

2020

Highlights from Tourism Australia's activity in China in 2012-13

The Chinese inbound tourism market has the potential to contribute up to A\$9 billion annually to the Australian economy by 2020.

Activity highlights during 2012-13

- A new Chinese consumer website, australia.cn, was launched providing a tailored user experience and links to translated product information from the Australian Tourism Data Warehouse as well as key Chinese social media platforms.
- Tourism Australia's *There's nothing like Australia* brand campaign reached 89 per cent of the target audience in target cities and 97 per cent took action in researching or planning an Australian holiday.
- Partnership marketing campaigns were undertaken with States and Territory Tourism Organisations as well as all major airlines in China, collectively reaching more than 22 million Chinese consumers.
- Tourism Australia's Public Relations and International Media Hosting Program generated more than 1,400 media stories in China, achieving an equivalent advertising value of A\$35.5 million.
- Tourism Australia partnered with State and Territory Tourism Organisations to deliver training to more than 4700 retail travel agents.
- Marketing agreements were signed with China Southern Airlines, China Eastern Airlines, Air China, China UnionPay, and China Travel Service.
- Leveraging the Asia Marketing Fund, Tourism Australia accelerated its geographic expansion strategy in China, commencing trade and consumer marketing activities in Chengdu, Chongqing and Qingdao.



Background

The China 2020 Strategic Plan, launched in June 2011, was developed by Tourism Australia in collaboration with industry and government stakeholders to maximise the tourism potential offered by China.

The Plan underpins all of Tourism Australia's work in the China market and identifies five strategic pillars as pivotal to being competitive and winning market share in China: knowing the customer, a dedicated geographic expansion strategy, delivering quality Australian tourism experiences, a healthy aviation development environment, and strong partnerships between government and industry.

China became Australia's second largest inbound market by visitor arrivals with a total of 685,100 Chinese visitors arriving in Australia in the 12 months to June 2013.¹ Holiday arrivals have grown by 25% against an overall growth from the market of 17%. China has also remained Australia's most valuable inbound market with Chinese visitors contributing a total of A\$4.5 billion to the Australian economy.²

Asia Marketing Fund

The Asia Marketing Fund (AMF), announced by the Australian Government in the 2012-13 Budget, provides A\$48.5 million over four years to promote Australia as a tourism destination to the growing markets of Asia. In 2012-13, part of the Fund was used by Tourism Australia to accelerate its geographic expansion strategy in China in order to undertake consumer and trade marketing activities in three new cities: Qingdao in China's north-east, and Chengdu and Chongqing in China's west.

1. Australian Bureau of Statistics, *Overseas Arrivals & Departures, year-ending June 2013*
2. *International Visitor Survey (Tourism Research Australia), year-ending June 2013*

Consumer Marketing Highlights

In China, Tourism Australia targets affluent adults with an independent travel mindset, who want to explore and experience our local culture.

Under the 'Knowing the customer' pillar of the China 2020 Strategic Plan, Tourism Australia has conducted consumer research to understand its target customer and guide marketing activities in the China market.

For further information on Tourism Australia's consumer research, visit: www.tourism.australia.com/china



There's nothing like Australia brand campaign

In China, Tourism Australia uses its global consumer campaign platform, *There's nothing like Australia*, to drive awareness and preference amongst target customers of the very best attractions and experiences Australian tourism has to offer. Channels utilised include: digital, print, out-of-home, public relations, social media and Tourism Australia's International Media Hosting Program. According to Tourism Australia's campaign activity evaluation research, brand activity reached 89 per cent of the target audience and 97 per cent took some action to research or plan an Australian holiday.



New consumer website - australia.cn

Following user experience research to understand online habits of Chinese consumers, Tourism Australia built and launched a dedicated consumer website in China housing specifically tailored information written in language for Chinese consumers. The website is hosted behind the firewall on a Chinese based server. A dedicated business events section has also been developed to capture this important audience.

The website is aimed at inspiring Chinese travellers to make Australia their next holiday destination and provide them with the tools and information to plan their trips.

The website features seven themed Australian experiences that match the preferences of Chinese travellers, as well as links to translated product listings from the Australia Tourism Data Warehouse (ATDW). The site also contains important information for travellers including consumer rights, health and safety, quarantine matters, and visa applications.

Moving forward, Tourism Australia will continue to work with State and Territory Tourism Organisations to develop new and relevant content for the website. To enhance engagement with consumers, the website is also integrated with popular Chinese social media platforms, and has a dedicated section featuring user generated content.



