

Vanuatu International Visitor Survey

Annual Report

November 2014 – November 2015

Prepared for International Finance Corporation

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Auckland University of Technology**

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Executive Summary

This report focuses on the characteristics, expectations, satisfaction, and expenditure patterns of tourists who have recently visited Vanuatu. The data presented is drawn from an online departure survey (<http://www.vanuatusurvey.com>). The survey period covered by this report was from 1 November 2014 to 31 November 2015. There were 4,740 respondents to the survey - representing a total of 8,224 adults and an additional 1,349 children.

The majority (54%) of visitors surveyed come from Australia, while 29% come from New Zealand. More than one third of the visitors (38%) earn US\$50,001 to US\$100,000 per year. Over one third of the visitors (38%) travel with one companion.

Nearly two thirds of the visitors (60%) surveyed are on their first visit to Vanuatu, a further 23% have visited once or twice before. The main purpose of the visit is holiday-making (67%). The average length of stay in Vanuatu is 8.9 nights. Nearly all of the visitors spend some time on Efate (Port Vila). Espiritu Santo and Tanna are the next two most frequently visited islands.

Participants were asked how they had found out about Vanuatu as a holiday destination for this trip and to rank the three factors that exerted the most influence on their decision. Over a third (36%) of respondents ranked word of mouth from friends and family members as the most important influence, followed by previous experience, and general travel websites. Nearly three quarters (72%) of respondents use general websites (e.g. Tripadvisor) or the Vanuatu tourism website to plan their trip to Vanuatu.

On average, visitors to Vanuatu spend US\$1,247 per person prior to arrival, primarily on airfares and accommodation. We estimate that the pre-paid spend per visitor per day that flows directly to Vanuatu is US\$88. The average local spend (after arrival) per visitor per day is US\$83. By combining the pre-paid spend and spend in country, it is estimated that each visitor brings US\$1,514 directly to the Vanuatu economy.

The most appealing elements of the Vanuatu experience for visitors are the friendly local people, the beautiful natural environment, the activities and attractions, entertainment and events on offer, and the peaceful and relaxing atmosphere of the islands. The least appealing elements of the Vanuatu experience are considered to be the poor quality of public services and infrastructure, the rubbish in the streets, the lack of care for the natural environment, and poor value for money provided by the industry.

Overall satisfaction on the part of tourists is relatively high: 85% of the visitors felt either satisfied or very satisfied with their trip. Over eighty percent of the visitors surveyed said they want to return to Vanuatu, and of this group the majority would like to travel to one or more of the outer islands when they next visit.

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Introduction

This report focuses on the characteristics, expectations and expenditure patterns of visitors who visited Vanuatu during the survey period of 1 November 2014 to 30 November 2015. Due to the impact of Cyclone Pam the work was halted for the period of February to April 2015.

Designed to provide an easily accessible annual summary, the report presents key findings that have emerged from the three detailed reports that cover the November 2014 – November 2015 period: 1. November 2014 –January 2015; 2. May – July 2015; 3. August – November, 2015. During the ten month period 11,400 visitors were contacted by email to take part in the survey, and 4,740 responses were received: the conversion rate across the year average is 16% (Table 1).

Table 1: Conversion rate

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Emails sent	4917	8273	16447	Total: 29637
Respondents	877	1060	2803	Total: 4740
Conversion rate	18%	13%	17%	16%
Actual visitor arrivals	26835	24107	33369	

The report focuses on the following themes:

- The characteristics of visitors to Vanuatu (age, gender, country of origin, income, purpose of visit, travelling companions, number of previous visits, length of stay, airline used, visited islands).
- Visitor information obtained about Vanuatu and factors influencing the travel decision making process.
- Visitor expenditure (amount of money spent prior to arrival and while in Vanuatu, and a breakdown of spending patterns).
- Visitor satisfaction (most and least appealing aspects of the visit, overall satisfaction).

More detailed tables are also provided that present key findings for major survey variables across the three reporting periods.

The Visitor

There were 4,740 respondents to the survey – representing a total of 8,224 individual adults and an additional 1,349 children. We estimate this equates to 9.7% of all visitors during the period – based on the latest available visitor arrival data from the Vanuatu National Statistics Office.

Table 2: Demographics across 3 sections 2014-15

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
People covered				
<i>Adults:</i>	1548	1831	4865	8244
<i>Children:</i>	272	300	777	1349
Total people covered	1820	2131	5642	9593
Actual visitor arrivals	26835	24107	33369	Nov 2014-Nov 2015 99115
% of total arrivals	6.7%	8.8%	16.9%	9.7%
Gender				
<i>Female:</i>	59%	58%	55%	57%
Age				
<i>18-29 year old</i>	21%	16%	17%	18%
<i>30-39 year old:</i>	20%	18%	17%	18%
<i>40-49 year old:</i>	22%	23%	20%	21%
<i>50-59 year old:</i>	23%	24%	25%	25%
<i>Over 60 year old:</i>	14%	19%	20%	19%
Household income				
<i>Under \$50,000:</i>	30%	38%	34%	34%
<i>\$50,000-100,000:</i>	35%	35%	41%	38%
<i>\$100,001-200,000:</i>	28%	23%	22%	23%
<i>Over \$200,001:</i>	8%	4%	4%	5%
Country of origin				
<i>Australia:</i>	62%	53%	52%	54%
<i>NZ:</i>	21%	31%	31%	29%
<i>Pacific:</i>	8%	8%	7%	7%
<i>Long haul:</i>	9%	9%	10%	10%

The vast majority of the visitors surveyed come from Australia (54%), with New Zealand being the second most represented (29%) (Table 1). Just under 7% of visitors are from other Pacific island nations, while long haul visitors are from regions including Europe (4%), North America (2%), and Asia (2%).

Compared with 2015 visitor arrival statistics, during the period November 2014 to November 2015 provided by the Vanuatu National Statistics Office, the proportion of the visitors from Australia is slightly lower than the 2015 annual arrival statistics (51.6% Australia), New Zealanders are over-represented in the survey (2015 annual arrival statistics - 14.3% New Zealand). The percentage of visitors from New Caledonia captured during the survey period is lower than the arrival statistics of the same period where this group made up 11.9% of arrivals (Table 3).

Table 3: Comparison between sample size and overall arrivals

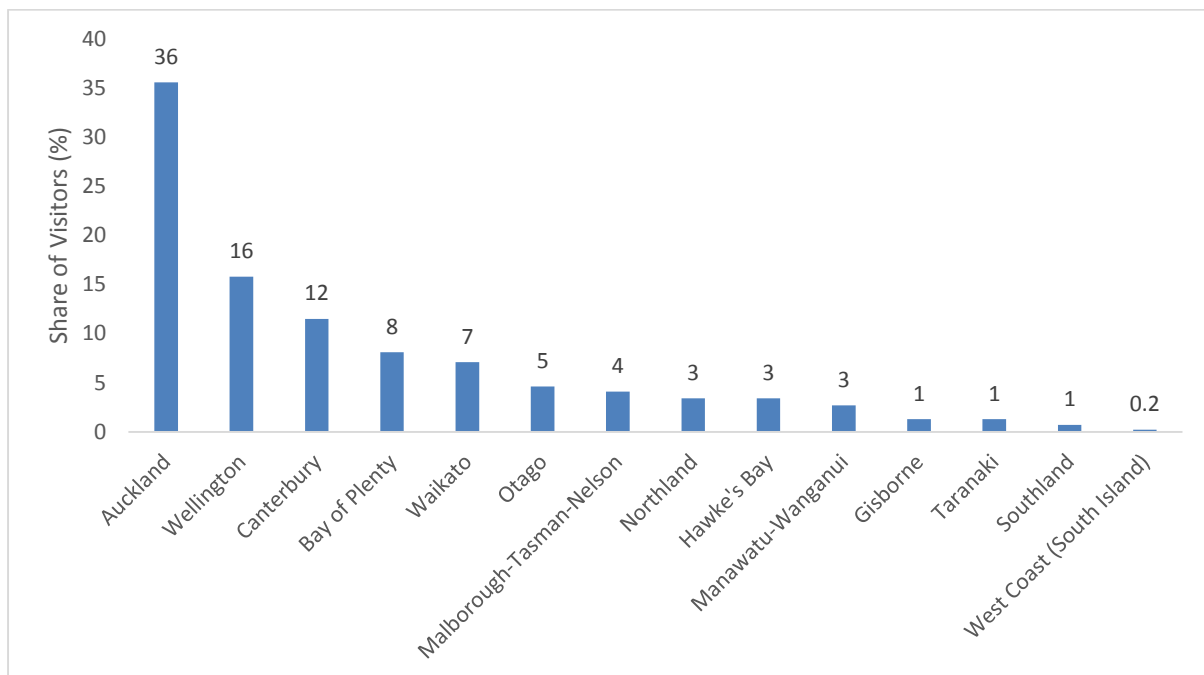
Comparison	Australia	New Zealand	New Caledonia	Other Pacific	Long haul	Total
Respondents	2283	1212	114	192	403	4204
Percent of total respondents	54.3%	28.8%	2.7%	4.6%	9.6%	
Visitor arrivals	51118	14403	11826	7107	14661	99115
Percent of total arrivals	51.6%	14.5%	11.9%	7.2%	14.8%	

New South Wales, Queensland, and Victoria account for 86% of the Australian visitor arrivals to Vanuatu during the survey period (Figure 1). For visitors from New Zealand, the regions of Auckland, Wellington, and Canterbury generate the largest numbers of Vanuatu holiday arrivals (64%) (Figure 2).

Figure 1: Australian visitors (n=2273)



Figure 2: New Zealand visitors (n=1207)



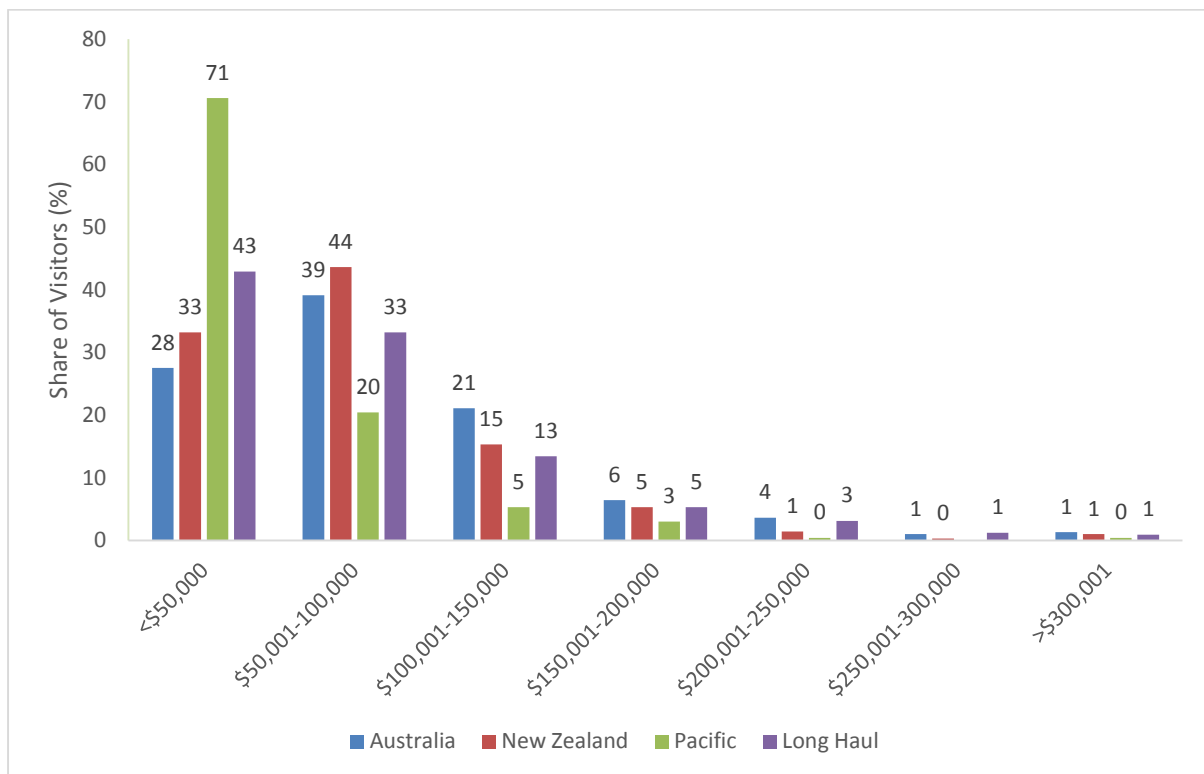
More females (57%) than males (44%) completed the survey. This is in line with the experience of other online visitor research in the South Pacific and elsewhere.

