

# NEW ZEALAND MARKET PROFILE

## Market overview

In 2016, New Zealand was Australia's largest inbound market for visitor arrivals, fourth largest market for total visitor spend and third for visitor nights.

## Key importance factors for holiday destination choice<sup>1</sup>

Safety and security 59%

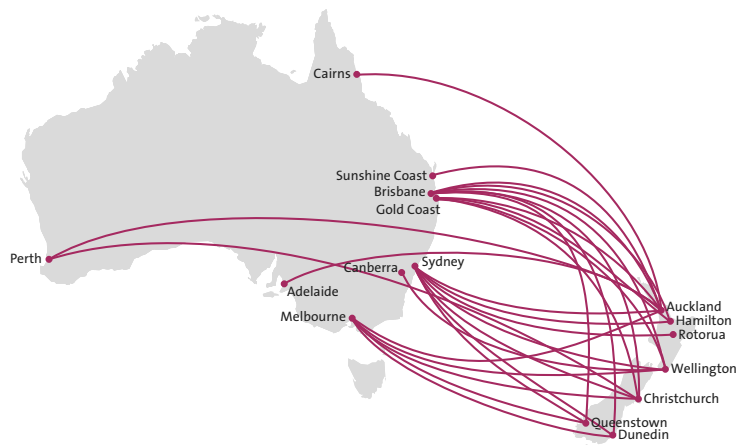
Value for money 50%

Rich history and heritage 35%

Friendly and open citizens 35%

Good food and wine 34%

## Aviation routes from New Zealand to Australia<sup>2</sup>




## Which airlines<sup>3</sup> do visitors from New Zealand use to travel to Australia?

Airline	2012	2013	2014	2015	2016
Air New Zealand	48%	47%	46%	45%	44%
Virgin Australia	18%	17%	18%	16%	17%
Qantas Airways	14%	15%	13%	13%	12%
Jetstar (Australia)	8%	7%	8%	10%	9%
Emirates	8%	8%	8%	8%	8%
Air Asia X	0%	0%	0%	0%	2%
China Airlines	1%	1%	1%	2%	2%
Lan Chile (Air Chile)	1%	1%	1%	1%	1%
Others	3%	4%	4%	5%	5%

## Business Events

Tourism Australia focuses on the incentive sector in NZ, recognising that these events bring high economic value to Australia. Australia remains high in the consideration set of NZ business events buyers, aided by the strong rational benefits of being a safe and secure destination, providing excellent infrastructure and offering relatively inexpensive airfares. For more information on current trends in market and information on New Zealand's business events distribution system, view the dedicated Business Events Market Profile for New Zealand at [www.tourism.australia.com/statistics/market-profiles.aspx](http://www.tourism.australia.com/statistics/market-profiles.aspx)

Notes: \*Average nights: the sum of all nights divided by the sum of all visitors. \*\*Median nights: the midpoint length of stay for which 50% of visitors stay less and 50% stay longer. † Data refers to an average of 2012-2016. ‡ Refers to share of arrivals of respective purpose. † Other includes education, employment and others. Sources: 1. Tourism Australia, Consumer Demand Project, 2016. 2. Department of Infrastructure and Regional Development, December 2016. 3. Department of Immigration and Border Protection, December 2016. 4. Tourism Research Australia, International Visitor Survey, December 2016.

