

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



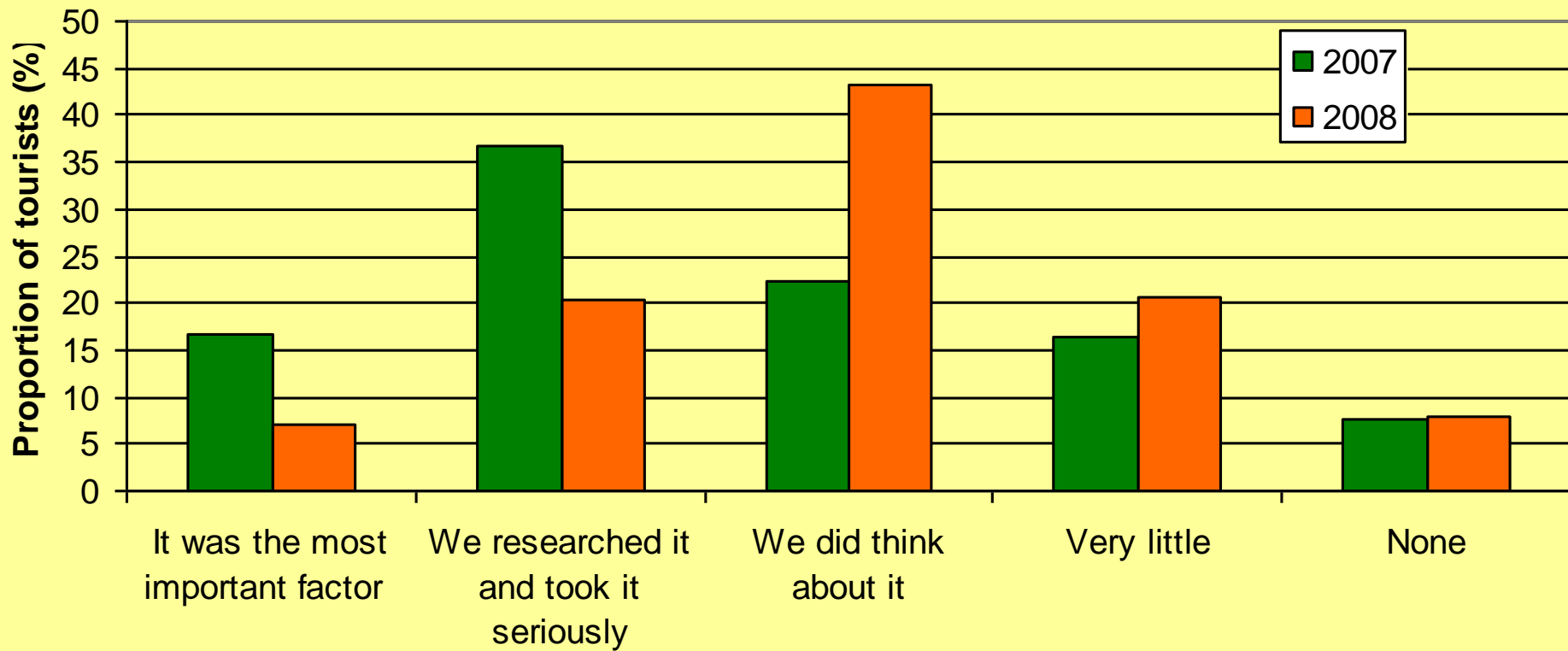
In More Detail

Results of two studies

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



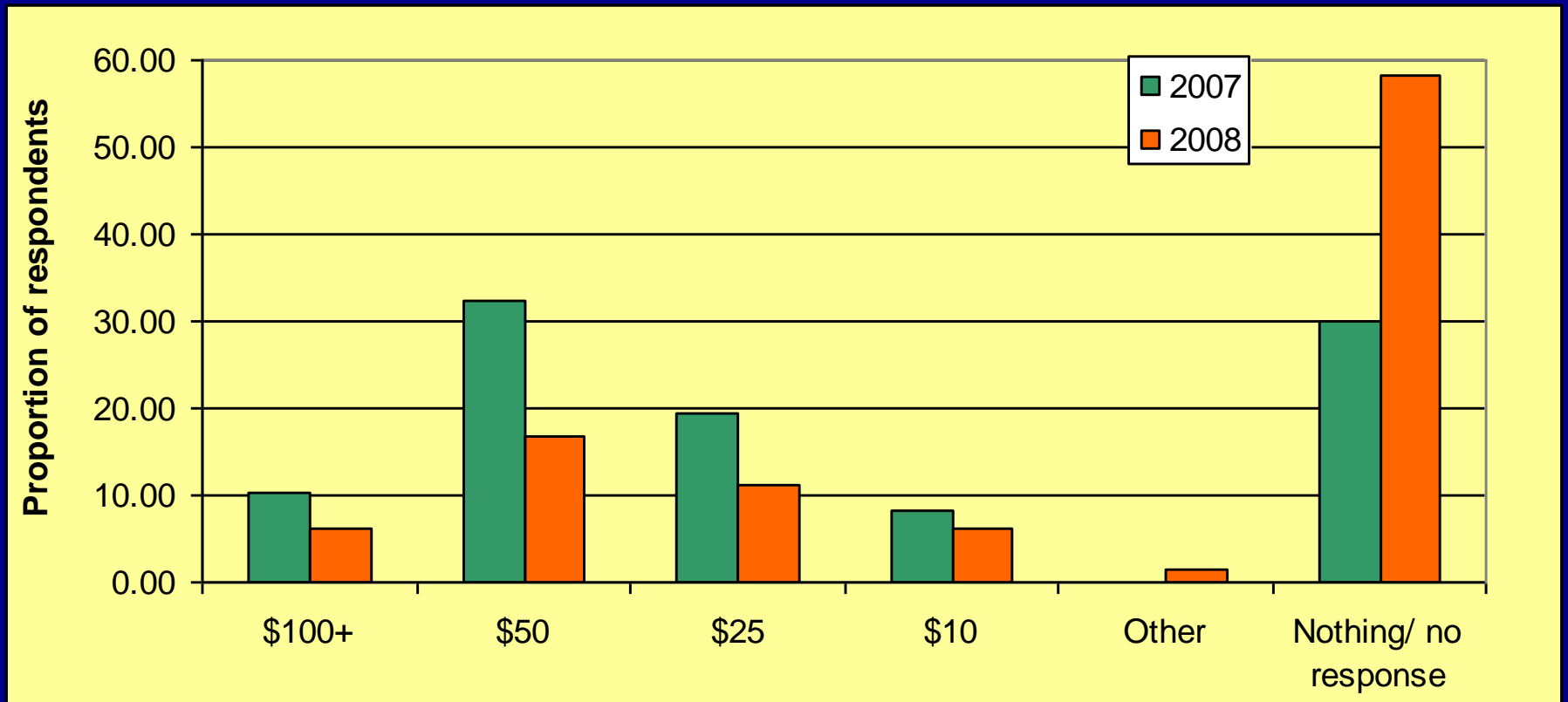
1) Campervan Tourists – Environmental Attitudes



