

2004 Annual Survey Report on Visitors Expenditure and Trends in Taiwan

Summary

Tourism Bureau, MOTC wants to understand the motives, viewpoints, tendencies and consumption of the inbound visitors in Taiwan to supply reference material to tourist related organizations to improve sightseeing facilities in Taiwan and to plan international tourism advertising and marketing strategies. The survey can be a source of information to estimate the amount of visitor expenditures. Here at Tourism Bureau, MOTC, we proceeded with the survey in C.K.S. International Airport in Toayuan and Kaohsiung International Airport, interviewing the inbound visitors, where they leave Taiwan.

This survey adopted the method of “Quota Sampling”, which conformed best to the control of working standards and the characteristics of the sample to achieve randomization. The number of valid samples was 5,050 persons in total from January to December in 2004.

The major investigative results of this survey were distinguished into “Related Indices of the Inbound Visitors in Taiwan”, “ Analysis of the Inbound Visitors’ Plans”, “Analysis of the Inbound Visitors’ Behavior “, “Analysis of Beneficial Results of the Inbound Visitors’ Consumption and Taiwan’s Competitiveness for the Inbound Visitor’s Market” and “Analysis of Basic Information of the Inbound Visitors”.

I. RELATED INDICES OF THE INBOUND VISITORS IN TAIWAN

2,950,342 persons	Number of inbound visitors; the annual growth was 31.24%
US\$4,053 million	Total annual amount in visitor expenditures in tourism; the annual growth was 36.19%
1.33 %	Annual foreign exchange earnings proportionate to GDP in tourism
US\$1,374	Per capita inbound visitor spending; the annual growth was 3.78%
7.61 nights	Average length of stay (nights) for all inbound visitors; the amount of decrease from the previous year was 0.36 nights
US\$180.52	Average daily expenditures per visitor; the annual growth was 8.69%
1,031,713 persons	Number of inbound visitors with pleasure purpose; the annual growth was 48.40%
US\$238.25	Average daily expenditures per visitor with pleasure purpose; the annual growth was 18.20%
920,377 persons	Number of inbound visitors with business purpose; the annual growth was 31.71%
US\$159.63	Average daily expenditures per visitor with business purpose; the annual growth was 1.62%
81%	Overall satisfaction of inbound visitors as a percentage of the total; a decline of 3% from the year before

II. ANALYSIS OF THE INBOUND VISITORS' PLANS

A. The inbound visitors began planning their trips on average 23 days before leaving for Taiwan

The inbound visitors with pleasure purpose began planning their visits about a month prior to arrival; the inbound visitors with business purpose began planning their visits about half a month prior to arrival. For those who from Hong Kong /Macao, Singapore, Malaysia, Europe and Japan did it between half a month to one month in advance. The rest of the inbound visitors did it between one month and two months in advance.

B. 64% of the inbound visitors with pleasure purpose had read the commercial and reports about Taiwan before they came here. The source of the commercial and reports mentioned above were mostly magazines/books, TV/radio or the Internet

47.64% of the inbound visitors had read the commercial and reports about Taiwan before they came here. The source of the commercial and reports mentioned above were mostly magazines/books, TV/ radio or the Internet and 32% of them considered such commercial and reports as an important decision factor.

Over 50% of the inbound visitors with pleasure purposes (63.73%), the visitors from the Japan (60.01%), Hong Kong/Macao (59.08%), Singapore (54.55%) and Malaysia (51.63%) had read the commercial and reports about Taiwan before they came here.

In the future, the ways that the inbound visitors mostly wish to get traveling information of Taiwan in their own countries are (in orders): the Internet (53 persons per hundred), magazines/books (33 persons per hundred), travel agencies (30 persons per hundred), TV/Radio (26 persons per hundred) and newspapers (20 persons per hundred), etc. After the inbound visitors arrive in Taiwan, the source that they wish to easily get the information being (in orders): hotels, immigrations, the Internet, travel agencies, and tourist information centers, etc.

