

United Kingdom

Market Summary

Total United Kingdom arrival figures for January to August 2009 were down by 4 per cent. They are therefore expected to hold against the Tourism Forecasting Committee's forecast drop of 9 per cent for the 2009 calendar year. In terms of leisure arrivals specifically, the Visiting Friends and Relatives (VFR) segment is up by 2 per cent and the holiday segment down 7 per cent. However, the third largest segment (business) is down by 17 per cent reflecting the contraction of global corporate travel.

The low airfares in the UK market have driven significant growth in direct online sales to carriers, with many consumers bypassing trade and the high street outlets for direct or online bookings. Niche operators (i.e. youth and luxury) that specialise in Australia continue to report good growth. A number of the mainstream operators also continue to report improved trading since July for Australia. However, lead times continue to contract and forward bookings remain unpredictable given general consumer confidence.

1. Market News

- The UK Government's decision to increase Air Passenger Duty for departures from UK airports has been slammed by the World Travel and Tourism Council. The tax will primarily hit long haul travellers and will mean a 112 per cent rise in departure tax on flights to Australia from November 2010.
Source: Breakingtravelnews.com, 4 August 2009
- The Bank of England stated that the UK is showing signs of recovery and has returned to growth this quarter. However, it warns that recovery will be slow and that job losses will continue for the foreseeable future.
Source: Daily Mail, 16 September 2009
- Consumer confidence in the United Kingdom rose slightly in August. The Nationwide Building Society's consumer confidence index rose by two points in July to 63, up from a low of 44 in January.
Source: Associated Press, September 9, 2009

- The UK will introduce a vaccination programme against the H1N1 virus this autumn. People with health conditions, such as heart disease and diabetes, pregnant women, those with weakened immune systems and frontline health and social care workers will be the first to receive the vaccination.

Source: BBC, 6 August 2009

2. Consumer Insights

- A shortage of university places means that a growing number of young people are planning a gap year. Gap year travel firms in the UK report that inquiries are up by 75 per cent with strong interest in working holidays on farms in Australia or ski resorts in Canada.

Source: The Guardian, 1 September 2009

- Research firm Mintel highlights a growing trend among Britons to take educational holidays. The three fastest growing segments are photography holidays, cookery holidays and dance holidays, as Brits want to tango in Buenos Aires or cook Thai food in Bangkok.

Source: Travel Trade Gazette, 11 September 2009

- According to a Gallup poll, Britons (the continent's top travellers along with Germans) have reduced their European trips by 10 per cent amid a drop in the value of the British Pound. Instead, Britons are choosing to stay at home. Bookings at Butlins, a holiday camp chain, are up by 10 per cent and the Camping and Caravanning Club reports that business this summer is up by a third.

Source: The Economist, 3 September 2009

- Amongst the biggest users of the internet in the UK are mothers who clock up an average of 26 hours online each month. A survey commissioned by Yahoo revealed that 50 per cent of mothers agreed that the balance of their lives had improved since going online.

Source: Travel Trade Gazette, 10 September 2009

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

3. Trade Update

- Austravel featured in the *Top 10 Specialist Tour Operators* in the recent Conde Nast Travel Awards 2009.
- Laura Southwell will leave Austravel/Travelmood on 1 October 2009 and is joining Air New Zealand.
- Ben Briggs has been appointed Brand Manager for Austravel and will report into Richard Twynam, Programme Director Austravel.
- Louise Adams has been appointed Brand Manager for Travelmood and will report into Rad Sofronijevi, Managing Director Travelmood.

- Andrea Robinson – STA has commenced maternity leave; all product matters for Australia will be dealt with by Natasha McLaughlin in her absence.
- Sue Biggs has left Thomas Cook.
- Chris Hawkins has launched Australian Sky www.australiansky.co.uk
- Kuoni UK has appointed AOT as their inbound partner in Australia for the UK.
- Travelex says that of the four new Cash Passport currencies it launched in June, Australian dollar cards have been the most popular with British travellers, with almost 10,000 sold so far.
- As at August 2009 there were 3,128 Aussie Specialist agents, of which 61.6 per cent were fully qualified.

4. Airline News

- Qatar Airways will commence operating three weekly flights to Melbourne from the UK on 6 December 2009, and increase to daily services early in the New Year. The service will have a one-hour transfer time in Doha for UK passengers. Sydney flights are due to launch in the first Quarter of 2010.
Source: Travel Trade Gazette, 20 August 2009
- Etihad Airways is opening a new lounge at Heathrow airport as part of its move from Terminal Three to Terminal Four on 30 September. The lounge is accessible to first and business class passengers and Etihad Guest Gold and Silver cardholders, offering an improved benefit to their Australia-bound passengers.
Source: e-tid, 2 September 2009
- British Airways is considering a possible bid for *bmi* to increase its dominance at Heathrow. Virgin Atlantic and Etihad Airways are also believed to be examining a possible offer. Lufthansa, which owns *bmi*, is keen to sell the loss-making carrier. With all these three carriers offering services to Australia, this will potentially increase the feeder traffic from the *bmi* network onto their Australia-bound services.
Source: Times, 7 September 2009
- Qantas has taken delivery of its fourth Airbus A380. The addition to the fleet will enable Qantas to increase A380 services on the Los Angeles to Sydney route from three to four per week, and the London-Singapore-Sydney route from three to five per week, effective 7 September 2009.
Source: e-tid, 2 September 2009
- Malaysia Airlines is offering customers on flights to London, Sydney, Los Angeles and Buenos Aires an upgrade to first class while paying business class fares.
Source: www.Malaysia.com, 2 July 2009
- Emirates are investing over £1.3m in a new premium passenger lounge at Birmingham International Airport. The 7,000sqft, 107-passenger facility will be

the only dedicated lounge offered by a long-haul airline at the airport and an appealing benefit for Australian-bound premium passengers.

