

Māori Tourism Quarterly

July 2017



**NZ MĀORI
TOURISM**

HE TOA TAKITINI

'OUR STRENGTH IS IN UNITY'

Tēnā tātou, te whānau whānui o Tāpoi Māori o Aotearoa i ngā tini āhuatanga o te Tau Hōu Māori, ko Matariki. Ki nga mate huhua puta noa i te motu, kei te mihi atu, kei te tangi atu. Moe mai, moe mai, moe mai rā. Haere atu rā ki hawaiki nui, ki hawaiki roa, ki hawaiki pamaomao, te hono ki wairua. Tātou te kānohi ora, tēnā tātou.

Nau mai ki tā mātou pūrongo tuarima, te Māori Tourism Quarterly. Kei roto, ko nga tatari mo nga whakahaerenga moni e pa ana ki nga umanga Tāpoi. Ko te tūmanako, ka pārekareka koutou ki tēnei pūrongo.

Welcome to the fifth edition of Māori Tourism Quarterly. There has been lots of good news over the last few months for the tourism industry, including increased funding in the 2017 Budget for tourism infrastructure and the DOC estate. As touched on in our last newsletter, with the general election in September a renewed focus has been shone upon tourism and the challenges facing smaller communities and the environment. What we do know is that the data collected and analysed on tourism help tourism businesses to make informed decisions to plan for their future, hence the Māori Tourism Quarterly.

In this edition, we focus on the world economy, emerging markets, and the latest results from the International Visitor Survey (IVS). With three full years of data from the redeveloped IVS now available, it provides a good opportunity to examine how well Māori tourism has been developing.

Enjoy this edition of Māori Tourism Quarterly and as always, if you have any questions or topics you'd like to see discussed here, please let me know. We enjoy receiving your valuable feedback to help improve YOUR resource, so keep it coming.

Ngā mihi nui, nā,

Pania

Pania Tyson-Nathan
Chief Executive, New Zealand Māori Tourism



World economy “gaining momentum” – good for tourism

In its April 2017 World Economic Outlook, the IMF reported that the world economy gained speed in the fourth quarter of 2016 and that the momentum is expected to persist. Global growth is projected to increase from an estimated 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018.

This is good news for the New Zealand tourism sector because it should boost the number of people in our main markets (Australia, China, USA, UK, Germany and Japan) enjoying a greater sense of prosperity and readiness to travel.

Growth is projected to remain strong in China and there is expected to be faster growth than before in the United States. The outlook has also improved for Europe and Japan. Growth projections for some emerging market and developing countries have been revised downwards, but the countries affected are mainly in the Middle East and Latin America, rather than in New Zealand’s tourism growth markets in South and East Asia.



Photo credit: Taiamai Tours, Tourism New Zealand

As we have suggested before, this news means that tourism businesses should be confident about investing for growth. However, investment should be for the longer-term because, as the next part of this newsletter implies, there have been some mixed messages about tourism activity, particularly related to visitor spending.



New Zealand tourism growing more slowly?

In the October 2016 edition of the Māori Tourism Quarterly, we suggested that the short-term rate of growth in tourism in New Zealand could slow from breath-taking to merely brisk, and it looks like this could be happening.

The table below actually implies that total international visitor spending decreased slightly in the year ending March 2017, while average international visitor spending per person dropped significantly. The number of guest nights spent by domestic tourists in

commercial accommodation (hotels, motels, backpackers and holiday parks) also fell slightly.

On the other hand, the number of international visitors arriving in New Zealand, and the number of nights they spent in commercial accommodation, both continued to grow at a healthy rate. Moreover, the very latest data indicates that the growth in international arrival numbers is being sustained. In the year ending April 2017, the number of arrivals was 9.9% higher than during the year ending April 2016.

