International students as domestic tourists in New Zealand. A study of travel patterns, behaviours, motivations and expenditure.

Ministry of Tourism Scholarship Research Report
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A new way to think

Executive Summary

A young person travelling for educational purposes is an ancient global phenomenon that has been practiced by many cultures for hundreds of centuries. Now in the 21st century, this phenomenon is a multi-billion dollar industry with millions of young people travelling outside of their home country to study. These students are now defined as *international students* or *full fee paying students* with the international education industry referred to as the *education export industry.*

It is estimated that during 2007-2008 globally there were 2.9 million students studying outside of their home country and for the year end 2008, there were 88,557 international students studying in New Zealand with 72,914 (82%) of these international students were enrolled in tertiary institutes. The export education industry is worth NZ$2.3 billion to New Zealand's economy and is the country's fifth largest export earner.

International students not only contribute to a country's economy by tuition fees and living costs but also through their travel behaviour. This study compiled a profile of the tertiary international student who travels within New Zealand during their study. This study found that international students travel on a regular basis and, while they economise wherever they can on accommodation and style of eating, they can spend between NZ$397.81 to NZ$688.77 per holiday.

They do not use large travel overseas wholesalers as their choice of tourism product provider but use small regionally based operators. They spend most of their money on attractions, activities and transport and the main reasons

they travel are to chill out, relax and have fun and also to participate in sightseeing.

The following report details the international students' demographics, travel behaviour, what they did and bought on holiday, destinations visited, how they found out about the destinations they visited and why they travelled and how much they spent while on holiday. There is also a section outlining the expenditure benefits that this market segment contributes to New Zealand's tourism industry and it is hoped that this report will increase the tourism industry and operators' knowledge of this valuable and significant market.

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1.0 Introduction

A young person travelling for educational purposes is an ancient global phenomenon that has been practiced by many cultures for hundreds of centuries. Possibly the first recorded instance of this form of tourism was during the 6th century BC at the University of Taxila based in the Punjab region of India (Pearce & Son, 2004). Now, in the 21st century, this phenomenon is a multibillion dollar industry with millions of young people travelling outside of their home country to study. These students are now defined as *international students* or *full fee paying students* with the international education industry referred to as the *education export industry.*

1.1 What this study was all about

International students travel frequently within the country they studying in. This travel is often regarded as integral to the whole overseas education experience and thus a study destination country can significantly benefit from these students' travel expenditure. For the year end 2008, there were 88,557 international students studying in New Zealand with 72,914 (82%) of these international students enrolled in tertiary institutes. As there is little New Zealand based information about the travel behaviours of these students this study surveyed international students studying in New Zealand and their travel behaviour.

An online survey was created that students completed in about 10-15 minutes. All enrolled international tertiary students throughout New Zealand were invited to complete the survey. The students were notified of the survey by fliers, their lecturers, their education providers and general word of mouth. Four hundred replies were received.

The collected data was 'cleaned up' and incomplete surveys as well as replies from international students who hadn't travelled in the past 12 months were deleted which left 221 completed surveys. While this is not a large number of students, this survey was considered a pilot study of which a larger research project will be based on and undertaken in the future.

Basic demographics of international students were collected along with their travel behaviours, destinations visited, how they found out about the destinations they visited, types of accommodation they stayed in, mode of transport used, activities and attractions they participated in and where they ate. Their motivations to travel were also surveyed so that a deeper understanding of this market segment could be gained. Finally the overall expenditure the travelling international student spent while on holiday was calculated. This study concentrated only on overnight trips and not day trips. The findings of this report are presented and discussed in Section Two.

The next section will outline the significance of the international student market globally and also within New Zealand.

1.2 The global international student market

During 2007-2008, it is estimated that 2.9 million students were studying outside of their home countries. Six countries hosted 63 percent of the global international student market with the United States of America the leading study destination with 20 percent (623,850 students) of the market. The United Kingdom had 13 percent, Germany eight percent, France eight percent and Australia and China seven percent each, making up the top six destinations. This is illustrated in the following table.

Table 1: Top host country destinations for 2007-2008 (estimated 2.9 million students)

Ranking	Country	% share	Actual numbers
1	United States	20	623,850
2	United Kingdom	13	389,330
3	Germany	8	246,369
4	France	8	247,510
5	Australia	7	202,448
6	China	7	195,503
Total top 6 countries		**63**	**1,905,010**
7	Japan	5	123,829
8	Canada	4	116,000
	Rest of world	29	841,000
Total other		**37**	**1,080,829**
Overall total		**100**	**2,985,839**

Source: (Institute of International Education, 2009b)

New Zealand, with 88,557 international students, was placed 15th out of the 26 countries surveyed, just behind Italy and Netherlands (Education New Zealand, 2009b; Institute of International Education, 2009a). This figure of 88,557 included all international students (primary, secondary and tertiary) with 72,914 (or 82%) students of this total, enrolled in tertiary education programmes during 2008 (Education New Zealand, 2009b).

1.3 The economic significance of the global international student market

International students contribute to a country's economy both directly and indirectly. Direct contributions to a country's economy are primarily through tuition fees and living costs, and secondly through the travel and tourism they engage in while studying. Indirect contributions occur when visiting friends and relatives (VFR) travel from overseas to visit the student (Arcodia, Mei, & Dickson, 2006). The direct and indirect contributions to countries economy by international students are discussed in the following section.

1.3.1 Direct economic contributions

International students directly contribute to a country's economy in two ways, through tuition and living costs and through travel and tourism expenditure. Countries that have an established export education industry directly benefit in many ways. International students introduce 'fresh money' through the introduction of foreign exchange which, in turn, leads to the creation of new employment opportunities and jobs, travel and tourism benefits and related services and products.

The Australian Education Sector and the Economic Contribution of International Students report released in April 2009, detailed just how lucrative the international student market is to Australia's economy. Ranking as Australia's third largest export earner for 2007-2008 behind coal and iron ore, this is a significant market that directly benefits Australia in many ways. Following are some extracted highlights to illustrate this:

> "Each international student (including their friends and family visitors) contributes an average of $28,921 in value added to the Australian economy and generates 0.29 in full-time equivalent (FTE) workers. Overall, this sees international students, and the associated visitation from friends and family, contribute $12.6 billion in value-added.
>
> The share of education-related travel services has increased from around one per cent of total services exports in the early 1970's to 27 per cent in 2007-08.
>
> International student expenditure in Australia contributes to employment in the Australian economy. It is estimated to have generated just over 122,000 FTE positions in the Australian economy in 2007-08, with 33,482 of these being in the education sector. Total student related expenditure (spending by students and visiting friends and relatives) generates a total of 126,240 FTE positions" (Australian Council for Private Education and Training, 2009).

1.3.2 Indirect economic contributions

Indirect economic contributions occur when overseas relatives and friends (VFR market) visit the student while studying or upon their graduation (Arcodia et al., 2006). This market is lucrative for a country, as not only is it relatively stable in turbulent economic times but often it is viewed as not altogether discretionary and is less likely to be postponed (Ministry of Tourism, 2009b).

Families and relatives of international students often travel to the country where the student is studying to help them settle in, and also upon their graduation. Various studies of international students have found that the majority of the respondents indicated that friends and relatives visited them while studying. Weaver's 2004 study of Australian international students found that 78 percent of his sample reported at least one visit by friends or family during their time of study, while, another Australian study by Michael, Armstrong, & King, (2003) found that 55 percent of their respondents hosted VFR tourists during their course of study.

VFR travellers have a higher than average length of stay, for example, VFR travellers to New Zealand have an actual length of stay of 20 nights compared to 16 nights for those on holiday (Ministry of Tourism, 2009a). International students whose families visited them in Australia stay on average from seven days (Michael et al., 2003) to 15.3 days (Weaver, 2004). With family and friends staying for this duration, there is the time for the visitors and student to consume the tourism product and, in the case of Australia, this amounts to AU$28,921 per student and associated VFR participants (Australian Council for Private Education and Training, 2009).