Source: *e-tid*, 15 September 2009

5. Competitor News

- *NYC and Company*, New York's tourism marketing body is discussing ways of collaborating with Visit London to boost tourism in both cities. *NYC and Company* will get special rates across Transport for London's network of advertising sites and Visit London will get reduced price advertising sites in New York.

Source: *Campaign*, 18 August 2009

- *Totally California* has run seven themed advertorials in *The Times* and *Sunday Times* focusing on the fact that California has more to offer than beaches and Hollywood. The *California – Find Yourself Here* campaign achieved high recall levels among *Times* readers of 32 per cent.

Source: *Campaign*, 4 September 2009

- As England qualifies for the World Cup in South Africa in 2010, UK travel agents says that official packages are already selling out. Agents have also seen some interest from fans looking to travel to South Africa independently. Large numbers of fans are expected to travel without match tickets, hoping to buy them there.

Source: *Travel Weekly*, 15 September 2009

- The Malaysian shoe designer Jimmy Choo has been appointed as the country's tourism ambassador in the UK.

Source: www.Malaysia.com, 4 August 2009

- New Zealand was voted the UK's second favourite destination after Italy in the prestigious Condé Nast Traveller Awards.

Source: *Tourism New Zealand*, 10 September 2009

6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
11 June 2009	20 August 2009	<i>£10 Pom</i> : A national PR, in-store, online and promotional campaign promoting 150 one-way flights to Australia for £10, available only to those who already have a Working Holiday Visa. Designed to increase awareness and take up of the WHV programme.	Young Experience Seekers, aged 18-30	STA Travel, Qantas
7 September 2009	24 October 2009	<i>Emirates co-op campaign</i> : A national print, radio, online and outdoor activity with creative executions tailored to feature messaging and fares relevant to each Emirates' regional departure catchment area.	UK Experience Seekers	Emirates Airline
16 September 2009	30 September 2009	<i>Keep Discovering Australia Roadshow</i> : A series of trade events in Glasgow, Newcastle, Manchester, Birmingham and London to educate travel agents on Australian Experiences and the recently launched Emirates Visit Australia pass that links Emirates flights with Virgin Blue domestic services through their new interline agreement.	UK travel agents in regional airport catchment areas	Emirates Airline
22 September 2009	30 October 2009	<i>Working Holiday Visa campaign</i> : Online campaign promoting the Working Holiday Visa to 18 to 30 year olds. Call to action http://www.australia.com/workingholiday and www.facebook.com/australianworkingholiday	Young Experience Seekers, aged 18-30	None

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
11 October 2009	11 October 2009	<i>Mail on Sunday Supplement</i> : As part of the Tourism Australia UK Regional Project, Emirates and Tourism Australia have jointly funded a 20 page supplement in the Mail On Sunday newspaper. The supplement encouraged readers to holiday in Australia, flying there from their regional airport with Emirates. Advertising in the supplement was sold to various industry partners.	UK First Time Experience Seekers	Emirates Airline & various industry partners

Ongoing	Ongoing	<p><i>International Media Hosting Program visits:</i></p> <ul style="list-style-type: none"> • Condé Nast Traveller will travel to Western Australia. • A freelancer for the Metro newspapers will travel to New South Wales, Victoria and Tasmania. • Travelmail.co.uk will travel to Victoria and Western Australia • C&IT Magazine will travel to Queensland and Victoria as part of Dreamtime 2009. • A freelancer for the Independent and Times Online will travel to South Australia and Western Australia. • Golf World will travel to Western Australia and South Australia. • A freelancer for the Mail On Sunday will travel to Queensland and Tasmania. 	UK First time Experience Seekers	Qantas, Tourism Western Australia; Tourism New South Wales, Tourism Victoria, Tourism Tasmania, Tourism Queensland, Tourism South Australia
1 November 2009	31 December 2009	<i>Under the Skin of Australia:</i> Digital campaign designed to raise the profile of Australia's Barefoot Luxury experiences amongst affluent Brits through promotional and advocacy activity.	High income earners living in metropolitan areas	Black Tomato
1 November 2009	28 February 2010	<i>Seasons in Style – Australia:</i> Print, online and trade campaign to raise profile of Australia's Barefoot Luxury experiences amongst high end consumers and luxury specialist trade.	High end consumers and luxury specialist travel agents	Seasons in Style
5 November 2009	8 November 2009	<i>Luxury Travel Fair:</i> Presence at consumer show to raise the profile of Australia's Barefoot Luxury experiences and increase sales through trade partner	High end consumers	Turquoise Holidays
9 November	12 November	<i>World Travel Market:</i> Coordination of the Australia stand at WTM 2009	Global trade and travel agents	Australian suppliers
24 November 2009	27 November 2009	<i>TUI Retail Roadshow:</i> Sponsorship of TUI Retail Roadshow to increase agents' confidence in selling Australia	Thomson and First Choice agents	Austravel