



Destination Queenstown

TNZ Kiwi Link Japan & Korea

Report

March 2024

1. Overview

Kiwi Link Japan & Korea is the first trade event after the pandemic that reconnected New Zealand tourism representatives with key agents from Japan and Korea. Activities include pre-scheduled appointments with managers of the NZ department or product managers and networking events. It is important to establish new relationships with the industry as many industry staff as been shuffled due to the pandemic.

On the 11th and 12th March, 24 NZ operators had 24 x 14-minute one-to-one appointments with 27 buyers from 17 companies who are product managers, travel planners and IBO based in Japan;
On the 14th, 28 buyers from 24 companies who are product managers, travel planners – Seoul and Busan (second largest city in South Korea).

2. Market Background

Japan

- Japan continues to be a very important visitor market for New Zealand. In 2019 (prior to Covid), Japan was New Zealand's 6th largest international visitor market with 97,340 visitors.
- Post Covid, there is growing momentum for overseas travel and Japanese arrivals to NZ (Jan-Jul 2023, 53%) is above the overall outbound recovery of 40%.
- There are 6.7 million Japanese visitors actively considering leisure travel to New Zealand and 42% of these travellers rank New Zealand as their #1 preferred destination.
- According to the JTB Outbound Tourism Report 2023, New Zealand is ranked 15th on the most desired destination to travel to, moving up 5 spots from 2020.
- A key motivator for Japanese visitors to New Zealand is interactions with nature such as hiking, walking and wildlife encounters. Japanese travellers are also motivated by cultural experiences and enjoy a wide variety of high-quality food and beverages.

Korea

- Korea has one of the most well-travelled populations in the world. 29M travelled overseas in 2019 - 57% of the total population.
- In 2019 (Prior to Covid-19), Korea was the 3rd largest international visitor market in Asia with 88,000 arrivals.
- Key motivations for visiting NZ are the scenery, connecting with nature, relieving stress and feeling refreshed.

3. Event Objectives & Benefits

Objectives:

- Re-connect NZ operators and travel agents post – COVID
- Promote off-peak travelling as NZ is a four-season destination
- Increase general destination & product knowledge of travel sellers
- Showcase new products and regions to the market
- Engage with an existing network of travel sellers and build on general business relationships
- Encourage sustainable travelling

Benefits:

- Face-to-face communication is highly valued in Japanese culture, and Kiwi Link Japan provides travel sellers with this opportunity to showcase their product offerings
- Great opportunity to establish new relationships with industry
- Raise distributors' awareness of their regions and/or products and what they have to offer to the clients so that they are in a better position to sell the region
- Gain market intelligence, insights and advice on Japan and Korea markets
- Build relationships with new agents and strengthen the existing business relationships

4. Attendance/Attendees

Buyers:

Japan - 27 buyers from 17 companies who are product managers, travel planners and IBO based in Japan;
Korea - 28 buyers from 24 companies who are product managers, travel planners – Seoul and Busan agents

Sellers:

24 NZ operators including 5 new sellers, Hermitage Hotel & Aoraki/Mount Cook Alpine Village, Cheeky Kea Travel, Fable Hotels, JetPark Hotels, Jireh Hospitality

Queenstown operators: Heliworks Queenstown, Destination Queenstown, Haka House Hostels, Ngai Tahu Tourism, Heritage Hotels, Southern Discoveries, RealNZ, Skyline, Sudima Hotels

5. Market Insights

Japan Market Insights

- Outbound travel in 2024 is projected to be 72% of the 2019 levels due to the depreciation of the Japanese currency, while average expenditure is projected to grow by 44%.
- In Japan, 33% of 5.2M ACs are ready to book.
- Post pandemic, group travel remains important for Japanese travellers but there has also been an increase in independent travel.

- Independent travellers want to minimise risks and have the flexibility to adjust travel plans, while having the freedom to engage more deeply with local culture and customs.