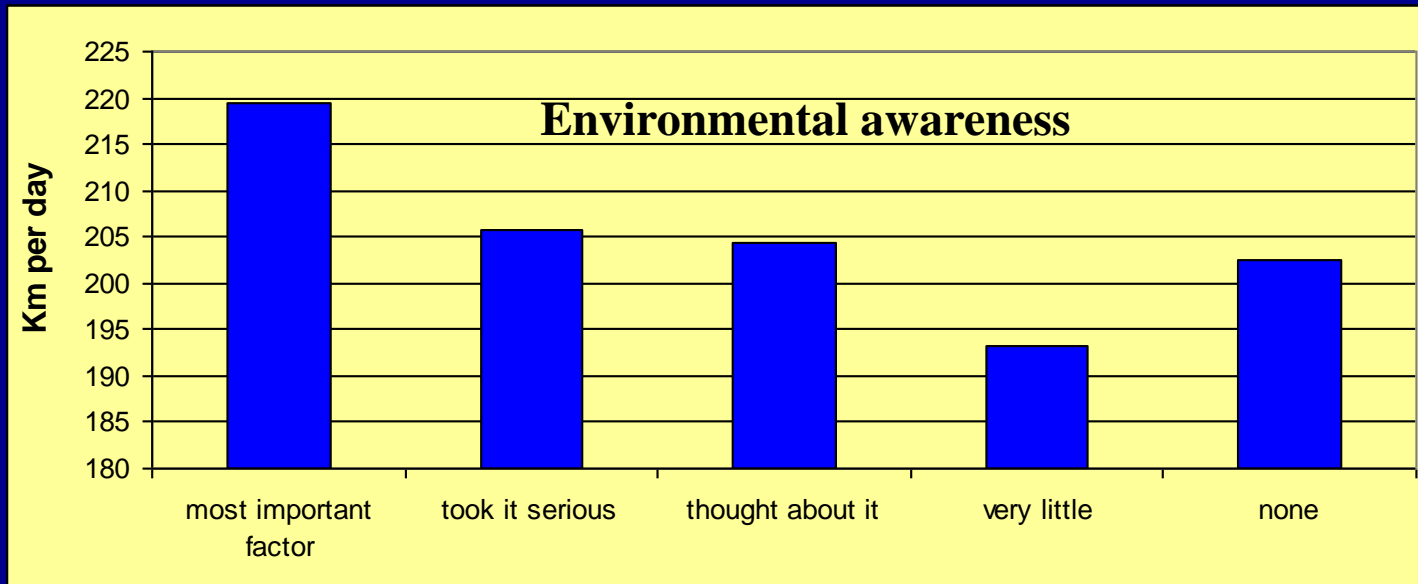
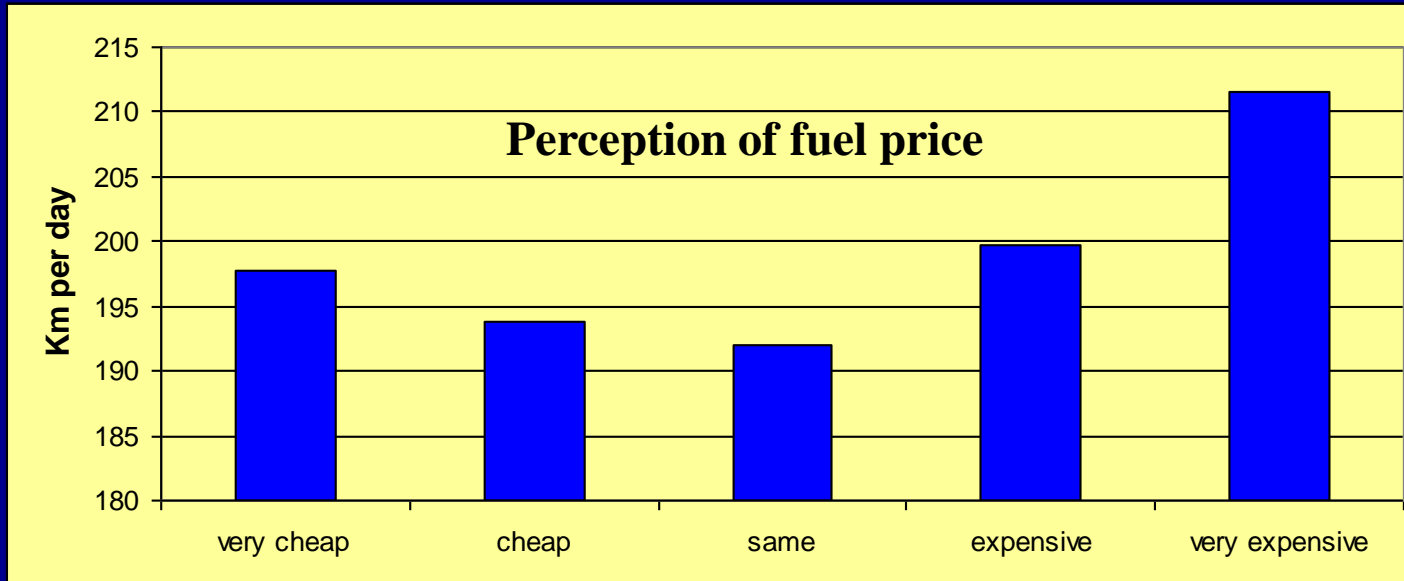
Transit New Zealand supports the Mackenzie District Council's
ZERO WASTE STRATEGY



