Backpackers: Strategic Tourists

- High Yield ($2.6 billion in Australia)
- High Dispersion (Regional areas)
- Long Stay
- Low marketing costs
- Low economic leakage (Local vs global)
- Return Potential
- Developmental role for regions
- Stimulate product development
- ‘Foot-soldiers of tourism development’
- Can play a role in ‘Poverty alleviation’
- Sustainability
What is a Backpacker?

PEARCE, P. "The Backpacker phenomenon: Preliminary answers to basic questions," Department of Tourism, James Cook University, 1990, Townsville.

- "The Ultimate Free and Independent Traveller"
  - A preference for budget (Value) accommodation
  - An emphasis on meeting other travellers
  - Have an independently organised and flexible travel schedule
  - Prefer longer rather than short holidays
  - Place an emphasis on informal participatory activities

- Tourism Research Australia (TRA)
  - Based on accommodation usage
  - International visitor over 15 who spent at least one night in a youth hostel or backpackers hostel

Who are the Backpackers?

- "In general they are future pillars of society, on temporary leave from affluence, but with clear and unwavering intentions to return to normal life”

What is Independent tourism?

- A form of travel where the participants maintain the maximum amount of control over the elements of their trip
  - * Where they go
  - * How they get there
  - * When they go
  - * What they do

Backpacking as a form of travel

- As participation in backpacking has increased, there is no one type of backpacker.
  - (Flashpackers, Working Holiday Makers, Study Backpackers, Gap year, Career Breakers etc.)
- It is an emerging form of travel, based on a new economic model (like low cost airlines)
  - Quality accommodation at low rates
  - Yield generated elsewhere (Experiences)
  - Focus on new dispersion patterns
  - Transfers spending to host destinations
  - By-passes the established travel trade industry
  - Expanding globally
Backpacking is a global phenomenon
(Backpackers in Fiji)
Multi-Billion Dollar Backpackers (Australia)
(Source International Visitors Survey Y.E Sept 2006)

- In the year ending September 2006 over 527,000 backpackers arrived in Australia
- Up from 173,000 arrivals in 1990 (6.6% growth over 05)
- Each backpacker spends over $5000 (more than twice as much as non-backpacker visitors)
  - So 1 backpacker = 3.2 Japanese (non-backpacker tourists)
- The ‘backpacker industry’ is worth $2.6 billion or 19.8% of total international yield
- 10.5 % of Visitor arrivals are Backpackers
- Length of stay 70 nights (vs 25 for non-backpackers)
- Over 37 million visitor nights or 25% of all international visitor nights in Australia
Backpacker arrivals 1989-2006*
498,000 in 2005, 527,664 Y.E Sept 2006*

Non-Backpacker arrivals 1999-2006*
*NB: Y.E Sept 2006
Total Backpacker Nights spent in Australia
1989 – 2006* Year ending September 2006*

Average expenditure of Backpackers per trip 1990 – 2006* Year ending September 2006*
Backpacker Nationalities in Australia 2006

![Bar chart showing backpacker nationalities in Australia 2006](chart.png)

**Backpacker Stopover Destinations Pre & Post Australia - 2004**

- **Thailand** (21%) 48,000 Pre 52,000 Post
- **Singapore** (20%) 52,000 Pre 44,000 Post
- **Malaysia** (5%) 34,000 Pre 10,000 Post
- **Hong Kong** (8%) 18,000 Pre 24,000 Post
- **USA** (8%)
- **Fiji** (3%) 15,000 Pre 34,000 Post
- **New Zealand** (33%) 95,000 Pre 52,000 Post

*Image: Backpacker Stopover Destinations Pre & Post Australia - 2004*
Backpacker Varieties in Australia 2007
Jarvis 2007

- **(1) Holiday Backpacker**
  - Short-term backpacker on paid holidays. Older, repeat visitation. Strong recent growth. Have $$ to spend
- **(2) Gap Year Backpacker**
  - Gap between school and university. 18-19 y.olds
  - 'Party backpackers' & 'Volun-tourism'
- **(3) University Gap Traveller**
  - (a) End of year and (b) end of course travel. 20-24 y.olds
- **(4) Career breaker (Flash-packer)**
  - Break from established career, (financial resources)
  - 26 – 45 y.olds, Social, quality accommodation
  - Can use WHM visa (under 31). Boutique hotels, 5 star
- **(5) Study Backpacker**
  - Study in Australian university and backpack in the breaks
- **(6) Grey Nomad**
  - Over 55 mature traveller, Self drive popular, boutique hotels

Some backpacker driving forces…..

