

United Kingdom

Market Summary

Total visitor arrivals for the 2009 calendar year decreased by 1 per cent compared to 2008.

In January, Tourism Australia and Emirates launched the second phase of a nationwide campaign to promote Australia, its wildlife, lifestyle and people, as part of a £2m marketing drive to encourage Britons to visit Australia from one of the six airports Emirates fly from in the UK.

Furthermore, numerous other trade, consumer and major airline (Qantas and Singapore Airlines) activities are planned in the coming months and are expected to drive further interest and encourage Brits to book their holidays to Australia.

1. Market news

- The UK economy has come out of recession, after figures showed it had grown by a weaker than expected 0.1 per cent in the last three months of 2009. The economy had previously contracted for six consecutive quarters, the longest period since quarterly figures were first recorded in 1955.
Source: BBC, 26 January 2010
- VAT returned to 17.5 per cent from 1 January 2010 (up from 15 per cent which it has been at for the last 12 months), and looming tax increases are denting UK consumer confidence according to a survey from Nationwide. People are pessimistic about the economy, with only 34 per cent expecting it to be better in six months, down from 41 per cent in November.
Source: The Guardian, 6 January 2010
- UK consumers are attempting to reduce their personal debt by repaying loans and credit card bills as fast as possible. UK consumer credit has fallen for the fifth straight month. In November 2009, £376 million more was paid back by British consumers than borrowed as consumers have resisted the temptation to take out loans to pay for expensive holidays or new cars.
Source: www.dailyforex.com, 7 January 2010

- The Chartered Institute of Personnel and Development says that 1.3 million people were made redundant during the recession. The study notes that this is equivalent to 4.4 per cent of people in work before the downturn. It also says that two-thirds of people made redundant were paid 28 per cent less when they managed to find another job.
Source: BBC, 25 January 2010
- Outbound travel activity from the UK was the hardest hit in Europe in 2009, according to the latest trend report from ITB. The UK market fell 15 per cent, followed by a 12 per cent fall in Russia. Austria was the only nation to report an increase, up by 2 per cent.
Source: www.breakingtravelnews.com, 7 December 2010

2. Consumer insights

- UK travelers heading on a gap year in 2010 will take exchange rates into account when picking their destinations, with many heading to non-Euro destinations like Thailand and South Africa, according to research from Travelsupermarket.com.
Source: www.yearoutgroup.com, 24 December 2009
- In addition, many UK consumers will play the currency game when choosing where to go for a break this year. Jamaica, Egypt and Dubai top the list of destinations where they will have more cash in their pockets due to the strengthening of the pound. In Mexico, Mauritius and Barbados, costs are also down for UK tourists and Thailand is the cheapest long haul destination for Brits.
Source: Post Office press release, 20 January 2010
- The top 50 most searched for destinations from UK airports on website SkyScanner.net for travel in 2010 have been revealed. Malaga is in the top spot, moving up one place from last year. Australian destinations included on the list were Sydney (20th), Melbourne (34th), Perth (43rd) and Brisbane (48th).
Source: TravelMole, 6 January 2010
- Luxury holidaymakers are seeking personal fulfilment and understated chic rather than overt luxury, according to a report by CV Travel. There is also interest in holidays that offer activities, culture and the chance to learn a new skill.
Source: www.etid.com, 11 January 2010
- A report by STA Travel says sales for fortnight adventure holidays have increased 20 per cent year-on-year, at the expense of the traditional beach break. Australia, Bangkok, Tokyo and Singapore are the most popular two-week adventure trips.
Source: www.e-tid.com/News, 21 January 2010
- A new report by TUI Travel has revealed that adventure travel is set to gain popularity in the coming years, potentially boosting the take-up of Australian holidays.
Source: www.wystc.org, 18 January 2010
- According to a YouGov poll on behalf of holiday company Hoseasons, 5 per cent

of British adults will not book a break in 2010 due to their Christmas debt.

