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## DISPERSAL OF CHINESE FREE AND INDEPENDENT LEISURE VISITORS IN AUSTRALIA

Summary

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## BACKGROUND

Free and independent travellers (FITs) are international visitors to Australia with the following characteristics:

- a main purpose of holiday or visiting friends and relatives (VFR) – together, these categories represent ‘leisure’ travellers
- they are not on a group tour\*
- they do not have any package inclusions.

FITs have always dominated international leisure travel to Australia. However, as markets have matured and online booking capability improved, FIT travel has tended to increase in prevalence.

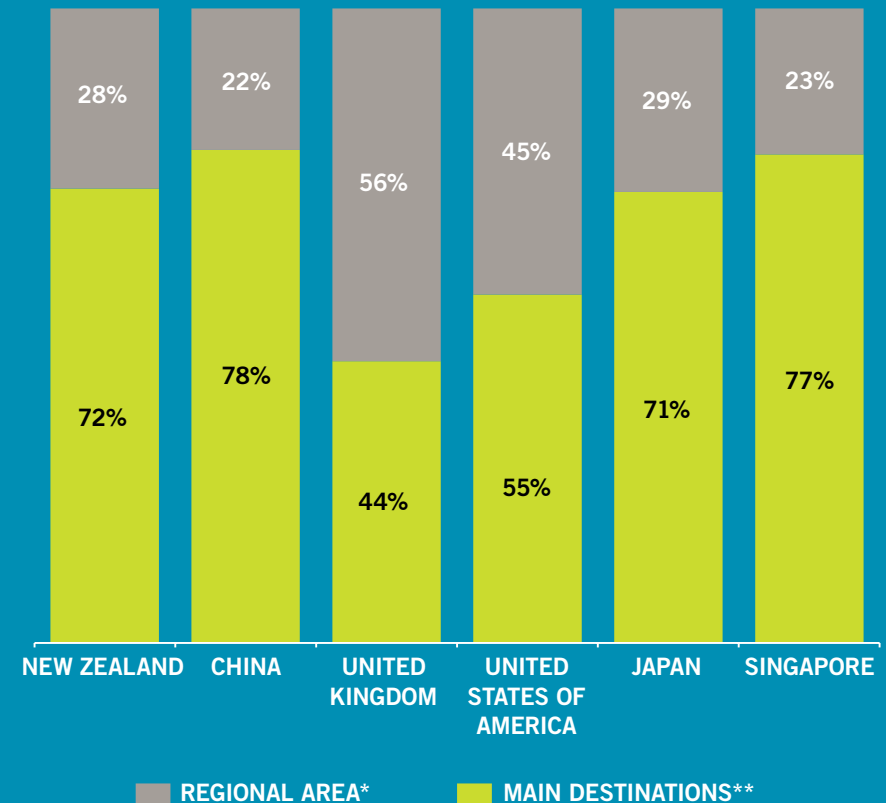
China has dominated growth in leisure FITs to Australia since 2005—up by 186%. In the period 2011–13, 532,000 (45%) of Chinese leisure visitors to Australia were FITs.

There was low dispersal beyond Australia’s main destinations for Asian leisure FITs generally, and Chinese leisure FITs specifically. Among Australia’s top six inbound markets, China (22%) had the lowest dispersal of leisure FITs to regional areas (Figure 1).

This research—undertaken by Tourism Research Australia (TRA) in partnership with Tourism Australia—examines leisure FITs from China and their dispersal patterns, using data from TRA’s International Visitor Survey (IVS) for the period 2011 to 2013. Chinese visitors entering Australia through Sydney or Melbourne were the focus of the research.

\*Group tour visitors are typically travelling on a guided group holiday tour. This can be an Approved Destination Status (ADS) or non-ADS tour.

FIGURE 1: DISPERSAL OF LEISURE FITS, TOP INBOUND MARKETS, 2011 TO 2013



\* Visited a combination of regional areas and main tourism destinations. \*\* Visited main tourism destinations only including Sydney, Melbourne, Perth, Brisbane, Gold Coast or Tropical North Queensland.

## KEY HIGHLIGHTS

The dispersal patterns of Chinese leisure FITs show that the following visitor types are those most likely to disperse to regional areas:

- holiday visitors
- first-time visitors to Australia
- those aged 25 to 34 years
- those travelling with friends/relatives.

Marketing campaigns targeted towards encouraging a higher rate of free and independent travel by Chinese visitors with these characteristics would likely increase dispersal to regional areas.

