



QEQQATA 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

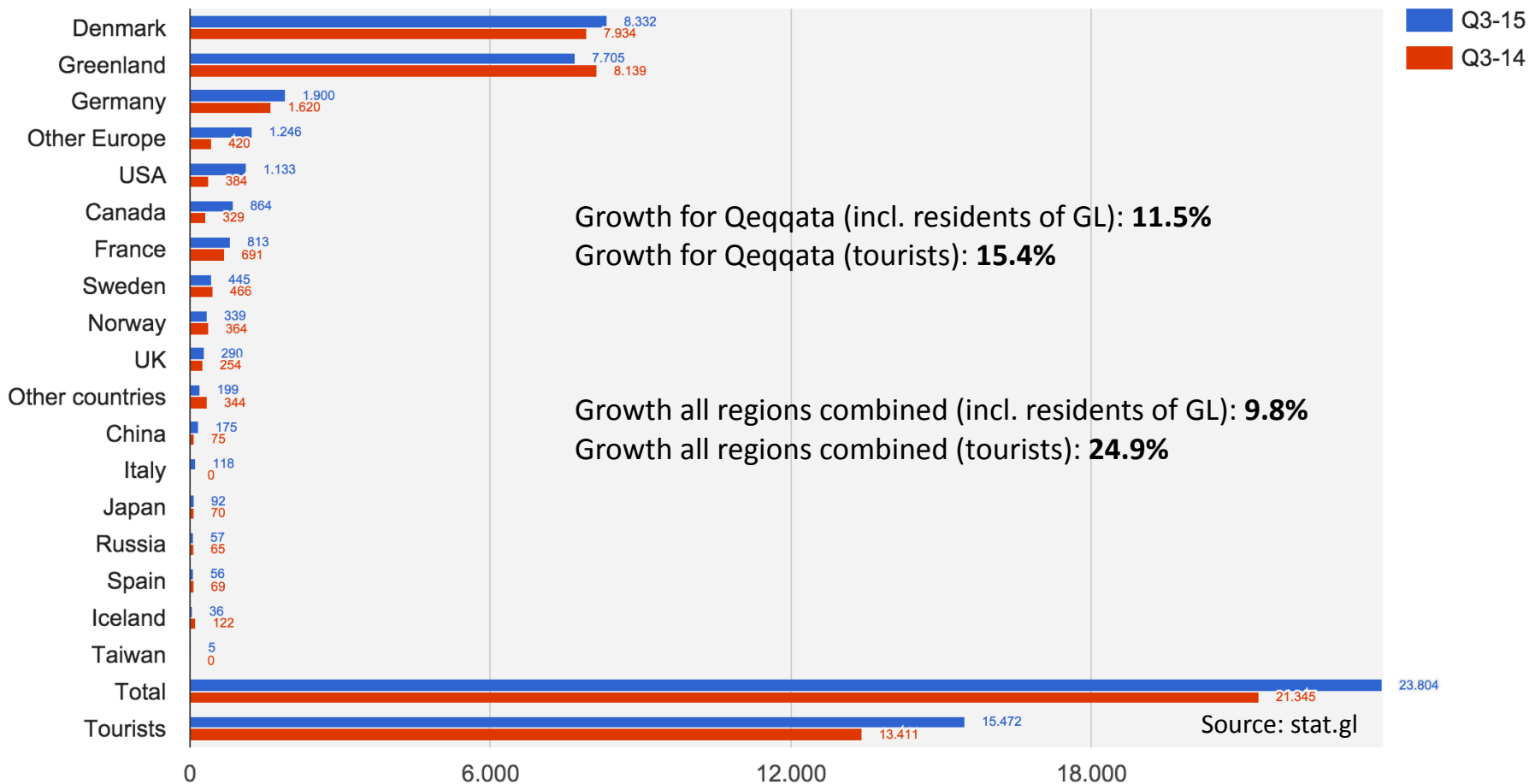
It is a great advantage to VG that has a cooperation agreement with Air Greenland on a number of areas, including market research. This spring we have collectively ordered two thorough market surveys on Great Britain and the USA (with 4,000 respondents) through nit-kiel.de. VG has also requested that 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 PASSENGER STATISTICS



Most tourists still come to Greenland via Kangerlussuaq (SFJ), so the good national growth figures for tourism has had a positive effect on the Qeqqata flight statistics. As of yet we cannot isolate data on tourists travelling out of SFJ, because they have purchased tours and accommodation products in the region, and those that are only heading back from a different region. But we will gain more insight by looking at the overnight stay statistics on the following pages.

