

BYATA

Backpacker Youth Adventure Travel Association

A Higher Quality Traveller

A study into the lifetime value of youth tourism in New Zealand
2017-2022



"Just to travel is rather boring, but to travel with a purpose is educational and exciting."

— **Sargent Shriver**



INTRODUCTION

Reimagining Youth Travel in New Zealand

Imagine a future for New Zealand tourism that attracts a higher-quality visitor, grows arrivals responsibly, lifts the industry standard, and keeps travellers coming back again and again.

BYATA has long held the belief that youth travellers are the highest-quality tourists — and that this demographic delivers far more value to New Zealand's tourism industry than previously understood.

WHO ARE BYATA?

Since 2003, the **Backpacker Youth Adventure Travel Association (BYATA)** has been the independent voice of the backpacking and adventure travel industry in New Zealand. Our mission is to enhance the commercial viability of members by advocating for the backpacker, youth and adventure tourism sector.

Our vision is for our sector to be the strongest within the New Zealand tourism industry.



SETTING THE RECORD STRAIGHT

Dispelling the Myth of the ‘Backpacker’ Stereotype

Youth travellers today are significantly different from previous generations — yet they're still described with the same tired cliches from twenty-plus years ago.

This new generation is hyper-connected, culturally engaged, and an advocate for the environment and positive social change. They demand better-quality experiences and more sustainable practices — reflected in the rise of higher-standard hostels and youth tourism businesses worldwide.



THE KEY DIFFERENCE

Backpacker vs. tourist lies in purpose

Backpackers travel to new places to experience local culture and a way of life different from their own. Tourists travel for pleasure and relaxation.

The stereotypical “backpacker” is virtually extinct — replaced by a tech-savvy, environmentally conscious, influential traveller who is out to “travel purposefully” and immerse themselves in local culture.



THE YOUTH TRAVEL ETHOS

How the Youth Traveller Differs From Other Tourists



It's an ethos, not a type

While backpackers are predominantly young, 'backpacking' describes not the type of person, but rather an ethos. These ideals become ingrained in youth, and are drawn on again when travelling later in life.

1

Stay longer

2

Travel into the regions

3

Spend more on activities

4

Are crisis resilient

5

Seek out authentic experiences

6

Connect with nature & travel sustainably

7

Engage in outdoor, social & active pursuits

8

Undertake volunteer work

9

Document everything (social media)

10

Return again, bringing this same ethos



A VALUES-LED TRAVELLER

Youth Travellers Embody Aotearoa's Core Values

By the very way they prefer to travel, youth travellers (age 17–35) uphold the values of economy, society, culture and environment — while representing significant potential lifetime value to New Zealand.





ECONOMIC VALUE

Youth Travellers Spend More Than You Think

THE FREEDOM TO STAY LONGER

Whether an international student, a Working Holiday Visa (WHV) holder, a graduate on a gap year, or a digital nomad — the one trait every youth traveller shares is the freedom to stay longer.

This longer average stay has a major impact on the value the youth traveller brings into New Zealand.

\$4,722

AVG. YOUTH TRAVELLER SPEND / TRIP

\$4,673

AVG. OVER-35 TRAVELLER SPEND / TRIP

The youth stay longer AND spend more than the over-35s.

- WHV holders deliver more Crown revenue than any other age group, as PAYE is added on top of GST spend
- Youth contribute heavily to primary industries as a seasonal workforce
- Youth spend more on activities than older generations
- Youth are the crisis-resilient traveller, more likely to travel in troubled times
- Post-Covid pent-up demand: 3 years of school & university leavers have missed their overseas experience



REACH ACROSS THE COUNTRY

A Greater Distribution of Spend

Youth travellers stay longer in pursuit of a more authentic travel experience — spreading themselves, and their spend, across the seasons and regions of New Zealand.



Dispersed regional spend

The youth market is more likely to disperse spend into New Zealand's regions, not just the main centres.



Lower accommodation spend

Under-35s typically spend less on accommodation, freeing up greater spend for other parts of the economy.



Off-peak & shoulder travel

Youth travel in the shoulder and off season is common, injecting revenue into businesses in quieter times.



Multi-year student spend

Students often stay for years, travelling during holidays and long weekends — providing regional, seasonal spend.



LONG-TERM ECONOMIC CONTRIBUTION

The Youth Bring So Much More To Our Economy

Youth travellers continue to add value to New Zealand's economy through a myriad of ways — both while on our shores, and long after they've left.



