

United States of America

Key Market Message

Arrivals from the US for the month of June 2009 were positive, up nine per cent from the year before. This is a tentative indication that the market is turning around as consumers respond well to fare deals. Industry are reporting both strong short-term bookings and enquiries for 2010. Anecdotal feedback from trade and airline partners indicates business is improving and booking volumes have been positive. The launch of Delta Airlines non-stop services to Australia created more noise in the market and new messaging for Australia.

1. Key Market Results and Achievements

- Tourism Australia's Regional Marketing Manager, Lisa Wooldridge, attended the Webby Awards in New York in June to accept an award for Tourism Australia's consumer website, www.australia.com, which won the People's Voice Award in the tourism category. The Webby Awards are hailed as 'the Internet's highest honour' by The New York Times.
- Country Manager, Canada, Daryl Hudson accepted two "World's Best Awards" at the Travel + Leisure 'World's Best Awards in June - one for Sydney ('Best City in the South Pacific, Australia and NZ') and one for Tasmania ('Best Island in the South Pacific, Australia and NZ'). The Langham Hotel also picked up two as well for 'Best Small Hotel' and 'Best City Spa' in the South Pacific.
- Feedback from North American buyers on the Australian Tourism Exchange 2009 (ATE) has been extremely positive. North America was represented at ATE by 66 delegates attending as buyers from the US, Canada and Latin America. Also attending were 24 Aussie Specialists and three international media.
- The *One Week Walkabout* campaign continues to deliver strong results, exceeding targets for page views, leads (calls and emails) and click-throughs. Campaign activity has now finished.
- June was a very strong month for Australia.com traffic to the US (213,857 unique visits) and Canada (33,109 unique visits) gateways. The new National Landscapes content on Australia.com will also help engage

visitors from the US market, where nature resonates as a consumer passion point.

2. Australian Travel Market

2.1 Market Performance

- US arrivals in May 2009 were 33,100, an increase of 10 per cent relative to May 2008. In the year ending May 2009, there were 448,300 arrivals, a decrease of three per cent relative to the previous twelve months.
- US arrivals in June 2009 were 39,300, an increase of 9 per cent relative to the same June 2008. In the year ending June 2009, there were 451,700 arrivals, a decrease of 1 per cent relative to the previous twelve months.
- The increase in US arrivals for the month of June 2009 is an indication that consumers are responding well to fare deals. Industry is reporting both strong short-term bookings but also planning for 2010.

2.2 Airline Issues/Changes

- Airfares in the US market continue to be highly competitive for travel to Australia. This combined with increased capacity from new airlines servicing routes to Australia including Emirates, Delta and V Australia, is improving Australia's accessibility.
- Delta Airlines launched their daily non-stop service from Los Angeles to Sydney on 1 July.
- Delta/Virgin Partnership: following the launch of Delta Airlines Services to Australia, Delta and the Virgin Blue Airlines Group announced plans to seek regulatory approval to form a joint venture for a US – Australia/South Pacific service. This will operate separately from the SkyTeam alliance. As a first step, the airlines are planning code-sharing with frequent-flyer and lounge reciprocity. For the longer term, they seek antitrust immunity to collaborate on fares and scheduling.
- V Australia is set to become the first Australian airline to offer limousine service for top tier 'Business Flexi' fare paying guests travelling in International Business Class.
- American Airlines and Qantas have expanded their existing code-share to include flights to Atlanta, Minneapolis, Indianapolis, Detroit, Tampa, Cincinnati, New Orleans and Memphis. Flights from these cities connect with existing Qantas code-share flights from Los Angeles and San Francisco to American Airlines hubs Dallas and Chicago. Qantas operates its own US service from Australia to Los Angeles, San Francisco, New York and Honolulu.

2.2 Trade Information Summary (including Business Events)

- Adventure Tours Australia (ATA) has opened a North American Sales Office to support trade partnerships in market. Mark Yacker joined ATA on 1 July.
- Travel Impressions (American Express Vacations) has announced plans to introduce Australia into its programs in the fourth quarter of 2009, according to its CMO. The move is part of a larger strategy for the New York-based company to expand its global product offerings and consumer base beyond the East Coast.
- Globus has announced a new CEO. Citing health issues, Phillip Gordon stepped down as President and CEO of the Globus family of brands. COO Scott Nisbet will replace Gordon, who has assumed the role of Chairman.
- GOGO has forged a separate identity from Liberty Travel, following their acquisition from Flight Centre. GOGO now has its own marketing team and budget separate to Liberty Travel. GOGO also increased its sales force by 50 per cent in 2008.
- AMEX has announced Claire Bennett, Senior Vice President of the American Express Consumer Travel Network, will succeed Lynne Biggar. AMEX noted that her appointment would be leveraged to ensure a broader group of consumers and cardholders choose American Express as their preferred provider of travel services.
- As at June 2009 there were:
 - 1,125 qualified Aussie Specialists.
 - 527 trainee agents.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
January 2009 – August 2009	<ul style="list-style-type: none"> • Airfare deals and experience packages on Australia.com. • Romance, adventure, journeys and cultural vacation packages available to consumers. 	Qantas, ANZ, V Australia, Emirates Aspire Down Under, Swain Tours, Goway Travel, Brendans, See Australia, Stella, Anderson, Travelscene.