Nearly half of visitors (46%) are aged between 40 to 59 year old, followed by the 30 to 39 age bracket (18%), and 18-29 year old group (18%). There are fewer travellers in the 70 plus age bracket.

Nearly three quarters of visitors (72%) have an annual household income up to US\$100,000, followed by 17% of the respondents with an annual income of US\$100,001 to US\$150,000. A further 11% of respondents have a household income of over US\$150,000 per year.

When these figures are broken down further, the annual household income of Australians, New Zealanders, and long haul visitors surveyed is higher than for their counterparts originating from Pacific countries (Figure 3). Nearly three quarters of visitors (71%) from the Pacific islands earn less than US\$50,000.

Figure 3: Annual household income - country of origin (US\$) (Nov 2014-Nov 2015)



Visitor characteristics

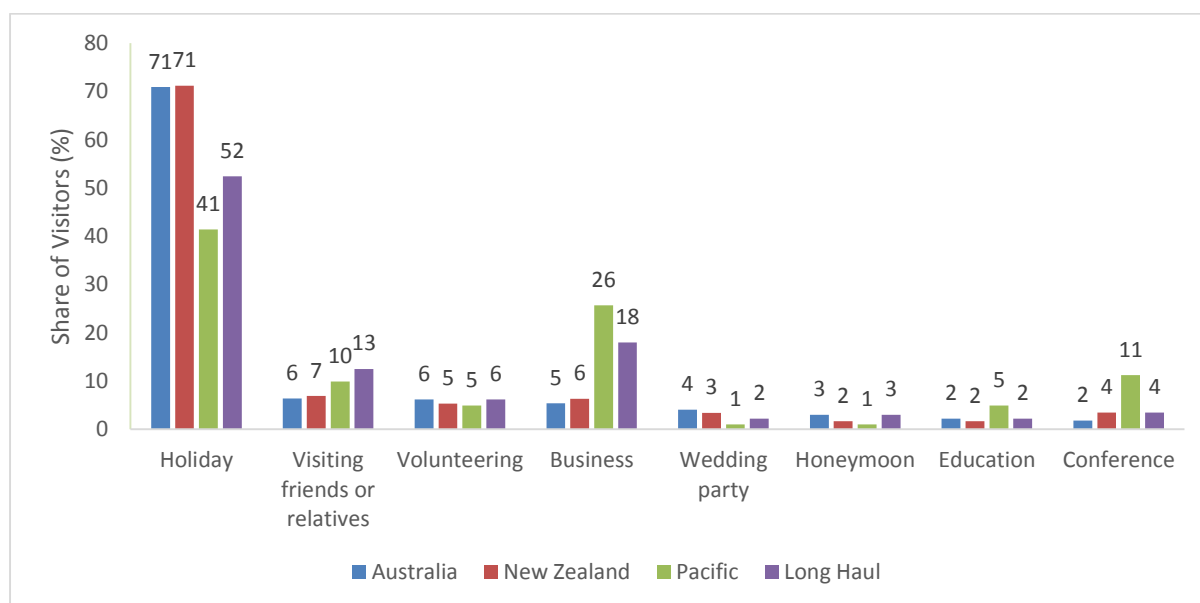
Over two thirds of visitors surveyed came to Vanuatu for a holiday (67%). Other reasons provided include, for business or conferences (11%), visiting friends and family members (8%), and volunteering (6%) (Table 4). When compared with the 2015 statistics during November 2014 to November 2015 from the National Statistics Office (71% holiday, 9% VFR, and 9% business or conference), the impact of Cyclone Pam can be seen with fewer holiday makers, and considerably more volunteers coming to Vanuatu to help with the recovery effort.

Table 4: Visit characteristics across 3 sections 2014-2015

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Airlines used				
<i>Air Vanuatu:</i>	53%	45%	46%	47%
<i>Virgin Australia:</i>	29%	23%	29%	28%
<i>Air New Zealand</i>	12%	25%	21%	20%
Companions				
<i>1 companion:</i>	37%	35%	39%	38%
<i>Solo:</i>	11%	14%	12%	13%
Visits to Vanuatu				
<i>1st trip:</i>	60%	58%	60%	60%
<i>1-2 previous trips:</i>	21%	22%	24%	23%
Purpose of travel				
<i>Holidaymakers:</i>	74%	61%	66%	67%
<i>VFR:</i>	9%	7%	7%	8%
<i>Business/conference:</i>	8%	14%	12%	11%
<i>Volunteering:</i>	2%	9%	6%	6%
Length of stay				
<i>Average nights:</i>	9.1	9.5	8.6	8.9
<i>Within 1 week:</i>	56%	53%	60%	58%
<i>1week to 2 weeks:</i>	33%	36%	32%	33%
Islands visited on trip				
<i>Efate (Port Vila):</i>	97%	96%	97%	97%
<i>Espiritu Santo:</i>	14%	16%	14%	15%
<i>Tanna:</i>	14%	14%	15%	15%

Visitors from Pacific countries were more likely to travel to Vanuatu for business or attending a conference, or educational activities than those from Australia, New Zealand, and long haul countries (Figure 4).

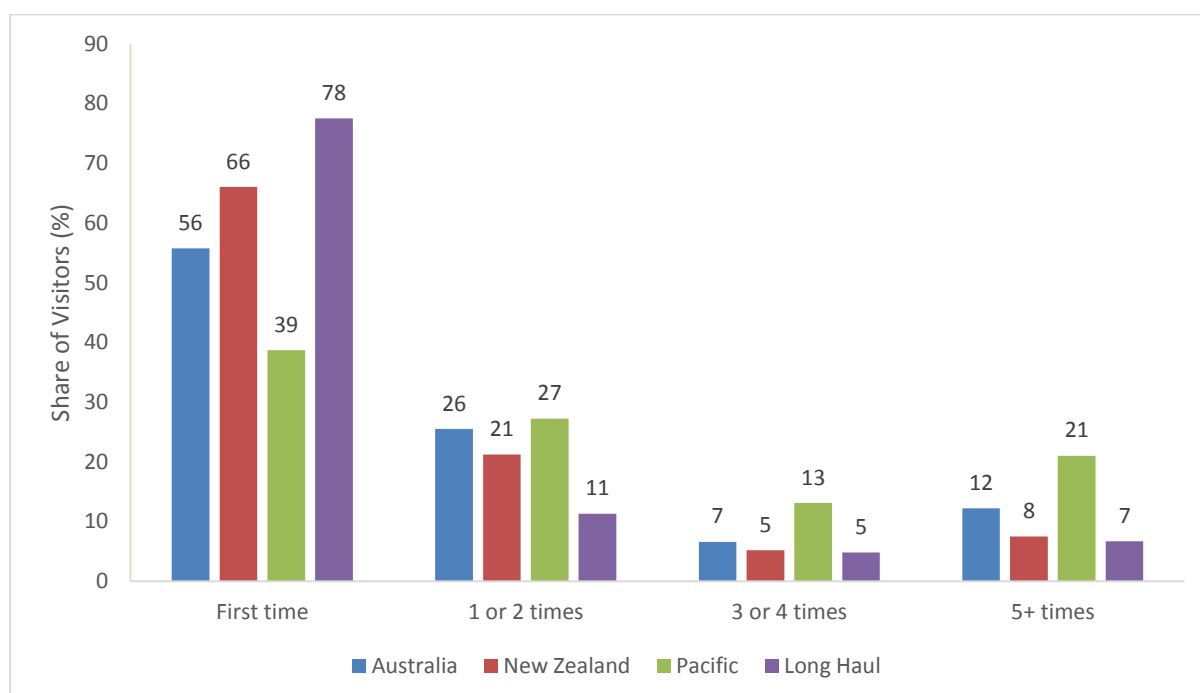
Figure 4: Main purpose of visit - country of origin (Nov 2014-Nov 2015)



Over one third of visitors (38%) travelled with one companion on their visit to Vanuatu. Travel groups larger than five people were not very common with the exception of the 10+ group (9%).

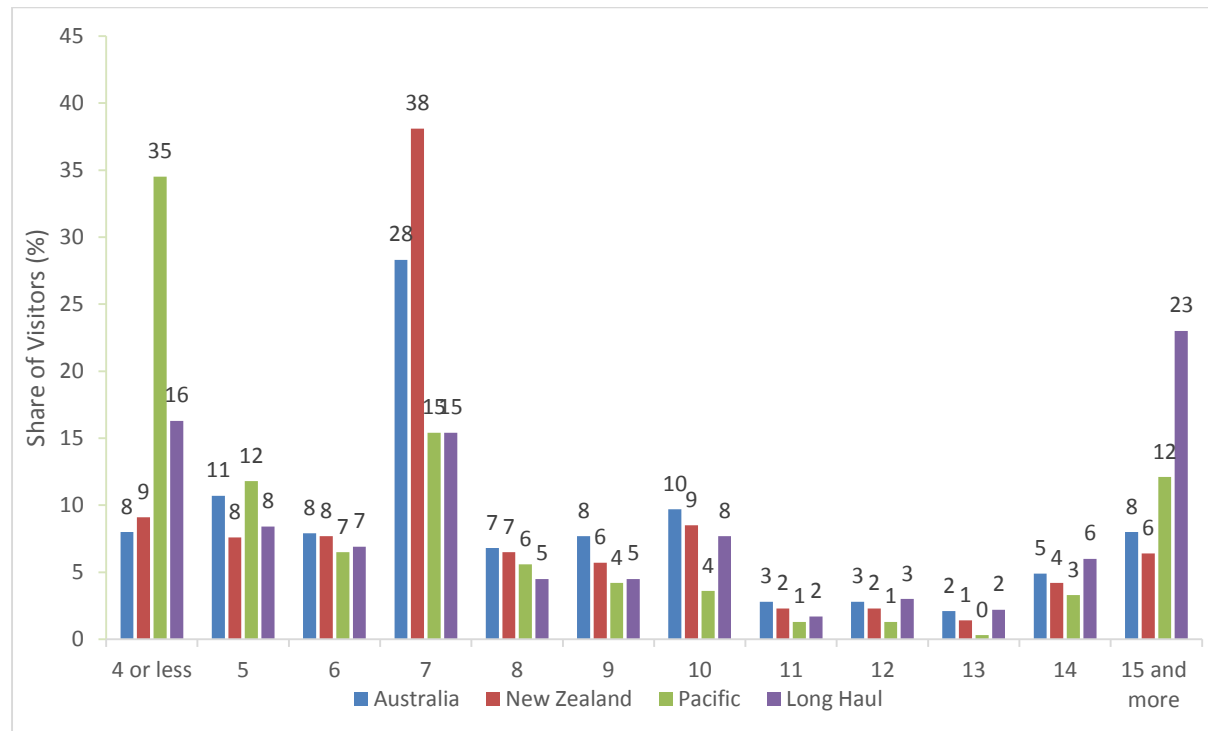
For nearly two thirds (60%) of visitors, this was their first visit to Vanuatu. A further 23% had been to Vanuatu once or twice before. Pacific visitors and Australians are more likely to be repeat visitors than those from other source markets (Figure 5). Nearly two thirds of Pacific visitors (61%) and 45% of the Australians surveyed had visited Vanuatu once or more before.

