Cruise Ship Tourism in Akaroa: Visitor experiences, expenditures, and business stakeholder perceptions

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Lincoln University
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Presentation outline

• Background and objectives

• Research methods and sample

• Key research findings:
  - Spending
  - Enjoyment
  - Satisfaction
  - Activities
  - Future prospects
  - Business perspectives

• Summary and concluding remarks
Background and objectives

Background:

- Earthquake damage to Lyttelton Port; Akaroa is now the main cruise ship port in Canterbury
- Rapid growth in arrivals to Akaroa:
  - 2009/2010 = 8,754 pax
  - 2012/2013 = 143,925 pax
  - 2013/2014 = ? (continued growth)

Research Objectives:

1. Examine perceptions, experiences and economic impact of cruise ship passengers in Akaroa
2. Examine hosting experiences of selected business stakeholders in Akaroa and Christchurch (re: cruise ship visitor market)
Research methods and sample

Part A: Survey of cruise ship passengers to Akaroa:
- 433 surveys completed (289 Akaroa; 144 Christchurch)
- 21 ‘survey days’ between 25 Nov 2012 to 17 Feb 2013
- Convenience sampling approach (every ‘nth’ person)

Nationality = Australia (70%), USA (16%), UK (5%)
Gender = Female (57%)
Age = Over 60 years (60%)
Experience = Been on at least one cruise before (69%)
Travel party = Spouse or partner (52%)

Part B: Interviews with selected business stakeholders:
- 21 selected business stakeholders interviewed (14 AKA, 7 CHC)
- A range of business types (e.g., size, product type, cruise dependence)
- Primarily independent operators
**Part ‘A’ findings: spending**

Average ‘port visit’ spend ($) per respondent = $129.26 (n=430)

- **Stay** in Akaroa = $117.90 (n=208)
- **Leave** Akaroa = $141.55 (n=209)
- 7.3% of all respondents spent ‘nothing’

**Total Visitor Spending (by location)**

![Graph showing visitor spending by location and spending band.](image)
Part ‘A’ findings: spending

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Spending by category in Akaroa (average spend per person):

- Tours: $31.78
- Transport: $2.37
- Restaurant meals: $13.90
- ‘Other’ food & refreshments: $12.20
- Shopping & souvenirs: $54.74

Respondents who travelled ‘beyond’ Akaroa spent more on tours ($62.42) and transport ($18.61), and spent less on restaurant meals ($8.94), ‘other’ food and refreshments ($10.31) and shopping/souvenirs ($41)
Part ‘A’ findings: enjoyment
Part ‘A’ findings: enjoyment

“What did you enjoy most and least about your visit to Akaroa?” (n=211)

**Enjoyed most**
- Scenery (42%)
- A pretty town (34%)
- Relaxed village atmosphere (20%)
- Friendly people (16%)
- Good weather (15%)
- Attractions & activities (15%)
- Shopping/restaurants/cafes (11%)

**Enjoyed least**
- Bad weather (10%)
- Too crowded (3%)
- Expensive (2%)
- (74% said “nothing”)

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Part ‘A’ findings: activities

• Activities most commonly undertaken by respondents in Akaroa ‘township’ (n=211):
  – Walking around Akaroa (88%)
  – Eating & drinking (59%)
  – Shopping (57%)
  – General sightseeing (27%)
  – Guided tours/activities (20%)

• Activities most commonly undertaken by respondents in Akaroa ‘district’ (n=35):
  – Farm visit (51%)
  – Hilltop Tavern/Look-out (37%)
  – Barry’s Bay Cheese Factory (14%)
  – Look-out (unspecifield; possibly ‘Hilltop’) (14%)
### Part ‘A’ findings: satisfaction

<table>
<thead>
<tr>
<th>Satisfaction with Akaroa port visit (n=413)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied (93%)</td>
</tr>
<tr>
<td>Neutral (6%)</td>
</tr>
<tr>
<td>Dissatisfied (1.2%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intention to return to Akaroa (n=418)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely (58.9%)</td>
</tr>
<tr>
<td>Not sure (9.6%)</td>
</tr>
<tr>
<td>Unlikely (31.6%)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommend region to others (n=414)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely (97.3%)</td>
</tr>
<tr>
<td>Not sure (1.7%)</td>
</tr>
<tr>
<td>Unlikely (0.9%)</td>
</tr>
</tbody>
</table>
### Part ‘A’ findings: future prospects

