related crime, less concerned about the stability and certainty offered by booking a package holiday, and may choose to be independent travellers, organizing their travel and itinerary themselves. Tourists seeking to minimize risks will seek out well-known brands that guarantee quality experiences, often preferring the reassurance of booking at travel agents where the face-to-face contact and positive reinforcement of what the experience will offer encourages the purchaser to go ahead.

Bearing these issues in mind, let us now consider the case study in Box 3.1.

**Box 3.1 Case study: outbound tourism from New Zealand**

Despite its distance from many of the tourism generating and receiving regions across the world, New Zealand is a relatively mature outbound market. This case study illustrates the significance of consumer spending, the demographic profile of travellers and the factors affecting the demand for outbound travel, as well as some of the recent trends in outbound travel from New Zealand, as an illustration of tourism demand.

Prior to the development of jet services in the 1960s, demand for outbound travel was constrained by the price of travel and the time involved in using long-haul flights and passenger liners. The development of jet services in the 1960s provided cheaper and more frequent access to both short- and long-haul destinations, and the number of outbound trips quadrupled from 112,082 in 1970 to 426,805 in 1980. The trend in outbound travel from 1980 to 1990 has been described as erratic, rising to 451,300 in 1980–1981 and dropping to 361,662 in 1983–1984 before rising again to 778,956 in 1991. In 1992 arrivals dropped to 750,883, but thereafter continue to rise 1,123,000 for 1998. As Table 3.1 shows, there has been little growth since 1998, with only marginal fluctuations between 1998 and 2002. Some commentators have even described this market as having plateaued and as being fairly static. These statistics are collated by the government statistics agency, Statistics New Zealand, based on the departure card that all outbound travellers have to fill in.

Whilst this chapter has shown that a complex array of factors affect the demand for travel, in the case of outbound travel from a relatively isolated country such as New Zealand (which is a three-hour flight from Australia and a twelve-hour flight from the USA) trends in outbound travel can be accounted for in terms of the impact of exchange rates, the price of air fares, and the performance of the New Zealand economy (which
DEMAND: WHY DO PEOPLE ENGAGE IN TOURISM?

affects consumer confidence in discretionary spending on overseas travel). Despite the
fluctuations in outbound travel statistics, the gross propensity to travel (the total number
of departures as a percentage of the total population) has also increased from 13.4 per
cent in 1979–1980 to 32.6 per cent for the year ended October 1998. At the same time,
the proportion of net household expenditure spent on overseas travel has increased from
2 per cent in the 1980s to 4 per cent in the 1990s. With a relatively small resident
population (estimated at 3,792,000) the New Zealand outbound market is significant
compared to that of Australia.

Data on New Zealand outbound travel are extremely hard to compile, as the
government agency that collates outbound statistics places a great deal of emphasis on
inbound tourism, which is the major driver of the tourism economy. Despite this, the
balance of tourism in 2002 was 1,268,000 outbound trips and 1,945,500 inbound
trips.

A number of other factors also shape outbound travel, including the geographical
distribution and age structure of the population, the relative strength of the New
Zealand economy, the amount of holiday entitlement, the cost of airfares, and how the
New Zealand dollar performs relative to other currencies.

Table 3.1 Number of outbound tourists from New Zealand, 1997–2002 (modified from
Statistics New Zealand; all statistics refer to the year ended April)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>597,733</td>
<td>585,679</td>
<td>626,043</td>
<td>644,831</td>
<td>684,338</td>
<td>658,773</td>
</tr>
<tr>
<td>Fiji</td>
<td>61,543</td>
<td>64,759</td>
<td>68,251</td>
<td>69,332</td>
<td>43,791</td>
<td>63,256</td>
</tr>
<tr>
<td>Asia</td>
<td>147,338</td>
<td>151,310</td>
<td>153,714</td>
<td>152,784</td>
<td>163,874</td>
<td>165,617</td>
</tr>
<tr>
<td>Europe</td>
<td>90,792</td>
<td>98,954</td>
<td>103,629</td>
<td>103,395</td>
<td>111,514</td>
<td>101,175</td>
</tr>
<tr>
<td>UK</td>
<td>60,571</td>
<td>66,526</td>
<td>68,817</td>
<td>71,504</td>
<td>68,983</td>
<td>60,319</td>
</tr>
<tr>
<td>North America</td>
<td>95,042</td>
<td>97,235</td>
<td>92,315</td>
<td>95,741</td>
<td>96,538</td>
<td>81,879</td>
</tr>
<tr>
<td>USA</td>
<td>83,361</td>
<td>85,237</td>
<td>79,169</td>
<td>77,442</td>
<td>76,325</td>
<td>64,617</td>
</tr>
<tr>
<td>Other countries</td>
<td>55,810</td>
<td>61,091</td>
<td>76,472</td>
<td>83,431</td>
<td>113,724</td>
<td>125,761</td>
</tr>
<tr>
<td>Total</td>
<td>1,109,301</td>
<td>1,123,229</td>
<td>1,180,665</td>
<td>1,222,442</td>
<td>1,286,485</td>
<td>1,268,070</td>
</tr>
</tbody>
</table>
In terms of population distribution, 69.8 per cent of the population live in fifteen main urban areas: Auckland, Christchurch, Dunedin, Gisborne, Hamilton, Invercargill, Napier-Hastings, Nelson, New Plymouth, Palmerston North, Rotorua, Tauranga, Wangangui, Wellington and Whangarei. A further 7.2 per cent live in secondary urban centres, and the remainder live in rural areas. In fact, 28 per cent reside in the Greater Auckland region, followed by 9.2 per cent in the Greater Wellington region and 7 per cent in the Christchurch region. Each of these regions have outbound airline services, although Auckland is by far the most important source area for outbound travel, with the widest range of direct services and connections to 21 countries.

