

MARKET UPDATE

JANUARY - MARCH 2010

Canada

Market Summary

So far in 2010 visitor arrivals from Canada are stable, with growth in the Visiting Friends and Relatives segment. The severe winter conditions during December were likely a strong motivator for Canadian travel in the early months of 2010. The winter season is traditionally a popular time for family travel out of Canada.

Tourism Australia and Tourism Queensland will shortly embark on a large scale campaign with Air Canada Vacations to tap into Air Canada's lucrative travel audience and present them with new offers for Australia. This effort, combined with Goway's Travel's 40th Celebration Campaign, will introduce a wide range of compelling offers and deals to the market that should stimulate demand for Australia and travel in the Canadian Summer/Autumn.

1. Market News

- The Aussie Working Holiday Maker (WHM) social media promotion in partnership with CampusPerks.ca (Redwood Marketing) has generated more than 57 video uploads, 23,300 votes, 49,459 video views and 30 social events on 17 campuses across Canada. In addition, there were 1,994 event attendees and more than 4.9 million impressions through Facebook, local PR coverage (newspapers, radio, Twitter, Flickr etc.), all promoting work and holiday in Australia.
- Additional pitching of the Aussie Working Holiday Maker has secured mainstream and university online, print and radio media, generating nearly 50 stories nationwide and over 28 million impressions.
- International media visits for the *Globe and Mail*, *Toronto Star*, *Si Si Pendaloza*, and three freelancers for *Vancouver Sun.com*, *Elle Canada* and *Canoe.ca* will operate before 30 June.

2. Consumer Insights

- The Canadian economy is predicted to grow by 3.3 per cent in 2010, higher than the 2.5 per cent expected earlier in the year. Canadian consumer confidence has

rebounded by 60 per cent since hitting a 15-year low in late 2008 however this measure is still 20 per cent below the 2007 peak in confidence. *Source: Conference Board of Canada.*

- Despite improvement in consumer confidence, consumer spending habits have significantly shifted down, due to rising interest rates.
- The internet now stands third - just behind television and radio - in terms of total weekly time spent by all adults with all media in Canada.
- In English Canada, the internet has experienced a remarkable growth in terms of share of time spent with media between 2001 (14 per cent) and 2007 (23 per cent). In this same time, French Canada's growth in share of time has increased from 11 per cent to 18 per cent.
- Television cost per impression (CPIs) are projected to increase 3 per cent moving into 2011 and continue to increase 3-5 per cent year on year. Magazine CPIs are expected to remain flat or decrease by a maximum of 2 per cent in 2012. It is likely that online will continue to increase year over year.

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

3. Trade Update

- Air Canada Vacations (ACV) has hired veteran Aussie APT sales manager, Aubrey Schmidt to their new sales team to sell ACV's Australian product.
- Ensemble Travel in partnership with Tourism Australia, Tourism Tahiti, Fiji Tourism and Qantas Vacations have launched a comprehensive South Pacific Specialist Program, an initiative designed to position participating members in the USA and Canada as leading destination authorities and to drive qualified leads to its agents. The Ensemble Travel Group South Pacific Specialist Program will be supported by a collection of both print and e-marketing initiatives, all geared to help members generate new booking activity in the South Pacific.
- To celebrate their 40th anniversary, Goway has announced that they will host a group of 40 North American agents in April 2010.
- Flight Centre has introduced its Lowest Airfare Guarantee. Flight Centre pledges to "beat any genuine written airfare quote by \$1 and also issue a \$20 voucher which can be redeemed for future travel booked in any Flight Centre store," said a company statement.
- The Travel Corporation of Canada announced the appointment of Brad Ford as the new President for Contiki Holidays in Canada.

4. Airline News

- Jetstar has launched an interline agreement with Air Canada that will allow customers to connect their Jetstar domestic or international service with travel to or from destinations such as Vancouver, Toronto and Quebec City. The agreement between Jetstar and Air Canada gives travellers greater flexibility to combine travel on Jetstar and Air Canada as part of a single booking process through travel agents. *Source: biztravelguru.com, 10 April 2010*
- EVA Air hosted a seminar to introduce the Toronto market to the airline, their service, and the new fleet of B777-300ER aircraft servicing the direct Toronto-Taipei route from 29 March 2010. Eva Air serves Australian ports from its Taipei hub. Canadians are very receptive to creative ways to use air access when considering destinations like Australia.
- Virgin America has announced expansion plans that position the new airline for strong growth in 2010 and beyond. Of particular interest is that the airline announced its intent to serve Toronto Pearson International Airport (YYZ) with daily flights from both LAX and SFO as early as June 2010. *Source: Virgin America Press Release, 18 March 2010.*