Are up to 3x more likely to return to NZ in their lifetime



Will return as future business people and investors



Buy NZ products like wine and lamb while living abroad, after returning home



Growth of the digital nomad brings more youth staying longer on tourist visas



Family visit students & WHV holders for extended holidays, lifting daily spend



Skilled youth take a hospitality sabbatical, then return to careers in accounting, marketing or business — lifting our skilled workforce



The youth can fill other gaps in the highly skilled job market



Post-Covid pent-up demand: 3 years of leavers have missed their overseas experience



SOCIAL & COMMUNITY VALUE

Value Is Much More Than Just Money

Because youth travellers uniquely can (and do) stay longer, they have the opportunity to immerse themselves in community during their time in NZ.

- WHV holders and students integrate into local communities, settling into a town or region for months or years
- Youth travellers commonly engage in community activities such as sport or volunteering
- Youth fill short-term seasonal workforce roles the local population won't take on
- Youth add vibrancy to local communities while working seasonal hospitality positions

- Person-to-person connections foster nostalgia, leading to potential multiple return visits
- It's a myth foreign youth take local jobs — each WHV holder actually creates 1.2 jobs
- Youth are more supportive and engaging on mental health issues



FORGING SOCIAL CONNECTIONS

Connecting With the Regions

Off the beaten path

Youth travellers often seek out experiences which are “off the beaten path,” leading them on journeys into the regions of New Zealand which are less-travelled — forging connections with these smaller local communities.



Time spent connecting with provincial NZ across the regions



Fostering personal social media networks used by locals and visitors, building tolerance and diversity



A significant seasonal workforce for the horticulture industry



Taking up hard-to-fill short-term seasonal jobs



Engaging with society during shoulder and off-peak seasons



CULTURE, CONNECTION & STORYTELLING

Youth as Brand Ambassadors for New Zealand



Travelling with purpose

No longer satisfied with simply visiting a new place, today's youth want a legitimate, authentic and personal travel experience. They get to know the locals and the landscape, seek out indigenous culture, and absorb the legends — forming a deep connection to the land and its people.



Constantly promoting NZ

Youth travellers are the first true 'global citizens' — sharing the values they absorb in their travels via social media



Documenting everything

Selfies, tags, locations and blogs with links to activities and reviews — free, authentic promotion for NZ destinations



Skilled migrants

Foreign youth workers and students often become skilled migrants, strengthening the quality of our labour force



Lifelong connections

These deep cultural and social experiences are unique to the youth traveller, and entice them to return again and again



ENVIRONMENTAL STEWARDSHIP

A Generation That Travels Greener

Generation Z is the most environmentally aware generation yet. Their keystone travel habits positively impact the environment — meaning they travel greener simply by the way they travel.



Lower seasonal stress

Greater dispersal of seasonal travel, especially low-season visitation, causes less stress on the environment



Respect for landscapes

Youth are more likely to respect natural landscapes, waterways and beaches



NZ as a 'green' destination

One of the highest rates of renewable energy use worldwide lets youth travel with a smaller carbon footprint

SEEKING OUT ENVIRONMENTAL INITIATIVES

Youth travellers have the ability and desire to travel into regional NZ, actively seeking out tree planting and beach clean-ups as part of the “travelling with purpose” mindset.

- More likely to undertake conservation work, having more time to get involved
- More likely to undertake nature-based experiences
- More inclusive, resonating easily with indigenous values
- Spreading a helping hand to more initiatives by distributing travel across seasons and regions



THE RETURN CYCLE

There Is Lifetime Value in the Youth Visitor

Youth travellers are culturally attuned, socially connected, environmentally-minded and economically diverse. In seeking out authentic experiences, they form deep relationships with the land and people of NZ — becoming a high-quality tourist who travels into the regions, and who returns again and again.



“Backpackers are also likely to return as high spending visitors in the future, having spent years yearning to recapture their amazing experiences as a youth in New Zealand.”

— Anthony Gardiner, *The Guardian*



The cycle begins again with a new generation — visiting the kids in NZ, then one more visit at retirement.



IN THEIR OWN WORDS

Voices of the Youth Traveller



"It's simple; New Zealand stole our hearts. The diversity of the country ignited a lifelong love affair with the country."

