

TOURIST ACTIVITY | WINE TOURISM

NEW ZEALAND | SERIES B1 | SEPTEMBER 2009



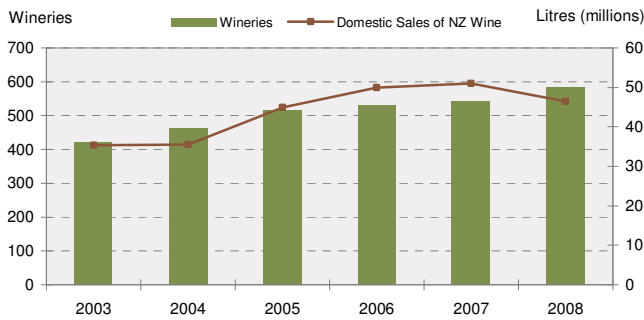
INTRODUCING THE WINE TOURISM SECTOR

This report provides an overview of wine tourism in New Zealand including trends and characteristics of wine tourists.

Wine tourists are defined as international and domestic visitors, aged 15 years and over, who visit a winery at least once while travelling in New Zealand. Local residents visiting a winery within their area are not included in this definition.

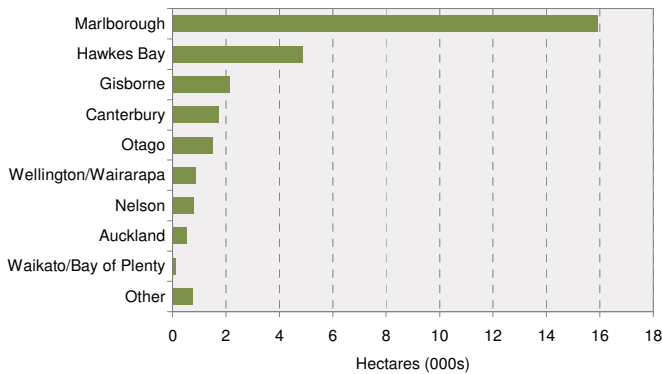
The wine industry is an important contributor to the New Zealand economy. In 2008 the value of New Zealand wine exports was \$798 million. Between 2003 and 2008 the number of wineries has increased by 39% to 585. The domestic sales of New Zealand wine has increased by 32% to 47 million litres over the same period (Figure 1).

Figure 1: Wineries and Domestic Sales of New Zealand Wine, 2003-2008^{*1}



The wine producing area in New Zealand is 29,300 hectares. The largest wine growing regions are Marlborough (15,900 hectares) and Hawke's Bay (4,900 hectares) (Figure 2).

Figure 2: Wine Producing Areas in New Zealand, 2008^{*1}



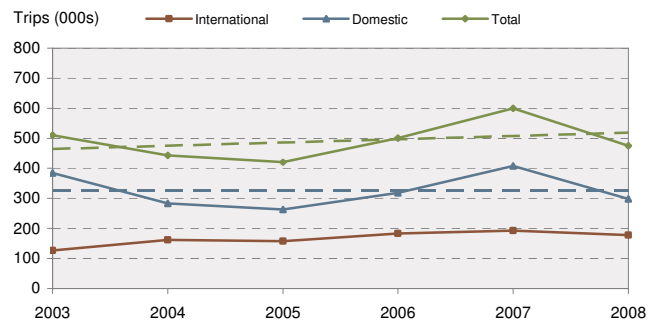
TRENDS IN WINE TOURISM

How many tourists visit wineries?

In 2008, 195,100 tourists visited a winery, who produced 475,200 trips to a winery (as a tourist can take more than one trip in a year). 177,700 were international trips (or 8% of all international trips) and 297,500 were domestic trips (or 1% of all domestic trips).

The number of international tourists visiting wineries increased from 126,900 in 2003 to 177,700 in 2008. The number of domestic tourists visiting wineries decreased from 383,600 to 297,500 over the same period (Figure 3).