1.3.3 The direct economic impact of international students on New Zealand's economy

Released in June 2008, The Economic Impact of Export Education report detailed the significant contribution this market makes to the New Zealand economy. Following are highlighted extracts to illustrate the growing importance this market plays in New Zealand's economy:

> "In 1999 the contribution of export education to gross domestic product (GDP) was estimated at $545m. By 2001 this had more than doubled to $1.3 billion. In 2004 the estimated contribution had passed the two billion dollar mark, with the industry's value-added estimated at approximately $2.2 billion.
>
> The number of foreign fee-paying students has been on a downward trend since 2003. Nevertheless, over the 2007/08 period the export education industry generated around $2.3 billion of foreign exchange" (Education New Zealand & Ministry of Education, 2008, p. 5).

Even though there was an overall decline in enrolments for 2008, this did not translate into a decline in revenue as increases in tuition fees resulted in an increase of $5.5 million or 0.9% over the previous year.

During 2008, the education export industry earned NZ$2.3 billion dollars for New Zealand and is now New Zealand's fifth largest industry, behind primary producers, tourism and minerals (Education New Zealand & Ministry of Education, 2008) as shown in the following table.

Table 2: Relative size and value of the education export industry to other industries in New Zealand

RANK	INDUSTRY	VALUE AS AT JUNE 2008	SOURCE
1	Dairy	$8.8 B	Stats NZ
2	Tourism	$8.8 B[1]	Min of Tourism and TIANZ
3	Meat	$4.6 B	Stats NZ
4	Mineral Fuels	$2.6 B	Stats NZ
5	Education	$2.3 B	ENZ
6	Wood	$1.99 B	Stats NZ
7	Machinery	$1.9 B	Stats NZ
8	Aluminium	$1.4 B	Stats NZ
9	Fruit and Nuts	$1.3 B	Stats NZ
10	Fish	$1.1 B	Stats NZ
11	Starch	$1 B	Stats NZ
12	Electrical Machinery	$1 B	Stats NZ

Source: (Education New Zealand, 2009a)

International education plays an important and significant role in a country's economy. One measure of this significance is the percentage of the overall GDP of a country that an industry contributes. The export education industry generated 1.13% of New Zealand's GDP and supports 32,000 fulltime equivalent jobs (New Zealand Vice Chancellors' Committee, 2008)

International students pay approximately NZ$16,181,000 per year in tuition fees (depending on the programme they are studying) to study at a New Zealand University (Education New Zealand, 2009b). Living costs such as rent or board can amount to another NZ$14,500. On top of this already significant economic contribution, there is the tourism and travel that these students undertake, which can amount to $200-$300 per night of holiday (Cloesen, 2006). For example, as at December 2008, 72,914[2] international students were enrolled in tertiary institutes in New Zealand and should all of these international students make even one

[1] This figure includes all education export English language students that enter the country for less than 3 months – on a tourist visa

[2] This figure includes all government funded tertiary institutes, private providers and subsidiary providers such as English Colleges attached to a University.

overnight trip this would amount to NZ$14,582,800 that could potentially be introduced into New Zealand's economy.

1.3.4 The indirect economic impact of international students on New Zealand's economy

There is little data available on the economic impact that VFR participants of international students have on the New Zealand economy. However, in the Education New Zealand & Ministry of Education (2008) study on the economic impact of the export education it was:

> "estimated that the associated spending by visiting friends and relatives of students who may come for graduation ceremonies or to help students to set up at the start of the academic year is approximately 11.0 visitor nights per student, implying approximately 1.0 million visitor nights in total. At NZ$129 per day the additional foreign exchange earnings is around $NZ130million. This is counted in official statistics as revenue from foreign tourism" (p. 2).

The export education industry contributes significantly to the New Zealand economy and even with decreased student enrolments, this industry is still placed fifth in the export industry rankings.

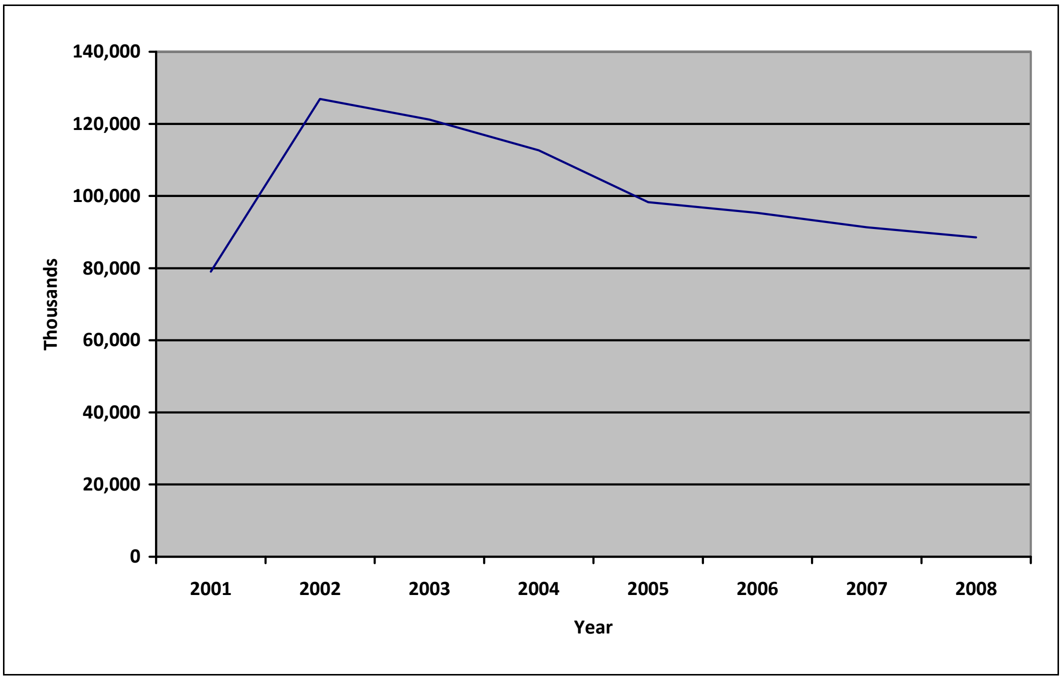
1.4 The New Zealand international student market

The New Zealand international student market consists of four main sectors: the primary and secondary school sector, government funded tertiary institutes including polytechnics and universities, private tertiary education institutions and English language schools.

1.4.1 Enrolment overview and trends

During the 2001 academic year, there was the start of a rapid growth cycle in the number of international students enrolling in all sectors of the New Zealand education system as shown in the graph below. Since then the numbers have decreased and for the year end 2008, there was a further 3.0 percent decrease overall down to 88,557 with 72,914 (82%) of these international students enrolled in tertiary institutes (Education New Zealand, 2009b). The outlook for 2009 is looking positive as private education institutions such as English language schools, have had 18 per cent rise in enrolments with an across the board overall increase of 7 percent in enrolments of international students (Tan, 2009).

Figure 1: Enrolments of international students in all sectors in New Zealand 2001-2008



Source: (Education New Zealand, 2009b)

1.4.2 Where do the international students come from?

The four major generating countries of the New Zealand international student market are China, South Korea, Japan and India. For year end 2008, these four markets contributed 61.5 percent (54,484) of the international tertiary student market, as illustrated in the Table Three. China dominates the New Zealand tertiary international student market with 20,579 student enrolments for year end 2008. South Korea is the second largest market with 17,189 students enrolled and Japan being third having 10,676 students enrolled for year end 2008 (Education New Zealand, 2009b).

Table 3: The top ten major markets of the New Zealand international student market

Ranking	Country	2008 enrolments	% distribution
1	China (incl. Hong Kong)	20579	23.2%
2	South Korea	17189	19.4%
3	Japan	10676	12.1%
4	India	6040	6.8%
5	Saudi Arabia	4100	4.6%
6	Germany	3098	3.5%
7	Thailand	2633	3.0%
8	Brazil	2481	2.8%
9	USA	2251	2.5%
10	Malaysia	2147	2.4%

Source: (Education New Zealand, 2009b)

Even though there has been a decline in international students enrolling in the New Zealand education system, it would appear that New Zealand is still an attractive and viable study destination for international students. New Zealand can provide a study destination that not only is economically viable in both living costs and tuition fees but also has a quality and safe learning and living environment compared to other countries.

