Quarterly Focus: Environmentally Sustainable Tourism

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

Since the beginning of Quarter 2 2008 (1 April 2008), a new set of questions has been included in the RVM to track changes in market demand for environmentally sustainable tourism products and services, and to gauge visitors' perceptions of the regions' environmental performance. While trends on these measures will be reported in future Benchmark Reports, the current Quarterly Focus provides some early insights into the way in which visitors are thinking about an issue deemed important to the future of New Zealand's tourism industry.

Results show, for example, that explicit demand for environmentally sustainable tourism products and services is currently moderate: relatively few respondents prioritised environmentally friendly behaviour over other considerations they might have when travelling (such as 'having fun' or 'doing things that are new or different'). Likewise, relatively few indicated a willingness to compromise on price or convenience, or to trade-off desired product features or benefits, in exchange for environmental benefits.

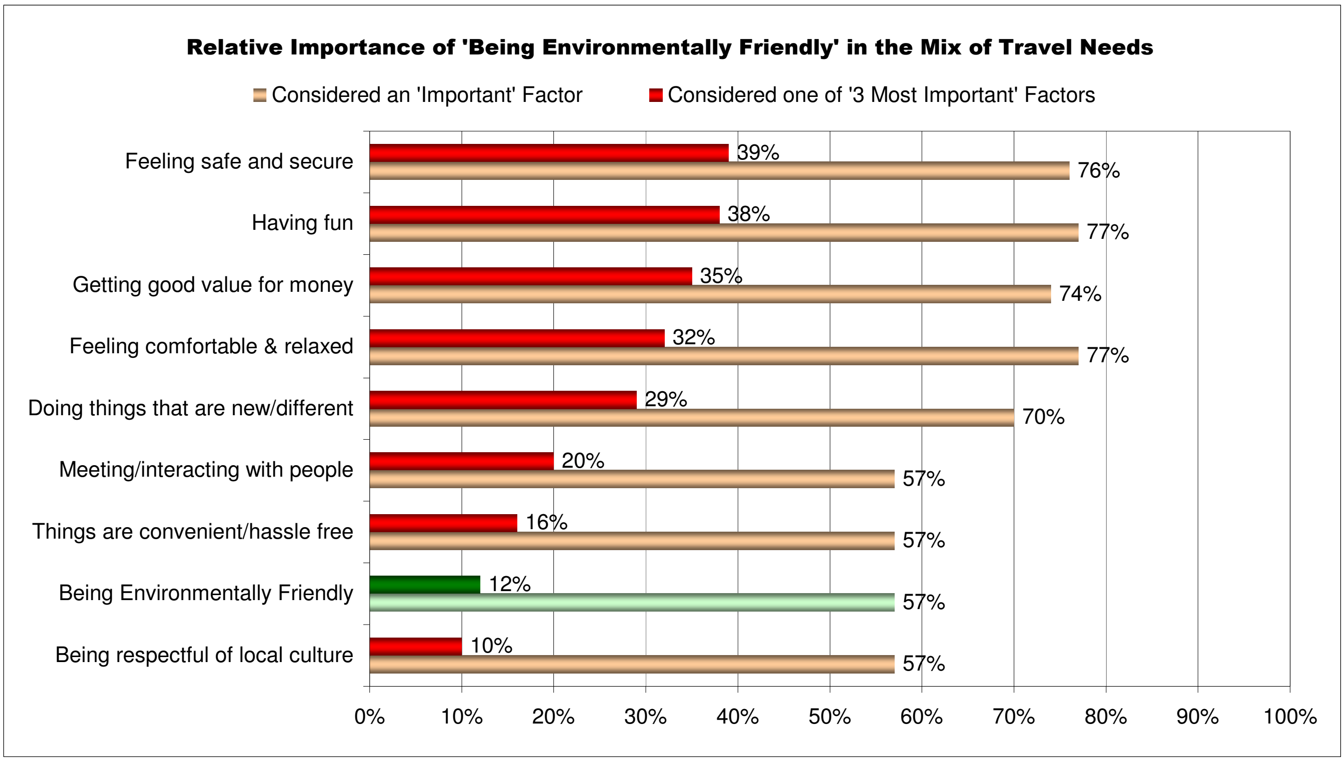
At the same time, results suggest that opinion as to what constitutes an 'environmentally friendly' destination is still forming, with respondents expressing a diversity of views on the 'signs' of sound environmental performance in a region. Despite this, most visitors regard the current environmental performance of the RVM regions in a positive light (although accommodation and transport operators are rated less favourably than activity and attraction operators in this regard).