5. Competitor News

- Outbound travel by Canadians was up as at January 2010 by 6.8 per cent. The growth in travel was largely helped by the strong Canadian dollar (which was trading on par with the US dollar during this period). Leisure travel to the US grew by 8.9 per cent (Nov 2009 to January 2010). Travel to Europe by Canadians grew during this period; however travel to UK is still below 2009 levels. Travel from Canada to Asia / Pacific region remained strong in the first two months of 2010, in particular to Asia. *Source: The Conference Board of Canada.*
- Canadians are warming to foreign travel with a rising post-recession Canadian dollar, spurring forecasts of a robust summer for trips to the United States and overseas. *Source: The Global and Mail, April 7, 2010.*

6. Key Campaigns and Activities in Market

Canada campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
22 January 2010	30 April 2010	<i>Viral Wine Challenge</i> Launched in partnership with Wine Australia in support of the Australia Now campaign. Promotes the many wine regions of Australia including opportunity for consumer to win a trip to Australia.	First Time Experience Seekers – with interest in food and wine adventures in Australia	Wine Australia
5 January 2010	30 June 2010	<i>Australia Now – It's Time for Australia</i> Includes digital, print and television. Focused on Food and Wine Experiences. Includes digital, print and television - focus on Nature and Adventure and Food and Wine Experiences.	First Time Experience Seekers - Americans with household income higher than \$USD100K and who are predisposed to travel to Australia in the next 12 months.	Goway Travel, Tourism Victoria, Tourism Queensland and Tasmania.
1 November 2009	June 30 2010	<i>Youth Campaign CANADA</i> Focused on digital activities, including Facebook, media activity in early 2010. Campaign launched on 5 January 2010 with 100 per cent online media. - Dine Alone Records promotion drove to the youth campaign on Australia.com. - Social Media promotion with Redwood marketing launched in March.	First Time Experience Seekers - Youth / Working Holiday Maker (WHM)	Goway Travel, Tourism Victoria, Tourism Queensland and Tourism Northern Territory
Ongoing	PR and Communications Includes IMHP program and CRM activities.	<i>First Time Experience Seekers in Canada.</i> Canada Vancouver Media tour in May to include meetings with Global BC/Today Show, <i>Vitamin Daily</i> , <i>Toronto Star</i> , <i>NUVO</i> magazine, <i>Western Living</i> , <i>Georgia Straight</i> , <i>Vancouver Magazine</i> and <i>Canadian Traveler</i>	Qantas provides IMHP air tickets, all STOs support ground efforts.	

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April 2010	30 June 2010	<i>Air Canada Vacations:</i> Tourism Australia is in discussions to partner with Air Canada Vacations (ACV) to launch their new Australia product range in April 2010. The campaign will consist of direct mail to Air Canada's lucrative Aeroplan membership and other consumer initiatives across Canada.	First Time Canadian Experience Seekers	Air Canada, Air Canada Vacations, STO's
April 2010	30 June 2010	<i>Goway Travel 40 years anniversary:</i> Tourism Australia is partnering with Qantas Airways and STO's in North America to support Goway Travel's 40 th Year of selling Australia. A co-op marketing plan is currently under construction, and will consist of extensive trade and consumer activities across the USA and Canada.	First Time Canadian and USA Experience Seekers	Goway, STO's, Qantas
24 May	31 May	<i>Pre-ATE Marketing Mission</i> AAT Kings and Tourism Australia are conducting the annual Marketing Mission with 24 Premier Aussie Specialists from North America. The Mission is designed to showcase Regional Australia. In 2010, the itinerary will be driving from Melbourne across to Adelaide. Along the way AAT Kings and Tourism Australia also discuss marketing concepts and educating Premier Agents on how they can increase their marketing presence in their local area, and how they can market the experiences and destinations visited on the famil.	24 Premier Aussie Specialists	AAT Kings, Tourism Victoria, South Australian Tourism Commission, Qantas
29 May - 2010.	4 Jun 2010	Australian Tourism Exchange (ATE)	Trade – North America	-