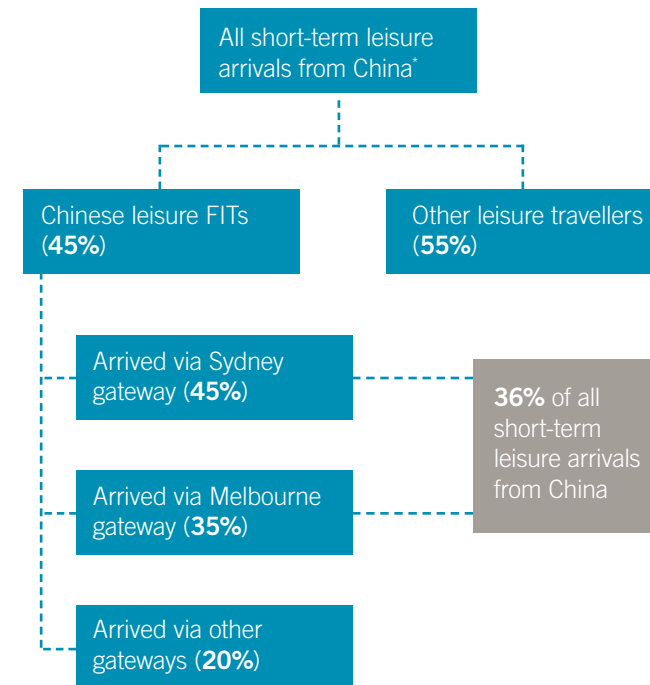
FITs were more likely than group tour visitors to disperse to regional areas, but only a minority of Chinese who visited Australia during the survey period were FITs: 45% of leisure visitors, 42% of first-time visitors and 29% of those travelling with friends/relatives. A much higher proportion of those aged 25 to 34 years (73%) were FITs.

Visitors with a main purpose of VFR accounted for the majority of Chinese leisure FITs. They tended to be older, repeat visitors and have a low rate of dispersal beyond their arrival gateway. Encouraging their Chinese family and friends living in Australia to visit regional areas with them may be the best way to influence greater dispersal by these visitors.

Visitors who used the internet as a source of information and/or for bookings were more likely to visit regional areas than non-users. Encouraging potential visitors to use the internet to find out more about Australia, and tailoring internet content and booking functionality towards potential first-time and/or holiday visitors may assist in driving dispersal from arrival gateways.

## PROFILE OF CHINESE LEISURE FITS

The dispersal patterns of Chinese leisure FITs who entered Australia through Sydney or Melbourne gateways are the focus of this report. These visitors represented 36% of all short-term leisure arrivals from China in the period 2011–13:



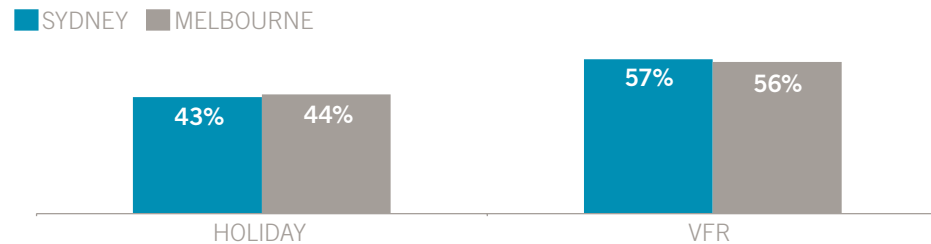
\*Leisure visitors aged 15 years or more.

Following are the key characteristics of Chinese leisure FITs who entered Australia through Sydney and Melbourne.

## TRIP PURPOSE

Of those Chinese leisure FITs arriving in Sydney and Melbourne, a higher proportion was here to visit friends and relatives (VFR) than for a holiday (Figure 2).

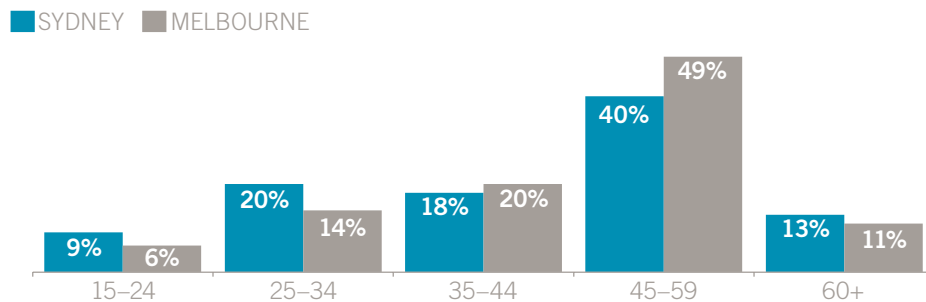
FIGURE 2: SHARE OF VISITORS BY TRIP PURPOSE, 2011 TO 2013



## VISITOR AGE

Visitors from both arrival groups were most likely to be 45–59 years of age (Figure 3).

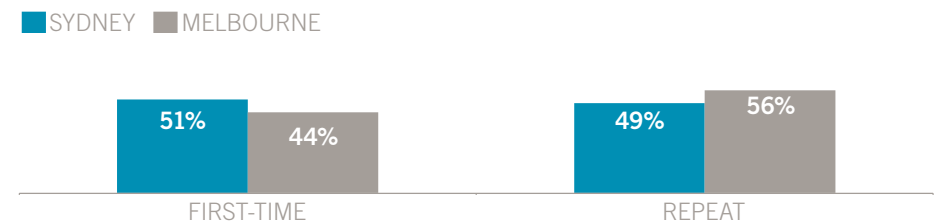
FIGURE 3: SHARE OF VISITORS BY AGE GROUP, 2011 TO 2013



## FIRST AND REPEAT VISITORS

There was a relatively even split of first-time and repeat visitors among Chinese leisure FITs arriving in Sydney, while those arriving in Melbourne were more likely to have visited Australia before (Figure 4).