Demand for Environmentally Sustainable Tourism Products and Services

To help in establishing the level of demand that currently exists for environmentally sustainable tourism products and services - and a baseline against which to assess change over time - visitors were asked to identify which, of a range of factors, were (most) important to them when travelling. In posing this question, there was particular interest in understanding where environmental considerations sat within the broader mix of needs visitors might have when travelling in the RVM regions.

Figure QF1 illustrates that while 'being environmentally friendly' is "on the radar" for more than half of all visitors to the RVM regions, just 12% currently regard this as being of sufficiently high priority to rank in their 'top three'.

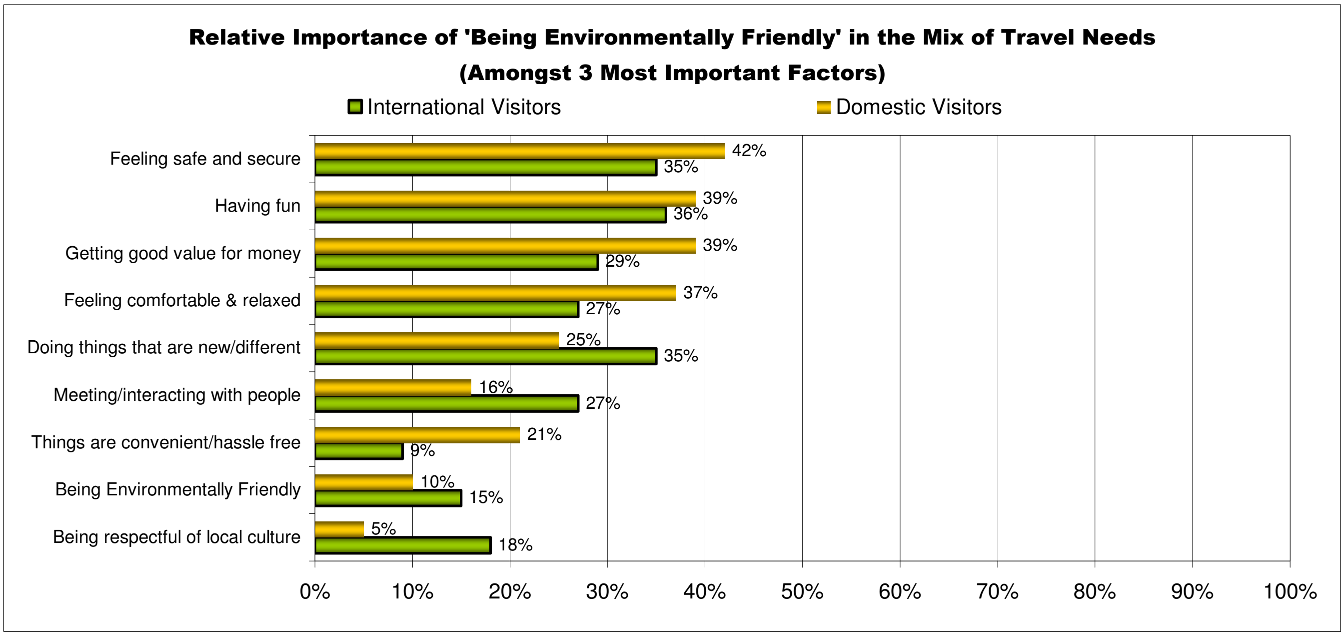
Figure QF1: Relative Importance of 'Being Environmentally Friendly' in the Mix of Travel Needs



Analysis of responses given by international and domestic respondents shows that international visitors are typically more focused on being environmentally friendly in their travels than their domestic counterparts.

