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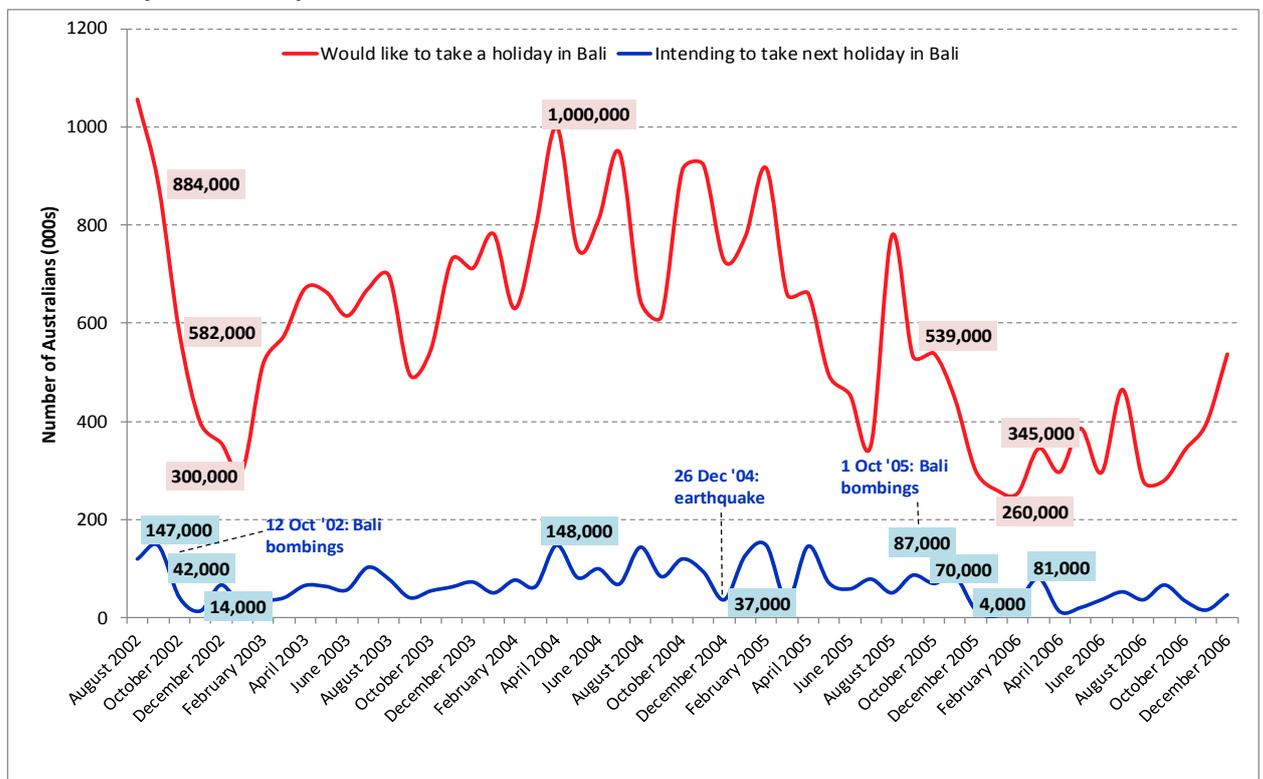
Has terrorism affected Australian tourism to Bali?

There's no doubt terrorism has changed the nature of international travel. Since the September 11 attacks in the US, airport security has tightened up so much it's hard to believe passengers were once allowed to pass through the security check with their shoes on and pocket knives in their hand luggage. But do terrorist incidents affect Australians' plans and/or desire to visit a destination? Using Bali as a case study, we delve into the latest Roy Morgan data to find out.

As we recently revealed, 8.1% of Australians who went overseas for their last holiday travelled to Indonesia, making it our fourth-most visited international holiday destination — with Bali, visited by 7.6% of Aussie holiday-goers last year, accounting for the lion's share of Indonesian holidays. But the island's popularity has ebbed and flowed over the years, and the 2002 and 2005 Bali bombings were responsible for some of these fluctuations.

In September 2002, 147,000 Australians 14+ were planning to take their next holiday in Bali (blue line). On 12 October 2002, the first of the Bali bombings occurred, and intention for the month plummeted to 42,000. By November 2002, the number of Aussies intending to take their next holiday in Bali had bottomed out at 14,000. It was not until April 2004 that intention returned to pre-bombing levels (148,000).

Bali holiday intention/preference



Source: Roy Morgan Holiday Tracker (Australia), August 2002-December 2006, average monthly sample n=2,011. Base: Australians 14+

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Similarly, destination preference (red line) for Bali plummeted in the aftermath of the 2002 attacks: from 884,000 Australians saying they'd like to holiday on the island in September 2002, down to 582,000 in October and 300,000 by January 2003. As with intention, it took until April 2004 for Aussies' interest in holidaying in Bali to return to pre-bombing levels (1 million).

The 2005 Bali bombings – which took place on 1 October -- did not have quite as dramatic an impact on Australians' holiday intentions. In September 2005, 87,000 people were intending to take their next holiday in Bali (markedly fewer than three years earlier, it must be said), which dropped to 70,000 in October before hitting rock bottom in January 2006 (4,000 people). By March 2006, intention had recovered (momentarily, at least), with 81,000 people confirming they were planning their next trip on the island. Preference for Bali as a destination followed a similar trajectory.