Source: www.e-tid.com/News, 9 January 2010

- The number of people planning to take a two-week holiday in the British Isles this year is down by a quarter from 2009, according to research by Hotels.com. It also found 71 per cent considered a long summer holiday to be a 'must-have' expense in their household, with 81 per cent planning a ten to 14-day break abroad in 2010, versus just 70 per cent last year. To try to cut costs, 69 per cent will consider travelling out of season, 49 per cent will consider booking an all-inclusive holiday and 14 per cent will consider downgrading their hotel accommodation.

Source www.hotels.com, 14 January 2010

3. Trade Update

- SAGA is introducing a new venture following the purchase of Titan Travel Group by SAGA parent Acromas. SAGA Tailor Made will market the Tailor Made Travel brand and products to the Saga Travel database, which currently stands at over 8 million profiles. The launch of the brand will commence with a dedicated 36 page SAGA Tailor Made brochure that will focus on Australia, New Zealand and Canada.

- FlyGlobespan (Scotland's largest travel agency) and Albury Travel have gone into administration.

Source: *TravelMole*, 21 December 2009

- The completion of Gold Medal's acquisition by Thomas Cook has brought changes to the management their Australia programme. Thomas Cook Signature will now be wrapping the Gold Medal Brochure for 2010/11 and a product review will take place across all channels. All bookings previously going through Thomas Cook Signature will start to come through Gold Medal.

- The changes made at Thomas Cook/Gold Medal mean that Terry Fisher is now responsible for all our scheduled brands including Gold Medal, Thomas Cook Signature, Cresta, Elegant Resorts, Flight Savers, Netflights and Pure Luxury.

- Jayne White has announced she is leaving Kuoni UK (after 18 years) in early February 2010. Colette Ernst will be taking over the purchasing for Australasia for Kuoni UK and Mandy McGlade will be looking after Australasia from a UK market perspective, including product planning and promotion in the UK market.

- Barrhead Travel have opened an Australia Specialist Department within their Glasgow city centre Superstore.

- Independent long haul operator Bales Worldwide has been purchased by Virgin Holidays.

Source: *ttglive.com*, 15 December 2009

- Travelmood has named Thailand and Australia as the most popular destinations for customers booking their 2010 holidays in the first two weeks of January. Management at the company believe the extended cold weather snap is

encouraging people to book sunny destinations. Travelmood will also open two new stores in 2010, taking the total to ten across the UK.

Source: Travel Daily UK, 18 January 2010

- Luxury tour operator Seasons in Style has been purchased by Eden Luxury Travel Group. Both brands will be maintained and no staff redundancies will be made and all 55 staff will be located at the Seasons in Style office in Chester.
- Emirates Airline has launched a sales incentive campaign for travel agents, with the prize being a £10,000 shopping spree at Harrods.
- Some of the UK's biggest holiday companies offer the poorest service according to a *Which? Magazine* report. Tour giants Cosmos, Thomas Cook and First Choice were at the bottom of a customer satisfaction table.

Source: Yorkshire Post, 5 January 2010

- More than three quarters of senior travel industry buyers claim to be optimistic for the prospects for the trade in 2010. A poll of members of World Travel Market's Meridian Club, the business club for the travel industry's most senior buyers, found that 84 per cent are showing optimism. And more than six out of ten of the 659 senior buyers surveyed say the industry will perform better in 2010 than in 2009.

Source: www.routesonline.com, 26 January 2010

- There remains scope for innovative and savvy travel agents, according to UK industry experts. The conclusion came from a debate about whether agents were 'passed their sell-by date' at an event organised by the Chartered Institute of Marketing Travel Industry Group in London. ABTA chairman John McEwan, who chaired the debate, said: "We know from our data that although agents on the high street may be fewer, other models of business are appearing such as going into partnership with supermarkets and home working."

Source: www.travelmole.com, 26 January 2010

- Austravel has added a number of new products to its 2010/2011 Australia and New Zealand brochures, including a 17-night circumnavigation of Australia departing Sydney Harbour and a ten-night Barrier Reef cruise. The company is also offering all inclusive package deals to Australia, in response to the increasing popularity of 'all-inclusives' in the UK.
- As at December 2009, there were 3,181 Aussie Specialist agents in the UK, of which 61 per cent were fully qualified.

