

Singapore

Market Summary

Pent up demand as a result of the Global Financial Crisis and the H1N1 influenza pandemic was expected to result in a resurgence of bookings in the peak August/September booking period. Whilst consumer attendance figures at individual travel agency fairs and the annual National Association of Travel Agents Singapore (NATAS) holiday fair were down slightly, the number and value of bookings as reported by agents and NATAS exceeded targets.

The strong actualisation of this demand is being driven by heavily discounted airfares, accommodation and packages in the market, as all destinations strive to attract visitors in the challenging global climate.

1. Market News

- In the latest forecasts regarding the expected performance of the Singapore economy, the Ministry of Trade and Industry (MTI) has maintained its forecast for GDP in 2009 to contract by -6.0 per cent to -4.0 per cent. *Source: MTI Press Release, 11 August 2009*
- Exchange rate AUD1.00 = SGD 1.235 as at 25 Sep 09.

2. Consumer Insights

- The MasterCard Worldwide Index of Consumer Confidence for the first half of 2009 recorded the second lowest rating level since the inception of the index in 1993 for Singapore. The Index Score of 31.2 (out of a maximum of 100) is less than half of the Market Historical Average for Singapore and significantly down from the 87.3 achieved in the first half of 2008. *Source: www.masterintelligence.com, 31 August 09*

For the latest in visitor arrivals, please visit 'Research and Statistics' at www.tourism.australia.com

3. Trade Update

- Following a decline in demand for outbound travel in May to July, pent up demand appears to have driven resurgence in bookings, evident from the performance of individual agents and the NATAS travel fairs in August. Whilst crowd numbers were down in comparison to 2008, reported sales figures

exceeded targets as consumers took advantage of heavily discounted promotions from all major destinations. *Source: TTG Daily News 11 August 2009*

- Although media coverage on the H1N1 influenza pandemic decreased significantly in August and September, there is still concern particularly from principals and teachers who organise overseas school excursions. Agents who target this sector are trying to reschedule previously cancelled trips but many schools are reluctant to confirm plans in lieu of official guidelines.
- Dynasty Travel soft launched its redeveloped website and is currently market testing a full site where instant confirmation is available on a range of products, including group tours. Another key feature is the incorporation of VOIP capability where consumers can contact sales staff instantly with enquiries whilst online.
- In addition to the ten Premier Aussie Specialist agents who receive leads from Tourism Australia funded campaigns, a wide range of travel agencies have taken advantage of offers put into market by Australian Inbound Tour Operators and products promoting the *Family Playtime* campaign in Singapore. Passenger sales reported by agents following the first three weeks of the ten week campaign have already exceeded the booking target for the total campaign.
- Major online agencies are reporting significant increases in bookings from Singaporeans in recent months, with the increases ranging from 10 per cent to 70 per cent a month in comparison to 2008. This is supported by travel search engine Wego.com who has seen greater than 50 per cent increase in flight searches so far this year. *Source: The Straits Times - "More clicked their way to holidays", Saturday 12 September 2009*
- At the end of August 2009 there were 380 Aussie Specialist agents from 52 agencies, of which 34 per cent were fully qualified

4. Airline News

- In support of the *Family Playground* campaign, Singapore Airlines launched an all inclusive SGD\$498 airfare to Perth and SGD\$698 to Adelaide, Brisbane, Melbourne and Sydney in mid-August. The airfare was specifically designed to target families so it offered a further 25 per cent reduction of the base fare (excluding taxes and surcharges) for children up to 12 years of age. The travel period was for departures prior to 31 December with a SGD\$100 surcharge applicable in key peak periods.
- Qantas matched the Singapore Airlines airfare pricing as well as promoting their two cities airpass for the NATAS consumer fair. Traditionally, the airpass is only promoted in the first half of the calendar year.
- Singapore Airlines commenced the marketing and sale of its A380 service to Melbourne which commences on 29 September. Singapore Airlines and Tourism Victoria ran an advertising campaign to promote the new service.
- Emirates released an all inclusive promotional fare in September to its two Australian gateways from Singapore. Melbourne was priced from SGD\$660 and Brisbane SGD\$686.
- To celebrate their fifth year of operation in Singapore, Tiger Airways launched a range of special one-way fares to regional destinations in mid-September. Perth was promoted at SGD\$55 plus SGD\$95 taxes.

5. Competitor News

- In its bid to attract more inbound travellers to Thailand, the Tourism Authority of Thailand launched the Thai *Ultimate Explorer* campaign, a similar campaign to Tourism Queensland's *Best Job in the World*, where applicants were required to use social media to promote themselves to gain a place in the finals. The winning team stands a chance to win a holiday package and cash prizes worth up to US\$15,000.
- The French Tourism Board is promoting the French regions (beyond Paris) in Singapore and has recently launched a campaign promoting great art, good living and culinary delights in Burgundy.
- Taiwan is aggressively promoting itself through advertising campaigns and public relations activities focusing upon short breaks and key regions of the destination.
- Japan, after seeing strong declines as a result of H1N1, is investing significantly to attract the year end traveller. Major consumer campaigns and partnerships with travel agencies are available in the market.
- European destinations are receiving strong support from airlines and hoteliers and are offering heavy discounts.

6. Key Campaigns and Activities in Singapore

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
12 Aug 2009	31 Oct 2009	<p><i>Family Playtime</i>: A mass media volume focused campaign targeting Singaporean families for holidays from September to the end of the year. The core message focuses upon the strong value proposition currently offered for families with airfares from Singapore Airlines currently at 60 per cent of those 12 months ago with additional child discounts. A range of Australian products are offering bonus offers including Village Road Show with multi-attraction passes available for their products in QLD and NSW. Publicity achieved to date is AUD\$303,060.</p> <p>For details on the campaign packages and products click here: http://www.australia.com/promotions/playtime_sg.aspx</p>	Families with children	TA, SQ, TNSW, TVIC, TWA, SATC, TQ Village Road Show. 10 Premier Aussie Specialist Agents.
1 May 2009	31 Sep 2009	<p><i>Great Australian Road Trips</i>: Promotion of the 17 top touring routes in Australia with multi-day itineraries and suggested experiences for each route.</p>	First time and repeat Experience Seekers - Singles/Couples	TA, Chan Brothers, Commonwealth Travel Service, Hertz, Wego.com, all STO's
13 Sep 2009	21 Sep 2009	<p><i>Jetstar's CRAVE Sydney Sale</i>: Mass media campaign promoting CRAVE Sydney – festival promoting food, outdoor art and fun in Sydney during October. Jetstar are supporting the campaign with SGD\$229 (one way airfares via Darwin to Sydney</p>	Singles and DINKS	Jetstar, TNSW