

USA

Market Summary

Visitor arrival performance from the United States to Australia has remained positive, up 4 percent year to date (January to May). This growth is being driven by business travel, up 29 percent year to date against the negative 2009 economic crisis levels.

Economic indicators are showing a steadily improving US economy and this bodes well for outbound travel. Americans are more confident than they were a year ago and vacation intentions and outbound travel are positive. However, the numbers are anticipated to be less than outbound travel levels prior to the GFC. In recent months, the USD has gained against both the Euro and Pound and this is contributing to the appeal of travel to Europe. The AUD in comparison has remained relatively strong against the USD, making travel to Australia to be perceived as more expensive.

The latest TFC forecasts are positive, predicting an 8 per cent growth in 2010 for the US, however for the remainder of 2010, it is important to benchmark against a very strong second half of 2009 driven largely by entry of new carriers and unprecedented airfares. While fare deals remain competitive, they are not on par with 2009 levels and expectations for leisure travel growth should be aligned accordingly.

1. Market News

- ATE 2010 was a great success from an Americas regional perspective. Over 60 delegates were in attendance from across the United States, Canada and Latin America. In addition, 24 USA and Canadian Premier Aussie Specialists were in attendance following a famil trip taking in Adelaide and South Australian regional tourism experiences. Key wholesale buyers reported strong satisfaction with ATE in terms of their ability to network and write business with Australian suppliers. This year saw the participation of two new buyers – Delta Vacations and Air Canada Vacations – who had the opportunity to kick-start their Australia programs with numerous ITO and supplier meetings. As a result of their attendance at ATE, Tourism Australia is now in a good position to build large scale co-op programs to help build their Australia business over the coming 12 months.
- The US market will launch the brand campaign, 'There's nothing like Australia' in September, with the first media flight in September appearing in print, online and cable television. A second flight will take place in January/February. A youth campaign will launch in October which will have a 100 per cent digital focus.

- The premier North American retail training event Corroboree 2010 will be held at Hamilton Island, Queensland from 10 to 13 September 2010. This event will focus on cultivating relationships and building new business for the Australian tourism industry. Additionally, develop strong relationships between Aussie Specialists and industry partners and cultivate new ideas for promotion and marketing of Australia. There has been an overwhelming response from the Australian industry in 2010, with 132 experiences applying for 80 places.

2. Consumer Insights

- The April Y partnership Traveller Sentiment Index Survey revealed a significant increase in perceived 'money available for travel' (82.4 in April 2010, up from 70.3 in April 2009), suggesting that consumers are now more confident about their personal finances and may, therefore, be more inclined to make discretionary expenditures on travel services than they were one year ago. The greatest decrease was observed in the 'perceived affordability of travel' (down from 118.6 in April 2009 to 103.5 in April 2010), signalling that recent efforts by many travel service suppliers to increase fares and rates have not been lost on the travelling public.
- Although recession recovery is within sight, the 'Summer of Staycations' may have changed leisure travel habits. While consumers have been exploring their own backyards in lieu of fancier trips for some time, they're now applying the concept to cautious adventures beyond driving distance. Source: <http://news.ismboston.com>
- Despite strong hints of the travel industry rebounding globally, realism reigns stateside. While half of all American travellers don't think they'll change their travel plans compared to 2009, more say they'll spend less in 2010 than those who plan to spend more, particularly on airfare and hotels. Source: USA Today/Gallup poll.

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

3. Trade Update

- Travel Corporation has announced that they are merging the sales teams of Contiki and Trafalgar. Contiki had four staff members, two of which will directly join the Trafalgar team and two others have been re-assigned. Trafalgar and Contiki sales teams have now commenced cross-training on the products for the upcoming selling season. The objective of this move is to increase the level of agent support in North America on both brands. This will expand the reach of the Contiki brand within North America to target youth operators and specialist retail agents working the youth market.