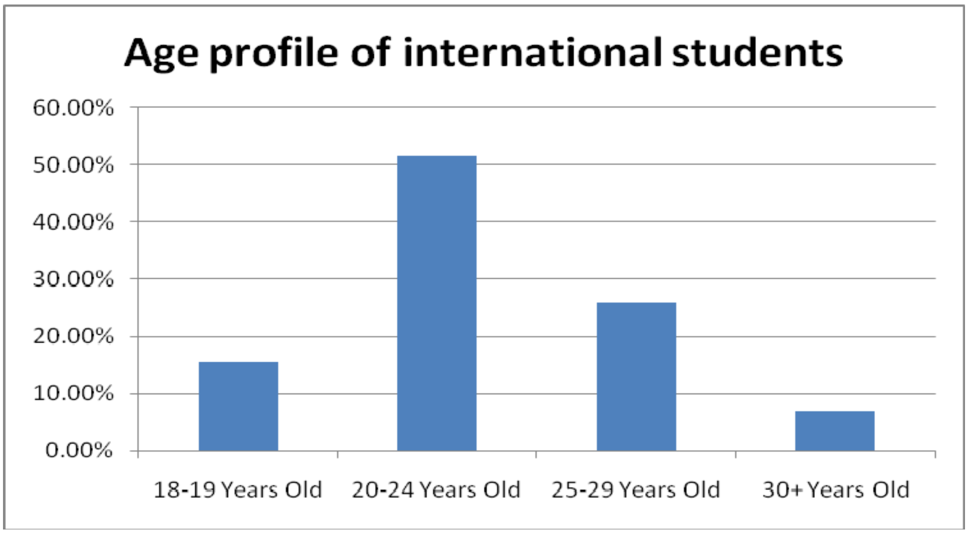
2.0 Findings and analysis

This section outlines the demographics of the students who completed the survey, their travel patterns, behaviour and consumption of the tourism product. Further information on the destinations they visited, how they travelled, where they ate and their motivations for travelling are also discussed. It also outlines how often and when the students travelled and how they found out about the destination(s) they visited.

2.1 Demographics of respondents

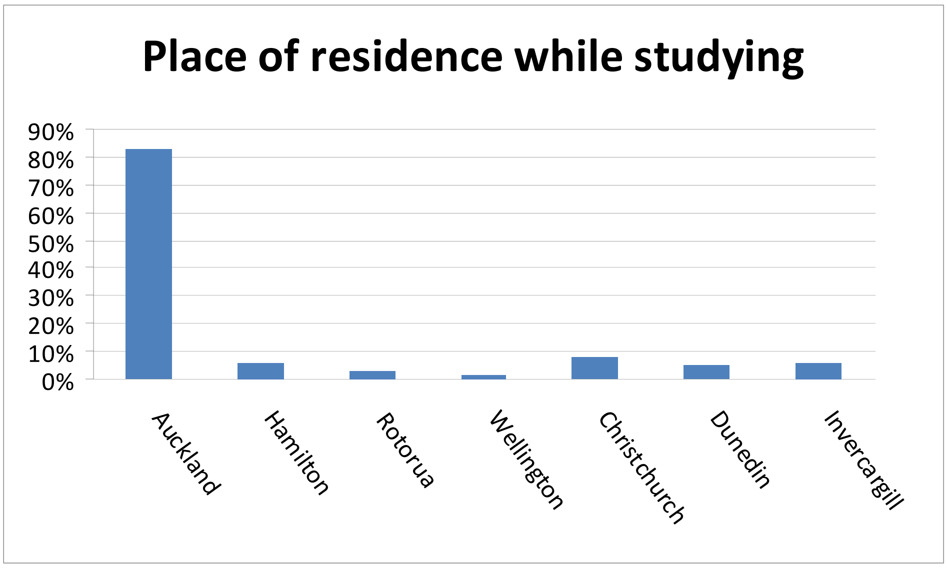
The largest age group of respondents were aged 20-24 years with the ratio of male to female at 53:47 percent respectively as illustrated in the following chart.

Figure 2: Age profile of international students in this study



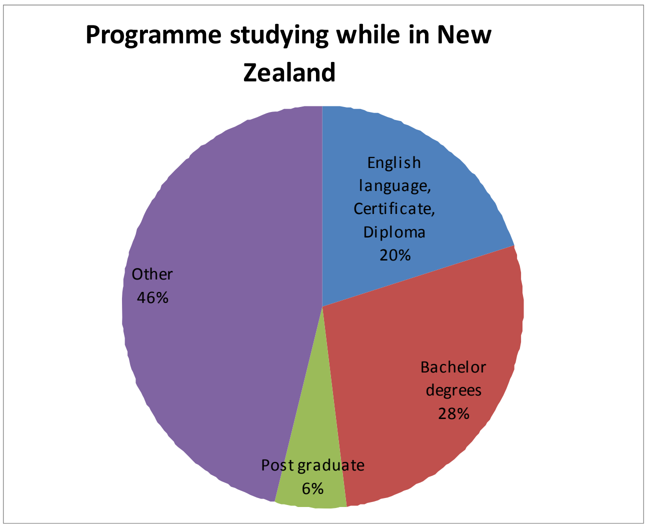
The majority of students (82.6%) who answered the survey lived and studied in Auckland.

Figure 3: Place of residence of student while studying



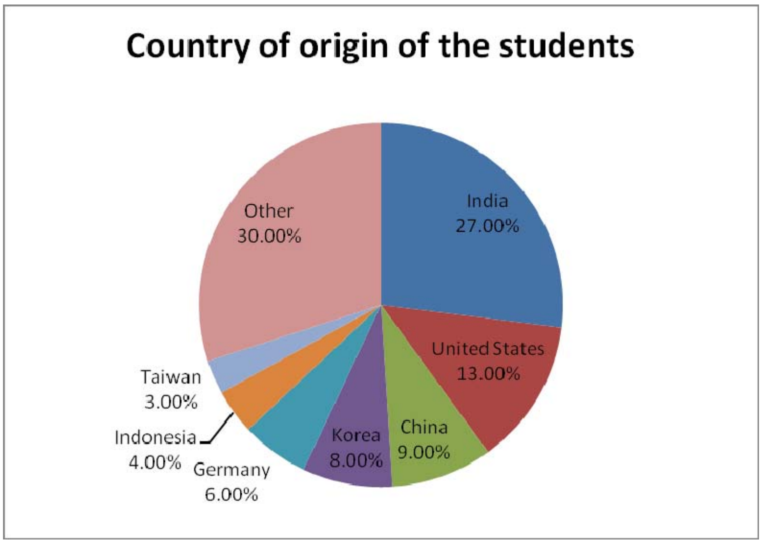
The majority of students (28%) were studying at a university completing a 3 year degree programme and were enrolled in Business and Commerce, Computing and IT, English Language, English and Physiotherapy programmes.

Figure 4: Programme studying while in New Zealand



The stereotypical image that an international student is usually of Asian ethnicity is no longer valid. This study had respondents from over 30 different countries, as indicated in the chart below with the top five countries being India, United States, China, Korea and Germany.

