Cook Islands Visitor Survey

Annual Report

July 2015 - June 2016

Prepared for Cook Islands Tourism Corporation

by

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Auckland University of Technology

www.nztri.org

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EXECUTIVE SUMMARY

This report focuses on the characteristics, expectations and expenditure patterns of tourists who visit the Cook Islands. The data presented is drawn from the online international visitor survey (IVS) that has run since mid-2012. The survey period covered in this report is 1 July 2015 to 30 June 2016. There were 4,238 individual respondents to the survey - representing a total of 8,695 adults, and an additional 1,219 children (the latter figures equate to 7.3% of all visitors during the period – based on visitor arrival data from Cook Islands Statistics Office).

The majority (62%) of visitors surveyed come from New Zealand, 18% come from Australia. Visitors are well educated (69% some form of tertiary education) and nearly half (49%) have a household income of over NZ$100,000 per year. Nearly half (47%) of the visitors surveyed are travelling with just one companion. Solo travellers are relatively rare (7%). More than half of the visitors surveyed (58%) are on their first visit to the Cook Islands, a further 24% have visited once or twice before. The main purpose of visit is holiday-making (74%). The average length of stay in the Cook Islands is 8.8 nights. The majority of the visitors (92%) stay either one or two weeks. Nearly one quarter (23%) of the visitors surveyed visit Aitutaki.

The survey results for this year are generally consistent with the survey results for the 2014-2015 annual period. The consistency in the responses is an indication of the robustness of the dataset. Visitor spend prior to arrival in the Cook Islands ($2,121), and spend while in the country ($147 per person per day) have increased from the 2014-2015 annual average figures ($2,000 per person and $112 per person per day). The increase in in-country spend reflects a trend seen throughout the year of higher yield per visitor and reflects a similar trend see in New Zealand over a similar period.

Overall satisfaction on the part of visitors is very high and remains consistent with the previous year: 94% of visitors felt satisfied with their experience in the Cook Islands. Visitor satisfaction with activities and level of service is high. Water-based activities are characterised by the strongest participation levels, while cultural activities are characterised by the highest overall satisfaction ratings. The most appealing elements of the Cook Islands experience are the beautiful natural environment, the friendly local people, and the peacefulness and relaxing atmosphere of the islands. The least appealing elements of the Cook Islands visitor experience are the poor provision and quality of public services and facilities, stray dogs, and poor value for money.

The future intentions of visitors remained very similar to the previous year: 94% of those surveyed want to return to the Cook Islands and 98% would recommend the Cook Islands to friends or family.

Acknowledgements

NZTRI would like to acknowledge the support of numerous organisations in the Cook Islands in undertaking this ongoing research, and in particular Cook Islands Tourism (special mention to Metua Vaiimene and Jake Numanga), the Cook Islands Statistics Office, Immigration Cook Islands, and Rarotonga International Airport. This report was prepared by Simon Milne and Mindy Sun with contributions from Linh Duong and Nicole Cheung.

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INTRODUCTION

This report focuses on the characteristics, expectations and expenditure patterns of tourists who visit the Cook Islands. The data presented is drawn from the ongoing online International Visitor Survey (IVS). The survey period covered by this report is 1 July 2015 to 30 June 2016.

The annual report is designed to provide an easily accessible summary of the key findings that have emerged from the four quarterly reports produced during the July 2015 – June 2016 period **(Qtr 1 July –September 2015; Qtr 2 October – December 2015; Qtr 3 January – March, 2016; Qtr 4 April – June, 2016)**. Each of these previous quarterly reports provides a more detailed overview of findings. During the 12 month period 14,331 visitors were contacted by email to take part in the survey, and 4,238 responses were received: the conversion rate across the year remained consistent at approximately 30% (Table 1).

Table 1: Conversion rate

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Total/Average
Emails sent	2171	4560	3608	3992	**Total: 14331**
Respondents	788	1291	820	1339	**Total: 4238**
Conversion rate	36.3%	28.3%	22.7%	33.5%	**30.2%**

The report focuses on the following themes:

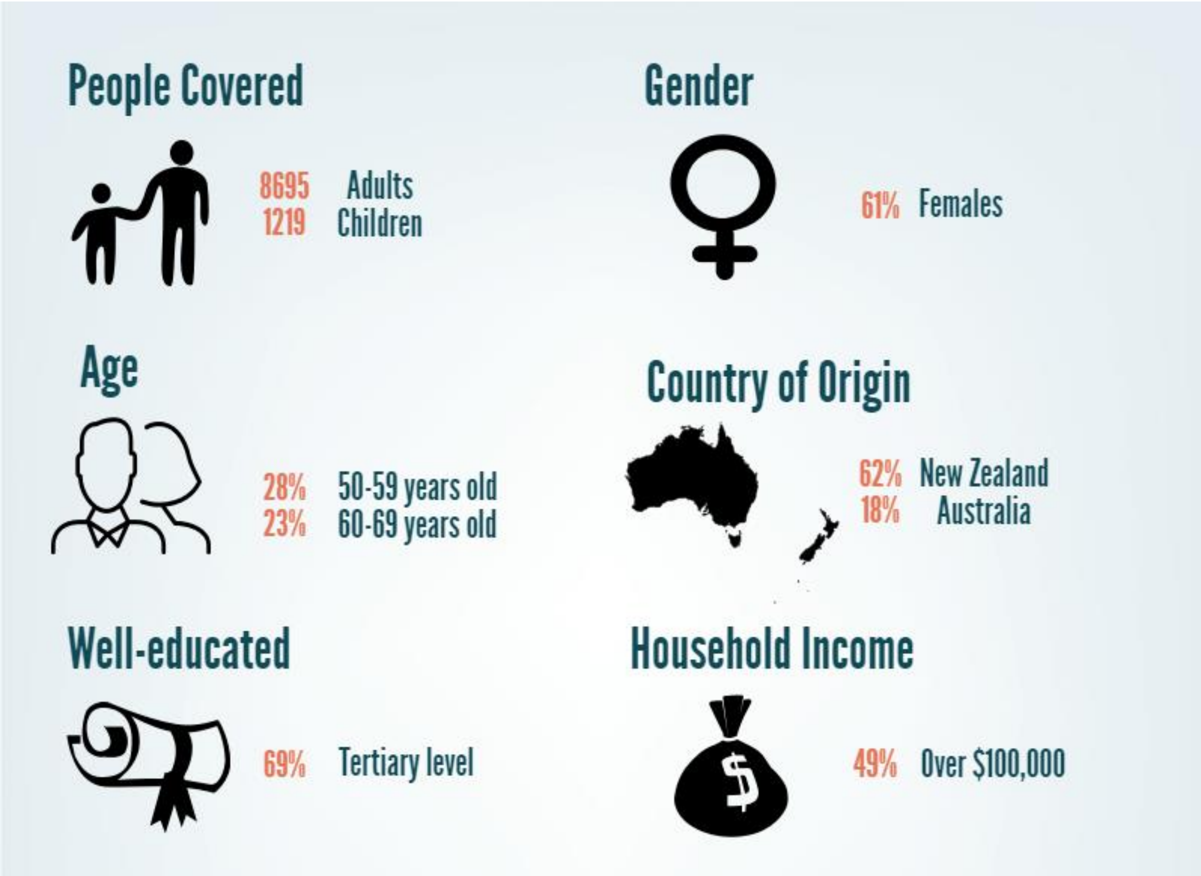
- The characteristics of visitors to the Cook Islands (age, gender, education, country of origin, income, purpose of visit, travelling companions, number of previous visits, length of stay, airline used, and islands visited).
- Visitor expenditure (amount of money spent prior to arrival and while in the Cook Islands, spending patterns).
- Visitor satisfaction (most and least appealing aspects of visit, overall satisfaction levels).

In each section of the report we provide a simple 'infographic' that summarises some of the key highlights for the 2015-2016 survey period. More detailed tables are also provided where appropriate.

THE VISITOR

There were 4238 individual respondents to the survey - representing a total of 8695 adults and an additional 1219 children. We estimate that this equates to 7.3% of all visitors during the period – based on visitor arrival data from the Cook Islands Statistics Office.

Figure 1: Summary of visitor demographics 2015-16



The distribution by age and gender of respondents is consistent throughout the year. As is typical with online visitor survey research there is some bias towards female respondents (Table 2).

On average, nearly half of the visitors (48%) are between 40 and 59 years of age which indicates a more mature traveller. A further 23% fall into the 60-69 age group.

The Australian and New Zealand markets dominate in terms of visitor arrivals but there are variations through the year. The majority of visitors surveyed (62% annual average) are from New Zealand. The Australian market makes up just nearly a fifth (18%) of those surveyed to the Cook Islands. Visits by New Zealanders dropped during the January- March (3rd Qtr) period which coincides with the country's summer holiday season. During the same period, European and North American visitors are at their most prominent as they escape the Northern hemisphere winter months.

