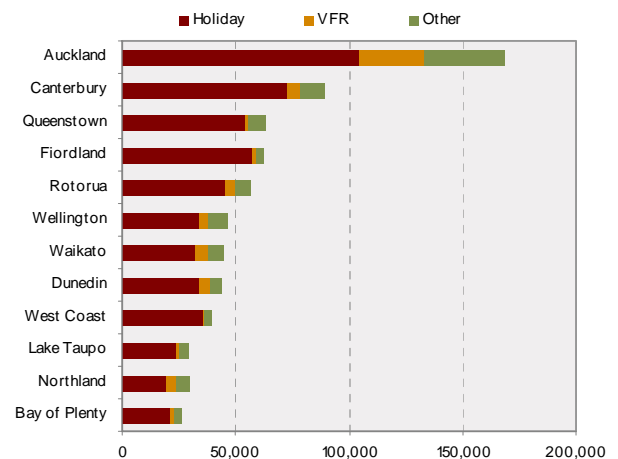
Figure 3: US Visitor Arrivals by Month & Purpose of Travel, 2007/08^{*1}

**What regions do they visit?**

Over 90% of all US arrivals visit Auckland, reflecting the flight schedules into our northern gateway. There is a reasonable distribution of visitors beyond the larger centres, with the Waikato, Rotorua, the West Coast, Queenstown, Fiordland and Dunedin all attracting at least 20% of all US arrivals, and an even higher percentage of holiday visitors.

VFR visitors exhibit very different behaviour, with most travelling just to Auckland (95%), Wellington, Christchurch and Rotorua (Figure 4).

Figure 4: Main RTO Regions Visited by US 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.

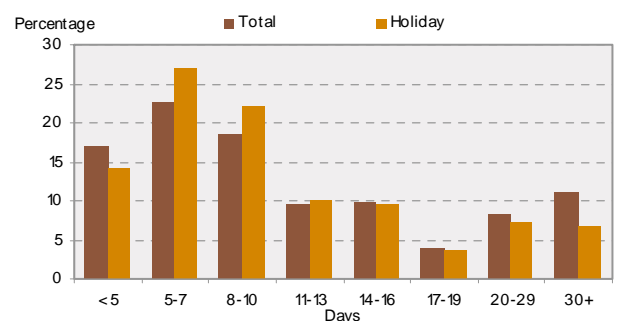
How long do they stay?

The average length of stay for all US visitors in 2008 was 17.8 days, while the average for holiday travellers was slightly lower at 13.6 days. VFR travellers stayed for an average of 21.2 days in 2008.

The median length of stay, which often more typically represents the time spent in New Zealand, is shorter. The median stay in 2008 was 9.0 days for all US visitors and 8.4 days for holiday travellers. For VFR travellers the median stay was 14.0 days.

Figure 5 shows the length of stay periods for US visitors by the total market and the holiday segment. Nearly 60% of all arrivals stay 10 days or less and the pattern is similar for holiday travellers (63%). The most popular period is 5-7 days (around 23%) while 19% stay between 8-10 days.

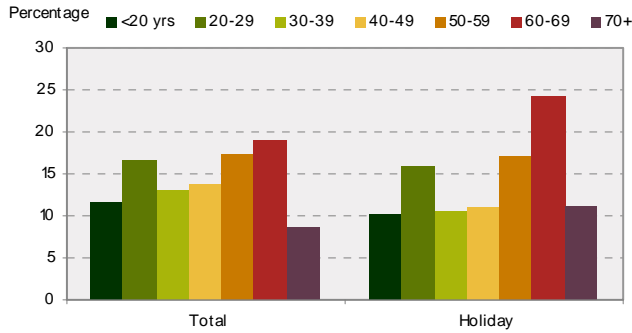
Figure 5: Length of Stay Patterns for US Visitors, 2008^{*1}

**CHARACTERISTICS OF US VISITORS****Age**

Fifty nine per cent of the US market is aged 40 years or older. This is even more pronounced for the holiday segment where 63% are aged at least 40 or older. The largest single age group is those aged 60-69 years; 24% of the holiday category and 19% of all US arrivals. Those aged 50-59 years form the next largest group (Figure 6). With an aging population in the USA, travellers in the older age groups will become even more significant in the future.

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



Gender

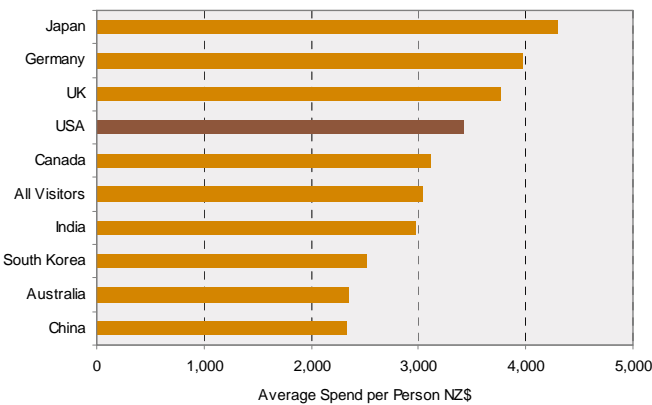
For the last five years there has been an even gender balance for all US visitors, with 50% male and 50% female. For both the holiday and VFR segments 54% of arrivals are female.