Social Media

Tourism Australia communicates with close to 550,000 followers in China on a daily basis across several social media platforms including Sina Weibo, Tencent Weibo, and video sharing site Youku/Tudou. Online influencers from sectors such as travel, food and wine and photography are also engaged through Tourism Australia's Public Relations work and International Media Hosting Program.

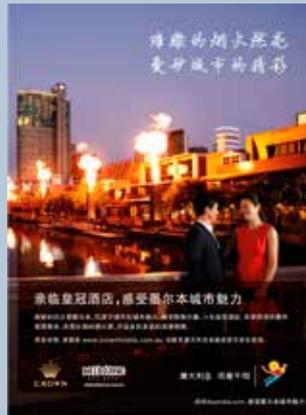
Partnership marketing

During the past year, Tourism Australia has increased its partnership marketing efforts in China. Using Tourism Australia's global campaign platform, *There's nothing like Australia*, activity was undertaken with State and Territory Tourism Organisations, Regional Tourism Organisations, major airlines, tourism operators, and Premier Aussie Specialist Agencies.

Some examples during 2012-13 include:



Tourism Australia partnered with Tourism Western Australia and China Southern Airlines to promote awareness and bookings for China Southern's service to Perth. The campaign ran from September to November 2012 across print, digital, broadcast, out-of-home and in-flight media channels. The campaign reached more than four million Chinese consumers in Beijing, Shanghai, Guangzhou and Shenzhen.



Tourism Australia partnered with Tourism Victoria and Crown to create awareness and motivate high-end Chinese travellers to visit Victoria. The print campaign ran in May and June 2013 in premium lifestyle magazines and reached more than 4.5 million Chinese consumers in Beijing, Shanghai and Guangzhou.



Tourism Australia partnered with Tourism and Events Queensland to promote the Gold Coast Marathon from April to June 2013. The digital campaign, aimed at creating awareness and encouraging visitation to the Gold Coast, generated more than 11.3 million online views and close to 250,000 visits to the campaign site.

Public Relations and International Media Hosting Program

Tourism Australia's International Media Hosting Program (IMHP) enables media to create motivating and compelling content by providing tailor-made opportunities to enjoy Australia's diverse experiences. A total of 132 media from China were hosted in 2012-13, including print, TV and online. Opinion leaders and advocates were also hosted, including two TV celebrities and seven bloggers. Visits were arranged in partnership with State and Territory Tourism Organisations as well as Wine Australia and the Great Golf Courses of Australia, with 40 per cent of visits tapping into signature Australian festivals and events. In total, IMHP activities from China resulted in more than 100 stories being generated, reaching more than 225 million consumers and achieved an equivalent advertising value of over A\$22 million. Other media relations activities during the year generated more than 1,300 articles, reached 4.7 million consumers, and achieved an equivalent advertising value of more than A\$12 million.



Australian Grand Tour

In October 2012, Chinese celebrity couple and Friends of Australia, Mr Xia Yu and Ms Yuan Quan (pictured above), visited New South Wales, Western Australia and the Northern Territory on an 'Australian Grand Tour'. During their visit, Mr Xia and Ms Yuan were blogging about their experiences and sharing video content with their Chinese fan-base. The visit generated 16 print articles and two broadcast pieces, including a cover article in one of China's leading travel magazines, *Top Travel Magazine*. The visit generated an equivalent advertising value of more than A\$1.7 million.

Working with the Chinese distribution network

A strong distribution network for Australia in China is an important focus for Tourism Australia, with the Chinese consumers relying on travel agents for advice and recommendations.

Key events

- The 2013 Australian Tourism Exchange (ATE) in Sydney saw over 110 delegates from 93 travel companies in mainland China, Hong Kong, and Taiwan attending meetings with Australian travel products.
- The Greater China Travel Mission 2012, held in Shanghai, attracted over 140 buyer delegates from 133 travel companies in mainland China, Hong Kong, and Taiwan. Buyers met with 106 seller delegates representing 72 Australian tourism products.
- The China Industry Advisory Group meetings were held in Shanghai and Adelaide, providing a forum for discussion among Chinese airlines, key distribution partners, and industry associations continue to support Australia's marketing efforts in China.

Working with Chinese Distribution Partners

A strong distribution network for Australia in China is an important focus for Tourism Australia, with the Chinese consumers relying on travel sellers for advice and recommendations.

Knowledgeable and committed travel sellers and airlines are better able to meet the needs of the Chinese traveller to Australia, and Tourism Australia works in partnership with State and Territory Tourism Organisations (STOs) in the China market to develop these skills and engagement.