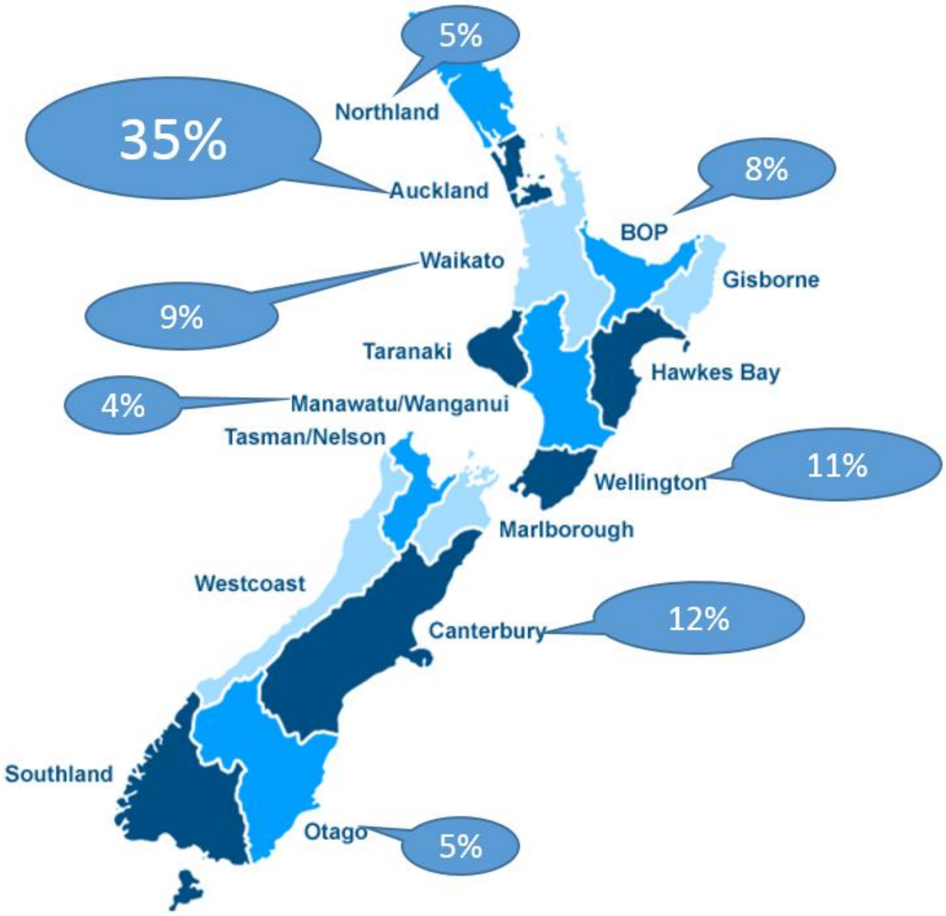
Visitors are well educated with over two thirds of respondents having some form of tertiary education. Nearly half (49%) of all visitors have household incomes of over NZ$100,000 (Table 2).

Table 2: Demographics across 1-4 quarters 2015-16

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Total/Average
People covered					
Adults:	1647	2833	1592	2623	**Total: 8695 adults**
Children:	261	355	221	382	**1219 children**
Gender					
Female:	62%	62%	58%	60%	**61%**
Age					
30-39 year old:	12%	11%	14%	16%	**13%**
40-49 year old:	22%	18%	19%	19%	**20%**
50-59 year old:	28%	32%	26%	27%	**28%**
60-69 year old:	22%	24%	22%	23%	**23%**
Country of origin					
NZ:	70%	64%	52%	61%	**62%**
Australia:	18%	19%	17%	19%	**18%**
USA/Canada:	6%	7%	16%	11%	**10%**
Europe:	5%	7%	13%	9%	**9%**
Education					
Tertiary level:	69%	69%	70%	67%	**69%**
Household income					
Under $100,000:	56%	51%	48%	51%	**52%**
$100,001-200,000:	34%	38%	37%	37%	**37%**
Over $200,001:	10%	11%	15%	12%	**12%**

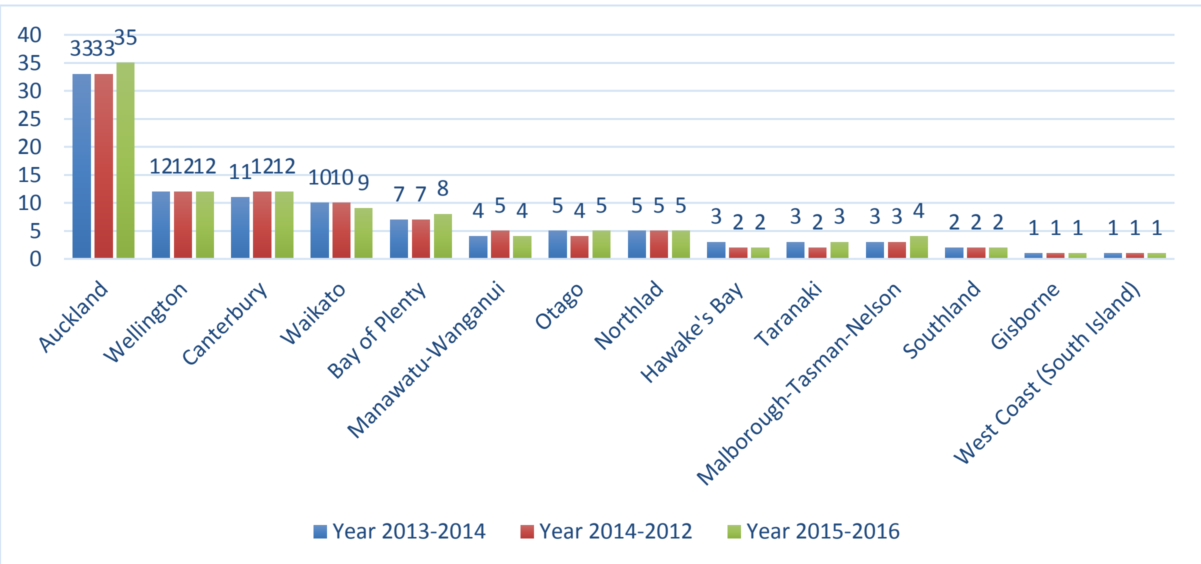
Visitors from New Zealand and Australia are given the opportunity to indicate which part of the country they reside in. Of the New Zealand visitors, a third came from Auckland, followed by Wellington, Canterbury, and Wellington, for the survey period 2015-2016 (Figure 2).

Figure 2: New Zealand visitors 2015-16



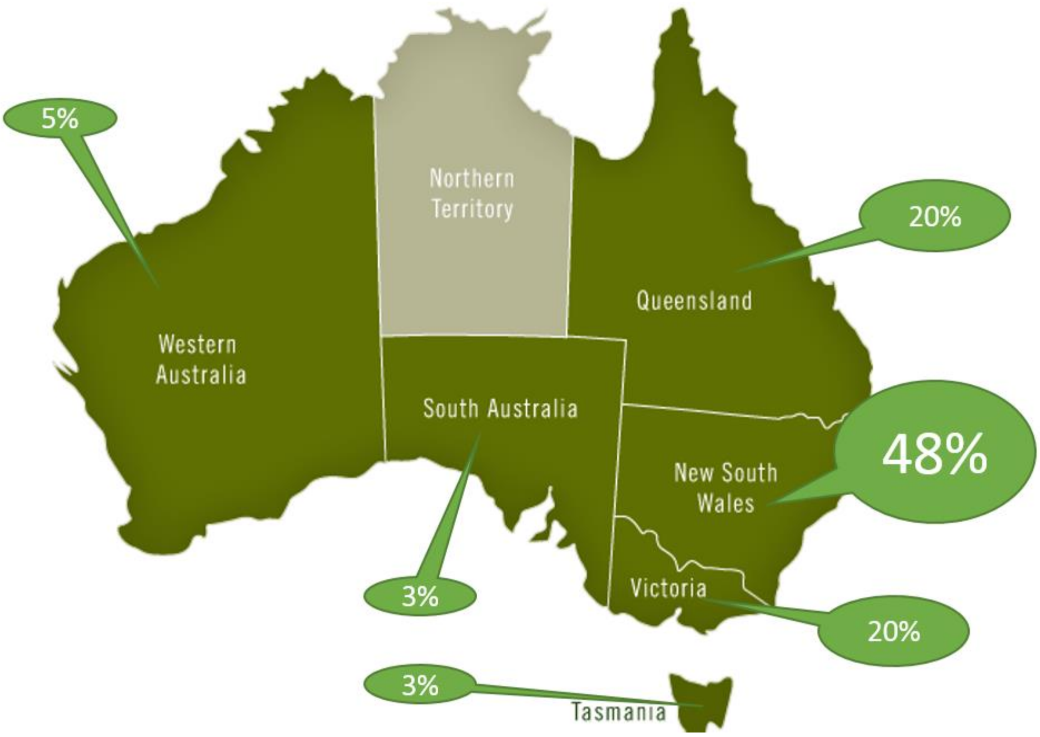
The New Zealand figures for 2015-2016 are consistent with the survey results from 2013-2014, and 2014-2015 with about a third of the visitors coming from Auckland (Figure 3).

Figure 3: Visitors from New Zealand - yearly breakdown



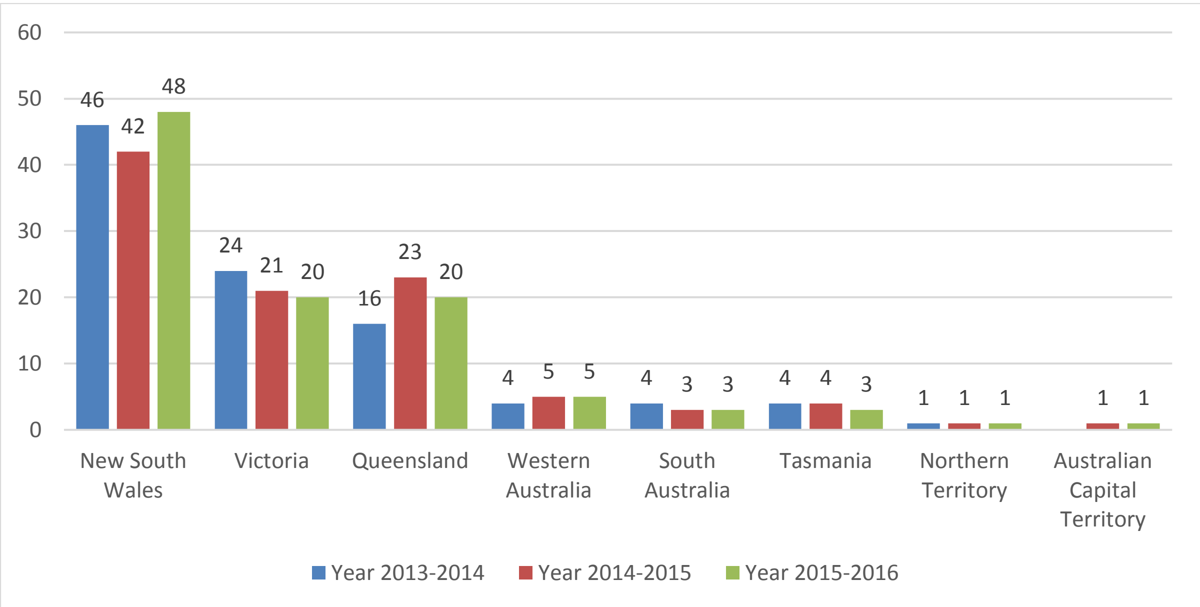
New South Wales, Victoria, and Queensland account for the majority (88%) of the Australian visitor arrivals to the Cook Islands during the survey period of 2015-2016 (Figure 4).

