

# Drivers of Tourists' Choices



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# The Big Picture

## Drivers

- Pull factors: scenery, friendly people, culture, etc.
- Push factors: relaxation, getting away, experiencing new places etc.
- Distance
- Price
- Others, e.g. environmental awareness



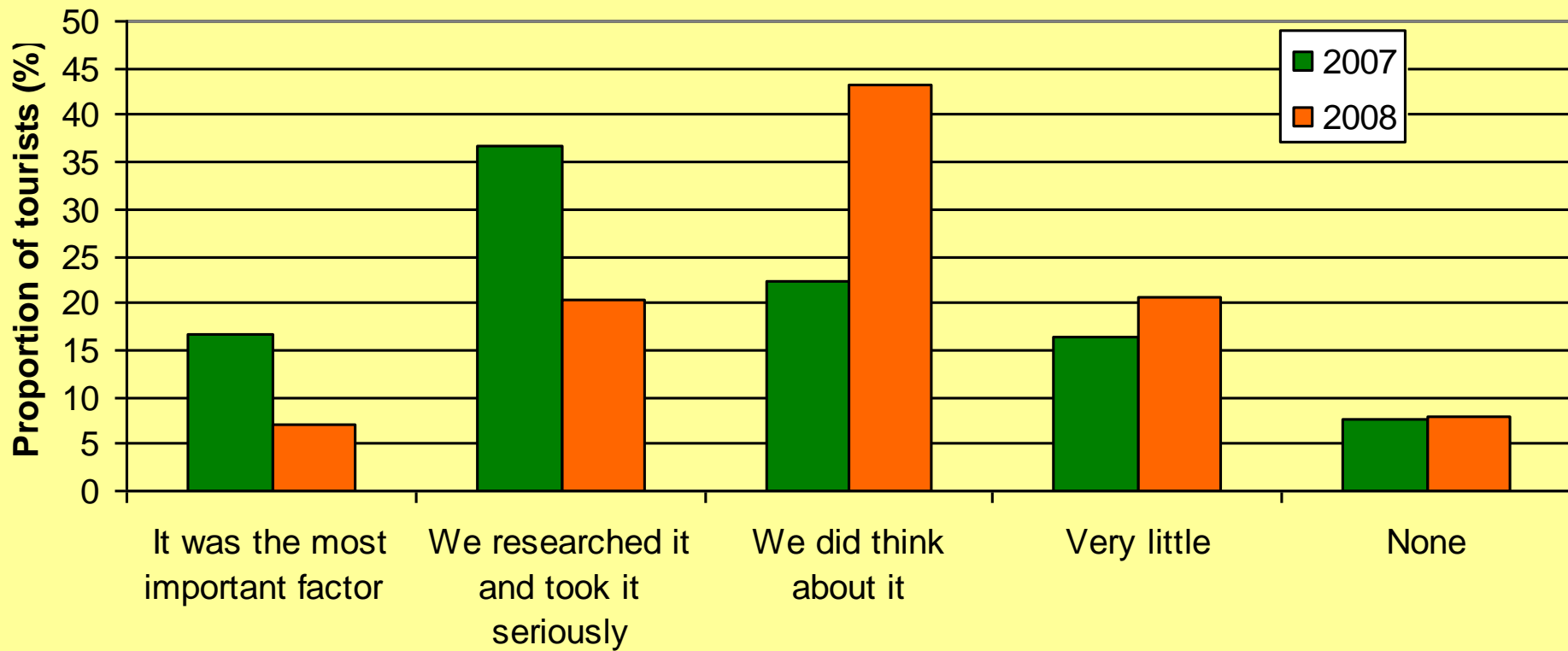
# In More Detail

## Results of two studies

- Behaviour of Campervan tourists
- Response to price of NZ tourism by 18 market segments



