**Market overview**

In 2016, Brazil was Australia’s 25th largest inbound market for visitor arrivals and 20th for total visitor spend and visitor nights.

**Key importance factors for holiday destination choice**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money</td>
<td>49%</td>
</tr>
<tr>
<td>Safety and security</td>
<td>45%</td>
</tr>
<tr>
<td>Good food and wine</td>
<td>39%</td>
</tr>
<tr>
<td>Aquatic and coastal</td>
<td>34%</td>
</tr>
<tr>
<td>World class nature</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Aviation routes from Brazil to Australia**

- *Melbourne-Santiago route will be operational on October 2017*

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Qantas Airways</td>
<td>38%</td>
<td>33%</td>
<td>28%</td>
<td>33%</td>
<td>32%</td>
</tr>
<tr>
<td>Lan Chile (Air Chile)</td>
<td>14%</td>
<td>11%</td>
<td>10%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Emirates</td>
<td>13%</td>
<td>12%</td>
<td>16%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Jetstar (Australia)</td>
<td>7%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Air Asia X</td>
<td>2%</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Etihad Airways</td>
<td>0%</td>
<td>1%</td>
<td>5%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>South African Airways</td>
<td>4%</td>
<td>4%</td>
<td>7%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Air New Zealand</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>19%</td>
<td>25%</td>
<td>17%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Notes: *Average nights: the sum of all nights divided by the sum of all visitors. **Median nights: the midpoint length of stay for which 50% of visitors stay less and 50% stay longer. ° Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose. Source: 1. Tourism Australia, Consumer Demand Project, 2016. 2. Department of Infrastructure and Regional Development, December 2016. 3. Department of Immigration and Border Protection, December 2016. 4. Tourism Research Australia, International Visitor Survey, December 2016.
» The charts on this page provide a trend overview of visitor arrivals and spend over the last 10 years by main purpose of visit, by first and repeat leisure\(^\Delta\) visitors and also a snapshot of age demographic split of leisure visitors and spend.

Notes: \(\Delta\) Leisure refers to main purpose of visit of holiday and visiting friends and relatives. \(^{†}\) Age profile data refers to an average of 2012-2016.

The following table provides a summary of arrivals, spend and the proportion of repeat visitors to Australia by main purpose of visit: holiday, visiting friends and relatives, business and education.

<table>
<thead>
<tr>
<th></th>
<th>Holiday</th>
<th>Visiting Friends and Relatives</th>
<th>Business</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrivals¹</td>
<td>12,700 (33%)</td>
<td>9,200 (24%)</td>
<td>2,800 (7%)</td>
<td>11,600 (30%)</td>
</tr>
<tr>
<td>Spend per trip²</td>
<td>$4,200</td>
<td>$3,600</td>
<td>$6,800</td>
<td>$13,500</td>
</tr>
<tr>
<td>Spend per night²</td>
<td>$171</td>
<td>$126</td>
<td>$476</td>
<td>$94</td>
</tr>
<tr>
<td>Repeat visitors²</td>
<td>30%</td>
<td>52%</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Average nights stayed²</td>
<td>28</td>
<td>32</td>
<td>14</td>
<td>147</td>
</tr>
<tr>
<td>Median nights stayed²</td>
<td>16</td>
<td>22</td>
<td>8</td>
<td>135</td>
</tr>
</tbody>
</table>

The following provides an overview of top 6 regions visited by leisure visitors and the number of stopovers made in Australia by leisure visitors.

**Top 6 regions visited by leisure visitors**

- Sydney 77%
- Melbourne 31%
- Gold Coast 23%
- Brisbane 18%
- Tropical North Queensland 14%
- North Coast NSW 11%

**Overnight stopovers made in Australia by leisure visitors**

- 1 Stop 45%
- 3-5 Stops 29%
- 2 Stops 12%
- 6-8 Stops 8%

Read as: 29% of leisure travellers from Brazil visited 3-5 regions (and made at least one overnight stay).

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Notes: ¹ Data refers to an average of 2012-2016. ² Refers to share of arrivals of respective purpose of visit. ³ Leisure refers to main purpose of visit of holiday and visiting friends and relatives. ⁴ Percentages will not add to 100% as one person can visit multiple regions. The data refers to visitors that made at least one overnight stay.

There is currently no direct air services operating from Brazil to Australia. Visitors from Brazil are currently utilising Qantas and Lan Chile flights via Santiago to travel to Australia. Based on 2016 figures, both Qantas and Lan Chile hold close to 50 per cent of Brazilian passenger share to Australia.