Figure 3: Tourists Visiting Wineries, 2003-2008^{*2*3}

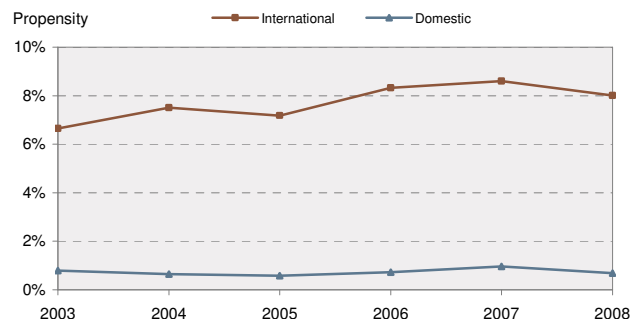


The series may show volatility due to sample error and a greater emphasis should be placed on the trend (broken line) than on absolute values.

The propensity, or likelihood, of international tourists to visit a winery has increased gradually from 2003 to 2008. Eight percent of all international tourists visited a winery in 2008 (Figure 4).

The propensity of domestic tourists to visit a winery has remained lower. In 2008, only 1% of all domestic tourists visited a winery, due to a high proportion of domestic tourists being on business or visiting friends and family.

Figure 4: Propensity to Visit Wineries, 2003-2008^{*2*3}

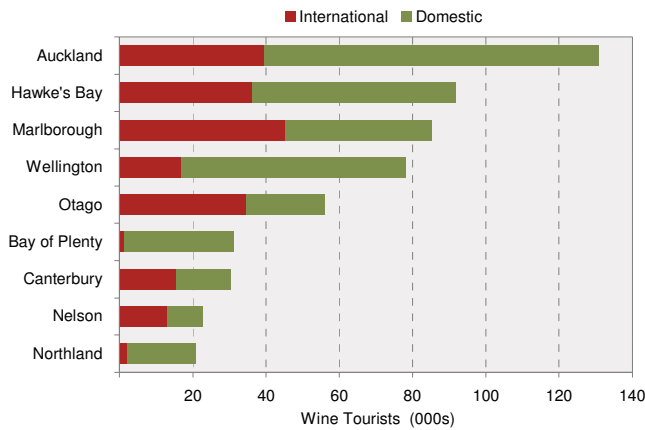


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Where do tourists visit wineries?

In 2007-08 the region which attracted the greatest number of wine tourists was Auckland (130,700). This was followed by Hawke's Bay (92,000), Marlborough (85,200) and Wellington (78,100) (Figure 5).

Figure 5: Main Region Destinations of International and Domestic Wine Tourists, 2007-08^{*2*3}



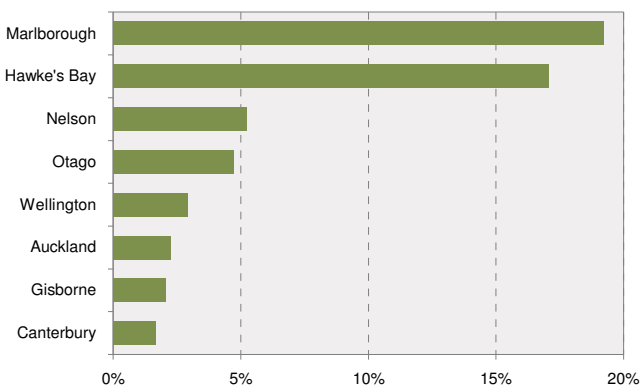
Tourists who visit a winery more than once in the same region are only counted once. The Wellington region includes the Wairarapa.

The most popular regions visited by international wine tourists were Marlborough (45,000 tourists or 24% of all international wine tourists), Auckland (39,400 or 21%) and Hawke's Bay (36,300 or 20%).

Among domestic wine tourists, the regions most commonly visited were Auckland (91,300 tourists or 26% of all domestic wine tourists), Wellington (61,200 or 17%) and Hawke's Bay (55,700 or 16%).