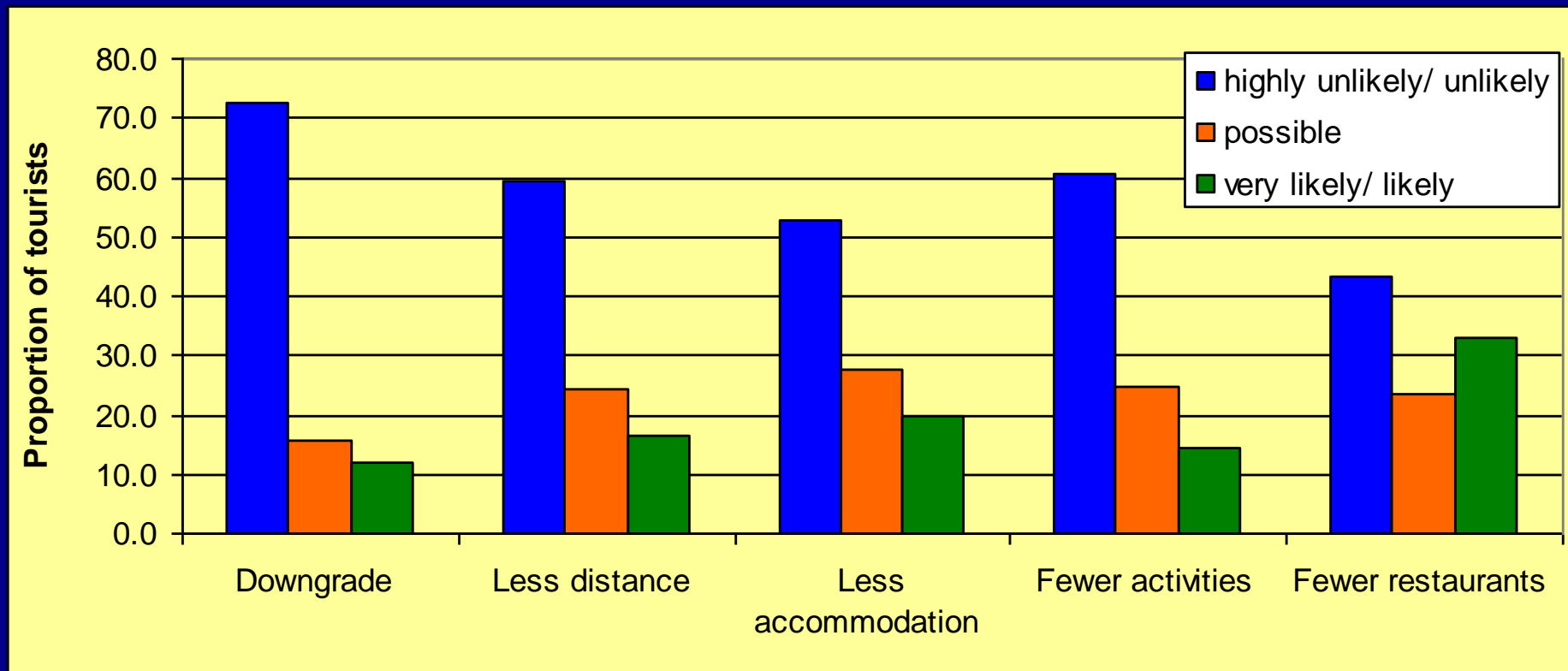
Willingness to Pay for Carbon Offsetting