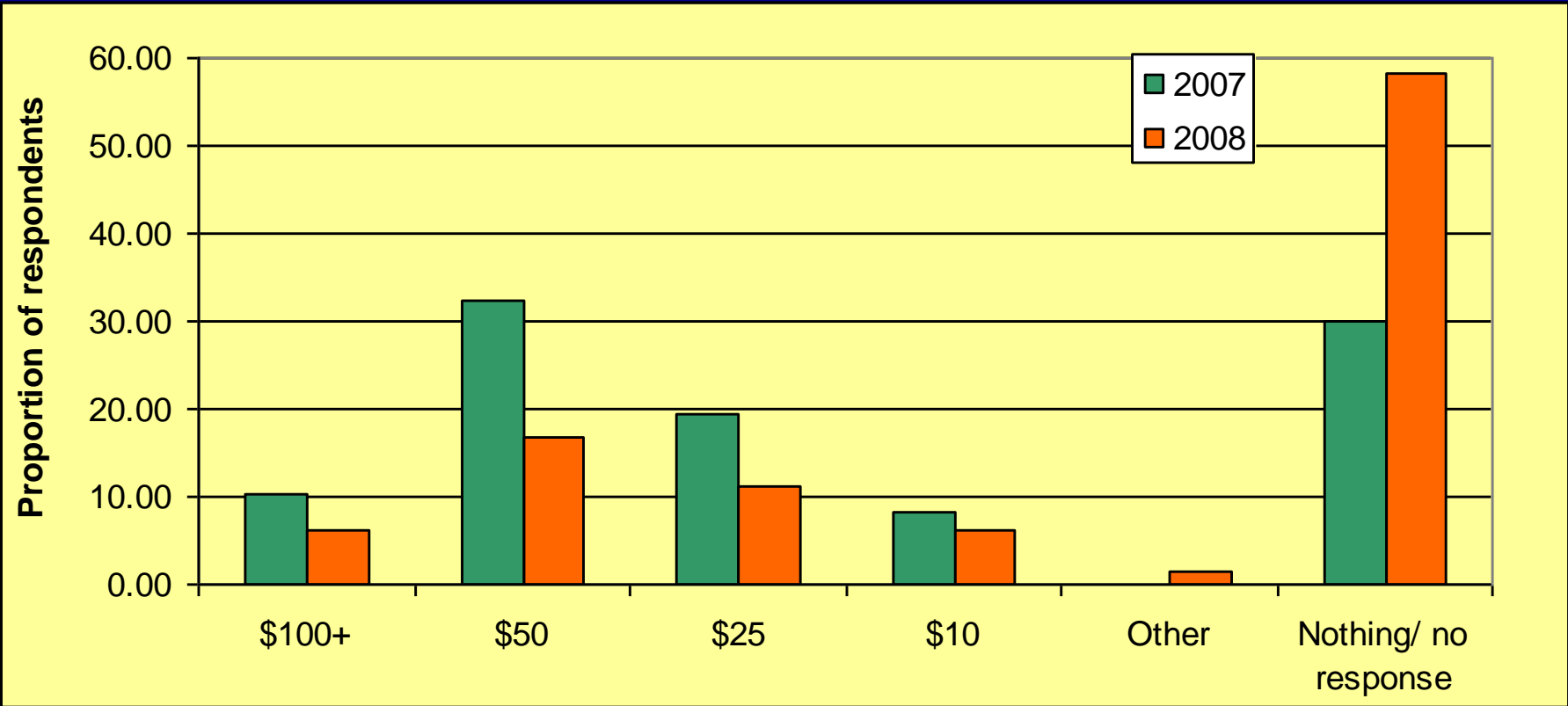
# 1) Campervan Tourists – Environmental Attitudes