Figure 5: Number of visits to Vanuatu – country of origin (Nov 2014-Nov 2015)



The average length of stay in Vanuatu is 8.9 nights (8.9 nights for Australian visitors, 8.4 nights for New Zealand visitors, 7.8 nights for Pacific visitors, and 11.4 nights for long haul visitors). Visitors from New Zealand and Australia show a strong cluster around a 7-night itinerary (Figure 6). Over one third (35%) of Pacific visitors stayed under 5 nights. Long haul visitors tend to stay longer than other groups with 36% spending ten or more nights in Vanuatu.

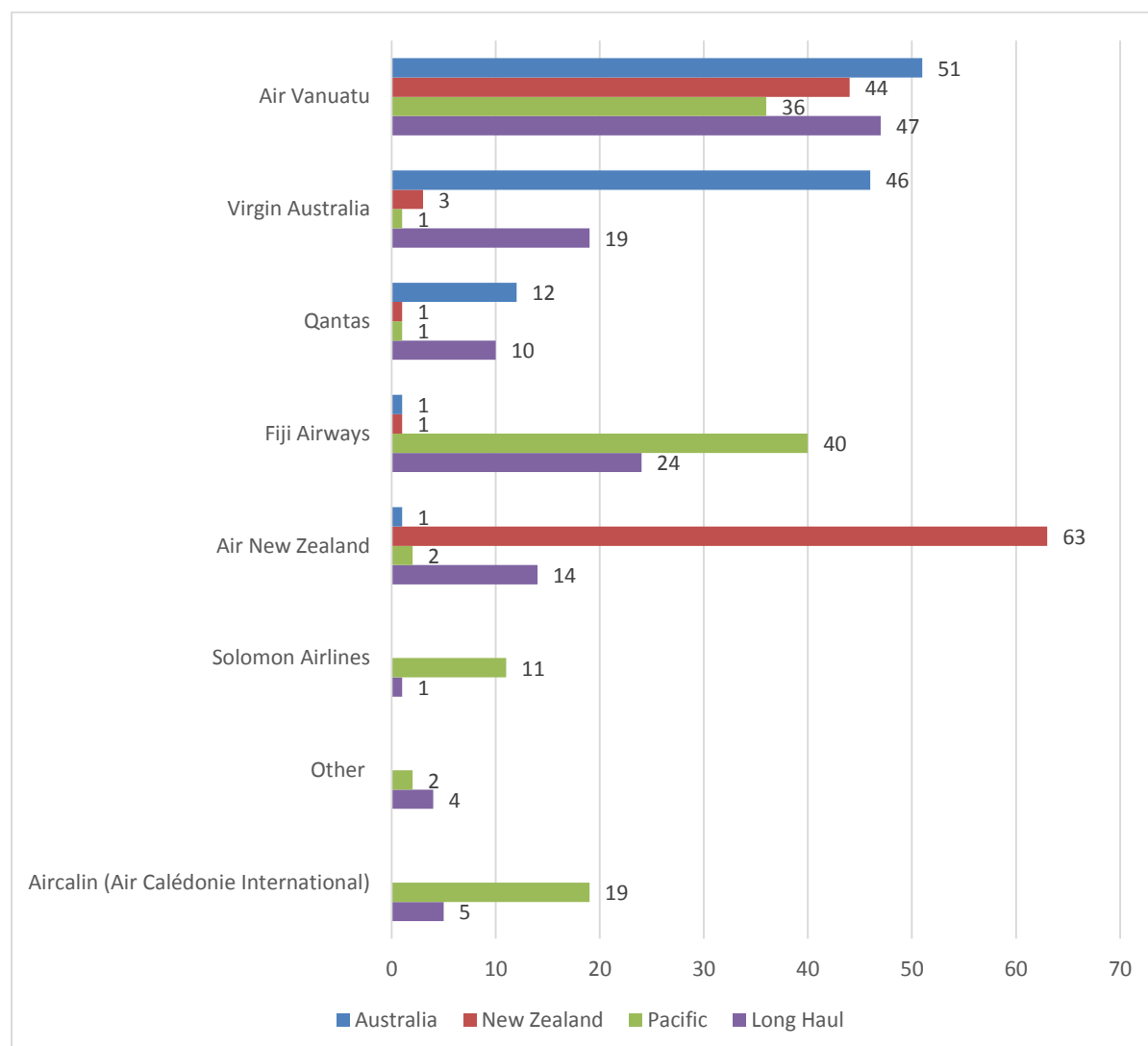
Figure 6: Length of stay in nights - country of origin (Nov 2014-Nov 2015)



Nearly half of visitors (47%) travelled to and/or from Vanuatu with Air Vanuatu, a further 28% flew with Virgin Australia, and 20% of visitors flew with Air New Zealand.

Visitors from Australia tend to rely on Air Vanuatu (51%) and Virgin Australia (46%), while New Zealanders prefer Air New Zealand (63%) and Air Vanuatu (44%). Fiji Airways, Aircalin, and Solomon Airlines are most commonly used by visitors from Pacific countries (Figure 7).

Figure 7: Major airlines used for travel to/from Vanuatu - country of origin (Nov 2014-Nov 2015)

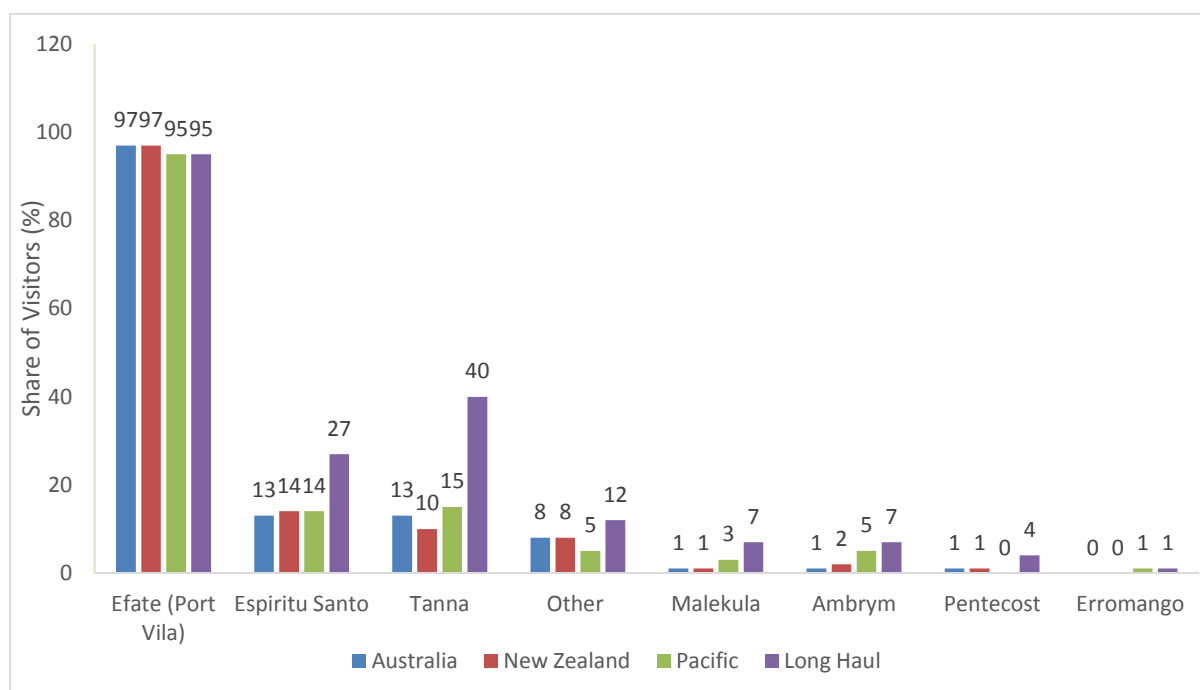


Note: Respondents could travel with more than one airline, so total does not add up to 100%

The vast majority (97%) of visitors surveyed spend some time on Efate (Port Vila). Other islands visited include Espiritu Santo (15%) and Tanna (15%).

Long haul visitors are far more likely to visit outer islands than other tourists, with 40% visiting Tanna and 27% visiting Espiritu Santo (Figure 8). It is important to note that some visitors may travel to more than one outer island.

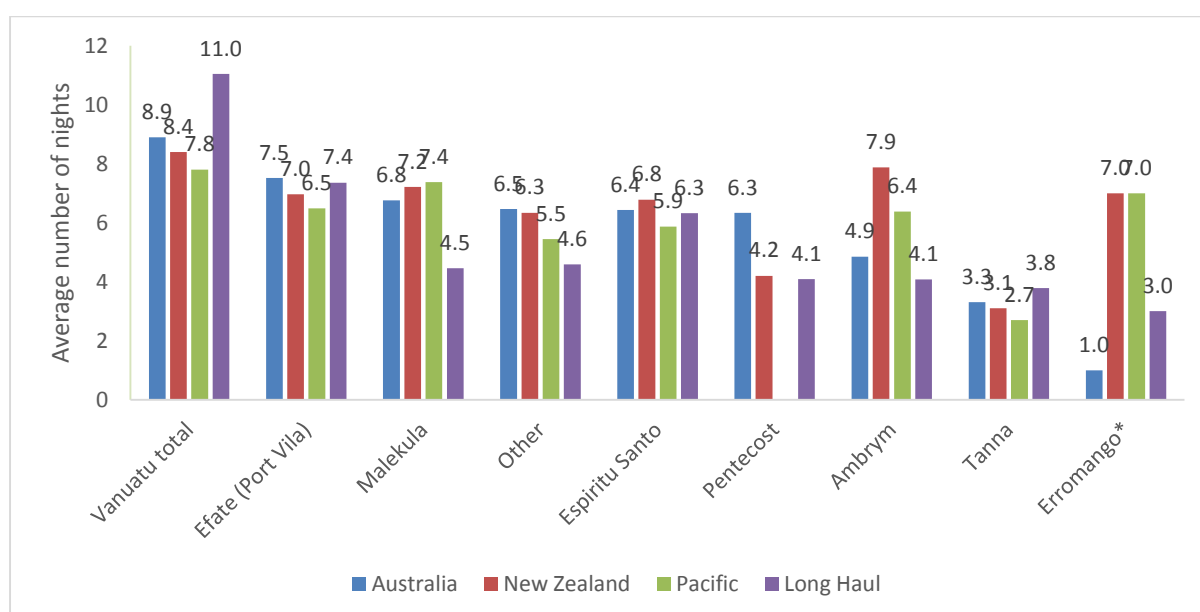
Figure 8: Visited islands - country of origin (Nov 2014-Nov 2015)



Note: Respondents could visit more than one island, so total does not add up to 100%. *n<20

The average length of stay on Efate (Port Vila) is 7.3 nights. For the visitors that went to Espiritu Santo, the average length of stay is 6.4 nights, and for Tanna 3.3 nights. A small number of the respondents (n = 10-80) stay on other islands, therefore the reliability of their visitor length of stay must be treated with some caution at this stage of the research. In terms of country of origin, Pacific island visitors tend to stay longer on Makekula compared to other visitors (Figure 9). New Zealand visitors to Santo and Ambrym stayed the longest.

