



KUJALLEQ REGION TOURISM REPORT

Q 3 – Q 4 2015

VISIT GREENLAND

INTRO

This is the first region specific quarterly report on tourism statistics from Visit Greenland. The first quarterly report (Q2-15 can be found on tourismstat.gl/analyser) only dealt with tourism in a national perspective, as no complete sets of data on the important high season (Q3: July, August, September) were available at the time. Henceforth VG will be publishing quarterly summaries of tourism data including findings and analysis on the high season.

Method

We are primarily using data from Statistics Greenland (stat.gl), but we will be referencing tourism data from Iceland as well as other relevant countries and regions either through national statistics bureaus or international organizations such as unwto.org. All diagrams and data sets are available to all, and this report can be downloaded as a power point presentation with diagrams and text for free use. Feel free to email market research consultant Mads Lumholt (lumholt@greenland.com) to request specific data, estimates or diagrams should the need arise.

It should be noted that in regards to flight passenger statistics Statistics Greenland (stat.gl), VG and the Department of Business (Erhvervsdepartementet) have joined forces and began the registration of country of residence July 1st 2014, which is the reason why this report only shows growth calculations on the basis of a comparison between Q3-14 and Q3-15, as it is the first period to be compared historically. In time the data history will allow us to apply more long-term and in depth perspectives.

Registration of country of residence

VG cooperates with Statistics Greenland in order to standardize the registration of country of residence concerning data on flights, cruises and overnight accommodation. Up until now the selection of countries that we have been able to register has not coincided, but in regards to 2016 it appears that we will be able to extract data on the three areas in the following 26 countries:

The Nordic Region: Greenland, Iceland, Denmark (incl. Faroe Islands), Sweden, Norway. *Europe:* England, Germany, France, Switzerland, Austria, Holland, Spain, Italy, Russia, Poland and 'Other European countries'. *Asia:* China, Japan, South Korea, Taiwan, Hong Kong, Malaysia, Indonesia, Singapore and 'Other Asian countries'. In addition: USA, Canada, Australia and 'Others'.