- Since its inception of the Power List in 1992 (of the world's largest travel sellers), AMEX has dropped from the top spot to number two. Expedia jumped from third place in 2008 to become the No.1 seller of travel in the world in 2009. It has been speculated that Expedia their distressed inventory, which played to its strength and its shift towards leisure travel in favour of corporate travel assisted in them being able to eclipse AMEX in 2010.
- New York City based Protravel has now acquired Austin Travel. This comes just one year after acquiring Rich WorldwideTravel, Nelson Custom Vacations and Sue Brown Travel. Austin Travel has been a giant in the travel industry for over 50 years. Austin Travel is on target to hit \$100 million in sales for 2010. With Protravel International, this will elevate the company to anticipated sales of over \$750 Million. Both organisations are Virtuoso preferred, and through Tourism Australia's continuing partnership with Virtuoso will be working with Protravel to promote the Aussie Specialist Program and increase consumer marketing in Virtuoso consumer vehicles to drive sales to Australia through preferred agencies in the luxury network.
- Holland America will deploy MS Volendam and MS Zaandam in Australia, New Zealand, Asia and the South Pacific in 2011-12, marking the first time the line will have two ships sailing a series of itineraries in the region simultaneously.
- Tourism Australia partnered with Down Under Australia to promote a Kiwi vs Aussie campaign. The campaign entices USA consumers to book either Australia or New Zealand and plays on the rivalry between the two countries and in turn takes Europe out of the decision equation. The campaign also encourages travellers to actively vote and support their favourite country through social networking sites.
- United Vacations Campaign is a joint venture with Swain Tours and Tourism Australia that utilises email tactics, to reach previous travellers to Australia and United members to promote the United Airline service to Australia and drive business to Australia, in particular Tasmania. Compelling offers were launched to 65,000 known past visitors and Mileage plus member to attract these past US travellers looking for a great deal.
- With Delta Vacations (MLT) set to commence their Australia program in September 2010, Tourism Australia will be working closely with the wholesaler on promoting their program to industry in North America in 2010/11 starting with their MLT University conference held Sep 12-14 in St. Paul Minnesota. Over 1700 MLT Preferred Travel Agents will be attendance at the event.
- As at 30 June there were 2,266 Aussie Specialists in the USA of which, 70 per cent are fully qualified (1,583 Agents).

4. Airline News

- Delta Airlines claims that average fares are increasing on the Pacific Route and that it is gradually taking market share from competitors on the Pacific Route after describing its first year as 'highly satisfactory'. Delta claims average fares are starting to creep up and are continuing to work hard on trade relationships in North America. Average airfares have risen 25 percent on the Pacific Route over the past 12 months.
- Qantas Airways has announced it will introduce six A380 services per week (from the current 3 services) between Los Angeles and Melbourne, in addition to existing daily A380 service between Los Angeles and Sydney. Qantas currently has six A380s in service. It expects to take delivery of its seventh in the final quarter of 2010 and to have received the 10th and final aircraft by March 2011. In other news, Qantas is launching a new three-year, AUD 44 million partnership with Tourism Australia to market Australia internationally as a tourist destination. *Source: www.qantas.com.au/travel/airlines/newsroom*
- Air New Zealand will increase its international capacity by 4.9 percent for its upcoming Northern Winter 2010 schedule. International capacity growth for the November 2010 – March 2011 period (including San Francisco up 17.9 percent, Vancouver up 7.9 percent and Los Angeles up 4 per cent). The long-haul capacity increases are primarily through increased frequency. Norm Thompson, Air New Zealand Deputy CEO says the extra capacity is being added as the airline starts to see a recovery in air travel, albeit one that is still well below the highs of 2008. *Source: www.airnewzealand.com/press-release*
- Air New Zealand unveiled its new SkyCouch in Los Angeles on April 19th. The "Skycouch" combines a row of three seats along the window sides of the aircraft, which can be configured into a bed just wide enough for two people lying on their side. The Skycouch is scheduled to make its in-flight debut in a fleet of new Air New Zealand Boeing 777-300s. Launch time for the first flight is this November, according to Air New Zealand's CEO Rob Fyfe, who states the airline no longer has a First class section. "The demand just isn't there." It is estimated the lounge option will run Auckland to London and back about \$5,000 and Auckland-LAX will cost approximately \$3,000. *Source: <http://www.consumertraveler.com>*
- The recovery in the global economy is expected to benefit the airline industry with unit revenues slated to rise in the second quarter of 2010. Rising fares, an improvement in international traffic and an overall recovery is expected to drive this growth. Last year's economic downturn and the preceding year's steep oil prices had adversely affected the airline industry. Despite concerns about the recent rise in fuel prices, recovery in business travel and cargo has accelerated along with gains in international and domestic passenger revenue. Moreover, airline capacity is also expected to improve in 2010. *Source: Airline Transport Professionals news*