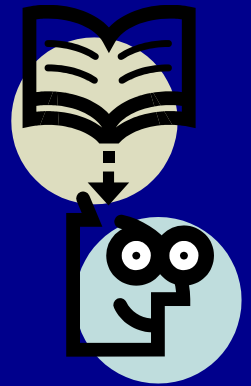
Daily Driving Behaviour



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



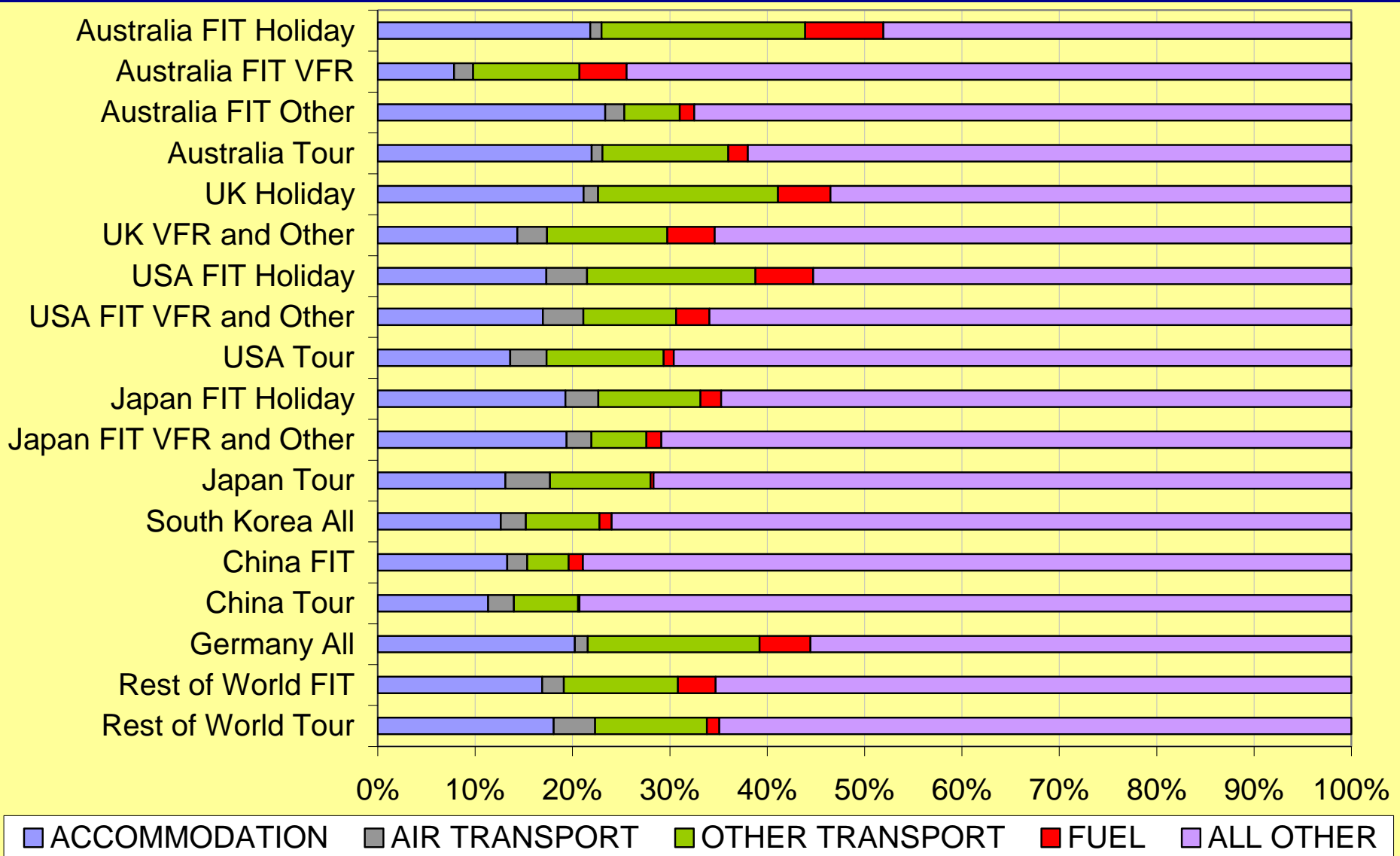
2) Price Sensitivity of Tourists