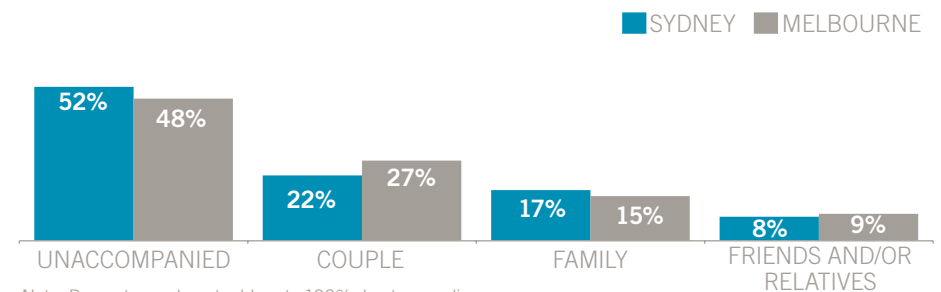
FIGURE 4: SHARE OF FIRST-TIME/REPEAT VISITORS, 2011 TO 2013



## TRAVEL PARTY

Unaccompanied travellers were the most common travel party for both arrival groups, followed by adult couples (Figure 5).

FIGURE 5: SHARE OF VISITORS BY TYPE OF TRAVEL PARTY, 2011 TO 2013

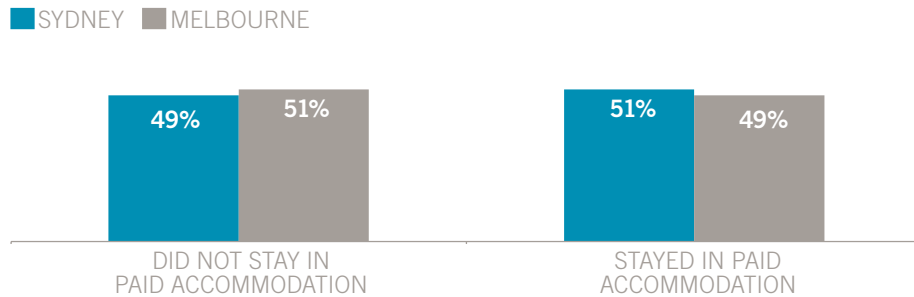


Note: Percentages do not add up to 100% due to rounding.

## ACCOMMODATION USED

Both arrivals groups were equally likely to stay in either paid or unpaid accommodation (Figure 6).

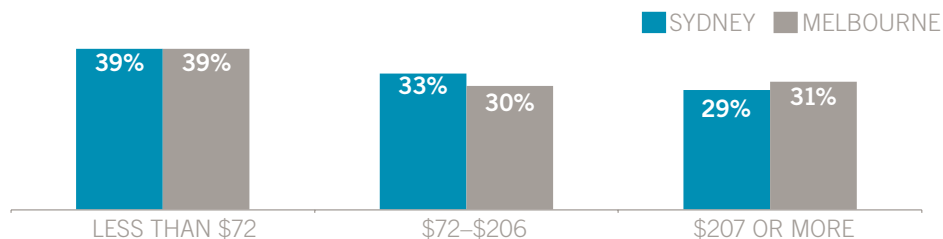
**FIGURE 6: SHARE OF VISITORS BY ACCOMMODATION USED, 2011 TO 2013**



## VISITOR SPEND PER NIGHT

Average expenditure per night for both arrival groups was most likely to be less than \$72 (Figure 7).