Figure 5: Country of origin of the students



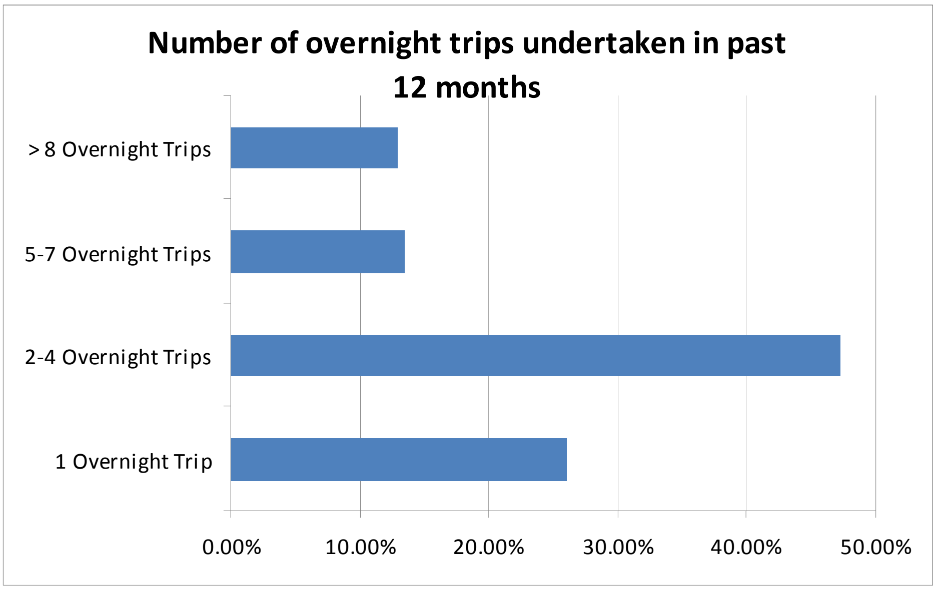
2.2 Trip Characteristics

International students have the time and ability to travel as they can have up to half a year away from their studies on holiday. This study found that international students travelled frequently and often, and spent significant amounts of money in the regions they visited. The majority of students travelled in groups with friends, family or with partners.

Number of trips over the past 12 months

During the last 12 months nearly half the respondents (47.3%) had been on 2-4 overnight trips with a quarter (26.1%) of the respondents having undertaken at least one overnight trip. Over a quarter (26.5%) of students had been on five or more overnight trips.

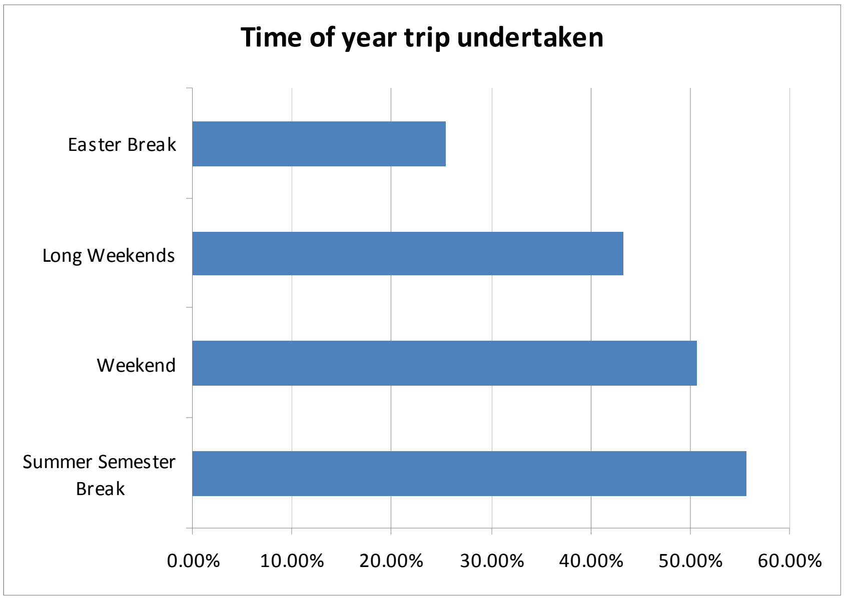
Figure 6: Number of overnight trips undertaken by international students in the last 12 months



Time of travel

Over half (55.7%) of the respondents indicated that during the past 12 months they had travelled during the summer semester break (November-February). Students also indicated that weekends (50.7%) and long weekends (43.3%) were popular times to travel. The least popular time to travel was after a student had completed their qualification, with just six percent having travelled at this time.

Figure 7: Time of year trip undertaken



North Island destinations visited

Students were asked to indicate all the destinations in the North Island that they had visited on any previous overnight trip in the past 12 months. This question was a multiple response question. The majority (82.6%) of the respondents were studying in Auckland; therefore North Island destinations within easy driving distance of 3-4 hours drive were the most frequently visited destinations. This is a similar travel characteristic of domestic travellers. Rotorua was the destination most frequently visited with nearly half (48.3%) of the respondents having visited on their journeys. Taupo was also popular with 40.7 percent of respondents visiting, and Hamilton was the third most visited city with 39.5 percent of the respondents visiting. These results are outlined in the Table Four.

Table 4: Most frequently visited North Island towns or cities by the students

Ranking most to least frequently visited	Most recent overnight trip	Percent of cases
1	Rotorua	48.3
2	Taupo	40.7
3	Hamilton	39.5
4	Wellington	23.8
5	Bay of Islands	23.3
6	Coromandel	21.5
7	90 Mile Beach	19.2
8	Tauranga	18.0
9	Waitomo Caves	14.5
10	National Park	10.5
11	Mt Maunganui	9.9
12	Napier	9.3
13	Bay of Plenty	8.7
16	Hastings	6.4
17	New Plymouth	5.8
18	Raglan	5.2
19	Russell	4.7
20	Palmerston North	4.1
21	Gisborne	2.3
22	Hauraki Gulf and Islands	1.2
23	Te Aroha	0.6

South Island destinations

Students were asked to indicate all the destinations in the South Island that they had visited on any previous overnight trip in the past 12 months. This question was a multiple response question. Of the 18 destinations given, all had been visited (and then some more) by the respondents, albeit in varying frequencies. Christchurch was the most popular with 17.6 percent of all respondents having visited; 13.3 percent of the respondents visited Queenstown and 7.4 percent respondents visited Dunedin. The following table ranks the most to least frequently visited destinations by the students.

Table 5: Most frequently visited South Island towns or cities by the students

Ranking most to least frequently visited	Most recent overnight trip	Percentage
1	Christchurch	17.6
2	Queenstown	13.3
3	Dunedin	7.4
4	Otago	7.4
5	West Coast	6.8
6	Milford Sound	6.2
7	Te Anau	6.2
8	Mount Cook	5.9
9	Canterbury	5.0
10	Wanaka	3.4
11	Franz Joseph	3.1
12	Kaikoura	3.1
13	Fox Glacier	2.8
14	Greymouth	2.8
15	Oamaru	2.8
16	Invercargill	2.2
17	Picton	2.2
18	Golden Bay	1.9

2.3 Consumption of the tourism product

This section records all the activities and attractions, accommodation style chosen, transport used and style of eating the students participated in while on their holiday. This information starts to build a profile of the travel behaviour and consumption of the international student that travels within New Zealand while studying.

2.3.1 Activities undertaken

This multiple response question asked the students to indicate all the activities that they had participated in during the past 12 months. This list was based on Tourism New Zealand's Domestic Tourism Survey. The three most frequent activities that the students undertook were eating out (60.6%); visiting beaches (57.5%) and shopping (40.9%).

Table 5: Activities most frequently undertaken

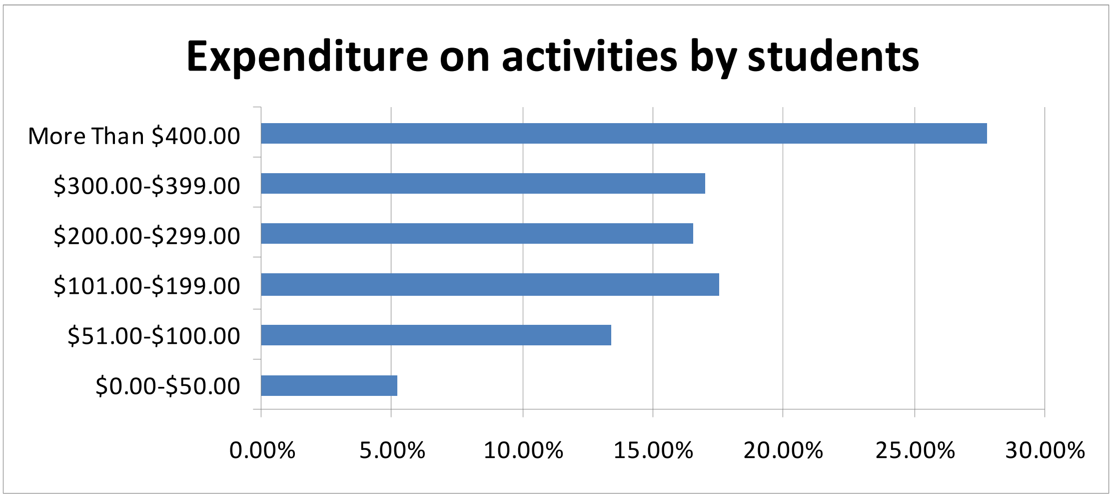
Ranking most to least frequently undertaken	Activities most frequently undertaken on most recent overnight trip(a)	Percent of Cases
1	Eating Out/Restaurant	60.6
2	Beaches	57.5
3	Shopping	40.9
4	Sightseeing Tour (Land)	33.2
5	Swimming	30.1
6	Bush Walk	24.4
7	Bar/Nightclub	22.3
8	Cinema/Movies	20.2
9	Visit Friends/Family/People	20.2
10	Historic Buildings	17.1
11	Geothermal Attractions	15.0
12	Zoos/Wildlife/Marine Parks	14.0
13	Art Galleries	13.5
14	Glow Worm Caves	13.5
15	Bungy Jumping	13.0
16	Kayaking/Canoeing	13.0
17	Maori Cultural Activity	13.0
18	Dolphin Watching/Swimming	12.4
19	Trekking/Tramp - Half Day	12.4
20	Farm Show/Tour	11.9