— Lina, Divergent Travelers



"With stunning landscapes, amazing food, delicious wine, and some of the friendliest people you'll ever meet, New Zealand holds a very special place in my heart."

— Jeremy, Travel Freak



"I loved New Zealand so much that I wasn't ready to leave after a year, so I applied for a second visa and stayed an extra year."

— Nicola, BUNAC



"Buildings and temples are fantastic and food is always good to try, but I've always believed that it's the people you meet that make a journey."

— Mick Bates, Nomads



"As self-confessed snow addicts, Queenstown is top of our list — so much so we've gone there 7 times in 8 years."

— Jen, The Snow Chasers



"Oh New Zealand, it's been 2 years since I've seen you and I miss you deeply. I hope to see you soon."

— Lotte, Phenomenal Globe

How We Identified Youth Travellers and Their Behaviours

1

Isolate cardholders

We isolated all cardholders, over a 5-year period, who made a transaction with at least one youth-travel merchant (e.g. Hostelworld, Kiwi Experience, JUCY, Nomads), using this as a proxy for youth travellers.

2

Consolidate transactions

We consolidated all cardholder transactions in NZ. The first and last payments in-market were assumed to represent the length of stay.

3

Analyse behaviours

We analysed country of origin, spend category and location to build a full profile of youth traveller behaviours.

BETWEEN JUNE 2017 AND JUNE 2022, WE OBSERVED:

335K

UNIQUE YOUTH TRAVELLERS

15M

TOTAL TRANSACTIONS

\$1.1B

TOTAL SPEND



A Seasonal, Long-Stay Traveller — Even More So Post-Covid

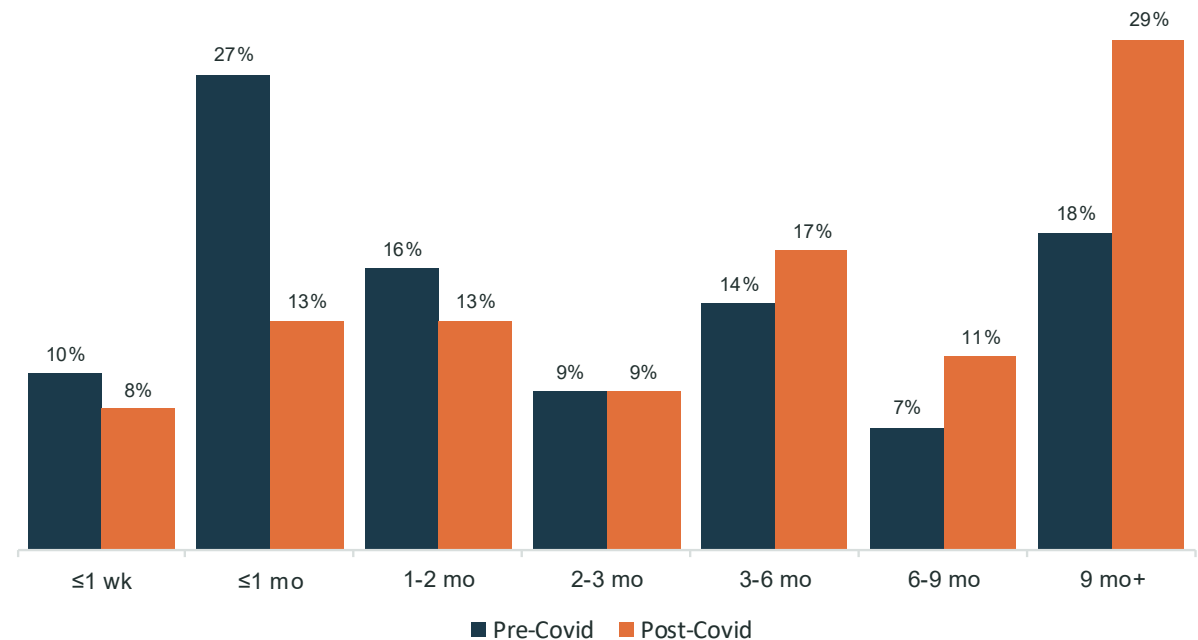
c.2 months

AVERAGE LENGTH OF STAY, PRE-COVID

Pre-Covid, youth travel arrivals followed a clear seasonal pattern, peaking in the summer months — but were already in gradual decline before the pandemic.

The first Level 4 lockdown then caused a sharp, sustained drop in both arrivals and in-country traveller numbers.

