

Spain

Market Summary

The growth in Spanish visitor arrivals for the six months to June 2010 (up 11 per cent) can be attributed primarily to the leisure market and to special airfares offered in 2009 for travel in 2010. Arrivals have improved from a relatively weak 2009 due to the Global Financial Crisis (2008 was an extremely strong year due to World Youth Day). The strong growth in the 30 to 44 years age group can be attributed to growing honeymoon business out of this market. Tour operators are reporting that despite severe economic constraints and high unemployment, travel to Australia is performing better than other long haul destinations, particularly, the honeymoon segment to Australia.

1. Market News

- Spain's economy has come out of a two-year recession. The Bank of Spain estimates that GDP grew 0.1 per cent in the first quarter of this year, ending seven consecutive quarters of contraction but lagging the rest of the euro areas recovery.
Source: *The Guardian, May 7, 2010*
- Spain's austerity measures are hitting a population that is already staggering under the weight of the highest unemployment rate in the euro zone, 20 per cent overall, 40 per cent for its young people.
Source: *International Herald Tribune June 29, 2010*
- The Economist Intelligence Unit forecasts Spanish consumers will be deterred from spending for the rest of this year and 2011. It says that consumption will fall by a further 0.4 per cent this year (after declining by 4.9 per cent in 2009), before rising by a modest 1.1 per cent in 2011.
Source: *Economist Intelligence Unit April 28, 2010*
- Online flight company Skyscanner says that Spain is the most popular holiday destination globally.
Source: *Business Wire, June 30, 2010*

2. Consumer Insights

- The latest report by Familitur indicates that international trips taken by the Spanish population grew in 2009 by 5.5 per cent compared to 2008. The average length of stay however decreased from 8.8 to 8.4 nights. The same report also reflects an important change in booking behavior by the Spanish. Of all international trips taken in 2009, there was a decrease of 15.2 per cent in the purchase of packaged holidays whilst the number of direct bookings through the internet increased 16.7 per cent. The number of trips without a reservation also increased by 10.4 per cent.
Source: *Familitur, Spanish Institute of statistics (IET), July 13 2010*
- The number of Spanish mobile internet users will double this year. Spain currently has around 1 million mobile internet customers, according to a study by market researcher GfK. Around 4 per cent of users who do not currently access the service admit they plan to subscribe to mobile data services this year.
Source: *DM Europe, June 29, 2010*
- The internet has positioned itself as the main media in the Spanish tourism sector. The investment in online advertising has been increasing this year in contrast to other media. Interactive Advertising Bureau (IAB) in Spain forecasts that the internet will be the second media in terms advertising investment in 2012 (€700 million).
Source: <http://viajaryviajar.blogspot.com> , www.20minutos.es July 22, 2010

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

3. Trade Update

- Dimensiones (part of the Marsans group) has lost most of its staff after the Marsans group was declared bankrupt and sold to an investor last month. The product manager for the Pacific, Rosalia Souto is still working there although the company is not operative. All business has been lost to the competition.
Source: www.agenttravel.es, July 21, 2010
- A new website www.viajesaustralia.com exclusively promoting Australia was launched in May 2010 by Prestigio Viajes, a tour operator that specialises in honeymoon traffic.
Source: *Prestigio Viajes*
- Many tour operators report the need to charge supplements on their packages from early June in response to the strong appreciation of the AUD against the Euro.
Source: *Trade Feedback*
- Due to the poor economic climate, the tendency in the market is to book last minute, even more so than before. Tour operators are trying to combat this tendency by offering discounts for early bookings that are made two to four months in advance.
Source: *Trade Feedback*

- As at June 2010, there are 899 Aussie Specialist agents, 32 per cent are fully qualified.

4. Airline News

- Qatar Airlines has launched daily flights from Barcelona to Doha from 7 June which will connect with the Doha to Melbourne service. Qatar now has daily flights from both Barcelona and Madrid to Melbourne with a change of aircraft in Doha.

Source: www.qatarairways.com/es, July 21, 2010

- Emirates Airlines had a large launch event for 1,000 people on 10 June to celebrate the commencement of its daily service from Madrid to Dubai, commencing on 1 August 2010. The flight will connect with its services to Australia via Dubai. Emirates has special web rates to Sydney, starting from €1,240 (inclusive of taxes).

Source: www.emirates.com/es/spanish/, July 21, 2010

5. Competitor News

- The ongoing global economic slowdown has affected Cuba's tourism sector, with a drop in arrivals from Europe by 4-10 per cent in the first quarter of the year. The number of Spanish and British visitors fell by 10 per cent, followed by the number of Italian, French and German visitors which fell by 6 per cent, 5.5 per cent and 4 per cent respectively, said the Cuban National Statistics Office.

Source: *Xinhua News Agency*, June 25, 2010

- Lebanon is investing \$5 billion in its tourism industry and says it will target Spanish, Russian and German holidaymakers. Lebanon saw an increase in tourist arrivals by 39 per cent in 2009.

Source: *Travel and Tourism News*, June 1, 2010

- The latest report by Familitur indicates that long haul destinations that performed particularly well from Spain were North America and South America with growth of 6.8 per cent and 18.6 per cent respectively. Both destinations were helped by the favorable USD/EUR exchange rate.

Source: *Familitur*, *Spanish Institute of statistics (IET)*, July 13 2010

6. Key Campaigns and Activities in Market

Current Campaigns and Activities (April – June 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
Feb 2010	April 2010	<i>Aussie Specialist Promotion:</i> A major incentive promotion to encourage agents to join the Aussie Specialist Program (ASP) which included various activities e.g. fax mail-out, email-blast and advertising. An impressive 652 travel agents signed up to the ASP during this time, of which 26 per cent finished the program and became a fully qualified Aussie Specialist. This promotion doubled the number of Aussie Specialists in the Spanish market.	Spanish travel agents	None
22 February 2010	22 May 2010	<i>Facebook promotion:</i> Tourism Australia launched an online game on Australia in partnership with Singapore Airlines for Spanish Facebook users. Answers to the game's Australian experience related questions could only be found by researching on the new Spanish language version of www.australia.com . There were over 10,800 users of the application.	Spanish First Time Experience Seekers, aged 18-30	Singapore Airlines
April 2010	April 2010	<i>Media Famil:</i> Spanish <i>Condé Nast Traveller</i> journalist visited Australia (Victoria and Northern Territory). Result: 14 page Australia coverage in May edition of <i>Condé Nast Traveller</i> . Further coverage to follow.	Consumer media	Tourism Victoria and Tourism Northern Territory
April 2010	June 2010	<i>Australia a la carte:</i> Tourism Australia has created an Australia media kit with 16 pre-written stories for consumer and trade journalists. Stories have been picked up by 14 media (print and online). To date the total value of this exposure is €66,000. A further 10 media are still to publish articles.	Consumer/trade media	None
2 May 2010	16 May 2010	<i>Corroboree 2010:</i> Training event for 298 Aussie Specialist travel agents from across Europe and South Africa. Workshops with Australian industry were held on 5 – 8 May in Melbourne followed by famils throughout Australia (22 itineraries in total).	Aussie Specialist travel agents throughout Europe	Qantas; Tourism Victoria; State & Territory Tourism Organisations; Australian tourism industry

Upcoming Campaigns and Activities (July – September 2010)				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
September 2010	October 2010	<i>Honeymoon Promotion:</i> Tourism Australia promotion on honeymoon experiences in Australia. Planned channels are a consumer promotion, online, Australia.com and media relations.	Spanish Couples and Honeymooners	TBC