Source: Field data collected for this research

2.3.2 Expenditure on activities

Respondents were asked to indicate how much money (in New Zealand dollars) they spent on participating in activities during their most recent overnight trip. Over a quarter of the students (27.8%) spent more than NZ$400.00, with 17.0 percent spending $300-$399, and a further 16.5 percent spending $200-$299. Only 5.2 percent spent between up to $50.00. This indicates that 61.3 percent of the respondents spent over $200.00 participating in activities.

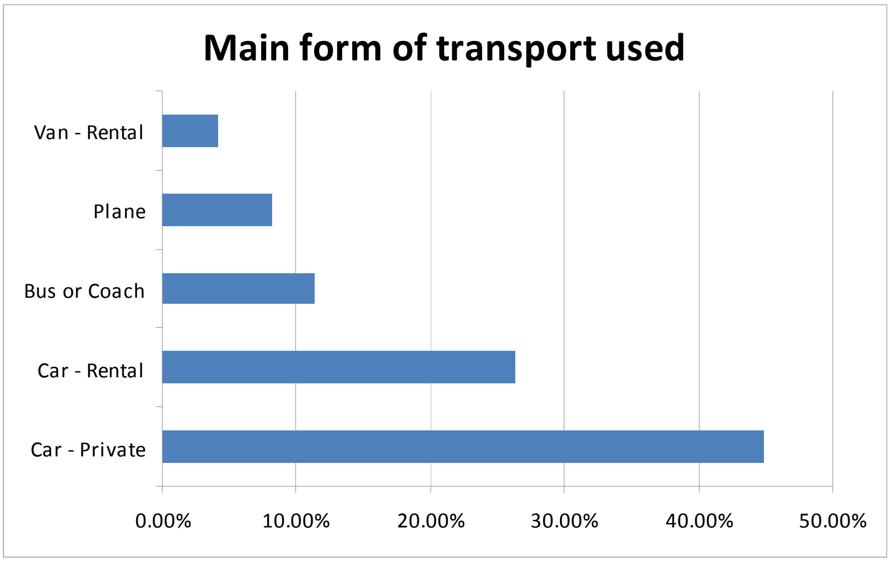
Figure 8: Expenditure on activities by students



2.3.3 Transport used

This question asked the students to indicate the main form of transport that they used on their last overnight trip. Over 70 percent of the respondents used a car as their main form of transport, with 44.8 percent using a private car and 26.3 percent using a rental car. Few respondents used a ship or ferry (1.5%), hitchhiked (0.5%) or took a train (0.5%).

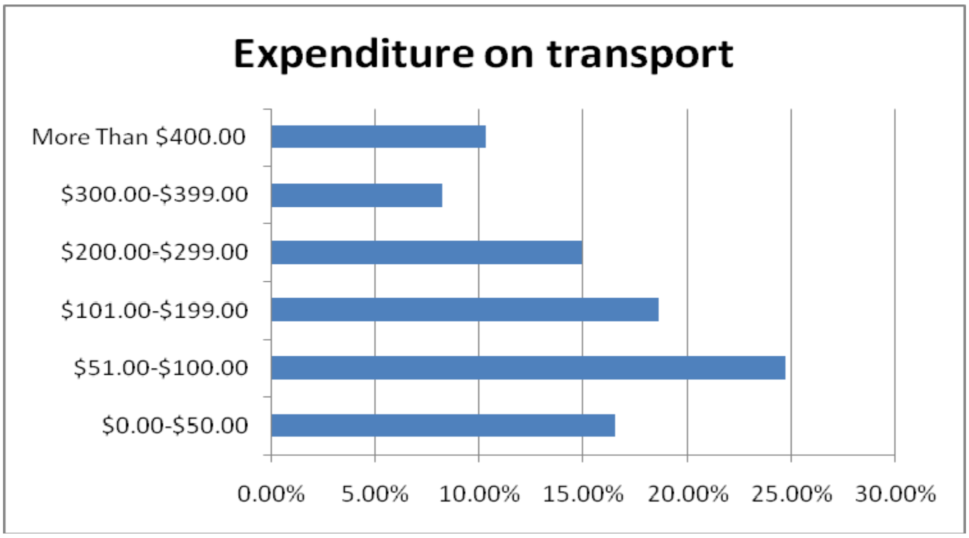
Figure 9: Main form of transport used



2.3.4 Expenditure on transport

Nearly a quarter (24.7%) of the students spent $51-$100 on transportation costs with 18.6 percent and 14.9 percent spending $101-$199 and $200-$299 respectively. Only 18.5 percent spent between $300-400 on transport costs. This is beneficial for the regions visited by the students, as they will need to buy fuel for their cars and thus money is being spent in the regions.

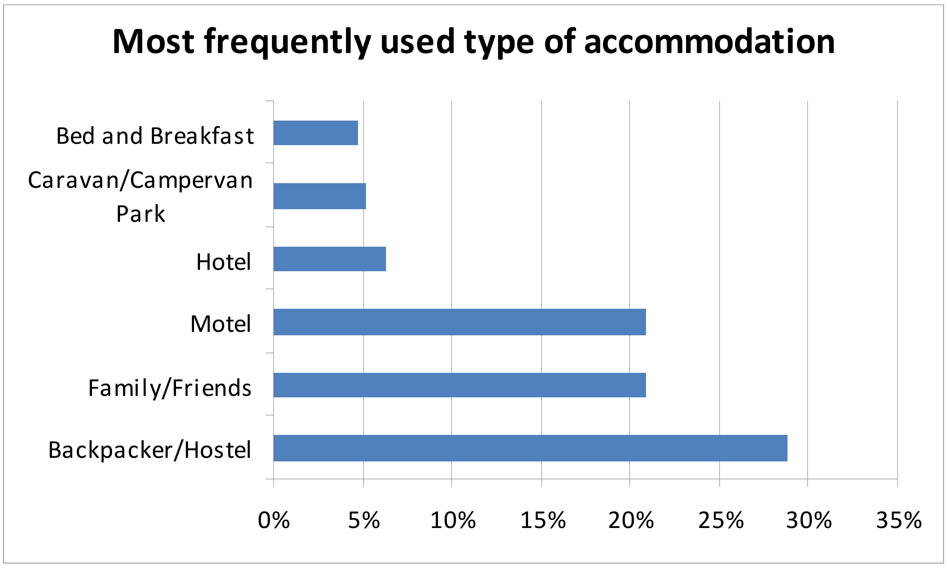
Figure 10: Expenditure on transport



2.3.5 Accommodation type used

The most frequently used form of accommodation by the students was either a backpackers or hostel (28.8%) followed by staying with family and friends and motel, both at 20.9 percent. Hosted forms of accommodation such as Bed and Breakfast (4.7%), farm stay (1.6%) and home stay (0.5%) were the least popular with the respondents. The following chart shows the most frequently used type of accommodation by the respondents.