They are also more likely to value doing things that are 'new and different' and to consider 'being respectful of the local culture' as important, than domestic visitors. Domestic visitors, on the other hand, place more emphasis on feeling safe and secure, getting good value for money, feeling comfortable and relaxed, and things being convenient and hassle-free, than their international counterparts.

Figure QF2: Relative Importance of 'Being Environmentally Friendly' by Market of Origin

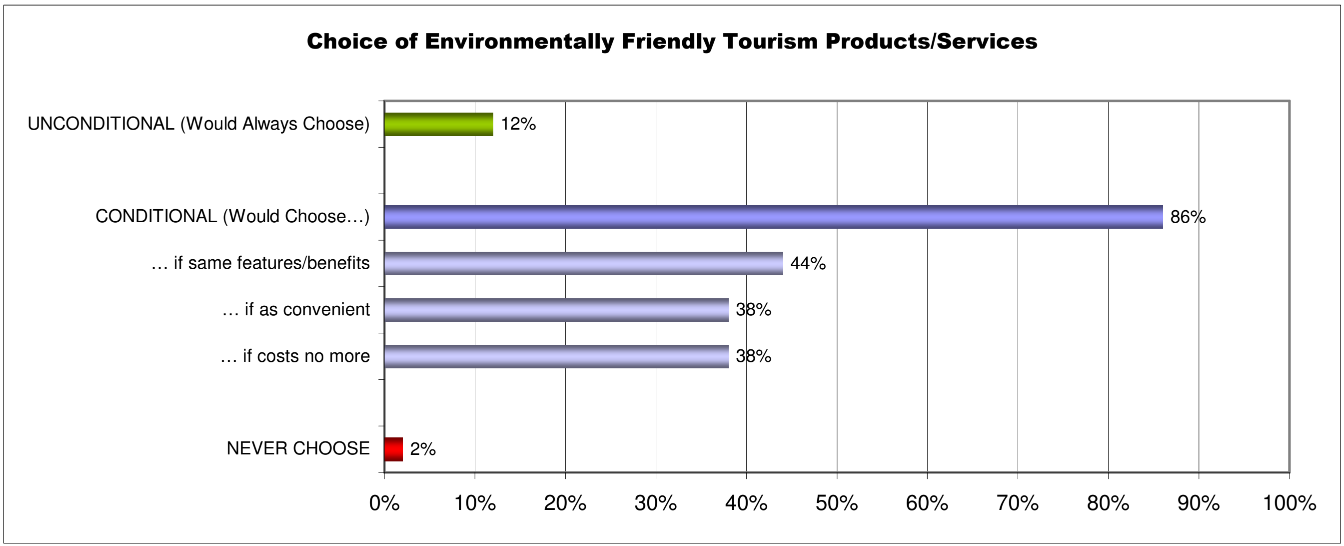


To further clarify demand for environmentally sustainable tourism products and services, RVM respondents were asked *"under what circumstances, if any, would you choose an environmentally friendly product or service over an alternative?"*, with a range of 'conditions' provided as examples.

As illustrated in Figure QF3, just 12% of RVM respondents indicated they would **always** choose an environmentally friendly option over an alternative (that is, irrespective of any 'compromises' that might be required in terms of pricing, convenience and/or trade-offs on features or benefits). However, the proportion indicating they would **always** choose an environmentally friendly option over an alternative increased to 26% amongst those who had identified 'being environmentally friendly' as one of their three most important considerations when travelling.