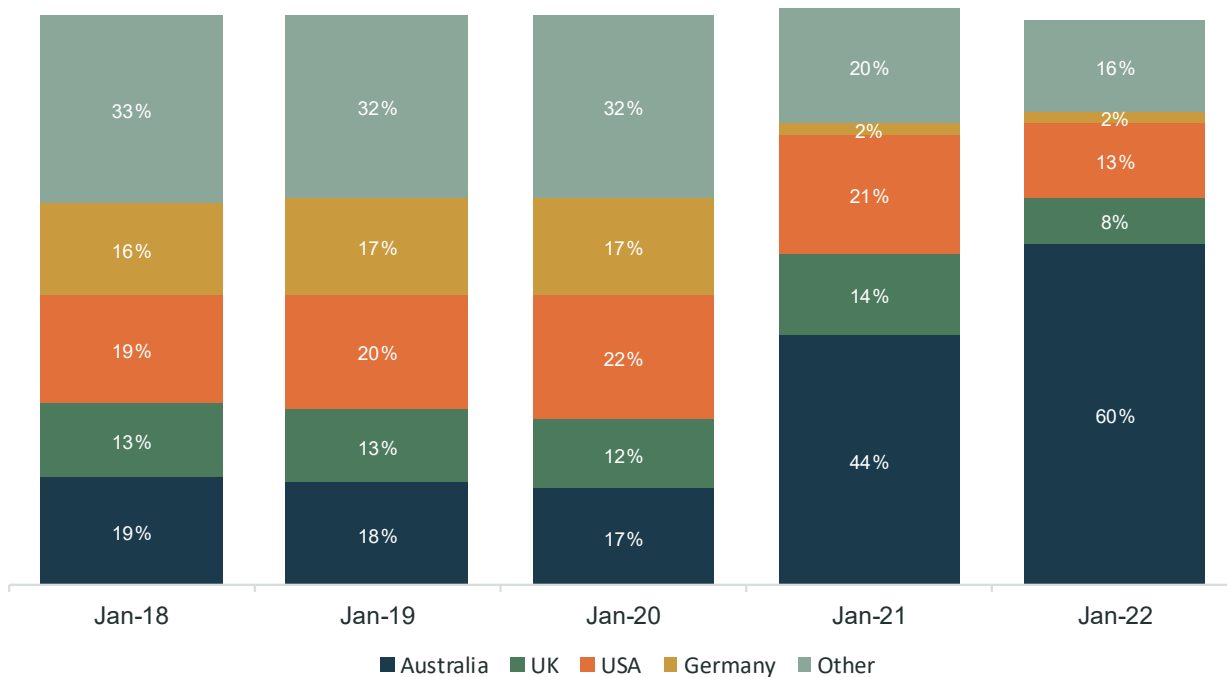
Pre vs. Post-Covid Length of Stay (% of youth travellers)





SOURCE MARKETS

Four Source Markets Once Drove 63% of Youth Spend



What changed

Pre-Covid, spend from each country of origin was stable and consistent — with 63% of spend coming from four top source markets.

Once Covid hit, Australia jumped from 17% of spend to 60%, as Australians grew from 25% to 50% of all youth travellers in the country.