Figure 9: Average length of stay in Vanuatu - country of origin (Nov 2014-Nov 2015)



Note: *n<20

Information Sources and Decision Making

Participants were asked how they had found out about Vanuatu as a holiday destination for this trip, and to rank the three sources of information that were most important in this respect (Table 5). Over a third (36%) of respondents ranked word of mouth from friends and family members as the most important influence, followed by previous experience (30%), and general travel websites (e.g. Tripadvisor) (14%).

Table 5: Information sources and decision making across 2014-2015

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Find out about Vanuatu (Rank 1)				
<i>Friends/family:</i>	34%	38%	35%	36%
<i>Previous visits:</i>	29%	32%	30%	30%
<i>General websites:</i>	17%	12%	13%	14%
Decision making				
<i>Quiet and relaxing atmosphere:</i>	3.9	3.5	3.7	3.7
<i>Beaches and swimming:</i>	3.6	3.2	3.4	3.4
<i>Accessible:</i>	3.5	3.3	3.4	3.4
Information source for planning				
<i>General travel websites:</i>	48%	42%	44%	44%
<i>Friends/family:</i>	43%	43%	39%	41%
<i>Vanuatu tourism website:</i>	30%	29%	27%	28%
<i>Previous visits:</i>	30%	33%	33%	32%
<i>Travel agents/brochures:</i>	27%	27%	30%	28%
Purchasing behaviour				
<i>By myself:</i>		53%	49%	49%
<i>Travel agent:</i>	NA	26%	29%	29%
<i>By others:</i>		19%	18%	18%
Cruise visits				
<i>Previous cruise visitors:</i>	8%	9%	10%	10%
<i>Cruise as prime influencing factor:</i>	11%	8%	14%	13%

Long haul visitors (44%) and Pacific visitors (42%) are more likely to have found out about Vanuatu from friends and family members than Australians (33%), and New Zealanders (35%). Pacific visitors (44%), Australians (34%) and New Zealanders (26%) also rely on information gained from previous trips to Vanuatu (Figures 10 to 12).

General websites and agents or brochures are less popular as sources of information for visitors from the Pacific. For the long haul visitors, television or radio programmes, magazine and newspaper articles, and social media are seen as useful sources of information about Vanuatu.

Figure 10: How did you find out about Vanuatu as a destination - rank 1 - country of origin (Nov 2014-Nov 2015)

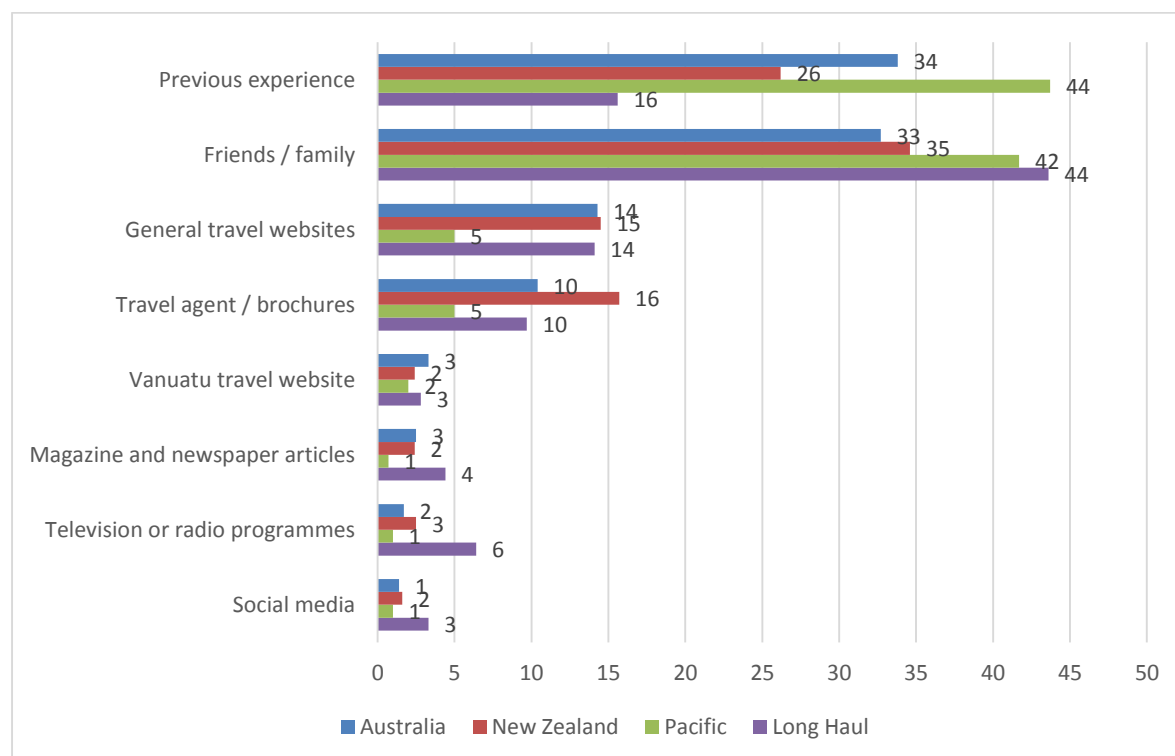


Figure 11: How did you find out about Vanuatu as a destination - rank 2 - country of origin (Nov 2014-Nov 2015)

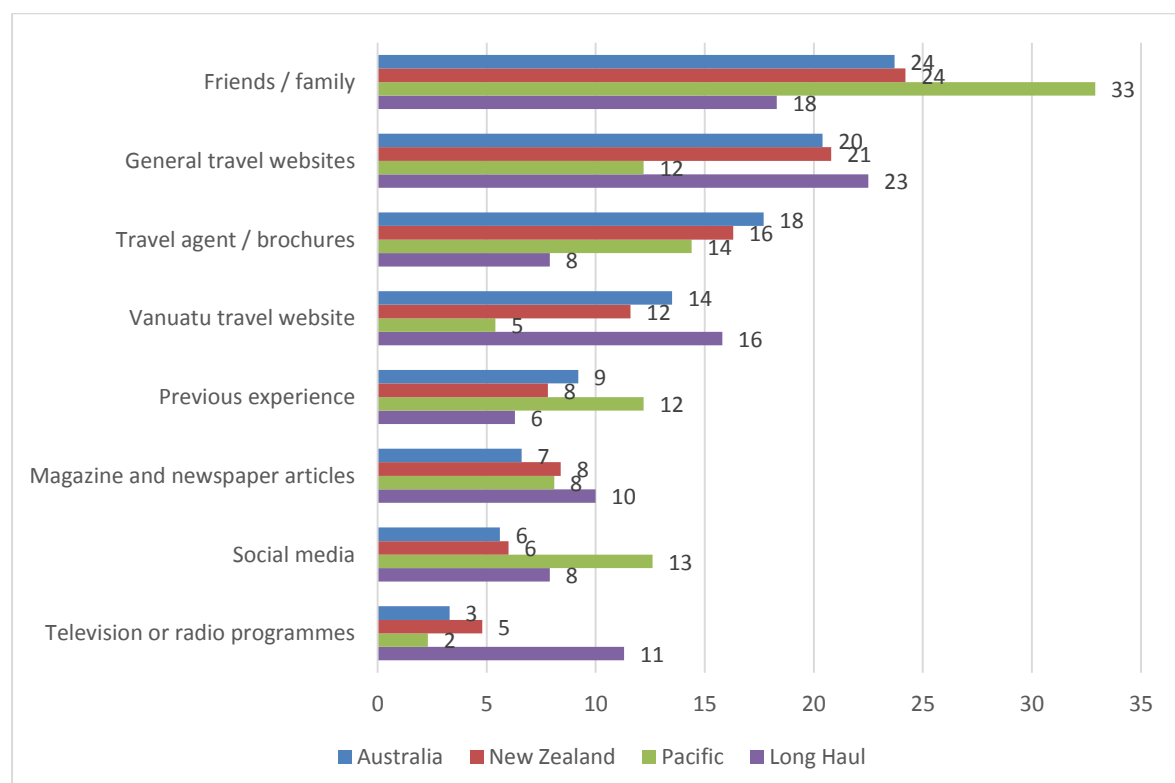
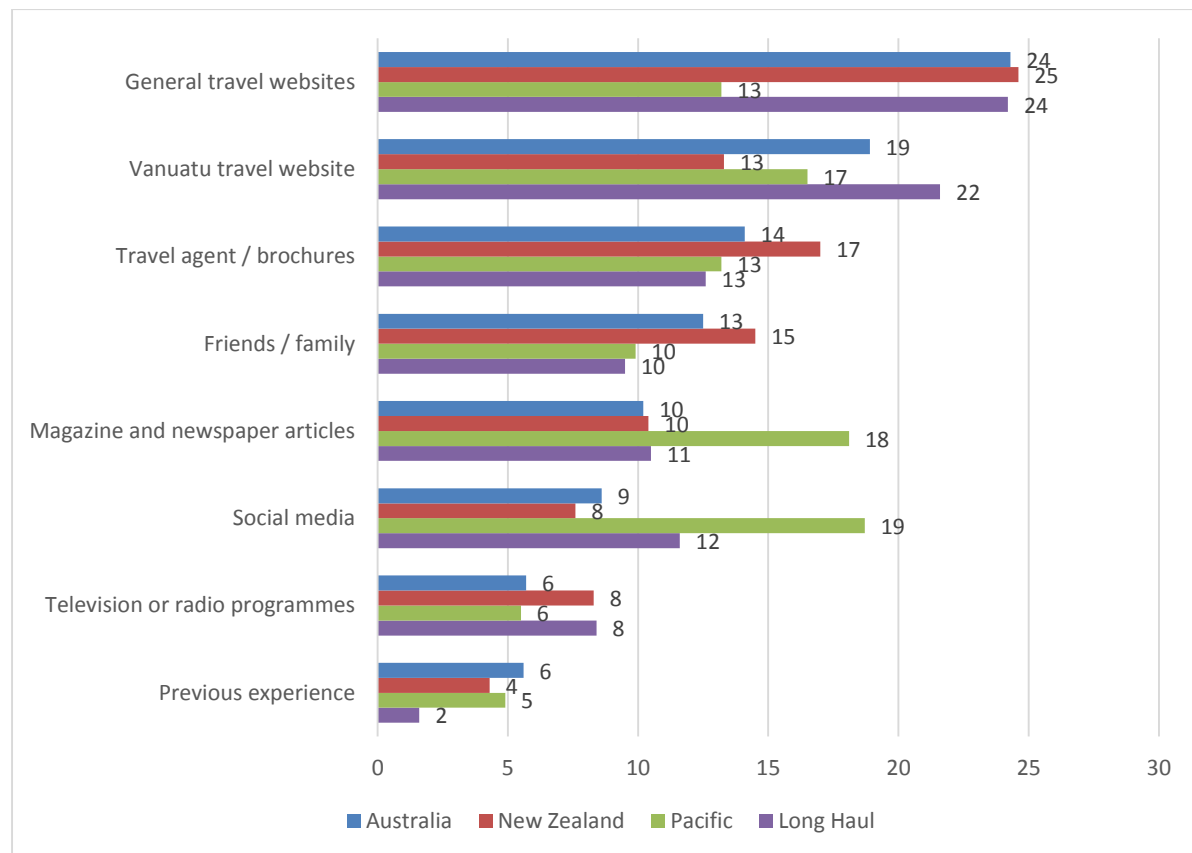