In February 2015, Australia and Chile signed a new bilateral agreement, which doubled the number of seats allocation (to 4,000 seats per week) and removed codeshare restrictions. The new agreement will allow Qantas and LATAM to work closer and expand the number of services from Brazil to Australia via Santiago.

Further capacity boost from South America is expected from October 2017 when LATAM commenced its non-stop thrice weekly Santiago-Melbourne services.

The airline sector will continue to face challenges with continued uncertainty in the Brazilian economy and low consumer sentiment. There are however signs of turnaround in the Brazilian economy after three years of recession and high unemployment rate. Growth will still be marginal for most of 2017, with recovery forecast to gain speed from 2018 onwards.
The following charts highlight the information sources that Brazilian consumers use to plan and book their holidays.

### Preferred sources for early planning and inspiration

- **General internet searching**: 32%
- **Online hotel booking site**: 26%
- **Friends or relatives that have been before or live there**: 25%
- **Online flights booking site**: 24%
- **Traveller review sites**: 20%
- **Been there before**: 20%
- **Sites for specific destinations**: 19%
- **Social media**: 17%
- **Airline**: 16%
- **Tour operator**: 16%

Read as: 32% of respondents indicate ‘general internet searching’ as a preferred source during the early stages of planning a holiday.

### Preferred sources for seeking information

- **General internet searching**: 32%
- **Friends or relatives that have been before or live there**: 19%
- **Online hotel booking site**: 19%
- **Traveller review sites**: 19%
- **Travel agent (telephone or in person)**: 16%
- **Sites for specific destinations**: 16%
- **National tourism website**: 15%
- **Online flights booking site**: 15%
- **Been there before**: 15%
- **Travel or guide books**: 14%
- **Online travel agent**: 12%

Read as: 32% of respondents indicate ‘general internet searching’ as a preferred source for seeking information about a holiday destination.

### Preferred sources used to book a holiday

- **Travel agent (telephone or in person)**: 36%
- **Directly through airline (online)**: 28%
- **Travel agent (online)**: 25%
- **Accommodation provider (online)**: 23%
- **Directly through airline (telephone or person)**: 15%
- **Tour operator (online)**: 13%
- **Tour operator (telephone or in person)**: 9%
- **Accommodation provider (telephone or in person)**: 5%
- **Other travel booking site**: 3%
- **Other online source**: 2%

Read as: 36% of respondents indicate ‘travel agent (telephone or in person)’ as a preferred source when booking a holiday.

Source: Tourism Australia, Consumer Demand Project, 2016
Tour operators and major travel agencies are the principal distributors of travel in Brazil and Latin America. The growing Brazilian and Latin American (mainly Chile, Argentina, Peru, and Colombia) outbound travel market is offering new opportunities to the Latin American travel trade. According to Miles Partnership research, around 55 per cent of Brazilians and Latin Americans use the internet as a key planning and researching tool and are starting to book through the internet more. However, a large proportion of sales (43.8%) continue to be made through tour operators.

**Distribution system**

**WHOLESALERS/ LARGE AGENCIES**

- **Commission level: 25% to 30%**
  - There are around 150 travel companies (including more retail/wholesale mixes) in Brazil, 30 in Chile, 30 in Argentina, 10 in Peru, and 15 in Colombia.
  - The Brazilian Tour Operators Association (BRAZTOA) is comprised of 90 tour operators, with most based in Sao Paulo and branch offices in other major cities.
  - Major tour operators and travel agencies actively selling Australia include CVC, Decolar.com, Terramundi, Viagens & Compania, Expedia, Kangaroo Tours, Queensberry, Raidho, New Age and Teresa Perez. In Argentina there is ANZ Travel, TN, Crown Travel.

**RETAIL AGENTS**

- **Commission level: 10% to 15%**
  - Many specialised and mid-sized travel agencies undertake their own operations and groups. In the Sao Paulo state, small and regional travel agencies operate their own groups to international destinations.
  - In Brazil there are around 2,500 travel agencies that are members of ABAV, the Brazilian Travel Agency Association.
  - The number of agents in Brazil is almost the equivalent estimated number of Argentina, Chile, Peru, and Colombia combined.
  - Travel agencies and tour operators are mostly based on relationships, commission levels, and sales opportunities.