**FIGURE 7: SHARE OF VISITORS BY SPEND PER NIGHT, 2011 TO 2013**

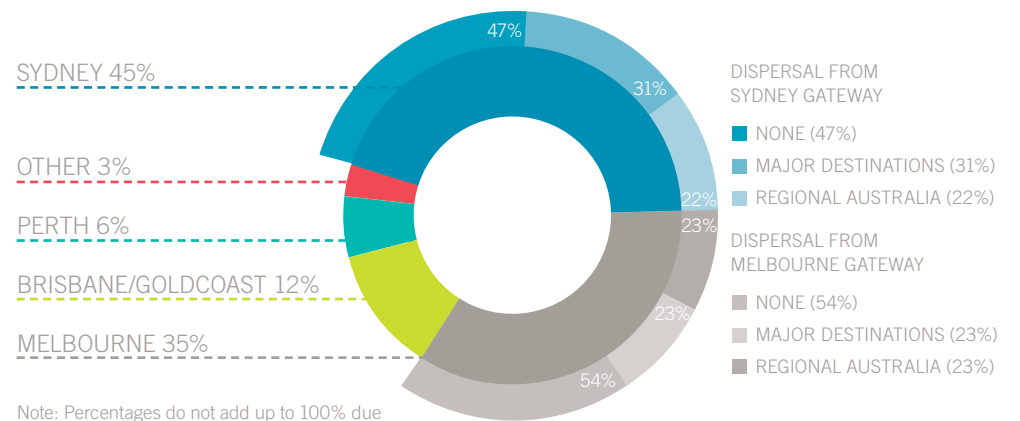


## DISPERSAL PATTERNS

### ARRIVAL GATEWAY

- In the period 2011–2013, there were 532,000 Chinese leisure FITs to Australia aged 15 years or more.
- Sydney (45%) and Melbourne (35%) were the most prominent arrival gateways (Figure 8).
- Visitors arriving through Sydney (22%) and Melbourne (23%) gateways had similar rates of dispersal to regional areas (Figure 8).
- However, a higher proportion of Sydney gateway than Melbourne gateway visitors travelled beyond their city of arrival to a combination of main destinations (31% compared with 23%) (Figure 8).
- A higher proportion of Melbourne gateway (54%) visitors did not disperse beyond their port of entry than those arriving through the Sydney gateway (47%).

**FIGURE 8: CHINESE LEISURE FITS BY ARRIVAL GATEWAY, 2011 TO 2013**



Note: Percentages do not add up to 100% due to rounding.

## TRIP PURPOSE

- Chinese leisure FITs with a main purpose of holiday were more likely than those with a main purpose of VFR to venture beyond their arrival gateway to a combination of main destinations and/or regional areas (Figures 9A & 9B).

- Two-thirds (66%) of holiday visitors and 44% of VFR visitors arriving in Sydney dispersed beyond their city of arrival (Figure 9A). However, the proportions were slightly smaller for holiday visitors arriving in Melbourne (64%), while only around one-third (32%) of VFR visitors arriving in Melbourne dispersed (Figure 9B).

FIGURE 9A: DISPERSAL BY TRIP PURPOSE, SYDNEY GATEWAY, 2011 TO 2013

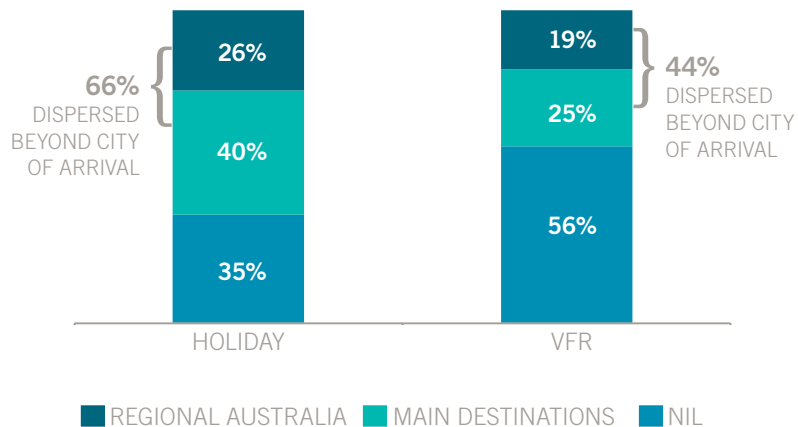
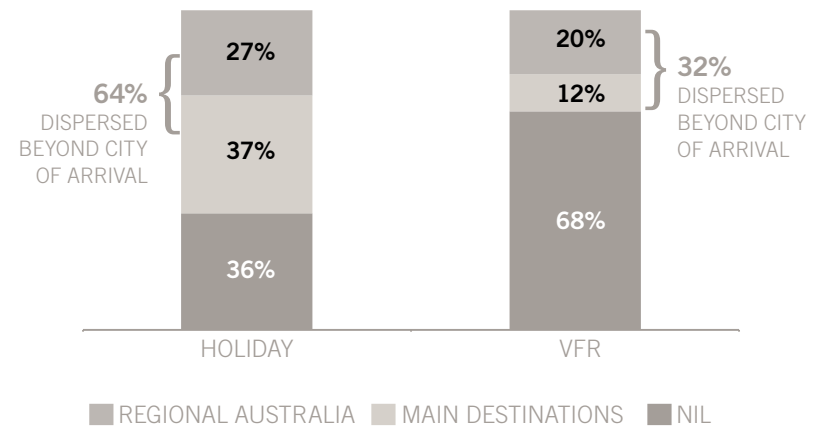


FIGURE 9B: DISPERSAL BY TRIP PURPOSE, MELBOURNE GATEWAY, 2011 TO 2013



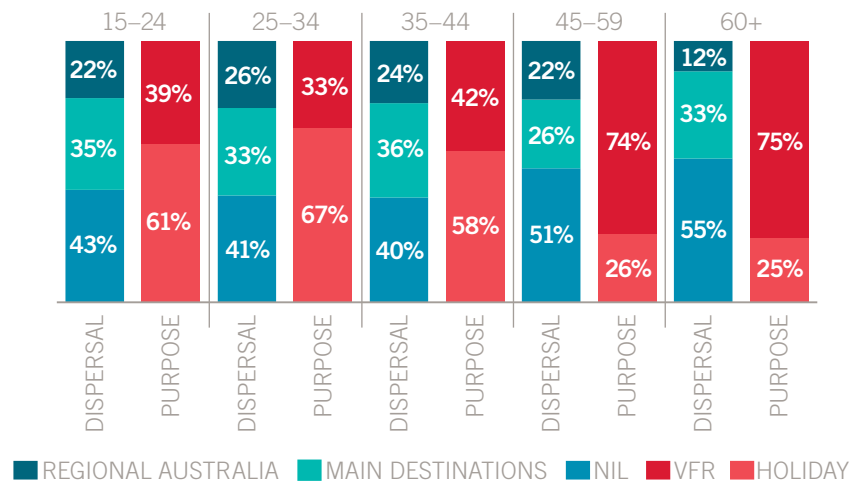
Note: Percentages do not add up to 100% due to rounding.