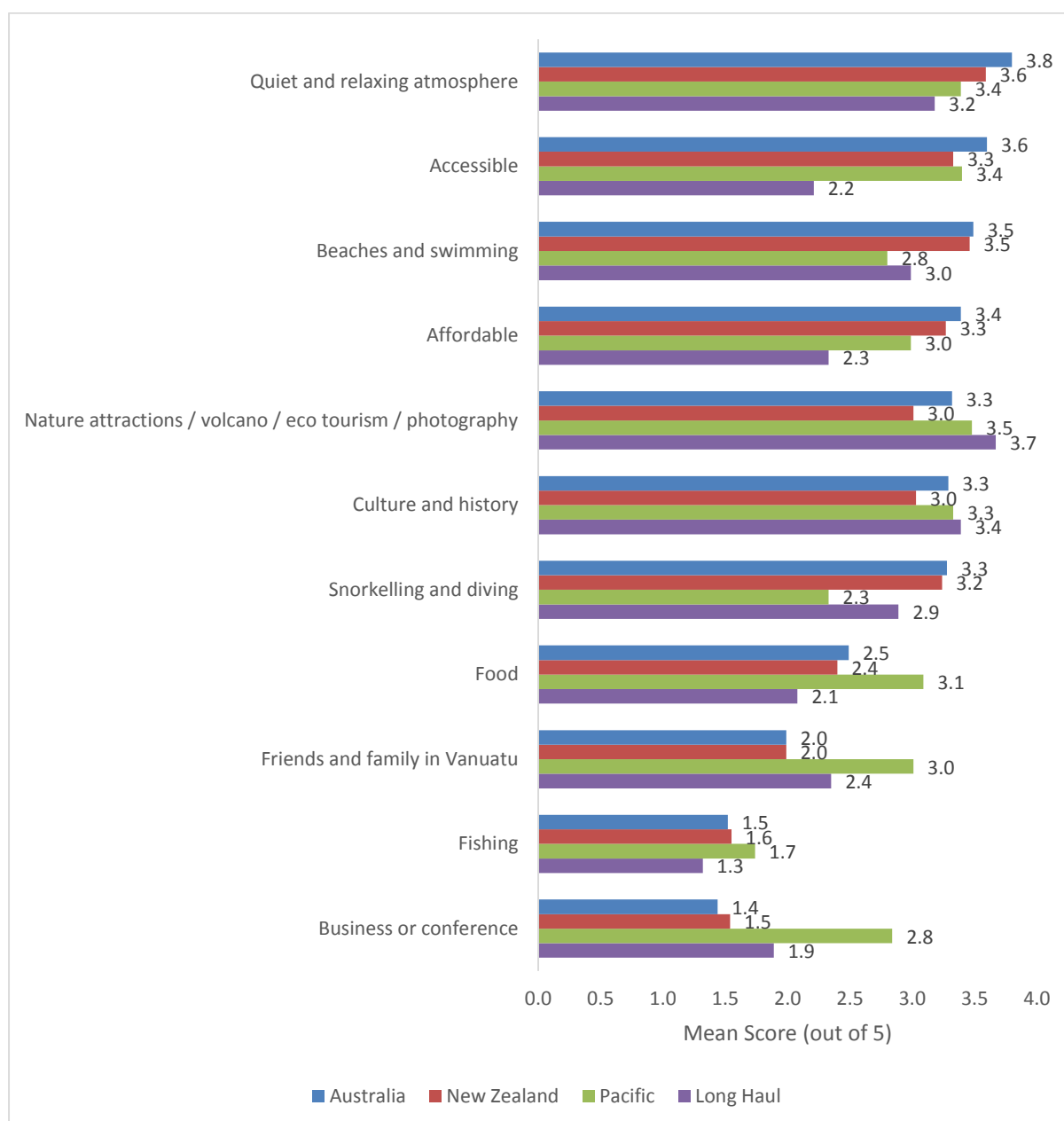
Figure 12: How did you find out about Vanuatu as a destination - rank 3 - country of origin (Nov 2014-Nov 2015)



Visitors were asked to think about ‘why you chose to visit Vanuatu’. The quiet and relaxing atmosphere is ranked as the most influential factor (3.7 out of 5). Other factors included beaches and swimming (3.4) and accessibility (3.4).

Australians and New Zealanders are more likely to choose Vanuatu because of the quiet and relaxing atmosphere (Figure 13). Long haul visitors are more likely to go to Vanuatu for nature attractions/volcano/ecotourism/photography, plus culture and history. Accessibility is an important influential factor for Australians, Pacific visitors and New Zealanders. For Pacific visitors the opportunity to taste local food, see friends and family, conduct business or go to conferences are also important factors.

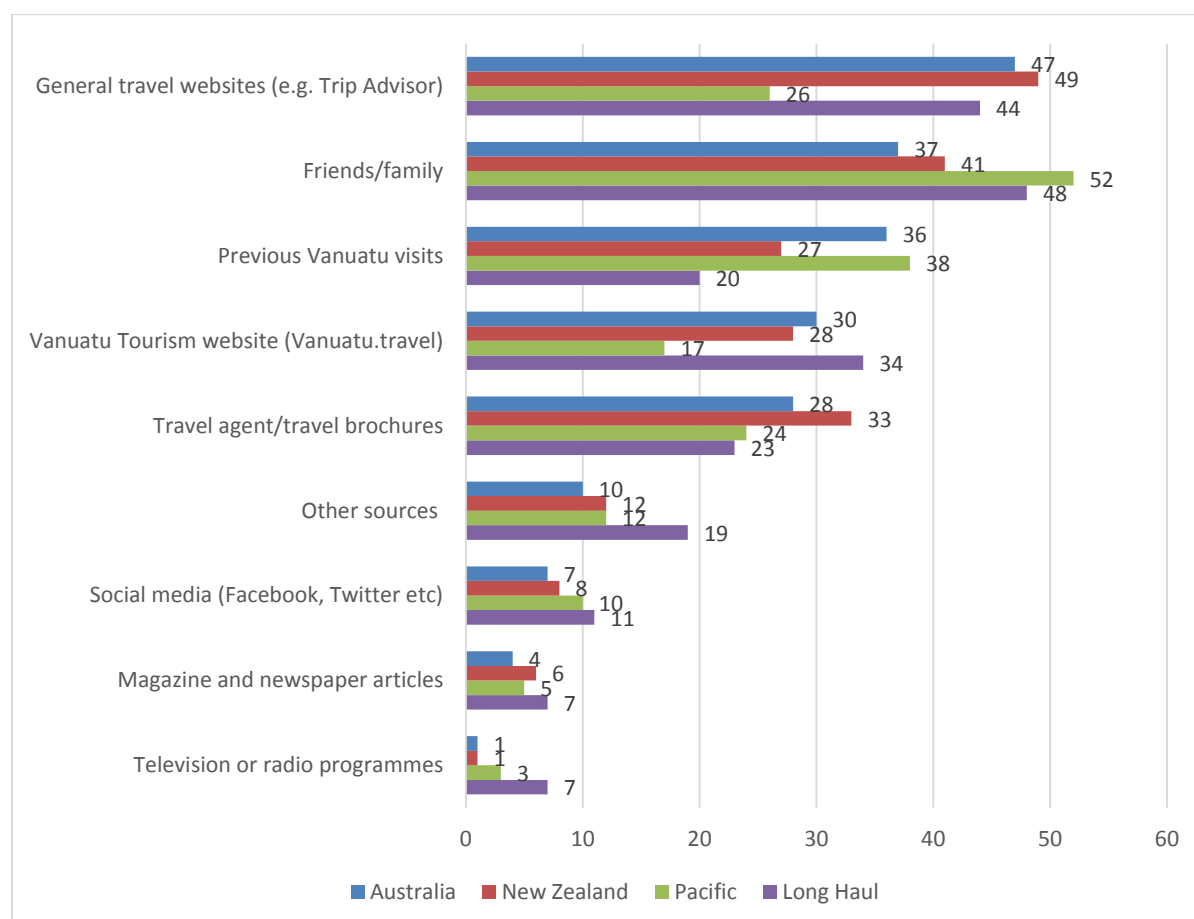
Figure 13: Influences on the decision to choose Vanuatu - country of origin (Nov 2014-Nov 2015)



When visitors were asked to select the information sources used to plan their trip, the internet featured prominently. Nearly three quarters (72%) of respondents used either general websites (e.g. Tripadvisor) (44%) or the Vanuatu tourism website (28%) to plan their trip to Vanuatu. Nearly half (41%) mentioned that recommendations of friends and relatives as information sources. Just under one third of respondents (32%) plan their trip based on previous visits, work with a travel agent or refer to brochures (28%). Less than one in ten respondents mentioned social media (8%), magazine and newspaper articles (5%), and television or radio programs (2%) as information sources used. Other information sources mentioned are Lonely Planet guide book, Google, and conference organisers.

Visitors from New Zealand (49%) and Australia (47%) are more likely to plan their travel through general travel websites (Figure 14). Pacific (52%) and long haul visitors (48%) are more likely to plan their trip with the help of friends and family members. Pacific visitors (38%) and Australians (36%) rely on their previous experience to plan their trip.