To further support this approach, three new Business Development Managers (BDMs) were appointed in 2012 in order to provide development and partnership opportunities across China. Working from serviced offices in Beijing, Chengdu and Guangzhou, they are able to deliver training activities, consumer direct campaigns, information and support to key distribution partners.

Aussie Specialist Program

The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop the capability of retail travel agents to sell Australia. As at June 2013, there are over 2,400 qualified Aussie Specialists operating across more than 100 cities in China, a 21 per cent increase on last year.

In June 2013, a mega familiarisation visit to Australia for qualified Aussie Specialist agents and key business decision makers was held in partnership with State and Territory Tourism Organisations. More than 120 delegates from Shanghai, Beijing, Guangzhou, Qingdao, Chengdu and Chongqing participated in the familiarisation, which included training to improve their capability to sell Australia and visits to different States and Territories to experience quality Australian products first-hand.



Premier Aussie Specialist Agencies

Tourism Australia actively partners with 58 Premier Aussie Specialist Agencies in 15 cities across China, working to deliver strong tactical offers to the consumer, and increase the capability of the agencies to sell Australia.

Themed retail stores

29 Premier Aussie Specialist travel agencies in 11 Chinese cities have been themed with a small slice of Australia. The retail stores located in Beijing, Shanghai, Guangzhou, Nanjing, Hangzhou, Chengdu, Chongqing, Qingdao, Dongguan, Shenzhen and Xiamen showcase Australia through pop up booths housing video, brochures and apps. New products and itineraries have also been designed for the agencies to stimulate consumer desire to visit Australia at the point of sale and drive conversion.

Partnership marketing campaigns

Tourism Australia worked with Premier Aussie Specialist Agencies throughout 2012-13 on tactical campaigns which showcased different destinations and products in Australia and provided appealing offers to the consumer. These campaigns resulted in more than 215,000 enquiries and 52,000 actual bookings.

Retail agent training

During the year, Tourism Australia partnered with State and Territory Tourism Organisations to deliver retail training to staff of Premier Aussie Specialist agencies, including to 353 travel agents and operators in the new cities of Chengdu, Chongqing and Qingdao. The Department of Immigration & Citizenship also presented an overview of the Australian visa process for China.



Business Events activity

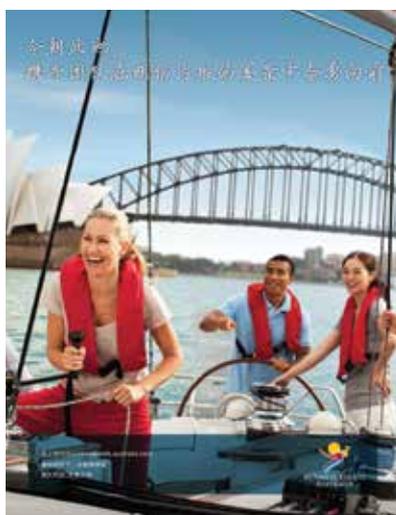
Business Events Australia is focused on the high yielding conference, incentive, meeting and exhibitions sector.

In 2012-13, Tourism Australia employed a dedicated Business Events Manager for Greater China.



Business Events brand campaign

The latest phase of the Business Events brand campaign, *There's nothing like Australia*, was launched in October 2012 across print and digital channels. The brand campaign is supported through a content strategy including advertorial placement and a dedicated international media hosting program with key business events and business titles around educational visits, trade events and key incentive events. Case studies are vital for this market and key incentive events such as Herbalife China (Gold Coast, May 2013, 1000 delegates) provided a platform to highlight Australia's capability in delivering first class tailored business events. Partnership with Gold Coast Business Events delivered multichannel public relations programs with strong results including 120 media articles for Herbalife China.



**Includes total delegates from two educational visits: Sydney and Uluru, and Sydney and Adelaide*

Industry Events

China Incentive, Business Travel & Meetings Exhibition (CIBTM) 2012

The trade show, held in Beijing in September 2012, attracted more than 3,900 attendees from 30 countries and regions, with 368 hosted buyers attending. Australia Travel Marketing, Crown, Gold Coast Convention Bureau, Melbourne Convention and Exhibition Centre, and Business Events Cairns and Great Barrier Reef participated in CIBTM. Success of the 2012 show and increased interest in China has resulted in additional seller participation in 2013 (up from five to 13).

Business Events Australia Showcase 2013

The showcase, held in Shanghai in April 2013, provided a platform for 18 Australian products to demonstrate to 100 Chinese buyers why 'There's nothing like Australia for business events'. Sellers included convention bureaux and Australian business events industry representatives.

