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UNDERSTANDING DISPERSAL OF ASIAN VISITORS

The International Visitor Survey
Data Mining Project - Summary

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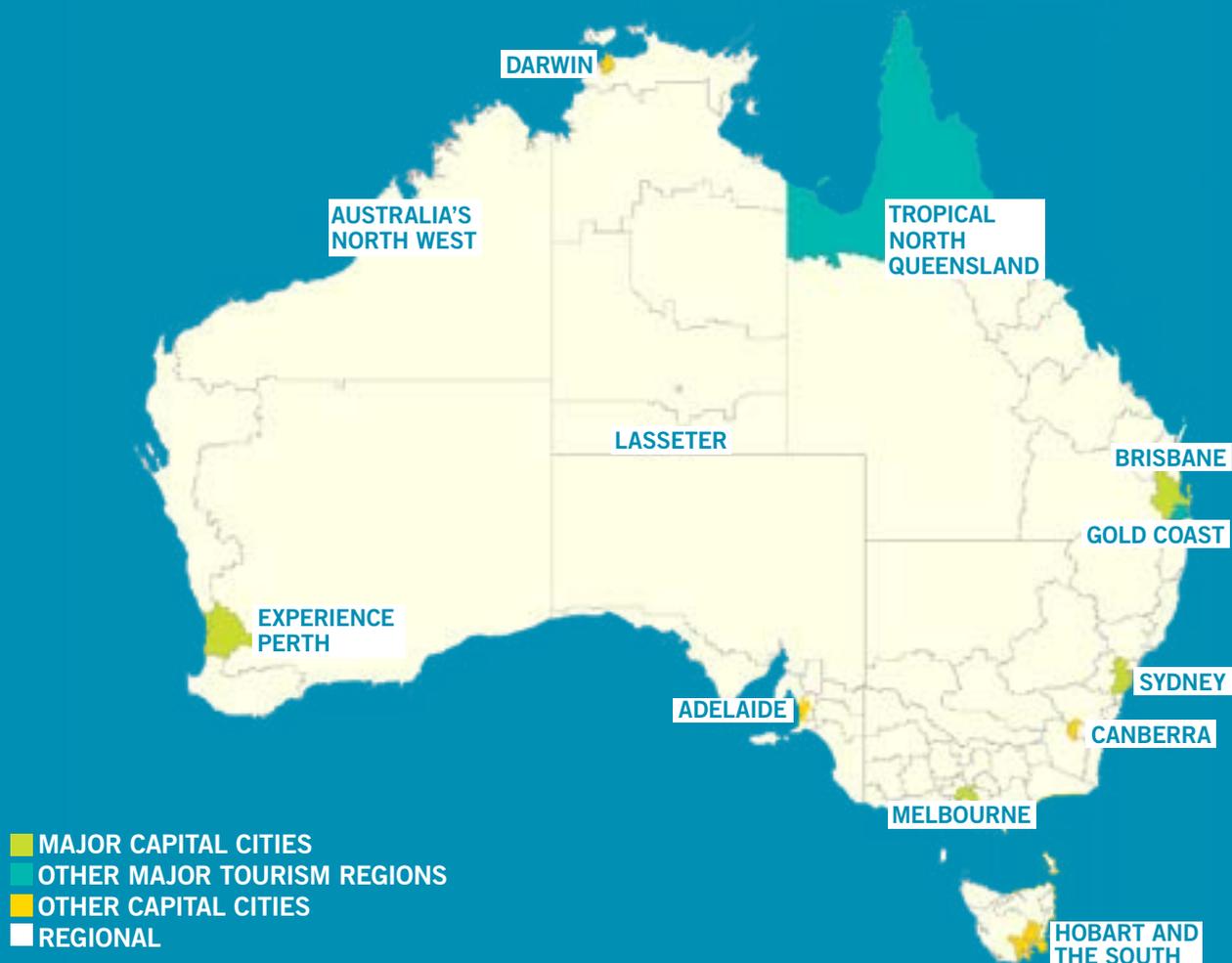
THE INTERNATIONAL VISITOR SURVEY DATA MINING PROJECT - SUMMARY

Tourism Research Australia, on behalf of Tourism Australia, engaged Data Analysis Australia Pty Ltd to undertake an investigation of dispersal of Asian visitors in Australia using data from the International Visitor Survey (IVS). The aim of the project was to develop an understanding of the dispersal, travel behaviours and satisfaction of visitors from a range of Asian countries.

REGION CATEGORIES

In the analysis, the 77 tourism regions across Australia were divided into three broad categories (referred to as MCR Region categories):

- M - Major Tourism Regions (major capital cities and other major tourism regions as illustrated);
- C - Other Capital Cities; and
- R - Regional.



DISPERSAL CLASSES

Three broad dispersal classes—low, medium and high—were defined, based on data from approximately 140,000 Asian visitors collected over eight years from 2005 to 2012. The dispersal classes were statistically derived using information about the number of places visited and the type of place (MCR regions). This differs from previously used definitions of international visitor dispersal that focus on a specific set of cities (such as Sydney, Melbourne, Brisbane and Perth or those four cities and Darwin, Adelaide, Cairns and the Gold Coast).

Those with a low dispersal are unlikely to visit multiple places, other capital cities or regional Australia.

Those with a medium level of dispersal are likely to visit multiple places but unlikely to visit other capital cities and/or regional Australia.