5. Competitor News

- From 13 July 2010, the cost to apply for a US passport increased from \$75 to \$110 for adults and from \$60 to \$80 for those under age 16. Costs for passport cards also increased from \$20 to \$30 for adults and from \$10 to \$15 for minors.
- Continental Airlines have announced a development of its Houston hub plans to begin nonstop Boeing 787 flights to Auckland in November 2011. Continental will be just one of three airlines flying non-stop between North America and New Zealand. (Qantas and Air New Zealand currently fly direct). Continental plans on operating the route on a daily basis, with five-times-weekly service during certain periods in the first year of operation.
- Air Pacific announced a 'kids fly free' fare to Fiji. The offer includes one child or one infant per accompanying adult on a qualifying ticket receives free roundtrip airfare. The offer will be on sale until August 15, 2010 and is eligible for travel from August 1, 2010 to February 28, 2011. Air Pacific currently operates a fleet that includes B737, B767 and B747 aircraft with a domestic and international network covering the Pacific, North America, Asia, New Zealand and Australia.
- NYC & Company has launched a multi-faceted marketing campaign for New York City. Underwritten and supported by leading US companies, the year-long campaign represents the evolution of the city's global marketing efforts under the tagline "See More. Be More. This is New York City." Designed to showcase the city's energy, excitement, and diversity, the campaign is expected to reach the widest audience ever for any city program. *Source: Travel Pulse -- 6/25/10 .*

6. Key Campaigns and Activities in Market

USA current campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
10 February 2010	30 June 2010	<i>Ensemble Travel (Consortia Partnership)</i> Premier retail training event to educate Aussie Specialist agents from the United States and Canada about Australian tourism experiences. This campaign consists of trade training and development to create a team of South Pacific Specialists within Ensemble travel and driving the team leads from a consumer marketing campaign directed to Ensembles database of past clients and prospective clientele.	Ensemble Travel Retail Agents	Ensemble Travel (USA & Canada)
1 September 2009	30 June 2010	<i>Travel Leaders Partnership (Retail Travel Consortia)</i> This partnership between Travel Leaders and Tourism Australia will focus on developing a core group of destination Australia experts. Agents will be supported by an integrated marketing plan directing consumer inquiries to the Travel Leaders agents who have completed the Aussie Specialist Program. The partnership includes two Famil trips (November and April), training initiatives as well as representation at the Travel Leaders National Conference and internal promotion and incentives.	TLFG Travel Agents	TLFG and Qantas Vacations
30 September 2009	30 August 2010	<i>Virtuoso Partnership</i> Tourism Australia has entered its third year of the Virtuoso partnership. The partnership consists of consumer marketing initiatives targeting luxury consumers in North America, with a call-to-action driving business through to Certified Aussie Specialists within Virtuoso. The campaign was supported by a Famil in May 10-19, 2010 in addition to webinars and face-to-face training opportunities for the entire Virtuoso network.	Virtuoso Travel Agents and consumer database	Virtuoso, Travel 2, Classic Vacations, Swain Tours, Southern World, Tourism Tasmania & Tourism Victoria
15 April 2010	30 June 2010	<i>Aussie v Kiwi Campaign</i> Tourism Australia partnered with Down Under Australia to promote a Kiwi vs Aussie campaign. The campaign entices USA consumers to book either Australia or New Zealand and plays on the rivalry between the two countries and in turn takes Europe out of the decision equation. The campaign encouraged travellers to actively vote and support their favourite country through social networking sites. Results of the campaign include over 1,000 passengers booked. Regarding which destination 'won' in this campaign, 321 combination packages were booked, 136 Australia only bookings and 5 New Zealand only bookings.	North American Experience Seekers,	Down Under Answers