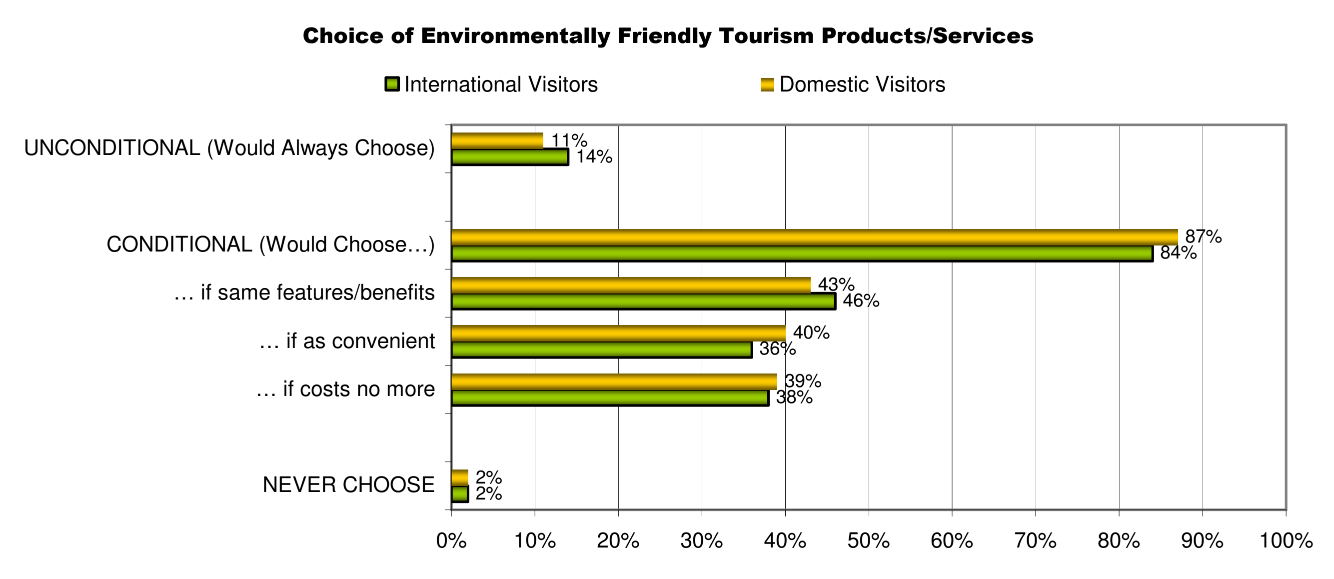
It is notable that a further 86% of respondents indicated they would choose an environmentally friendly option over an alternative, other factors (such as price, convenience and/or features and benefits) being equal.

Figure QF3: Choice of Environmentally Friendly Tourism Products/Services



Interestingly, there is comparatively little difference in the views of international and domestic visitors in this context.

Figure QF4: Choice of Environmentally Friendly Tourism Products/Services by Market of Origin