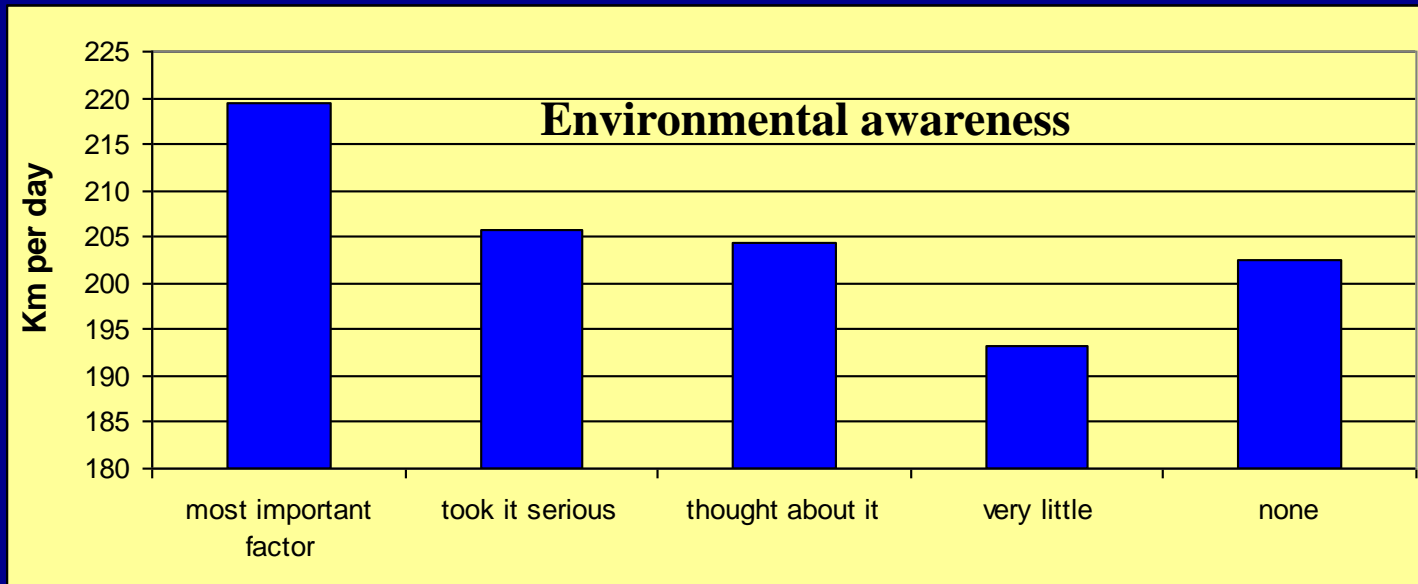
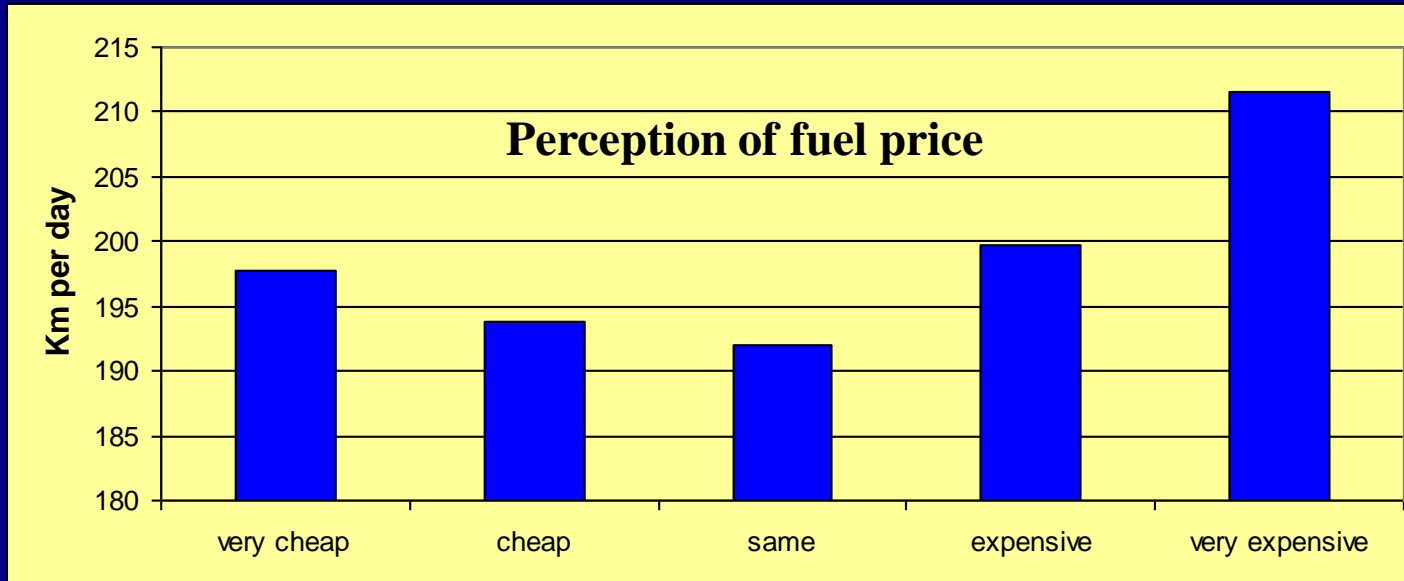
Transit New Zealand supports the Mackenzie District Council's  
**ZERO WASTE STRATEGY**