We looked at this from two angles:

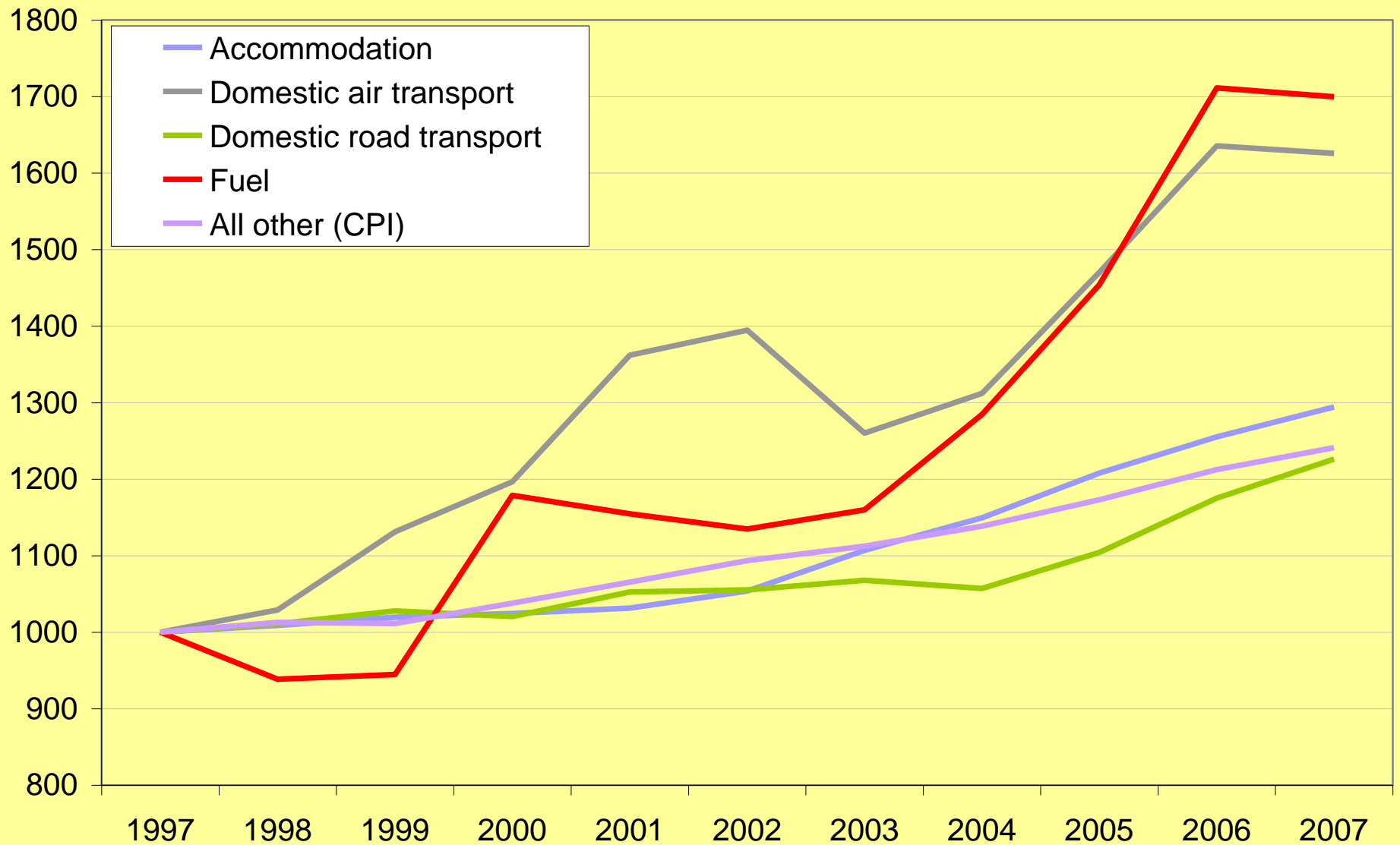
- Arrivals in response to ‘price of tourism’
- Demand On-the-Ground in response to ‘price of tourism’