Airline Updates/ Recovery

- Air NZ operates a consistent daily NRT-AKL schedule year-round with 3 additional weekly flights during December to March.
- Japan-NZ had 160k bidirectional visitation at 8% Compound Annual Growth Rate (CAGR). Steady recovery to 62% in Q4 2023 (Source: NZ Stats)
- 90% of Japanese visiting NZ arrive in AKL; forward indicators for the next 12 months are solid with search interest 54% higher (Source: Stats NZ | Skyscanner; Skyscanner travel period: Apr-24 to Mar-25, search period Apr-23 to Mar-24)

Korea Market Insights

- Post Covid-19, outbound numbers are sharply increasing. Arrivals recovered by 68.5% and arrivals to NZ reached 55.7% recovery in comparison with 2019 (Jan-Jul).
- Travel demand has surged with the end of the pandemic combined with revenge spending, resulting in divided consumption patterns: high-end and low-price products.
- Korea's total outbound was 20.3M Korean travelled overseas in 2023, 293.4% up from 2022. 90% visited destinations in the Asia-Pacific region.
- Social media, including YouTube, remains the most influential channel for travel in 2023, followed by credible sources like OTAs and TV.
- Majority travellers stay 9-12 days in New Zealand and explore the North and South Islands.
- International travel among senior demographics (50-60+) has grown significantly in 2023, with a 491% increase compared to the previous year.
- Preference for New Zealand remains strong with 48% indicating it is a first-choice preferred destination for 6.1 million potential travellers.
- 60% of our target audiences prefer to book through travel agencies and OTAs are also commonly used. For product development, it is considered important to build relationships with trade partners in the Korean market.

Airline Updates/ Recovery

- Korean Air operates between 3 and 7 flights per week Seoul-AKL flights across the year.
- Air NZ will suspend direct flight services from Seoul to Auckland starts in April until Oct 24. Plan is to come back from Nov 24
- Direct air capacity is expected to drop by 40% in Half1 FY25.
- Korea-NZ bidirectional visitation had strong growth (9% CAGR) and has recovered to 87% in Q4 2023. ¾ Koreans travelling to NZ for holiday. (Source: NZ Stats)
- 79% of Koreans visiting NZ arrive into AKL, 10% arrive into CHC and ZQN respectively; forward indicators for the next 12 months are solid with search interest 51% higher (Source: Stats NZ | Skyscanner; Skyscanner travel period: Apr-24 to Mar-25, search period Apr-23 to Mar-24)

Barriers:

- Most of the Japanese group tours spend 2 nights in Queenstown. They arrive on the first afternoon from Mt Cook, take a day trip to Milford Sound on the second day, and depart on the third day. This has become a classic/traditional tour itinerary. For groups, travelers don't actually have much time to explore Queenstown and our wider region due to the tight itinerary and the "must-do" Milford Sound day trip.
- Japanese travellers have limited public holidays/ annual leave, which makes it difficult to extend their travelling days in New Zealand and Queenstown. (Classic New Zealand trip, 9days 7nights or 7 days 5 nights).
- Due to the economic situation in Japan, New Zealand is not a budget-friendly travel destination.
- Air capacity drop between Seoul and Auckland from April to Oct 2024.
- Information imbalance persists—numerous buyers inquire about new product updates and new itineraries, and Japanese and Korean remain the preferred languages.
- Language barriers remain a challenge, particularly for elderly visitors from both markets.

6. Summary

The tourism landscape between Japan and New Zealand is showing signs of recovery despite ongoing challenges. In 2024, Japan's outbound travel is projected to reach 72% of pre-pandemic levels, driven by increased expenditure. Meanwhile, inbound tourism to Japan continues to grow, leading to an imbalance in air travel volumes between New Zealand and Japan. Barriers such as limited travel time for Japanese visitors and current economic constraints pose challenges to further expansion.

In Korea, outbound travel surged in 2023, with a significant portion heading to the Asia-Pacific region, including New Zealand. The country's strong preference for New Zealand as a destination is influenced by factors such as the natural scenery and relaxation opportunities. Despite this interest, direct air capacity between Korea and New Zealand has declined temporarily, impacting travel accessibility.

Additionally, language barriers and information imbalances persist, hindering smooth communication and travel planning for both Japanese and Korean visitors. There has been a loss of skills and knowledge in the Japanese and Korean markets since the pandemic. Providing product training opportunities will be essential.

Both Japan and Korea remain vital markets for New Zealand's tourism industry, but addressing barriers such as limited travel time, economic factors, product knowledge gap and communication challenges will be crucial for sustained growth. As the recovery progresses, maintaining strong partnerships between airlines, tourism stakeholders, and government agencies will be essential in facilitating smoother travel experiences and maximising the potential of these key markets.

7. Related Content/Event Images



Some of the Queenstown Operators in Japan



Yangzi representation DQ in Japan



Kiwi Link Japan at Yamanashi



NZ Ambassador in South Korea, Dawn Bennet enacts the hongki



Yangzi representation DQ in Korea



Kiwi Link Korea at Seoul



Queenstown operators at Kiwi Link Korea