Nineteen percent of international tourists to the Marlborough region and 17% of international tourists to the Hawke's Bay region visited a winery. This is the highest propensity for international tourists to a region. International tourists to the Auckland region had a low propensity (2%) to visit a winery (Figure 6).

Figure 6: Propensity of International Wine Tourists by Region, 2007-08^{*2}



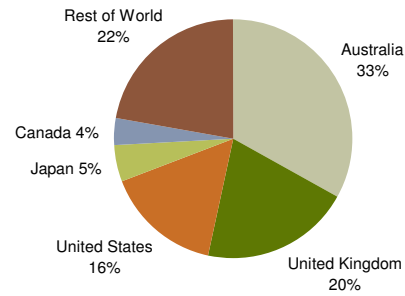
CHARACTERISTICS OF WINE TOURISTS

Where do wine tourists come from?

In 2007-08, 34% of tourists visiting wineries were international and 66% were domestic.

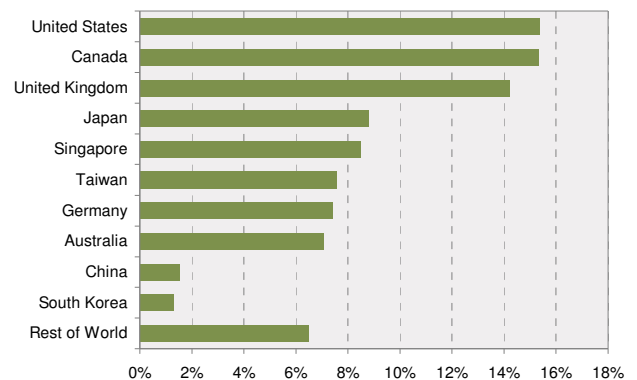
International tourists from Australia (33%), the United Kingdom (20%) and the United States (16%) made up the largest share of all international wine tourists (Figure 7). These are New Zealand's three largest international visitor markets.

Figure 7: Origin of International Wine Tourists, 2007-08^{*2}



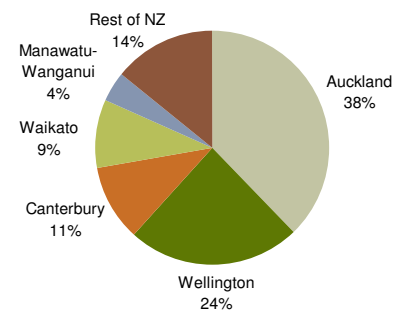
International tourists from the United States and Canada had the highest propensity (15%) to visit wineries. This was followed by the United Kingdom (14%) and Japan (9%). International tourists from China and South Korea had the lowest propensities (2% and 1% respectively) to visit wineries. (Figure 8).

Figure 8: Propensity of International Wine Tourists by Market, 2007-08^{*2}



Domestic tourists from the Auckland (38%), Wellington (24%) and Canterbury (11%) regions made up 73% of all domestic wine tourists (Figure 9). These regions also contain New Zealand's three largest cities.

Figure 9: Origin of Domestic Wine Tourists, 2007-08^{*3}



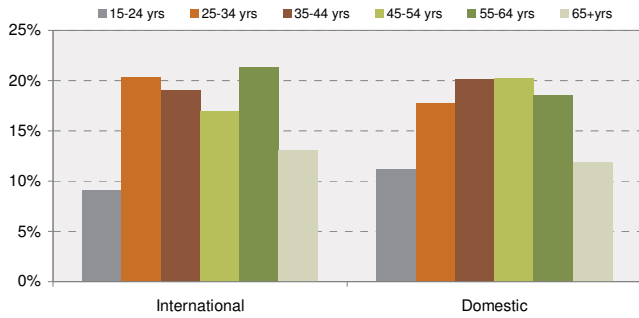
What is the age-sex profile of wine tourists?

Twenty one percent of international wine tourists were aged 55-64 years. This was followed by those aged 25-34 years (20%), 35-44 years (19%) and 45-54 years (17%).