Price of tourism: Airfares plus expenditure in NZ

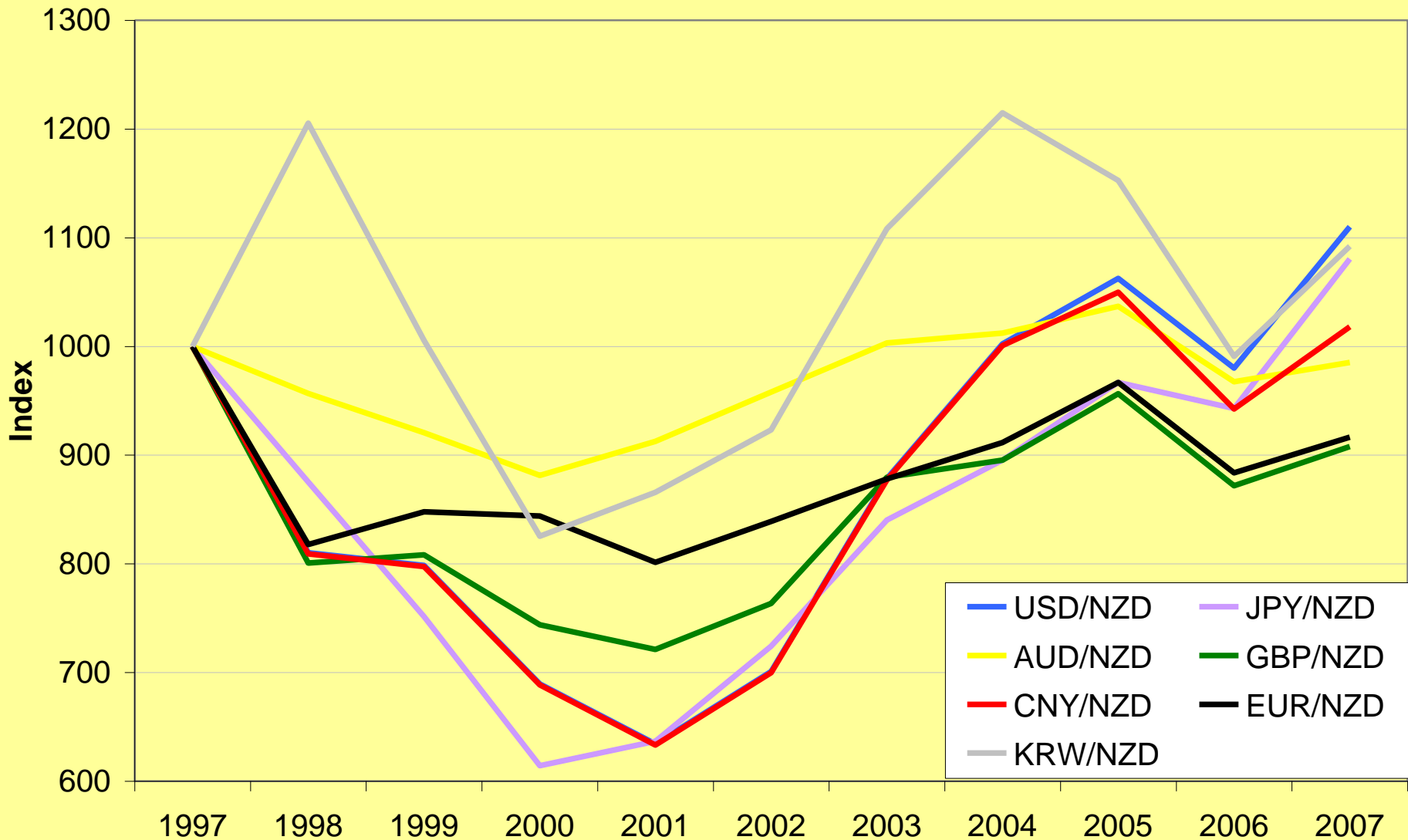
Consumption Bundles of 18 Segments



Underlying NZ Price Indexes



Exchange Rate Effects

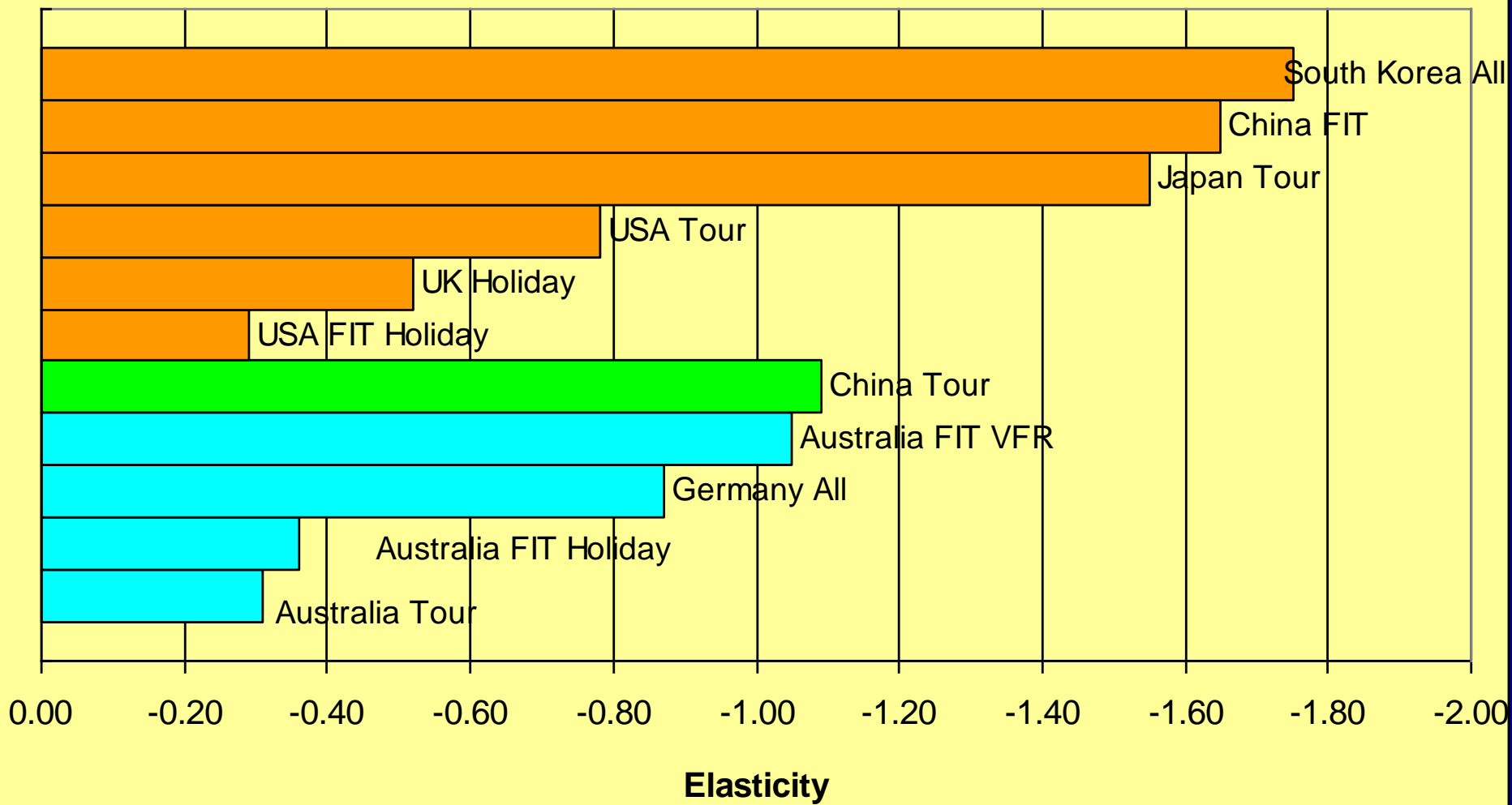


Results I

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