September / October 2009	<ul style="list-style-type: none"> One Week Walkabout Campaign continues to live on Australia.com, although media has completed for 2008/09. This campaign aims to tap into the West Coast short break market, positioning three regions of Australia (Sydney Melbourne and Brisbane) as unique and compelling one week vacations, comparable to single destinations in Europe. One Week Walkabout activity planning is in progress for 2009/10. 	TBA
November 2009	<ul style="list-style-type: none"> Youth Campaign (planning underway) 	TBA
October 2009	<ul style="list-style-type: none"> Australia Today – Brand Campaign (planning underway) 	TBA
September 09 – ongoing	<ul style="list-style-type: none"> PR activity to commence to support all campaign activity 	US Media
September 09 – ongoing	<ul style="list-style-type: none"> International Media Hosting Program 	State and Territory Tourism Organisations and Qantas.

3.2 Trade Marketing:

Dates	Project / Event	Partners
Ongoing	<ul style="list-style-type: none"> Continued trade development activities including Aussie Specialist program recruitment and training. 	North America retail agents
7 – 9 August 2009	<ul style="list-style-type: none"> OzTalk North America is Australia's premier North American travel trade training event, bringing together wholesalers & suppliers to promote and sell Australia. 	State and Territory Tourism Organisations, North American Trade and Australian Experiences.
11 – 14 September 2009	<ul style="list-style-type: none"> Corroboree Thrive! 2009. This the premier retail training event held annually by Tourism Australia to educate Aussie Specialist agents on Australian tourism products and experiences. The event will also showcase marketing techniques to help our agents build new business and create immediacy for Australia. Over 150 Aussie Specialists from across USA, Canada and Latin America to attend along with 100 Australian suppliers as 	North American Trade and Australian Experiences

Dates	Project / Event	Partners
	well as North American Wholesalers, State and Territory Tourism Offices and other Tourism Australia partners in the Americas region.	

4. Media Environment

- Continued media focus on the economy, job losses, bailouts and Obama's presidency.
- Media coverage on: Tourism's Queensland 'Best Job in the World' campaign winning at the 56th Cannes Lions International Advertising Festival; the helicopter crash in Northern Territory, where a pilot buried a passenger to keep him warm; rescue of British backpacker lost in the Blue Mountains for 12 days.

Please visit www.media.australia.com for details about Tourism Australia's International Media Hosting Program (IMHP) and general media information.

IMHP supporters can access publicity results at www.publicity.australia.com

5. General Travel Outlook

5.1 Political and Economic Outlook

- The latest government report shows that the rate of contraction in the US economy was better-than-expected for the second quarter, the strongest signal to date that the recession is finally winding down.
- Consumer confidence fell to its lowest level in February 2009 (25.3) but rebounded as at May to 54.9. Despite a slight dip in June, February has been considered the low point of the recession and consumers across all key regions are more confident today than they were during June 2008.
- The first quarter of 2009 was the worst for the US economy in nearly three decades. The Commerce Department said the slippage in gross domestic product for the (April to June) period came after the economy was in a free fall, tumbling at a pace of 6.4 per cent in the first three months of the year, worse than the earlier estimates. *Reported by New York Times, 31st July 2009*
- As at 3 August 2009 the US dollar exchange rate was, at USD\$1 to AUD\$ 0.840364 *Source: X-rates.com*

5.2 Outbound Travel

- The latest Canadian Conference Board report (June 2009) on the outbound US travel market has reported outbound travel declining every month from July 2008 to March 2009.

- However, US consumer confidence and buying intentions have slowly begun to rebound. A stronger US dollar is making outbound travel less expensive, although fewer Americans are able to take advantage of their increased buying power.
- Visitors from the US have declined to the Caribbean (-10.7 per cent Year to date March), Asia (- 13.2 per cent YTD March) and UK (-13.3 per cent in first quarter 2009).
- Despite a weaker performance in first quarter of 2009, Australia has performed better in comparison to key outbound long haul destinations and most Asia/Pacific Destinations. Australia was down 5.7 per cent (YTD April), compared to New Zealand (-14.3 per cent YTD May) and Hong Kong (-16.2 per cent YTD May)
- The Harris Poll showed that Australia is the favourite international holiday destination for Americans, ahead of Italy, Britain, France, Ireland and Germany. The Harris Poll is a new nationwide survey of 2,177 U.S. adults surveyed online between June 8 and 15 by Harris Interactive.

Reported by the Conference Board of Canada, Outbound US – June 2009

6. Next 60 Days

US						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
Jun 09	Jul 09	US	<ul style="list-style-type: none"> Project Planning and Partner engagement for 2009/10 key campaign activity. 	Trade / Consumer	-	-
7 Aug 09	9 Aug 09	US	<ul style="list-style-type: none"> North American Oz Talk 2009 	Trade / Australian Product	Los Angeles	Australian and American Travel Trade
11 Sept 09	14 Sept 09	US	<ul style="list-style-type: none"> Corroboree 2009 	Trade / Australian Product	Adelaide, South Australia	Australian and American Travel Trade
14 Sept 09	19 Sept 09	US	<ul style="list-style-type: none"> Corroboree 2009 Post Familiarisation visits 	Trade / Australian Product	Adelaide, South Australia	Australian and American Travel Trade