<table>
<thead>
<tr>
<th>Activity</th>
<th>Appealing</th>
<th>Neutral</th>
<th>Unappealing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm tour</td>
<td>50%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Art gallery visit</td>
<td>40%</td>
<td>35%</td>
<td>25%</td>
</tr>
<tr>
<td>Winery tour</td>
<td>35%</td>
<td>40%</td>
<td>25%</td>
</tr>
<tr>
<td>Performing arts event</td>
<td>45%</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Maori cultural experience</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Museum visit</td>
<td>55%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Local food and wine</td>
<td>60%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Rating the appeal of activities for future port visits to Akaroa (n=313)*
Part ‘B’ findings: businesses

- 21 interviews conducted at the end of the cruise ship season
  - April - early May 2013
- Interviewees selected to represent the variety of business types identified in visitor spending categories (see earlier slide)
- Selected businesses catered primarily to ‘independent’ cruise passengers
- Focus on perceptions, opinions, experiences (not on ‘financials’)

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Akaroa</th>
<th>Christchurch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport services</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Tour operator</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Activity provider</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Retail: tourism/giftware</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Retail: general</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Food and drink outlets</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>
Part ‘B’ findings: businesses

Perceptions of the cruise market
- Highly unpredictable market
- No discernable patterns re: economic benefits/cruise lines, but some stereotyping
- Number of passengers more relevant than number of ships in port

Economic engagement
- Varied according to business type, size & previous engagement with the cruise market
- Most businesses generally cater to a mix of visitors and locals

Visitor spending
- Spending directed primarily toward low value items
- Relatively low contribution to annual revenue (typically between 5% - 30%), but does facilitate year-round business viability
- Minimal ‘displacement’ of other visitors to Akaroa
- Minimal economic impact from ship crew
Part ‘B’ findings: *businesses*

**Business challenges**
- Operator status (e.g., independent; inbound)
- Access to passengers/cruise market
- Proximity to attractions/activities (ex. Akaroa)
  - Logistical challenges (wharf, geographic distance)
- Uncertainty over future Akaroa cruise ship visits

**Hosting experiences**
- Advance cruise schedule extremely important
- Advance bookings useful, but difficult to secure
- Surprising lack of visitor knowledge
  - Range of activities/attractons
- Business adaptation varied
  - Product lines (range)
  - Tailored activities (timing, duration, focus)
- A clearly defined (and relatively ‘long’) cruise season (Oct-April)
Part ‘B’ findings: businesses

Cruise ship in context

- Irony: cruise ship relocations to Akaroa help businesses in Akaroa recover from loss of business (due to earthquakes)
- Offset: cruise arrivals help to offset losses due to the global economic recession
- General downturn in domestic visitation reported
- Cruise tourism provides a much-needed boost to Akaroa (and to Christchurch/Canterbury)

The visitor experience

- Positive feedback from visitors
- Visitors like ‘uniqueness’ of destination:
  - Akaroa: charm, scenic beauty, village atmosphere
  - Christchurch: earthquake recovery experience/story
- Some new products identified (gaps)
  - Rental cars, more local tours, Maori/marae/cultural
  - Shelter, signage, better wharf ‘welcome’, repair museum
Summary and concluding remarks

• Activities:
  – A mix of respondents remained in Akaroa, and/or travelled ‘beyond’ Akaroa township
  – Organised tours; ‘independent’ travellers; passive and/or active
  – Visitors and businesses identified potential ‘gaps’ in the destination product

• Spending:
  – Spending patterns identified; some variations noted (activity/location)
  – Spending on ‘small’ retail items, and food and drink (are cruise visitors ‘low spenders’?)

• Experience:
  – Overall, cruise ship visitors appear to be satisfied with their Akaroa port visit experience
  – Respondents indicated a high likelihood of returning to Akaroa, and likely to recommend to others.
  – Businesses modify some aspects of product range (tourists also buy ‘general’ products)
  – Uncertainty over future level of cruise arrivals is a concern for businesses
Any questions?

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