 **\$3.4-4.2bn**  
Potential to be worth by 2020

 **1,347,000**  
Visitor arrivals<sup>3</sup>  
(↑ 3 per cent)

 **Holiday<sup>o§</sup>**

**40%**

 **Visiting friends & relatives<sup>o§</sup>**

**34%**


 **Business<sup>o§</sup>**

**16%**

 **Other<sup>o§†</sup>**

**10%**

 **\$2.7bn**  
Total spend<sup>4</sup>  
(↑ 3 per cent)

 **13 nights<sup>\*\*4</sup>**

Average nights stayed<sup>o</sup>

 **7 nights<sup>\*\*4</sup>**

Median nights stayed<sup>o</sup>



**Apr-Aug**

Booking peak period



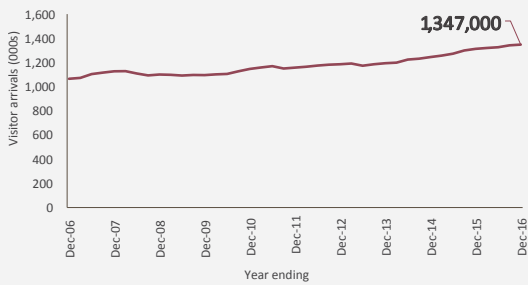
**Feb-May and Sep-Nov**

Travel peak period

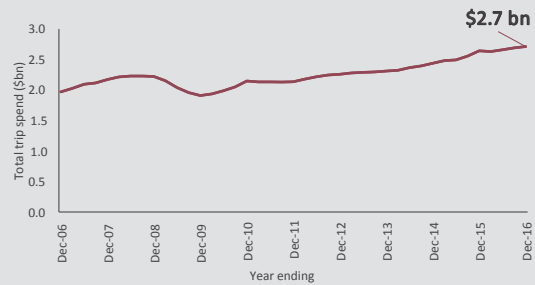
# NEW ZEALAND MARKET PERFORMANCE

» The charts on this page provide a trend overview of visitor arrivals and spend over the last 10 years by main purpose of visit, by first and repeat leisure<sup>Δ</sup> visitors and also a snapshot of age demographic split of leisure visitors and spend.

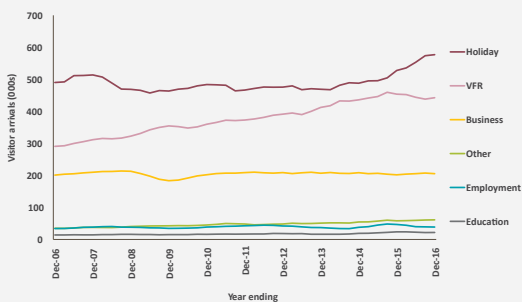
## Visitor arrivals<sup>1</sup>



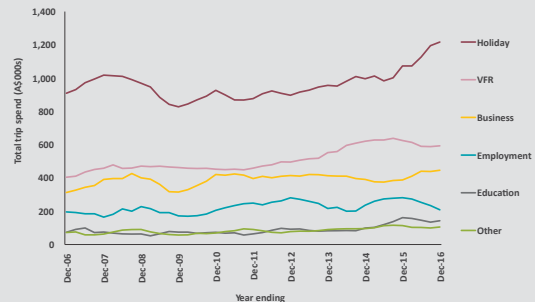
## Visitor spend<sup>2</sup>



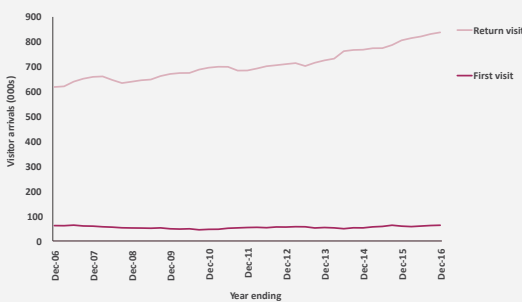
## Visitor arrivals by main purpose of visit<sup>1</sup>



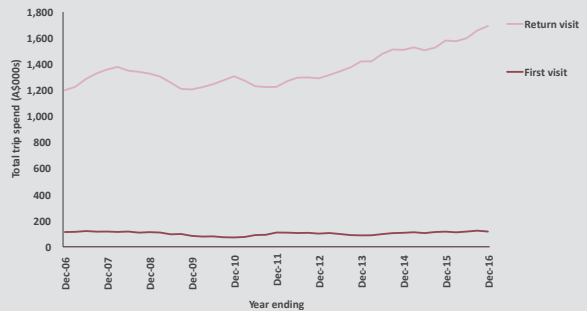
## Visitor spend by main purpose of visit<sup>2</sup>



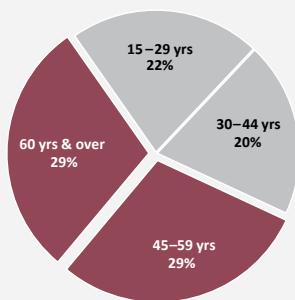
## First and repeat leisure visitor arrivals<sup>2</sup>



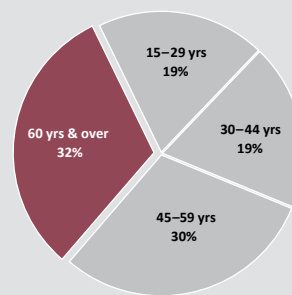
## First and repeat leisure visitor spend<sup>2</sup>



## Leisure arrivals by age<sup>2†</sup>



## Leisure spend by age<sup>2†</sup>



Notes: <sup>Δ</sup> Leisure refers to main purpose of visit of holiday and visiting friends and relatives. <sup>†</sup> Age profile data refers to an average of 2012-2016.

Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016.

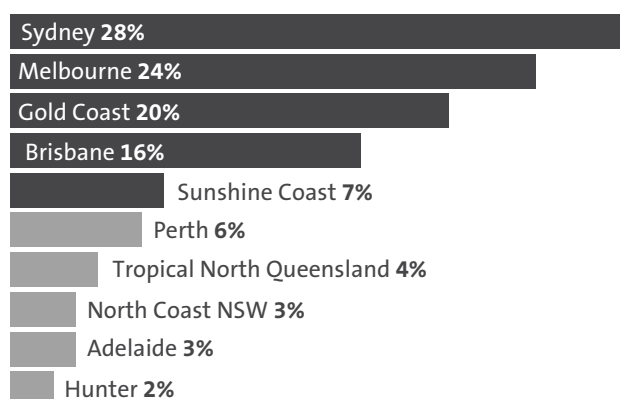
# NEW ZEALAND MARKET PERFORMANCE

» The following<sup>o</sup> table provides a summary of arrivals, spend and the proportion of repeat visitors to Australia by main purpose of visit: holiday, visiting friends and relatives and business.

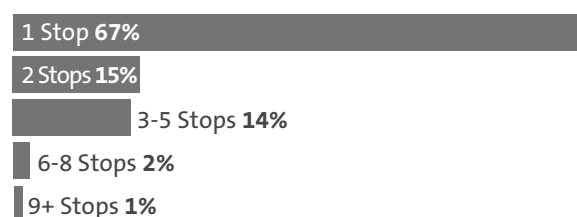
	HOLIDAY	VISITING FRIENDS AND RELATIVES	BUSINESS
Arrivals <sup>1</sup>	507,500 (40% <sup>§</sup> )	427,200 (34% <sup>§</sup> )	206,300 (16% <sup>§</sup> )
Spend per trip <sup>2</sup>	\$2,300	\$1,500	\$2,000
Spend per night <sup>2</sup>	\$207	\$127	\$288
Repeat visitors <sup>2</sup>	92%	95%	96%
Average nights stayed <sup>2</sup>	11	12	7
Median nights stayed <sup>2</sup>	7	7	3

» The following provides an overview of top 10 regions visited by leisure visitors and the number of stopovers made in Australia by leisure visitors.

## Top 10 regions visited by leisure visitors<sup>o^2</sup>



## Overnight stopovers made in Australia by leisure visitors<sup>o^2</sup>



Read as: 15% leisure travellers from New Zealand visited 2 regions (and made at least one overnight stay).

Notes: <sup>o</sup> Data refers to an average of 2012-2016. <sup>§</sup> Refers to share of arrivals of respective purpose of visit. <sup>\*</sup> Leisure refers to main purpose of visit of holiday and visiting friends and relatives. <sup>^</sup> Percentages will not add to 100% as one person can visit multiple regions. The data refers to visitors that made at least one overnight stay.  
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016

