

**Is Auckland ready for Chinese travellers?  
An analysis of Chinese tourists' urban destination requirements  
and Auckland's capability to provide them**

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## ABSTRACT

The Chinese tourists market has become the 4<sup>th</sup> largest inbound market for New Zealand in 2007; it also ranks 6<sup>th</sup> in terms of expenditure. Chinese visitors spent a total of NZ \$352 million to the year December 2006, an average of NZ \$3,340 per person (Ministry of Tourism, 2006). The latest statistics released from New Zealand Tourism Research Council show that 122,045 Chinese visited New Zealand by the year ended January 2008. These crucial statistics – market size, length of stay and average spend – indicate the necessity for the New Zealand tourism industry to understand and provide for Chinese expectations and requirements. Auckland is New Zealand's key gateway, and it is vital that Auckland provides a first good impression for the rest of country. Chinese travellers visit New Zealand with great desire and expectations of experiencing an exotic land. They expect Auckland, as the biggest city in New Zealand, to provide them with a memorable city experience in a developed country.

The purpose of this research is to study Chinese tourists' expectations and travel experiences, with a particular focus on investigating whether Auckland can provide suitable services and experiences which match their requirements and expectations. The research will build on the study by Bull (1991) and Ryan (1995), which looked at supply demand relationships and at the tourism industry attempts to balance the supply with the actual demands. It will also build on work by Zhao (2006) and Qu (2006) which explored the dimensions of Chinese demand and distribution channel factors at both origin and destination. The goal is to establish which factors are adequate or inadequate. A synthesis of the demand supply situation will enable the development of recommendations. It is envisaged that these recommendations could be adopted by local government and the tourism industry, either as actions or as improvements to policy.

With regards to the purpose of this research, a qualitative method was decided as the most relevant approach. Qualitative methods are useful for revealing and understanding what lies behind any phenomenon about which little is known. Grounded theory is a qualitative research method that was developed for the purpose of studying a social phenomenon, and to generate a theory relating to a particular situation (Strauss & Corbin, 1994). The historical bases of the grounded theory

approach matches the aim of this research, namely to reveal the relationships between tourists and the tourism industry and to gain a better understanding of Chinese tourists' expectation and satisfaction, and the level of the service which the Auckland tourism industry provides to Chinese travellers needs to match the Chinese market and requirements of travellers. The interviews were conducted with both Chinese travellers and the Auckland tourism industry, including hotel managers, restaurant managers, gift/souvenirs shop assistants, tour guides, and so on.

The research shows Auckland is not ready for Chinese market yet. This result comes from three aspects: firstly, most Chinese tourists do not have clear requirements or expectations of Auckland before they come to New Zealand. This is mainly because of the limited promotional materials available in China about Auckland. Secondly, Chinese tourists do not have many opportunities to get to know Auckland's attractions and activities after they arrive in Auckland. Auckland city is New Zealand's most popular urban tourism destination in terms of population and gateway function provides tourism facilities and services to Chinese tourists. However, the findings highlighted most Chinese tourists found Auckland's tourism attractions to be unattractive to them due to the language barrier and itinerary issues. Thirdly, the research also found Chinese tourists have been driven away due to lack of hotel accommodations in Auckland, especially in the shoulder or high seasons. Auckland's accommodation facilities are facing a challenge. The increasing domestic and international visitors' numbers and insufficient hotel accommodations will be the major problem for Auckland for the next decade. Most of the Chinese tourists who were interviewed expressed their hope of knowing more about Auckland, however, these hopes will go unrealised until the city provides better attractions and more services for them.

## **1. INTRODUCTION**

When visiting New Zealand many Chinese tourists go to Rotorua to experience Maori culture and different lifestyles. Maori culture, which is unique to New Zealand, is a major aspect of New Zealand's national heritage. Some Chinese tourists also visit national parks to experience unspoiled and natural environments. Despite New Zealand being far from major population centres of the world, one of its greatest assets in an increasingly environmentally conscious world is its wide open spaces and spectacular and relatively unspoilt environment. So why do Chinese tourists come to Auckland? Is it because it is the biggest city in New Zealand in terms of its population or do they visit Auckland because of its gateway function? In China there are 44 cities like Auckland with a population of over one million. Shanghai is the biggest city in China with 19 million people (China National Travel Association, 2007), which is approximately 14 times of Auckland's population and 4 times that of New Zealand's total population. Obviously, Chinese tourists do not come to Auckland because of its population density or city size. However, they do expect to have some unique experiences in a city within a developed country and they wish to have a world-class visitor experience in Auckland. So, how much do they know about Auckland? Is Auckland attractive to Chinese tourists? Does Auckland have some worth to Chinese tourists so that they must come to see it? Does the Auckland museum satisfy their curiosity or tourism desires? Does Auckland cater to Chinese tourists as well as to those from other countries? Did Chinese tourists have the unique experiences they expected when visiting Auckland? The aim of this research is to discover the answers to these questions.

China is the 4<sup>th</sup> largest tourist generating country for New Zealand after Australia, the UK, and USA in 2007. It is the 6<sup>th</sup> largest tourism expenditure generating country for New Zealand. The Ministry of Tourism predicted that China would become the 4<sup>th</sup> largest market in 2009, surpassing Japan. In fact, China surpassed Japan in 2007. The Ministry of Tourism also predicted that China will be the 3<sup>rd</sup> largest tourist generating country for New Zealand by 2015. The total Chinese visitor arrivals are forecast to increase by 113.8 percent by 2012 (Ministry of Tourism, 2007). Chinese tourist travel is expected to grow by around 10–15 per cent per year for the next five years, though at a gradually slowing rate due to competition from other “Approved Destination

Status” (ADS) countries. Chinese visitors spent a total of NZ\$337 million in the year to March 2007, an average of NZ\$2,789 per person (Tourism New Zealand, 2008). Lately, New Zealand Tourism Research Council (NZTRC) released data showing that 122,045 Chinese tourists arrived at New Zealand by January 2008. These crucial statistics – market size and average spend – indicate the necessity for the New Zealand tourism industry to understand and provide for the expectations and requirements of the Chinese tourist.