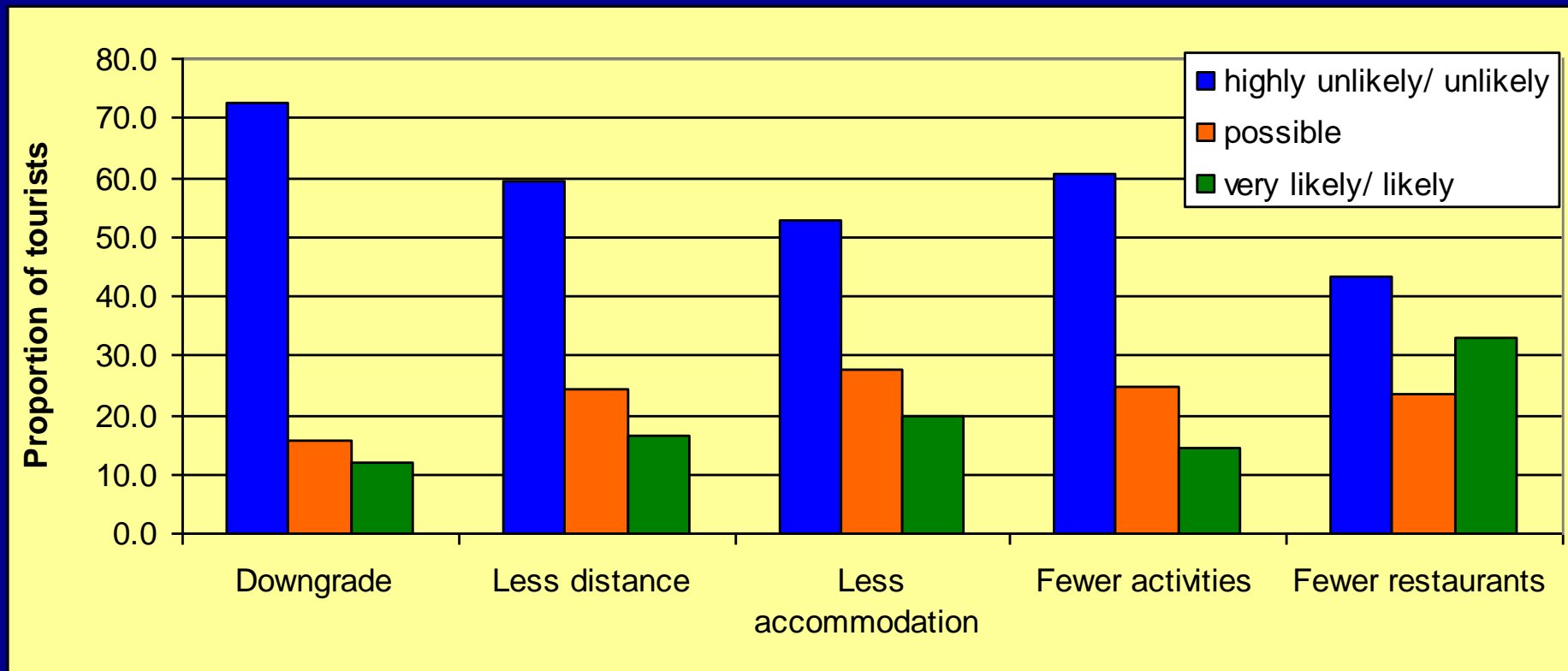
# Willingness to Pay for Carbon Offsetting



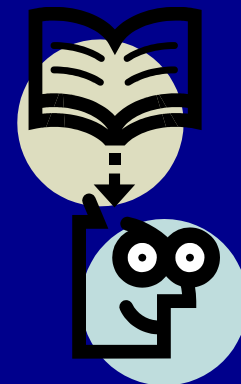
# Daily Driving Behaviour



# Changes tourists would make in response to higher fuel prices







# Key Messages

- Environmental awareness is important, but relatively less so than one year ago
- Tourists are willing to support certain kinds of projects – financially
- Actual transport behaviour does NOT relate to environmental predisposition
- Responses to higher fuel prices have been minimal so far, but a number of tourists indicated possible changes in the future
- Results indicate that restaurants and accommodation would be most affected from tourists reducing expenditure