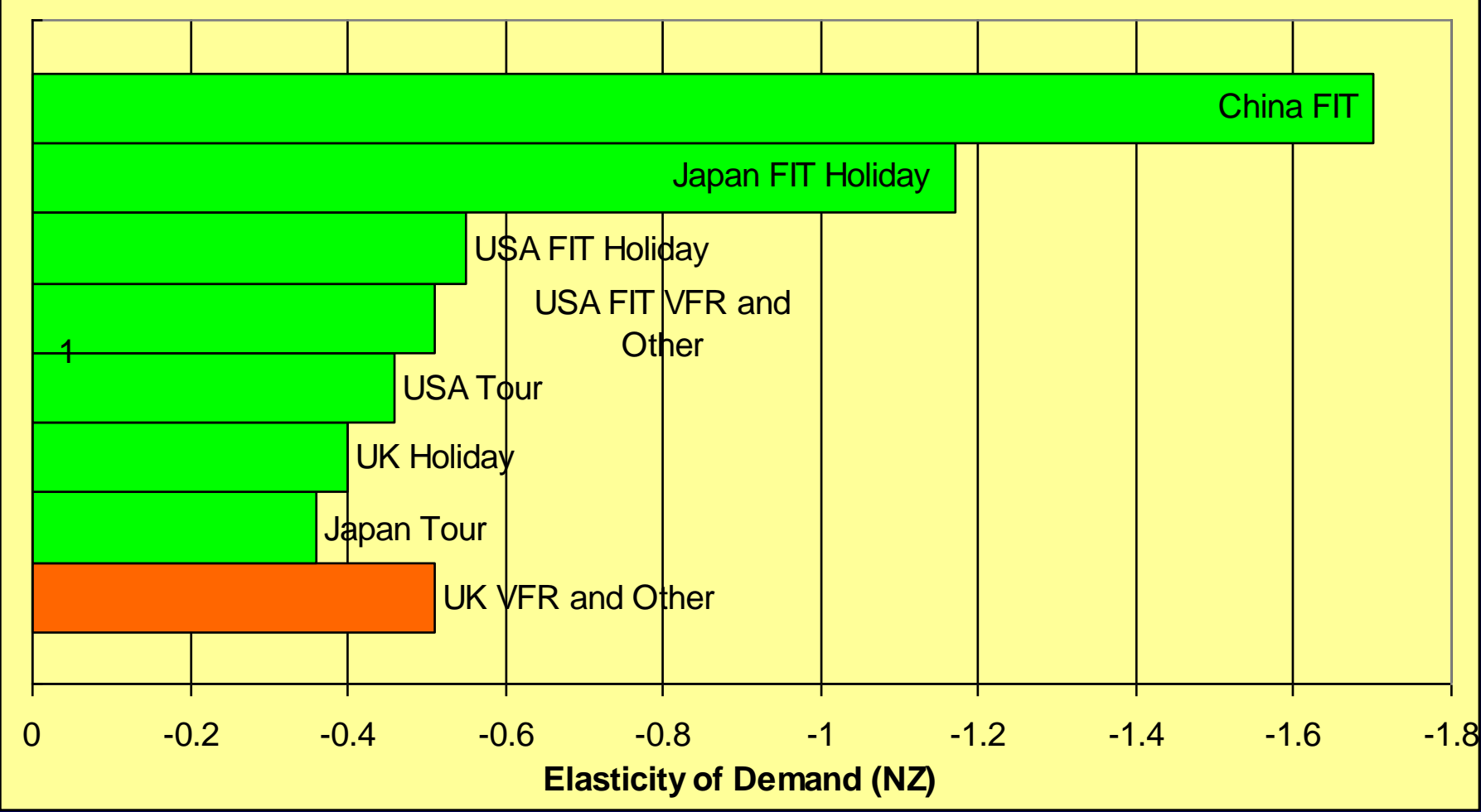


Segment	Price Index	Price Elasticity	Controlling Variables	Adj. R ²
Aust. FIT Holiday	Airfare	-0.36**	Real GDP per capita	0.97
Aust. FIT VFR	Airfare	-1.05**	Real GDP per capita	0.88
Aust. Tour	Airfare	-0.31**	Real GDP per capita	0.93
UK Holiday	Total	-0.52*	Real consumption	0.90
USA FIT Holiday	Total	-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

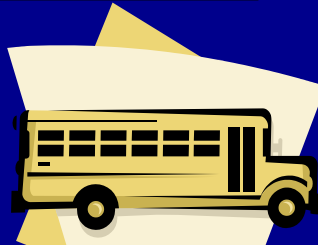


Total price of Tourism
 On-the-ground (OTG)
 Airfare

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

at Lincoln University