4. Airline news

- Airlines have slashed prices and are increasing the number of special offers to Australia from the UK. Emirates is offering flights from six UK airports to Australia from £599, while Virgin is offering London to Sydney from £699 and Qantas has a special offer from London Heathrow to Australia from £613 (all prices are inclusive of taxes and charges). However, these prices are only valid for restricted travel periods, and economy flights up until late April are costing over

£1000. This is in stark contrast to the cheaper deals that consumers got used to in 2009.

Source: embraceaustralia.com, 19 January 2010

- The union representing British Airways cabin crew has withdrawn its threat of an Easter strike but is debating taking strike action at other times. An earlier strike ballot was successful for action over the Christmas/New Year period, however was ruled illegal by the High Court and was stopped.

Source: *The Times*, 21 January 2010

- Qantas has launched daily Airbus A380 flights between Singapore and London Heathrow and says that Singapore is a key market for Qantas both in its own right and as a key hub between Australia, Asia and Europe.

Source: www.asiatraveltips.com, 19 January 2010

- Qantas has announced that it will start a new London-Melbourne route using the A380 super jumbo. The airline said the delivery of its fifth new A380 aircraft in December and a sixth in the New Year would allow it to operate the service, via Singapore, from January.

Source: www.ttglive.com, 22 December 2009

5. Competitor news

- Kuoni UK is offering savings of up to 30 per cent in what it claims is its “biggest luxury holiday sale”. Destinations available include the Maldives, the Rocky Mountains in the United States and the Masai Mara in Kenya. Operators are desperate to kick start the market, with business reportedly down 5 to 10 per cent on this time last year, which itself proved a difficult year for the travel industry.

Source: www.timesonline.co.uk, 5 January 2010

- Australia is the third best country in the world in terms of helping expats to settle in according to the banking group HSBC’s Expat Explorer Survey. Bahrain was ranked first and Canada second with Thailand and Malaysia in fourth and fifth places.

Source: eturbonews.com, 14 January 2010

- Egypt, Turkey, Morocco and Sri Lanka are expected to be strong destinations for British travellers this year, according to the ABTA Travel Association Trends survey.

Source: *Western Mail*, 5 January 2010

- Malaysia’s tourism ministry fears that a recent wave of arson attacks on Christian churches and rising racial tension may put foreign tourists off visiting the country.

Source: www.eturbonews.com, 10 January 2010

- A new high speed rail link will bring Madrid within eight hours of London and will become a viable alternative to air travel in the next decade, says a report in the Daily Telegraph.

Source: *Daily Telegraph*, 21 January 2010

- Ten South East Asian countries including Malaysia and Indonesia are launching a new campaign for the region around the slogan 'Southeast Asia: feel the warmth.' It will heavily target UK, Australian and Indian tourists.

Source: www.traveldailynews.com, 25 January 2010

- VisitBritain unveiled its three-year global promotional campaigns in 2010 along three key themes: Classic, Dynamic and Luxury, encompassing traditional Britishness, youth and high revenue markets.

Source: www.travelmole.com, 29 December 2009

- Cape Town Tourism has appointed international public relations agency, MTA Tourism Leisure, to proactively promote the city in the UK and to change perceptions among potential holidaymakers from the UK.