# NEW ZEALAND AVIATION LANDSCAPE



**4.9 million**  
Inbound seats



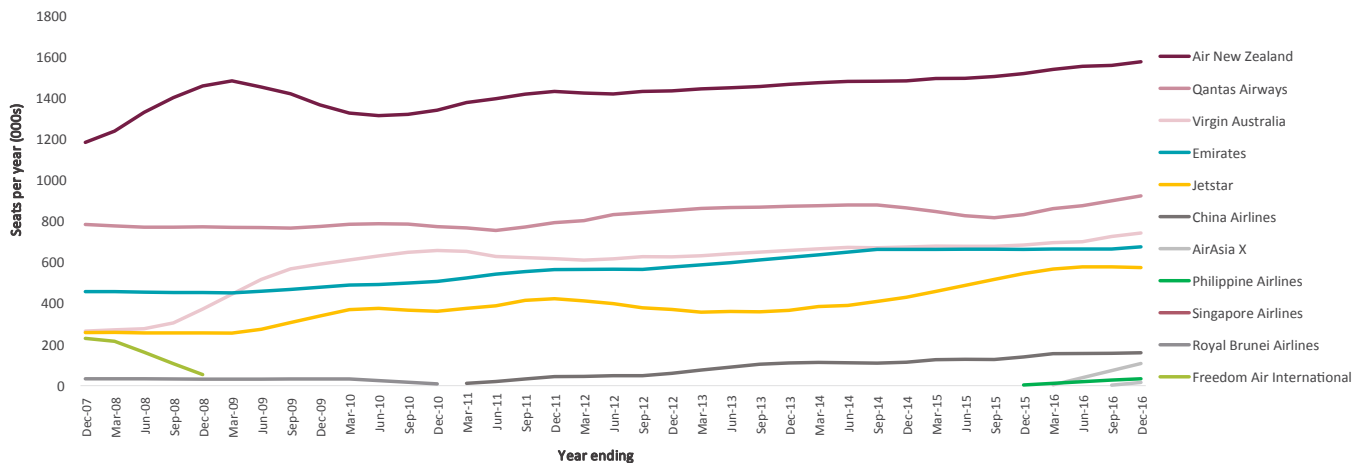
**10%**  
year on year



**446** Flights per week

- » The trans-Tasman route remains Australia's busiest international route in terms of direct capacity and frequency. Capacity grew 10 per cent in 2016, off an already large base. The majority of the New Zealand traffic to Australia originates from Auckland, Christchurch and Wellington. 2016 also saw the start of Singapore Airlines' inaugural capital to capital Singapore-Auckland-Wellington service, which commenced in September 2016.
- » There is aggressive price competition on the trans-Tasman route, stimulating cheaper fares and impacting yields. Passenger share among carriers have remained largely unchanged, with Air New Zealand remaining the top choice of visitors from New Zealand to Australia (44 per cent).
- » All major carriers expanded their services between New Zealand and Australia in 2016. In addition to Singapore Airlines' inaugural capital to capital service, two new fifth freedom services were introduced in 2016: Air Asia X's Auckland-Gold Coast-Kuala Lumpur service and Philippine Airlines' Auckland-Cairns-Manilla service.
- » Air New Zealand has further plans to boost its presence in Australia, with a premium passenger lounge planned at Perth's international terminal, expected to open by end of 2017. The airline has also announced plans to operate its widebody Boeing 787-900 to Adelaide from late October 2017, which will offer premier travel options for travel to New Zealand and beyond New Zealand to the United States.
- » Arrivals from New Zealand to Australia maintained a steady three per cent growth in 2016. Average load factors were impacted in 2016 (down three percentage points to 78 per cent) with capacity growing ahead of inbound arrivals.

## Direct aviation capacity from New Zealand to Australia



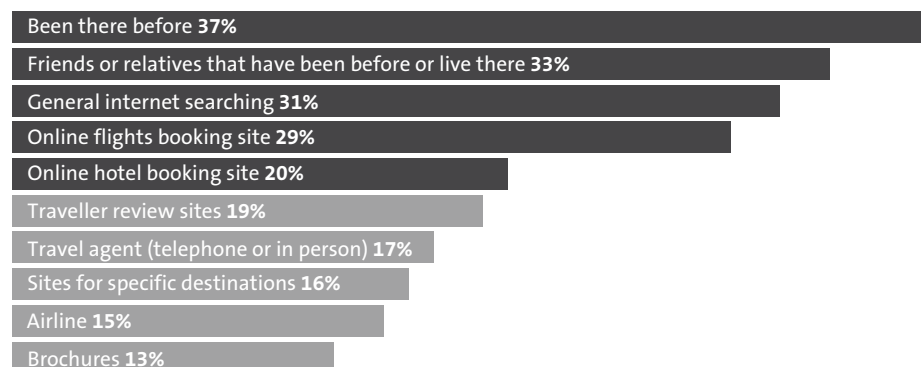
Sources: Department of Infrastructure and Regional Development, Aviation Statistics., December 2016