## VISITOR AGE

- Dispersal to regional areas by Chinese leisure FITs was most likely for visitors aged 25 to 34 years who arrived through Sydney gateway (26%) and Melbourne gateway (28%). This was closely followed by those aged 35 to 44 years (Sydney, 24% and Melbourne, 25%) (Figures 10A & 10B).
- Relatively few visitors aged 60 years and over entering through Sydney gateway (12%) dispersed to regional areas (Figure 10A), while just one-fifth (20%) from the same age group arriving in Melbourne dispersed to regional areas (Figure 10B).

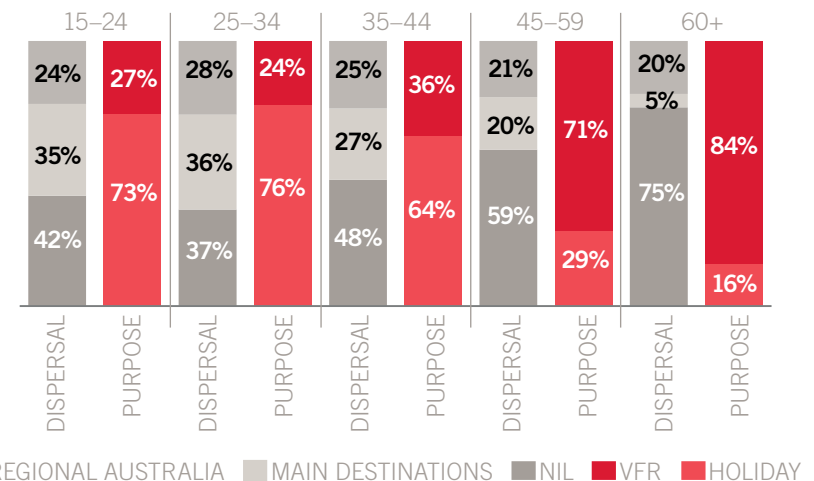
- Visitors aged 25 to 34 years were among those most likely to have had a main purpose of holiday (Sydney, 67% and Melbourne, 76%).
- In contrast, visitors aged 45 years and over were more likely to have had a main purpose of VFR and were least likely to travel beyond their city of arrival. (Figures 10A & 10B).

FIGURE 10A: DISPERSAL AND PURPOSE OF VISIT BY AGE GROUP, SYDNEY GATEWAY, 2011 TO 2013



Note: Percentages do not add up to 100% due to rounding.

FIGURE 10B: DISPERSAL AND PURPOSE OF VISIT BY AGE GROUP, MELBOURNE GATEWAY, 2011 TO 2013



Note: Percentages do not add up to 100% due to rounding.

## FIRST OR REPEAT VISIT

- Chinese leisure FITs who were first-time visitors were more likely than repeat visitors to disperse beyond their city of arrival (66% for both Sydney and Melbourne gateways) to a combination of major destinations and/or regional areas (Figures 11A & 11B).
  - This result was consistent with previous research which found that gaining new experiences was a key motivator for first-time visitors, while relaxation and familiarity were more important factors for repeat visitors.

- First-time visitors were more likely to be younger than repeat visitors (34% aged under 35 years compared with 17%), which may have been a contributing factor to their higher rate of dispersal.
- Equally important, first-time visitors were also much more likely to have had a main purpose of holiday (Sydney, 55% and Melbourne, 59%) than repeat visitors (Sydney and Melbourne both 31%) (Figures 11A & 11B).

