

Quarterly Focus: Business Travellers

The 'Quarterly Focus' in the RVM reports investigates in detail a topical issue, or examines in depth a specific market or market segment.

The New Zealand Tourism Strategy 2015 cites both business travellers (in general) and conferences and conventions (in particular) as good sources of shoulder and off season business. It also points out that conference attendees generate high levels of expenditure and business travellers are relatively insensitive to exchange rate fluctuations. Thus the business tourism market is seen as a good prospect in helping to address the wider seasonality and yield issues facing the tourism industry.

With this in mind, our Quarterly Focus looks in more detail at business travellers (including those attending a conference or convention). In particular, we look at who they are, what they do, how satisfied they are, and the degree to which their expectations are being met. For the purpose of this analysis we have defined business travellers as those who indicated their visit was mainly for business reasons, or for a conference or convention.

The Domestic Travel Survey indicates that business travel accounts for 20% of all domestic overnight trips², while the International Visitor Survey shows that business travel accounts for 13% of all international visitor arrivals³. Business travellers have made up 12% of all RVM respondents to date (17% of all domestic respondents and 6% of all international respondents). 62% of these respondents reported travelling for (general) business reasons and 38% to attend a conference or convention.

Results to date show that 77% of business travellers to the RVM regions are domestic visitors and 23% international, although the relative proportions vary quite substantially by region. Business travellers are more likely to be male than female (58% and 42% respectively). As might be expected, business travellers are also more likely than leisure travellers to be on a repeat visit to the region concerned (**77% on repeat visits**, compared with 53% of leisure travellers).

Looking across all RVM regions to date, business travellers are most likely to use domestic flights (51%), private vehicles (16%), or international flights (14%) as their main form of transport to the RVM regions. They tend to stay in hotels (47%), private homes (17%), motels (13%) and serviced apartments (9%).

Figure QF1: Activities/Attractions Undertaken by Business & Leisure Travellers (Nov 05-Dec 07)

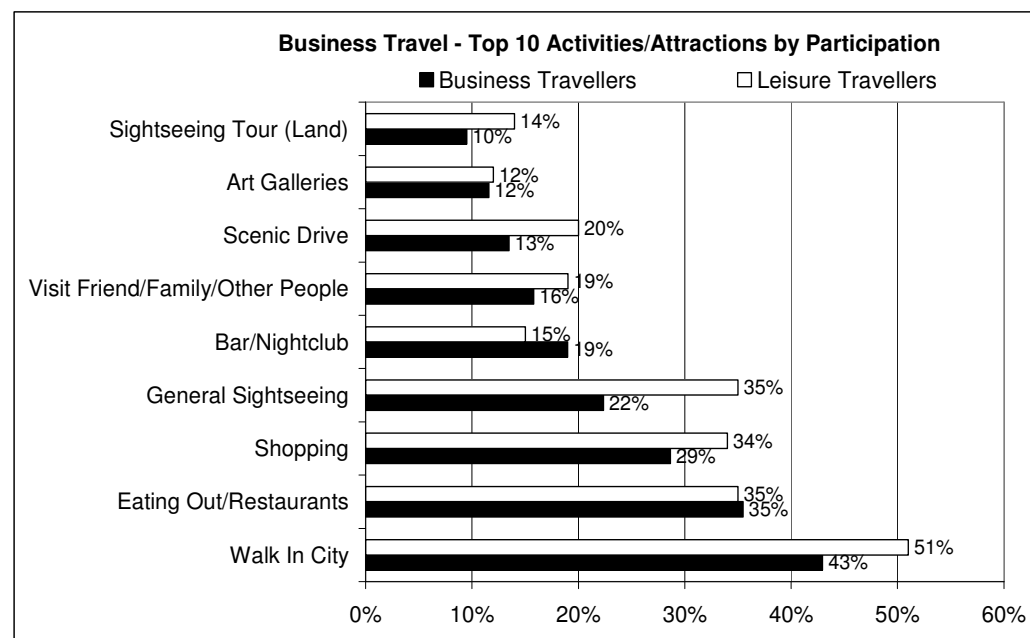


Figure QF1 shows participation in activities and attractions, both by business and leisure travellers. This indicates that business travellers are *less likely* to participate in most activities and attractions than are leisure travellers. However, given that the main reason for their visit is to work or attend a conference, participation in a range of activities is perhaps surprisingly high.