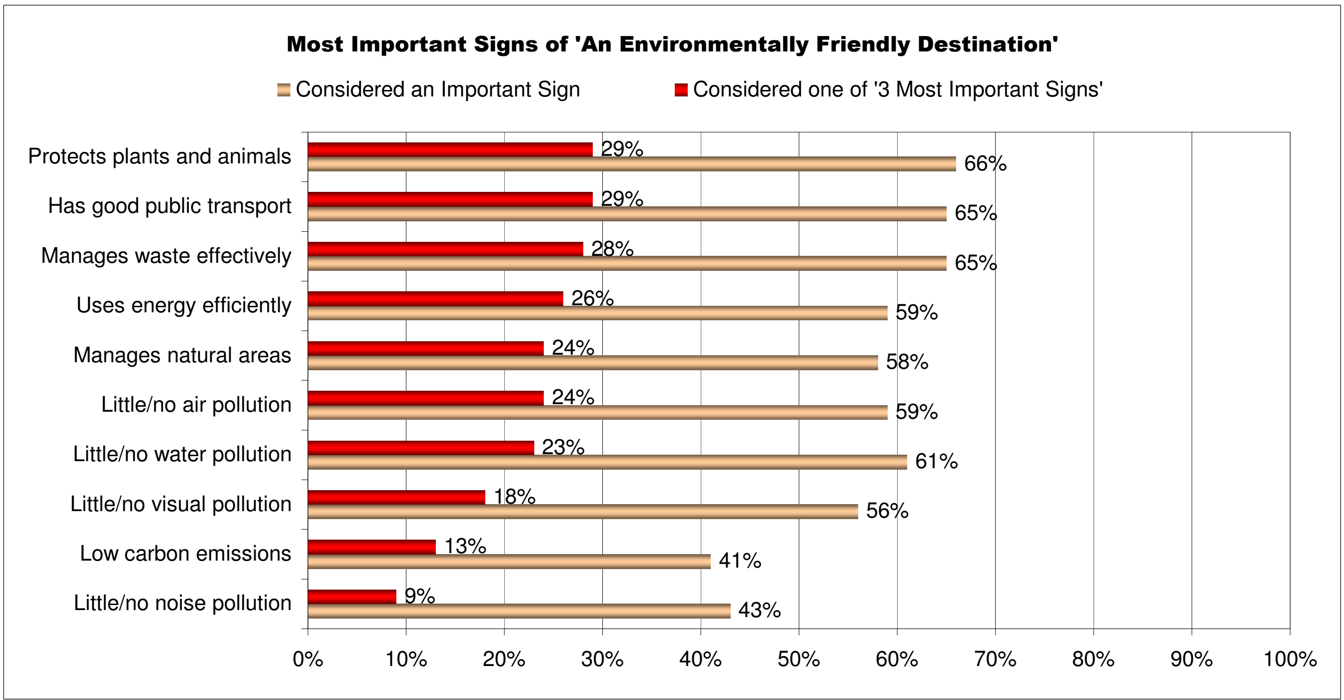


Understanding Visitors' Attitudes and Expectations

To clarify how visitors think about environmental sustainability in the context of tourism destinations, RVM respondents were also asked to consider the 'signs' of an environmentally friendly destination: that is, which of a range of nominated activities, behaviours or outcomes signaled to visitors that a destination was environmentally friendly.

Figure QF5 below illustrates the extent to which opinion is spread, with visitors seeing evidence of regions' environmental credentials in the way they work to protect plants and animals, to manage their waste, to manage their natural areas, to control various types of pollution and to promote use of public transport. While such diversity of opinion may reflect the sheer scale and complexity of the issue, it is possible that this relatively even spread also reflects a market in which understanding and opinions concerning priorities are still forming. Alternatively, it may be that all factors are equally important in the eyes of the regions' visitors. An explanation will no doubt become more apparent as time passes, the RVM survey sample builds, and more detailed analysis becomes possible.

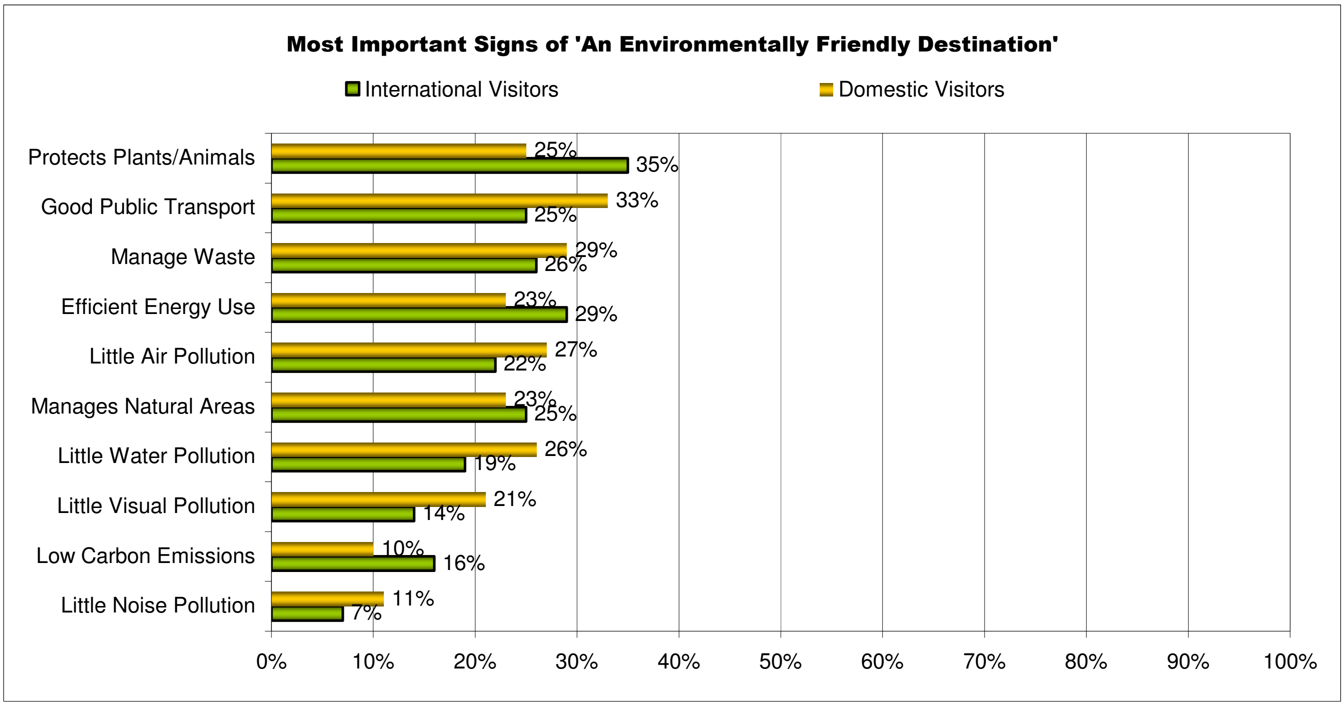
Figure QF5: Signs of an Environmentally Friendly Destination