International visitors	Year ending in March:			Percentage change	
	2015	2016	2017	2015-2016	2016-2017
Total Spending	\$8.155 bn	\$10.210 bn	\$10.024 bn	25.2%	-1.8%
Average spending per person	\$3,080	\$3,490	\$3,150	13.3%	-9.7%
Arrivals	2,947,901	3,255,463	3,543,631	10.4%	8.9%
Guest nights	14,195,000	15,265,000	16,599,000	7.5%	8.7%
Domestic tourists					
Guest nights	21,023,000	21,964,000	21,819,000	4.5%	-0.7%

The overall picture presented in the table is somewhat clouded by the fact that the year ending March 2016 included two Easter holidays (one in April 2015 and the other in March 2016), while the year ending March 2017 didn't include an Easter break. This means that it will not become clearer whether the growth of the sector is really beginning to grow more slowly until a full set of data for the year ending June 2016 becomes available.

The data on guest nights can also present a slightly distorted picture because guest nights in private homes, bed and breakfast, motorhomes and Airbnb are not counted.

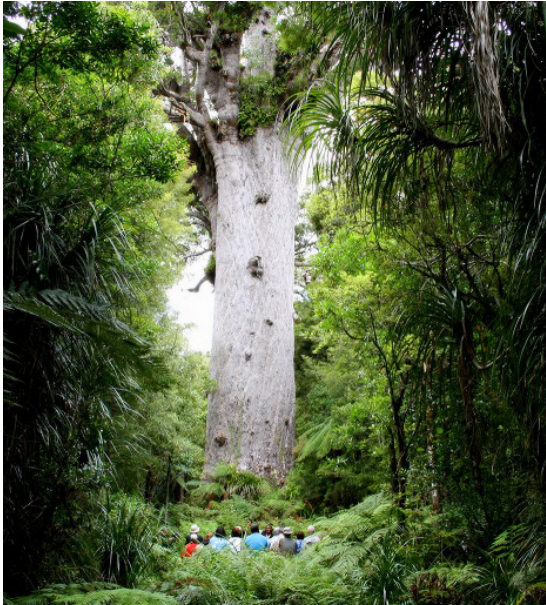


Photo credit: Footprints Waipoua, Tourism New Zealand

Emerging markets stand out

In terms of both visitor numbers and total visitor spending, New Zealand's largest tourism markets are, in descending order: Australia, China, the USA, the UK, Germany and Japan. Together they accounted for almost three-quarters of total visitor arrivals and two-thirds of total visitor spending in the year ending March 2017.

The number of visitors from these six markets increased by 6.7% in the year to March 2017, but their total expenditure decreased by 7.4%. By

contrast, the number of visitors from countries outside the top six increased by 14.9% and their total spending increased by 12.0%.

Emerging markets in Asia (including Malaysia, the Philippines, Indonesia and Thailand) showed the greatest increases in visitor numbers, while countries in the Americas outside the USA and Canada showed the greatest increases in visitor spending (albeit from a low base).

The four Asian countries named above have a combined population of 460 million people, and their economies are growing rapidly. Industry-wide initiatives will help to grow these markets, but individual businesses need to be ready to understand new groups of visitors and make them feel welcome.

Malaysia and Indonesia both have Muslim majority populations, and this means tourism businesses need to be able to guide visitors on such things as where halal food can be bought and the direction towards Mecca (Makkah) for the purpose of prayer.

Healthy growth in visits to Māori experiences and activities

The International Visitor Survey (IVS), which tells us a lot about Māori tourism activities, was redeveloped at the end of 2013. Amongst other things, this was to help provide better coverage of Māori activities and experiences, and other experiences that are generally associated with Māori.

Three full years of data from the redeveloped IVS have now been released, and this provides a good opportunity to examine how well Māori tourism has been developing.

The table below shows that the number of visits to types of activities and experiences specifically related to Māori and associated with Māori have both increased significantly. In addition it shows that the rate of growth was faster between 2015 and 2016 than it was between 2014 and 2015. Taking the combined number of visits to types of activities and experiences specifically related and to those associated with Māori, the growth rate was faster than for all visitor activities (i.e. Māori and non-Māori) between 2014 and 2015, but slower between 2015 and 2016.