Number of International Flight Passengers Out of Kangerlussuaq Q3-15 vs Q3-14



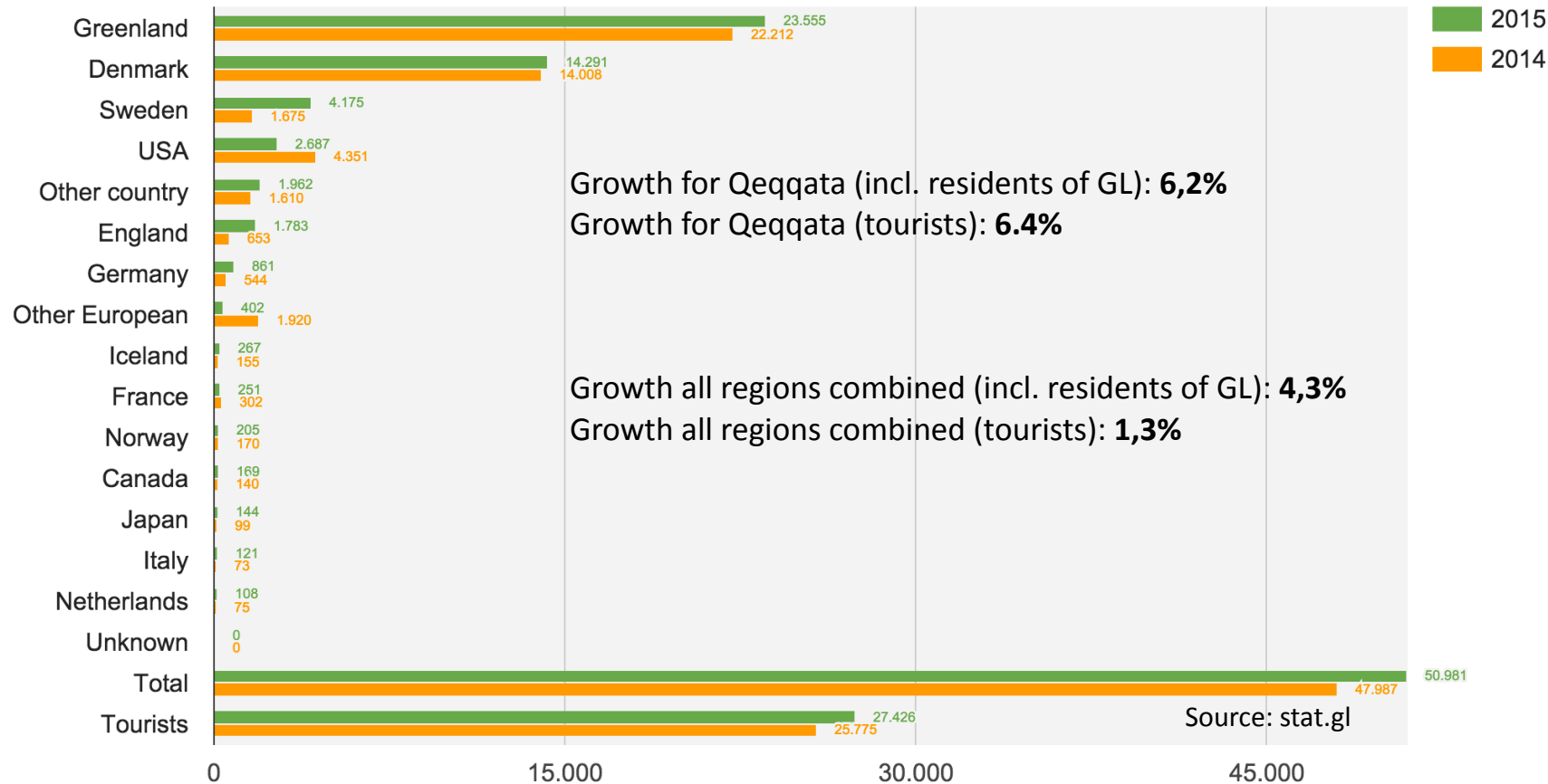
What is remarkable about the mix of flight passengers is the big **197%** increase in the number of passengers from 'Other European Countries'. Seeing as only 10 European countries of residence have been registered so far, our data does not tell us where the growth is stemming from. That is why VG has added the following countries to the registration of country of residence per 01/01/16: Switzerland, Austria, Holland and Poland. There is only room for 30 elements on the iPads used for the one-click-registration (demand from mit.gl). These countries have been selected by talking to the biggest hotels.