SOURCE MARKETS

German Youth Travellers Spent the Most Pre-Covid

\$3.3k

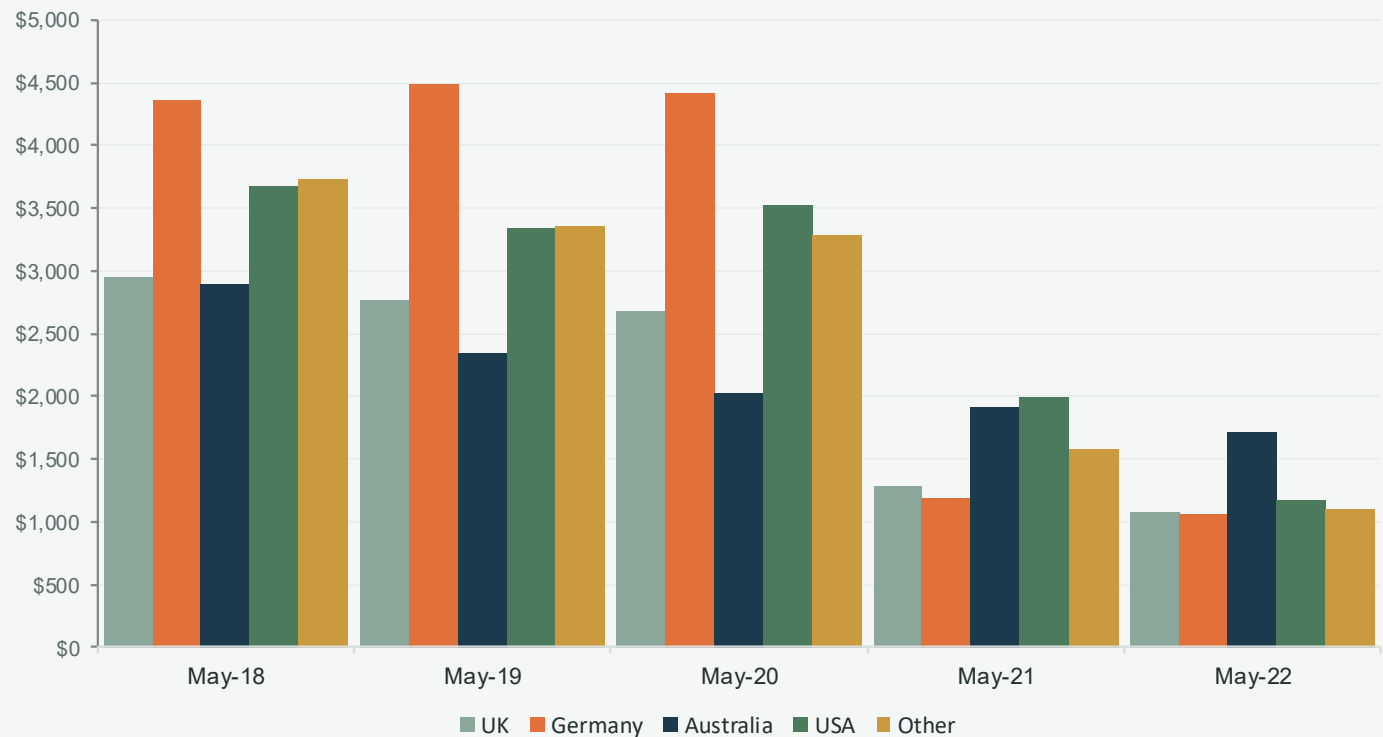
AVERAGE SPEND, PRE-COVID (ALL ORIGINS)

\$4.4k

GERMAN YOUTH TRAVELLER AVERAGE SPEND

"Are we doing enough as a sector to recover these high-value markets?"

Average Spend per Youth Traveller by Country of Origin (NZD)