Some 69 per cent of the economically active population who might be likely to travel are aged 15–65 years. Two age groups that have a strong propensity towards outbound travel are the 15–29-year-olds, who comprise 21 per cent of the population, and the mature market (50–70-year-olds), who comprise 17 per cent of the population. The former group often pursue the traditional New Zealand ‘overseas experience’ (OE) prior to or after tertiary education, which combines a personal growth experience with temporary work and VFR travel in Australia, North America and Europe. However, these youth travellers spend relatively less per week than the mature market. The weekly expenditure on overseas travel is shown in Table 3.2.

Above all, it is the level of consumer expenditure on outbound travel that highlights its importance as a budgeted item. The average expenditure for all households surveyed in the government-sponsored Consumer Expenditure Survey in 2001 indicated that:

- Of the net household weekly expenditure (including mortgages and savings) of NZ$747.80, an average NZ$26.20 was spent on outbound holidays – equivalent to

| Table 3.2 Purpose of trip abroad for outbound New Zealanders, 2000–2002 (modified from Statistics New Zealand; all statistics refer to the year ended April) |
| Purpose | 2000 | 2001 | 2002 | Change (%) |
| Holiday | 559 084 | 540 675 | 529 891 | −2.0 |
| Visit friends/relatives | 345 365 | 376 765 | 371 151 | −1.5 |
| Business | 251 062 | 253 826 | 216 998 | −14.5 |
DEMAND: WHY DO PEOPLE ENGAGE IN TOURISM?

almost 3.5 per cent. Other spending of NZ$17.70 on leisure services and NZ$11.60 on leisure and recreational goods highlights the significance of outbound travel to the resident population within leisure spending.

- The weekly household expenditure on outbound travel varied from NZ$10.80 for the lowest income households (including lone parents/single households), which earn less than NZ$14,000 per annum, through to NZ$81.20 for households that earn over NZ$101,000 per annum.

One of the explanations of the propensity for outbound travel among New Zealanders was made evident in a report in October 1998 by the Tourism Council of Australia on tourism competitiveness. This noted that it was considerably more cost-effective for New Zealanders to take a holiday in Australia than to take a domestic holiday in New Zealand. The report examined an index of competitiveness, based on a package of accommodation, food, beverages, transport and local tours. Using the example of a New Zealander from Auckland selecting a package holiday on the Gold Coast or the cheapest urban short break in Christchurch, the Gold Coast proved to offer a cheaper all-inclusive product.

But where do New Zealanders travel overseas, and what are the main motivations for travel to these destinations? Much of the travel is short haul in nature (i.e. to Australia), and the remainder is either medium haul (e.g. to North Asia) or long haul (e.g. to Europe). Table 3.3 shows that of outbound travel in the year ending April 2002:

- 52 per cent was to Australia
- 5 per cent was to Fiji
- 13 per cent was to Asia, reflecting the growing ethnicity of the New Zealand population and family ties with North Asia (especially China and the Hong Kong area)
- 8 per cent was to Europe, of which nearly 5 per cent was to the UK – reflecting historical ties with the Commonwealth and the history of immigration to New Zealand from Europe in the years since 1840
- 6.5 per cent was to North America.

The motivation to travel varies significantly by market, with considerably more holiday and business travel to Australia and a greater proportion of VFR traffic to the USA, UK and some Asian destinations. The majority of these trips are for less than two weeks in
duration. What is apparent from Table 3.3 is that the events of 11 September 2001 had a limited effect on outbound travel from New Zealand, with just a small decline in the USA and European destinations.

Table 3.3 Consumer expenditure on outbound travel by New Zealanders, 2001, by age group (modified from Statistics New Zealand)

<table>
<thead>
<tr>
<th>Age group</th>
<th>Weekly expenditure on outbound travel (SNZ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–24</td>
<td>13.20</td>
</tr>
<tr>
<td>25–34</td>
<td>22.40</td>
</tr>
<tr>
<td>35–44</td>
<td>25.70</td>
</tr>
<tr>
<td>45–54</td>
<td>30.60</td>
</tr>
<tr>
<td>55–64</td>
<td>31.00</td>
</tr>
<tr>
<td>65+</td>
<td>26.10</td>
</tr>
<tr>
<td>All age groups</td>
<td>26.20</td>
</tr>
</tbody>
</table>

What the case study illustrates is that the demand for tourism is variable, and although it may perform in a constant manner (as the outbound trends from New Zealand infer), overall demand factors are constantly under review by consumers and some fluctuations will inevitably occur.

Summary

The reasons why people choose to engage in tourism are diverse and multi-faceted, and no single simple explanation can be advanced to attribute motivations for tourism. Explaining this requires a process of understanding the psychology of tourist decision-making based upon the reasons why tourists wish to travel and take holidays. To simplify some of the reasons, researchers have developed lists of factors and typologies of tourists to try to suggest how humans can be grouped into common types of tourism consumers. However, even this is difficult when the ultimate arbiter of motivation, especially of human needs and wants that can be fulfilled through tourism experiences, is the individual. Understanding the individual is a time-consuming process