TABLE 1 2004: before arrival, the advertisement or associated reports related to Taiwan tourism had been ever read or seen by the inbound visitors

Unit: persons/per hundred

people

Item	Before arrival, the advertisement or associated reports had been ever read or seen

Magazines/books	48.38
TV/radio	42.39
Internet	36.16
Newspapers	22.11
Airports	7.40
Advertisement boxes	5.65
Int'l travel exhibitions	4.36
Subway	3.03
Advertisement on the buses	1.41

TABLE 2. 2004:after arrival, the tourist information of Taiwan where the inbound visitors prefer to collect

Unit: persons/per hundred people

Item	After arrival, the tourist Information of Taiwan visitors prefer to collect
Hotels	47.66
Immigrations	38.87
Internet	21.78
Travel agencies	19.45
Travel Service centers	15.74
Local Transportation spots	14.81
Convenience stores	7.41
Restaurants	5.66

C. Cuisine and scenery were the major reasons for the inbound visitors to take a sightseeing trip to Taiwan

The reasons that the inbound visitors went sightseeing in Taiwan were mainly cuisine (48

persons per hundred) and scenery (38 persons per hundred).

The major market on researching, the main reason to visit Taiwan was “Cuisine” & “Near the place you live” for Japan, “Near the place you live” & “Cuisine” for Korea, “Cuisine” & “Scenery” for Hong Kong/Macao, Singapore and Malaysia, “Taiwan custom and culture” & “Scenery” for USA, Europe, Australia and New Zealand.

Table 3. 2004: Reasons that the inbound visitors took sightseeing trips to Taiwan—according to main purpose

Unit: persons/per hundred people

Reason	Cuisine	Scenery	Taiwan custom and culture	Near the place you live	Prices of goods	Historic sites
Main Purpose						
All purposes	48.16	37.78	27.96	24.64	22.72	20.07
Pleasure	49.78	38.30	26.72	26.27	24.05	21.08
Business	37.43	29.05	20.11	14.53	16.20	13.97
Int'l conference or exhibition	40.00	45.00	40.00	20.00	10.00	15.00

Table 4. 2004: Reasons that the

inbound visitors took sightseeing trips to Taiwan—according to main purpose

Unit: persons/per hundred people

Reason	Cuisine	Scenery	Taiwan custom and culture	Near the place you live	Prices of goods	Historic sites
Main Market						
All country	48.16	37.78	27.96	24.64	22.72	20.07
Japan	53.78	24.05	20.47	37.94	27.54	24.61
U.S.A	25.30	51.20	59.64	4.82	10.84	23.49
Hong Kong /Macao	57.17	49.01	20.97	16.11	19.21	10.38
Singapore	57.23	56.60	32.70	7.55	17.61	8.81

Korea	39.76	34.94	32.53	40.96	38.55	27.71
Malaysia	40.23	47.13	31.03	4.60	13.79	4.60
Europe	22.41	54.31	46.55	1.72	14.66	25.00
Australia and New Zealand	27.27	63.64	52.27	-	13.64	25.00

D. 51% of the inbound visitors with business purpose and 73% of those whose main purpose was attending international conferences or exhibitions had spent their spare time on sightseeing during their visit in Taiwan

50.74% of the inbound visitors with business and 72.93% of those whose main purpose was attending international conferences or exhibitions had spent their spare time on sightseeing during their visit in Taiwan. The period that most of the inbound visitors with business and international conferences or exhibitions purpose spent their spare time on sightseeing was half a day to one day. The major reason why the inbound visitors with business and international conferences or exhibitions didn't spend their spare time on sightseeing was lack of time.

E. For those inbound visitors with international conference or exhibition purpose, they were inclined to be satisfied with their conferences or exhibitions.

The inbound visitors with international conferences or exhibitions purpose mostly attended the technology exhibitions and academic conferences; they were inclined to be satisfied with their conferences or exhibitions. As for their satisfaction level were (from high to low): "Tour arrangements", "Arrangements of agendas or exhibition", "Facilities of conference or exhibition" and "Convenience of transportation".

F. 48% of the inbound visitors with pleasure purpose chose to make their trip as a "Group tour arranged by a travel agency".

56.44% of the inbound visitors visiting in Taiwan chose "Self-arranged tours without any arrangements made by a Taiwan travel agency". The proportion of those who chose "Group tours arranged through a travel agency" was 21.05%. The proportion of those who chose "Ticket booking and accommodation arranged by a travel agency only" was 16.67%. For further observation, except for the inbound visitors with pleasure purpose and visitors from Hong Kong/Macao chose to make their trip as a "Group tour arranged by a travel agency" (individual was 47.55% and 43.29%), the inbound visitors with other purposes and from other countries mostly chose "Self-arranged tours

without any arrangements made by a Taiwan travel agency”.