The challenge for New Zealand is to develop a significant tourist city, which is capable of reinforcing its importance in the international system of cities. As an established trading nation linked to the global economy, New Zealand needs a world-class city. Auckland is New Zealand’s only metropolis at an international scale. It is also New Zealand’s major international gateway and leading destination; it offers a wide range of urban tourism and recreational activities (Pearce, 1992). Being a vital key in the country’s prosperous tourist economy, Auckland is also New Zealand’s largest centre for employment, and the region’s hub for professional services, cultural activity and higher education. Tourism plays a large part in the Auckland region’s economy as it pumps in well over \$3 billion each year (TNZ, 2007). By having a significant role in the sector and the local economy, tourism supports numerous businesses and jobs throughout the region. Auckland region is New Zealand’s most commercial region, ahead of Wellington and Christchurch. The city’s ports (both shipping and air) have 75 per cent of the country’s imports and 40 per cent of its exports (TNZ, 2007). Tourism Industry Association New Zealand (TIANZ) chief executive Fiona Luhrs says: *“Tourism is a major driver of Auckland’s and New Zealand’s economy, but we can do more to maximise the yield from the twelve million visits international and domestic travellers make to the Auckland region each year”* (TNZ, 2007). According to Tourism New Zealand’s statistics in 2006, the Chinese tourist sees New Zealand as being mostly composed of two places only: Auckland and Rotorua. The latest report for 2007 shows 90 per cent of Chinese tourists visit Auckland for their New Zealand trip. They spend \$221 million in Auckland and the number of nights that they stay in Auckland is over one million (Ministry of Tourism, 2007).

The aim of this study was to explore the dynamics of the outbound tourism phenomenon in China, with the particular focus on investigating whether Auckland as

an urban tourism destination provides suitable services that match the market and the requirements of Chinese travellers. The researcher provided several management and marketing recommendations with regards to best practise for the future development of Chinese tourists travel to Auckland. The relevance of the research to policy planning is also reviewed along with a brief suggestion for future research. This thesis thus provides a more holistic picture not only of the Chinese tourists (demand side) but also the “supply perspective” in Auckland.

The recommendations are in regards to the monitoring and managing of secondary tourism products in Auckland, such as accommodation and transportation. It is difficult to promote a destination to large groups since there is no sufficient infrastructure to accommodate a big volume of tourists in particular during the peak season. This factor influences Chinese travel agencies to hesitate to sell Auckland as a destination given its lack of infrastructure and facilities. It is a timely opportunity for New Zealand government and tourism organizations to play an important role in creating a positive destination image and assisting improvement for infrastructure and services.

## 2. CHINESE TOURISTS IN AUCKLAND

Auckland is the most popular urban tourism destination and serves a gateway function for the country to which it is the major contributor to the national economy. It is vital for the Auckland tourism industry to be aware of the challenges of the Chinese market and take measures to strengthen their position to benefit from this special market.

Table 1 Chronological approach to compare the data

Before	During	Departure
Insufficient information	Primary elements	Impression of Auckland
Unsuccessful brand	Secondary elements	Auckland VS. other cities
	language issues	New Zealand VS. other countries

The researcher used a chronological approach to compare and analysis data in this chapter (Table 1). Data has been divided into three time periods: before Chinese tourists arrive; after they arrived; and before they departed from Auckland. First, the researcher discovered and analysed the requirements and expectations from Chinese tourists before they come to Auckland – how they obtain information about Auckland; what kind of image they have about Auckland; what they expect to see in Auckland; and, their requirements to hotel facilities. Second, the researcher presented the data

about the satisfaction levels after Chinese tourists arrived in Auckland. The data explored the satisfactions about Auckland’s tourism products, for example, attractions and activities; and, hotels and restaurants. Finally, the researcher released the results of the impressions of Chinese tourists to Auckland/New Zealand compared with their previous travel experiences.

## 2.2 BEFORE ARRIVAL

Many studies (Johnson & Thomas, 1992; Vanhove, 2005; Burkart & Medlik, 1981) of tourism demand, which were mentioned in Chapter Two, state the relevant variables necessary to explain why tourists need to travel. Qu and Lam (1997) state that the increasing number of Chinese tourists traveling abroad and the future growth of this market depend on two major essentials: the barriers and the financial ability to travel. However, according to the interview results from Chinese tourists, the researcher found that destination information availability also heavily affected their imaginations and travel demand to the destination. Harryaway (1999) notes tourism products cannot be pre-experience and are immovable. So it is a difficult challenge for tourism suppliers who must figure out how to inform potential customers about their products, given fact that tourism is largely an information business prior to and though to the actual sale of services.

### 2.2.1 Insufficient information

#### 2.2.1.1 No way to know New Zealand

The researcher interviewed thirty-two tourists; they mentioned eight different ways of knowing about New Zealand or Auckland when they were in China. These are: Internet, travel consultants, TV, radio, magazines, newspaper, advertising on the streets and word of mouth. According to interview results, the researcher merged and finalized five main ways of obtaining information (Table 2).

Table 2 The five main ways used by Chinese outbound tourists to obtain information

Method	Access Level	Language	Info about NZ/Auckland	Info about Tourism NZ / Auckland
Internet	24 hours	Chinese/English	Many	Some
Travel consultant	limited	Chinese	Some	Few
TV/radio	limited	Chinese	Few	Very few
Newspaper	limited	Chinese	Few	Very few
Word of mouth	limited	Chinese	Few	Very few

The Internet has been listed as one of the main sources of getting information about New Zealand or Auckland. The Chinese tourists explained the reasons of using Internet: first, is its convenient. Internet information accessible 24 hours a day and people can access the Internet and information anytime they want – the information is always there. However, the relative information at a library or on TV, or through the radio cannot be accessed anytime. For example, the information about New Zealand may only show on certain programs on TV on certain days – this cannot be accessed at any time. Secondly, CNTA's (2007) reported that there are over 137 million Chinese who can access the Internet, which is only 10 per cent of Chinese population. The interviewed Chinese tourists also advised the researcher that they normally use the Internet at home, and only sometimes at an Internet café or at work.