Source: www.forimmediaterelease.net, 14 January 2010

6. Key Campaigns and Activities in Market

December and January campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
1 November 2009	31 December 2009	<i>Under the Skin of Australia:</i> Digital campaign designed to raise the profile of Australia's Barefoot luxury experiences amongst affluent Brits through promotional and advocacy activity.	High income earners living in metropolitan areas	Black Tomato
December 2009	January 2010	<i>Travel 2 Australia launch 2010:</i> <ul style="list-style-type: none"> • Brochure launch activity E-shot and web page • Mini brochure for agents • Trade press ad: 8 January issue of TTG • E-shot and web page • Point of sale cubes promoting Australia and Travel 2 • Consumer events in the regions • Australia Day promotion in Glasgow call centre. 	Travel agents Experience Seekers in Regional UK	Travel 2
December 2009	January 2010	<i>International Media Hosting Programme visits:</i> <ul style="list-style-type: none"> • <i>The Yorkshire Post</i> visited Sydney and Brisbane to research features focusing on the upcoming Ashes series as a hook • <i>Lonely Planet magazine</i> travelled to Victoria for a Great Ocean Road; Mornington Peninsula and Wilsons Prom travel feature • <i>The Daily Telegraph</i> travelled to South Australia to research a feature on Kangaroo Island as part of a wider feature on Australian islands • The Guardian travelled to Victoria to research a Melbourne city feature • Western Morning News travelled to Queensland to research two coastal lifestyle pieces. 	UK First time Experience Seekers	Qantas, Tourism Western Australia; Tourism New South Wales, Tourism Victoria, Tourism Tasmania, Tourism Queensland, Tourism South Australia

01 December 2009	03 December 2009	<i>European Incentive, Business Travel & Meetings Exhibition (EIBTM), Barcelona:</i> Global business-to-business trade event targeting the business events sector.	Trade	Adelaide Convention Centre; Airnex; Business Events Cairns; Cairns Convention Centre; Crown Entertainment Complex; JCM Australia; Melbourne Convention + Visitors Bureau; Perth; Sydney
03 December	03 December	<i>Tourism Australia UK Networking Event:</i> 140 suppliers, tour operators and key partners attended a function hosted by Tourism Australia.	Trade	None
07 December 2009	10 December 2009	<i>International Luxury Travel Market (ILTM), Cannes:</i> Global business-to-business trade event targeting the luxury travel sector.	Trade	Emirates Wolgan Valley Resort, Peppers, Qualia, South Australian Tourism Commission, Tourism Queensland, Tourism Victoria
16 December 2009	Ongoing	<i>Global ASP:</i> New Aussie Specialist website launched globally. Aussie Specialists will benefit from a new design and updated content.	Aussie Specialists	
01 January 2010	30 April 2010	<i>Wexas Australia 2010:</i> Print and promotional campaign.	High end consumers	Wexas
03 January 2010	31 January 2010	<i>Emirates Airline co-op:</i> Radio, print, outdoor and online campaign including high-impact outdoor ads to promote the accessibility of flying to Australia from a range of regional airports.	UK First Time Experience Seekers	Emirates Airline
26 January 2010	26 January 2010	<i>Australia Day event:</i> To celebrate Australia Day, Tourism Australia held a media networking event for over 100 UK journalists.	Journalists	Leona Edmiston; the Fosters Group; Mr & Mrs Smith

26 January 2010	26 January 2010	<p><i>Australia Day:</i> To celebrate Australia Day in the UK, Tourism Australia partnered with radio stations Heart FM and XFM.</p> <ul style="list-style-type: none"> To encourage Brits to come to Australia for their next holiday, Jason Donovan, a popular Heart FM presenter co-presented a special edition of the mid morning show on Australia Day. Jason talked about his favourite Aussie experiences and three holidays were given away during the show. The competition received over 85,000 entries – a record for the station. The second radio promotion on XFM was a holiday that included tickets to Splendour in the Grass. 2364 people texted in to the competition. XFM handed out more than 7000 Tim Tams on Australia Day with the Australia.com call-to-action, to commuters at Waterloo and Liverpool Street stations. Both radio promotions were supported with on air spot ads and advertorials that delivered TA's nature and adventure messaging. 	First Time Experience Seekers	
January 2010	April 2010	<p><i>TTG Ultra magazine luxury promotion:</i> As part of Tourism Australia's luxury project, Tourism Australia is running a promotion with <i>TTG Luxury</i> magazine – the magazine aimed at agents selling to high-yield consumers. The promotion gives agents the chance to win a place on a luxury famil to Emirates' Wolgan Valley Resort and Southern Ocean Lodge. A journalist from <i>TTG Luxury</i> will travel with the agents and write a feature in an upcoming issue about the Australian luxury experience. The objective of the campaign is to increase agents' knowledge of selling luxury Australia and highlight Australian luxury experiences.</p>	Travel agents	Emirates Airline, Emirates Hotels and Resorts
July 2009	June 2010	<p><i>Tourism Australia's ongoing media partnership with Conde Nast:</i> In the month of January five different four page advertorials were published in Tatler, Traveller, GQ, Brides and House and Garden magazine. Each delivered TA's five key messages and showcased luxury experiences across Australia. The call to action was www.condenast.co.uk/australia. The sitelet has been refreshed to include a new competition and the prize for Jan/Feb 2010 is a two-week holiday to Australia courtesy of Seasons in Style. This is part of the co-op marketing work they are running with TA in Q3.</p>	High yield First Time Experience Seekers	Condé Nast, Seasons in Style