Most commonly business travellers take a walk in the city, eat out, and go shopping. All of these activities are undertaken by at least a quarter of business travellers. Business travellers are also more likely than leisure travellers to visit a bar or nightclub during their stay.

Satisfaction

To date, the average satisfaction rating given by business travellers to the RVM regions has been 8.0 out of 10. This is very slightly lower than the national benchmark for leisure travellers of 8.1.

² Domestic Travel Survey, Ministry of Tourism, YE September 2007

³ International Visitor Survey, Ministry of Tourism, YE December 2007

Figure QF2 below shows the average satisfaction ratings for tourism service providers to date, given both by business travellers and leisure travellers.

This highlights a consistently lower level of satisfaction with service providers – except for bars, pubs and nightclubs, which rate slightly higher with business travellers. Although there is limited variance in satisfaction across the different service providers, accommodation operators receive the highest average satisfaction rating from business travellers (at 7.9 out of 10), and retailers the lowest average rating (at 7.5).

Figure QF2: Satisfaction with Service Providers (Nov 05-Dec 07)

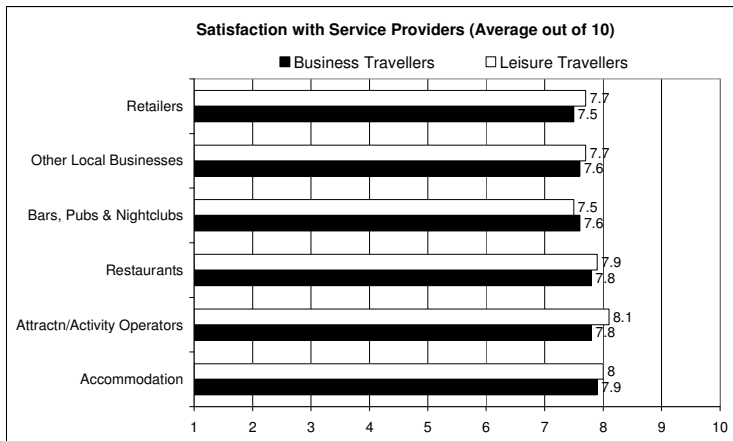
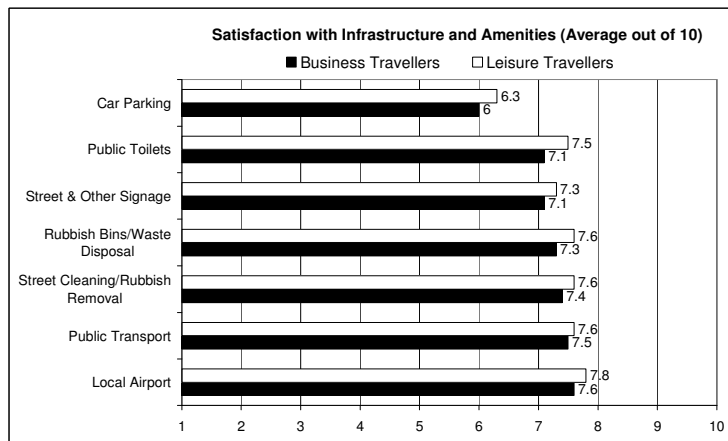


Figure QF3: Satisfaction with Infrastructure/Amenities (Nov 05-Dec 07)



When looking at satisfaction with infrastructure and amenities (Figure QF3 above), a similar pattern is apparent (although satisfaction levels are lower still). Car parking appears to pose a particular difficulty for business travellers who give this aspect of regional infrastructure an average rating of just 6.0 out of 10. At the other end of the scale, airports and public transport rate comparatively well.

Satisfaction with the major modes of transport is broadly similar amongst both business and leisure travellers – except for domestic flights which rate 7.6 out of 10 with business travellers and 7.9 out of 10 with leisure travellers. Satisfaction with the major types of accommodation is also similar between business and leisure travellers.

Figure QF4: Business Travellers – Expectations and Experiences

With these levels of satisfaction in mind, Figure QF4 illustrates the extent to which the RVM regions are currently meeting the expectations of their business travellers.

This shows, for example, that 61% of business travellers arrive in the RVM regions with the expectation of finding “a safe and secure place to visit”, whilst 58% rate the regions highly on this attribute (giving an 8, 9 or 10 on a 10-point scale for “safety and security”).

This highlights the areas in which business travellers have the highest expectations (for example personal safety/security, friendly people, appealing cityscapes, relaxing environments, and vibrant urban atmospheres) and the degree to which the RVM regions are currently meeting the expectations of the business travellers they host.