However, even though the Internet is available 24 hours, the information which the Internet provides does not satisfy Chinese tourists. Chinese tourists are looking for the information about what Auckland has as an urban tourism destination or what the tourism attractions or activities are in Auckland. Information like this is rare. Some commercial ads come up, for example some immigration agencies advertise on how to immigrate to New Zealand and so on. Most of the Chinese tourists expressed that the tourism or travel information about New Zealand/Auckland is not sufficient and not relative enough. Some tourists explained to the researcher that they heard of New Zealand or Auckland from their travel consultants. Their consultants tried to sell New Zealand to them as an add-on destination to their Australia travels.

To obtain information about New Zealand or Auckland through travel consultants is the second main source which is used by Chinese tourists. The researcher found from the interviews that most of consultants tried to sell New Zealand as they sell Australia to Chinese tourists.

TV, radio and magazines are powerful and very useful media tools to advertise a product, especially in China where over 300 million families had TV sets by 2005. China had over 4,000 TV channels by 2007 (CNTA, 2007); however, several interviewed tourists noted that it is rare to see New Zealand tourism ads on TV, radio or in a newspaper. Instead, they saw more ads on TV about Sydney or Australia.

The researcher found that it is very difficult to obtain information about New Zealand or Auckland through word-of-mouth. This is because there are not many people who know about New Zealand/Auckland, and the information cannot be spread out between people. Moreover, most of the Chinese tourists expressed that they will not choose New Zealand/Auckland as their first outbound travel destination. It means there are not many people actually travelling in New Zealand/Auckland (out of the potential numbers). So it is rare to hear about New Zealand/Auckland from these people either. There were a few tourists who had heard of New Zealand from their friends' children who studied in New Zealand. CNTA (2007) reported that most of Chinese tourists will choose New Zealand or Auckland as their third or fourth outbound travel destination.

Looking for travel information is the first step of travelling plan. The interview results show that it is difficult for Chinese tourists to find the relative information on the Internet, TV, newspaper or others about Auckland as an urban tourism city in New Zealand. In another word, the Chinese outbound tourists' first step of trying to know Auckland or New Zealand is not successful.

#### **2.2.1.2 English information is prevalent, text in Chinese is limited.**

“100% Pure New Zealand” has been voted one of the best tourism websites in the world (TNZ, 2007). Chinese language can be chosen for the first couple of web pages about New Zealand when a tourist logs in. However, it all turns to English when tourists choose what it is happening at each New Zealand city. This website is not really useful for Chinese tourists if they cannot read English. Most of Chinese tourists wished to find out more about New Zealand or Auckland after they decided to come here but before they actually left. However, it is not easy for them to get information on this country, not only is there insufficient information, but also, the majority of Chinese tourists cannot understand English.

#### **3.2.1.3 The leading reasons for a lack of information**

The researcher found there are some historical and social issues which lead to the lacking of information about New Zealand or Auckland. Firstly, Chinese national printed and electronic media are still strictly controlled by the Chinese government and the international media is to some extent as well. Secondly, outbound tourism is a brand new issue for China. It is a new experience for the Chinese government, tourism

industries and the Chinese people. The whole country still needs time to learn more about it and find a better way to develop it. The last reason which the researcher found is that most of the interviewed travel consultants or business managers thought that New Zealand government did not try its best to promote New Zealand to the Chinese market. It has neither drawn enough attention to this market nor invested enough money to promote New Zealand to the Chinese market in China. CNTA (2005) stated that New Zealand has not provided sufficient finance and efforts to boost the Chinese market, except at the TRENZ exhibition held every year in New Zealand. This is another reason the Chinese outbound market lacks information about New Zealand or Auckland.

### **2.2.2 Unsuccessful destination branding**

In promoting a city, a critical component of the marketing strategy is positioning or creating an appropriate “place identity” or image (Dredge & Moore, 1992; Echtner & Ritchie, 1993; Judd, 1995). Destinations with strong positive images do influence tourists’ behaviour and are more likely to be chosen in the travel decision process (Hunt, 1975; Goodrich, 1978; Pearce, 1981; Woodside & Lysonski, 1989). The need for destinations to create a unique identity – to differentiate themselves from their competitors – is now more critical than ever. Brand is probably the most powerful weapon available to contemporary destination marketers confronted by increasing product parity, substitutability and competition (Pride, 2004). Destination branding is not another aspect of destination market. Morgan (2004) noted that the destination brand is creating the unique destination proposition, demonstrating that the adoption of a highly targeted, consumer research-based, multi-agency “mood branding” initiatives lead to success every time. Pritchard (2004) also commented that successful destination branding must embrace a host of activities, including infrastructural development, product enhancement, protection against environmental degradation, changes in organisational culture and promotional partnerships – all based on intensive market research to identify consumer desires.

A recent Interbrand study found that much of New Zealand’s problem in attracting the right visitor from China lies in the lack of brand communications to educate the Chinese market (TNZ, 2006). Chinese tourists rarely know of New Zealand as a

tourism destination. The travel agencies in China do not get sufficient information about New Zealand/Auckland which in turn misleads the Chinese tourist who then has no motivation to travel to New Zealand or Auckland because they think there is nothing unique compared to travelling to Australia. They do not know what New Zealand/Auckland can provide them which Australia could not as tourism destination. In their mind, New Zealand/Auckland is only an add-on destination for their trip.

#### **2.2.2.1 Auckland has nothing famous to see.**

The information on the Internet about Auckland does not give a good introduction about Auckland's tourism products. The tourists almost could not name any tourism attractions they heard of or wanted to see in Auckland. The researcher found none of the participants know about the "America's Cup"; few Chinese tourists knew there are volcanoes in Auckland; most of them had never heard of the Sky Tower, so they won't be able to know that the Sky Tower is the highest building in the southern hemisphere; none of them know that dolphin and whale tours are available in Auckland; they thought Maori performance and farm shows are only available at Rotorua. From the view of what Chinese tourists know about Auckland, the research found that Auckland isn't attractive to Chinese tourists. Travel agents do not provide enough information about the tourism destination and this is another reason why Auckland appears no different from other cities.

Auckland does not sell its unique characters successfully to Chinese tourists markets. Chinese tourists do not imagine New Zealand/Auckland as a brand destination. Some Chinese tourists know Auckland is the biggest city in New Zealand, and that its nick name is the "City of Sails", but do not know why. Auckland does not appear to have a very successful destination branding to catch people's attention, which leads to a low level of recognition and appreciation. The tourist has to identify the importance and weight of a destination image in tourists' decision-making process when selecting a place to travel. The tourists revealed that more promotion needed to be carried out in China and more effective communication tools should be considered.