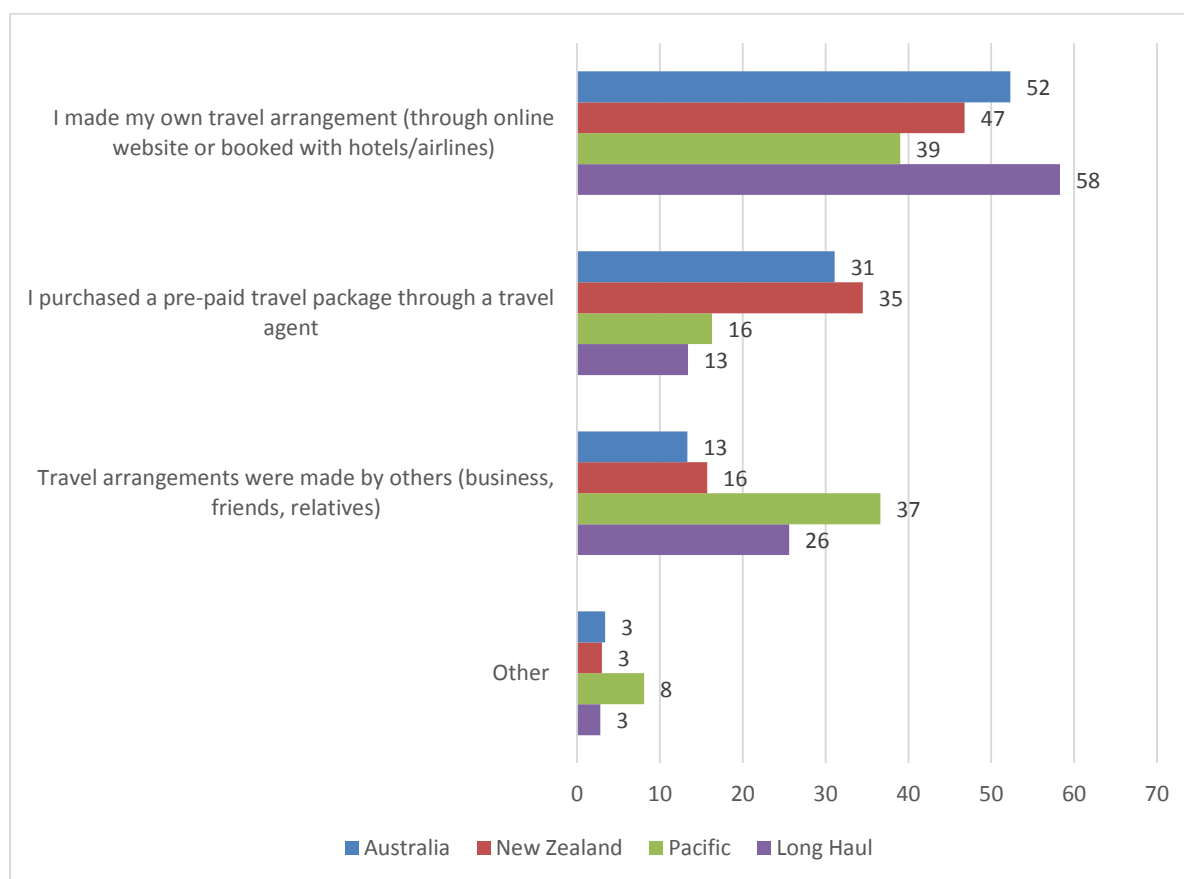
Figure 14: Information source used for planning the trip - country of origin (Nov 2014-Nov 2015)



Just under half of visitors surveyed (49%) make their own travel arrangements through online websites or book directly with hotels or airlines. Over one quarter of visitors (29%) purchased a pre-paid trip through travel agents, followed by 18% of visitors whose travel was arranged by others.

Based on country of origin, long haul visitors (58%) and Australians (52%) are more likely to arrange their trip by themselves. Australian visitors (31%) and New Zealanders (35%) are more likely to buy a pre-paid travel package through travel agents; Pacific visitors (37%) are more likely to have their travel arrangements organised by others (Figure 15).

Figure 15: Ways of purchasing your travel - country of origin (Nov 2014-Nov 2015)

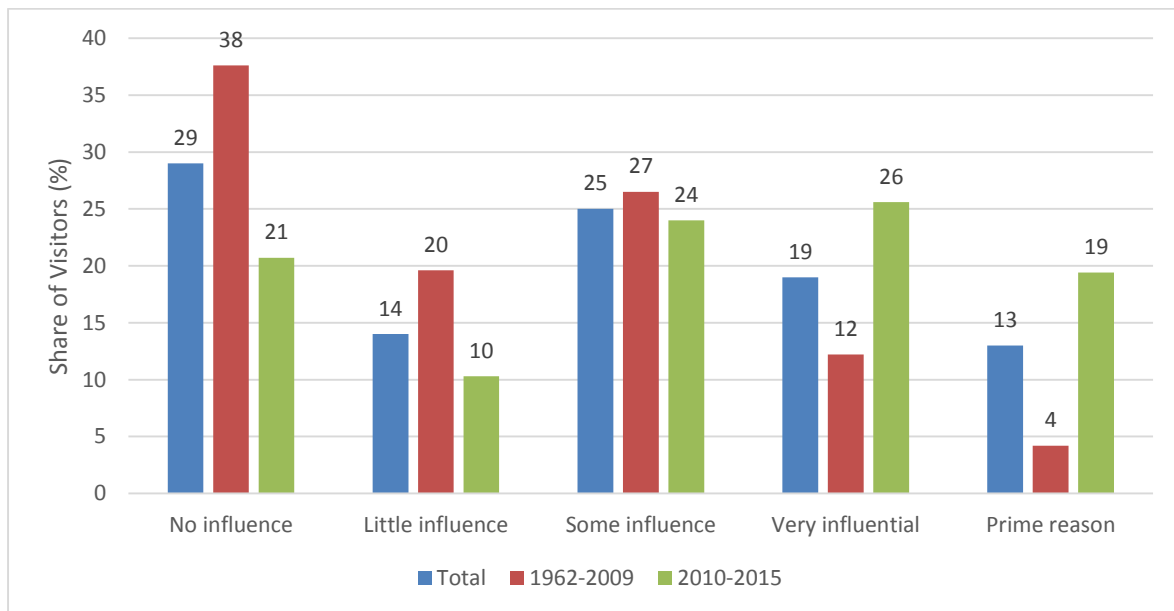


In order to ascertain the influence of previous cruise visits on later decisions to re-visit Vanuatu we examined the past cruise behaviour of visitors. Most visitors (90%) had never been to Vanuatu on a cruise. Of the 10% of visitors who had visited Vanuatu previously on a cruise, over two thirds (72%) of visitors had been to Vanuatu only once before on a cruise.

Of the respondents who had visited Vanuatu previously on a cruise, nearly half (49%) of visitors had made the trip within the last five years. A further 22% visited during the 2000-2009 period.

Over half (57%) of this group said a previous cruise had some influence on their most recent decision to visit Vanuatu, however more than one in ten (14%) stated that it was a prime motivating factor. Based on the year a cruise trips occurs, Figure 16 shows the comparison between recent cruise visitors (2010-2015) and the visitors who took a cruise trip over five years ago (1962-2009). It appears the more recently a cruise was taken, the greater the degree of influence exerted on return travel decisions.

Figure 16: Has a previous cruise visit influenced your choice to visit Vanuatu? (n=439) (Nov 2014-Nov 2015)



Visitor Expenditure

In reviewing the economic impact of tourism on the Vanuatu economy this report focuses on two key components: money spent before arrival (on airfares and/or packages) and money spent once in Vanuatu (excluding pre-paid spend) (Table 6).

Pre-paid spend is a significant contributor to the economic impact of tourism, with an average of US\$1,247 being spent per visitor. For the bulk of visitors this spend includes international airfares (96%) and accommodation (81%). We estimate that approximately 62.5% of pre-paid spend (or US\$779) makes its way back into the Vanuatu economy.

The amount of money spent by visitors whilst in Vanuatu averaged US\$83 per person per day for the 2014-2015 period (US\$735 per visit).

Table 6: Expenditure across 3 sections 2014-2015 (US\$)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Average spend before visiting (per person)	\$1330	\$1284	\$1207	\$1247
<i>Flowing into the local economy per person:</i>	62.5% of the pre-paid spend flows into the Vanuatu's economy			
<i>Per person per day:</i>	\$831	\$803	\$757	\$779
	\$91	\$84	\$88	\$88
Length of stay	9.1 nights	9.5 nights	8.6 nights	8.9 nights
Spend while in Vanuatu Whole trip:	\$837	\$713	\$705	\$735
<i>per person per day:</i>	\$92	\$75	\$82	\$83
Total spend per visit flowing into Vanuatu economy	\$1,668	\$1,516	\$1,462	\$1,514

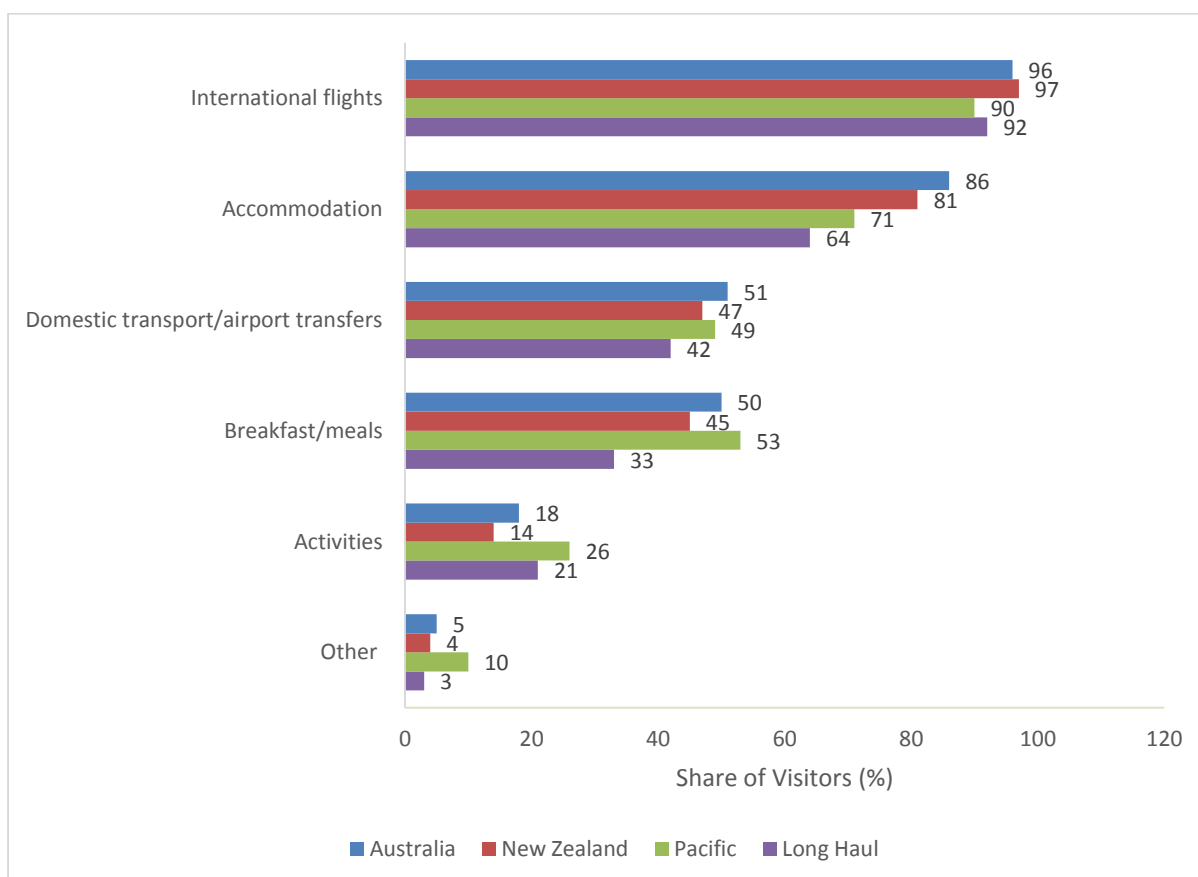
Long haul visitors generally spent more than other source markets prior to arrival (Table 7). New Caledonia visitors spent \$851 prior to arrival, while visitors from other Pacific countries spent more than New Caledonia visitors (\$1,302).

Table 7: Money spent prior to arrival (US\$)

	Australia	New Zealand	Pacific countries	Long haul
Nov 2014-Jan 2015	\$1355	\$1203	\$1217	\$1535
May-Jul 2015	\$1267	\$1089	\$1347	\$2413
Aug-Nov 2015	\$1191	\$1054	\$1002	\$2897
Annual	\$1241	\$1081	\$1122	\$1945

In addition to international flights, spending prior to arrival usually includes: accommodation (in 86% of the cases for Australian visitors, 81% for New Zealanders, 71% for Pacific visitors, and 64% for visitors from long haul countries), domestic transport and airport transfers (in 51% of the cases for Australians, 47% for New Zealanders, 49% for Pacific countries, and 42% for visitors from long haul countries), and meals and breakfast (in 50% of the cases for Australia, 45% for New Zealanders, 53% for Pacific countries, and 33% for visitors from long haul countries) (Figure 17).