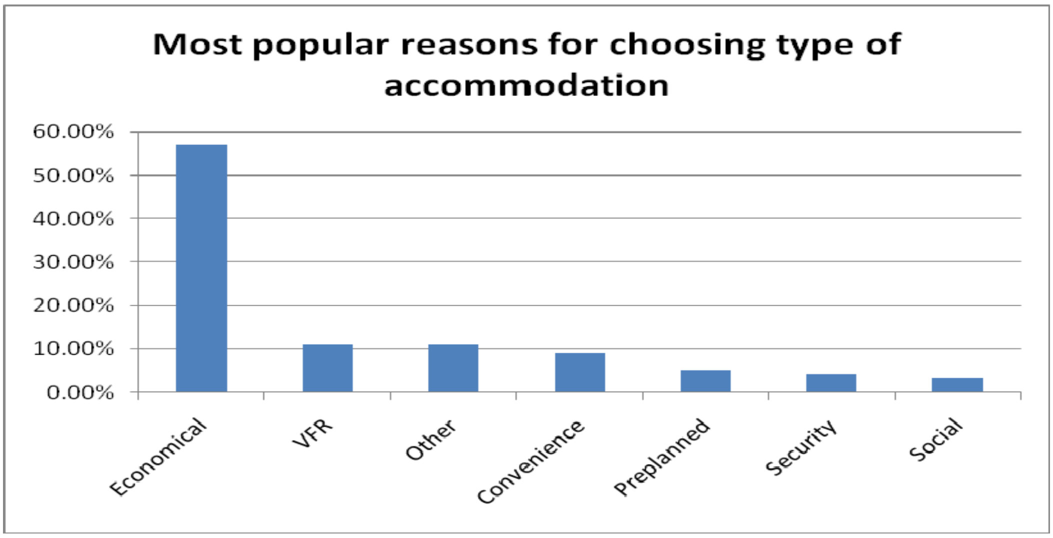
Figure 11: Most frequently used type of accommodation



2.3.6 Motives for choosing accommodation type

Students were asked an open ended question as to why they chose the type of accommodation they stayed in. Nearly 60 percent of the students stated that they chose their type of accommodation for economical reasons. That is they chose cheaper forms of accommodation either backpackers/hostels or stayed with family and friends. The answers were analysed and seven very clear categories emerged, as shown in the following chart. The top two reasons are discussed in further detail on the following page.

Figure 12: Most popular reasons for choosing type of accommodation



1. Economical reasons

The majority of the students (58%) chose the accommodation style based on how affordable the accommodation was. For example, a group travelling together decreased the overall cost per person of accommodation, as explained succinctly by one student who wrote "5 of us = cheap". Other students chose the most affordable type of accommodation so that they could spend more money on activities.

2.0 Visiting friend and relatives (VFR)

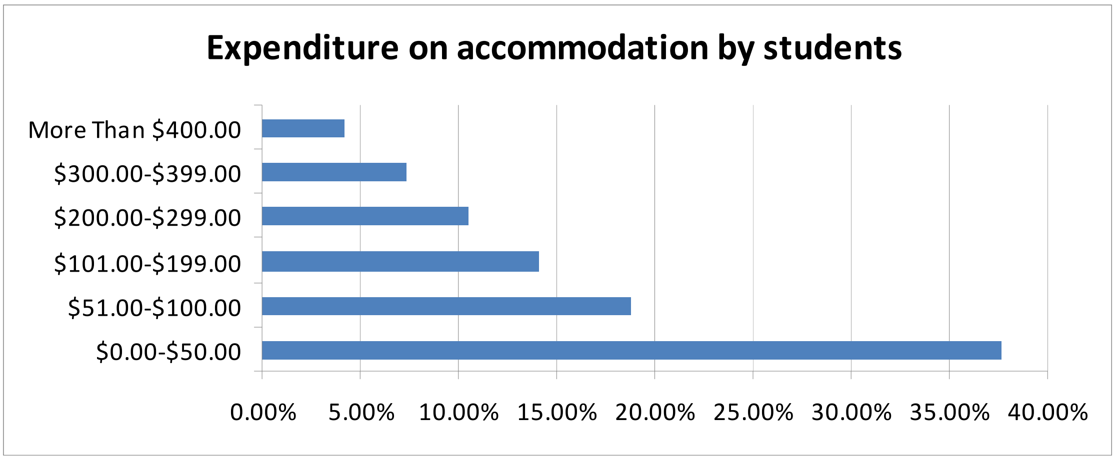
VFR was the second equal (20.9%) most frequently cited motivation for students to choose a style of accommodation. Three main themes emerged about choice of accommodation in the VFR category. Firstly, friends stayed at a private residence to catch up with friends and family with a secondary motive of free accommodation and therefore their accommodation was affordable.

Secondly, invitations for new friends to spend a holiday with a family and stay in a private home with a secondary motive of safety and security were also mentioned. Thirdly, a family group travelling together and the accommodation was paid for by the family and, as the student incurred no cost, a more expensive style of accommodation was the preferred option.

2.3.7 Expenditure on accommodation

Respondents were asked to indicate the amount they spent on accommodation on their last overnight trip. Most students (37.7%) spent up to $50 on their accommodation with 18.8 percent spending $51-$100, and 22 percent of students spending over $200. These low figures are not surprising as nearly half (49.7%) of students chose to stay at economical forms of accommodation such as a backpackers or hostel or, alternatively, by staying with friends, family or relatives incurred no cost.

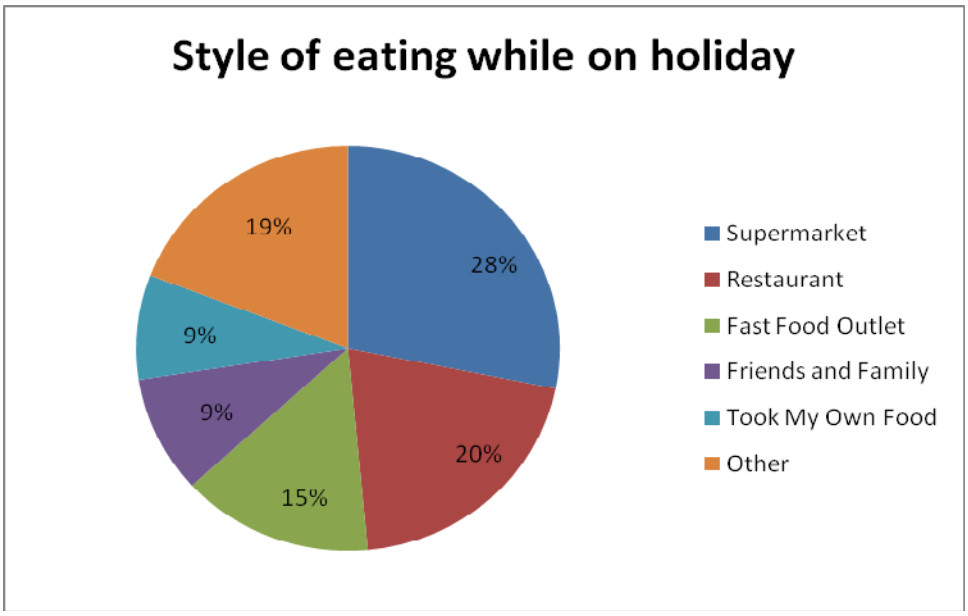
Figure 13: Expenditure on accommodation by students



2.3.8 Style of eating

When travelling the tourist purchases food for meals and snacks and, if this is purchased in the region that they are visiting, it brings economic benefits to the region. The majority of students (28.3%) in this study bought their food from the local supermarket with another 20.4 percent eating at restaurants.