#### **2.2.2.2 Auckland can only be an add-on to Sydney**

Due to the limited information and unsuccessful branding of Auckland, Chinese outbound travel agencies have put New Zealand/Auckland into an add-on tourism

destination category. Chinese tourists do not know what Auckland could offer them as an urban tourism destination and they do not know much about Auckland's tourism products. The city does not seem attractive to them due to the information they gathered before they arrived. Most Chinese tourists thought that Auckland seems similar to Sydney and they expressed that they will not visit Auckland as a solo-destination.

The competitive advantages of Auckland are weak. Due to the lack of information before travelling, most of tourists thought New Zealand will be very similar to Australia. TNZ Statement of Intent (2006) mentioned one of the activities planned for 2007/2008 for the Chinese market is "broadening perceptions of New Zealand by inspiring and motivating consumers through the advertising and public relations activities." Buck (1993, p 86) commented that "tourism is an industry based on imagery, its overriding concern is to construct ... an imagery that entices the outsider to place himself or herself into that symbol – defined space", implying that place imagery and the role of tourism attractions within this process is an important determinant of visitor perception and activity. Chinese tourists have low awareness of tourism products in Auckland. As a destination, New Zealand/Auckland does not create the unique destination proposition to Chinese market. This ranked Auckland down at the beginning of the competition.

## **2.3 DURING THE VISIT TO AUCKLAND**

Most of the interviewed Chinese tourists came to New Zealand/Auckland as an add-on tour to Australia. Due to a lack of information about New Zealand/Auckland, Chinese tourists do not have clear requirements or expectations of New Zealand or Auckland. They expressed that they wished to know about this country or Auckland more through their trips, or find something more memorable. They have the same requirements with other cities concerning accommodation and restaurant facilities in Auckland.

### **2.3.1 Primary elements**

There are nearly 600 tourism attractions and activities in Auckland which have been listed on the Tourism Auckland website. Qualmark New Zealand highlighted 26 of them with strong recommendations to overseas travellers. There is a lot to do in

Auckland and much of it is high quality. However, Chinese tourists do not experience this. The main activities or attractions which Chinese tourists had in Auckland are: shopping, dining, walking in the city, visiting beaches, outlooks, the museum and the casino.

### 2.3.1.1 Attractions and activities

#### 2.3.1.1.1 We did it somewhere else.

Table 3 The 20 attractions/activities which Chinese tourists have in New Zealand

	Attractions/Activities	Rotorua	Queenstown	Wellington	Auckland	Christchurch
1	Shopping	1	1	1	1	1
2	Eating out/restaurants	2	2	2	2	2
3	Walk in city	3	3	3	3	3
4	Lookouts/view platforms	4	4	4	4	4
5	Beaches	5	5	5	5	5
6	Bush walk	6	6	6	6	6
7	General sightseeing	7	7	7	7	7
8	Sightseeing tour (land)	8	8	8	8	8
9	Geothermal attractions	9				
10	Maori performance	10				
11	Marae visit	11				
12	Hot pools	12				
13	Scenic boat cruise	13				
14	Farm show	14				
15	Gondola/cable car	15		9		
16	Historic building	16	9			9
17	Lake	17	10			
18	Museum			10	9	
19	Casino		11		10	
20	Botanical gardens		12			

Source: Tourism research, 2007, arranged according to field research results.

Table 3 presented Chinese tourists main activities in the main destination. There are 20 main activities and activities listed in the table which Chinese tourists did in New Zealand (TNZ, 2007). Auckland and Rotorua are the major cities which Chinese tourists came and stayed according to TNZ research (2007). Chinese tourists have the longest stay in Auckland. Auckland has 17 of out the 20 attractions or activities on the

list for Chinese tourists. However, Chinese tourists do not experience them in Auckland. Chinese tourists experience most of the attractions and activities in Rotorua. Table 3 shows there were 17 out of 20 attractions and activities experienced there. Queenstown has 12, Wellington and Auckland were tied for 3<sup>rd</sup> position with 10 each, and Christchurch has 9.

#### **2.3.1.1.2 What we did in Auckland wasn't impressive.**

Even though Chinese tourists experienced half of the attractions or activities in Auckland, it does not make Auckland different – Auckland's tourism attractions and activities are not impressive to Chinese tourists. Chinese tourists visited the museum and casino in Auckland, which does not make Auckland unique from other New Zealand cities – Queenstown has same casino and Wellington has a similar museum as well.

#### **2.3.1.1.3 Auckland is not well known.**

The researcher found that of these 20 attractions/activities which are listed in Table3, 17 of them can be found in Auckland except a lake, cable car and Geothermal attractions. However, the Chinese tourists have been to other cities to experience these attractions. Most of the Chinese tourists do not know of the other attractions because of a lack of information about Auckland. However, they expressed that they would love to do everything in one city rather than travelling on a coach tour everyday. A destination that wants to keep competitive in the competition needs to find out about or develop tourism attraction or activities that are attractive to, and make tourists want to come. Auckland didn't sell itself to Chinese tourists.

#### **2.3.1.1.4 "Free entry" makes Auckland boring.**

There are several reasons which the researcher found out during the interview why Chinese tourists visited One Tree Hill, and why they do not go to SKY Tower. There are two main reasons to explain this: firstly, the travel agent lacks information about these activities. Secondly, "free entry" is the agent's first option.

Visiting free entry sightseeing instead of pay entry fee's sightseeing is the normal strategy which is played out by every Chinese inbound tour operator in New Zealand. The travel operators in China lower their prices to attract the consumer. They have to

lower their package quality and costs to balance it. They cut off the paid sightseeing or activities which are over their budgets and go to free of charge activities or avoid going to places which 'cost'. Going to "free entry" places is not a secret anymore to either the travel agency or the tourists. Several tourists know this secret and told the researcher during the interview about their travel experiences in Auckland.

Most of the Chinese tourists do not have opportunities to know more about Auckland due to the fact that they are on a coach tour and seeing 'free entry' – natural sightseeing. This leads to low awareness for Auckland's valuable attractions. Auckland's nickname is "City of Sails". Auckland has more than 70 activities related to boat and yacht charters (TNZ, 2008). It could be the best memory for Chinese tourists to have sailing experiences that promote Auckland to them. However, due to the above reasons, the interviewed Chinese tourists have experienced none of them. The "City of Sails" to them only means a name.