FIGURE 11A: DISPERSAL AND PURPOSE OF VISIT BY FIRST-TIME/REPEAT TRAVEL, SYDNEY GATEWAY, 2011 TO 2013

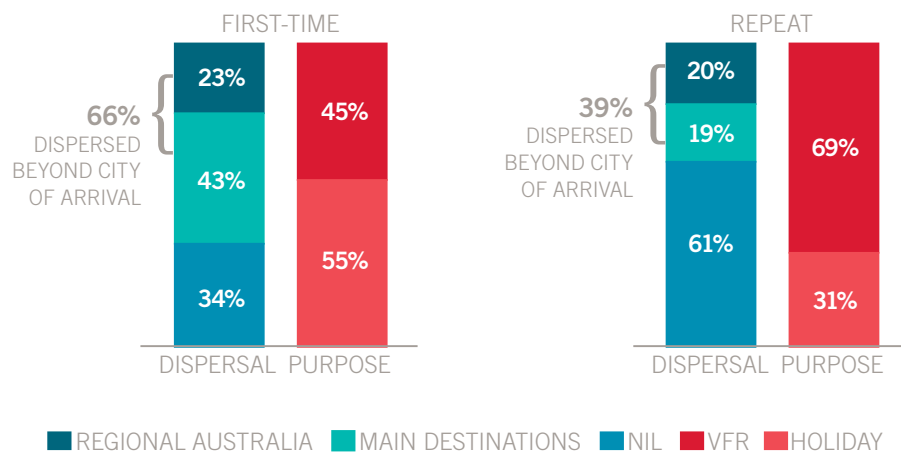
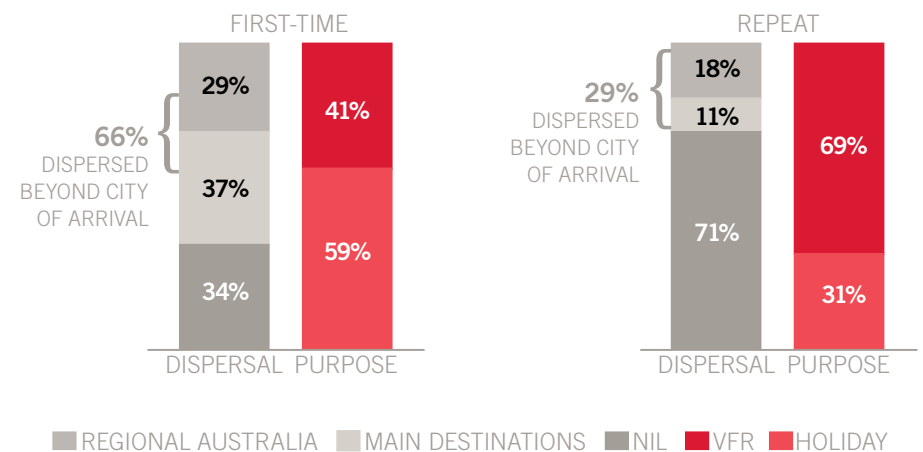


FIGURE 11B: DISPERSAL AND PURPOSE OF VISIT BY FIRST-TIME/REPEAT TRAVEL, MELBOURNE GATEWAY, 2011 TO 2013



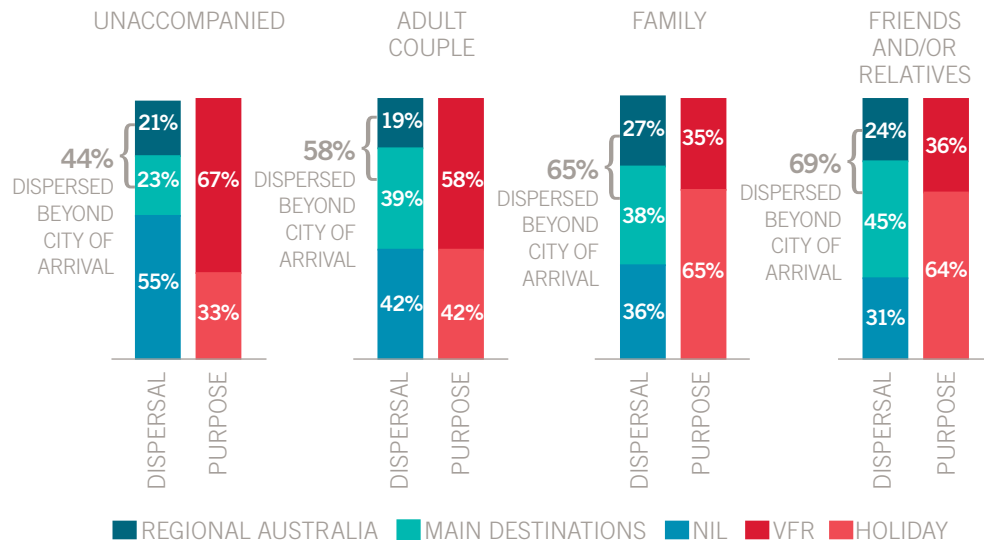


## TRAVEL PARTY

- Chinese leisure FITs travelling with friends and/or relatives were more likely to venture beyond their city of arrival, while unaccompanied travellers were less likely to disperse (Figures 12A & 12B).
  - This was reflected by their different purpose of visit profile, with a higher proportion of those travelling with friends and/or relatives holidaying in Australia (Sydney gateway, 64% and Melbourne gateway, 81%), while unaccompanied visitors were more likely to have a main purpose of VFR (Sydney, 67% and Melbourne, 68%) (Figures 12A & 12B).