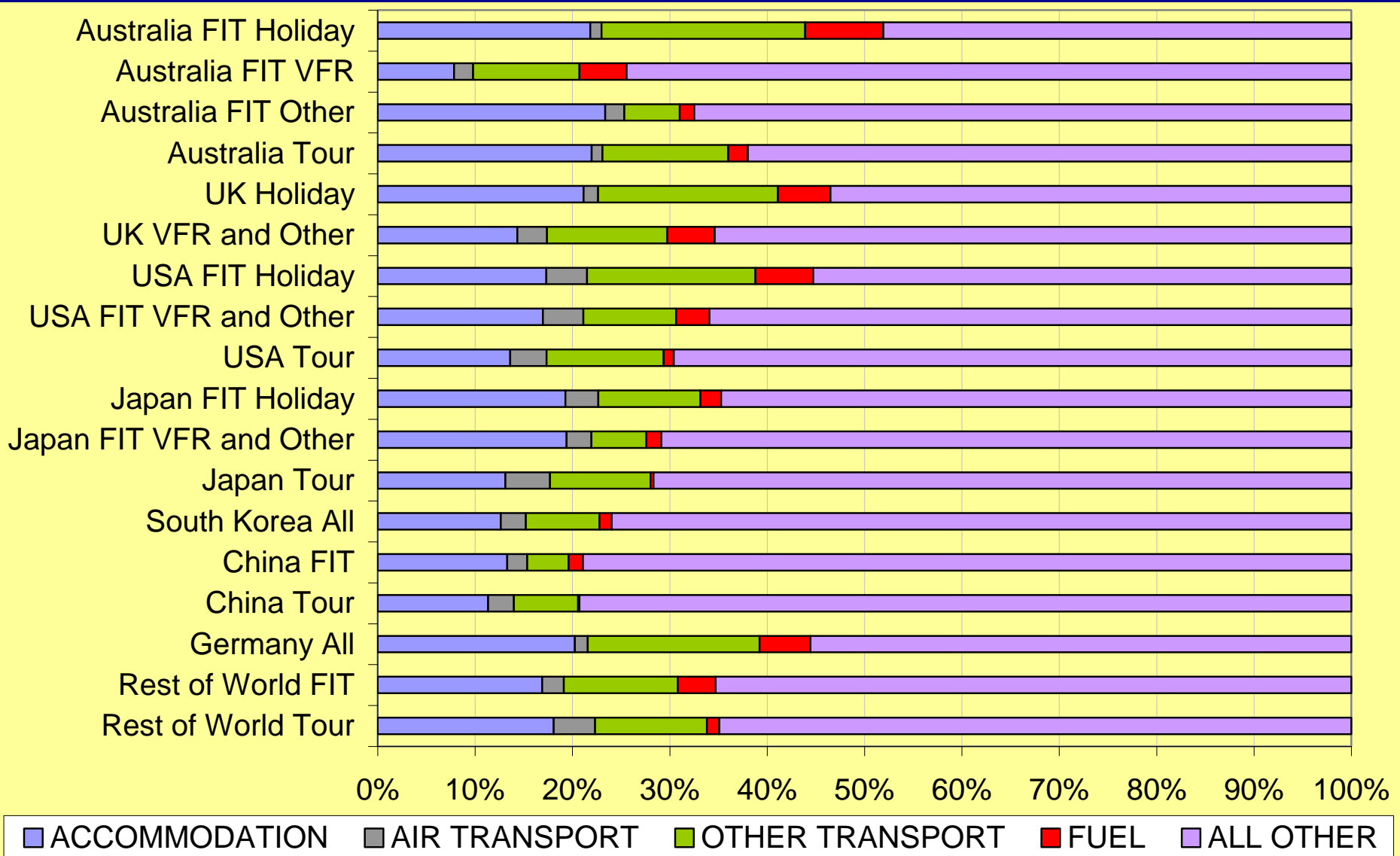
## 2) Price Sensitivity of Tourists

We looked at this from two angles:

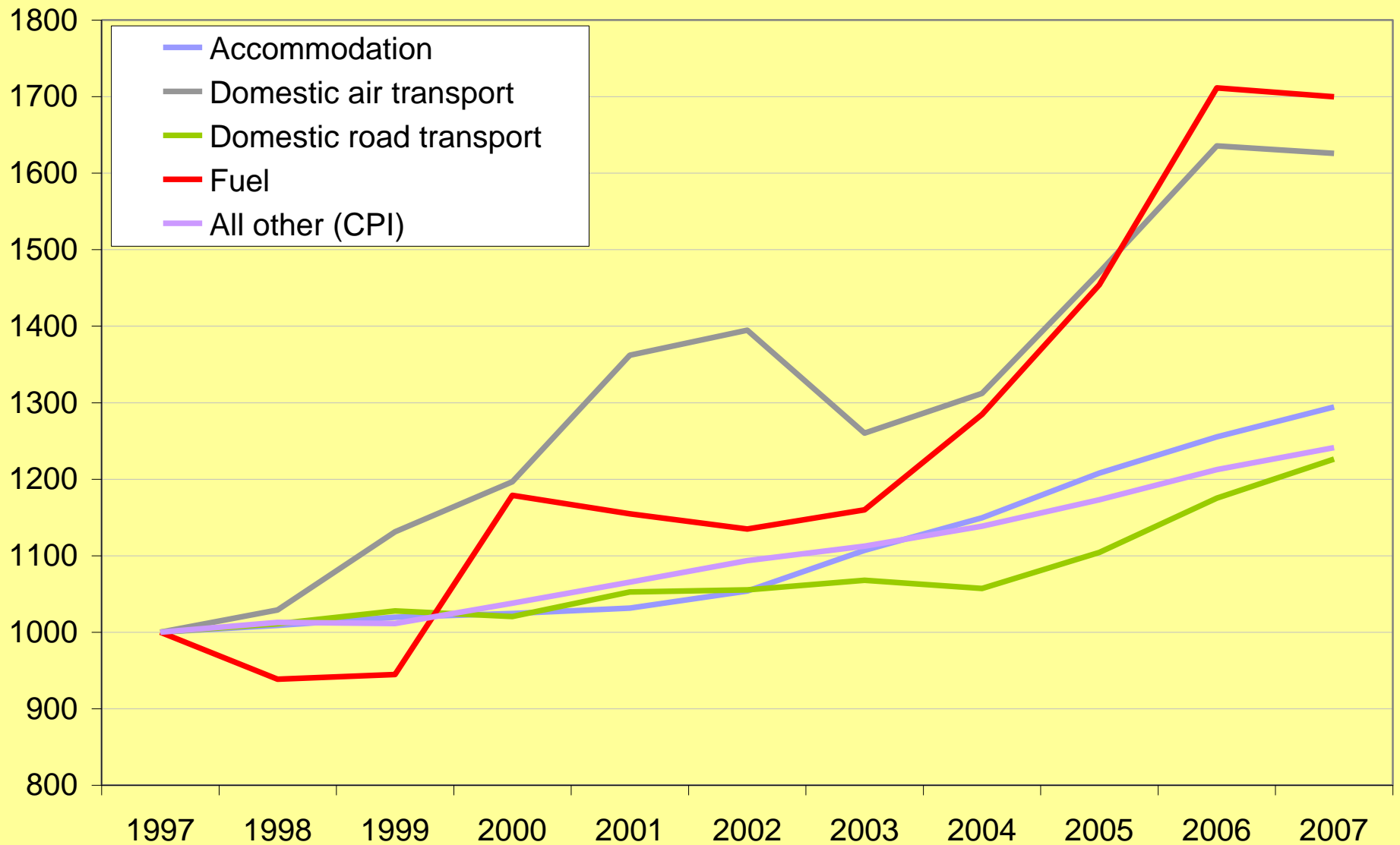
- Arrivals in response to ‘price of tourism’
- Demand On-the-Ground in response to ‘price of tourism’