The following Asian countries have been added: Hong Kong, Singapore, Malaysia, Indonesia and South Korea. Australia has been added as well.

OVERNIGHT 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 difference in growth in relation to tourist overnight stays and number of tourists by plane is to be expected as Kangerlussuaq is a gateway to other regions in Greenland. Furthermore Kangerlussuaq is the change port to quite a few cruise passengers. The growth rate in the number of tourist overnight stays shows positive indicators. This means that Qeqqata has also gotten a share of the general growth in tourism. As a positive confirmation of this we have heard positive reports from several operators in the region especially in Kangerlussuaq.

Number of overnight stays in Qeqqata region 2015 vs 2014



In 2015 6.148 cruise passengers were 'changed' in Kangerlussuaq. This should be taken into consideration when we compare flight pax numbers with the overnight stay numbers. A share of the **15.4%** growth in the number of tourists by plane is to be contributed to cruises, but not more than the overall picture is still a positive one.

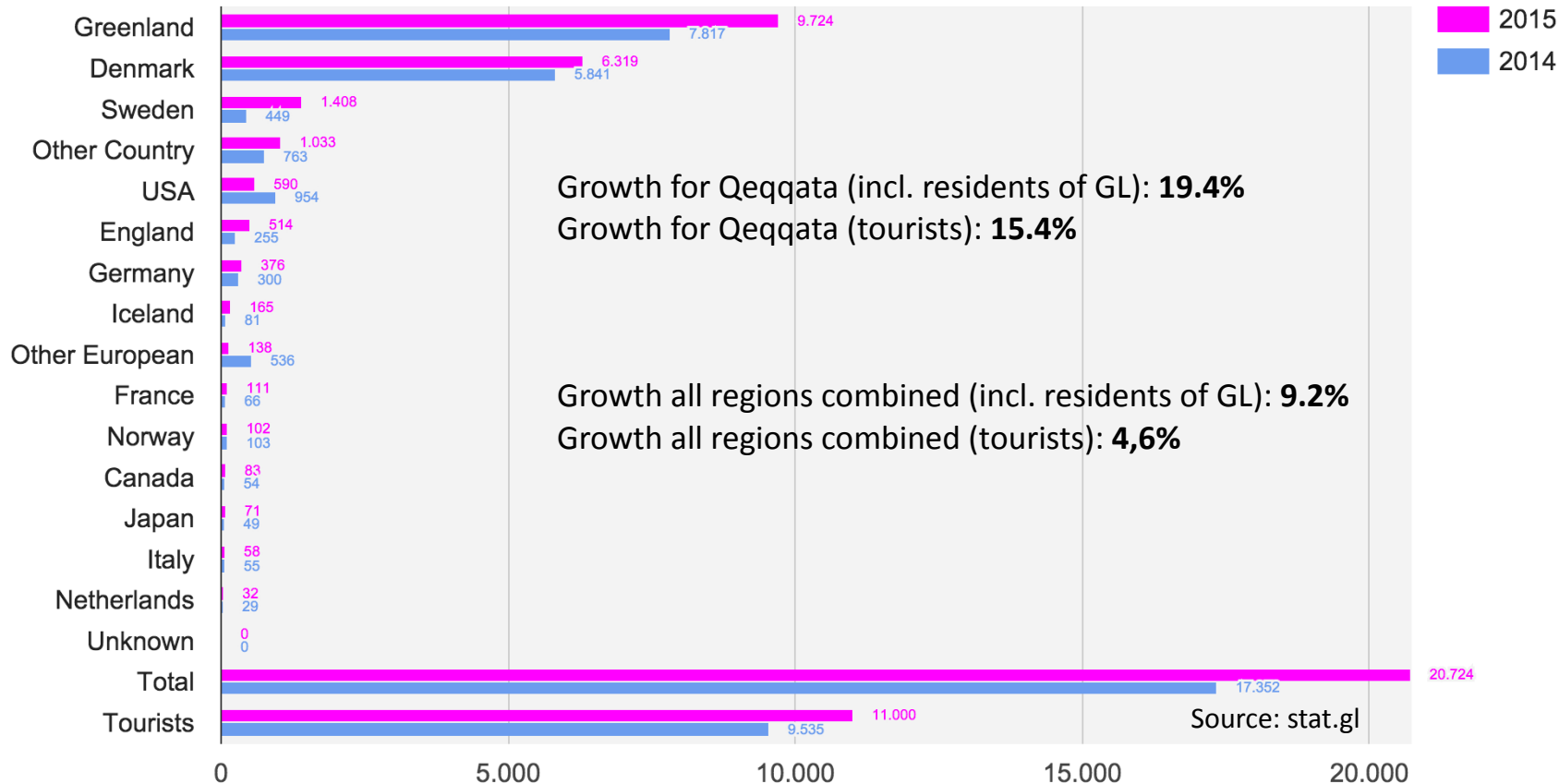
The growth in global tourism is **3.7%** in Europa (the continent with the lowest growth rate) and **6.7%** in the Asia-Pacific the leader of the global growth (kilde: Statista.com).