How much do they spend in New Zealand?

US visitors spent a total of \$617 million in New Zealand during 2008, making this our third largest source market in terms of expenditure. Spending by holiday visitors amounted to \$395 million.

Average expenditure per person for the US market overall was \$3,338 (compared with \$2,682 for all visitors to New Zealand). The average spend for US holiday visitors was slightly higher at \$3,422 (compared with \$3,027 for all holiday arrivals) (Figure 7).

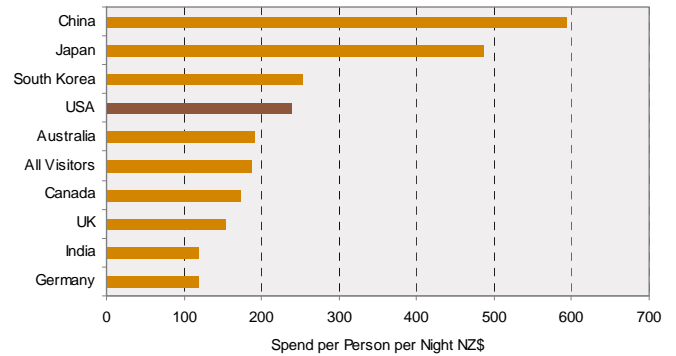
Figure 7: Average Spend by Market for Holiday Visitors, 2008^{*2}



The average spend per night was \$178 for all visitors from the USA while holiday visitors spent \$239. The spend per night by US holiday visitors was above the average for all our main markets, but less than the spend for visitors from China, Japan or South Korea (Figure 8).

Note: All references to spend exclude international airfares

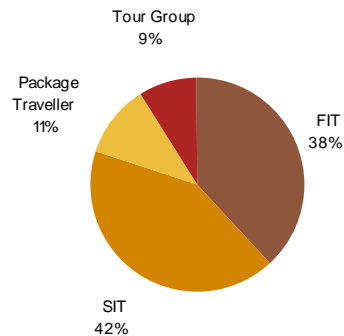
Figure 8: Average Spend per Night by Market for Holiday Visitors, 2008^{*2}



Travel Styles

Many Americans travel relatively independently while in New Zealand. Some key parts of an itinerary may be pre-booked with other arrangements made as they travel throughout New Zealand. Fully-independent travellers (FIT) and semi-independent travellers (SIT) form the largest proportion of total arrivals (80%) and holiday arrivals (70%) from the USA. Those on a group or packaged tour make up around 20% of the overall market, but 30% of the holiday market (Figure 9).

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



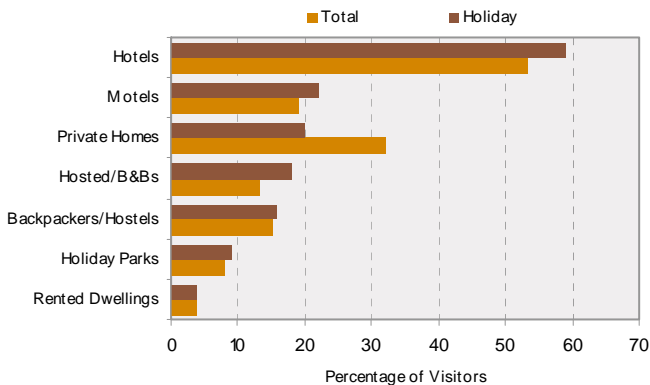
FIT: made and paid for all travel arrangements after arrival in New Zealand
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

What accommodation types do they use?

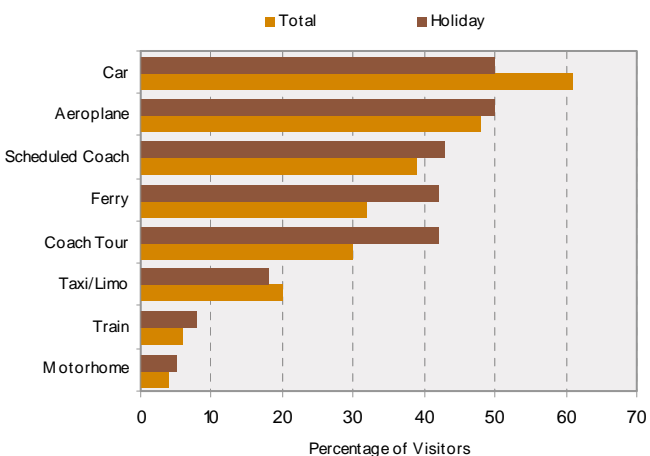
Hotels (53%), motels (19%) and privately owned dwellings (32%) are the most common accommodation types used by the overall US market. The influence of the VFR market is seen in the use of privately owned dwellings with 94% of all VFR visitors using this form of accommodation.