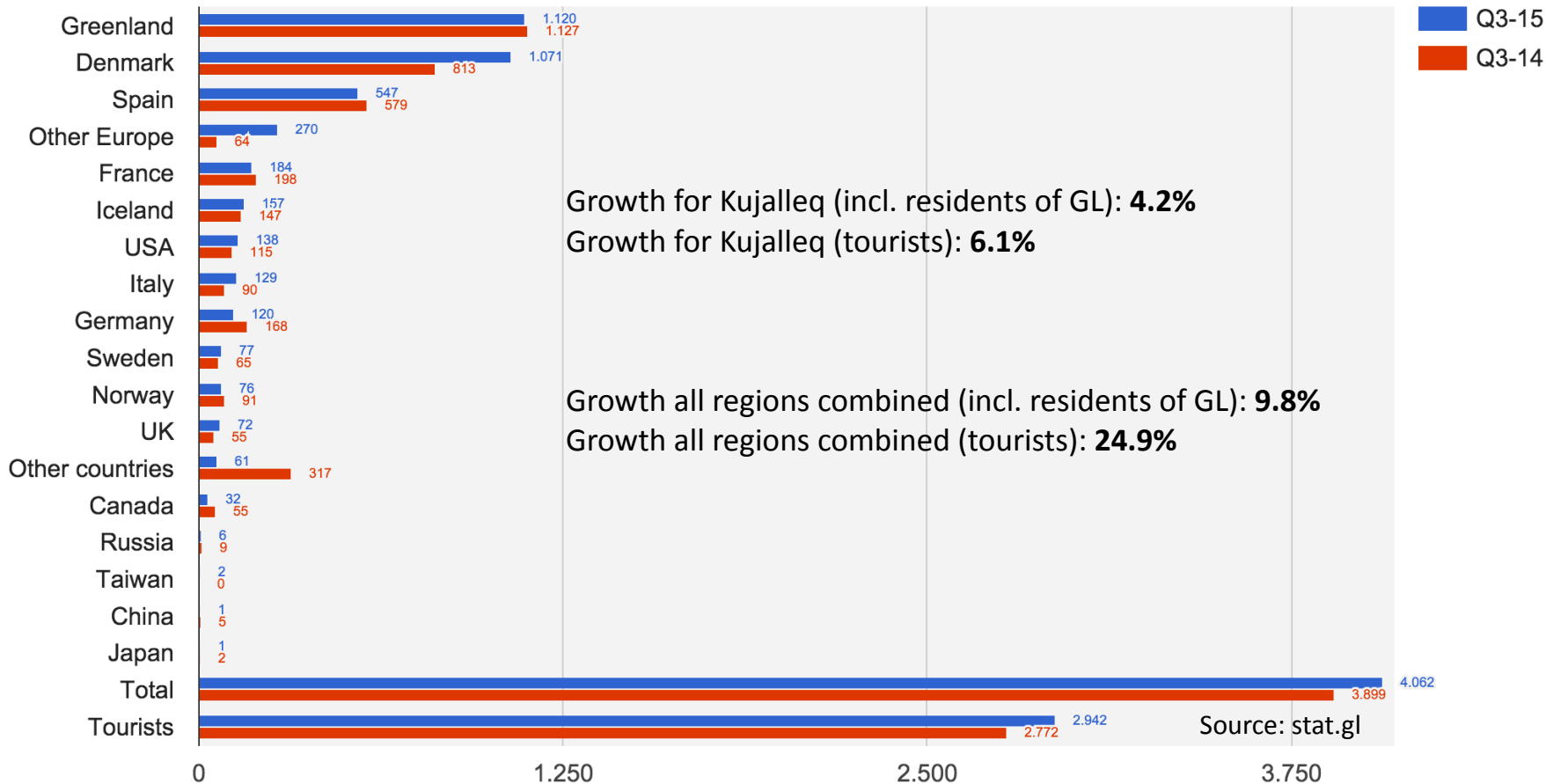
Cooperation with Air Greenland

It is a great advantage to VG that has a cooperation agreement with Air Greenland on a number of areas, including market research. This spring we have collectively ordered two thorough market surveys on Great Britain and the USA (with 4,000 respondents) through nit-kiel.de. VG has also requested that NATA finances a similar survey on Germany in Q1-16, and this has been granted. We look forward to seeing the results of the large surveys and to share the valuable knowledge with the industry.

FLIGHT PASSENGERS STATISTICS

It is positive to see a tourist growth of **6.1%**. It correlates with the overall global growth in tourism these years, which is **3.7%** in Europe (the continent with the lowest growth) and **6.7%** for Asia-Pacific which leads the global growth (source: [Statista.com](https://www.statista.com)). The segment *Other European Countries* has by far experienced the largest growth of an impressive **323%**. Italy has had the second highest growth of **43%**, and Denmark takes third place with **31.6%**. In the other end of the scale we find Spain, France, Germany, Norway, Other, Russia, China and Japan all displaying negative growth.