In comparison Iceland has seen a **21%** growth in the number of overnight stays and a **24%** growth in the number of guests (source: statische.is). But these years Iceland is experiencing unusually large tourism growth rates.

OVERNIGHT STAY STATISTICS

In 2015 it is an overall tendency in all the regions that the growth in *number of guests* is higher than the growth in *number of overnight stays*. Each guest has on average had fewer overnight stays than in the same period the previous year. The most accurate indicator of revenue in the accommodations is the *number of overnight stays*, but the pattern of fewer overnight stays per guest can be contributed to the fact that in general more short trips are being sold compared to the year before. In the later years before 2014 the *average number of overnight stays per guest* has hardly changed, so we will not know until next year whether it is a permanent development or if 2015 merely experienced a periodic fluctuation.

Number of guests in Qeqqata region 2015 vs 2014



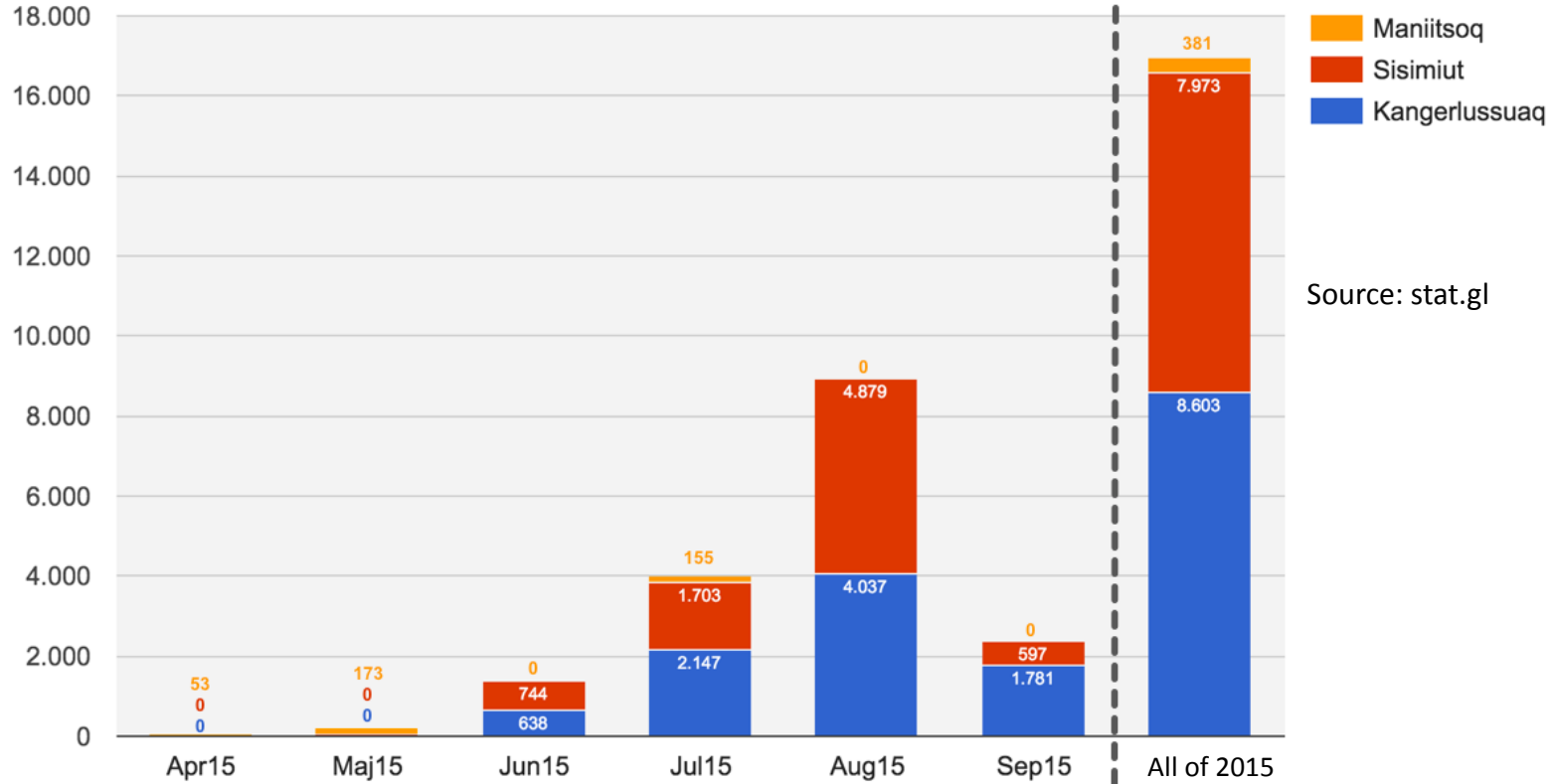
Regardless a **15.4%** increase in the number of guests is a very positive indicator that bodes well for the region. Especially as Air Iceland will open a new route from Keflavik to Kangerlussuaq in June, using a type of plane (Bombardier Dash-8 Q400) that can carry up to 78 passengers, double the capacity of the Dash-8 Q100 flights that otherwise operate in Greenland.