Table 5. 2004:Kinds of arrangements the inbound visitors made on their trips –according to main purpose.

Unit: %

Main Purpose	Kinds of Arrangements Group tour arranged through a travel agency	Individual tour arranged through a travel agency	Ticket booking and accommodation s arranged through a travel agency only	Self-arranged tour, with activities arranged by a Taiwan travel agency	Self-arranged tour without any arrangement by a Taiwan travel agency
All purposes	21.05	4.75	16.67	1.09	56.44
Pleasure	47.55	8.51	15.73	1.14	27.07
Business	1.69	2.14	22.00	1.10	73.07
Int'l conference or exhibition	14.20	4.94	16.67	0.62	63.57

III. ANALYSIS OF THE INBOUND VISITORS'

BEHAVIOR

- A. On average, each the inbound visitor visited Taiwan 2 times during the last three years. 50%of the inbound visitors visited Taiwan for the first time.**

The proportion of the inbound visitors visiting Taiwan for the first time was the highest one, 50.52%; the average number of times the inbound visitors visited Taiwan was 2. The inbound visitors with pleasure and international conference or exhibition purpose visited Taiwan 1.5 times. The inbound visitors with business purpose visited Taiwan 3.5 times. The inbound visitors from Japan and Singapore on average visited Taiwan 2.5 times. The inbound visitors from the USA visited Taiwan 2 times. The number of visit for the inbound visitors from other markets was less than 2. For the inbound visitors with international conferences or exhibitions purposes and the inbound visitors from the Japan, Korea, Europe and Australia and New Zealand, their proportion of the first time the inbound visitors has increased compared to last year (2003), especially the inbound visitors from the Korea has increased 11%.

Table 6 .The inbound visitors visiting Taiwan for the first time during the last threeyears—according to main purpose

Unit: %

Main Purpose	First visit to Taiwan in 2004	First visit to Taiwan in 2003
All purposes	50.52	49.37
Pleasure	72.00	73.37
Business	31.66	34.79
Int'l conference or exhibition	62.35	59.21

Table7. The inbound visitors visiting Taiwan for the first time during the last three years
—according to major country of residence

Unit: %

Main Market	First visit to Taiwan in 2004	First visit to Taiwan in 2003
All country	50.52	49.37
Japan	45.92	44.69
U.S.A	48.23	50.41
Hong Kong/Macao	52.63	54.08
Singapore	55.64	64.49
Korea	53.77	43.07
Malaysia	67.98	81.48
Europe	56.69	51.26
Australia and New Zealand	61.54	54.86

B. Taipei was the major and favorite city (county) for the inbound visitors

The major sightseeing cities (counties) for the inbound visitors were (in orders): Taipei, Kaohsiung and Taichung. Taipei (56.85%) was the favorite country. The major and favorite city

(county) was Taipei for the inbound visitors with pleasure purpose and the inbound visitors from Japan. For the inbound visitors with business purpose, the major sightseeing city (county) was Taipei and the favorite county was Haulien.

C. “Night markets”, “National Palace Museum” and “Chiang Kai-Shek Memorial Hall” were the major scenic spots for the inbound visitors; the proportion of each scenic spots has increased compared to year 2003; “Taroko, Tienhsiang” and “Alisan” were their favorites.

The inbound visitors with pleasure purpose and from Japan, Europe, Australia and New Zealand mostly visited “Night markets”, “National Palace Museum” and “Chiang Kai-Shek Memorial Hall”. The favorite scenic spot for the inbound visitors with pleasure purpose was “Alisan”. The favorite scenic spot for the inbound visitors with business purpose and from the USA, Singapore and Europe was favorite “Taroko, TienHsiang”. The favorite scenic spot for Japanese visitors was “Wulai”. The favorite scenic spot for Hong Kong/Macao visitors was “Jioufan”. The favorite scenic spot for Malaysia visitors was “Hsimen Ding”. The major reason why the visitors disliked the scenic spots was the quality of the environment. In addition, the inbound visitors visiting the tour route focused on “The North Coast Tour Route”.