Number of International Flight Passengers out of Narsarsuaq Q3-15 vs Q3-14



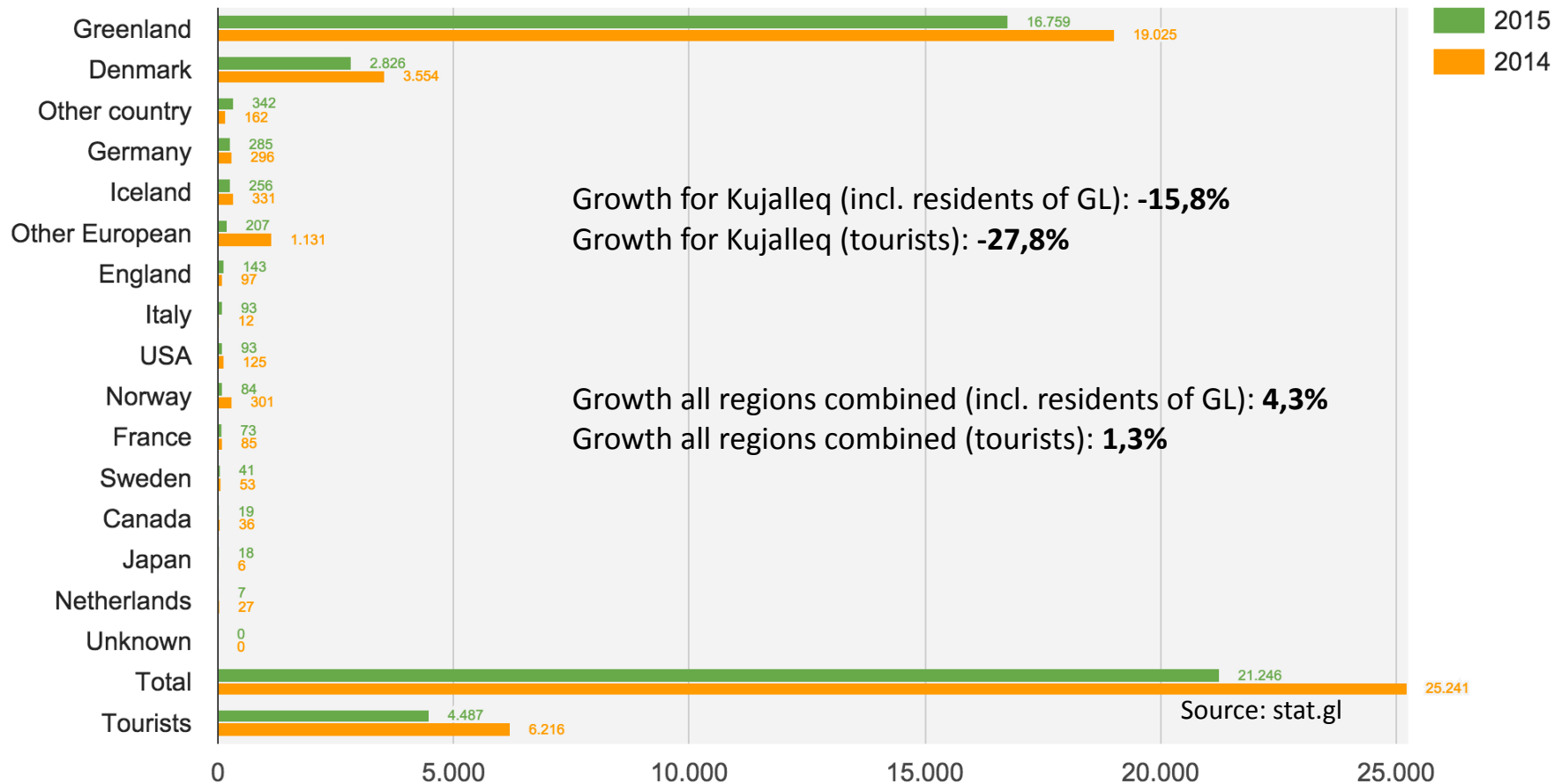
What is remarkable about the flight passenger numbers is the large growth in the segment *Other European Countries*. Until now only countries in the chart have been registered, so we are unable to determine which countries are behind the growth. After asking tourist operators about what countries from which they experience an increased inflow, from 01/01/16 and onward VG has increased the number of countries of residence registered from 16 to 26 adding the following countries: Switzerland, Austria, Holland, Poland, Hong Kong, Singapore, Malaysia, Indonesia, South Korea and Australia.

More countries cannot be added as it is a requirement of Mittarfegarfiit that the registration can be completed with just one click on the iPads used for the registration in airport security.

KUJALLEOVERNIGHT STAY STATISTICS

As we have complete data on all quarters from 2014 and 2015 we can compare the periods (flight statistics are only available from Q3-14 and onward). The vast negative growth in the number of tourist overnight stays of **-24.9%** can be due to more tourists choosing types of accommodation that is not submitting records to Statistics Greenland (stat.gl), or they simply camp in the outdoors. It is however in contrast to the **6.1%** growth in international flight passenger in Q3-15, one is tempted to believe that these data are incomplete. Even if we only look at Q3-15 vs Q3-14 growth is still **-20.6%** in the number of tourist overnight stays. There have only been two minor 33-pax cruise replacements in Narsarsuaq, so that is not the reason.

Number of overnight stays in Kujalleq region 2015 vs 2014



It is difficult to draw any conclusions on the basis of these data on overnight stays other there being a negative tendency. VG recommends that everyone submits records on overnight stays to Statistics Greenland (stat.gl).

A large international survey (goo.gl/BSiHJy) shows that the two key factors when tourists choose accommodation are price and ratings on review sites such as TripAdvisor.