Educational visits

Tourism Australia runs an educational program to provide first-hand experience of Australia's expertise as an incentive destination to leading potential corporate clients including: meeting, incentive, convention and exhibition (MICE) agents and media. Educational visits this year included:

- November 2012 Brisbane and Whitsundays – 10 attendees
- March 2013 Sydney and Adelaide – 8 attendees
- April 2013 Sydney and Uluru – 11 attendees

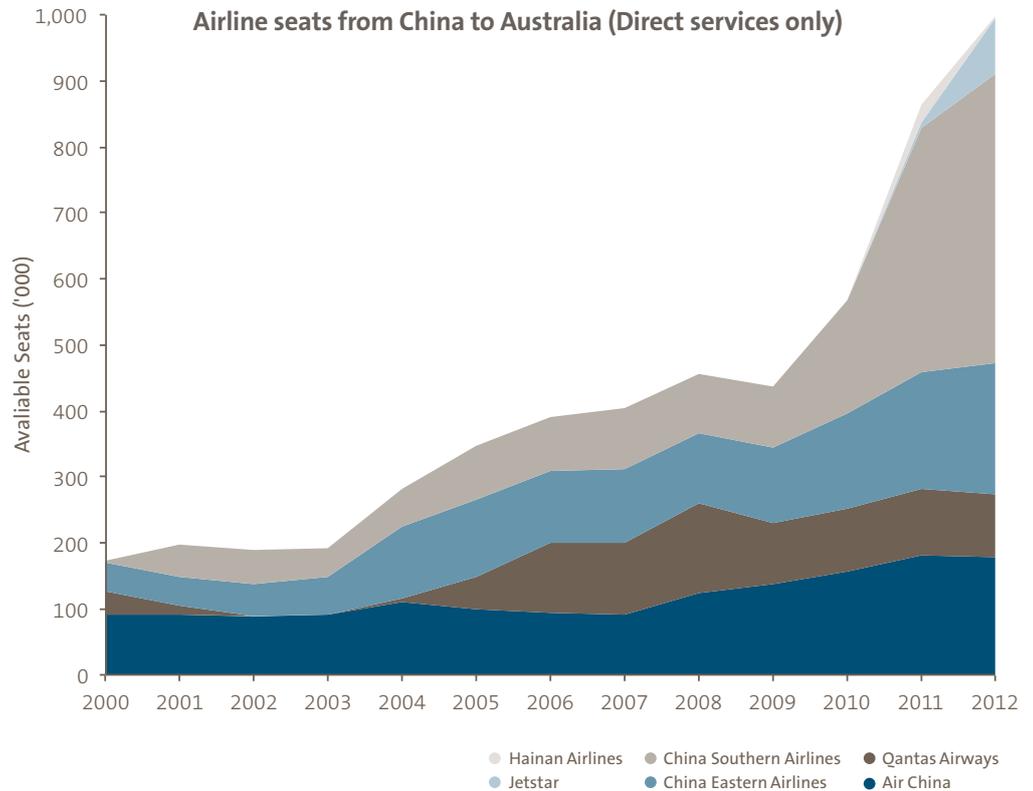
Media attendance on the educational visit to Sydney and Adelaide, resulted in a 19 page supplement in MICE Magazine China.

Feedback surveys after the educational visits showed:

- 100 per cent of delegates said their perception of Australia as a business events destination had changed for the better as a result of the visit *
- 100 per cent of delegates indicated they were 'very likely' to consider Sydney as a destination for corporate meetings or incentives
- 60 per cent of delegates indicated they were 'very likely' to consider Uluru as a destination for corporate meetings or incentives.

Aviation development

In 2012, direct aviation capacity from China to Australia grew by 16 per cent to reach 998,000 airline seats.



Aviation Capacity

Capacity growth was driven by China Southern Airlines, China Eastern Airlines and Sichuan Airlines. Further capacity growth of up to 20 per cent is forecast for 2013.

Due to strong demand from Chinese visitors to Australia, average load factors increased from 73 per cent in 2011 to 79 per cent in 2012.

Aviation highlights during 2012-13

- Tourism Australia worked closely with China Eastern Airlines and Sichuan Airlines on partnership marketing activities to support the launch of new direct aviation routes:
 - > China Eastern Airlines commenced Shanghai – Cairns service in October 2012, marking the first service from China into Cairns.
 - > China Eastern Airlines also launched a new Beijing – Nanjing – Sydney service in December 2012, the first direct service from Nanjing to Australia.
 - > Sichuan Airlines commenced its Chengdu – Melbourne service in February 2013, marking the first direct service from Western China to Australia.