Table 8. 2004: Ranking of the major scenic spots that the inbound visitors visited.

Unit:

persons/per hundred

Ranking	Scenic spot	Relative persons	Ranking	Scenic spot	Relative persons
1	Night markets	49.23	6	Tamshui	13.13
2	National Palace Museum	26.28	7	Jioufen	12.83
3	CKS Memorial Hall	24.46	8	Taipei Eastern District	9.58
4	Taipei 101	18.16	9	A Brief Introduction to the National Revolutionary Martyrs Shine	7.86
5	Hsimen Ding	14.08	10	Yangming Shan	7.84

Table 9. 2004: Ranking of favorite scenic spots of the inbound visitors

Rankin	Scenic spot	Percentage	Ranking	Scenic spot	Percentage
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g		favoring the scenic spot			favoring the scenic spot
1	Taroko, Tienhsiang	42.96%	6	Jiufen	27.31%
2	Alishan	42.39%	7	Yehliu	26.28%
3	Wulai	35.77%	8	Yangming Shan	23.48%
4	Kenting National Park	34.78%	9	National Palace Museum	22.68%
5	Sun Moon Lake	30.95%	10	Tamshui	20.66%

Table 10. 2004: The ranking of the tour route's scenic spots that the inbound visitors have visited

Unit: persons/per hundred

Ranking	Tour line	Relative persons	Ranking	Tour line	Relative persons
1	The North Coast Tour Route	24.08	7	The Kaohsiung-Pingtung Mountain Area Tour Route	3.19
2	The Hualien-Taitung Tour Route	9.78	8	The Yunlin-Chiayi-Tainan Coastal Tour Route	3.05
3	The Offshore Island Tour Route	6.42	9	The Taoyuan-Hsinchu-Miaoli Tour Route	2.06
4	The Lanyang Northern Cross-Island Tour Route	5.23	10	The Alishan Tour Route	1.94
5	The Hengchun Peninsula Tour Route	4.89	11	The Round-the-Island Railway Tour Route	0.89
6	The Sun Moon Lake Tour Route	4.81			

D. “Shopping”, “Night market sightseeing”, “Visiting historic sites” and “Adventure and Ecotourism” were the major activities of the inbound visitors in Taiwan

The inbound visitors visiting in Taiwan participated in the following activities: “Shopping”(66 persons per hundred), “Night market sightseeing” (56 persons per hundred), “Visiting historic sites” (41 persons per hundred), “Adventure and Ecotourism” (30 persons per hundred), “Hot springs” (17 persons per hundred), “Massage or acupuncture” (17 persons per hundred) and “Exhibitions” (17 persons per hundred). The inbound visitors with main purposes or from different countries mainly participated in shopping or going to the night markets while visiting in Taiwan.

IV ANALYSIS OF BENEFICIAL RESULTS OF TOURIST CONSUMPTION AND TAIWAN’S COMPETITIVENESS FOR THE TOURIST MARKET

A. 81% of the inbound visitors were satisfied with their overall experience in Taiwan

The inbound visitors were inclined to be satisfied with “Tourism convenience”, “Tourism internationalization” and “Environmental safety.” As for those items involved with the previous three ones, “Friendliness of people”, and “Accommodation facilities” earned highest satisfaction, while “Environmental sanitation” was evaluated as receiving lower satisfaction.

B. The amount of total annual income of visitor expenditure was US\$ 4,053 million, 1.33% of GDP

For 2004, the average daily expenditures per visitor visiting Taiwan were US\$ 180.52, and the consumption’s annual growth was 8.69%. The details of the proportions of consumption, from highest to lowest were as follows: Hotel bill (48.50%), Shopping (18.62%) and Meals outside the hotels (12.40%). According to the analysis of different purpose, the consumption of the inbound visitors with pleasure purpose (\$US 238.25 per day) was higher than the inbound visitors with business (\$US159.63 per day) and international conference or exhibition purpose (\$US155.35). According to the analysis of different market, the average daily expenditures per visitor from Japan were the highest (\$US 245.96). In addition, the shopping amounts of the inbound visitors were as follows: from Japan (US\$45.10), Hong Kong (Macau) (US\$43.28 per day), Singapore (US\$31.37 per day), and Malaysia (US\$ 31.06 per day).