# NEW ZEALAND

## PLANNING AND BOOKING INFORMATION SOURCES

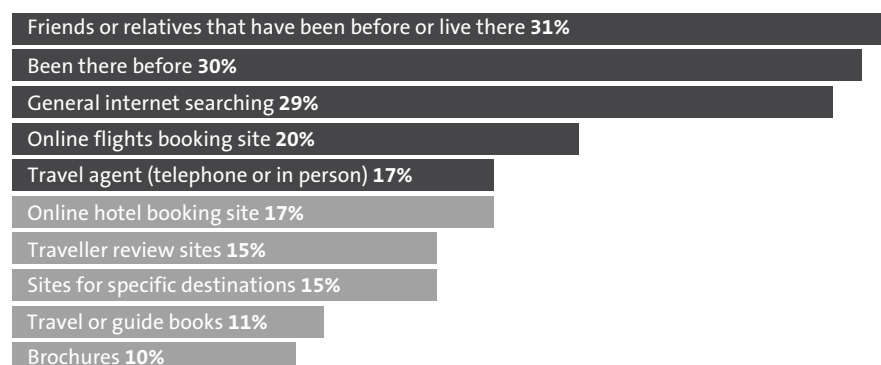
The following charts highlight the information sources that New Zealand consumers use to plan and book their holidays.

### Preferred sources for early planning and inspiration



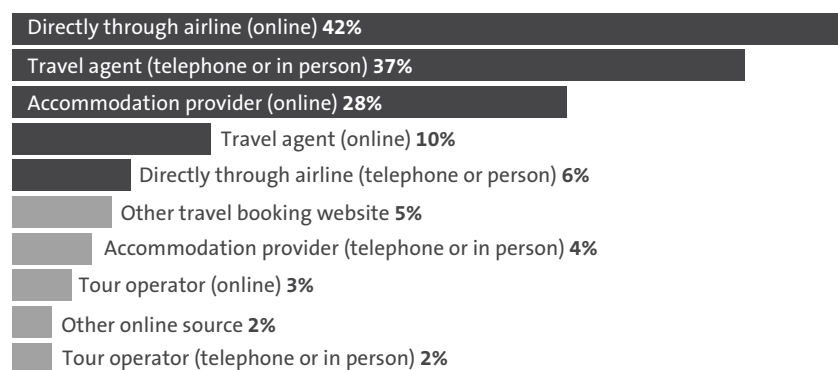
Read as: 37% of respondents indicate '(having) been there before' as a preferred source during the early stages of planning a holiday.

### Preferred sources for seeking information



Read as: 31% of respondents indicate 'friends or relatives that have been before or live there' as a preferred source for seeking information about a holiday destination.

### Preferred sources used to book a holiday



Read as: 42% of respondents indicate booking 'directly through (an) airline (online)' as a preferred source when booking a holiday.

Source: Tourism Australia, Consumer Demand Project, 2016

# NEW ZEALAND DISTRIBUTION

The New Zealand distribution system continues to evolve as online bookings for short haul travel grow. In response, traditional distributors are increasing their online capabilities. Bookings to Australia are primarily driven by low airfares and short/sharp sales, leading to a trend where consumers book airfares first and ground components later, rather than traditional package tours. Consolidation and re-branding of NZ distribution has taken place over the last two years.

## Distribution system

### WHOLESALERS/ LARGE AGENCIES

*Commission level: 20% to 25%*

- » New Zealand has three major wholesalers which work in alliance with the retail travel chains. They are House of Travel Product, Helloworld and Infinity Holidays (Flight Centre Group). There are also smaller and more specialised wholesalers in the New Zealand market such as Lifestyle Holidays.
- » Whilst there are preferred arrangements in place, wholesalers are open to deal with any retail agencies (with the exception of Infinity Holidays).