Figure 4: Australian visitors 2015-16



Compared with the prior two years, there is a slight increase in the relative number of visitors from NSW during 2015-16, this is counter balanced by a drop in visitors from Queensland and Victoria (Figure 5).

Figure 5: Visitors from Australia - yearly breakdown



VISITOR CHARACTERISTICS

Air New Zealand is the most commonly flown airline to Rarotonga (81% of respondents) with Virgin Australia capturing 18% of the market (Figure 6). The addition of Jetstar flights from late March, and related changes to the survey from April 2016, will undoubtedly see the percentage of surveyed visitors using Jetstar grow in the future.

Virtually all visitors spend time on Rarotonga, with nearly one quarter (23%) visiting Aitutaki. Of the smaller Islands, fewer than 2% of visitors went to Atiu, with other outer islands attracting only a small number of those surveyed.

A sizeable portion of visitors (58%) were on their first visit to the Cook Islands, with a further 24% having visited once or twice before. Compared with 2014-15, there is a slight upward trend in the proportion of repeat visitors. New Zealanders are the most likely to be repeat visitors – with 53% of respondents having visited at least once before.

Figure 6: Summary of visit characteristics 2015-16

The majority of visitors (51%) spend 1 week in the Cook Islands with a further 41% staying a second week (Table 3). Only 8% of respondents spend longer than 2 weeks. The average length of stay over the 12 month period was 8.8 days – with little variation across the four quarters.

Table 3: Visit characteristics across 1-4 quarters 2015-16

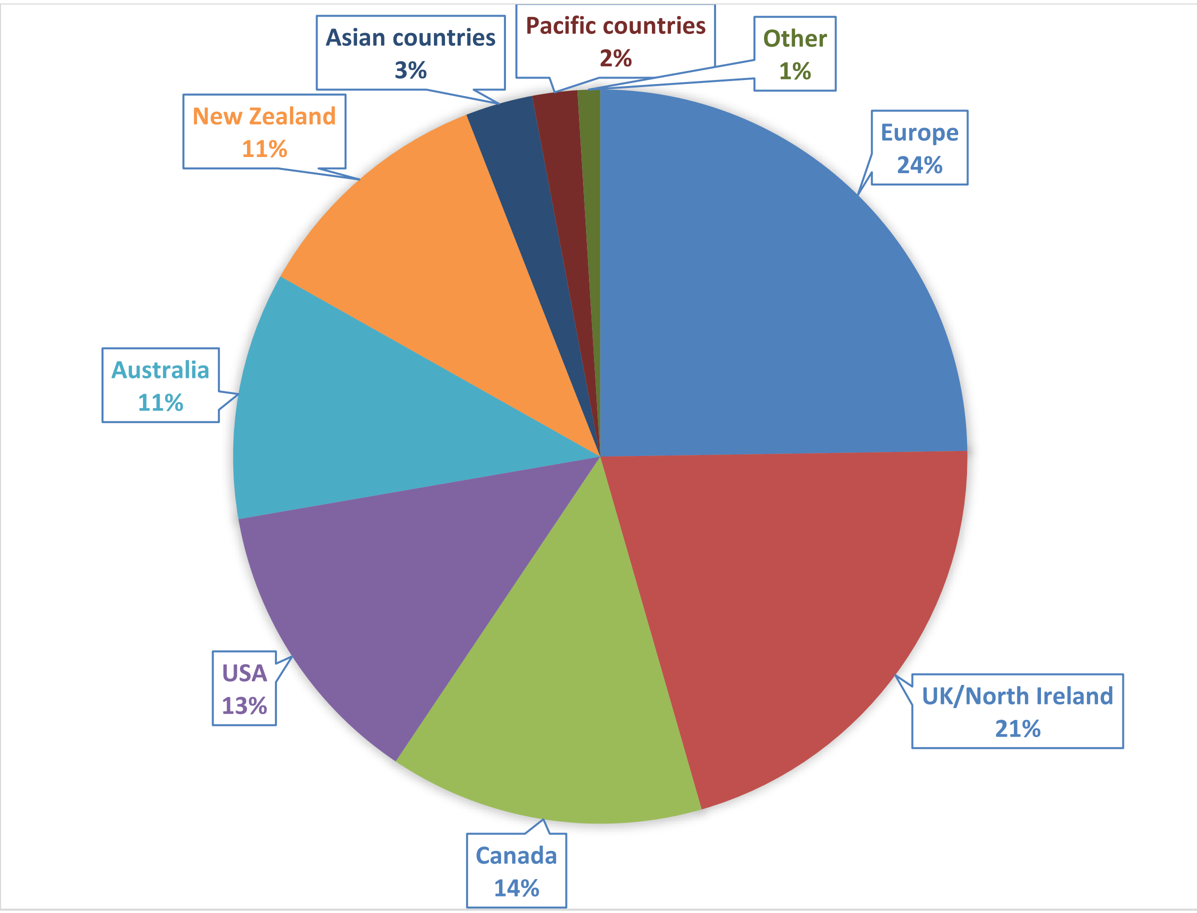
Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Airlines used					
Air NZ:	83%	80%	81%	80%	**81%**
Virgin Australia:	17%	19%	21%	16%	**18%**
Companions					
1 companion:	42%	45%	52%	49%	**47%**
Solo:	5%	8%	10%	6%	**7%**
Visits to Cook Islands					
1st trip:	60%	53%	62%	56%	**58%**
1-2 previous trips:	23%	26%	22%	26%	**24%**
Previous visits					
1-2 times:	NZ 27% AU 17%	NZ 30% AU 23%	NZ 27% AU 20%	NZ 32% AU 18%	**NZ 29% AU 20%**
3-4 times:	NZ 11% AU 2%	NZ 12% AU 4%	NZ 9% AU 3%	NZ 10% AU 4%	**NZ 11% AU 3%**
5+ times:	NZ 10% AU 4%	NZ 13% AU 5%	NZ 14% AU 5%	NZ 14% AU 4%	**NZ 13% AU 5%**
Travelling with who?					
Partner/spouse:	63%	64%	66%	67%	**65%**
Family group:	38%	29%	28%	29%	**31%**
Purpose of travel					
Holidaymakers:	77%	68%	75%	75%	**74%**
Wedding party:	9%	12%	4%	7%	**8%**
Honeymoon:	3%	4%	6%	4%	**4%**
Business:	3%	4%	3%	4%	**4%**
Length of stay					
Average nights:	8.5	8.8	9.3	8.5	**8.8**
Within 1 week:	51%	49%	51%	53%	**51%**
1week to 2 weeks:	44%	43%	36%	39%	**41%**
Islands visited on trip					
Rarotonga:	97%	99%	98%	98%	**98%**
Aitutaki:	23%	21%	21%	26%	**23%**
Atiu:	2%	1%	1%	2%	**2%**
Is Cooks visit part of a larger trip?					
Cooks only:	90%	88%	79%	86%	**86%**
Part of a larger trip:	10%	12%	21%	14%	**14%**

When asked for their purpose of visit the majority of visitors (74%) classify themselves as holiday makers. Participation in a wedding party also represented a major purpose of visit for a further 8% of those surveyed.

The Cook Islands represent the only travel destination on this particular trip for 86% of the visitors. For 14% of visitors the Cook Islands is part of a larger trip, which includes other destinations such as New Zealand (68%), Australia (27%), USA (23%), Asia (21%), and other Pacific Islands (16%).

Many of the long haul visitors combine their visit to the Cook Islands with trips to other destinations. Of the group travelling to multiple destinations, 24% come from Europe, 21% from UK/North Ireland, 14% from Canada, 11% from New Zealand, and 11% from Australia (Figure 7).

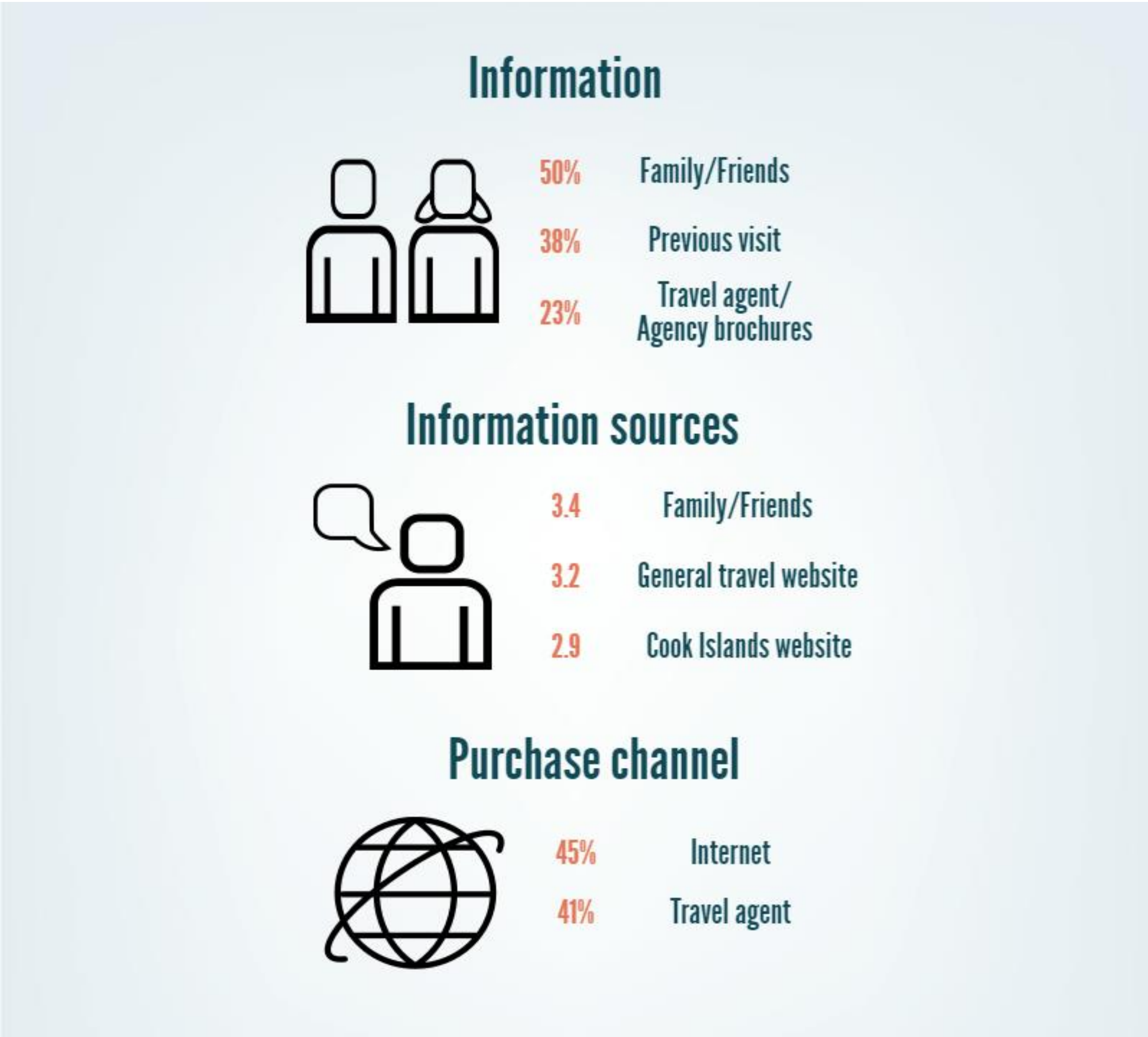
Figure 7: Country of origin for visitors for multiple destinations 2015-16