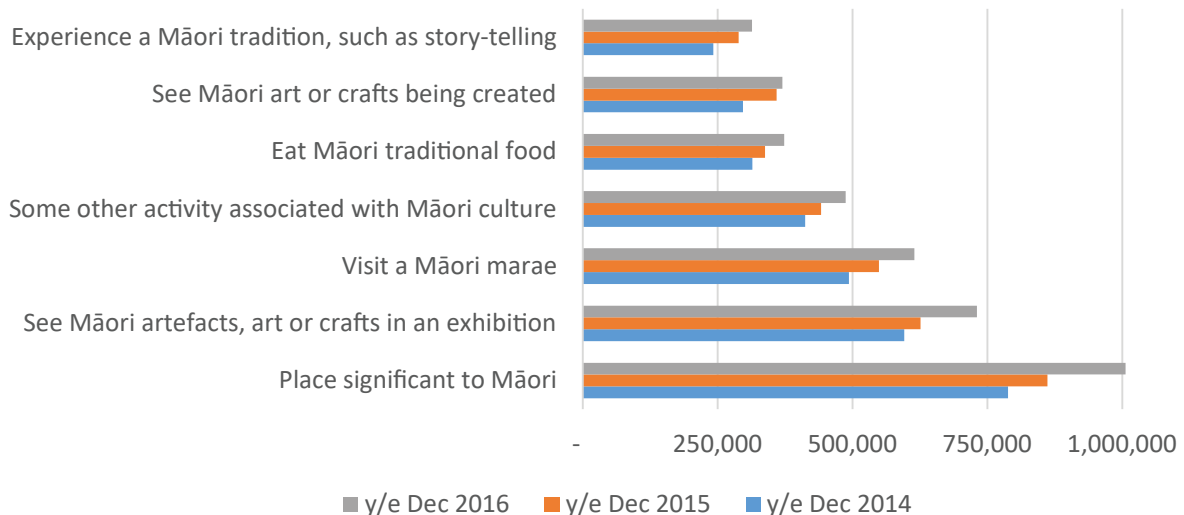
	Number of visits, year ended:			Percentage change	
	Dec-14	Dec-15	Dec-16	2014-2015	2015-2016
Activities specifically related to Māori	3,144,934	3,466,142	3,896,658	10.2%	12.4%
Other activities associated with Māori	1,810,105	1,969,321	2,285,269	8.8%	16.0%
All activities related to, or associated with, Māori	4,955,039	5,435,463	6,181,927	9.7%	13.7%
All activities (Māori and non Māori)	30,796,791	33,442,939	39,276,179	8.6%	17.4%

Allowing for the fact that the data are based on samples, rather than actual counts, it seems that the number of visits to Māori activities and attractions has broadly kept pace with the number of visits to all visitor activities.

The graph below illustrates growth in the number of visits to the seven activities and experiences covered by the IVS that are specifically related to Māori. It shows that there has been across-the-board growth in visits to the seven types of activities and experiences,

although it was marginal in relation to “Experiencing a Māori Tradition, such as storytelling” and “Seeing Māori art or crafts being created”. However, there was good growth in the number of visitors to the other types of activities and experiences listed.

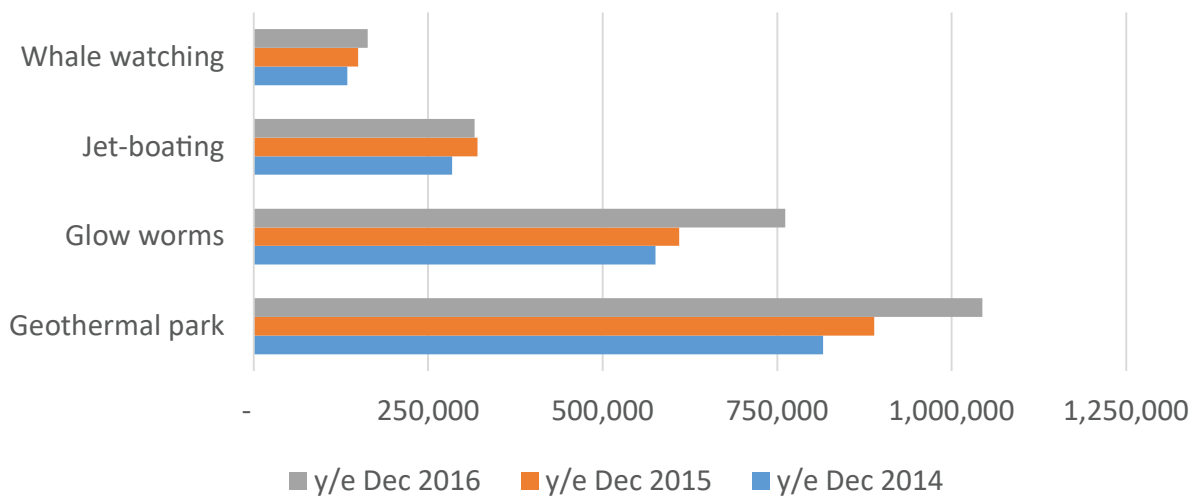
Number of visits to activities / experiences specifically related to Māori