### RETAIL AGENTS

*Commission level: 10% to 12%*

- » There are approximately 400 listed retail travel agencies employing over 3,000 travel consultants in New Zealand.
- » The main listed retail brands are as follows:
  - » Flight Centre with over 130 branded retail, 45 travel brokers, 11 Cruise About stores, 5 Student Flights
  - » House of Travel with 75 retail stores and 8 Orbit corporate travel stores
  - » Helloworld (formerly Harvey World Travel & United Travel) have 70 branded retail stores, plus 100 brokers under The Travel Broker brand
  - » World Travellers with 36 branded retail stores and 20 travel brokers
  - » First Travel Group with 44 retail stores and affiliated agencies, plus 92 brokers under NZ Travel Broker brand
  - » YOU Travel with 34 branded retail stores
  - » Travel Smart with 10 branded and non-branded agencies.

### ONLINE

*Commission level: 10% to 12%*

- » Key travel websites include Air New Zealand, Qantas, Virgin Australia, Webjet, Wotif, Expedia, and House of Travel.
- » Air New Zealand have a formal partnership agreement with Expedia for land inventory.
- » House of Travel online brand Mix & Match also has a formal agreement with Expedia (beyond what HOT Product contracting directly – expanding their inventory).

# NEW ZEALAND DISTRIBUTION

## Trends

### Distribution



» With over 60 per cent of New Zealanders booking travel to Australia online, traditional retail groups and airlines are increasing their online booking capability to meet demand.

- » International airline services operate regularly from Auckland, Wellington and Christchurch. Limited service are available from the South Island centres of Queenstown and Dunedin.
- » Aggressively priced trans-Tasman airfares (particularly for the East Coast) position Australia as a very accessible travel destination for New Zealand consumers.

### Planning and purchasing travel

- » More than 60 per cent of New Zealanders are now purchasing airfares online. Ground portions are being purchased either online (directly to product) or through retail agencies particularly for complex or regional itineraries.
- » Many consumers use internet travel websites to research their holidays. However, traditional distribution channels remain a key source of information on holiday destinations and products

### Special Interest



» Operators who specialise in niche segments, such as events and sports travel, include The Experience Group, Williment Sports Travel and Showbiz Events & Travel. Two wholesalers, Go Holidays and House of Travel, also market sports and special interest events.

## Planning a visit to market

### Top tips for sales calls



- » It is preferable to make regular sales visits each year to the New Zealand market. Sales calls can be made throughout the year, however avoid December and January as this is the summer holiday season.
- » A consistent market presence through advertising and wholesale or retail activity for two or more years will help to build New Zealand industry relationships and achieve a greater return.
- » The key market centres to visit are Auckland, Wellington and Christchurch. Key regional centres to visit are Hamilton, Tauranga, Nelson, Dunedin and Queenstown.
- » For more general information on sales calls and planning a visit to market, please see Tourism Australia's Planning for Inbound Success ebook at: [www.tourism.australia.com/inboundsuccess](http://www.tourism.australia.com/inboundsuccess)

# NEW ZEALAND

## FURTHER INFORMATION

### Key trade and consumer events

Event	Location	Date
PAICE (Business Events focus)	Auckland, NZ	14 November 2017
Dreamtime	Brisbane, Australia	03-09 December 2017
State Tourism Organisation Road	Sydney, Australia	14-18 May 2017
Shows & Workshops	Various	Various

### Where to find more information

Tourism Australia's activities in New Zealand are managed from its Auckland office. For more information visit Tourism Australia's corporate website at [www.tourism.australia.com](http://www.tourism.australia.com).

» Australian State and Territory Tourism Offices operating in New Zealand include: Destination NSW, the South Australian Tourism Commission, Tourism and Events Queensland, Tourism Victoria and Tourism Western Australia.

Also see:

» NZ Country Brief published by the Department of Foreign Affairs and Trade at: [www.dfat.gov.au/geo](http://www.dfat.gov.au/geo)

» For the latest arrivals statistics, visit:

<http://www.tourism.australia.com/statistics/arrivals.aspx>

» For additional statistical reports refer to the ABS and TRA websites, [www.abs.gov.au](http://www.abs.gov.au) and [www.tra.gov.au](http://www.tra.gov.au)

» For additional information on consumer research, refer to:

<http://www.tourism.australia.com/statistics/consumer-demand-research.aspx>

» For additional information, view the Business Events Market Profiles for NZ at:

<http://businessevents.australia.com/businessevents/>

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