Qeqqata might face a challenge fitting in all the tourists coming from Keflavik during the high season. In that case an effort should be made to spread the guests across the region by creating good accommodation- and tour offers in the outer areas of the region.

CRUISE STATISTICS



Qeqqata - 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, 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 DKK.
- **Top 4 nationalities:** USA 48%, UK 21%, Germany 12% and Australia 6%

SUMMARY



Qeqqata in a Greenlandic Perspective

Along with Qaasuitsup, Qeqqata has done really well in 2015 and exhibits growth figures above the average growth in global tourism. The growth figures of Sermersooq West correlates with the growth in global tourism. Kujalleq experiences an increase in the number of tourists arriving by plane, but notes a rather big decline in the field of accommodation. In terms of tourists by plane it is status quo for Sermersooq East, but the region also see a large decline in the field of accommodation. Qaasuitsup and Qeqqata pull the overall national result up due to the volume of tourism in Ilulissat and Kangerlussuaq.

ATV Track and the Arctic Circle Trail

From a tourism point of view it is very positive with an ATV track between Kangerlussuaq and Sisimiut. It is worth noting that for the Arctic Circle Trail, which increasingly attracts international attention, has an *off-grid* value for trekkers that can be compromised if the ATV track follows the ACT too closely, especially because noise from ATV vehicles can diminish the experience of ACT being the unspoiled *wilderness*.

New KEF-SFJ Route

Air Iceland has chosen to open a new route between KEF and SFJ in June seems to be perfect timing in relation to the tendencies we spot in Iceland. Keflavik airport had **25.5%** more passengers in 2015. British, American and German tourists represent by far the largest share and part of the growth through Iceland, and data from static.is shows that is primarily tourists that are there to visit Iceland and not just stop overs. In other words there is good reason to be optimistic about the potential of this new route, especially as far as United Kingdom, USA and Germany are concerned. A 'positive problem' Qeqqata might face is accommodation capacity limitations in the 2016 high season making it all the more important to spread the international guests across the entire region.

Tendencies in the Market

One of the biggest market surveys on new trends can be read here: goo.gl/BSiHJy. Among others it highlights the following tendencies relevant for Qeqqata: *#1 Seeks new adventures #3 Chooses destinations based on culture and special offerings #6 Takes care of online reputation*. The report states that tourists are continually becoming more adventure oriented (trips including culture, nature and new experiences) and more and more often seek out destinations that are not mainstream, even more so as several of the biggest tourist destinations are reaching a saturation point during high season.

The importance of how products and accommodation options are being rated on review sites such as TripAdvisor increases. Creating a profile on e.g. TripAdvisor improves visibility and 'searchability'.



Produced by Mads Lumholt
Visit Greenland