Table 11. 2004: Average daily expenditures per visitor –according to main purpose

Unit: US\$

Consumption	Hotel	Meals	Domestic		Miscella		
Main Purpose	bills	outside hotels	Transportation	Entertain-ment	-neous expenses	Shopping	Total

All Purposes	Amount of money	87.55	22.38	13.78	14.90	8.30	33.61	180.52
	Percentage	48.50%	12.40%	7.63%	8.25%	4.60%	18.62%	100.00%
Pleasure	Amount of money	113.12	29.76	16.45	18.03	10.22	50.67	238.25
	Percentage	47.48%	12.49%	6.90%	7.57%	4.29%	21.27%	100.00%
Business	Amount of money	78.10	20.11	14.88	16.49	7.54	22.51	159.63
	Percentage	48.93%	12.60%	9.32%	10.33%	4.72%	14.10%	100.00%
Int'l conference or exhibition	Amount of money	78.07	16.34	13.84	12.07	9.34	25.69	155.35
	Percentage	50.25%	10.52%	8.91%	7.77%	6.01%	16.54%	100.00%

Table 12. 2004: Average daily expenditures per visitor –according to major country of residence

Unit: US\$

Consumption		Hotel bills	Meals outside hotels	Domestic Transport-tation	Entertainment	Miscellaneous expenses	Shopping	Total
Main Market	Amount of money	113.78	29.94	19.49	24.30	13.35	45.10	245.96
	Percentage	46.25%	12.17%	7.93%	9.88%	5.43%	18.34%	100.00%
Japan	Amount of money	68.03	14.91	7.98	9.82	5.53	14.61	120.88
	Percentage	56.29%	12.34%	6.60%	8.12%	4.57%	12.08%	100.00%
U.S.A	Amount of money	64.75	23.28	10.73	10.59	6.75	43.28	159.38
	Percentage	40.62%	14.61%	6.73%	6.65%	4.24%	27.15%	100.00%
Hong Kong	Amount of money							
	Percentage							

/Macau									
Singapore	Amount of money	67.03	17.42	9.12	10.63	5.93	31.37	141.50	
	Percentage	47.37%	12.31%	6.45%	7.51%	4.19%	22.17%	100.00%	
Korea	Amount of money	72.65	21.61	17.36	10.92	6.67	25.68	154.89	
	Percentage	46.90%	13.95%	11.21%	7.05%	4.31%	16.58%	100.00%	
Malaysia	Amount of money	49.75	15.43	8.34	8.71	6.20	31.06	119.49	
	Percentage	41.64%	12.91%	6.98%	7.29%	5.19%	25.99%	100.00%	
Europe	Amount of money	70.98	14.62	8.58	7.31	7.53	16.53	125.55	
	Percentage	56.53%	11.64%	6.83%	5.83%	6.00%	13.17%	100.00%	
Australia New Zealand	Amount of money	58.56	11.51	7.16	6.78	4.02	16.40	104.43	
	Percentage	56.08%	11.02%	6.85%	6.49%	3.85%	15.71%	100.00%	

C. 67% of the inbound visitors who had used vat refund service thought the procedure were convenient.

The proportion of the inbound visitors who had used the service was 5.92%. 67.23% of them thought the procedure were convenient.

More than 10.39% of pleasure purpose and Japanese visitors applied for vat refund. Less than 4% of the inbound visitors from other markets applied for vat refund. 67.62% of the inbound visitors with pleasure purpose thought vat refund service were convenient. And 68.21% of the inbound visitors from Japan thought the procedure was convenient.

Table 13. 2004: Willingness to purchase (shopping) from the inbound visitors using the vat refund procedures—according to main purpose

Unit : %

Response	Yes	No	Don't know	No response
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Main Purpose				
All Purposes	5.92	93.78	0.30	5.92
Pleasure	10.39	89.41	0.20	10.39
Business	3.38	96.22	0.40	3.38
Int'l conference or exhibition	0.62	99.38	-	0.62

D. Over 50% of the inbound visitors got the tourist pass with pleasure/international conferences or exhibitions purposes considered that tourist pass had significant influences on their will to visit Taiwan