Overall there is low awareness of Auckland offering a number of activities and attractions. Insufficient information is one of the major reasons; the other reason is that Auckland does not have its own brand or icon to attract tourists to go there. Auckland tourism marketers need to be aware that they have to find out what pulls Chinese travellers to a destination. Chinese inbound travel agencies need to sell the valuable sightseeing to Chinese tourists. Demand for trip and trip duration are partly determined by the attributes of tourism destination. Destination can entice tourists to stay longer by developing more and better tourist attractions. TNZ Statement of Intent (2006) states: "increase the understanding of the Chinese market...ensuring that the Chinese travel trade provides consumers with products that meet consumer demand". A lot of Chinese tourists thought Auckland is an add-on tour because they thought that there are not many things to do here. This is ranked down Auckland as an urban tourism destination in New Zealand.

### **2.3.1.2 Shopping for souvenirs**

Most Chinese tourists travelling to New Zealand are here for shopping purposes. However, shopping is regarded as one of the most important activities for Chinese outbound tourists (CNTA, 2006). Chinese people would like to spend lot of money on souvenirs for their friends and relatives when they travel overseas since Chinese have a

gift giving habit. Gifts in Chinese society have become a symbol of courtesy, respect, appreciation, and friendship and it is the way to maintain personal relationships among Chinese (Carr & Wen, 2004). Chinese tourists spent a lot of money on shopping also because they are on the group package tour, the accommodation and meals have been taken care of by travel agents.

#### **2.3.1.2.1 We had good shopping experiences in Auckland**

Most of Chinese tourists will buy New Zealand made products. For example, wool products, deer products and honey products and so on. The reasons which the researcher found out from the interviews are: Chinese tourists have been advised by tour guide after they arrived here that New Zealand is a clean and green country with a lot of sheep so the farm products must be very good. Another reason is the opportunity for them to travel in New Zealand is really rare due to various reasons. They wish to use this opportunity to buy something they could not buy or is much more expensive in China.

#### **2.3.1.2.2 We prefer to go to Chinese souvenir shops.**

Most of interviewed Chinese tourists expressed that they bought what they wanted from New Zealand. However, what they bought were from Chinese souvenir shops not Kiwi shops. Chinese tourists have a different cultural background from European tourists; this influences Chinese tourists to decide where they choose to go and what kind of souvenir products they choose. Some Kiwi shops in Auckland noticed these factors and have similar souvenirs sold in their shops; however, they still could not attract many Chinese tourists. There are two major reasons: opening hours and language service. When the researcher asked how they felt about shopping in Auckland, most of the tourists expressed that they do not have enough shopping time, as the local shops are closed too early and also Chinese people love to shop after dinner. However, most of Chinese souvenir shops are open late to meet Chinese tourists needs. The products which they sell are mainly focused on tourists. These shops also employ Chinese shop assistants in order to provide a language service.

Chinese tour guides normally take tourists to Chinese souvenir shops instead of going to local shopping centres. The tour guides explained one of the reasons is that because most of the Chinese tourists cannot speak English while Chinese souvenir shops have

Chinese assistants who could help them when they have enquires. The other reason is that the Chinese souvenir shop products are well known by their customers – Chinese tourists; the souvenir shops prepare most of the products that Chinese tourists want. The tour guides take them to only one or two souvenir shops in each city, which is sufficient for them to buy what they need.

Shopping in Auckland was less satisfactory to the Chinese tourist largely because of the short opening hours. Most of the shops close around five o'clock in the afternoon and some of them close over the weekend. This is inconvenient for Chinese tourists who have money to spend. The language barrier is another main factor which pushes them away from local shops. However, the Chinese souvenir shops satisfied Chinese tourists on this point as they are open late and provide language help.

## **2.3.2 Secondary elements**

### **2.3.2.1 Accommodation**

Accommodation is not an attraction to Chinese tourists. It performs a vital role in many countries' tourism sectors: in addition to providing the basic infrastructure to accommodate visitors as tourists and business travellers, it is a focus for meetings, conferences and entertainment. The interview results show that Chinese tourists will not come to Auckland because there is a luxury hotel in the centre of the city. However most of interviewed Chinese tourists did have their requirements about the accommodation.

#### **2.3.2.1.1 Lack of hotel accommodation**

Hotels have been the most popular accommodation type for visitors from China since 1998. Additional data from New Zealand Tourism Research (2007) shows that about 70 per cent of Chinese total arrivals and 90 per cent of holiday arrivals used this type of accommodation. Chinese tourists mainly stayed at 3 stars or plus hotel in Auckland according to Tourism Auckland's statistics (2007). Along with the increased number of tourists' arrivals (both international and domestic) in Auckland, the number of hotel and motel establishments is increasing. However, some Chinese inbound tour operators consider that the lack of accommodation was a major problem for Auckland. Some Chinese travel agents were not happy as they were unable to book hotel rooms.

Hotel availability is not only about if the tourists cannot stay in Auckland, and book somewhere else instead. Sometimes, they have to cancel their trip. Chinese tourists have their own travel “seasonality”. There are three Holiday Golden Weeks in China which are the high season travel periods: Chinese Spring Festival, mid February; 1st of May, Labour Day; and 1st of October, National Day. During these three Holiday Golden Weeks. For example, if a couple could not travel in May, then they probably need to wait till October to re-organise their whole trip again. Sometimes, a large group have to be separated into two different groups to stay at two different hotels; otherwise the trip has to be cancelled.

New Zealand and China are in different time zones; New Zealand is 5 hours earlier than China in summer and 4 hours earlier in winter. This also influences the business operations. Several inbound tour operators expressed that their China office normally sends requests in the late afternoon New Zealand time which is midday in China. Once they receive it, they will contact the local hotel. The operators normally get the hotel’s reply in the afternoon of the next day around midday in China. So it normally takes 24 hours to make a booking. Sometimes, it is longer than that due to problems with receiving email or faxes. When an Auckland hotel is fully booked, some inbound travel agents respond that they will cancel the booking; and some of them will book them outside of Auckland, for example Rotorua.