January 2010	January 2010	<p><i>Tourism Australia and Mr & Mrs Smith in Waterstones promotion:</i></p> <p>Tourism Australia has joined up with the publishers of the Mr & Mrs Smith books for a national promotion in Waterstones bookstores. For the month of February, the recently launched Mr & Mrs Smith dedicated Australia & New Zealand accommodation guide will be front of store in 220 Waterstones shops, directing consumers to visit www.waterstones.com/win to win an amazing holiday to Australia. The stickers promoting the competition are also branded with a www.australia.com call to action, to encourage consumers to find out more about the destination. In addition to the in-store promotion, the Mr & Mrs Smith team will also issue an e-newsletter to its 180,000 members highlighting the campaign, the aim of which is to showcase luxury accommodation options and experiences available across Australia to high yield holidaymakers.</p>	High yield first time experience seekers,	Mr & Mrs Smith; Waterstones.
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Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
February 2010	March 2010	<p><i>International Media Hosting Programme visits:</i></p> <ul style="list-style-type: none"> • Sir Ian Botham will travel to South Australia and Queensland researching features for the <i>Mail On Sunday</i>. • <i>Red Magazine</i> will travel to New South Wales to research a luxury Sydney Coastal Lifestyle feature. • TA and the YHA are running a cooperative group press trip, hosting journalists from university and student magazines. The group will travel to Western Australia and Queensland and will highlight the benefits of the Working Holiday Visa to 18-30 year olds. • <i>Travelbite.co.uk</i> will travel to New South Wales to research a Sydney city feature. • <i>The Daily Express</i> will travel to Cairns and the Great Barrier Reef to research a Coastal Lifestyle piece. 	UK First time Experience Seekers	Qantas, YHA, Tourism Western Australia; Tourism New South Wales, Tourism South Australia

		<ul style="list-style-type: none"> A freelancer writing for Simonseeks.com and TheTravelEditor.com will visit Sydney to research a city piece for each publication. 		
08 February 2010	28 February 2010	<i>Singapore Airlines co-op.</i> National TV and online advertising to inspire Experience Seekers to consider Australia for their next trip.	UK First Time Experience Seekers	Singapore Airlines
12 February 2010	15 April 2010	<i>Ashes 'See Every Ball' competition:</i> Online competition to promote visiting Australia during the Ashes cricket Test Series in 2010/11.	UK First Time Experience Seekers	Cricket Australia
15 March 2010	30 April 2010	<i>Youth Facebook promotion:</i> Online campaign promoting the working holiday visa and encouraging peer advocacy for Australia. www.facebook.com/australianworkingholiday	UK First Time Experience Seekers aged 18-30	None
16 March 2010	18 March 2010	<i>European New Product Workshop:</i> A three day in-market briefing and workshop event for Australia's new tourism product and product managers from key wholesalers and tour operators across the European markets.	Trade	TBC, 32 Australian sellers and 64 European buyers