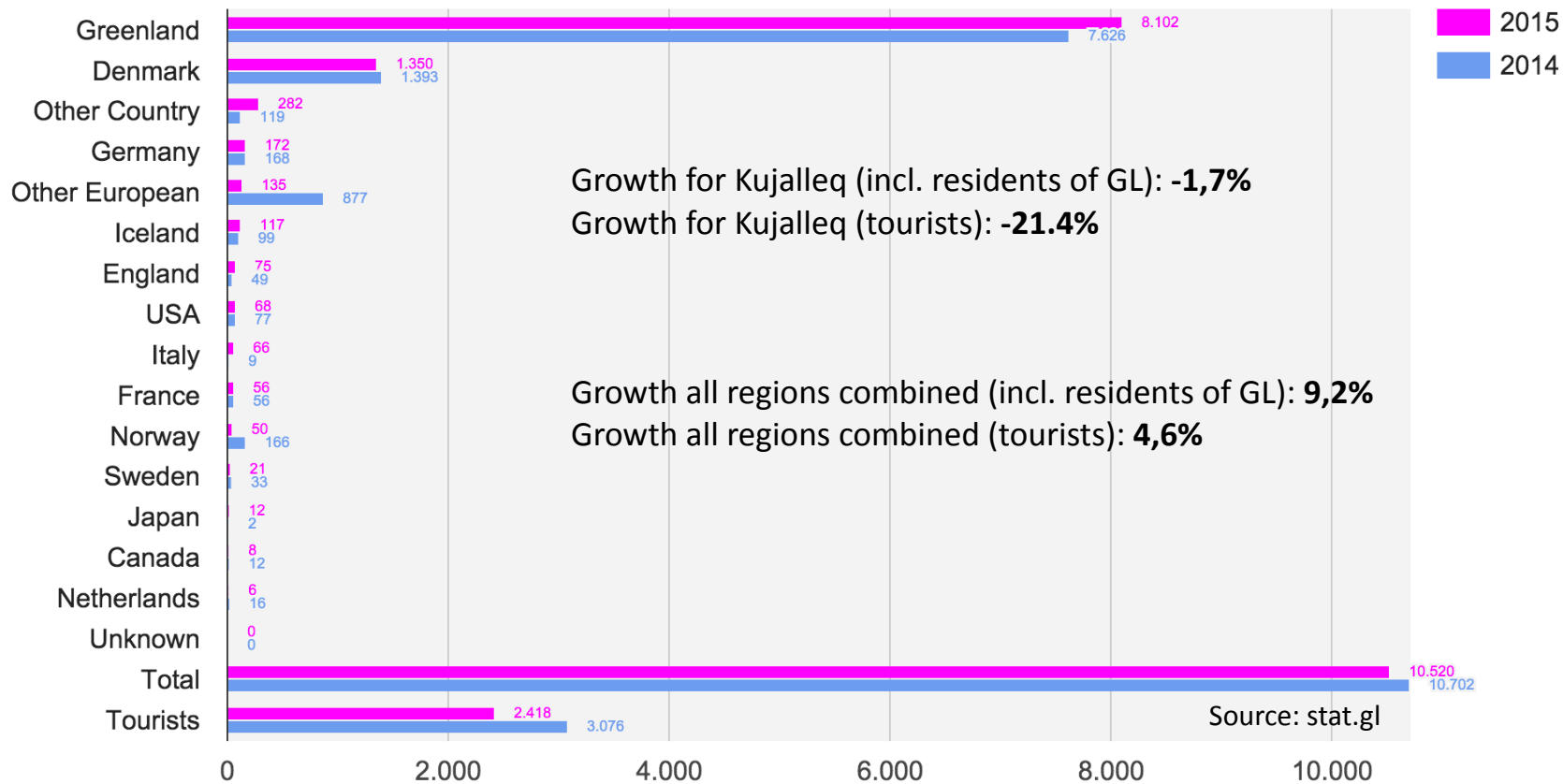
An increased presence on TripAdvisor and other review sites is recommended (if your ratings are good that is) as well as international booking sites such as booking.com, hotels.com or expedia.com to improve visibility.