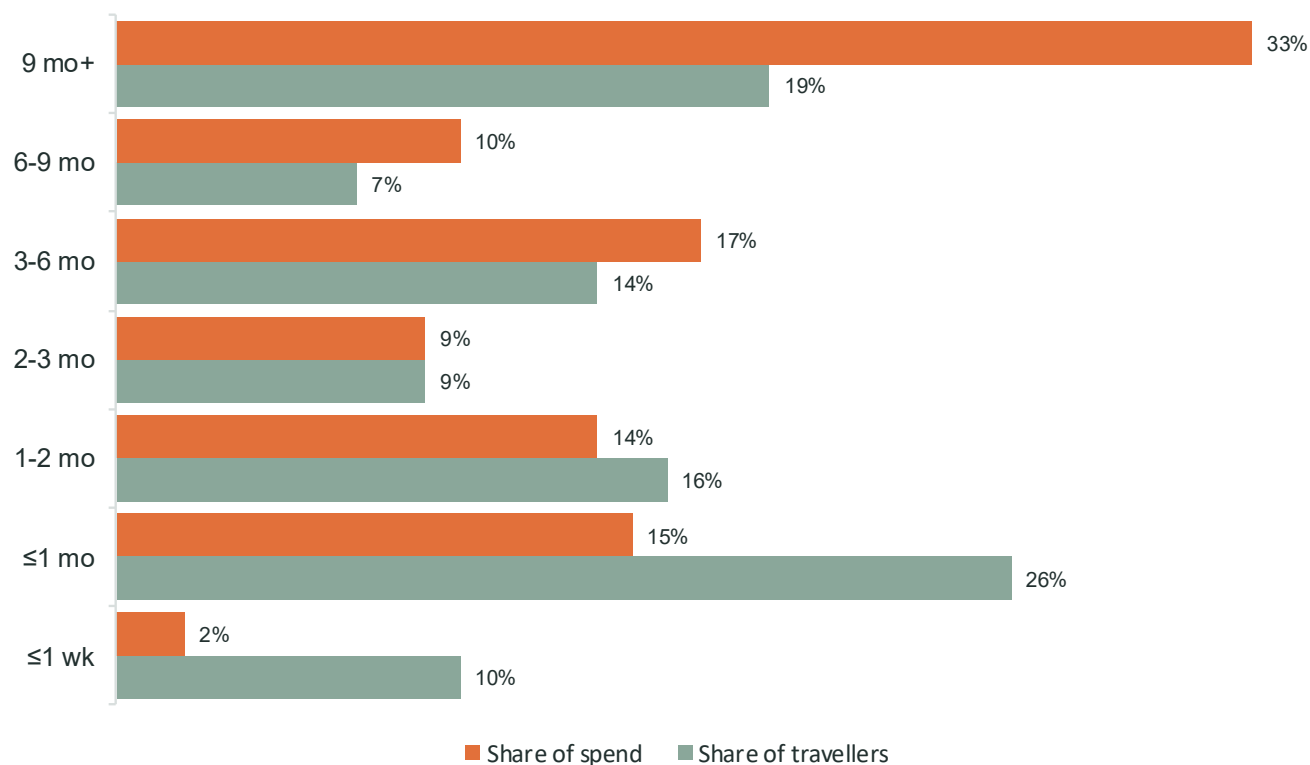




THE LONG-STAY PREMIUM

Longer Stays Deliver Disproportionate Value

Backpacker Count vs. Spend Share, by Length of Stay



52%

of youth travellers stay under 2 months — but
account for just 31% of total spend