INFORMATION SOURCES & PURCHASING BEHAVIOUR

Participants were asked how they had found out about the Cook Islands as a holiday destination for this trip, and to rank the three sources of information that were most important in this respect (Figure 4). Half (50%) of respondents ranked word of mouth from friends and family members as the most important influence, followed by previous experience (38%), and travel agents (23%).

Figure 4: Information sources and purchasing behaviour across 1-4 quarters 2015-16



When visitors were asked to rank the importance of the listed information sources used to plan their trip, friends and family members are ranked as the most important source (3.4 out of 5) (Table 4). Other important information sources are general travel website (3.2), and the Cook Islands website (2.9). Nearly half of visitors surveyed (45%) make their own travel arrangements through online websites or have booked directly with hotels or airlines. A smaller amount of visitors surveyed (41%) purchased a pre-paid trip through travel agents.

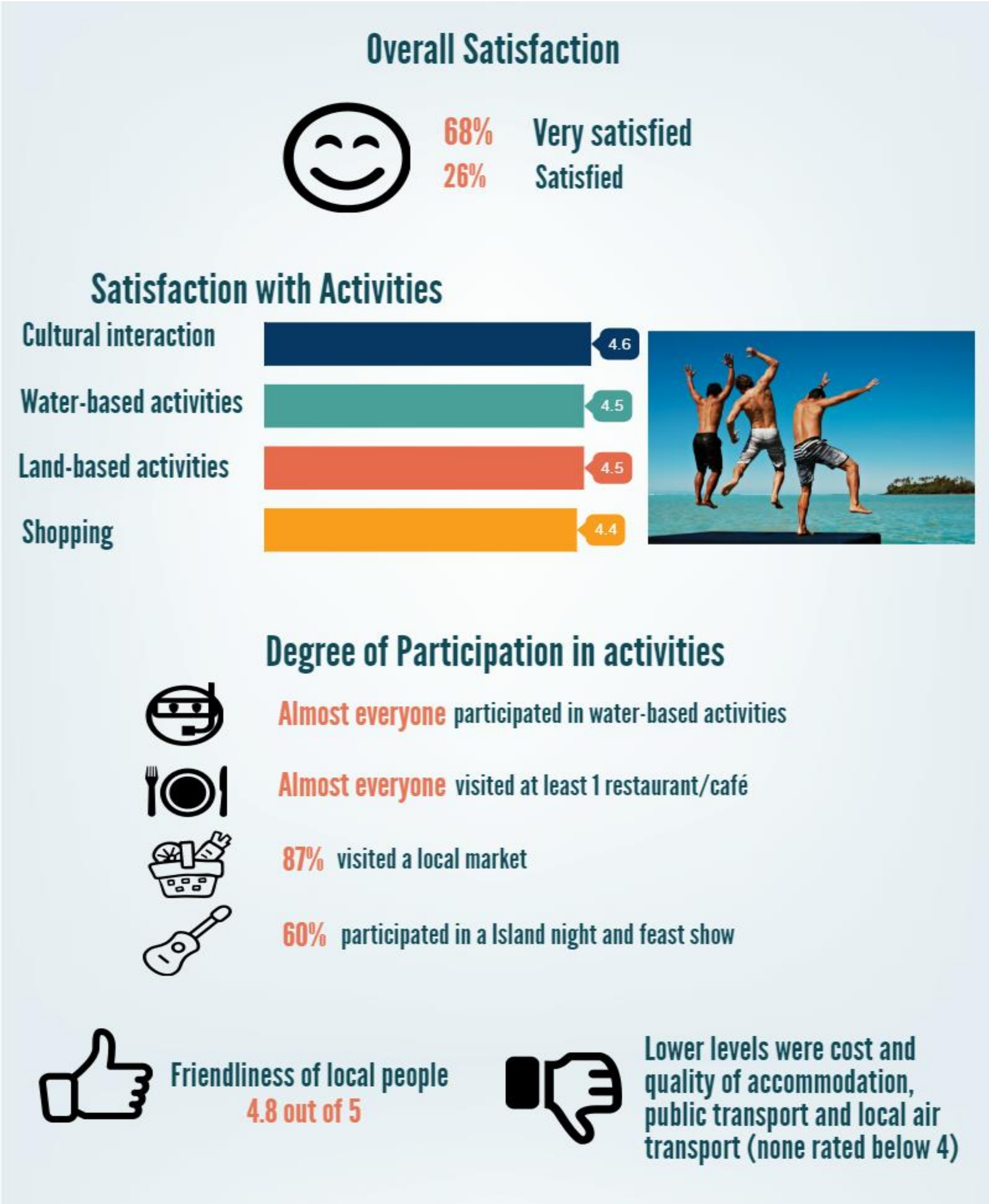
Table 4: Information sources and purchasing behaviour across 1-4 quarters 2015-16

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Find out about the Cook Islands					
Friends/family:	52%	49%	51%	49%	**50%**
Previous visits:	36%	43%	32%	40%	**38%**
Travel agent/agency brochures	22%	21%	26%	24%	**23%**
Information sources for planning					
Friends/family:	3.5	3.4	3.4	3.4	**3.4**
General travel websites:	3.2	3.2	3.3	3.2	**3.2**
Cook Islands website:	2.9	2.9	3.0	2.9	**2.9**
Purchase					
I made my own:	46%	43%	48%	44%	**45%**
Through travel agent:	41%	43%	37%	41%	**41%**

VISITOR SATISFACTION

Nearly three quarters (68%) of the visitors said they were “very satisfied” with their overall experience in the Cook Islands (on a scale from 1 ‘very dissatisfied’ to 5 ‘very satisfied’) (Figure 8).

Figure 8: Visitor satisfaction 2015-16



Visitor satisfaction is generally high for all activities undertaken (Table 5). Visitors enjoy water-based activities, with almost everyone participating in some sort of beach based activity (97% beach, 92% swimming, 81% snorkelling). Nearly all of visitors (99%) visit at least one restaurant/bar/café during their stay in the Cook Islands. The local markets and Island Night shows are also enjoyed by the majority of visitors (87% and 60% respectively).