OVERNIGHT STAY STATISTICS



Focusing on *the number of guests* in the accommodations it looks a bit more positive, especially if we count the residents of Greenland in. But the **21.4%** negative growth in the tourist segment is a rather negative indicator. An explanation of the growth difference in the *number of overnight stays* and the *number of guests* is that each guest on average has had fewer overnight stays than the previous year. This tendency can be observed in the other regions as well.

Number of guests in Kujalleq region 2015 vs 2014



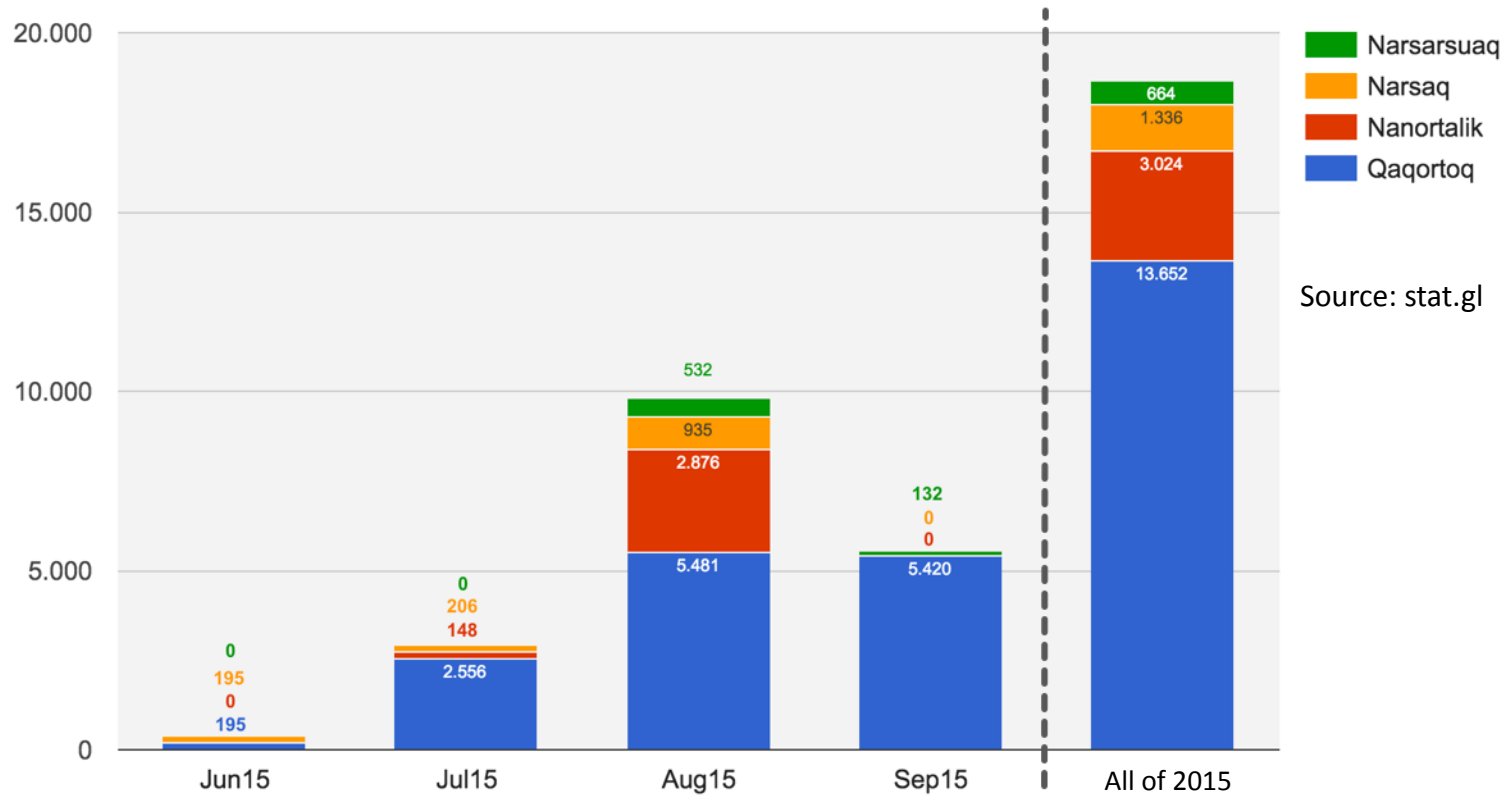
Should the overnight data in fact turn out to be incomplete (as the difference between them and the flight pax numbers show completely different tendencies), one can hope that it is not as bleak as it looks. If on the other hand the data is correct, we have a surprising and very significant tendency: tourists opt out of the accommodations that submit records.