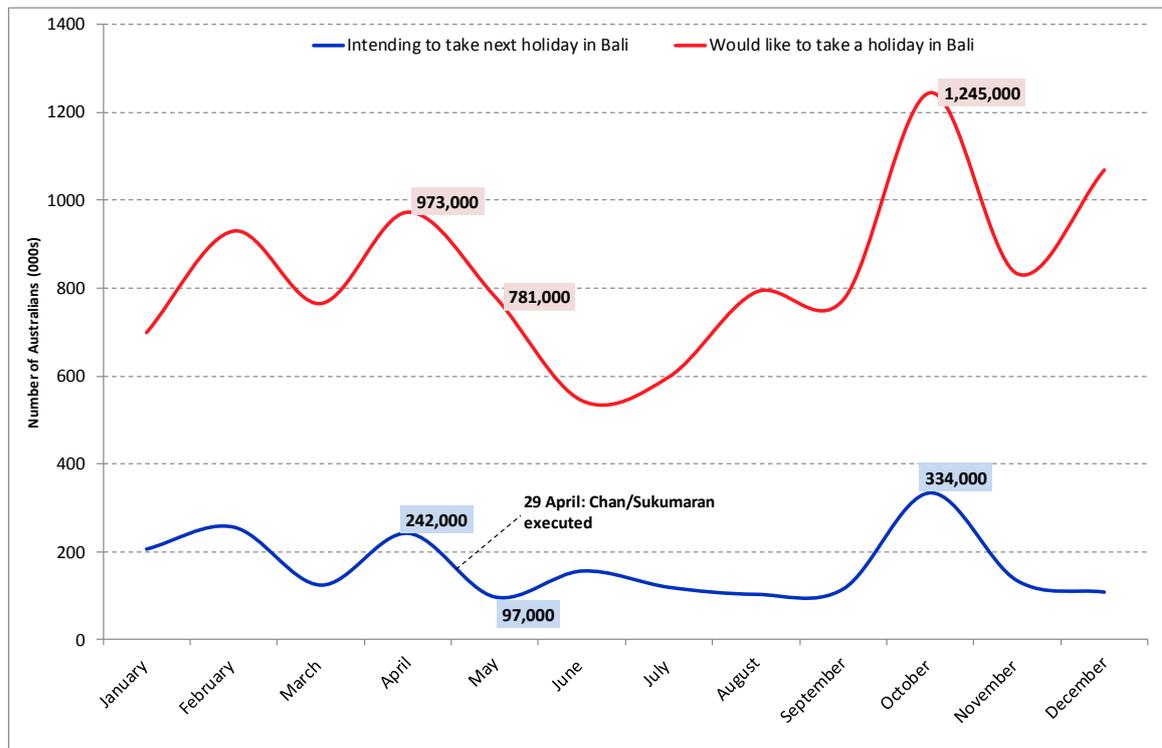
However, as the chart above shows, intention and interest for Bali also experienced several peaks and troughs at other times between 2002 and the end of 2006 as well. While Australians' enthusiasm for Bali as a holiday spot was certainly affected by both terrorist attacks, it appears that these weren't the only factors with the power to dampen intention and interest in the destination.

Between April 2004 and April 2005, for example, the number of people planning or expressing interest in a Bali holiday was up and down, possibly affected by events such as the Australian embassy bombing (September 2004) and the Boxing Day earthquake (December 2004).

2015: further fluctuations

Last year was similarly uneven, as the chart below reveals.

Bali holiday intention/preference 2015



Source: Roy Morgan Holiday Tracker (Australia), Jan-Dec 2015, n=15,367. Base: Australians 14+

Perhaps the event that seemed to most affect Australians' perception of Bali (and Indonesia generally) in 2015 was the execution of drug smugglers Andrew Chan and Myuran Sukumaran.

The pair was executed in late April 2015: and immediately afterwards, the number of Aussies planning a holiday in Bali fell from 242,000 to 97,000. Coincidence or consequence? By October 2015, Bali holiday intention hit its highest point for the year (334,000), so if May's slump was the result of the execution, then it didn't last long.

Angela Smith, Group Account Director, Roy Morgan Research, says:

"Close and easy to get to, relatively cheap, and bursting with natural and cultural attractions, Bali has long been one of Australians' most visited overseas holiday destinations. But its appeal has vacillated over the years, especially (but not always) around the time of terrorist incidents.

"It is interesting to see how much more dramatically holiday intention and destination preference declined in the wake of the 2002 Bali bombings than the 2005 bombings. It is unclear whether this is because a far greater number of Australians were killed in the first attacks, or simply because people are becoming more 'used to' the new travel climate in which the threat of terrorism is an unfortunate part of the mix.

"Curiously, when we examine Australians' holiday intentions in the wake of the September 11 attacks, the 2005 London bombings or last year's French attacks, there does not appear to have been such a noticeable impact. In fact, holiday intention and destination preference for France actually rose in the months following the Charlie Hebdo attack. We will need to wait a little longer to ascertain whether the November attacks have had an adverse effect, but so far, the prognosis is not too negative.

"Tourism operators, agencies, airlines and destination marketers serious about measuring how world events affect the attitudes, intentions and preferences of Australian holiday-goers stand to benefit from the detailed insights provided by Roy Morgan Research's Holiday Tracker data."

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2