Table 5: Satisfaction across 1-4 quarters

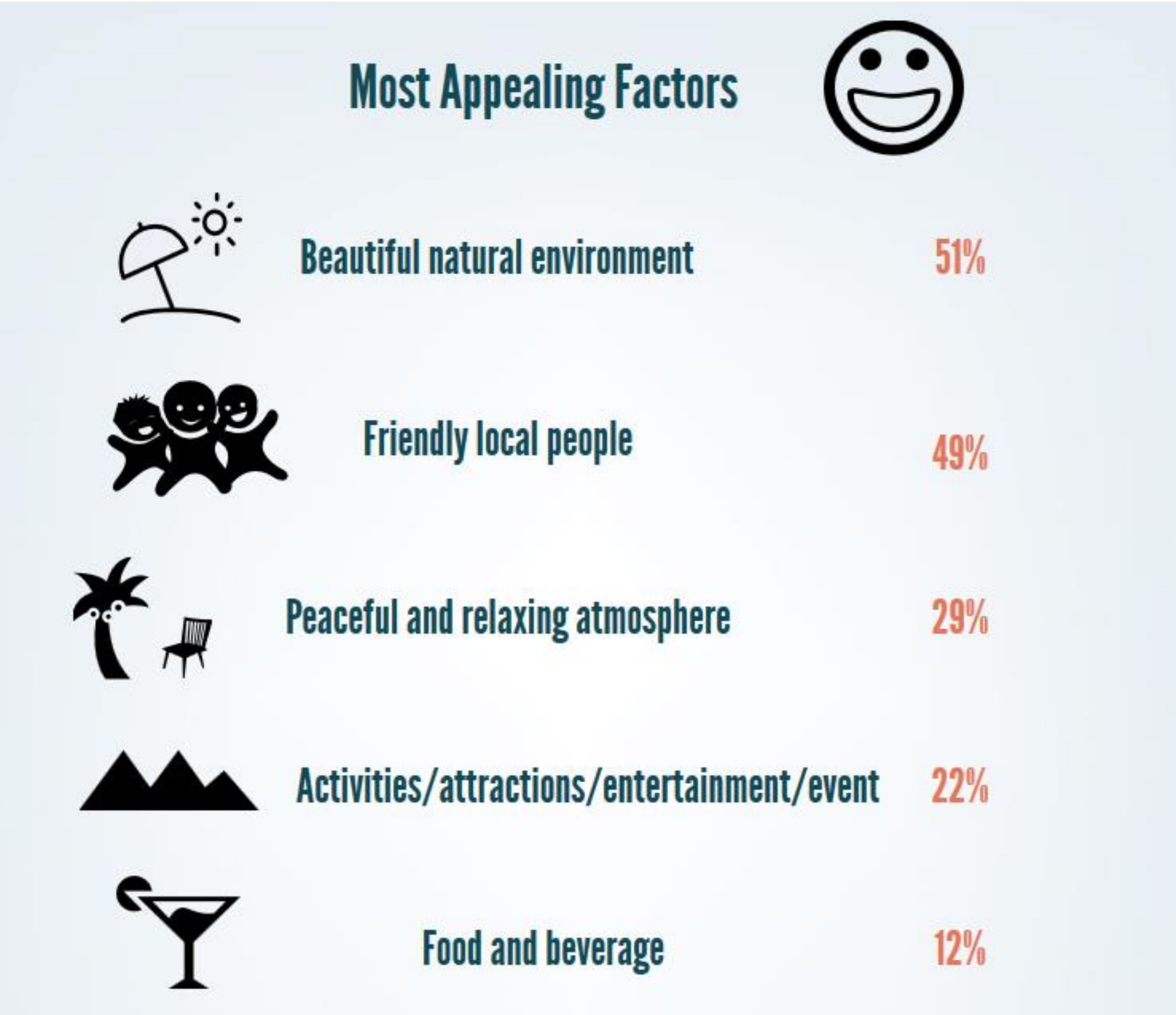
Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Overall satisfaction					
Very satisfied:	66%	68%	66%	71%	**68%**
Satisfied:	27%	27%	26%	23%	**26%**
Satisfaction with activities	Water-based, cultural interaction, land-based and shopping: all have high satisfaction levels (greater than 4 out of 5)				
Water-based:	4.6	4.6	4.6	4.3	**4.5**
Cultural interaction:	4.6	4.6	4.6	4.6	**4.6**
Land-based:	4.5	4.5	4.4	4.5	**4.5**
Shopping:	4.4	4.4	4.3	4.4	**4.4**
Degree of participation in activities	**Almost everyone participated in water-based activities and visited at least 1 restaurant/café**				
Visit local market:	88%	88%	84%	88%	**87%**
Island night & feast show:	60%	59%	60%	62%	**60%**
Lowest participation:	Bonefishing, Kitesurfing, Tumunu on Atiu				
Satisfaction with different aspects of service in Cooks	**Friendliness of local people – highly rated (out of 5)**				
Friendliness of local people:	4.8	4.8	4.7	4.8	**4.8**
	Lowest levels of satisfaction: Cost and quality of accommodation, the frequency of air transport within the Cook Islands, and local public transport (although none was below 4 out of 5)				
Cost of accom:	4.1	4.1	4.2	4.1	**4.1**
Quality of accom:	4.3	4.3	4.3	4.3	**4.3**
Local air transport:	4.3	4.3	4.4	4.3	**4.3**
Public transport:	4.2	4.3	4.2	4.3	**4.3**

Visitors were asked to rate their level of satisfaction with nine different statements that related to their most recent visit to the Cook Islands. Friendliness of the local people scored the highest among all of the categories with 4.8 out of 5. The lowest levels of satisfaction relate to the cost and quality of accommodation (4.1/4.3), the frequency of air transport within the Cook Islands (4.3), and public transport experience (4.3). In no cases though do satisfaction scores fall below 4 out of 5. There is little variation in participation rates and satisfaction levels across the four quarters.

Visitors were given the opportunity to discuss in more detail the factors that they found most or least appealing about their last visit to the Cook Islands. Such information provides important insights into travel motivation and also enables a clearer picture to be gained about decisions to make a return visit or to recommend the Cook Islands to others. We reviewed and categorised the responses – people could provide as many responses as desired (Figure 9, Table 5).

The beautiful natural environment consistently receives the highest rating in terms of appeal. Over half of all visitors (51%) who made a positive comment are enthusiastic about the 'untouched' and relatively pristine nature of both the marine and natural environments. Visitors also found the friendliness of the local people (49%) and the relaxing atmosphere that the Cook Islands has to offer (29%) very appealing.

Figure 9: Most appealing facts 2015-16



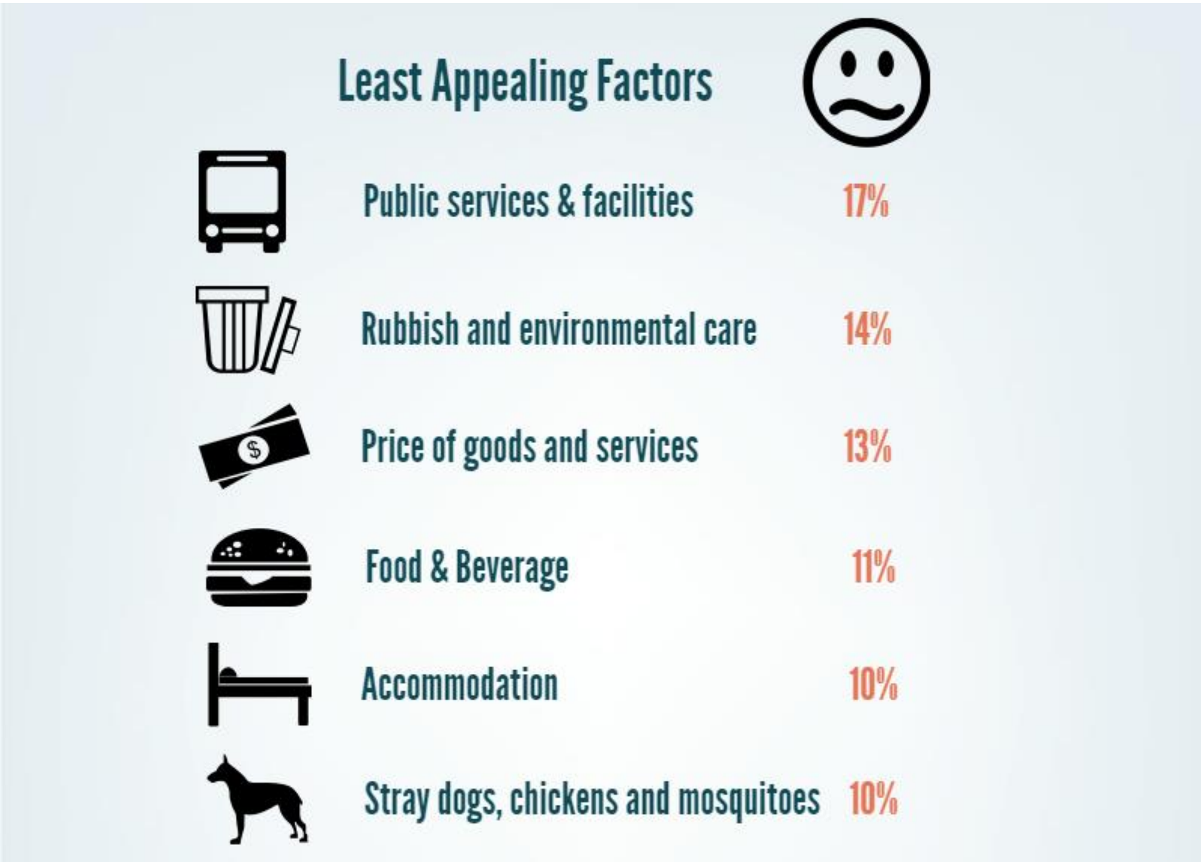
The percentage of tourists highlighting the three most significant areas of appeal remained relatively consistent across the 4 quarters (Table 6). These figures remain consistent with the levels registered during the 2014/15 year.

Table 6: Most appealing factors across 1-4 quarters

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Beautiful natural environment	50%	53%	53%	47%	**51%**
Friendly local people	52%	54%	43%	45%	**49%**
Peaceful and relaxing atmosphere	22%	30%	32%	30%	**29%**
Activities/attractions/entertain-ment/events	27%	20%	20%	21%	**22%**
Food and beverage	13%	13%	11%	12%	**12%**

Visitors were also asked to list and discuss the least appealing aspects of their most recent visit to the Cook Islands (Figure 10, Table 6). Nearly a quarter (24%) of those responding simply stated "nothing".

Figure 10: Least appealing factors 2015-16



Of those that did mention unappealing aspects, the key themes to emerge were a lack of public services and facilities (17%) (Table 7). A number of tourists also focused on the problems associated with environmental issues (pollution, rubbish). The high prices of goods and services and less appealing aspects of food and beverage were also commented on.