Price of tourism: Airfares plus expenditure in NZ

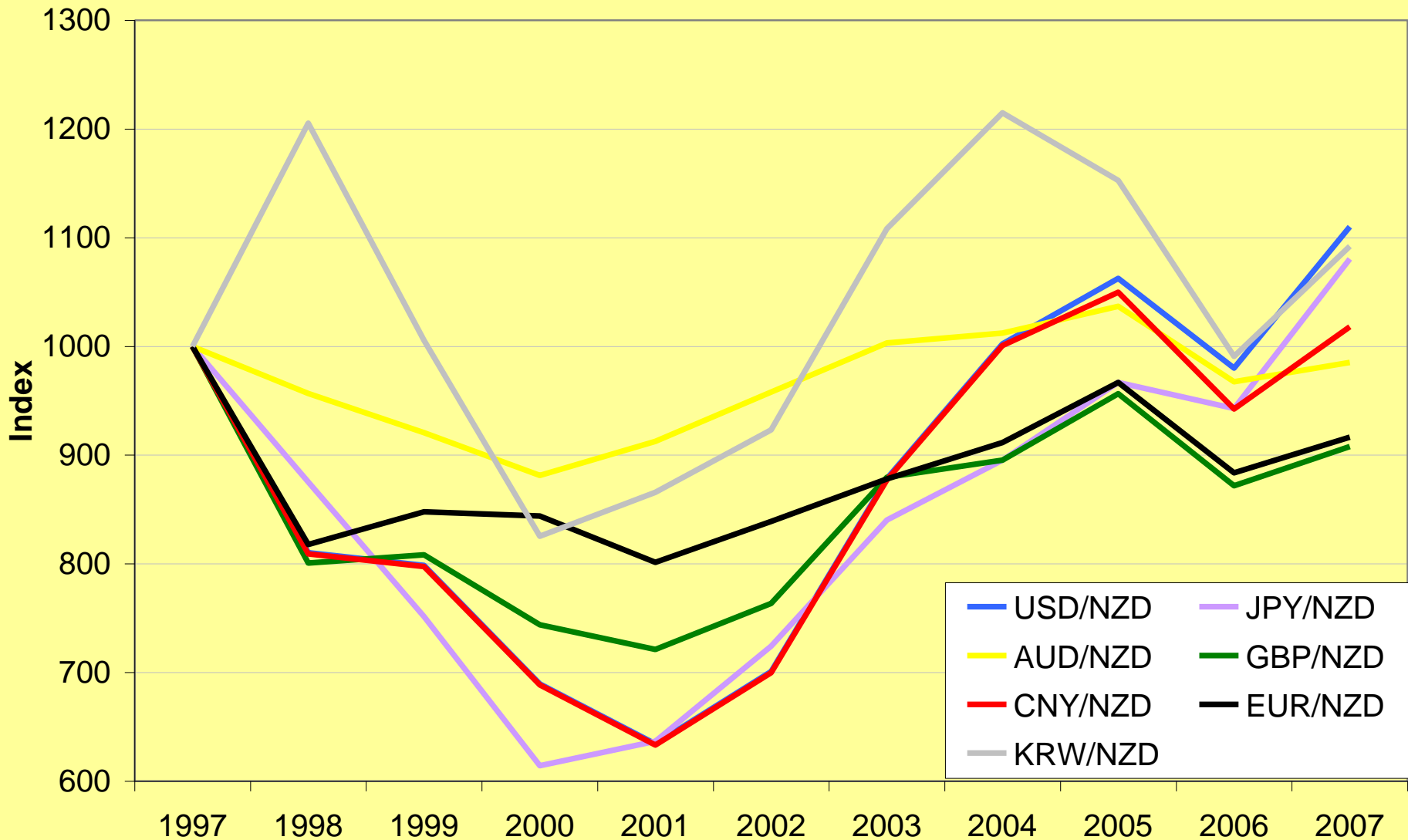
# Consumption Bundles of 18 Segments



# Underlying NZ Price