Figure 17: Items included in money spent prior to arrival (n = 997) (Nov 2014-Nov 2015)



The total spend per visitor per day while in Vanuatu (excluding pre-paid expenditure) is US\$83 (

Table 8). Most of the local spend is on food and beverage (31%), accommodation (25%), and tours or tour operator services (9%). These per person expenditure figures are based on 961 survey responses covering a total of 8119 people (7023 adults and 1096 children).

Table 8: Average visitor expenditure in Vanuatu (US\$ per person per day)

Expenditure Items	<i>Mean (US\$)</i>	<i>(% of spend)</i>
Food and beverage (restaurant, café)	26	31
Accommodation	20	25
Tours/tour operator services	7	9
Supermarket/general store items	6	7
Domestic travel within Vanuatu (air travel, ferry)	6	7
Taxis/bus/car hire	5	7
Handicraft, souvenirs, artwork	3	3
Entertainment activities/casinos	2	3
Duty free shop (alcohol, tobacco, cosmetics)	2	3
Purchases of clothing (incl. T shirt)	2	2
Local food from the market	1	2
Services (e.g. massage, hairdressing, spa)	1	2
Internet and telecommunication	1	1
Purchases of watches & jewellery	1	1
Total expenditure per person per day	83	100%

Table 9 provides an overview of the in-country expenditure by country of origin. Visitors from both Australia and New Zealand have the highest daily spend on food and beverages. Long haul and Pacific visitors spend more on accommodation. Overall daily spend is highest for Pacific travellers (\$116) while those from New Zealand spend the least per day (\$75) while they are in the country.

Table 9: Average expenditure per visitor per day - country of origin (US\$)

	Covered n=4555	Covered n=2394	Covered n=482	Covered n=577
Expenditure Items	Australia	New Zealand	Pacific countries	Long haul
Food and beverage (restaurant, café)	28	25	23	18
Accommodation	20	17	31	28
Tours/tour operator services	8	7	4	6
Supermarket/general store items	6	5	8	4
Taxis/bus/car hire	5	6	8	5
Domestic travel within Vanuatu (air travel, ferry)	5	4	14	11
Handicraft, souvenirs, artwork	3	2	7	2
Duty free shop (alcohol, tobacco, cosmetics)	3	2	4	0
Entertainment activities/casinos	2	2	5	2
Purchases of clothing (incl. T shirt)	2	2	4	1
Services (e.g. massage, hairdressing, spa)	2	1	1	0
Local food from the market	1	1	3	1
Internet and telecommunication	1	1	3	1
Purchases of watches & jewellery	1	1	1	1
Total spend (US\$)	\$84	\$75	\$116	\$80

Pacific visitors spend the highest while in Vanuatu, except for a short period following Cyclone Pam. (Table 10) New Zealanders generally spend the least among all market segments. The survey results reveal a considerable decline in tourist spend in Vanuatu for each of the market segments following the cyclone. Each market segment has shown some rebound to pre-cyclone levels with the exception of long haul travellers.

Table 10: Average local spend in Vanuatu (US\$ per person per day)

	Australia	New Zealand	Pacific countries	Long haul
Nov 2014-Jan 2015	\$94	\$86	\$120	\$98
May-Jul 2015	\$79	\$70	\$83	\$90
Aug-Nov 2015	\$82	\$75	\$126	\$70
Annual	\$84	\$75	\$116	\$80

New Caledonia visitors spend more than the average spend of Australian, New Zealand, and long haul visitors. The average spend figures of visitors from other Pacific countries are higher than visitors from New Caledonia.

Table 11: Average expenditure per visitor per day – New Caledonia and other Pacific countries (US\$)

	Covered n=225	Covered n=257
Expenditure Items	New Caledonia	Other Pacific countries
Domestic travel within Vanuatu (air travel, ferry)	22	9
Food and beverage (restaurant, café)	21	25
Accommodation	16	43
Entertainment activities/casinos	8	4
Taxis/bus/car hire	7	10
Handicraft, souvenirs, artwork	6	7
Tours/tour operator services	6	2
Supermarket/general store items	5	10
Duty free shop (alcohol, tobacco, cosmetics)	4	5
Purchases of clothing (incl. T shirt)	4	5
Local food from the market	2	3
Services (e.g. massage, hairdressing, spa)	2	1
Internet and telecommunication	1	4
Purchases of watches & jewellery	0	1
Total spend (US\$)	\$103	\$129

Visitor Satisfaction

Visitors were asked to indicate their overall satisfaction with their experience of Vanuatu on a scale from 1 'very dissatisfied' to 5 'very satisfied'. The vast majority (85%) of the visitors surveyed indicated they were either 'satisfied' or 'very satisfied' with their Vanuatu experience. Only 4% were unsatisfied with their visit and gave a score of 2 or lower. The mean score was 4 (out of 5).

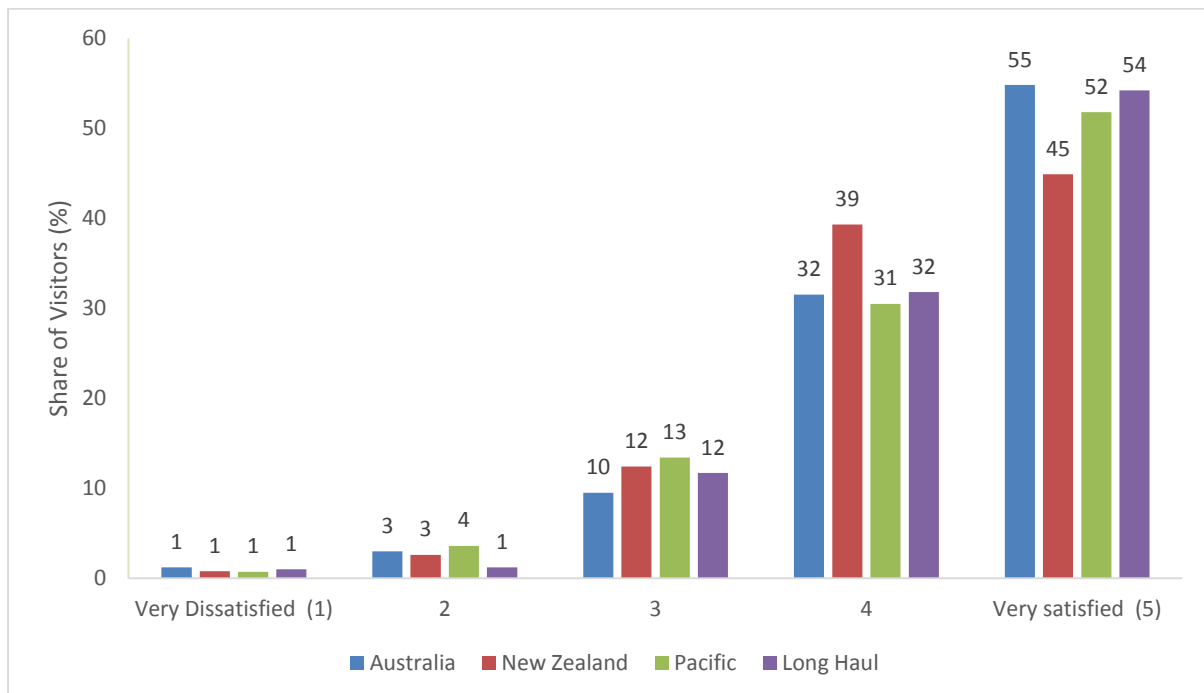
Visitors were asked to rate their level of satisfaction with nine different statements relating to their most recent visit to Vanuatu (Table 12). Overall, respondents give the variety of things to see and do and general quality of service in Vanuatu the highest score (both 4 out of 5).

Table 12: Satisfaction across 3 sections

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Overall satisfaction				
Very satisfied:	48%	57%	51%	51%
Satisfied:	36%	32%	34%	34%
Level of satisfaction				
<i>Variety of things to see and do:</i>	4.0	4.1	4.0	4.0
<i>General quality of service:</i>	3.9	4.0	4.0	4.0
<i>Taxis/car/bus/car rental:</i>	3.6	3.9	3.9	3.8
Restaurants/cafes/bars/evening entertainment:	3.7	3.7	3.7	3.7

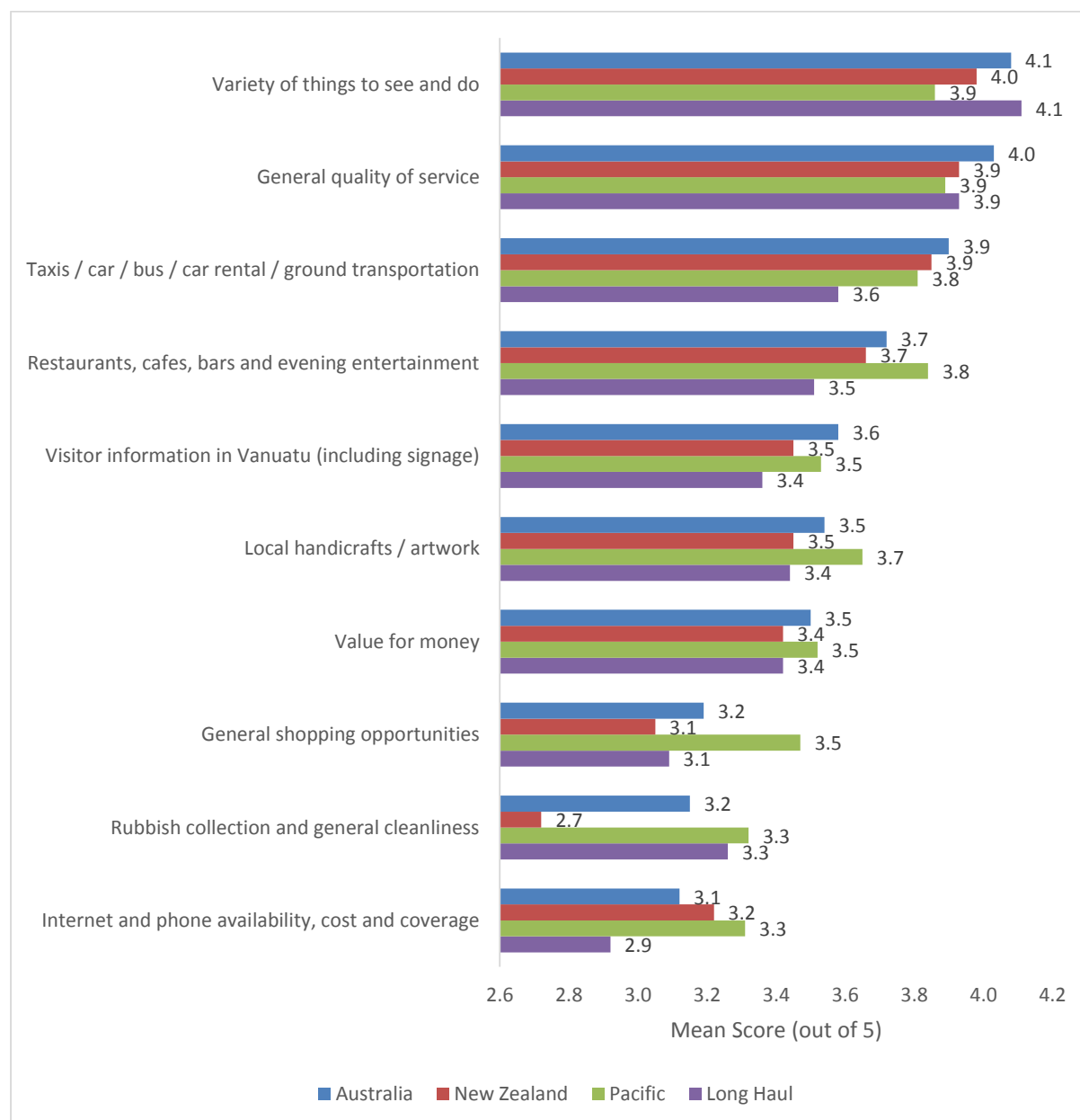
Over half of Australians (58%), Pacific visitors (52%) and long haul visitors (54%) felt 'very satisfied' with their Vanuatu experience (Figure 18). Although New Zealanders were generally satisfied with their trip a lower percentage were 'very satisfied' (45%).