- **(a) Socio-Cultural**
  - Gap year phenomenon
  - Career breaks
  - Globalization (travel = investment in future)
  - New 30s
- **(2) Economic**
  - GDP growth
  - Declining ‘real’ costs of travel eg: STA $A1399 RTW
- **(3) Political**
  - Visas (eg: WHMs)
- **(4) Industry**
  - Specialist agents
  - Airline alliances & RTW airfares
  - Global-budget airlines
Why Backpackers are beneficial

(A) Economic Earnings
- (1) High Yield due to length of stay
- (2) Dispersion spreads economic benefits
- (3) Hardy travellers - Constant demand
- (4) Different segments spread benefits in economy.
  Eg: Working Holiday Makers (WHMs) & Study Backpackers
Impact of September 11  
(Backpackers vs Non-backpackers)

Backpacker Dispersion in Australia 2005

- 82% visit regions outside of the four gateway cities of Melbourne, Sydney, Brisbane and Perth compared with only 50% of non-backpackers.
- travel to 5.3 different tourism regions... non-backpackers only travelled to 1.9
Backpackers and Regional Tourism in Australia 2005

- 16 tourism regions attracted more than 50,000 visitors
- 30 out of 85 tourism regions in 2005 received more than 100,000 backpacker nights
- 17 tourism regions received more than 45% of their visitors from backpackers
- 19 regions received more than 45% of their international visitor nights from backpackers (18/19 are regional areas)
- Whitsundays = 67% of all nights
- NB: Need to be ‘On the Route’

How backpackers use Australia
Jarvis matrix 2007

- (a) Established Backpacker Bases
  > High visitation, high length of stay (>11.5 nights)
- (b) Established Backpacker Touring Regions
  > High visitation, low length of stay (<11.5 nights)
- (c) Emerging Backpacker Touring Regions
  > Medium visitation, low length of stay
- (d) Emerging Backpacker Bases
  > Medium visitation, low length of stay
- (e) Undeveloped backpacker bases
- (f) By-passed destinations
Why Backpackers are beneficial

(B) Economic Development

- (1) Consume local goods, low economic leakage
- (2) Require basic infrastructure, low barriers to entry
- (3) Stimulate Small Business development
- (4) Stimulate product and destination development

Oarsmans Bay Resort: Yasawa Islands (Fiji)
Why Backpackers are beneficial

• (C) Socio-Cultural
  – (1) Return potential, Future links
  – (2) Lower environmental carrying capacity
  – (3) Local ownership of firms (Local self fulfillment)
  – (4) Local vs Global product development
  – (5) Local reliance vs outside interests
  – (6) Local urban renewal

The ‘Backpacker Bubble’

• “We’re not travellers’. We’re not even backpackers. We’re package tourists with differently shaped luggage.... Our guidebooks lead us along a backpacking superhighway where lodgings are always cheap, natives always speak English and restaurant always serve banana pancakes....”[1]

The Multi-Billion Dollar Backpackers

- “Backpackers are either the rear guard of modern tourism rejecting contrived attractions or the trendsetters of post-modern tourism, creating a mode of travel to be followed by more conventional tourism.”[1]


Why they Travel

- The Long Desire
- The completion of work/study commitments (Trigger)
- Positive advice from friends
- The postponement of commitments
- Self testing/Challenge
- Meet people/Broaden Awareness of the world – other cultures
Why travel as an Independent Traveller/backpacker on this trip? (Fiji Study 2006)

- To take an extended break from life at home: 4.1
- A cheaper way to travel: 4.1
- A good way to meet other travellers: 4.0
- Lets me experience more of the country: 3.9
- A good way to experience Fijian culture: 3.9
- A good way to meet local people: 3.8
- A good party atmosphere: 3.2
- Economically beneficial for the locals: 3.2
- An environmentally sustainable way of travel: 3.0

41% agreed or strongly agreed that travelling was economically beneficial for the local community.
77% agreed or strongly agreed that travelling was a good way to take an extended break from life at home.

Understanding Travellers
Road Culture (Sorensen 2003)

- How Travellers gain status
- (1) Paying Local Prices (Value)
- (2) Getting the Best Deal
- (3) Travelling off the beaten track
- (4) Long(er) term travel
- (5) Dealing with challenging experiences
Information Sources Used

- Personal Information
- Guidebooks
- Avoidance of commercial information sources
- Popular Culture
- Internet (What to do, where to stay)
- Youth travel specialists

The “Backpacker Ideology”

- (a) Maintaining freedom and flexibility
- (b) Gaining an authentic cultural experience
- (c) Meeting ‘like minded’ people
- (d) Experiencing personal development
What Backpackers Want
Jarvis 2007 (Swedish Qualitative Research)

- Cultural Interaction with the locals/ See how people live/Live with locals/Work
- Meet new people/friends/like minded people
- Learn/improve language skills
- Environmental experiences
- See historic sites
- Attend sports events
- Adventure activities (Diving, Surfing, Rafting)

Marketing to Backpackers

- Information provision
- Experiences (understand the mentality)
- Influence word of Mouth (VJP)
- Work with industry key partners in source market
- Eg Youth Travel Agents
- Web marketing (Information rich)
- Remove barriers (WHMs)
STA Travel (Sweden)

The Future.....

- Increased participation
- Increased industry investment/development
- Sub-segment growth
- Increased government recognition (hopefully)
- New destination development