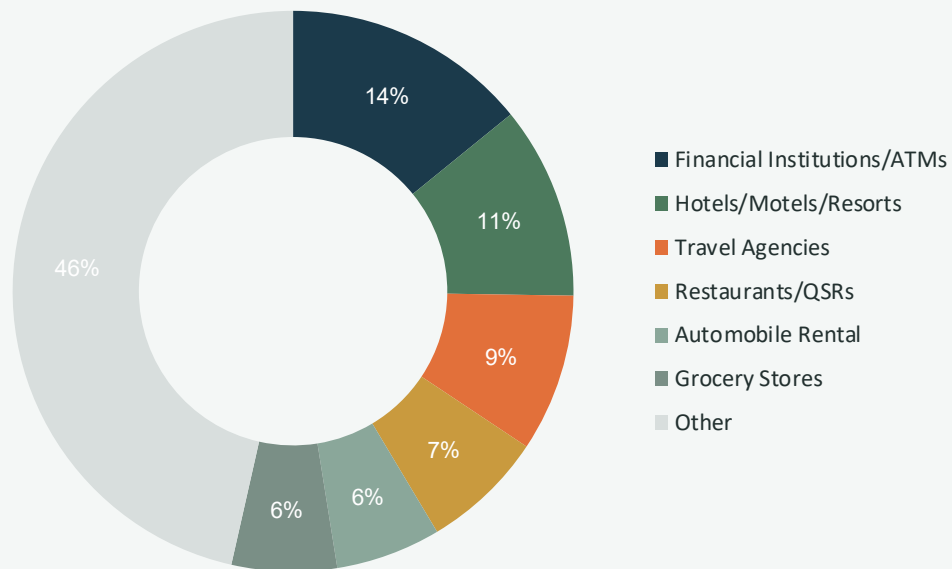
43%

of total spend comes from the 26% who stayed
in NZ longer than 6 months



BEYOND TRAVEL & ACCOMMODATION

Only 27% of Spend Goes on Travel & Accom



KEY TAKEAWAYS

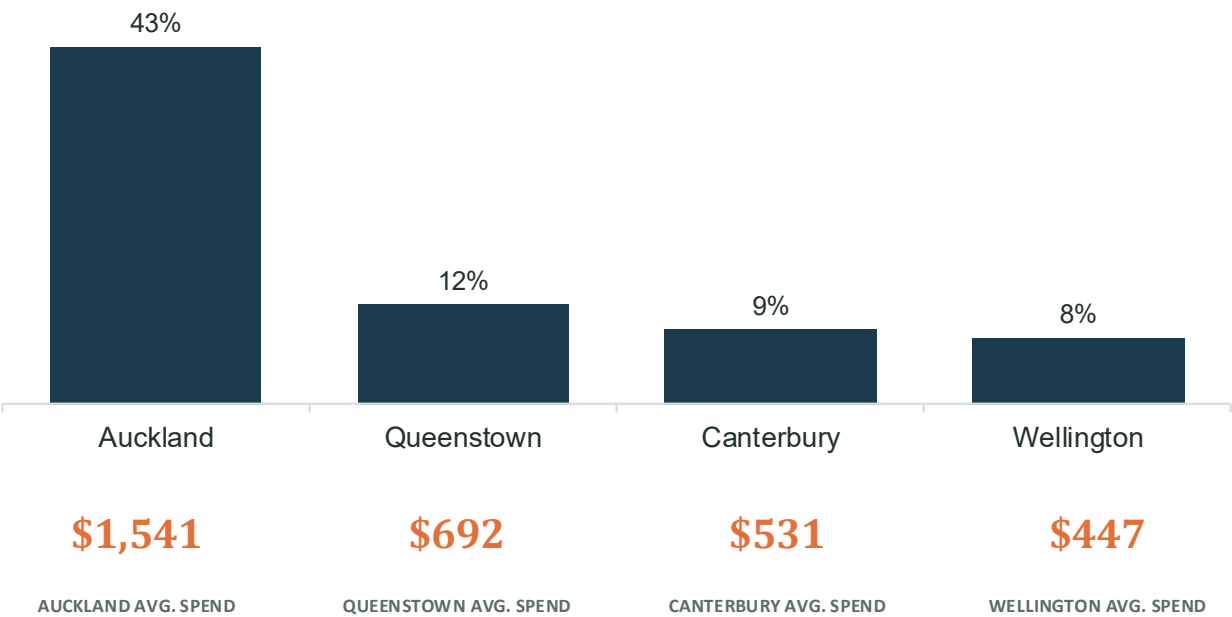
- On average, a youth traveller spends \$3.3k in New Zealand
- 27% of this spend is on accommodation, vehicle rentals and travel agencies combined
- Average transactions of \$1.1k were carried out at financial institutions / ATMs (withdrawing cash) — higher again for German visitors, at nearly \$1.5k
- The remaining spend is dispersed widely across restaurants, groceries, retail and other everyday parts of the economy



REGIONAL REACH

Auckland Is the Hub — Then Travellers Go Far and Wide

Share of Total Youth-Traveller Spend by Region



THE REGIONS ARE ALL BENEFITTING

Bay of Plenty	\$325
Dunedin	\$327
Northland	\$295
West Coast	\$282
Waikato	\$257
Hawke's Bay	\$239
Southland	\$141
Ruapehu	\$147

Average spend per youth traveller, selected regions

IN CONCLUSION

Let's Grow a Loyal Legion of High-Quality Visitors

...who will return to New Zealand throughout their lifetime.

- If through clever marketing we can entice youth travellers to return throughout their lifetime, we can improve the quality of the overall tourism industry.
- On return visits, the youth — now in older age demographics — bring with them the ways of travel embraced when younger: getting into the regions, away from peak seasons, engaging with local culture, and respecting the environment.
- Evidence shows spend is far and wide through regions and all areas of the national economy, thanks to their want to stay longer.
- Youth spend just 11% of their budget on accommodation — far more of their spend goes into wider industries than other age demographics.
- Opportunity exists within the rebuild of tourism to engage with the crisis-resilient youth, and impact the future years of tourism to Aotearoa.



WITH THANKS

Contributors



Henry Matthews

*BYATA Board
Auckland Tataki Auckland Limited*



Brett Duncan

*BYATA Board
Adventure Hostels NZ*



Lisa Whitelaw

Adventure Hostels NZ



Chris Speering

*BYATA Board
YHA New Zealand*



Shane Vuletich

FreshInfo



Dave Simmons

JOOTS

With additional insights from Visa Consulting & Analytics

BYATA

Backpacker Youth Adventure Tourism Association

BYATA is a collective of 140+ tourism businesses (activity, service, transport & accommodation suppliers) which rely heavily on the 18-34 year old international holiday and working holiday market.

BYATA advocates for the sector working closely with MBIE, TNZ, RTOs, HNZ and other Tourism Associations with the objective of growing the market in a constructive and positive manner for industry, community and the environment .