Among domestic wine tourists those aged 35-44 years (20%), 45-54 years (20%), 55-64 years (19%) and 25-34 years (18%) accounted for the largest shares (Figure 10).

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Figure 10: Age Profile of Wine Tourists, 2007-08^{2*3}

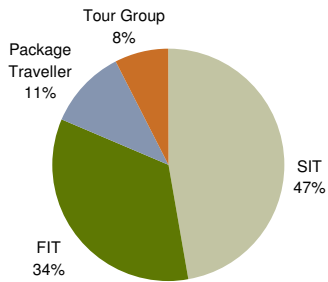


In 2007-08 more female tourists than male tourists visited wineries. Fifty two percent of international wine tourists were female and 58% of domestic wine tourists were female.

What are the travel styles of international wine tourists?

Semi-independent travellers (SITs, 47%) and fully-independent travellers (FITs, 34%) made up the largest shares of international wine tourists in 2007-08. Package travellers (11%) and those in tour groups (8%) made up the remaining 19% (Figure 11).

Figure 11: Travel Styles of International Wine Tourists, 2007-08²



FIT: made and paid for all travel arrangements after arrival in New Zealand
SIT: made and paid for at least one travel arrangement before arrival in New Zealand

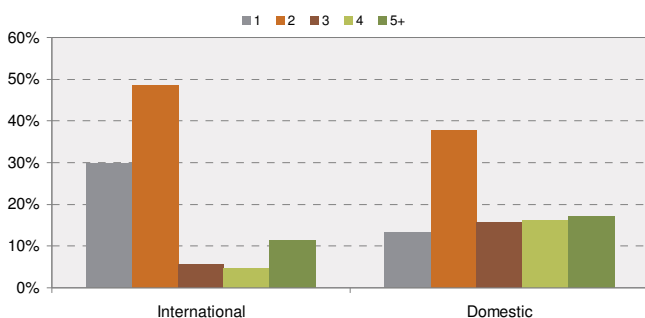
SITs had the highest propensity to visit a winery (11%). This was followed by package travellers (9%) and tour groups (9%). FITs had the lowest propensity to visit a winery (6%).

Who do wine tourists travel with?

In 2007-08 most international wine tourists were travelling alone (30%), or with their spouse/partner (41%). Among domestic wine tourists, most were travelling with their spouse/partner (27%) or family (28%).

These patterns were also reflected in the group size profile, with international wine tourists mostly travelling alone (30%) or with one other person (49%) and domestic wine tourists mostly travelling with one other person (38%) (Figure 12).

Figure 12: Wine Tourists by Group Size, 2007-08^{2*3}

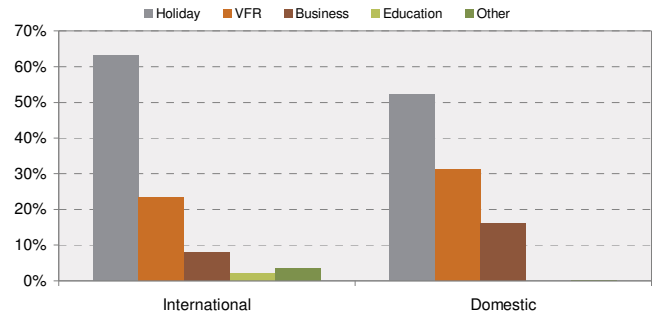


What are the main purposes of travel of wine tourists?

Tourists on holiday (63%) made up the largest share of international visitors to wineries in 2007-08 (Figure 13). This group also had the greatest propensity to visit a winery (11% of all international holiday tourists). International tourists visiting friends and relatives made up the second largest group (23%), but their overall propensity to visit a winery was lower (7%).

Domestic wine tourists were also mainly on holiday (52%) or visiting friends and relatives (31%). Sixteen percent were on business.