Data on 2016 will show if this tendency is real. If this development continues the accommodations could consider adjusting the parameters available to them: Price, quality, service, meals, marketing etc.

CRUISE STATISTICS



Kujalleq - Antal krydstogsgæster i 2015



Source: stat.gl

As the cruise tax has been changed from January 2015 from being a fee per cruise guest to being a tax per port call and gross tonnage, we cannot compare 2015 with 2014 as the old 'pax tax' has not been linked to a specific port or region. In general we have seen a growth in cruises of **10.8%** from 2014 to 2015.

The new tax shows the number of arrivals per port, the number of passengers as well as the nationality (up to 20 different) of the guests.

So far the numbers on nationality for all regions in Greenland combined are available.

These are the top 10 countries:

Germany, USA, UK, Canada, France, Denmark, Switzerland, Australia, Austria and China.

In 2015 GP Wild did a survey for VG in Qaqortoq, Ilulissat and Ittoqqortoormiit with 1,649 cruise passengers and 279 crewmembers participating:

- **89%** of the respondents felt very satisfied with their visit in Greenland
- **61%** even felt that the visit exceeded their expectations
- **The friendliness of staff, the friendliness of locals and guided tour** were the things that got the highest scores (between 4.3 and 4.1 out of 5)
- **98%** of the cruise guests went ashore and for **92%** of the guests it was their first visit to Greenland
- **76%** of the guests were at least 65 years old and the average guest had a household income of 600,000 dk. kr.
- **Top 4 nationalities:** USA 48%, UK 21%, Germany 12% and Australia 6%

SUMMARY

Kujalleq in a Greenlandic Perspective

The 2015 data gives an incoherent picture of the tourism in Kujalleq. While the growth in the number of tourists by airplane is positive, what really generates revenue is the sale of accommodation products, and unfortunately, in that area only displays negative indicators. The good national 2015 result is driven by really good growth figures for Qaasuitsup and Qeqqata as well as decent growth in Sermersooq West. Sermersooq East is practically experiencing status quo on the number of tourists arriving to the region by a direct plane via Iceland, but even here we see some fairly negative indicators in accommodations.

Air Greenland Increase Air Services

In June Air Greenland will increase air services on the CPH-Narsarsuaq route. This is good news for the region and hopefully it will increase growth in the number of foreign passengers even further in Q3-16. Kujalleq has had more tourists previously, and hopefully the Icelandic and global growth in tourism will give the region a much needed boost. Because the area of accommodation will benefit from the overall growth tendency, it is advisable to take measures to improve visibility and 'bookability' of the accommodations of the region (as mentioned on page 3), simply take measures to increase competitiveness.

Leif Erikson and Eric the Red

Over the years the keywords 'Leif Erikson' and 'Eric the Red' have been among the Google keywords attracting most users to greenland.com via searches. It shows a strong interest in the history of the vikings and Norsemen in Greenland. In theory this can be schoolchildren in English speaking countries researching a paper, however it is not the full explanation. The culture and history of the Norsemen can, along with the special Greenlandic farming, help provide Kujalleq a sharp profile and brand and lead to new unique and attractive tourist products.

Tendencies in the Market

Denmark is still the main market for Kujalleq and exhibits a nice growth of 31.6%. Even though there has been a minor decrease in the number of flight passengers from Spain and France they are still the second most important markets for Kujalleq. But it is clear that these two markets cannot be seen in the statistics on overnight stays. We know many of them choose smaller hostels, camps and treks instead. The question is what will make the Spanish and French tourists choose some of the more expensive accommodation options.

Even though they do not take up a lot of room in the flight statistics USA, Italy, Sweden and Great Britain show progress. It is worth glancing at the development in Iceland, as Iceland experiences a large representation and growth stemming from Great Britain, USA and Germany in particular. Air Iceland has the opportunity to feed in directly from Keflavik during high season, so we can only encourage you to expand initiatives in order to attract these markets to Kujalleq in the coming years.



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