Accommodation is not attractive to Chinese tourists. However, it decides whether Chinese tourists can come to New Zealand/Auckland sometimes. Lack of accommodation pushes some Chinese tourists to stay in other neighbouring cities. This also reduces the opportunities of Chinese tourists to get to know Auckland and to gain an impression about Auckland.

#### **2.3.2.1.2 The issues between inbound tour operators and local hotels**

Most of the travel consultants found it difficult to book hotels in Auckland, not only because of the hotel occupancy, but also they felt that the hotels did not want to sell them rooms. This raises issues between inbound tour operators and local hotels. The travel agents explained that the wholesale rates are too low. Sometimes hotels wish to sell rack rates when it is in high season or on special events. However, travel agents

have no choice but to raise their price to meet the hotel's request when they are have fierce competition.

On the other hand, the local hotels feel it is not easy for them to deal with the Asian market either. Most hotel managers expressed that Chinese tour groups are very important for them, however, when they compare Chinese tourists group to local business, Chinese tourists are not their favourite clientele. The researcher noted three major issues which local hotels have with inbound tour operators. Firstly, several hotel managers commented during the interviews that the language barrier is one of the issues when dealing with the Asian market. Secondly, Asian group bookings normally will require more amendments than local or other groups. These agents could book groups in the morning, then after several amendments cancel the following day. Last but not the least, these groups delay their payments. It often takes extra work and time for the hotels to chase payments.

TNZ predicts the total visitor nights in New Zealand will be 116,043,000 in 2013 and it will be 27,690,000 for Auckland. Auckland tourism facilities are facing the huge challenges of accommodating more visitors in the future. Moreover, both Chinese travel agents and hotels need to find a better way to cooperate as time goes on.

#### **2.3.2.1.3 Hotel standard**

The interview results show that Chinese tourists always have requirements about accommodation when they are travelling. They normally request to stay in hotels not motel or backpackers. The interview results also indicate that Chinese tourists wanted their hotel standard to be three stars or above when travelling in New Zealand. The reason for that is that New Zealand and China have different hotel standards. New Zealand's four stars hotels are similar standard to Chinese three star hotels (CNTA, 2007).

Due to the cultural difference between Chinese and western countries, Chinese tourists have different requests and expectations about their accommodations in comparison to western travelers. Most Chinese tourists prefer to have a luxury hotel lobby rather than being provided with a deluxe hotel room if they pay same price. A small lobby and not enough luxury are the common problems which arose for Chinese tourists. Roth (1998)

explains that the Chinese costumers like to show that they can afford a higher standard and better quality of service. This relates to Chinese culture. Chinese people prefer that it looks nicer from the outside than inside. This is “mianzi” (face). The outlook shows to other people their power, ability and social position. The more luxury means the more power they have, and the more respect they gain from others.

Overall, Auckland as New Zealand’s biggest city and also an urban tourism destination is unable to satisfied Chinese tourists accommodation requests sometimes. Hotel availability is the major problems which draws the attention of both travel agents and hotel management.

### **2.3.2.2 Restaurants**

The expectations and requirements from Chinese tourists about their meals are quite simple – Chinese tourists need hot food as breakfast and Chinese food for lunch and dinner. This is the same request wherever Chinese tourists travel to, Asian countries or European.

#### **2.3.2.2.1 Buffet breakfast in the hotel restaurant**

Through the research, the researcher found that there is no Chinese breakfast restaurant in Auckland. Most of interviewed Chinese tourists have been booked to go to hotel restaurants for breakfast as it is convenient. If the tour groups are not leaving in the early morning, the tourists do not need to go to the restaurants at fixed time; they can go anytime during the restaurants opening time and may take their time for breakfast. Some hotel restaurants can prepare boxed breakfasts for early departure tour groups. It has been considered one of the advantages when travel agents decide which hotel to book.

What kind of food Chinese tourists prefer and what they dislike has been advised to the travel agent before the tour, and also advised by several tourists to the researcher. Chinese tourists could take western style food as breakfast, but it has to be hot breakfast.

What the Chinese tourists like the most is that these breakfast restaurants are normally buffet style – Chinese love buffet. Because they think it is more valuable than an a la

carte meal. The travel agents expressed to the interviewer that it is easier for them to organise their buffet breakfast and to set up the payment than a la carte meals. Moreover, Chinese tourists do not understand English, so they are unable to read the menu either.

### 2.3.2.2.2 Chinese food for lunch and dinner

Most of interviewed Chinese tourists prefer to have Chinese food for lunch and dinner due to habit and cultural reasons. They were satisfied with the meal arrangements that travel agents made for them. They could try all different types of Chinese food during their travel. From a travel agents point of view, they provide more detailed explanations about why they arrange Chinese food for lunch and dinner for tourists: language barrier; life habits; and, travel budgets are the three main reasons.

### 2.3.3 Language

Table 4 The signs Chinese tourists wish can be in Chinese.

	Primary element		Secondary element	
	Attractions	Shopping	Accommodation	Restaurant
<b>Sign</b>	"Smoking free"	"Pay here"	"welcome"	"welcome"
	"Entry"	"Exit"	"Smoking free"	"Smoking free"
	"Quite"	"New arrival"	"Entry"	"Exit"
	"Exit"	"On Sale"	"Quite"	"Lift"
	"No entry"	"Lift"	"Exit"	"Use stairs"
	"Private"	"Use stairs"	"No entry"	"Telephone"
	"No photo"	"Telephone"	"Private"	"Toilet"
	"Lift"	"Toilet"	"Lift"	"Reception"
	"Use stairs"	"No drink inside"	"Use stairs"	"Bars"
	"Telephone"	"No food inside"	"Telephone"	"Pay"
	"Toilet"		"Toilet"	
			"Reception"	
		"Restaurant"		
<b>Spoker</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
	General inquires	General inquires	General inquires	General inquires
			Make a call	Food enquires
			Use TV	Drink enquires
			Room service	
<b>Materials</b>	<b>No</b>	<b>No</b>	<b>Brochures</b>	<b>Menu</b>

Except for the requirements relating to hotels and food, most Chinese tourists require language help as well. Several interviewed Chinese tourists expressed that they need

language support not only from tour guides but also during their travel. Chinese language services or welcome signs make Chinese tourists feel good. Most of the tourists expressed that they feel respected and feel treated friendly when they see Chinese language used in the places they visited. The researcher listed several signs which Chinese tourists pointed out in Table 4; they wish these signs could be translated into Chinese, so they can be aware of it when they are in the environment.