Visitors in the high dispersal class are likely to have done at least two of the following – 1) visited multiple places, 2) visited other capital cities and 3) visited regional Australia.

The size of each derived dispersal class is shown in Table 1.

TABLE 1: DISPERSAL CLASS

DISPERSAL CLASS	% OF VISITORS
Low	62%
Medium	22%
High	16%

Dispersal patterns of Asian visitors to Australia are quite different from that of non-Asian visitors, and they are less related to visit length. For the Asian market, high dispersal can occur on relatively short visits, a phenomenon that is rare for the non-Asian market.

- Short but dispersed visits need good transport infrastructure, particularly air transport. Hence the dispersal is still closely linked to the eastern seaboard centres.
- Itineraries do not tend to cross the Nullarbor, leading to limited dispersal in Western Australia, which is largely disconnected with the rest of Australia.
- The Asian market has far less of the “very highly dispersed” component—such as backpackers—who have extended trips that take them to six or more regions.
- Asian visitors in the high dispersal class have a higher-than-average trip expenditure.

One large group of visitors who show dispersal are Japanese tourists on packages who enter through Cairns and travel through Far North Queensland, Central Australia and Sydney. While such dispersal may be considered limited, it clearly functions well. The fact that the infrastructure for visitors (major airports and accommodation) and the attractions themselves are so close to each other makes these itineraries work with short duration trips.

Growth from Asian markets in recent years has come largely from the low dispersal class of visitors.

SEGMENTATION

A segmentation analysis was undertaken to further understand the dispersal of Asian visitors. A key driver of the segmentation was the main purpose of visit, leading to segments that are largely based on this characteristic. Other key drivers were the number and types of activities undertaken. The five segments are described in Table 2.

TABLE 2: ASIAN VISITOR SEGMENTS

ACTIVE HOLIDAY (26%)		STANDARD HOLIDAY (29%)		FRIENDS AND RELATIVES (17%)		EDUCATION (13%)		BUSINESS (15%)	
Visitors who do many activities and visit a number of different regions/states		Visitors who visit fewer places but stay longer in one region/state		Visitors who visit friends and relatives		Visitors who study in Australia. Also includes visitors whose main purpose was employment		Visitors who visit Australia for business or conference	
<ul style="list-style-type: none"> 4.3 million visitors (2005–2012) 133 million visitor nights (21% of total visitor nights) Typically visit for up to two weeks, but noticeable percentage stay for several months 53% of visitors arrived on travel package Mainly from China (29%), Japan (25%), South Korea (12%) Decreased by 20% from 2005 to 2009 but has grown by 25% since 2009 Typically aged 20–35 years Luxury, standard, backpacker, caravan park accommodation 		<ul style="list-style-type: none"> 4.7 million visitors (2005–2012) 33 million visitor nights (5% of total visitor nights) Typically visit for up to one week 50% of visitors arrived on travel package Mainly from Japan (35%), Singapore (13%), South Korea (12%) Decreased by 30% from 2005 to 2009 but has grown by 22% since 2009 Mainly aged 20–39 years, some older Luxury and standard accommodation 		<ul style="list-style-type: none"> 2.9 million visitors (2005–2012) 90 million visitor nights (15% of total visitor nights) Length of visit varies considerably 1% of visitors arrived on travel package Mainly from China (16%), Malaysia (14%), Singapore (13%), Hong Kong (11%) Grown at an average rate of 8% each year since 2005 All age groups Private accommodation 		<ul style="list-style-type: none"> 2.1 million (2005–2012) 336 million visitor nights (54% of total visitor nights) Typically visit for several months 3% of visitors arrived on travel package Mainly from China (25%), South Korea (11%), Japan (10%) Grown at an average rate of 8% each year since 2005 Typically aged 20–24 years Rental house, homestay, university accommodation 		<ul style="list-style-type: none"> 2.4 million visitors (2005–2012) 27 million visitor nights (4% of total visitor nights) Typically visit for up to one week 11% of visitors arrived on travel package Mainly from Singapore (22%), China (18%), Japan (13%) Grown at an average rate of 4% each year since 2005 Typically aged 25–49 years Luxury, standard, serviced apartments accommodation 	
DISPERSAL CLASS		DISPERSAL CLASS		DISPERSAL CLASS		DISPERSAL CLASS		DISPERSAL CLASS	
High	37%	High	3%	High	10%	High	12%	High	10%
Medium	62%	Medium	4%	Medium	8%	Medium	10%	Medium	14%
Low	1%	Low	93%	Low	82%	Low	79%	Low	76%

High dispersal is, not surprisingly, strongly related to holidays as the main purpose of visit. Of the five market segments defined in this study, high dispersal is strongly associated with the Active holiday segment, although the Standard holiday segment predominantly exhibits low dispersal. Both these segments have a similar proportion of package holidays (approximately 50% in each), therefore a distinguishing feature between these segments is possibly the type of package.

Few differences were found in satisfaction levels for the three dispersal classes. Satisfaction levels with telecommunication services were lowest for the younger segments –Active holiday and Education.

NEXT STEPS

The research conducted to date has provided useful insights into defining and understanding dispersal amongst Asian visitors to Australia.

In this research, dispersal has been defined ‘by the data’. One of the next steps will be to create an operational definition that can be more widely applied.

Other areas that may be investigated include:

- analysis at a finer geography than tourism region
- further comparisons with non-Asian visitors
- more investigation of itineraries, particularly in relation to gateway and exit locations.