Figure 13: Purpose of Travel of Wine Tourists, 2007-08^{2*3}

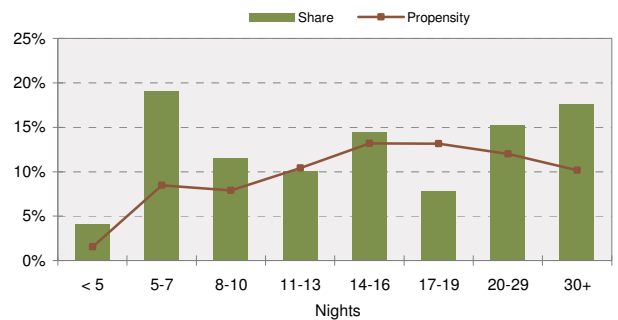


How long do international wine tourists stay in New Zealand?

In 2007-08 international wine tourists stayed longer on average (27 nights) than all international tourists (21 nights).

One third of international wine tourists stayed 20 or more nights. The likelihood of visiting a winery tends to increase with length of stay. Those staying for 14 nights or longer had the highest propensity to visit a winery (12%) (Figure 14).

Figure 14: Length of Stay of International Wine Tourists, 2007-08²



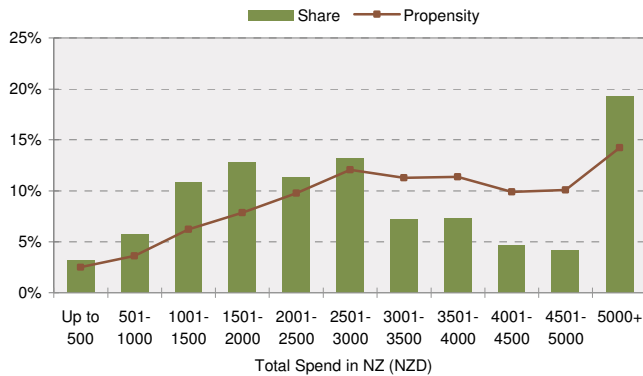
How much do international wine tourists spend on their trip in New Zealand?

In 2007-08 international wine tourists spent on average \$3,543 per trip. This is higher than the average spend per trip for all international tourists (\$2,710).

The average spend per night of international wine tourists was \$130 which was similar to all international tourists (\$128).

The propensity to visit a winery also tends to increase with total spend. International tourists spending greater than \$5,000 on their New Zealand trip were more likely to visit a winery (14%) than those spending less than \$5,000. Nineteen percent of international wine tourists spent more than \$5,000 on their trip in New Zealand (Figure 15).

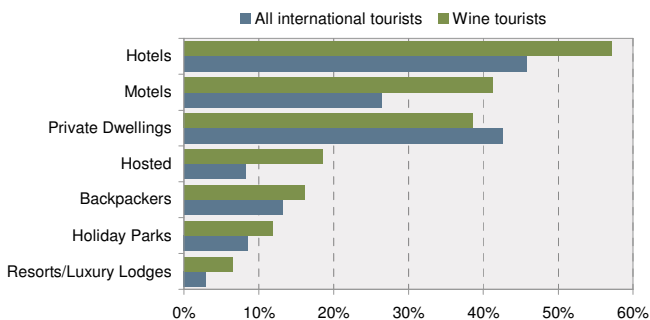
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Figure 15: Spend by International Wine Tourists in New Zealand, 2007-08²

All references to spend exclude international airfares

What accommodation types do international wine tourists use?

International wine tourists predominantly stayed in hotels (57% stayed in a hotel at some point on their trip), motels (41%) and private accommodation (39%) in 2007-08 (Figure 16). Overall international wine tourists stayed in a range of accommodation types reflecting the wide appeal of visiting wineries.