#### **2.3.3.1 General language assistant**

Most of the interviewed Chinese tourists also expressed that more Chinese language signs would be very helpful for their travel. For example, sightseeing notice signs (exit sign, quiet sign, smoking free sign and so on). Chinese language signs not only help tour guides by making their job easier, but they can also help Chinese tourists to remind them of the environment they are in. For a large group, Chinese language signs would help a lot. For places which already have Chinese language signs, such as SKYCITY Casino, they are more attractive to Chinese tourists and are often visited more than other places. SKYCITY Auckland has employed a lot of Chinese workers in their hotels, restaurants, casino and SKY Tower.

#### **2.3.3.2 Bi-lingual staff in hotel**

Chinese tourists mentioned to the researcher that hotels should have some Chinese staff which they could communicate with if and when they have problems. Tour guides are not always with them during the travel. Hotel Chinese language signs could also make Chinese tourists feel that local people welcome them to come and stay, and to also make them feel they have been treated friendly and that they will have a more enjoyable stay. Most of hotels do not have Chinese language brochures. Chinese tourists normally take photos of the hotel to remember that they stayed there. Most of hotels do not have exit signs, quiet signs, smoke free signs and so on in Chinese language.

#### **2.3.3.3 Restaurants service**

Chinese tourists also mentioned to the researcher that they hope to see some Chinese staff working in the restaurant so that they could communicate with when they have problems.

The increasing numbers of Chinese guests draw most of the restaurants attention. Several local restaurants tried to provide better service to keep this business with them. Chinese staff, discount prices and guaranteed bookings have been offered to travel agents. Several restaurants managers expressed that the Chinese tourists groups are their most valuable customers. Even though, most hotels' restaurants agreed that the Chinese market is important for them, the researcher found that most of the hotels and restaurants are not trying to promote themselves to Chinese markets through any media such as websites, news papers or brochures.

The researcher did research on five hotels, five restaurants, four attractions and activities and two tourism organisations in Auckland about how much Chinese language help they provide to Chinese tourists. The results have drawn the researcher's attention to the findings that – none of the five hotels, restaurants and attractions has their own brochures or menus in Chinese. The only information available in Chinese language is their little advertisements on Tourism Auckland's (free) brochure.

Language elements in tourism products affected the tourists' imagination and their impression of a destination. If there is no Chinese information available, it will be very hard to be known by Chinese tourists. If it is not known by Chinese tourists, Chinese tourists will not come to visit. Most Chinese tourists and tour guides agreed that Chinese language support in Auckland will make Chinese tourists travel experience more enjoyable. A pleasant travel experience could make a better impression of the destination.

## **3.4 DEPARTURE**

### **3.4.1 Auckland is not impressive.**

How did Chinese tourists criticize Auckland after they stayed here? What kind of impression does Auckland make for Chinese tourists? The answers of these questions are closely related to the satisfaction of Chinese tourists. The researcher found out that, after being here, most Chinese tourists think Auckland is not a “must go to” destination. There are two major reasons: firstly, a lack of promotion on Auckland tourism products; secondly, the unsuccessful itineraries which inbound tour operators organised.

Several Beijing tourists expressed that Auckland is a better place than Beijing, but it is not impressive to them. Tourism attractions and activities are not really attractive to them. They feel Auckland is more like a gateway city than an urban tourism destination. Most of tourists expressed that Auckland did not give Chinese tourists a memorable impression. Chinese tourists do not have opportunities to experience the real attractions and activities which Auckland has. Auckland is not a “must go” destination for Chinese tourists and they do not have unique experiences here either.

### **3.4.2 Auckland has been ranked down in the destination competition.**

Today cities are not just competing with cities and towns “down the road” but with cities around the world. To be competitive cities have to offer a high all – round quality environment, involving the traditional economic factors such as infrastructure, land and property, skill labour and so forth. When Chinese tourists have been asked how they compare Auckland or New Zealand to other destinations or countries where they travelled before, most of Chinese tourists expressed that they did not experience quality tourism products in Auckland.

New Zealand Tourism Strategy 2015 (2007) states: “world–class experiences are authentic, unique, and delivered with superb service. They must also demonstrate a high standard of environmental management and they must stand out as being different from the experiences available in other countries. The key to meeting this outcome is quality.” Cities have to be competitive and have new activities. Chinese tourists ranked Auckland down in comparison with other tourism destinations.

### **3.4.3 New Zealand/Auckland is not first choice for Chinese travellers.**

Whether these Chinese tourists will suggest to their friends or family that they should come to New Zealand and Auckland after they travelled in Auckland, every Chinese tourist had different thoughts.

When Chinese tourists compare New Zealand with Asian destinations, some Chinese tourists thought the New Zealand trip is too expensive and takes too long compared to travelling to other Asian countries. They prefer to travel to Asia.

When Chinese tourists compare New Zealand to European countries, several tourists commented that they prefer to spend the same amount of money to travel to 12 European countries. When they compare New Zealand to Australia travel, they commented that New Zealand could be a good add – on destination to Australia travel. It is too expensive to spend such a lot of money and only travel to one country.

For visitors, the experience starts when they first start planning their trip. It includes the information and booking process, what happens when they first arrive at the New Zealand border, and the experience they have once they are here. Most of tourists agreed that Auckland is a nice city compared with where they come from, however, Auckland not only competes with Asian countries or Australia, it has to compete with every city, every tourism destination in the world.

The New Zealand government does not give Auckland or even New Zealand itself successful promotion in the Chinese market. Chinese tourists came to Auckland with insufficient information provided which leads to Chinese tourists having no clear expectations and requirements of Auckland/New Zealand. The travel companies use Auckland as a gateway to transfer tourists into other cities. They further mislead the perception Chinese tourists have of Auckland.