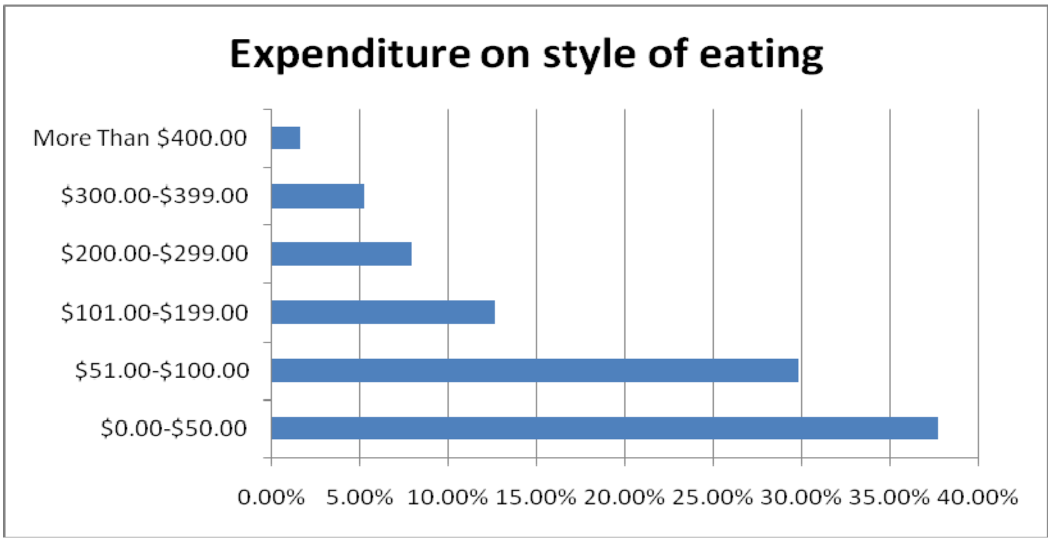
Figure 14: Style of eating while on holiday



2.3.9 Expenditure of style of eating

Students spent economically on their food and meals with the majority of respondents (37.7%) spending up to $50 on food and another 28.8 percent up to $100. Only 6.8 percent of respondents spent more than $300 on food and meals.

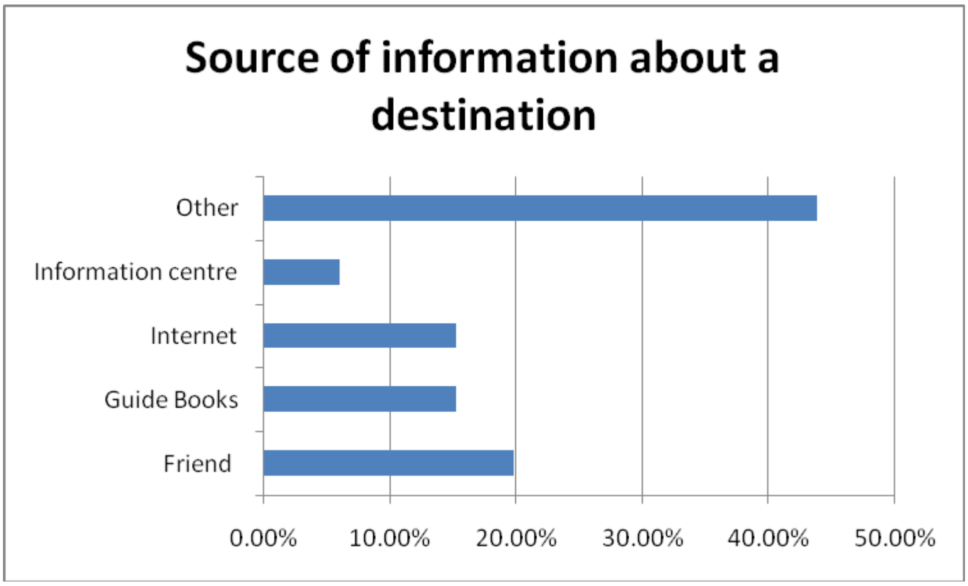
Figure 15: Expenditure on style of eating



2.4 How the students found out about the destination(s) they visited

Students were asked the main source of how they found out about the destination that they visited. The most frequently used method of obtaining information about a destination by all students was word-of-mouth recommendations by friends and family. Nearly 20 percent of the students used this as their main source of knowledge. The internet and guide books (15.2%) were the second sources most frequently consulted by the students for information. Not one student consulted the Automobile Association, used a TV programme or a non English newspaper for information. These sources of information are shown in the following chart.

Figure 16: Source of information about a destination



Students view friends and family as a reliable and trustworthy source of information, in that a friend or family member would only recommend them a destination if they had, undertaken a previous successful visit to that destination.

2.5 Motivations for travel

In the motivations for travel section of the survey, respondents were asked to attribute a degree of importance to 16 motivations that made them travel. By understanding the motivations of why students travel, a tourism product and experience can be offered to the students to meet and match their motivations and expectations.

The students indicated that the motivation ‘to relax, chill out and have fun’ was the most important motivation for them to travel. To ‘go sightseeing’ and ‘go on holiday with friends’ were the second and third most important reasons respectively. Three further reasons were considered important motivators to travel and they were ‘do something different’, ‘increase my knowledge of New Zealand’, and ‘take a break from study’. The three motivations that scored the lowest ‘were participate or support a friend in a sports tournament’, ‘look for career opportunities’ and ‘look for study opportunities’.

From the responses regarding motivations for travel, four major clusters or groups were formed to see which particular motivations were important to these groups. Each group was given a name to reflect their motivations and these are briefly outlined below with the motivations for each group given in descending order of importance.

2.5.1 Group 1 - Sightseeing

This group accounted for 15 percent of the total and the most important motivations for this group are:

’go sightseeing’

‘relax/chill out/have fun’

’take a break from study’

2.5.2 Group 2 - Escape and relax

This group comprised 24 percent of the total and the most important motivations for this group are:

'relax/chill out/have fun'

'escape from day to day life'

'sightseeing'

2.5.3 Group 3 -Take a break with friends

This group made up 30 per cent of the respondents and the most important motivations for this group are:

'relax/chill out/have fun'

'go with friends and family who were also going'

'visit friends, family or relatives'

'go on holiday with friends'

2.5.4 Group 4 - Road trip with family and friends

This group was the largest of all the groups as it comprised 33 per cent of the respondents and their most important motivations are:

'go on holiday with friends'

'go with friends and family who were also going'

'participating in tourist activities and attractions'

but they did not visit friends or family

3.0 Discussion

There are a number of points that can be drawn from this study which warrant further discussion. It is important to remember that the number of students who responded to the survey was relatively small and mainly based in Auckland.

3.1 Who is the international student in 2009?

As previously discussed, the stereotypical image of an international student being an Asian is no longer valid. New Zealand as a study destination is now attracting large numbers of students from a variety of ethnicities. Over 30 different ethnicities were represented in this study with the largest ethnic groups being India, United States, China, Korea and Germany, with relatively equal numbers of male and females. The majority of the respondents were studying in Auckland which was expected, as the majority of international students are based in Auckland.

The majority of students are aged 20-24 and were studying for a three year Bachelors degree at a University. This is positive for the industry, as these students study in New Zealand for a significant period of time (up to 3 years) and while for the main holidays they may return to their home countries, they have the opportunity to travel a number of times during their period of study.

3.2 Travel characteristics

International students travel in groups comprising of friends, family or with partners. They travel during the summer break November – March, at weekends and over long weekends. Few travel after they have completed their qualification. They travel often, with nearly half the respondents having made 2-4 overnight trips over the past 12 months. This market segment sees travel as important during their time of study and so will participate regularly.

3.3 Destinations visited and transport used

Students mainly travelled by rental or privately owned car to destinations within an easy driving distance of 3-4 hours of the city or town where they were studying, just as domestic tourists do. For the North Island, Rotorua, Hamilton and Taupo were frequently visited while Christchurch, Dunedin and Queenstown were most frequently visited in the South Island. The costs of travel were shared between the group members. Few students took advantage of cheap train and airfare offers to travel to their destination.

3.4 Consumption of the tourism product

International students tend to economise on accommodation, preferring to stay in backpackers, hostels, motels or with family and friends. The ability to share accommodation and therefore minimise costs was an important factor in determining the style of accommodation they chose. Economically affordable accommodation properties that have rooms that can sleep groups will be viewed favourably by the international student. Self catering facilites are also important to the students because, to further economise, the majority of students bought their food from a supermarket.

While they may economise on accommodation, this group spend their money on activities and attractions such as dolphin and whale watching, sightseeing tours and clubbing.