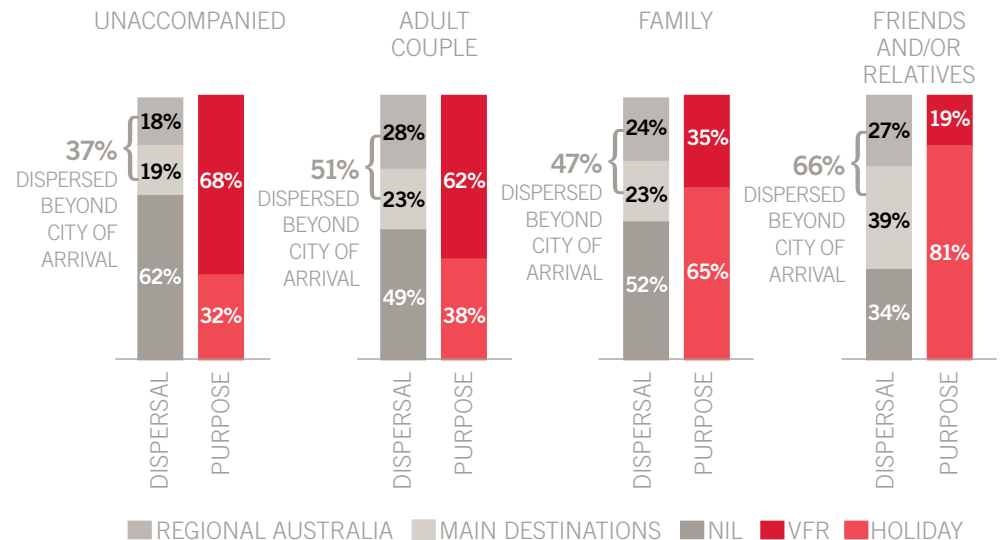
- Only 19% of adult couples who arrived through Sydney gateway dispersed to regional areas, while a larger proportion of Melbourne arrivals (28%) did disperse (Figures 12A & 12B).
  - The low rate for Sydney gateway adult couples was partly attributable to their age profile; 72% were aged over 45 years compared with 53% for all Sydney gateway visitors. Specific drivers for the much higher rate of dispersal for Melbourne gateway adult couples could not be identified.

**FIGURE 12A: DISPERSAL AND PURPOSE OF VISIT BY TYPE OF TRAVEL PARTY, SYDNEY GATEWAY, 2011 TO 2013**



Note: Percentages do not add up to 100% due to rounding.

**FIGURE 12B: DISPERSAL AND PURPOSE OF VISIT BY TYPE OF TRAVEL PARTY, MELBOURNE GATEWAY, 2011 TO 2013**



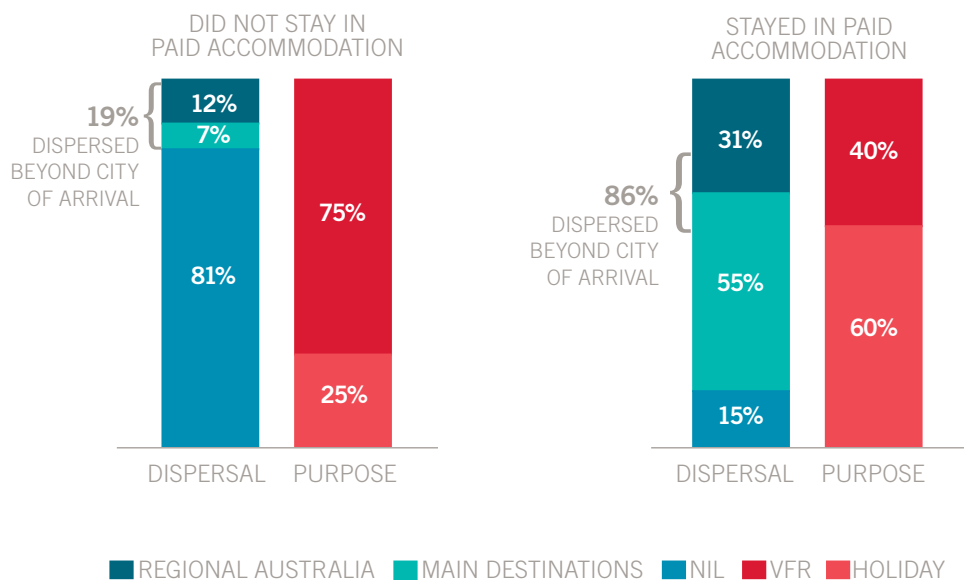
Note: Percentages do not add up to 100% due to rounding.