#### **4. CONCLUSION**

Current Chinese visitors to New Zealand are typically well-travelled, middle aged, have an above-average level of income, and educational attainment. Their trip is primarily motivated by a desire to go sightseeing in areas that they have not previously visited, and ultimately have a holiday that is relaxing. Many have visited New Zealand because it was part of a package with Australia and they do not have clear expectations of New Zealand. New Zealand evokes a positive set of awareness associated with its clean and unpolluted image, and is seen as a safe destination. The Chinese marketing efforts emphasise a perception of New Zealand being unspoilt in nature, and this perception is an attraction for a significant group who have money to spend.

The findings from before, during and departing were: firstly, due to lack of information supplied about Auckland and promotions about New Zealand in China, most Chinese

outbound tourists have no clear requirements or expectations about Auckland. They arrive here knowing nothing and expecting nothing. This is concluded from the interviews with Chinese tourists.

Secondly, the primary element of tourism product – attractions and activities in Auckland – is not well experienced by Chinese tourists. The Auckland tourism marketing strategies (if any) appear to be failing with respect to attracting the Chinese market. This was because:

- a) There is a lack of promotion about these attractions, as not many Chinese tourists knew about any existing marketing campaigns;
- b) Tour quality was low, as Chinese tourists did not feel they were taken to desired attractions;
- c) The attractions tourists were taken to, did not meet their expectations as tourist desired to visit a unique attraction.

Thirdly, the secondary elements of tourism products in Auckland do meet Chinese tourists' expectations in terms of the quality and services that were provided. However, the accommodation facilities (hotels) did not meet the inbound tour operators' requests. For example, the number of hotel rooms is inadequate to accommodate large Chinese tour groups; and some hotels are located too far away from the city. This finding is of importance given walking in the city is the third main activity for Chinese tourists. Insufficient accommodation was found to play a role in forcing the operators to reserve accommodation in locations on the peripherals of the Auckland city centre or postpone the group's arrival to Auckland or New Zealand.

It is important to note that today's tourism destination cannot strictly be put on the market and sold. This is because the market is increasing at a faster rate than before and also the demand from different markets needs to be studied separately. For example, the number of Chinese tourists who visit Auckland is increasing at a faster rate than the ability of Auckland's accommodation to supply. Auckland appears to have reached the limitation and is unable to meet the increasing Chinese market demand. A tourism destination needs to meet the tourist requirements in order to keep them satisfied with their experiences. To manage and monitor the destination as selling points are very important to keep destination sustainable. In the case of Chinese

tourists, their perception of Auckland as an urban destination was that of a destination “with little to offer”. This current perception needs to be changed. Auckland must be developed and promoted as an urban destination offering urban-based tourism activities. Tourist packages need to be developed that sell the destination as an attractive urban and culturally enriched destination. Auckland offers immense potential for development. The extinct volcanoes, the picturesque islands, the cultural diversities and indigenous Maori heritage present a myriad of possibilities for Chinese tourists. Despite the fact that Chinese tourists travel in Auckland or New Zealand for a short period of time, and within groups, it is still possible to provide them with unique travel experiences.

## **5 CHINESE TOURISTS IS IMPORTANT TO NEW ZEALAND**

China surpassed Japan in the year ending January 2008 to become New Zealand’s fourth largest tourism market, with 122,045 visitors, a 14.6 per cent increase on the previous year. With personal incomes rising at between 10-15 per cent each year, Chinese consumers are spending their disposable income on leisure activities including travel. Some 34 million Chinese travelled abroad last year, which made the country the largest outbound market in Asia. The Ministry of Tourism predicts that the total Chinese visitor arrivals are forecasted to increase by 113.8 per cent by 2012. Chinese tourist travel is expected to grow by around 10–15 per cent per year for the next five years (Ministry of Tourism, 2007). The growth of the Chinese outbound market in the tourism field has been very remarkable to the world during the last two decades, and is significant for the New Zealand tourism industry.

China is New Zealand's fastest-growing tourism market, which is a reflection of the rapid economic development that this country is experiencing. There are a growing number of wealthy Chinese keen to travel more. The first ever 100% Pure New Zealand campaign will be launched in Shanghai in April in a bid to target the growing middle class and increase the value of visitors from China (TNZ, 2008). Tourism New Zealand Chief Executive George Hickton said Tourism New Zealand is working to maintain traditional markets in the face of a tougher global economic climate, while endeavouring to increase the value of growing markets such as China. The launch of Air New Zealand's direct flights to Beijing from July 2008 is set to boost this market

further and will help promote New Zealand as a single holiday destination, rather than being an add-on to Australia.

Auckland as New Zealand's gateway will give Chinese tourists their first impression about this country. As New Zealand's largest city, Chinese tourists will also compare their travel experiences in Auckland with other metropolitan cities which they travelled to before. The competition between tourism cities is fierce in the world. As China is predicted to be the top source country in terms of providing large overseas tourists numbers, there is a great potential for further development, and it is important for Auckland to conduct more in-depth research to analyse this market so as to further expand the market share. China is New Zealand's fastest growing international visitor market, and is projected to be the fourth largest within three years. Therefore, having a good understanding of this market, and the needs, and the performances of tourists is essential in satisfying tourists and enhancing tourist's experiences, which in turn will create a good destination image among other Chinese tourists to boost the further development of New Zealand's tourism industry. Auckland needs to not only perform its host function to Chinese tourists like other tourism destinations, but also show this city's unique character to its visitors so that Auckland can become a real world-class tourism destination.

This study contributes to a broader and deeper understanding of the Chinese outbound tourist travel behaviours and expectations. This research seeks to fill the identified research gap, by exploring the performance of Chinese outbound tourists in Auckland, and exploring the demand and supply relationship between tourism market segment and tourism cities.

By analysing the factors which influences the tourist expectations and behaviours, as well as the contemporary issues in Auckland, this research will help tourism marketers get better understand their target markets. Further, this research will also be useful for government tourism organizations to recognize the current problems so that they are able to take appropriate measures to improve the performance of tourism players and provide a quality travel experience of Chinese tourists in Auckland. Auckland is ranked fifth in the world for quality of life (Tourism Auckland, 2007). The Mercer Index in 2006 placed Auckland well ahead of Sydney, Melbourne, San Francisco and

Adelaide. With a spectacular natural environment, Auckland continues to attract talented migrants to its pool of skilled and motivated workforce. Auckland has the potential to be much more than just a gateway. It offers immense potential for future development