Indexes



# Exchange Rate Effects

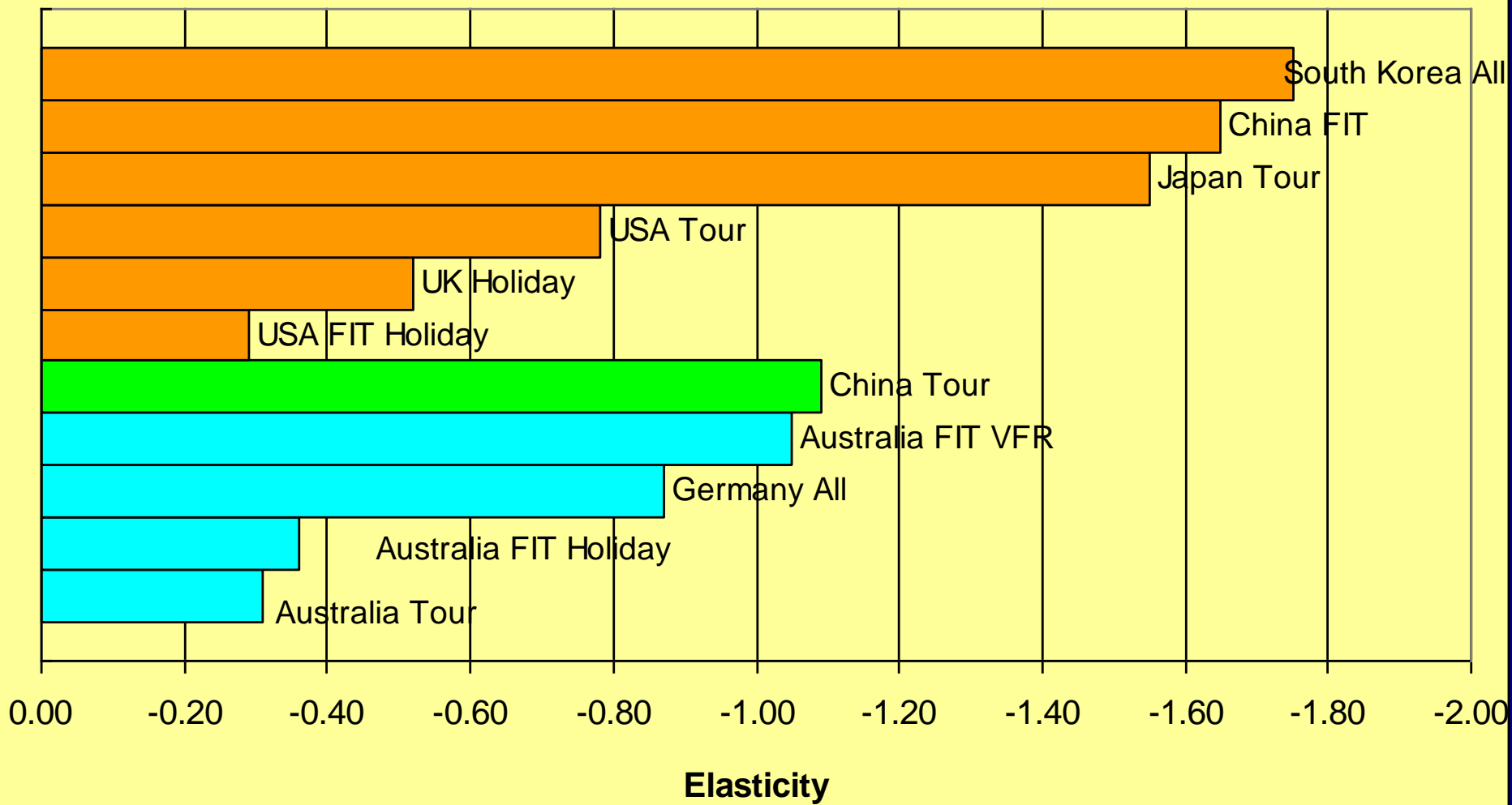


# Results I

- Sensitivity of tourist arrivals (based on last 10 years)