The next graph focuses on the number of visits to the four activities and experiences that are generally associated with Māori. It shows that there was only small growth in the number of visitors going Whale watching, but the numbers would have tailed off at the end of 2016 because of the 14 November 2016 Kaikoura earthquake. The number of visitors who

went Jet-boating actually decreased between 2015 and 2016, although there is no obvious explanation for why this happened. By contrast, there were large increases between 2015 and 2016 in the numbers of visitors experiencing Glow-worms and Geothermal park attractions.

Number of visits to activities / experiences associated with Māori



Visitors' satisfaction: Doing better, but still room for improvement

The IVS also records visitors' satisfaction ratings with different aspects of their visit to New Zealand. The data collected also enables limited analysis of visitors' satisfaction with different types of Māori activities and experiences.

The table below shows how visitors rated different aspects of their trip to New Zealand, including the various Māori activities they experienced. It compares the ratings we reported in the July 2016

edition of the Māori Tourism Quarterly (which covered the period 2013-2015) with the ratings for 2016.

The table shows that the ratings for every aspect improved, but that the ratings for Māori activities experienced improved by the greatest margin. However, it also shows that Māori activities are still rated lower than all the activities the visitors experienced.

Satisfaction with different aspects of trip to NZ (holiday visitors), 2016

(Scale: 10=Extremely satisfied, 1=Not at all satisfied. Not sure responses excluded)

Aspect	Average rating 2016	Average rating 2013-2015	Change in rating 2013/15- 2016
New Zealand's natural and built environment overall	9.17	9.13	0.04
Your sense of safety	9.14	9.05	0.09
Your New Zealand visit overall	9.08	9.03	0.05
All the activities you experienced	8.79	8.70	0.09
All the customer service you received	8.52	8.48	0.04
Your primary type of accommodation	8.51	8.30	0.21
All the Māori activities you experienced	8.39	8.16	0.23
Your experience at the i-Sites you visited	8.36	8.32	0.04
All the types of commercial transportation you experienced	8.30	8.27	0.03
All the paid accommodation you experienced	8.08	8.01	0.07
All the food and beverage outlets you experienced	8.00	7.86	0.14

The next table is based on a relatively small sub-sample of visitors who experienced any Māori activity, and it also compares the ratings for 2013-2015 with those for 2016.

The picture presented is somewhat mixed, with the ratings for four activities improving and the ratings for

two activities worsening. Oddly, the activity / experience for which the ratings improved the most was related to Māori artefacts, art or crafts in an exhibition, while the activity experience for which the ratings worsened the most also related to Māori arts and crafts.

Satisfaction with different Māori activities

(Scale: 10=Extremely satisfied, 1=Not at all satisfied)

Aspect	Average rating 2016	Average rating 2013-2015	Change in rating
Eat Māori traditional food	8.44	8.40	0.04
See Māori artefacts, art or crafts in an exhibition	8.20	7.90	0.30
Visit a Māori marae	8.11	8.10	0.01
Experience a Māori tradition, such as story-telling	8.08	8.50	-0.42
Some other activity associated with Māori culture	7.97	7.80	0.17
See Māori arts or crafts being created	6.72	7.40	-0.68

While the improvement in the satisfaction ratings is pleasing, the aim should be that Māori activities / experiences are rated at least as highly as all the activities that visitors experience.

Businesses need to know what visitors liked or disliked about their activity / experience. Websites like TripAdvisor are useful sources of feedback, if businesses cannot undertake customer surveys themselves.

