

United States

Market Summary

Visitor arrival performance from the United States to Australia continues to exceed expectations. This is clearly indicated in the latest Tourism Forecasting Council report (December 2009) that forecasts growth from the United States in both the short and long terms.

Aviation competition and resulting seat sales continue to make Australia a more immediately appealing proposition for leisure travel out of the United States. Both Qantas and V Australia have reported very strong loads in economy for the final quarter of 2009, while business travel remains weak, as witnessed by unprecedented business class deals on offer by both airlines.

December and January are typically a peak travel period and industry is also reporting improving sales during this period. This is an encouraging sign moving into the first quarter of 2010.

1. Market News

- A successful G'Day USA - Australia Week 2010 was held from 11 to 19 January. This joint initiative between Tourism Australia, the Department of Foreign Affairs and Trade, Austrade and Qantas has grown into the largest foreign country promotion held annually in the US. Over 2,100 consumers were engaged at Tourism Australia lead events during G'Day USA. Key events included a "Come Walkabout" travel expo in Beverly Hills, celebrations of Indigenous art, the annual Black Tie Gala, a weekend of Australia events as part of Palm Springs International Film Festival and a Zagat "A Taste of Australia" showcase in San Francisco. Federal Tourism Minister, Martin Ferguson, attended key events in Los Angeles including an industry roundtable.
- Key marketing activity continued in the U.S. in January with the launch of two key campaigns.
 - The Youth campaign officially launched in November 2010 with 100 per cent online media.
 - Following initial activity with Fodor's photo contest, the "It's time for Australia" main media campaign started 5 January 2010 with National Geographic TV and print activity. Additional print activity ran in the current issues of *Conde Nast Traveler* and *Departures* magazines.

Online activity will support content and offers centred on passion points for food/wine and nature/adventure and will drive consumers to Australia.com. A Zagat Food and Wine event was held in San Francisco as part of Australia Week 2010 (G'Day USA).

- The December 2009 TFC Forecasts has stated that visitor arrivals from the United States are to increase 5.3 per cent in 2009 (to reach 478,000) and 5.6 per cent in 2010 (to reach 505,000). This is against a backdrop of increases in airline capacity in 2009 and 2010 combined with an assumed gradual economic recovery in the U.S. The longer-term outlook is for growth averaging 3.3 per cent annually over the ten year period 2008–2018. This rate is much higher than the average 1 per cent growth in the decade to 2008 reflecting further (albeit lower) capacity growth and continued strong price competition. *Source: Tourism Forecasting Committee (TFC), 2009 – Issue 2.*
- Recent reports from the U.S. government are reporting that their economy (GDP) grew at a 5.7 percent annual rate in the fourth quarter. This is the fastest pace since 2003, signalling that the recession has ended. This will raise the possibility that the Federal Reserve may start boosting interest rates. *Source: Today Online, 30 January 2010*
- Exports shot up 18.1 per cent the last three months of 2009, helping the U.S. economy expand at a 5.7 per cent annual rate. This is an indication that exports may be starting to improve and is a positive sign for outbound travel. *Source: USA Today, January 2010*
- Whilst there have been good news stories around the increase rate in U.S. economic growth at the end of 2009, high unemployment remains a key indicator to watch. The U.S. Bureau of Labor Statistics latest report shows the unemployment rate at 10.1 per cent in December.
- As reported by X-rates.com, as at 30 January 2009 the US dollar exchange rate was at USD\$0.883478 to AUD\$ 1. The AUD has dropped as the US dollar gained strength in January.

2. Consumer Insights

- As reported by the Conference Board Consumer Confidence Index, consumer spending improved further in January 2010 on the December 2009 results and is the third consecutive increase. Whilst consumer confidence and spending is showing improvements month on month, this short-term assessment does not suggest any significant pickup in activity in the coming months.
- There is a trend emerging of companies using their employees to act as the face of the brand. For example, Puma has taken the face of their employees to the next level, as they tout their latest “Puma Employees Only” campaign, which was created so consumers can connect with the brand through common interests and identities of chosen employees. Staff members from major U.S. cities such as New York, L.A. and Miami were selected to have them posted on YouTube. *Source: DDB, Industry Trends report, January 2010*
- zzZ is a recently released free iPhone application (by French company Jaydeo) that allows users to book a hotel by location and date and sort by price on their iPhone. There are even more customisable ways to search for a hotel, such as by its parking facilities. The app includes access to 75,000 hotels, from major chains

such as Hilton, Hyatt and Radisson in 12,000 destinations across 75 countries.
Source: DDB, *Industry Trends report, January 2010*