The inbound visitors held the tourist pass (36.86%), among them had used it (49.53%). Another 47.04% of the inbound visitors believe that holding the tourist pass had influence on their will to visit Taiwan. According to the analysis of different purpose, the inbound visitors considered that the tourist pass had the greatest impact with international conferences or exhibitions purposes (66.67%), and lesser impact with pleasure purposes (52.20%)

Table 14. 2004: After the inbound visitors got the tourist pass/the influence of travel will to Taiwan

Unit : %

Tourist passports' influence	Pleasure	Business	Int'l conference or an exhibition	Visiting friends or relatives	Others
Yes	52.20%	34.57%	66.67%	44.83%	54.55%
No	47.80%	65.43%	33.33%	55.17%	45.45%

E. The inbound visitors with pleasure purpose had been to China, Thailand and Hong Kong /(Macao) for the past 3 years.

The countries of Asia that the inbound visitors with pleasure purpose had been to for the past 3 years were (in orders): China (42 persons per hundred), Thailand (37 persons per hundred), Hong Kong/Macao (34 persons per hundred) and Taiwan (30 persons per hundred).

F. The “Cuisine”, “Friendliness of people” and “Prices of goods” of Taiwan were the most competitive advantage.

Besides Taiwan, the favorite countries for the inbound visitors with pleasure purpose for the past 3 years were Thailand (18.25%), China (13.79%) and Hong Kong/Macao (13.39%). The major

market on researching, the favorite country was Hong Kong/Macao for Japan, the favorite country was Singapore for Malaysia, the favorite country was Japan for Hong Kong/Macao and Korea, the favorite country was Thailand for USA, Singapore, Europe and Australia New Zealand. Compared with other countries of Asia, the inbound visitors thought that the superior items for Taiwan were (in orders): Cuisine (37 persons per hundred), Friendliness of people (37 persons per hundred) and prices of goods (25 persons per hundred).

V ANALYSIS OF BASIC INFORMATION OF THE INBOUND VISITORS

A. The occupation of the inbound visitors was mainly clerks.

25.54% of the inbound visitors were clerks. 21.29% of them were professionals and 20.42% of them were legislators, administrators, business executives and managers.

B. The education level of most inbound visitors was college level or higher and their annual income was between US\$ 40,000 and US\$ 70,000

The highest category of education on the survey for the inbound visitors was “College, University of Graduate School”. Most inbound visitors (77.07%) were in this category. The average annual income of the inbound visitors was US\$ 47,124. Those inbound visitors whose annual income was between US\$ 40,000 and US\$70,000 were most numerous and made up 20.53% of those inbound visitors.

C. The inbound visitors mainly chose “Int’l tourist hotels” and “General hotels” for accommodation. 72% of the inbound visitors’ overall satisfaction of accommodation inclined to the level of “ Good ”.

The major choice of accommodation for the inbound visitors in Taiwan was “hotel” (82 persons per hundred). The locations of hotel were “Int’l tourist hotels” (50 persons per hundred) and “General hotels” (44 persons per hundred). The locations of the accommodations focused around Taipei (74 persons per hundred) and also to an extent, around Koahsiung (12 persons per hundred). The major options of accommodation rates per night were from US\$ 45- US\$90 for 36.50% of the visitors and from US\$ 90- US\$135 for 27.02% of the visitors.

Table 15. Preference of Hotels—according to major country of residence

Main Market	Preference of Type of Hotel	Rate (per night)
Japan	Int’l tourist hotels	US\$ 45- US\$90
U.S.A	Int’l tourist hotels	US\$ 90- US\$135
Hong Kong/Macau	Int’l tourist hotels	US\$ 45- US\$90
Singapore	General hotels	US\$ 45- US\$90
Korea	General hotels	US\$ 45- US\$90

Malaysia	General hotels	US\$ 45- US\$90
Europe	Int'l tourist hotels	US\$ 90- US\$135
Australia Zealand	New Int'l tourist hotels	US\$ 90- US\$135

D. 82% of the inbound visitors were satisfied with their overall impressions of travel agencies and the services of the tour guides

The inbound visitors were inclined to be satisfied with travel agencies and the services of the tour guides, whose ranking of satisfaction from high to low was: “Services of the tour guides”, “Professionalism of the tour guides”, “Arrangement of transportation”, “Arrangement of the visit”, “Arrangement of accommodations” and “Arrangement of meals”