**AUSSIE SPECIALISTS**

- **241 qualified Aussie Specialists as of Apr-17 in Brazil**
  - The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop front line travel sellers to best sell Australia. The ASP is translated in Portuguese and was launched in Spanish in April 2017.
  - As at April 2017, there were 241 qualified Aussie Specialist agents in Brazil, 17 in Chile, and 10 in Argentina.

**ONLINE**

- **Commission level: 15% to 25%**
  - The online market is largely dominated by Decolar.com. Submarino.com was recently bought by CVC and they will be the new online platform for the products of CVC. Expedia Brazil started activities in late 2012 and TripAdvisor also has a small presence in the market. Despegar is very large in Argentina and uses the Expedia platform concentrating on selling hotels and flights only.
  - Most consumers especially premium clients who want exclusive touring and transfers still prefer to book their travel to Australia through a retail agency or tour operator but online sales have grown quickly.

**INBOUND TOUR OPERATOR**

- **Commission level: up to 35%**
  - Most Brazilian & Latin America tour operators use the services of an inbound tour operator in Australia. Due to competition now, mark ups have decreased throughout the chain to keep sales active.
Travel agents and tour operators still remain the key players in the promotion and selling of Australia. Travel agents often reach out to the tour operators to get additional information on destinations and package offers.

The growing Brazilian outbound market is offering new business opportunities to the travel trade. Australia has become very popular after the telenovela Totalmente Demais and is one of the aspirational destinations for many Brazilians and are looking for exotic destinations.

LATAM Airlines recently announced it is launching a new Santiago-Melbourne direct non-stop route in October 2017, which will improve access to Australia from Brazil and Latin America.

Brazilian & Latin Americans use the internet as a key planning and researching tool, however the majority of booking continues to be through the tour operators.

Customised holiday experiences continue to be very important for Latin Americans who often research all the elements of their Australian holiday, then work with a travel agent for planning and booking.

Many like to have restaurants and shows included but visitors are still unaware of the vast amount of options of experiences.

Special interest segments out of the Brazilian market include: shopping, nature, Outdoor/adventure, gastronomy, wine, sports, culture and luxury. Soft adventure interest is also growing throughout South America as well as some special events, and sporting including large rugby groups from Argentina. Australia is becoming more popular as an exotic wedding destination too.

As the working holiday visa numbers grow in Chile and Argentina – there is also increased interest in working while travelling around Australia in the youth sector.

Relationships and loyalty are extremely important in Brazil & Latin America. Face-to-face meetings and showing enthusiasm will have a positive impact, and most important is maintaining accurate information and competitive pricing.

Brazilians/Latin Americans like to engage in social conversation before getting to the point of business.

Before asking for an appointment, make sure your product matches the travel seller’s needs.

Structure your proposals to emphasise quick wins rather than long term objectives, although these should still be included.

Although you can be well-received year round, the best time of year for sales calls is:

- February (depending on the timing of Carnival)
- April to mid-June
- August and September.

It is important to ensure sales calls don’t clash with holidays or tradeshow weeks.

The key market centres to visit include: Sao Paulo, Rio de Janeiro, Belo Horizonte, Brasilia, Porto Alegre and Curitiba. In Argentina, the centre is Buenos Aires and secondary is Rosario and Cordoba. In Chile, the majority are in Santiago and some in Concepcion.

For more general information on sales calls and planning a visit to market, please see Tourism Australia’s Planning for Inbound Success ebook at: www.tourism.australia.com/inboundsuccess
BRAZIL
FURTHER INFORMATION

Key trade and consumer events

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walkabout South America</td>
<td>Santiago, São Paulo and</td>
<td>17 – 21 April 2017</td>
</tr>
<tr>
<td></td>
<td>Buenos Aires</td>
<td></td>
</tr>
<tr>
<td>Travelweek 2017</td>
<td>São Paulo</td>
<td>26-28 April 2017</td>
</tr>
</tbody>
</table>

Where to find more information

Tourism Australia’s activities in Brazil & Latin America are managed from its Los Angeles office and a representative office in Sao Paulo. For more information visit Tourism Australia’s corporate website at www.tourism.australia.com.

There are no Australian State and Territory Tourism Organisations operating in Brazil.

Also see:
» Brazil Country Brief published by the Department of Foreign Affairs and Trade at: www.dfat.gov.au/geo
» For the latest arrivals statistics, visit: http://www.tourism.australia.com/statistics/arrivals.aspx
» For additional statistical reports refer to the ABS and TRA websites, www.abs.gov.au and www.tra.gov.au
» For additional information on consumer research, visit: http://www.tourism.australia.com/statistics/consumer-demand-research.asp

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