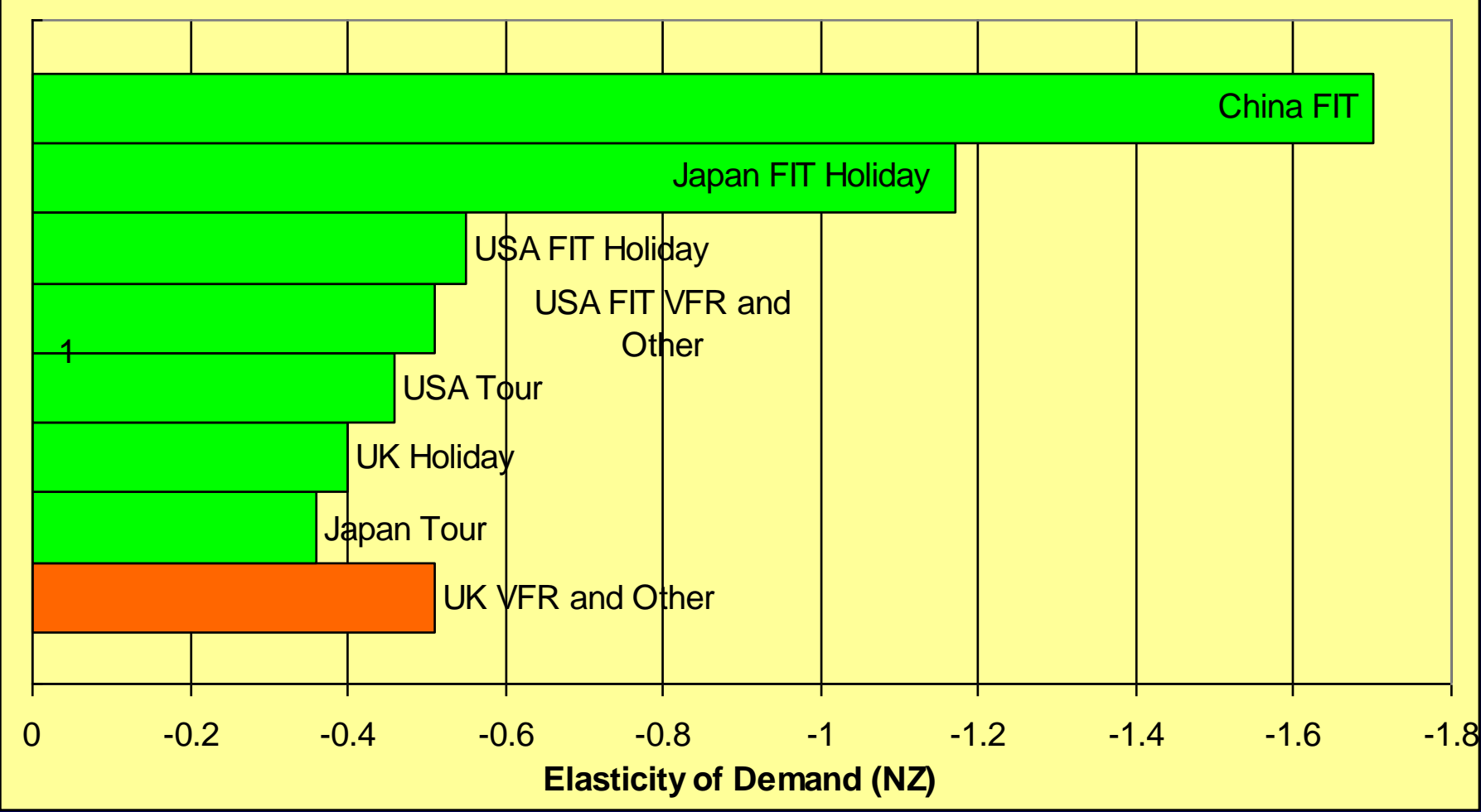


Segment	Price Index	Price Elasticity	Controlling Variables	Adj. R <sup>2</sup>
Aust. FIT Holiday	Airfare	-0.36**	Real GDP per capita	0.97
Aust. FIT VFR	Airfare	-1.05**	Real GDP per capita	0.88
Aust. Tour	Airfare	-0.31**	Real GDP per capita	0.93
UK Holiday	Total	-0.52*	Real consumption	0.90
USA FIT Holiday	Total	-0.29**	Real consumption	0.81
USA Tour	Total	-0.78*	Real GDP per capita, 2002 dummy	0.73
Japan Tour	Total	-1.55**	Change in real GDP per capita, population	0.67
Korea All	Total	-1.75**	Quadratic trend	0.96
China FIT	Total	-1.65*	Population	0.79
China Tour	OTG	-1.09*	Real GDP	0.92
Germany All	Airfare	-0.87*	Population	0.70

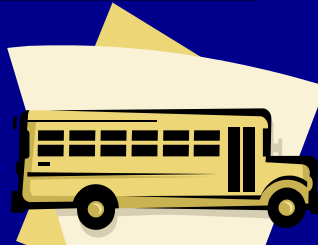


Total price of Tourism  
 On-the-ground (OTG)  
 Airfare

# Results II: Sensitivity of Tourist Demand (NZ)



On-the-ground (OTG)  
Total price of Tourism





# Key Messages - Price

- Many market segments are only somewhat price sensitive
- Asian tourists seem most sensitive
- Airfares are the key factor for Australian arrivals
- VRF and Business travellers are least sensitive
- GDP was found to be a key factor in most models
- Generally higher sensitivity found for 'Arrivals' compared with 'Demand in NZ'



# Overall Conclusion

- Price of tourism is important, but there are also segments that seem relatively resistant
- Price is more important with respect to getting tourists to NZ, compared with what they demand once they are here
- Environmental issues play a role but are less likely to affect behaviour
- Relative increase in fuel prices could alter tourist behaviour to some extent

More information can be  
downloaded from

[www.leap.ac.nz](http://www.leap.ac.nz)

at Lincoln University