Table 7: Least appealing factors across 1-4 quarters

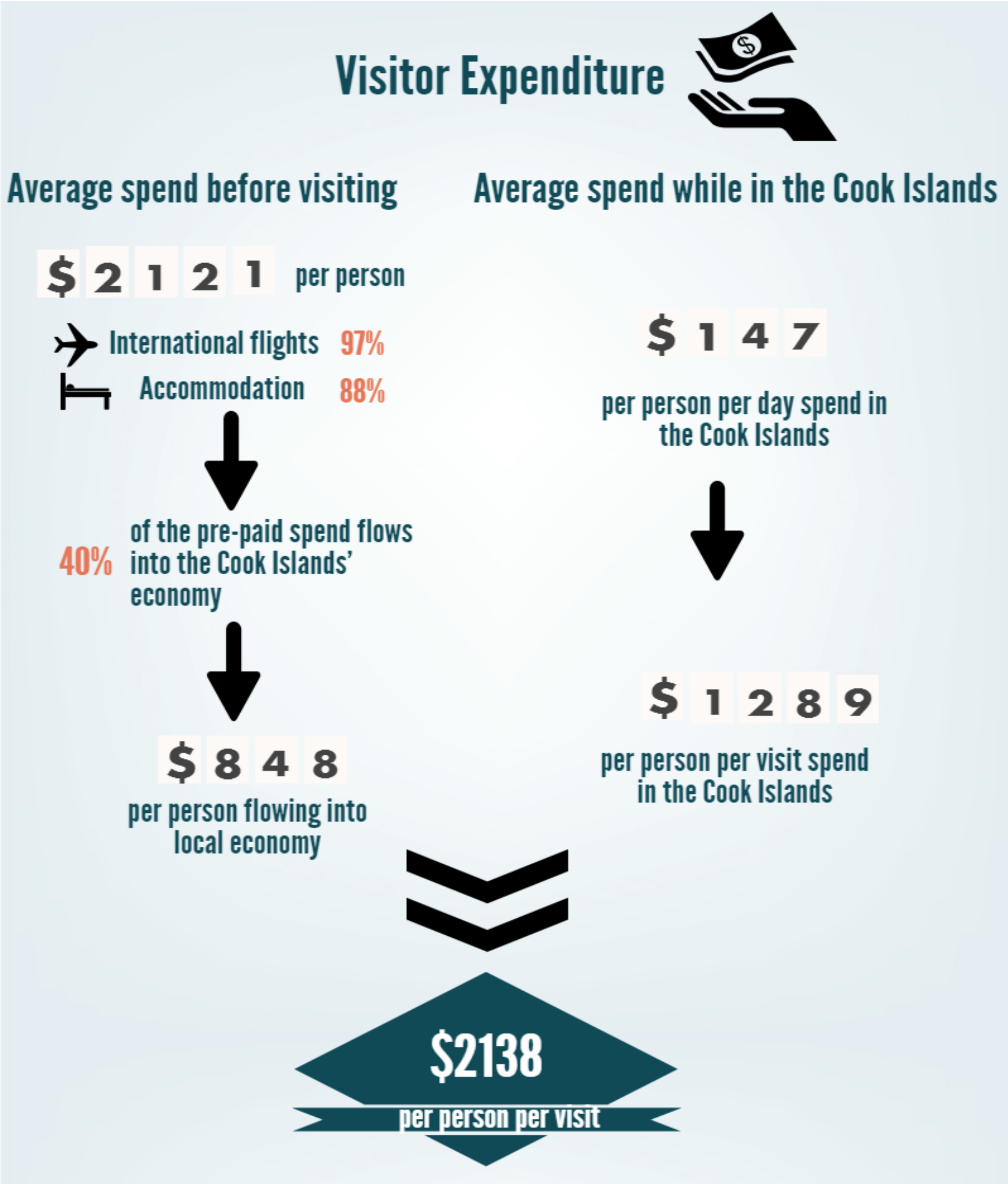
Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Public services, facilities and infrastructure	18%	15%	16%	18%	**17%**
Rubbish and natural environment care	11%	15%	20%	9%	**14%**
Price of goods and services	11%	14%	12%	14%	**13%**
Food and Beverage	12%	9%	10%	12%	**11%**
Stray animals and mosquitos	11%	10%	9%	9%	**10%**
Accommodation	11%	7%	10%	10%	**10%**

Compared with the annual data of 2013-14 and 2014-15, there is relative reduction in negative comments about stray dogs and other animal disturbances. Comments about the price of goods and service, food and beverage, and accommodation remain at similar levels or have increased slightly. The percentage of negative comments related to public services, facilities, and infrastructure, and rubbish and natural environment care increased from the previous year. It is worth noting that during 2015/16 we witnessed significant variations in the percentage of visitors focusing on rubbish and natural environmental care as one of the least appealing aspects of their visit. The 3rd quarter of the 12 month period witnessed a particularly sharp increase in this area – largely because of negative impacts associated with the algal blooms at Muri Lagoon.

VISITOR EXPENDITURE

In reviewing the economic impact of tourism on the Cook Islands economy this report focuses on two key components: money spent before arrival (on airfares and/or packages) and money spent once in the Cook Islands (excluding pre-paid spend) (Figure 11, Table 7).

Figure 11: Visitor expenditure 2015-16



Pre-paid spend is a significant contributor to the economic impact of tourism, with an average of NZ$2,121 being spent per visitor (Table 8). For the bulk of visitors this spend includes international airfares (97%) and accommodation (88%). Based on previous discussions with industry we estimate that approximately 40% of pre-paid spend (or NZ$848) makes its' way back into the Cook Islands economy. This figure of 40% this is based on a 50/50 split between airfare and 'other pre-paid costs', with 80% of the latter being estimated to flow back to the Cooks.

The amount of money spent by visitors whilst in the Cook Islands averaged NZ$147 per person per day for the 2015-16 period ($1,289 per visit). The local spend figure increased from the last quarter of year 2014/15 to the first quarter of 2015/16, and then showed a stable trend throughout the year. Thus the annual average of the local spend is higher than the average spend figure for 2014/15 (NZ$112). A similar pattern in increased visitor yield has been witnessed in New Zealand and reflects the feedback we have received from industry in the Cooks. Some of the increase in yield no doubt reflects increases and improvements in the range and quality of products on offer but in reality a lot is driven by simple increases in visitor numbers and the extra pressure this places on supply.

Table 8: Expenditure across 1-4 quarters

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Average spend before visiting (per person)	$2173	$2092	$2158	$2060	**$2121**
	40% of the pre-paid spend flows into the Cook Islands' economy				
Pre-paid spend that flows into the local economy (per person)	$869	$837	$863	$824	**$848**
Items included in spent prior to arrival					
Inter. Flights:	96%	97%	97%	98%	**97%**
Accom:	91%	86%	87%	89%	**88%**
Spend while in Cooks					
Whole trip:	$1292	$1267	$1265	$1333	**$1289**
per person per day:	$152	$143	$136	$157	**$147**
Total spend per visit flowing into the Cook Islands economy	$2161	$2104	$2128	$2157	**$2138**

Visitor yield has increased significantly from the first quarter of 2015/16 (July to September 2015) (Figure 12 &13). The increase in yield is largely accounted for by increased in-country spend.

Figure 12: Average expenditure per visitor per day (NZ$)

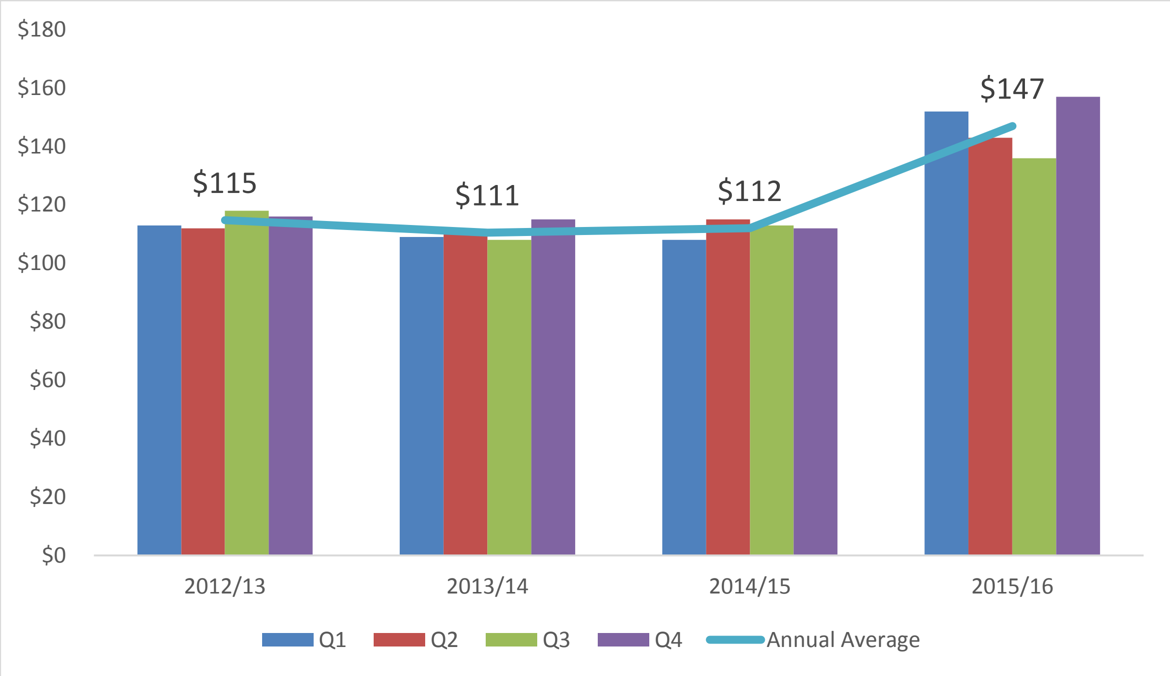
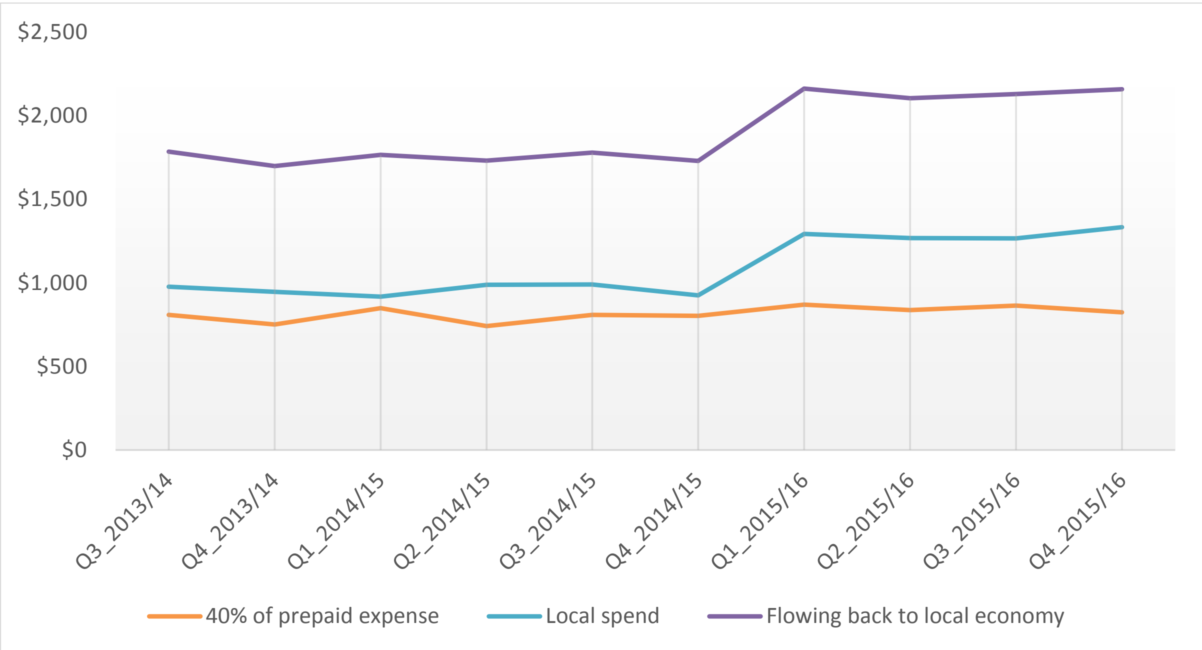
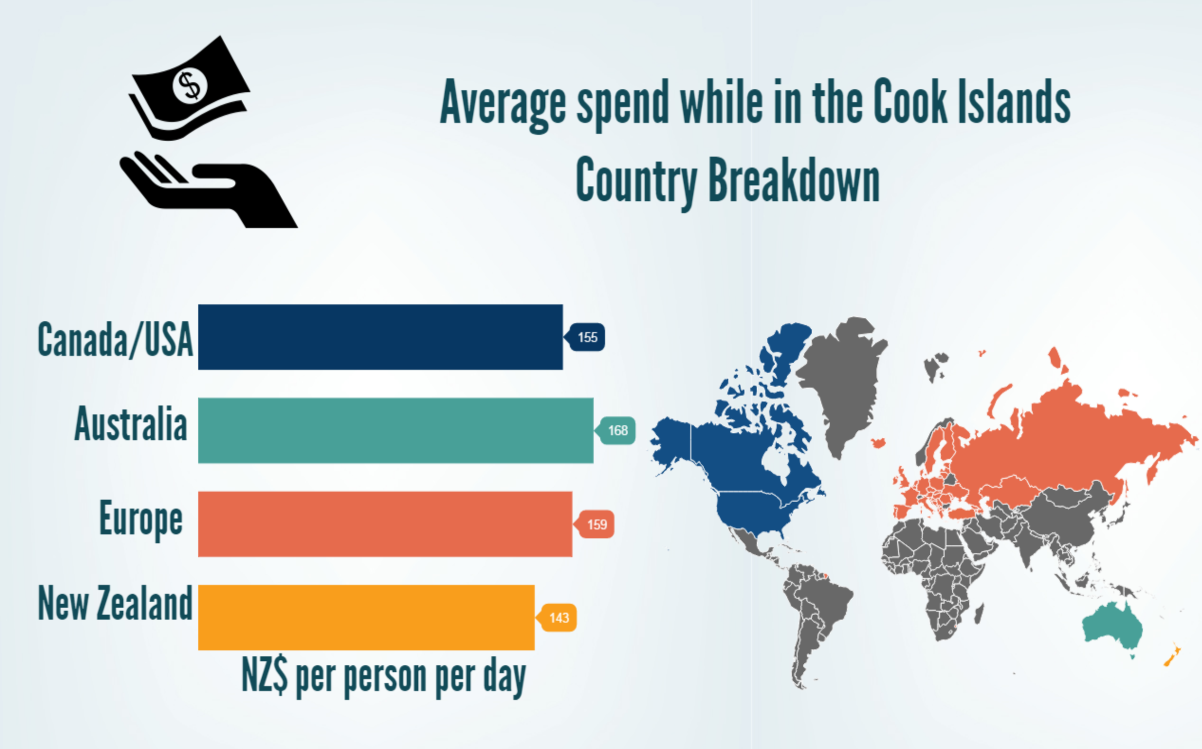