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

3. Trade Update

- U.S. tour operator *Global South Pacific* launched a new "Rejuvenate your Sense of Adventure" program to Australia with savings up to 20 per cent on their usual rates. The focus is on Australian adventure and city stay experiences. Source: www.globusjourneys.com
- Adventure travel specialist *Intrepid Travel* has unveiled a dedicated web site for North American travel agents. Found at www.intrepidagent.com, the site tracks individual agent sales and offers product quizzes, free downloadable marketing resources, details on new promotions and provide a link to each agent's Business Development Manager (BDM). Source: www.travelpress.com
- Operators attending the U.S. Tour Operators Association's annual meeting in Banff – Canada were upbeat about the market, and the potential for return to growth in the coming months. Tour operators acknowledged that they survived 2009 in large part by drastically reducing costs at the start of 2009, while making tough decisions such as cancelling unfilled tours or axing unfruitful product lines as the year progressed. Source: www.travelweekly.com
- Nevertheless, the tour operator landscape is not without challenges heading into 2010. According to a USTOA member survey of 51 operators conducted in November 2009:
 - Nearly 70 per cent of tour operators and wholesalers said that business was down in 2009;
 - Some 20 per cent said that business had already turned a corner;
 - Nearly 70 per cent predicted a turnaround in 2010; of which more than 30 per cent saw business picking up in the first quarter of 2010, while 25 per cent predicted a second-quarter pickup and 10 per cent said the turnaround would not occur until the third quarter.
- Signature Travel Network has appointed Kristin Carlson to the new position of *Director, Strategic Partnerships*. Carlson will join Signature's Business Development division reporting to Michael von Wittenau (*Vice President of Strategic Business Development*). Carlson joins Signature from Crystal Cruises, where she worked for 12 years, starting in the public relations department before moving to the hotel operations/entertainment division as manager of enrichment programs. Source: www.luxurytraveladvisor.com
- As at December 2009, there were 1,865 U.S. based Aussie Specialist agents, of which 71 per cent are fully qualified (1,333 agents).

4. Airline News

- Air New Zealand continues to pursue an innovative product strategy with the introduction of lie-flat seating for economy passengers, improved comfort for high-end business travellers and completely new configurations for premium

economy. Air New Zealand CEO Rob Fyfe said the new seating options should help boost its market share for long-haul flights out of the US, adding that many people simply don't want to fly from the US to New Zealand because of the length of the flight. *Source: www.travelweekly.com*

- Sydney Airport this month has shown the strongest traffic performance since February 2008, continuing the positive signs of recovery that have characterised the latter half of 2009 for Macquarie Airports. Traffic from the USA has shown the greatest increase of all markets (up 22 per cent). *Source: Sydney Airport, Traffic Report to the ASX, November 2009, Macquarie Airports Management Ltd*
- In December 2009, V Australia launched its third route from the US to Australia with new non-stop services from Los Angeles to Melbourne. To celebrate the new service, V Australia announced a \$USD948* roundtrip "High Tail It To Hollywood", for travel on direct flights between Melbourne and Los Angeles from December 16 to April 30, 2010. *Source: www.travelagentcentral.com*

