

## United States

### **Market Summary**

*Industry is showing optimism about business to Australia, however leisure traffic is expected to be inconsistent over the coming months. Tourism Australia's industry partners continue to deliver compelling offers to the US market, capitalising on Australia's recent strong value proposition and good deals from suppliers. This continues to position Australia as an attractive destination to the consumer in a continuing tough economic environment.*

### **1. Market News**

- Unemployment rises: according to economists surveyed by *Bloomberg News* (29 September 2009), unemployment is set to rise to a 26-year high of 9.8 per cent in September (from 9.7 per cent in August).
- President Barack Obama recently stated that unemployment will be a "big problem" for at least another year and its going to take time for the economy to become whole again. However, he reinforced his confidence stating "the economy will come back stronger than ever". *Source: Associated Press, September 2009*
- Interest Rates Hold: The Federal Reserve announced on 23 September that it will not raise interest rates. The *Los Angeles Times* reported: "the Federal Reserve stated it would keep short-term interest rates near zero for the foreseeable future, even though the central bank acknowledged that the economy was recovering from its long downturn".
- The Federal Reserve policy setting committee reported a positive outlook compared to previous months, with evidence suggesting: economic activity has picked up; increase of activity in the housing sector; and that the pace of business cutting back on investments and staffing has slowed.

### **2. Consumer Insights**

- Even though it has decreased compared to 2008, consumption continues among 23.9 million U.S. households with incomes of at least \$USD100,000. Findings from the 2009 Ipsos Mendelsohn survey of the affluent (released a year to the day of the Lehman collapse) showed:

- They are planning less overseas travel than in 2008 (down 10 per cent); fewer are planning on buying new cars (down 18 per cent); and are less inclined to invest in securities (down 5 per cent);
- Despite planning to spend less, these types of consumption will still take place. The survey projects that 12.2 million of wealthy households will journey outside the U.S. this year; 6.3 million will buy or lease new cars, trucks or SUVs; and 13.9 million will invest in stocks or mutual funds.

*Source: Advertising Age, 15 September 2009*

- According to a new survey, 80 per cent of individual business travellers (not corporate business travellers) plan to travel for business as much as or even more than they did last Fall. *Travel + Leisure, Market Monitor August 2009*

For the latest in visitor arrivals, please visit 'Research and Statistics' at [www.tourism.australia.com](http://www.tourism.australia.com)

### 3. Trade Update

- Tourism Australia recently appointed Daryl Hudson to the position of Regional General Manager, Americas. Daryl was previously Country Manager for Canada.
- There was record interest in Corroboree Thrive!, with the attendance of over 150 of North America's top travel agents who specialise in selling Australian holidays. Corroboree is Tourism Australia's annual retail agent training event for North America and this year's event was held in Adelaide in partnership with the South Australian Tourism Commission. The event showcased 100 Australian suppliers to agents and provided training and product knowledge on how to sell Australia.
- Industry intelligence is showing that cancellations from key wholesale partners in North America have stabilised in July and August, to be even with 2008 levels, with booking commitment from consumers improving over the past few months.
- Business through the travel agent community increased during July and August. The economy continues to slowly stabilise along with the stock market and there is increasing optimism in potential long-haul travellers. *Reported by key wholesale partners, September 2009.*
- America's Vacation Center (AVC) reported that August 2009 was the best month in their company's history in terms of quantity of live leads, number of bookings, sales and commissions. AVC is an AMEX affiliated retail travel company.
- River cruise operator AMA Waterways announced that Gary Murphy, would be joining AMA. His father, Jimmy Murphy, is AMA's Chairman. Gary leaves Brendan Vacations. *Source: www.travelweekly.com, September 2009*
- Orbitz Worldwide reported a net profit of \$10 million in the second quarter, compared with a \$5 million loss a year earlier. *Source: www.travelweekly.com, August 2009*
- Travel Weekly Magazine featured Australia in its photo gallery as a top honeymoon destination. *Source: www.travelweekly.com, September 2009*

- As at August 2009, there were (1,854) Aussie Specialist agents, of which 66 per cent are fully qualified (1,148 agents).
- Australian Pacific Touring cut sales staff in Eastern USA due to continuing slow sales activity.