Figure 13: Amount of money spent per person (NZ$)



New Zealand visitors have the lowest on-island spend of the major tourism markets – with a figure of NZ$143 per person per day. The highest spending group are visitors from Australia at NZ$168 per person per day. Visitors from Europe are the next highest spending group with an average spending of $159, followed by Canadian/American visitors spend $155 per person per day.

Figure 14: Visitor expenditure in the Cook Islands by country of origin 2015-16



There are differences in spend figures between nationalities during the course of the year; North Americans spend most from October to December (2nd Qtr). Australians and New Zealanders spend more during April to June (4th Qtr). Visitors from Europe spend more in the period of Oct to December (2nd Qtr). These variations could point to different sub-markets from these major source markets, and this is an area worthy of further data analysis. It should be noted that some of the quarterly data for specific market groups (e.g. Europe) is based on relatively small sample sizes. For more specific details the reader is directed to the Quarterly reports available from Cooks Islands Tourism.

Table 9: Expenditure in the Cook Islands across 1-4 quarters by Country of origin

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Average spend by country of origin (person per day)					
Canada/USA:	$161	$173	$130	$154	**$155**
Australia:	$160	$162	$163	$188	**$168**
NZ:	$150	$137	$131	$154	**$143**
Europe:	$141	$182	$152	$162	**$159**

It is important to understand how in-country visitor spend is distributed across different sectors of the economy. Table 10 shows the spread of average visitor expenditure (per person per day) in the Cook Islands cross quarters 1-4. These figures represent average spend per day for **all** visitors (e.g. whether they have spent money on a category or not).

Spend on accommodation and restaurants, cafes and bars is higher than the 2014/15 annual average (NZ$33 for Restaurant/cafes/bar, and NZ$26 for accommodation). Accommodation features as the most important category for visitor spend – this includes those that have not pre-paid for a room and also those who may pay for accommodation extras once on island (e.g. a room upgrade, wifi access).

Table 10: Average visitor expenditure in the Cook Islands cross 1-4 quarters
(NZD per person per day)

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Accommodation	62	58	56	63	**60**
Restaurant, cafes and bar	32	32	28	35	**32**
Shopping	13	14	12	15	**13**
Activities	10	8	8	10	**9**
Vehicle rental	9	9	8	8	**9**
Groceries	8	8	8	8	**8**
Domestic flights	9	6	6	8	**7**
Other	2	3	3	3	**3**
Cruising	2	2	2	2	**2**
Internet cost	2	2	2	2	**2**
Petrol	2	2	2	2	**2**
Public transportation	1	1	1	1	**1**
Total expenditure per person per day	152	144	136	157	**147**

Visitor expenditure on shopping and activities is relatively low and there is certainly potential to increase visitor yield in these areas.

The overall spend per visitor (yield) is an important barometer of industry health and performance. It is critical in coming years that efforts be made to increase visitor yield across a range of sectors – especially those that generate strong links to the local economy. If we use the survey data we can see that the total economic impact of each visitor is $2138. This equates to a total direct impact on the economy of $288.9m (Figure 15).

This year for the first time we also provide a weighted figure (based on actual arrivals to the Cook Islands rather than just the survey respondents). When weighted based on actual arrivals (see Table 11) we see the average spend per visitor fall by less than one percent from $2138 to $2120 . Based on the weighted figures we estimate NZ$286.5m flows directly to the local economy during the survey period from July 2015 to June 2016 (Figure 16).

Table 11: Visitor arrivals by country of origin (July 2015- June 2016)

Period	Total arrivals	New Zealand	Australia	North America	Europe	Asia	Other
Q1 arrivals	39083	28083	6363	1568	2156	321	592
Q2 arrivals	33812	21088	7043	2112	2376	448	745
Q3 arrivals	24261	13627	4299	2218	3169	364	584
Q4 arrivals	37978	27112	5684	2040	2243	477	422
Annual arrivals	135134	89910	23389	7938	9944	1610	2343
Percent		66.5%	17.3%	5.9%	7.4%	1.2%	1.7%