## ACCOMMODATION USED

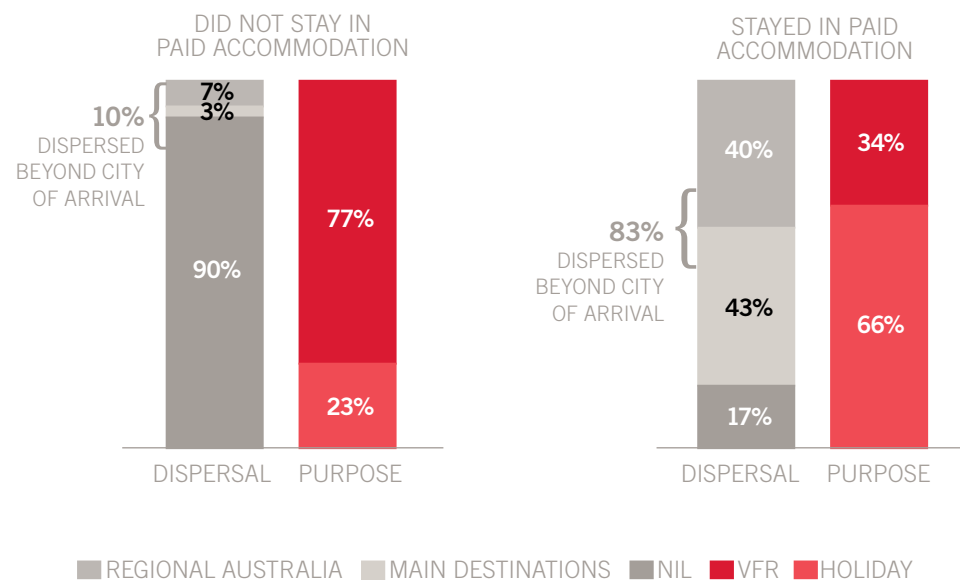
- Chinese leisure FITs who spent one or more nights in paid accommodation while in Australia were among those most likely to have dispersed to regional Australia for Sydney gateway (31%) and Melbourne gateway (40%) (Figures 13A & 13B).
  - This can be partly attributed to the greater tendency for visitors using paid accommodation to be here for a holiday and to be first-time visitors.

- In contrast, visitors who did not stay in paid accommodation typically did not venture beyond Sydney gateway (81%) or Melbourne gateway (90%). These visitors were more likely to state VFR as their purpose of visit (Sydney, 75% and Melbourne, 77%) (Figures 13A & 13B) and to be repeat visitors.

**FIGURE 13A: DISPERSAL AND PURPOSE OF VISIT BY ACCOMMODATION USED, SYDNEY GATEWAY, 2011 TO 2013**



**FIGURE 13B: DISPERSAL AND PURPOSE OF VISIT BY ACCOMMODATION USED, MELBOURNE GATEWAY, 2011 TO 2013**

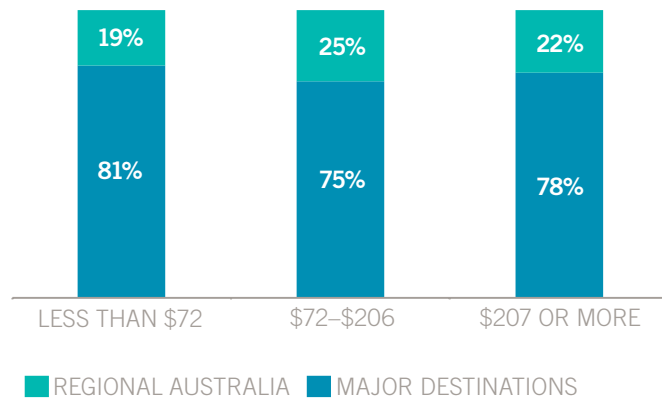


Note: Percentages do not add up to 100% due to rounding.

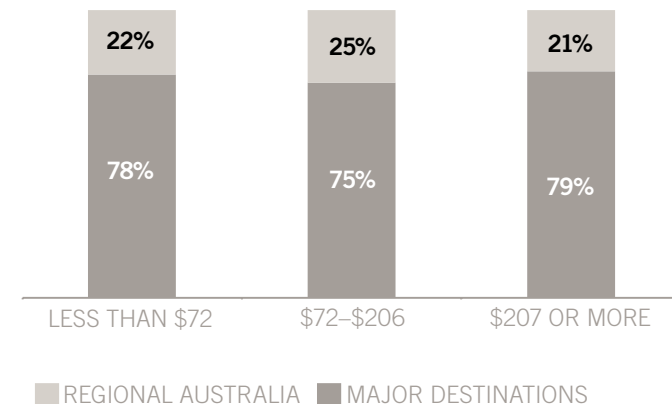
## VISITOR SPEND PER NIGHT

- Dispersal of Chinese leisure FITs to regional areas (25% of those who arrived in Sydney and Melbourne gateways) was more likely to be associated with mid-range expenditure (\$72 to \$206) than lower (less than \$72) or higher (\$207 or more) expenditure per night. However, the difference in the rate of dispersal to regional areas between each of the expenditure per night categories was greater for Sydney gateway than Melbourne gateway (Figures 14A & 14B).

**FIGURE 14A: DISPERSAL BY SPEND PER NIGHT, SYDNEY GATEWAY, 2011 TO 2013**



**FIGURE 14B: DISPERSAL BY SPEND PER NIGHT, MELBOURNE GATEWAY, 2011 TO 2013**



## INFORMATION SOURCE AND INTERNET BOOKINGS

- More than one-third (36%) of Chinese leisure FITs used the internet as an information source when planning their trip to Australia.
- Around 29% of visitors who had used the internet as an information source dispersed to regional areas compared with 18% of non-internet users.
- Around four in ten (39%) made bookings on the internet in relation to their trip to Australia.
- Of those visitors who had made an internet booking, 27% dispersed to regional areas compared with 19% of non-internet bookers.
  - ▶ These results can be partly attributed to a much higher proportion of visitors aged less than 45 years having used the internet for information and/or bookings than visitors aged 45 years and over.