Holiday visitors use a wider range of options, including hotels (59%), motels (22%), privately owned dwellings (20%), hosted/B&Bs (18%) and backpackers (16%) (Figure 10).

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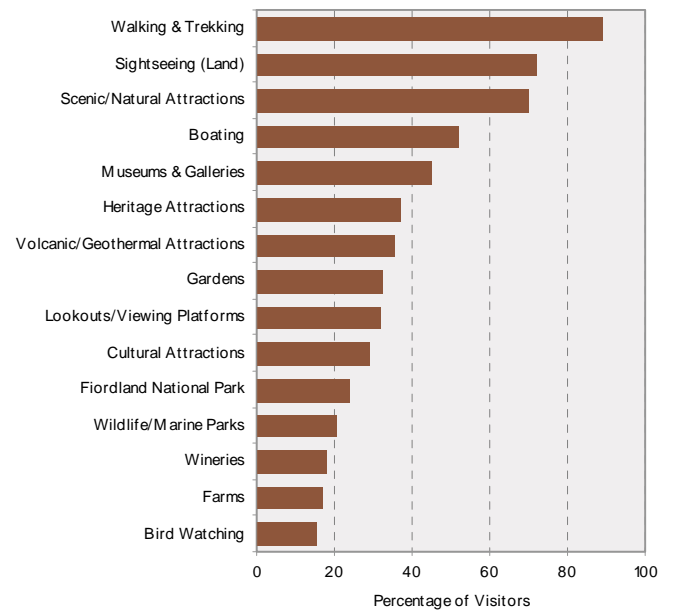
Figure 10: Main Accommodation Types used by US Visitors, 2008²**What transport types are used?**

Travel by car (61%) is the most frequently used option for US visitors, followed by airlines (48%), scheduled coach services (39%), ferry services (32%) and tour coaches (30%). The pattern for holiday travellers is similar, although a higher percentage use scheduled coach services, ferry services and tour coaches (Figure 11).

Figure 11: Transport Types used by US Visitors, 2008²**What are the popular activities and attractions?**

Walking/trekking, land-based sightseeing activities, natural attractions, museums/galleries and boating are undertaken by more than 30% of all visitors, and the pattern is fairly similar for VFR travellers.

A larger proportion of holiday travellers participate in a broader range of activities and attractions in New Zealand. As shown in Figure 12, 89% of holiday visitors from the USA enjoy walking/trekking, 72% participate in sightseeing activities, 70% visit natural attractions, 45% visit museums/galleries and heritage attractions attract 37%. Gardens and volcanic/geothermal attractions are also popular with holiday visitors.

Figure 12: Key Activities by US Holiday Visitors, 2008²

Tables 1-4: US Visitors – Trends and Characteristics

1. VISITOR ARRIVALS	2003	2004	2005	2006	2007	2008
Total	212,000	218,000	215,000	226,000	216,000	212,000
Holiday	134,000	135,000	129,000	137,000	132,000	131,000
VFR	37,000	42,000	41,000	44,000	41,000	40,000
Business	23,000	24,000	26,000	25,000	25,000	24,000
Other	18,000	18,000	19,000	19,000	19,000	17,000

2. RTO VISITS 2008	Holiday	VFR	Business	Total *
Auckland	104,000	29,000	24,000	169,000
Canterbury	72,000	7,000	5,000	90,000
Queenstown	54,000	2,000	3,000	63,000
Fiordland	57,000	2,000	2,000	63,000
Rotorua	45,000	4,000	4,000	56,000
Wellington	34,000	4,000	5,000	47,000
Waikato	32,000	6,000	3,000	45,000
Dunedin	34,000	5,000	2,000	44,000
West Coast	35,000	1,000	1,000	40,000
Lake Taupo	24,000	2,000	2,000	30,000
Northland	20,000	4,000	4,000	30,000
Bay of Plenty	21,000	2,000	2,000	26,000

3. EXPENDITURE 2008 NZ\$	Holiday	VFR	Business	Total *
Total Spend (Millions)	395	58	97	617
Average Per Person	3,422	1,911	3,686	3,338
Average/Person/Night	239	112	201	178

4. LENGTH OF STAY 2008	Holiday	Total
< 5 Days	18,000	36,000
5-7 Days	35,000	48,000
8-10 Days	29,000	39,000
11-13 Days	13,000	20,000
14-16 Days	13,000	21,000
17-19 Days	5,000	8,000
20-29 Days	10,000	17,000
30 or More Days	9,000	23,000
Average (Days)	13.6	17.8
Median (Days)**	8.4	9.0

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