Figure 15: Total direct economic impact

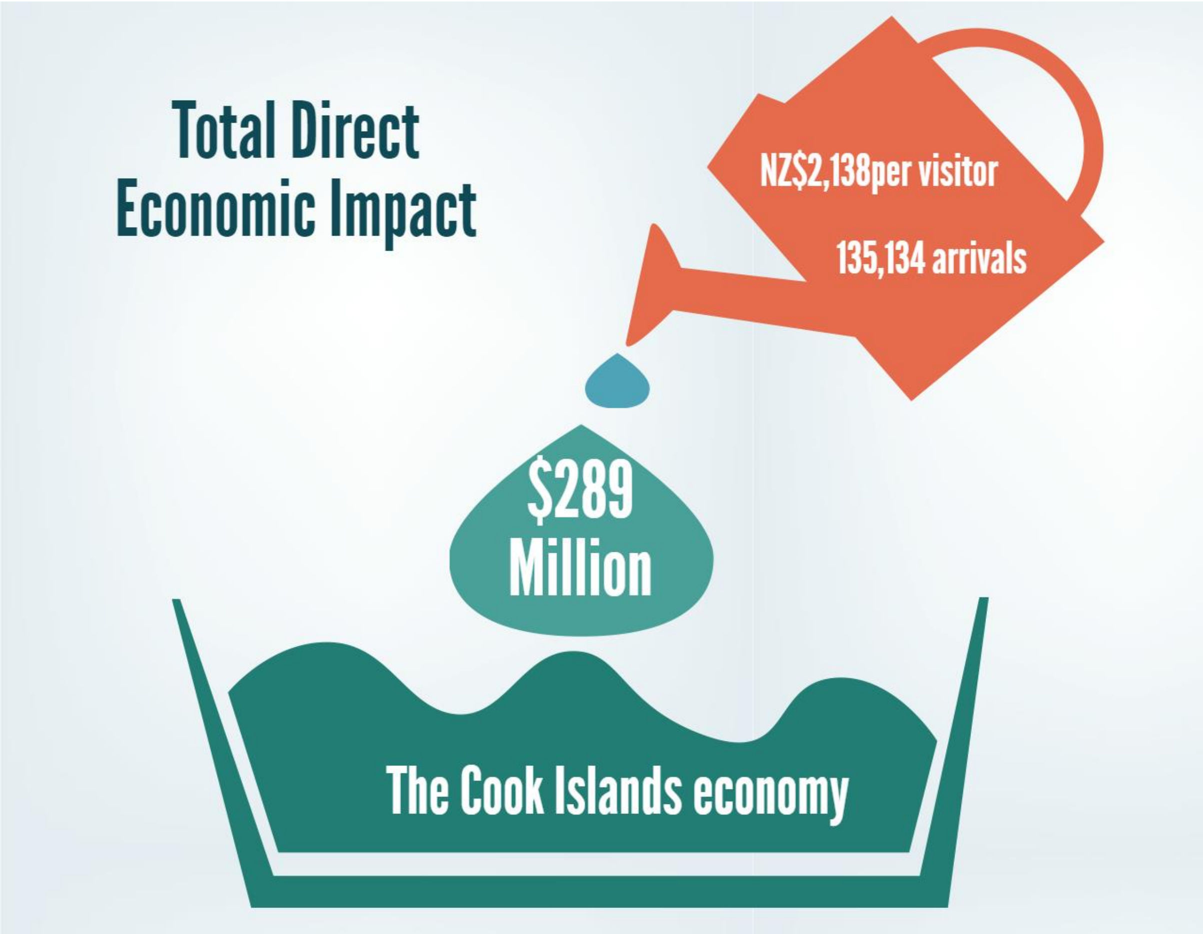
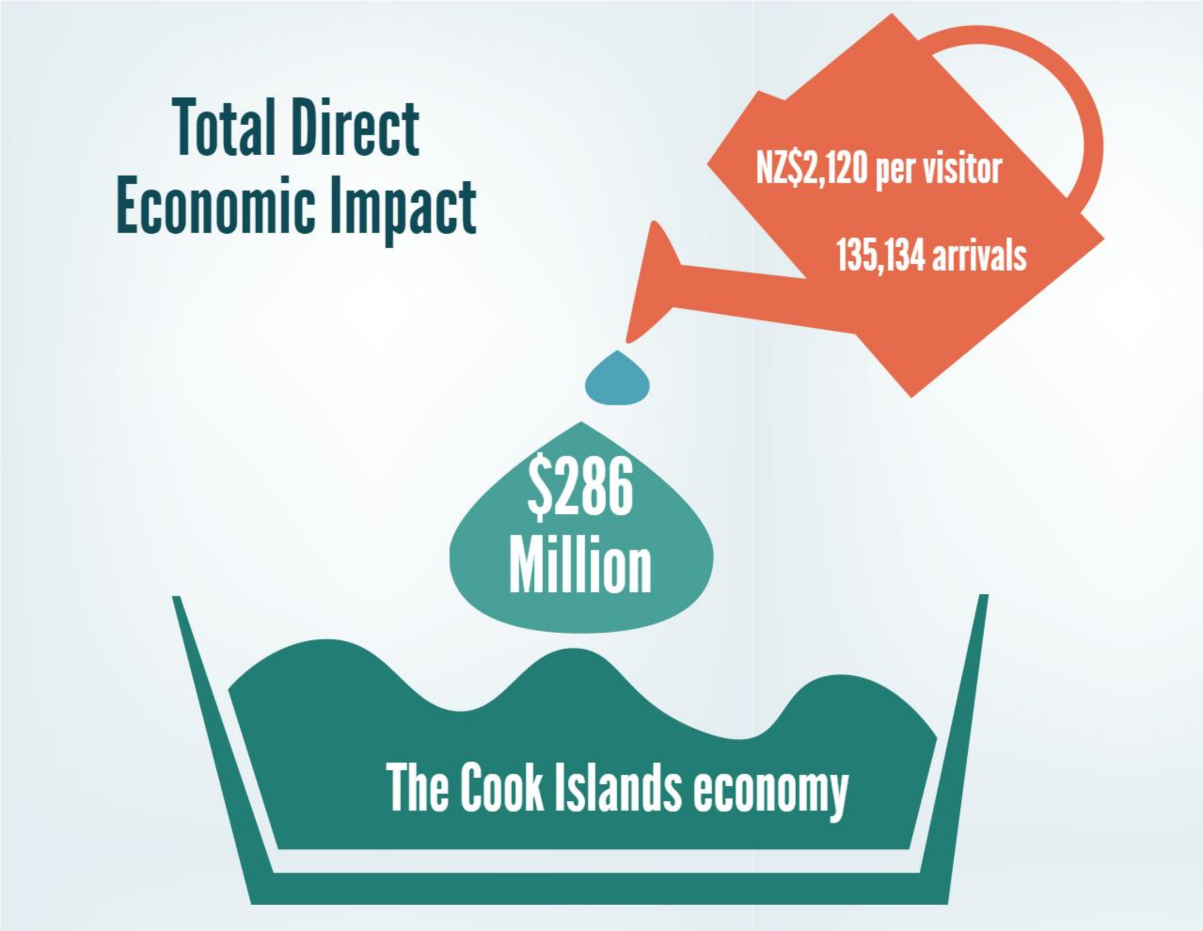


Figure 16: Total direct economic impact (weighted)



FUTURE INTENTIONS

An overwhelming majority of visitors (94%) stated that they would return to the Cook Islands (Figure 15). Nearly all visitors (98%) say that they would recommend the Cook Islands to others.

Of real interest to businesses and communities in the outer islands is the fact that nearly half of visitors (45%) expressed an interest in visiting another island on their next trip to the Cook Islands, and over half (52%) mentioned that they would "maybe" include an outer island in their next trip. The critical challenge is to convert this intention into an actual outer island visit.

The future intentions of visitors remained very consistent across the year (Table 12) with no more than a 1-2% variation in responses.

Figure 17: Future intentions 2015-16

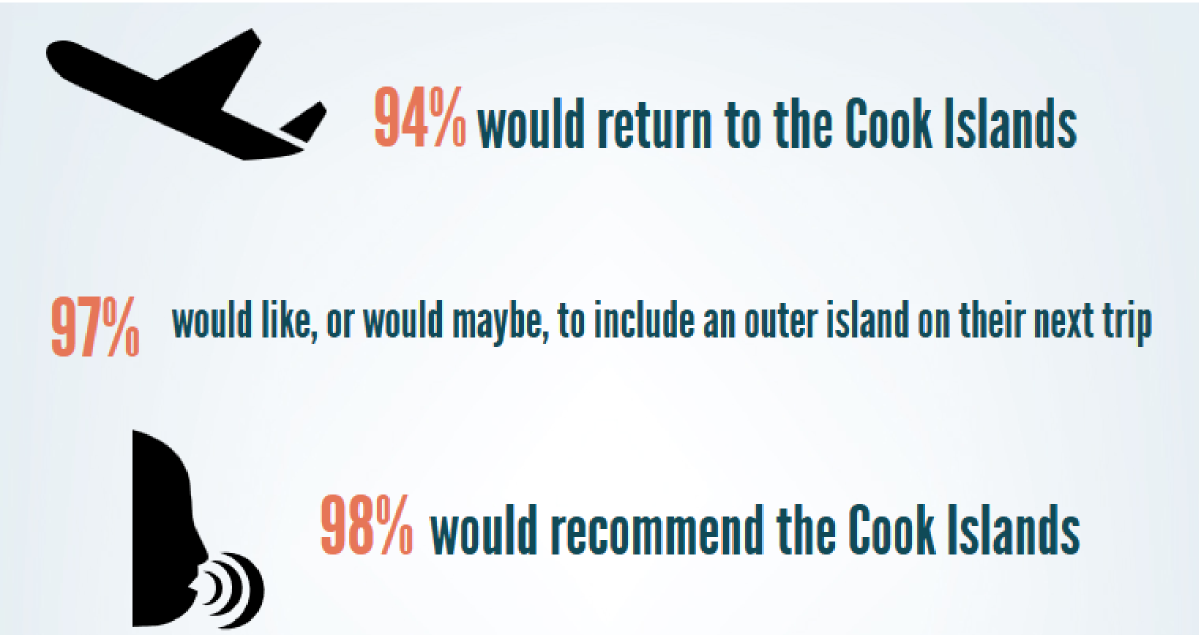


Table 12: Future intentions 2015-16

Comparison	1st qtr	2nd qtr	3rd qtr	4th qtr	Average
Return to Cooks					
Yes	94%	93%	93%	94%	**94%**
Like to include other islands next trip					
Yes	86%	42%	46%	46%	**45%**
Maybe		54%	50%	51%	**52%**
Recommend Cooks					
Yes	99%	98%	97%	98%	**98%**

2015-16 CONCLUSIONS

The Cook Islands tourism industry performed well during the July 2015 - June 2016 period. Tourism in the Cook Islands is contributing significantly to the local economy. Based on the weighted average spend of $2,120 per visitor ($1,311 on island + $809 pre-paid) we are able to provide an estimate of the direct economic value of tourism to the Cook Islands economy. Thus, every 10,000 tourists generate NZ$13,110,000 in on-island spend, plus an estimated NZ$8,090,000 in pre-paid spend (a total of $21.20 million). In total the 135,134 international arrivals from July 2015 to June 2016 injected $286 million into the local economy. The unweighted figure is slightly higher at $289million.

Visitor yield has increased significantly during this year and it is important that this trend is sustained in the coming years. It is clear that the tourism industry makes a vital, and undoubtedly undervalued, contribution to the Cook Islands economy. It is essential that further efforts be made to enhance yield per visitor. Such an approach not only creates more jobs and income for Cook Islanders, it also, inevitably enhances the visitor experience. A higher yield, value added approach will also place less pressure on the nation's precious 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.

Tourists' satisfaction with the cost of accommodation is the lowest among all items surveyed. By upgrading facilities, and more importantly, enhancing the quality and 'value added' of existing experiences, the hospitality industry can increase visitor satisfaction, and enhance the generation of local economic benefits. The detailed accommodation data collected by the survey can be used to guide individual accommodation providers to measure satisfaction levels and to provide better value for money, thus improving opportunities for yield generation.

As with previous reports, significant numbers of international visitors' perceive that "public services & facilities" are lacking, and visitors also mentioned about environmental degradation. In particular concerns over the condition of Muri lagoon have featured in visitor comments, and we have seen a worrying overall rise in the percentage of visitors stating that environmental factors are one of the least appealing aspects of their visit. It is important for the local government to improve public service and environment care programmes which are likely to reap dividends in terms of the country's appeal to visitors.

This report shows that cost effective on-line research can generate strong response rates and robust information that is of value to both the tourism industry and government policy makers. Having a total of 4 years of international visitor data to analyse and 'mine' places the Cook Islands in a very powerful position relative to its competitors. The fact that the survey will continue through 2017, and hopefully beyond, means that future industry marketing and development decisions can continue to be based on a firm foundation of knowledge.