#### 4. Airline News

- V Australia and Emirates announced their first code-share partnership on the trans-Tasman route, effective 25 October. The new agreement will provide V Australia guests with seamless and quick transit times from the airline's international flights arriving into Sydney. The code-share agreement - Emirates' first with an Australian carrier – signals yet another initiative in the airline's commitment to Australia. It also confirms Emirates as V Australia's first code-share partner. *Source: Press Release, V Australia, September 2009*
- V Australia launched a PR campaign in the LA market to take three "mates" to Sydney for 4320 minutes (3 days / 72 hours) of non-stop fun, with winners required to 'Tweet' every minute. *Source: Press Release, V Australia, September 2009*
- The rate of decline in global air travel eased to a notably milder 1.2% per cent in July while domestic travel rose for the first time this year. Air Passenger Volume from North American Destinations fell 8.1% per cent from 2008 (Jan-Jul). *Travel + Leisure, Market Monitor August 2009*
- Delta Air Lines has closed \$2.1 billion of financing deals that have bolstered its liquidity by \$600 million. The company reported that the transactions also have addressed more than 40% per cent of its 2010 debt maturities. Delta said the financing deals were secured by liens against its Pacific route authorities, slots and gate leaseholds. *Source: <http://www.reuters.com>, 28 September 2009*
- Airfare competition continues for both domestic and international travel. There are competitive fare sales on the Australian route sales from key carriers, with the latest fare sales as follows:
  - The Qantas Aussie AirPass offer for \$USD999 - Visit four Australian cities for the price of one. This includes international round trip ticket plus three domestic Australian flights. On Sale until 31 December 2009. *Visit <http://www.qantas.com> for full details of offer*
  - Qantas Airways fares from Los Angeles or San Francisco from \$USD399\* each way based on round trip purchase. Offer ends 30 September 2009. *Visit <http://www.qantas.com> for full details of offer*
  - V Australia's latest fare sale has economy return LA to Sydney, Melbourne or Brisbane as low as \$USD798 and premium economy as low as \$USD1,689 (on sale to 30 September or until sold out. Travel dates 23 September to 15 December 2009). *Visit <http://www.vaustralia.com> for full details of offer*
  - Air New Zealand, 'Great Prices to Australia', to/from Los Angeles or San Francisco to key Australia gateways from \$USD1,001 (Sale ends 1 October 2009 with travel commencing 21 October to 31 October 2009). Pacific Premium Economy to/from Los Angeles or San Francisco to key Australia gateways from \$USD2,735 (Sale ends 30

June 2010 with travel commencing 06 August 2009 to 30 June 2010)  
Visit <http://www.airnewzealand.com> for full details of offer.

## 5. Competitor News

- Industry partners are reporting that sales for Tahiti continue to be well below 2008 figures. Australia, Fiji and Asia are seeing slight increases over 2008 reported sales for July and August.
- Virgin Atlantic (VS) will restart their northern summer services from London Heathrow to Chicago O'Hare International Airport from 27 May, according to travel agent GDS. VS suspended services to Chicago earlier this year in July as part of capacity cuts to about seven per cent of its network.
- Hawaii's largest source market for visitors – Los Angeles – has seen an intensive campaign blitz throughout September led by the Hawaii Visitors and Convention Bureau (HVCB). Under the theme, *Hawaii: A Thousand Reasons to Smile*, the month-long campaign aims to elevate Hawaii's position as America's favourite tropical destination for *romance, outdoor recreation, relaxation, and family fun* – while showing how affordable it is to visit the islands right now. Source: <http://www.eturbonews.com>, August 2009
- India Tourism has launched a massive campaign in the US on 18 September to promote itself as a global tourist destination. Titled *India Calling*, a two-day campaign launch was held in Los Angeles by the Indian Ministry of Tourism in collaboration with National Geographic. Activity included various road show, photo exhibitions, handicraft festival and cultural shows to showcase India's tourism experiences. Source: <http://in.news.yahoo.com>, September 2009

## 6. Key Campaigns and Activities in Market

August to September campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
4 September 2009	30 June 2010	<i>Signature Travel Network (Consortia Partnership)</i> Premier retail training to educate Aussie Specialist agents from the United States, Canada and Latin America about Australian tourism experiences.	Aussie Specialist Travel Agents	Signature Travel Network, Travel 2
1 September 2009	30 June 2010	<i>Travel Leaders Franchise Group Partnership (Retail Travel Consortia)</i> This campaign by TLFG and Tourism Australia will focus on developing a core agent group of destination experts by executing an integrated marketing plan directing demand to the Franchise Group Member Agencies. This includes two educational (November and March), training initiatives as well as representation at their National Conference and internal promotion and incentives.	TLFG Travel Agents	TLFG, Qantas Vacations

Upcoming Campaigns and Activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
30 September 2009	30 June 2010	<i>Virtuoso Partnership</i> Tourism Australia will be entering the third year of the Virtuoso partnership combining consumer marketing vehicles driving to qualified luxury consumers in North America, with the call to action driving business through to an educated group of Australia Specialists within Virtuoso. Within the campaign will be an educational in early 2010 as well as webinar and face to face training opportunities for the entire Virtuoso network.	Virtuoso Travel Agents and consumer database	Virtuoso, TBD
1 October 2009	30 June 2009	<i>One Week Walkabout Campaign USA</i> Includes digital, print and television and events promoting one week holidays in Sydney, Melbourne and Brisbane.	First Time Experience Seekers - Working Professionals based on the West Coast of the US in cities with easy air access to Australia.	Qantas, Tourism Victoria, Stella and Goway
1 November 2009	June 30 2009	<i>Youth Campaign USA</i> Focused on digital activities, including Facebook, with bursts in activity in November and early 2010.	First Time Experience Seekers - Youth / Working Holiday Maker (WHM)	V Australia, STA Travel, Tourism Victoria, Tourism Queensland and Tourism Western Australia
25 October 2009	28 October 2009	<i>Virtuoso Latin Academy (Miami, FL)</i> Virtuoso Travel Agent training event for Latin American Agents to meet with preferred product and destinations to improve product knowledge and strengthen relationships.	Virtuoso Travel Agents from Latin Markets	N/A
7 November 2009	16 November 2009	<i>Travel Leaders Educational</i> Tourism Australia in conjunction with TLFG and Qantas Vacations are running a 25 agent educational to Australia split into two groups of first time visiting agents from the TLFG.	TFLG Travel Agents in North America	Qantas Vacations, Travel Leaders Franchise Group