- To attract new international aviation capacity to Australia, Tourism Australia led a high-level delegation of major airports to Routes Asia, Asia’s leading aviation route development forum. A key outcome at the conference was the signing of new “sister airport” agreement between Chengdu and Melbourne airports.
- Tourism Australia has Memorandum of Understanding agreements (MoUs) with China’s three major airlines: China Southern, China Eastern and Air China; as well as China Travel Service and ChinaUnion Pay. These MoUs provide the framework for partnership marketing activities including advertising and public relations. Airline agreements also include support for familiarisation programs, trade shows and media trips to Australia.

Government initiatives for the Chinese market

State and Territory Tourism Organisations and industry are taking the lead in developing quality products and services that meet the needs and preferences of Chinese travellers.



T-QUAL Accreditation, developed by government and industry, promotes quality experiences to tourism consumers by recognising sustainable and capable tourism businesses and operators nationally.

Tourism Australia has been responsible for marketing T-QUAL Accreditation on behalf of the Tourism Quality Council of Australia. The following initiatives have been implemented to promote T-QUAL in China:

- Translation of the T-QUAL Tick into Chinese to display against T-QUAL endorsed products
- Translation of fact sheets and collateral into Traditional and Simplified Chinese
- The preferential listing of T-QUAL endorsed products on Tourism Australia's Chinese consumer website, australia.cn
- T-QUAL content in Traditional and Simplified Chinese on the Aussie Specialist website
- A dedicated T-QUAL stand at the Australian Tourism Exchange 2013 with appointments with Chinese travel sellers
- Promotion of T-QUAL at industry events.

Increased cultural awareness and quality

The Australian government is currently overseeing two projects which aim to increase the range of quality offerings to the Chinese market.

The "Huanying Nin – Welcoming Chinese Visitors" project was initiated through the provision of A\$600,000 under T-QUAL Strategic Investment Grants to deliver training and support to tourism businesses interested in developing their readiness for Chinese visitors. A training program that consisted of three modules – Product Ready, Sales Ready, and Service Ready – was developed and launched in December 2012. Training workshops for the industry commenced in March 2013 and to date more than 1,000 participants have attended. More information, including details of how to sign up and participate in the project can be found at avanagroup.com.au/chinaready.

The "Servicing Chinese Visitors" project was announced in March 2013 along with a call for applications to deliver a solution to address the low supply of quality Chinese speaking

Approved Destination Status

The Australian government leads the management of the Approved Destination Status (ADS) scheme and rolled out a number of enhancements during 2012/13. These enhancements streamlined administrative processes for ADS Inbound Tour Operators (ITOs) and are complemented by a raft of measures aimed at improving the quality of offerings to the China ADS market.

Key achievements in the ADS program in 2012/13 include: a number of updates to the ADS Code of Business Standards and Ethics such as adding an industry fitness requirement for ITOs, establishing the ADS Compliance Taskforce to coordinate the targeting of undesirable activity in the ADS market and share intelligence between government agencies, and distributing the quarterly ADS Industry Newsletter to key stakeholders.

In August 2013, Australia welcomed the one millionth ADS visitor from China – an 11 year old girl arriving with her mother – both on ADS visas.

tour guides available to service tours under the Approved Destination Status (ADS) scheme and China market more broadly. AVANA Learning Pty Ltd was awarded A\$900,000 under T-QUAL Strategic Investment Grants. AVANA has commenced the research phase of the project and it is expected that the first training sessions will be delivered in the first half of 2014.

Bilateral Engagement

- The China Tourism Industry Forum was held in Canberra on 12 December 2012 to coincide with the Australia China 40th Anniversary of Diplomatic Relations Gala Dinner. The Forum comprised of more than 70 stakeholders, including distinguished guests from government, industry and academia in both China and Australia. The theme, Tourism in the Asian Century, focused on the bilateral tourism links and featured the launch of the Welcoming Chinese Visitors project.
- In April 2013, the Australian Government announced plans for 'Australia Week in China', which is to be held in the second half of 2014 and will include a tourism component.

Next steps?

Tourism Australia will continue to work with industry and the State and Territory Tourism Organisations to encourage inbound tourism and roll-out the China 2020 Strategic Plan. Visitors from China will contribute significantly to achieving the growth aspirations of Tourism 2020.

Want to know more?

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Tourism Australia's corporate site (www.tourism.australia.com/china) contains information on the market and the Chinese consumer. Updates on Tourism Australia activities and the China market are published in Tourism Australia's industry newsletter, Essentials.

State and regional tourism organisations are also sources of market intelligence on China.