In the meantime, it is interesting to note that those respondents who nominated 'being environmentally friendly' as one of their top three considerations when travelling were more likely to identify the following as the most important signs of an environmentally friendly destination: 'protects plants/animals' (45%), 'manages waste effectively' (41%), and 'uses energy efficiently' (36%).

As illustrated in Figure QF6 below, international visitors are also more likely to see protection of plants/animals and efficient use of energy as hallmarks of an environmentally friendly destination than domestic visitors. In contrast, domestic visitors are more likely to look to good public transport, clean waterways and clean air as evidence of sound environmental performance.

Figure QF6: Signs of an Environmentally Friendly Destination by Market of Origin



Perceptions of Environmental Performance

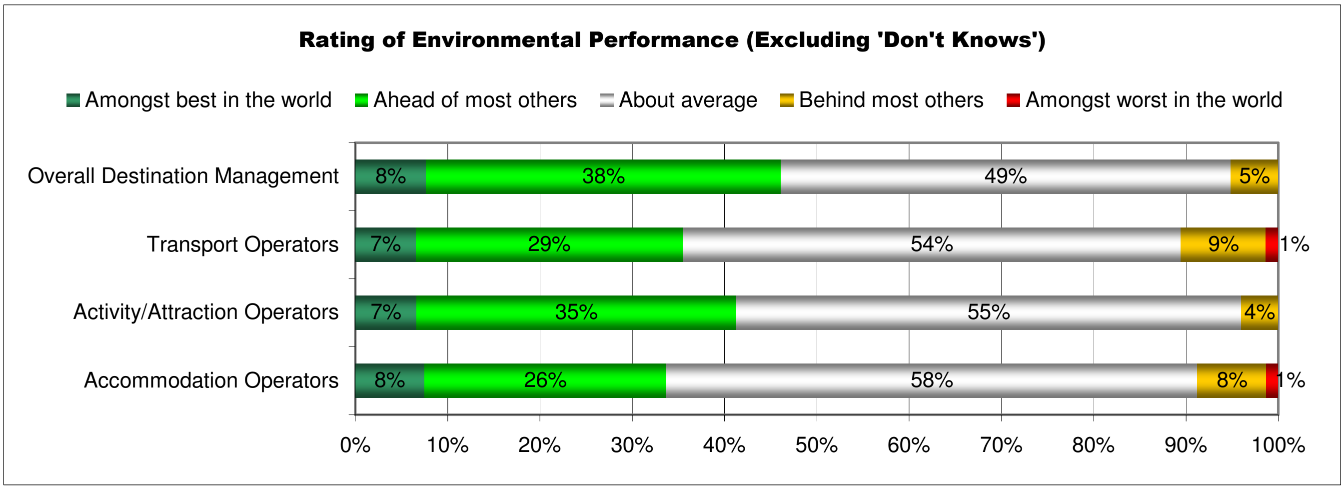
To gauge visitors' perceptions of the current environmental performance of the RVM regions – and to establish a baseline against which to monitor change - all respondents were asked to rate the performance of regional accommodation operators, transport operators and activity/attraction operators, and the overall environmental management of the region in which they were interviewed. To provide some perspective, a comparative scale in which respondents were asked to rate performance relative to other destinations in the world (from 'amongst the best in the world' to 'amongst the worst in the world') was provided.