Figure 18: Overall satisfaction with the experience of Vanuatu - country of origin (Nov 2014-Nov 2015)



Australian visitors show relatively high levels of satisfaction with most items except rubbish collection, shopping, and internet and phone (Figure 19). New Zealanders and long haul visitors generally expressed a lower level of satisfaction than Australians, especially in restaurants, value of money, and the internet and phone experience. Pacific visitors exhibit the highest levels of satisfaction across the board, just a slightly lower level of satisfaction in general quality of service, variety of things to see and do, ground transportation, and visitor information.

Figure 19: Degree of satisfaction with Vanuatu services - country of origin (Nov 2014-Nov 2015)



Visitors were given the opportunity to discuss in more detail the factors that they found most or least appealing about their last visit to Vanuatu. Such information provides important insights into travel motivations and also enables a clearer picture to be gained about decisions to make a return visit, and to visit other outer islands in the future. We reviewed and categorised the responses – people could provide as many responses as they wished.

The friendly local people (54%), beautiful natural environment (31%), and attractions and activities entertainment and events (29%) consistently receive the highest ratings in terms of appeal. One of the aspects that visitors surveyed mentioned being the most appealing part of

their trip, was to see and notice how the locals have recovered from the tropical Cyclone Pam that happened in March 2015, also how nice it was to be able to help after the cyclone (3%).

Table 13: Most appealing aspects of Vanuatu (n = 4418)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Local people	46%	59%	55%	54%
Environment	37%	28%	30%	31%
Activities, attractions and entertainment, events	39%	30%	29%	29%
Atmosphere	12%	12%	14%	13%
Accommodation	9%	6%	8%	8%
Food and Beverage	9%	6%	7%	7%
Culture, shopping and history	6%	5%	7%	6%
Level of service	8%	4%	5%	5%
Convenience	5%	3%	3%	3%
Cyclone Pam	n/a	7%	3%	3%
Overall good experience	4%	1%	2%	2%
Safety, family-friendly	2%	2%	2%	2%
Un-commercial	4%	2%	1%	2%
Value for money	2%	1%	1%	1%

* Share of respondents who made a comment that falls into each theme. Respondents could give more than one answer, so total does not add up to 100%.

Visitors were also asked to list and discuss the least appealing aspects of their most recent visit to Vanuatu. While most tourists (88%) took the time to comment on at least one ‘least appealing’ aspect of their stay, over one tenth of these (12%) simply stated “nothing”. The least appealing elements of the Vanuatu experience relate to public services, facilities and infrastructure (26%), rubbish, cleanliness and natural environment care (21%), and the price of goods and services (17%), as well as food and beverage (12%) (Table 13). Six percent of respondents noted that the effects of Cyclone Pam were the least appealing aspect of their stay. Respondents commented on the rubbish and damage left over from the cyclone, the lack of fresh produce, and devastation of the cyclone for local people were the least appealing aspects of their visit.

Table 14: Least appealing aspects of Vanuatu (n = 4150)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Public services and facilities	23%	28%	27%	26%
Rubbish, cleanliness and natural environment care	21%	21%	21%	21%
Price of goods and services	18%	15%	17%	17%
Food and beverage	11%	10%	13%	12%
Local people, standard of service	10%	4%	9%	8%
Rental cars or scooters, transport	10%	6%	6%	7%
Attractions and activities	11%	3%	6%	6%
Cyclone Pam	n/a	11%	5%	6%
Accommodation-Q14	7%	4%	5%	5%
Shops	5%	3%	4%	4%
Social divide, social issues	3%	4%	5%	4%
Flight related issues	2%	2%	4%	3%
Too touristy	1%	1%	5%	3%
Weather	3%	4%	3%	3%
Cruise ships	4%	1%	1%	2%
Safety-related issues	1%	2%	2%	2%
Stray animals and mosquitos, diseases	4%	1%	2%	2%

* Share of respondents who made a comment that falls into each theme. Respondents could give more than one answer, so total does not add up to 100%.

When asked if there was anything that could have improved their visit to Vanuatu, just under half (46%) of respondents said 'yes'. Suggestions mentioned by these respondents focused on public services and infrastructure (26%), entertainment and activities (13%), flights (11%), food quality and price (11%), and entrance fees/value for money (9%). A small number of visitors mentioned Cyclone Pam (2%) in terms of the appeals for the foreign aid and understanding of the current situation.

Table 15: Suggestions to improve the visit to Vanuatu (n=2042)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Public services and infrastructure	32%	30%	23%	26%
Entertainment, activities, transport	9%	9%	15%	13%
Flights	5%	6%	15%	11%
Food quality and price	9%	9%	12%	11%
Charges, entrance fee, value for money	16%	9%	8%	9%
Environment	7%	9%	9%	9%
Local people, standards of service	11%	8%	6%	8%
Stayed longer and see more	8%	9%	7%	7%
Accommodation-Q15	6%	5%	6%	6%
Weather	2%	7%	3%	4%
Shopping experience	5%	3%	3%	3%
Cyclone Pam	n/a	3%	2%	2%
Safety	1%	1%	1%	1%

* Share of respondents who made a comment that falls into each theme. Respondents could give more than one answer, so total does not add up to 100%.

The majority of visitors (81%) indicated that they would consider re-visiting Vanuatu within the next five years. Of these respondents, the majority (85%) said that they would like to visit the outer islands when they return Vanuatu.

Of the outer islands, Tanna (43%) and Espiritu Santo (42%) were mentioned most frequently islands for potential future visits. Some visitors mentioned Pentecost (8%), Ambrym (5%), Malekula (4%), and Efate (1%). A smaller number of visitors wanted to visit other islands, such as the Banks Island and Ambae. Some visitors were not sure where exactly they would like to go next time (10%) with still other visitors stating that they would like to visit as many islands as possible (5%).

Table 16: Potential visits to outer islands (n=2457)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Tanna	41%	45%	44%	43%
Espiritu Santo	44%	41%	43%	42%
Other islands	9%	14%	12%	12%
Not sure or any	8%	10%	11%	10%
Pentecost	8%	9%	7%	8%
Ambrym	5%	4%	5%	5%
All-as many as	4%	5%	5%	5%
Malekula	3%	4%	4%	4%
Volcano one	3%	2%	2%	2%
Efate (Port Vila)	2%	1%	1%	1%
Erromango	1%	n/a	1%	1%

* Share of respondents who made a comment that falls into each theme. Respondents could give more than one answer, so total does not add up to 100%.

Of those respondents (19%) who said they would not be returning to Vanuatu, the main comments (41%) were based on the fact that they felt they had now seen what they really wanted to see in Vanuatu and wanted to visit other countries in the future instead. Over one quarter of respondents (26%) stated the lack of value for money as a key factor in dissuading a return to Vanuatu.

Table 17: Reasons not to return to Vanuatu (n= 729)

Comparison	Nov 2014- Jan 2015	May-Jul 2015	Aug-Nov 2015	Annual
Want to see other places	40%	41%	26%	41%
Value for money	34%	18%	26%	26%
Been there done that	8%	8%	7%	9%
Distance and flight related issues	3%	5%	14%	9%
Environment and climate	6%	14%	2%	7%
Attractions and activities	6%	4%	14%	5%
Local people, level of service	6%	4%	9%	5%
Public service and infrastructure	1%	4%	14%	5%
Food, and food hygiene	4%	2%	2%	3%
No Friends or family any longer	n/a	2%	n/a	1%
Too commercial	1%	1%	5%	1%

* Share of respondents who made a comment that falls into each theme. Respondents could give more than one answer, so total does not add up to 100%.

Final Observations

Tourism in Vanuatu is contributing significantly to the local economy. Based on the average annual spend of US\$1,514 per visitor per visit (US\$735 on island + US\$779 pre-paid) flowing back to Vanuatu, we are able to provide an estimate of the direct economic value of tourism to Vanuatu's economy. Thus, every 1,000 tourists generate a total of US\$1.514 million US dollars. In total the 99,115 international arrivals from November 2014 to November 2015 injected US\$150 million into the local economy.

This report presents a snapshot of the performance of Vanuatu's tourism industry in the months before and after Cyclone Pam. It is clear that the cyclone has had a significant impact on visitor yield although there is some evidence of an upward trend during the August-November 2015 period.

It is clear that the tourism industry makes a vital, and undoubtedly undervalued, contribution to the Vanuatu economy. It is essential that further efforts be made to grow yield per visitor. Such an approach not only creates more jobs and income, it also, inevitably enhances the visitor experience. A higher yield - value added approach to future tourism development will also place less pressure on the island's cultural and environmental resources, as the focus shifts away from simply increasing visitor numbers. This report shows there is room to enhance the visitor experience, and to increase the economic yield and broader community benefits associated with tourism.

With a significant number of international visitors' perceiving that 'public service and facilities' are lacking, and several visitors mentioning their concerns about the rubbish in public spaces, especially the dirtiness of Port Vila, and the lack of care for the natural environment, measures to improve public services could reap real dividends for the country's appeal to international visitors. It is important for the local government to improve public service and upgrade public facilities. The task is even more crucial when confronting the disruption caused by Cyclone Pam.

Tourists' satisfaction with the shopping activities is lower than other items surveyed. With many visitors complaining about the "cheap junk from China", it is important to enhance the quality and 'value added' aspects of the shopping experience. Availability of more locally made handicrafts, especially, would directly benefit the local community, and enhance the generation of local economic benefits.

By developing new product offerings, and more importantly, enhancing the quality and value of existing activities and experiences, the tourism industry can increase visitor satisfaction, and enhance the generation of local economic benefits. Intensifying competition from other Pacific island destinations (and elsewhere) means that the Vanuatu tourism industry must place considerable emphasis in the future on providing higher quality visitor experiences that represent good value for money. In the wake of the cyclone and related industry rebuilding,

the areas that will require greatest future attention will be the management of environmental quality, strengthening of cultural experiences, and ensuring that food and accommodation services represent good value for money. It is critical that service levels meet visitor expectations and it is clear that there are opportunities for improvement in this area.

This report shows that cost effective on-line research can generate information that is of value to both the tourism industry and government policy makers. As the survey continues into 2016 and 2017, it will be possible to explore in more detail the characteristics of different market segments and the overall impacts and performance of the industry.