3.5 How did they source information about their destination?

Students acquired their knowledge about the destinations they visited from three main sources, primarily from friends and families, then secondly from guide books and the internet. Students view word of mouth recommendations as reliable even though the medium is informal. Formal forms of information such as the Automobile Association, TV programmes and non English newspapers were never used by the students.

This finding is important as these primary sources of information are relatively inexpensive, and result in effective marketing for tourism operators. Therefore, any tourism operator who wants to attract this market must have an internet presence and, as word-of mouth recommendations are free, they need to provide an excellent and consistent experience to all of their customers and guests. Repeat and referred business is not difficult to capture with this market segment.

3.6 Motivations to travel

The three most important motivations for students to travel are 'relax/chill out/have fun', 'go sightseeing' and 'go on holiday with friends'. These three motivations scored highly amongst the students and for each of the identified four groups at least one of these motivations appeared. This is a significant finding for the tourism industry for two main reasons.

Firstly, to relax/chill out/have fun, a student will need to travel to the regions, thus leaving the stresses of a large city behind them. This means that regions economically benefit from this market segment and the economic benefits are not just concentrated in urban areas. Secondly, students are motivated to participate in activities and attractions and thus will spend money to do so; again, the end result being the regions benefit economically.

3.7 So how economically viable is this market segment?

This segment is a valuable contributor to the New Zealand economy as they travel on a regular basis and, while they economise wherever they can on products such as accommodation and style of eating, they also spend their money in the regions. They also do not use large travel overseas wholesalers but use small regionally based operators as their choice of tourism product provider.

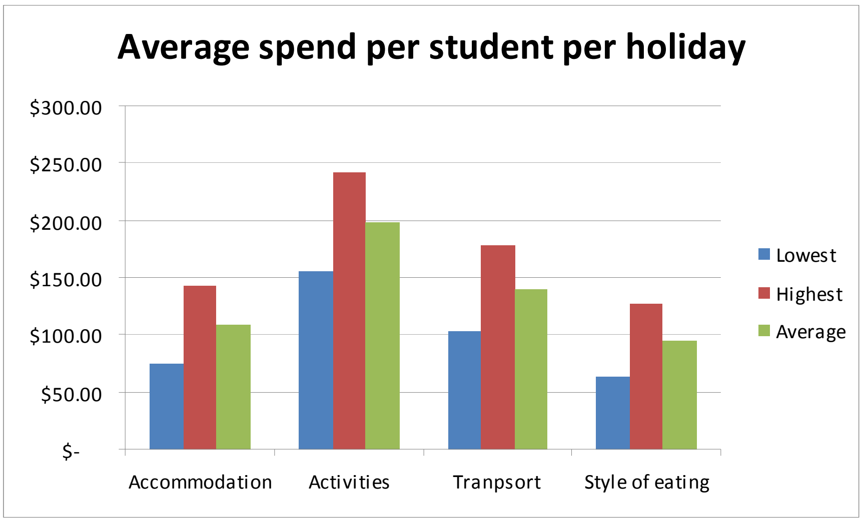
The students were asked to indicate by a range (e.g. $100.00-149.00) how much they spent on accommodation, activities, transport and style of eating during their last overnight trip. For each of these expenses the lowest and highest figures were calculated using the number of responses and then averaged out for each expense to give a range. These ranges are shown in the following table.

Table 6: Overall expenditure of the students

Expenditure item	Lowest	Highest
Accommodation	74.52	142.83
Activities	156.00	241.49
Transport	103.63	177.76
Style of eating	63.66	126.69
Total	**397.81**	**688.77**
Total spend 1 night stay	**397.81**	**688.77**
Total spend per day over a 2 night stay	**198.91**	**344.39**
Total spend per day over a 3 night stay	**132.6**	**229.59**
Total spend per day over a 4 night stay	**99.45**	**172.19**

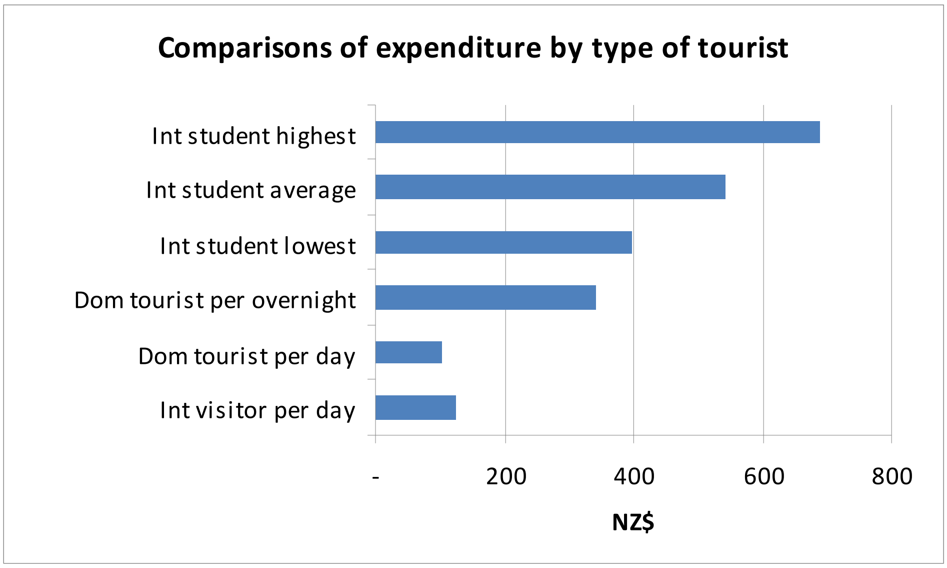
Students spend significantly when they are on holiday with the average spend between NZ$397.81 and NZ$688.77 and the most being spent on activities and transport.

Figure 17: Average spend per student per holiday



Comparing these figures to other market segments, this segment's expenditure is significant to New Zealand's economy. International visitors to New Zealand spend $125 per day; with domestic tourist spending per overnight trip $341 which is a similar figure to the international student. The following chart illustrates the average expenditure per person of international arrivals (excluding airfares) per day and the average expenditure per day trip and overnight trip of domestic travellers in New Zealand

Figure 18: Comparisons of expenditure by type of tourist



Source: International Visitor Survey (IVS), Ministry of Tourism, 2009
Source: Domestic Travel Survey (DTS), Ministry of Tourism, 2009
Source: Field data collected for this research

Furthermore, little marketing (apart from the initial marketing to attract the students to study in New Zealand which is usually undertaken by tertiary education providers) is required to entice and encourage the international student to travel. This segment is economically viable and contributes significantly to the regions of New Zealand.

4.0 Further research

As previously discussed, this research project should be treated as a pilot study which further research can build upon. For further research to be significant and valid, then a larger number of replies would need to be obtained. This would increase the validity and reliability of the results.

However, this research project has highlighted a number of issues that need further investigation. Firstly, there is some indication that ethnicity plays a role in participation in certain activities. This area warrants further research in order for valid segments of this market to be identified, thereby informing tourism operators so that they can market their product in an effective manner with maximum return.

Secondly, the uptake in Maori cultural tourism attractions was disappointing by this group of international students. Research needs to be undertaken to find out why students choose not to participate in this activity and how they can be encouraged to do so.

Thirdly, 57 international students indicated that they had not travelled in the past 12 months. Barriers as to why this significant number of students did not travel need to be identified, as New Zealand's tourism industry and economy are not realising the maximum economic benefits that this segment can contribute.

Fourthly, international students from outside the Auckland area were appreciably under-represented in this research project. To gain a greater understanding of these international students from regional tertiary institutes, research to understand if they have different motives for travelling, such as to seek out further study opportunities, needs to be undertaken.

There are a number of different types of international students, including but not limited to, Study Abroad students from America, short term English language students, university students and private tertiary college students. Further research would benefit if it was to investigate whether these groups are homogenous or in fact have differing needs, motivations and expectations and tourist behaviour.

What this research study has illustrated is that the international student market is significant in size and that they are frequent travellers. Their travel patterns show that they travel outside of the main urban areas and spend money within regions, thus distributing the economic benefits throughout New Zealand. This segment of the tourist market is under-researched but, with all stakeholders working in tandem on further research projects then greater understanding of this significant market can be achieved, thereby benefiting all stakeholders.

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