1 June 2010	30 June 2010	<i>United Vacations Co-operative Campaign</i> The United Vacations Co-operative Campaign is a joint venture with Swain Tours and Tourism Australia that utilised email tactics to reach previous travellers to Australia and United members to promote the United Airline service to Australia and drive business to Australia, in particular Tasmania. Compelling offers were launched to 65,000 known past visitors and Mileage plus member to attract these past US travellers looking for great deals.	65,000 Australia past passengers and United frequent flyer members across the USA	Swain Tours/United Vacations
01 July 2010	Ongoing	<i>There's Nothing Like Australia</i> Launch of new brand campaign to US media. Advertising from September 2010 to March 2011.	Experience Seekers	Tourism Australia
15 July 2010	15 July 2010	<i>Australia Rocks The Santa Monica Pier</i> The Santa Monica Pier's Twilight Concert Series hosted a night of all-Australian music. Australian cult singer/songwriter Ben Lee will be joined by Tamarama, and Ry Cuming to showcase some of the best of what contemporary Australian music has to offer.	Youth	Tourism Australia, Australian consulate and V Australia
26 July 2010	30 July 2010	<i>Travcorp Australia Week Training</i> Trafalgar, Brendan, AAT Kings and Contiki staff will receive training on Australia during a weeklong promotion of Australia at their office.	Travcorp Reservation Agents	Trafalgar, Brendan, AAT Kings, Contiki, all State Tourism Offices in region.

USA upcoming campaigns and activities

START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
15 August 2010	19 August 2010	<i>Virtuoso Travel Mart</i> As a Virtuoso Preferred Destination partner, Tourism Australia will be attending Virtuoso Travel Mart, which is the Premier Retail Training event for this consortia network. Over the course of four days, TA delegates will complete over 400 x 4 minute appointments with Virtuoso member agents from North America and Latin America to promote the Aussie Specialist program and announce the commencement of the 2010/11 consumer marketing/trade engagement plan in conjunction with State Tourism Partners and preferred Virtuoso suppliers.	Virtuoso Member Agents and Owners	Virtuoso Travel
10 September 2010	14 September 2010	<i>Corroboree 2010</i> Corroboree North America is the premier retail training event held annually by Tourism Australia to educate Aussie Specialist agents on Australian tourism products and experiences. It will be held on Hamilton Island and will include opportunities for Australian experiences; ITO's and wholesalers to present to 160 certified Aussie Specialists over the course of the event and includes numerous networking opportunities.	160 Retail Travel Agents, 92 Experiences & 20 Industry Sponsor Organisations	Tourism Queensland Hamilton Island Qantas VAustralia All STO partners Swain Tours Qantas Vacations Down Under Answers Travel 2 Goway AAT Kings Anzcro Pacifica Great Southern Rail
27 September 2010	28 September 2010	<i>Travel & Destination Symposium</i> Tourism Australia is a Bronze Sponsor of the Travel and Destination Symposium in Palm Springs. The T&D Symposium is a two-day event focused on destination selling and intense networking for the industry's top producing agents and worldwide travel destinations and suppliers.	Top performing North American Retail Travel Agents – 800	Tourism Australia