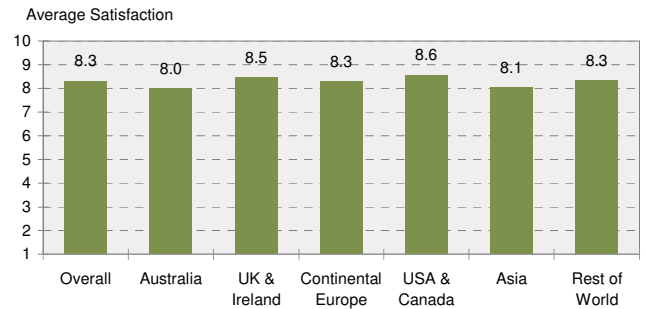
Figure 16: Accommodation Used by International Wine Tourists, 2007-08²

International tourists staying in hosted accommodation and resorts/luxury lodges had the highest propensity to visit a winery (19% and 18% respectively). International tourists staying in private accommodation had the lowest propensity to visit a winery (8%).

How satisfied are international wine tourists?

International tourists who visit a winery are highly satisfied with their winery experience. The average satisfaction rating for international wine tourists was 8.3 out of 10.

International wine tourists from the United States and Canada had the highest satisfaction rating (8.6) and international wine tourists from Australia had the lowest satisfaction rating (8.0) (Figure 17).

Figure 17: Satisfaction of International Wine Tourists, 2006-08⁴**What other activities do international wine tourists do?**

International tourists who visited wineries participated in other activities that were also focussed on food, drink, arts and culture. These activities included attending food and wine festivals, watching performing arts, attending major art/cultural events, other arts, crafts and cultural activities.

Table 1: Trends in Wine Tourism ^{*2*3}

KEY INDICATORS	2003	2004	2005	2006	2007	2008
Wine Tourists						
Total	510,500	444,100	420,400	501,400	600,300	475,200
International	126,900	161,600	157,300	183,200	193,000	177,700
Domestic	383,600	282,500	263,000	318,200	407,200	297,500
Propensity to visit wineries						
International	6.6%	7.5%	7.2%	8.3%	8.6%	8.0%
Domestic	0.8%	0.6%	0.6%	0.7%	1.0%	0.7%

Table 2: Wine Tourists by Key Regions and Source Markets 2007-08 ^{*2*3}

Top 5 Destination Regions (Regions)	Auckland	Hawke's Bay	Marlborough	Wellington	Otago	NZ
International	39,400	36,300	45,000	16,900	34,700	185,400
Domestic	91,300	55,700	40,100	61,200	21,300	352,400
Total	130,700	92,000	85,200	78,100	56,000	537,800
% Share	24%	17%	16%	15%	10%	100%
Top 5 International Source Markets	Australia	United Kingdom	United States	Japan	Canada	All
Tourists	61,500	37,500	29,000	9,200	6,900	185,400
% Share	33%	20%	16%	5%	4%	100%
Propensity	7.1%	14.2%	15.4%	8.8%	15.3%	8.3%
Top 5 Domestic Source Markets (Regions)	Auckland	Wellington	Canterbury	Waikato	Manawatu-Wanganui	All
Tourists	133,500	83,500	37,800	32,800	14,900	352,400
% Share	38%	24%	11%	9%	4%	100%
Propensity	1.3%	1.9%	0.7%	0.5%	0.5%	0.8%

DATA SOURCES

¹ New Zealand Winegrowers (www.nzwine.com)

² IVS: International Visitor Survey (Ministry of Tourism)

³ DTS: Domestic Travel Survey (Ministry of Tourism)

⁴ RVM: Regional Visitor Monitor (Ministry of Tourism)

Note due to low sample sizes, the data for Figures 5 – 16 have been combined for 2007 and 2008

IMAGE CREDITS

Wellington Willis St. – Positively Wellington Tourism, www.WellingtonNZ.com

Cardrona Ski Field – www.cardrona.com

Southern Traverse – Michael Jacques, www.karapoti.co.nz

Wai-O-Tapu Champagne Pool – Destination Rotorua, www.rotoruaNZ.com

Lake Taupo Lodge – www.laketaupolodge.co.nz

Grapes – Seifried Estate, www.seifried.co.nz