Between 20% and 25% of respondents were unable or unwilling to assess the environmental performance of the regions, answering 'don't know' on one or more of the four measures included.

However, as illustrated in Figure QF7 overleaf, the majority of those who did provide an assessment indicated that the RVM regions' environmental performance was **at least as good** as elsewhere in the world (i.e. as 'amongst the best in the world', 'ahead of most others' or 'average'). Furthermore, 46% of all respondents saw overall (environmental) management of RVM destinations as world-leading ('amongst the best in the world' or 'ahead of most others') and between 30% and 40% of respondents rated the performance of accommodation, transport and/or activity/attraction operators in a similar vein.

(Refer Figure QF7 overleaf)

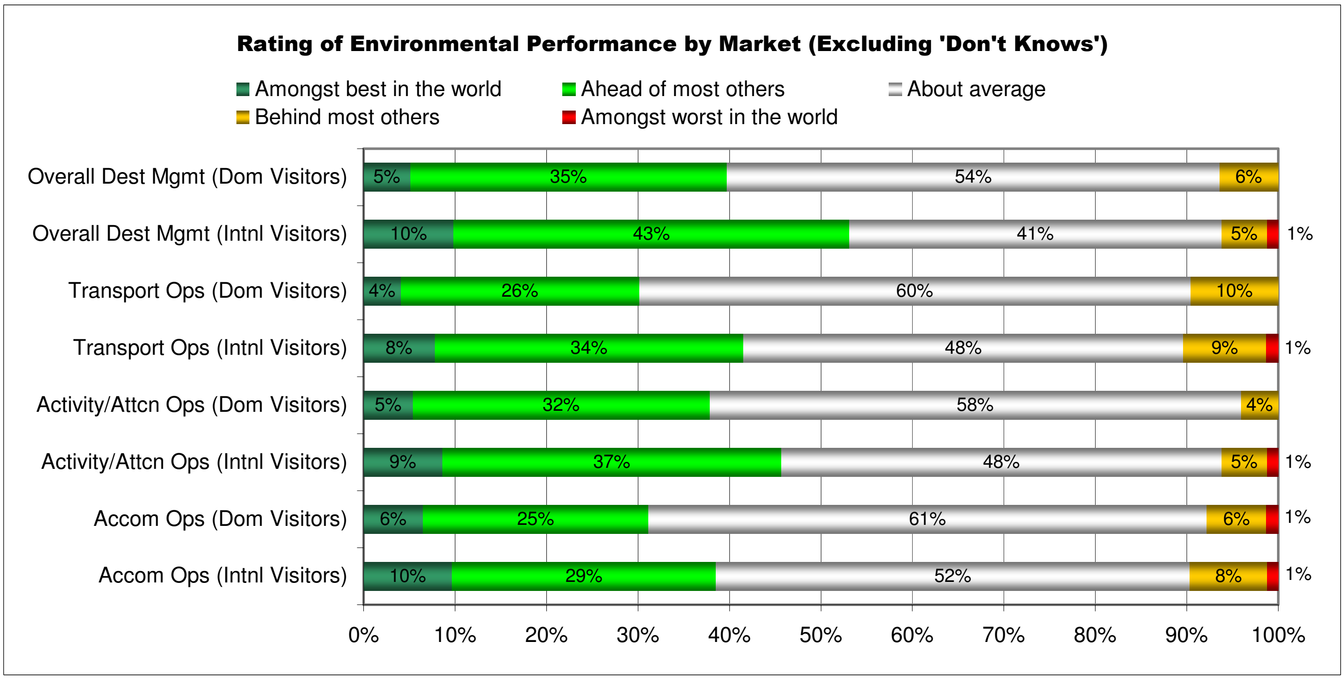
Figure QF7: Rating of Environmental Performance (excluding 'Don't Knows')



Further analysis indicates that international visitors tend to have a more positive perspective on the environmental performance of the RVM regions than their domestic counterparts (refer Figure QF8 below). This is most apparent in regard to the overall management of the destination, but is also evident in relation to the environmental performance of individual operator groups (accommodation, transport and activity/attractions).

