

Hong Kong

Market Summary

The Hong Kong outbound market is showing signs of recovery. The longer summer vacation, aggressive sales promotions and value add offers helped drive the 2.8 per cent year on year increase in bookings during August (which is still a traditional high travel season for Hong Kong). Furthermore, 'personal travel' was identified among the top three most resilient purchasing priorities for consumer in Hong Kong.

1. Market News

- Despite negative media coverage about the bi-lateral relationship between Australia and China, the HKD 3 billion natural gas business deal was widely covered by media as it is the biggest deal between two countries. This news may improve the travel intention for Chinese tourist to Australia. *Source: wenweipo.com, 27 August 2009*
- In second quarter 2009, the HKSAR stimulus effort continued. New measures included cash handouts and a property rate waiver, which aimed to lift consumer spending. *Source: IMA Asia, September 2009.*
- Unemployment figures which were released in August revealed that unemployment remained at 5.4 per cent between May and July. *Source: The Standard, 18 August 2009*
- The East Asian Games promotion was launched with a 100-day countdown event. The Games will be held from 5 to 13 December.

2. Consumer Insights

- According to the recent Mastercard Consumer Purchasing Priorities study:
 - the top three reasons for saving are Retirement, Personal Travel and Investment
 - 58 per cent will maintain the same level of discretionary spending in the next six months and 32 per cent will increase their discretionary spending
 - The top discretionary spending priorities are dining and entertainment, fashion and accessories, and personal travel.

- Although 'personal travel' is among top three most resilient purchasing priorities for consumer in Hong Kong, it has declined as a priority compared to six months ago. *Source: The MasterCard Indexes and Insights report, 3 July 2009*
- The Nielsen Global Consumer Confidence Report revealed that Consumer Confidence in Hong Kong during the first half of 2009 was down 18 per cent relative to the previous six months. Consumer confidence is currently at 70, lower than the global average of 77. The Nielsen Report also revealed that 33 per cent of consumers in Hong Kong cited job security as their biggest concern. *Source: The Nielsen Global Consumer Confidence Report, 1st Half 2009*
- For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Five major retail agents (Wing On, Hong Thai, Miramar Travel, EGL and Kuno Travel) actively promoted special family packages to Australia, with children receiving almost a 50 per cent discount. Each of the agents recorded double digit growth in bookings compared to same period last year.
- To motivate senior citizens to travel to Australia from September - mid December, Qantas Airways and their key travel partners provided a HK\$1,000 discount on specific tour packages.
- Mono-city group packages were advertised by specific agents in market. A five-day Sydney package with Virgin Atlantic was priced at HKD 5,999. A five-day Gold Coast package with China Airlines was priced at HKD6,399, with an early bird promotion of HKD4,899.
- Swire Group has new management team effective August 2009:
 - Ms Chitty Cheung was appointed as General Manager of Sales (Hong Kong and Southern China), Cathay Pacific Airways Hong Kong
 - Ms Katherine Lo was appointed as Passenger Sales Manager (Hong Kong), Cathay Pacific Airways Hong Kong
 - Mr James Tong was appointed as CEO for Dragon Airlines
 - Mr Vincent Li was appointed as Managing Director for Cathay Pacific Holidays.
- As at August 2009 there were 501 Aussie Specialist agents from 45 agencies, of which 42 per cent were fully qualified.

4. Airline News

- From 1 September to 17 November, Cathay Pacific Airways reduced its Brisbane service from 10-times weekly to daily.
- Air Asia conducted aggressive marketing in Hong Kong from 12 to 16 August. A special one-way fare from Hong Kong to Perth, Melbourne or Gold Coast (via Kuala Lumpur) was promoted for HKD 644.

- Traffic at the Hong Kong International Airport increased by 2.8 per cent in August to 4.3 million.
- Virgin Atlantic changed their checked-in baggage policy and moving to a 'Piece Policy' for the whole of the network for tickets booked and travelled from 23 September 2009 onwards.

5. Competitor News

- In view of the recent typhoon disaster in Taiwan, the Taiwan Tourism Board has rolled out a special package to attract Hong Kong travellers to visit southern Taiwan after the National day holiday to boost local tourism. *Source: Headline News, 16 September 2009.*
- European carriers are offering special airfares for departures during September, with eight-day packages to East Europe starting from HKD4,999.
- Price competition amongst long haul markets is intensifying:
 - European packages down 31 per cent to HKD 5,499
 - Egyptian packages down 23 per cent to HKD 7,499
 - American packages down 14% to HKD 5,399
 - Australian packages start from HKD 8,999
- Meetings and Exhibitions Hong Kong (MEHK) launched the second phase of their '*Business Right Here*' campaign. The campaign supported the exhibition industry by building a consistent brand across the Incentive sector in Hong Kong. During this phase, MEHK will promote using value-add offers from new partners including five transportation companies, 35 dining outlets and 330 merchants. A dedicated immigration processing unit was also established specifically for participants attending large trade events.

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
12 August 2009	On-going	<i>Wing On Theme Store promotion</i>	GIT segment	Wing On Travel
19 August 2009	30 August 2009	<i>International Media Hosting Program (IMHP):</i> Journalists from print media to travel to Northern Territory and Queensland	Media – experience seekers	Wing On Travel
17 September 2009	On-going	<i>New Product Development Program</i>	GIT segment	TWA, Coral Coast Region, Well Travel, Qantas Airways
28 September 2009	13 October 2009	<i>IMHP:</i> Celebrity Karen Mok travelled to Queensland and Northern Territory for Now TV to cover the Australia's natural wonders	Media – experience seekers	TQ, TNT, Qantas

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
2 October 2009	16 October 2009	<i>Dreamtime 2009</i> : Five Hong Kong buyers attending	Corporate and incentive travel agent	
5 October 2009	30 October 2009	<i>GIT Advertorial campaign</i>	GIT and experience seekers	
October 2009	December 2009	<i>Self Drive Product Launch</i> : In conjunction with Miramar Travel	GIT segment	Miramar Travel, TQ, TVIC, SATC, TTAS
October 2009	March 2010	<i>FIT</i> : Hong Kong FIT and Short-Break Online campaign	FIT and experience seekers	TNSW, TVIC, TWA, TQ, ACT, TNT, TQ
22 October 2009	31 October 2009	<i>IMHP</i> : Journalists from Travel In Style HK and Taiwan travel to New South Wales and Victoria	Media – experience seekers	TNSW, TVIC, Qantas
End October 2009	End December 2009	<i>Business Events</i> : direct mail motivation campaign	Corporate	Farrington AMEX, Travelux, Towa, Reliance, Westminster Travel
November 2009		<i>GIT campaign</i> : Cooperative campaign with Qantas		Qantas, Wing On Travel, Hong Thai Travel, Mirama Travel, EGL travel, Kuoni Travel
November 2009	December 2009	<i>Trade Development</i> : ASP Tour Guide Training and competition to find the best ASP Tour Guide.	GIT segment	Hong Thai, Wing On, EGL Miramar Travel, Kunoit Travel
November 2009		<i>Tiered Partnership Program</i> : Recruitment process to begin	FIT segment	
8 November 2009	9 November 2009	<i>Greater China Travel Mission 2009</i> : Buyer recruitment commences	GIT and FIT trade	