5. Competitor News

- Tourism organisations from around the world have named New Zealand the 'best' country at destination branding for its highly acclaimed '100 per cent Pure New Zealand' campaign. Some 165 National Tourism Organisations took part in a recent survey run by the *World Tourism Organisation*, which ranked New Zealand ahead of India, Spain, Australia, Dubai and Ireland. The New Zealand campaign has been consistently promoted in USA for the last 10 years. *Source: Travel Daily, 09.22.09*
- To promote the Kiwi Specialist Program, Tourism New Zealand, in partnership with Anderson Vacations and Air New Zealand, is giving away two roundtrip economy class tickets to New Zealand to one travel agent selected at random who signs up to become a Kiwi Specialist by the end of February 2010. By completing the program, agents receive ongoing training by Tourism New Zealand and a listing on their consumer web site. *Source: www.travelpress.com*
- With the excitement around the 2010 FIFA World Cup, Cape Town and the Western Cape province of South Africa increasing their marketing efforts. The single largest benefit is expected to be for tourism with an estimated 480,000 foreign tourists expected to spend around US\$850 million in South Africa during the World Cup. 35 to 40 billion TV viewers are expected to watch the World Cup with South African tourism expecting between 130 000 and 290 000 extra foreign arrivals per year from 2011 through 2015 (Grant Thornton Strategic Solutions, 2008). *Source: www.traveldailynews.com*

6. Key Campaigns and Activities in Market

December / January campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
4 September 2009	30 June 2010	<i>Signature Travel Network (Consortia Partnership)</i> Premier retail training event to educate Aussie Specialist agents from the United States and Canada about Australian tourism experiences. Six webinar training sessions will be conducted from February to July to educate Signature Agents about Australian preferred Signature Suppliers.	Aussie Specialist Travel Agents	Signature Travel Network
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 March), 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 June 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 will be supported by a Famil in early 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 and Tourism Victoria

5 January 2010	30 June 2010	<i>Australia Now USA</i> Includes digital, print and television. Also events during G'Day USA program in January which focused on Nature and Adventure and Food and Wine Experiences.	First Time Experience Seekers - Americans with household income higher than \$150K and who are predisposed to travel to Australia in the next 12 months. They can be identified by: recent travel to Europe; passion for unique experiences offered by Australia (Nature/Adventure & Food/Wine)	Swain Tours, Tourism Victoria, Tourism Queensland and SATC
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
27 January 2010	30 March 2010	<i>One Week Walkabout Campaign USA</i> Includes digital, print and television and events promoting one week holidays in Sydney, Melbourne and Brisbane.	First Time Experience Seekers - Working Professionals based on the West Coast of the US in cities with easy air access to Australia.	Qantas, Tourism Victoria and Goway
1 November 2009	June 30 2010	<i>Youth Campaign USA</i> Focused on digital activities, including Facebook, with bursts in activity in November and early 2010.	First Time Experience Seekers - Youth / Working Holiday Maker (WHM)	V Australia, STA Travel, Tourism Victoria, Tourism Queensland and Tourism Western Australia

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
11 April 2010	19 April 2010	<i>Travel Leaders Educational</i> 20 North American Agents from the Travel Leaders will be arriving in Australia, as part of the current partnership with Qantas Vacations and Travel Leaders.	20 Travel Leaders Aussie Specialist Agents	Travel Leaders, Qantas Vacations
15 February 2010	25 April 2010	<i>Travel Impressions / AMEX Vacations Launch</i> Tourism Australia is partnering with Travel Impressions to promote the launch of their Australia Program in February. The launch will incorporate a variety of trade and consumer promotional activities.	Travel Impressions Consumers and Travel Agent Community	Travel Impressions / Qantas
27 January 2010	31 January 2010	<i>Swain Awards / Florida Road Show</i> Tourism Australia is attending the annual Swain Awards in Southern Florida. This year's event includes a three day road-show with Florida Travel Agents, as well as reservation staff training of the Swain team.	Florida Travel Agents / Swain Reservation Agents	Swain, Aussie Specialist Travel Agents, Various Australian Industry Partners
3 February 2010	6 February 2010	<i>Educational Travel Conference</i> Tourism Australia is attending the Educational Travel Conference (ETC) in Providence, Rhode Island. ETC a dedicated conference for alumni, museum, zoo & conservation and non-profit educational travel. Tourism Australia is partnering with Collette Vacations and Qantas Airways to sponsor a cocktail reception for top planners at the event to promote educational travel to Australia.	Affinity Group Travel Planners, Alumni Travel Associations	Collette Vacations, Qantas
April 2010	30 June 2010	<i>Goway Travel 40 year anniversary:</i> Tourism Australia is partnering with Qantas 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, Qantas, STO's,

