Quarterly Focus: The International Backpacker Market

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

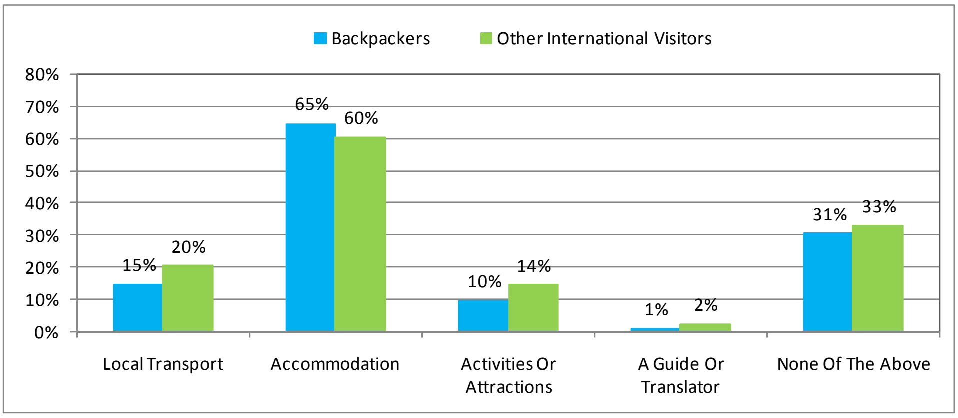
Tourism New Zealand's recently launched 'Go All the Way' campaign recognises the significance of the international youth and 'backpacker' market to New Zealand's tourism industry, and the segment's relative resilience in the face of the present global economic downturn. The campaign aims to encourage backpackers to go beyond Australia and to 'go all the way' to New Zealand. The campaign started in September and will continue until late November/early December 2009. Off the back of the campaign, there is opportunity for the tourism industry to renew its focus on the backpacker market.

With this in mind, this Quarterly Focus considers the needs and characteristics of the backpacker market as reflected in RVM results to date. This analysis is based on a sample of n=4,202 'backpackers' interviewed for the RVM since November 2005. Note that 'backpackers' have been defined as those international visitors choosing backpackers/youth hostels as their main form of accommodation in the RVM regions. This group constitutes 28.7% of all international visitors interviewed for the RVM to date.

RVM results tell us that international backpackers: -

- Most often originate from the United Kingdom or Europe: 26% from UK/Ireland (vs. 22% of other international visitors) and 16% from Germany (vs. 6%).
- Tend to be younger than other international visitors: 42% are aged 15-24 years (vs. 18% of other international visitors) and 45% aged 25-34 years (vs. 27%).
- Tend to travel alone or with friends: 50% travel alone (vs. 27% of other international visitors) and 26% with friends (vs. 14%).

Figure QF1: Incidence of Booking by Backpackers



The RVM shows that the proportion of backpackers NOT booking products or services ahead of their arrival in a region (at 31%) is similar to other international visitors (33%).

Backpackers are **more likely** than other international visitors to book accommodation before arriving in a region, but less likely to book local transport or activities/attractions (Fig. QF1).

Overall, backpackers look for information on a similar range of destination attributes to their non-backpacking peers. However, demand for information about accommodation in the RVM regions is higher in the backpacker market than it is in other international market segments (refer Figure QF2). Relative to other international travellers, backpackers are also heavy consumers of information relating to activities and attractions and local transport options/schedules.

Figure QF2: Demand for Information Prior to Arrival in the Region

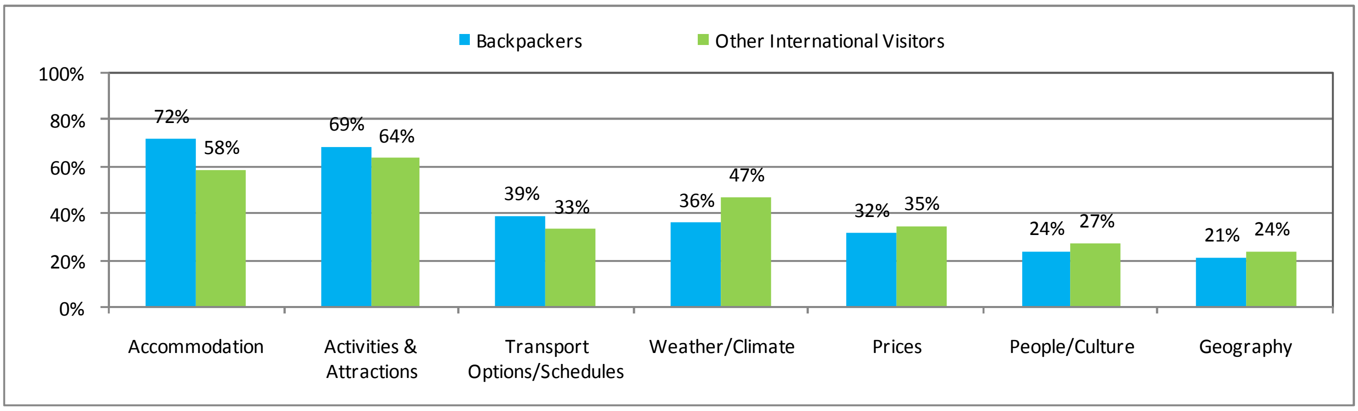
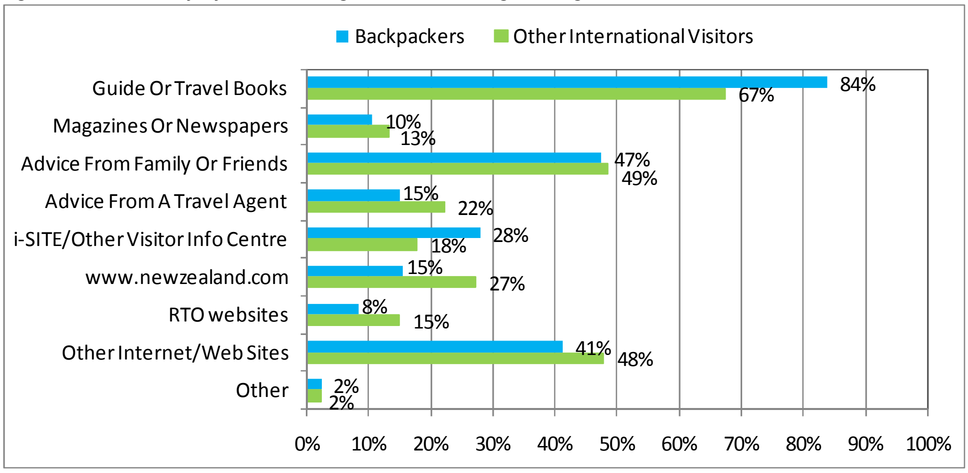