At the same time, it is worth noting that up to 10% of international respondents rated the environmental performance of accommodation and transport operators in the RVM regions as inferior to elsewhere in the world.

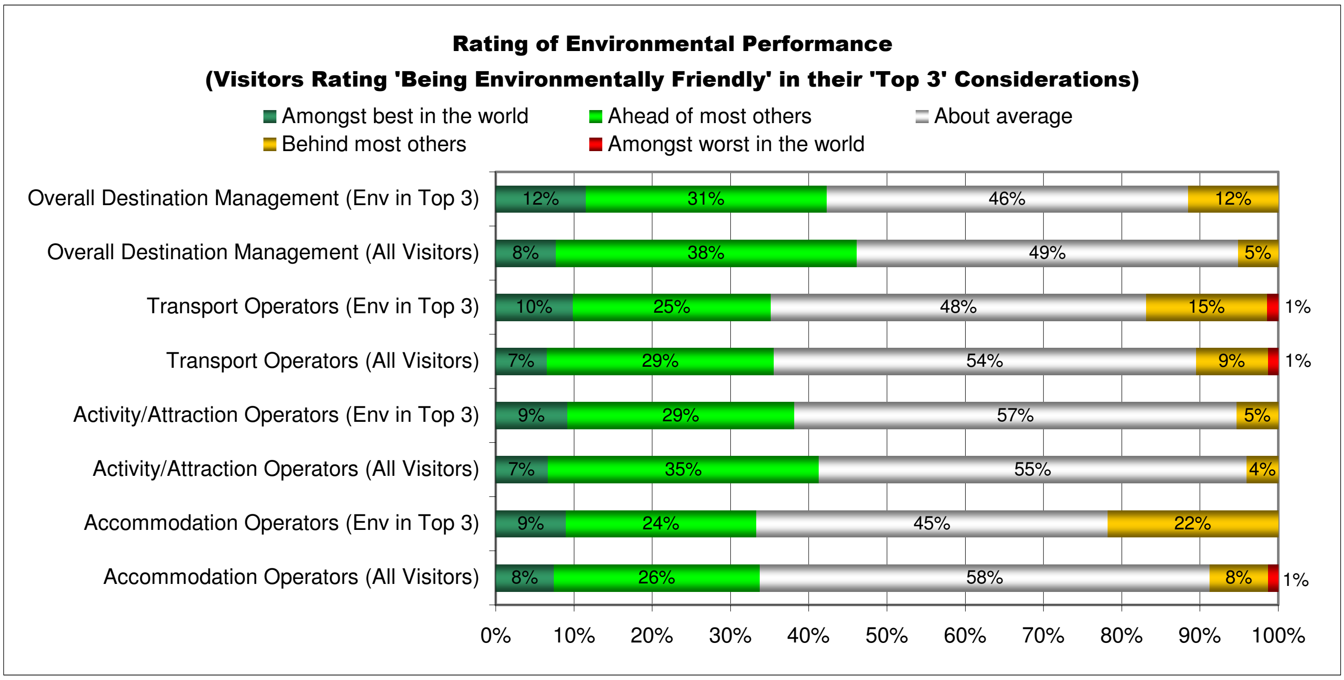
Figure QF8: Rating of Environmental Performance by Market of Origin



Finally, analysis of the ratings given by respondents who indicated that 'being environmentally friendly' was amongst their three most important considerations when travelling highlights that visitors who are more conscious of environmental issues are also more critical of the regions' performance than their less environmentally conscious peers.

As illustrated in Figure QF9 overleaf, this is especially apparent in regard to accommodation operators, but also evident in assessments of transport operators and the overall environmental management of the RVM regions.

Figure QF9: Rating of Environmental Performance by Visitors Rating 'Being Environmentally Friendly' as one of their three most important considerations when travelling



While interesting in their own right, these results also provide a valuable baseline against which to monitor change over time: in particular, growth in consumer demand for environmentally sustainable tourism products and services and changes in the way in which the regions' environmental performance is perceived.

Variances by market segment will also be investigated as the survey sample builds, and a further update will be available in November 2008.