Figure QF3: Sources of Information Sought Prior to Arriving in a Region



In sourcing this information, backpackers rely most heavily on guide/travel books (84%). They also rely on advice from family/friends (47%), websites (41%) and i-SITEs/Visitor Information Centres (28%) (see Figure QF3).

Conversely, and in comparison with other international visitors, backpackers are fairly infrequent users of travel agents, RTO websites and www.newzealand.com.

While backpackers are drawn to the RVM regions for many of the same reasons as other international visitors, there are certain emphases in their motivations that set them apart. As shown in Figure QF4 below, socialising, personal reflection and personal challenge were important in backpackers' decisions to visit the destination. Taking time out, escaping from pressures or indulging in comfort were less important to backpackers.

Backpackers also engage in many of the same types of activities and attractions as other international visitors (refer Figure QF5). However, they are slightly more likely to participate in urban activities/attractions, cultural/heritage/educational activities/attractions and walking/climbing/hiking activities.

Figure QF4: Important in Decision to Visit Region

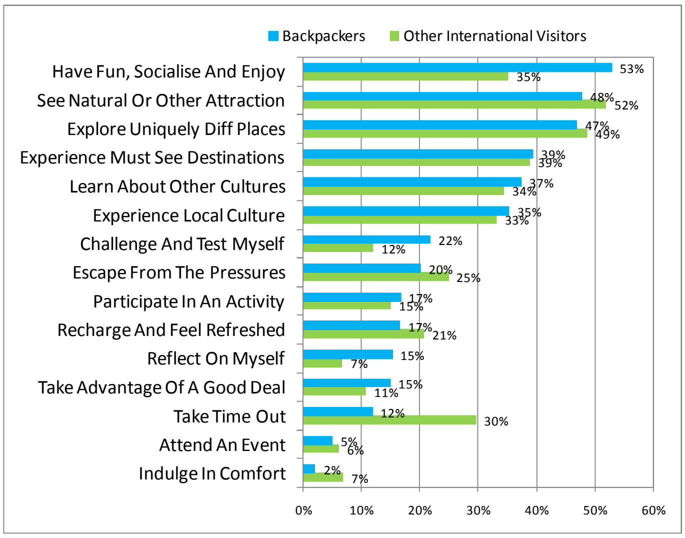
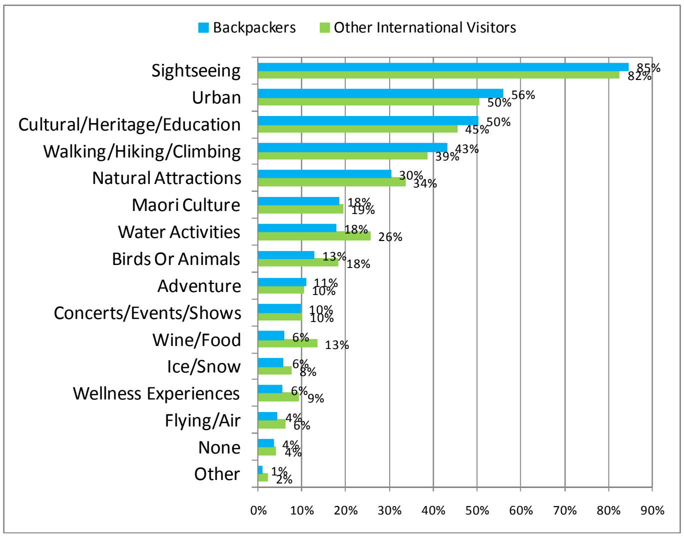


Figure QF5: Activities/Attractions Undertaken in Region



Finally, as renewed focus is placed on growing the backpacker market, it is worth noting that backpackers' overall satisfaction is slightly lower than that of other international visitors, irrespective of market (except for China) (refer Figure QF6). This suggests that further effort may be required to improve the quality of the backpacker experience, particularly given the strong influence of word of mouth and social media in this market.

Figure QF6: Overall Visitor Satisfaction – Backpackers/Other International Visitors – by Market of Origin