

## United Kingdom

### **Market Summary**

*Total UK visitor arrivals for the month of February 2010 have decreased compared to the same month in 2009. This brought the February 2010 calendar year to date arrivals figure slightly down, after a positive start to the year in January. For the two months to February 2010, arrivals data shows that for leisure arrivals, Holiday visits, the largest segment, has declined while there has been an increase in Visiting Friends and Relatives visits. This continues to reflect the good flight deals that were on sale throughout 2009 and supported heavily by Tourism Australia partner marketing activities. Business and Employment visits have both shown growth for the same period, albeit off small bases, reflecting an increase in confidence amongst UK businesses.*

*Demographically, the 30 to 59 years age group has shown growth in the February 2010 calendar year to date, when compared to 2009, however the under 15 market has shown significant decline, reflecting the economic impact of the global financial crisis on the family market. The 60 years and over age group has declined, however it remains the largest age group for the UK market.*

*The recent Iceland volcanic eruption and ensuing flight disruptions across Europe have had a significant impact on consumer transportation to and from Europe as well as economic impacts for the countries affected. It is too soon however to assess and report on the full impact on Australian travel and tourism.*

### **1. Market News**

- The UK economy has come out of recession after figures show that it had grown by a weaker-than-expected 0.1 per cent in the last three months of 2009. The economy has previously contracted for six consecutive quarters – the longest period since quarterly figures were first recorded in 1955. *Source: BBC, January 26, 2010*
- Research by retailer John Lewis indicated that overall spend on travel among its UK customers was up 25 per cent in February compared with the same period a year ago. *Source: ttglive.com March 31, 2010*
- In 2009, the number of overseas holidays taken by Brits fell by 14.5 per cent year on year to 38.9 million, returning to 2001 levels. *Source: Mintel 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. Only 34 per cent of people expect the economy to be better in six months, down from 41 per cent in November. *Source: The Guardian, January 6, 2010*

- The Chartered Institute of Personnel and Development say that 1.3 million people were made redundant during the recession. It says that this is equivalent to 4.4 per cent of people in work before the downturn. It also said that two thirds of people made redundant were paid 28 per cent less when they managed to find another job. *Source: BBC, January 25, 2010*
- UK consumers are attempting to reduce their personal debt by repaying loans and credit cards as fast as possible. *Source: [www.dailyforex.com](http://www.dailyforex.com), January 7, 2010*
- The UK general election was held on 6 May 2010. The three main parties, namely the Conservatives, Labour and the Liberal Democrats, along with a host of other smaller parties fought for 650 seats. David Cameron is now Prime Minister at the head of a coalition government and Gordon Brown resigned as Prime Minister and Leader of the Labour party. *Source: <http://www.ukpollingreport.co.uk/blog/>.*

## 2. Consumer Insights

- According to a report from the WYSE Travel Confederation, the recession has fuelled demand for international travel experiences that add value to young peoples' lives and resumes. Language travel, volunteering and pursuing an education in other countries are experiences that are increasingly important to employers and universities. *Source: [www.prlog.com](http://www.prlog.com) April 1, 2010*
- Many UK consumers will play the currency game when choosing where to go for a break this year, with the poor exchange rates in Europe driving UK holidaymakers to look further afield for sunshine breaks. Jamaica, Egypt, and Dubai top the list of destinations where they will still have 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, January 20, 2010*
- 'Awaycationing' has replaced the recent British trend to holiday in the UK - the 'staycation' - according to a recent report from Thomson Holidays. It says there is high demand for holidays in India, Egypt, Morocco and Tunisia because Brits are seeking adventure and value for money. *Source: [www.travelmole.com](http://www.travelmole.com), April 12, 2010*
- Online advertising in Britain grew 4.2 per cent in 2009, buoyed by demand for paid search and video ads, according to a report by the Internet Advertising Bureau and PricewaterhouseCoopers. It said online advertising expenditure grew to £3.5 billion. *Source: [www.eyefortravel.com](http://www.eyefortravel.com) April 6, 2010*

- Britain's retailers are set to net a record £1.5 billion bonanza from this summer's World Cup in South Africa. Experts predict it will bring the feel good factor back to the High Street with strong sales in new TVs, alcohol and snacks. *Source: The Sun, April 7, 2010*
- The top 50 most searched for destinations from UK airports on website Skyscanner.net for travel in 2010 have been revealed. Malaga is 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, January 6, 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.etid.com](http://www.etid.com) January 11, 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](http://www.wystc.org) January 18, 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 because they are saddled with debt from Christmas. *Source: [www.e-tid.com](http://www.e-tid.com) January 9, 2010*
- Luxury holidaymakers are seeking personal fulfillment 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.e-tid.com](http://www.e-tid.com) January 21, 2010*
- Air fares are forecast to rise by more than five per cent this year in the wake of the Icelandic volcanic ash crisis and increasing oil prices. UK travellers can expect to pay an additional £1.8 billion or £48 each on average, according to figures from the Centre for Economics and Business Research for the website Kelkoo. The study warns that fares are set to rise by 11.5 per cent by 2012, adding £62 to the cost of an average economy flight from London to New York, from £518 to almost £580. *Source: [www.travelmole.com](http://www.travelmole.com) , April 27, 2010*

For the latest in visitor arrivals, please visit 'Research and Statistics' at [www.tourism.australia.com](http://www.tourism.australia.com)

### 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 brand and products to the SAGA 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.
- The completion of Gold Medal's acquisition by Thomas Cook has brought changes to the management of its Australia programme. Thomas Cook Signature will now be wrapping the Gold Medal Brochures for 2010/11 and a product review

will take place across all channels. All bookings previously going through Thomas Cook Signature will start so come through Gold Medal.

- The changes made at Thomas Cook/Gold Medal mean that Terry Fisher is now responsible for all scheduled brands including Gold Medal, Thomas Cook Signature, Cresta, Elegant Resorts, Flight Savers, Netflights and Pure Luxury.
- Jayne White has left Kuoni after 18 years. Collete Ernst has taken 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 has opened an Australia Specialist department in its Glasgow City Centre Superstore.
- Luxury tour operator Seasons In Style has been purchased by Eden Luxury Travel Group. Both brands will be maintained and no staff will be made redundant. All 55 staff will be located at the Seasons In Style office in Chester.
- 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 the customer satisfaction table. *Source: Yorkshire Post, January 5, 2010*
- More than three quarters of senior travel industry buyers claim to be optimistic for the prospects for 2010. A poll of members of World Travel Markets 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 2009. *Source: [www.routesonline.com](http://www.routesonline.com), January 26, 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 past 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](http://www.travelmole.com), January 26, 2010*
- Austravel has added a number of new products in its 2010/11 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.
- Anna West has left Best At Travel. Bill Faulkner, Head of Product is the new contact for suppliers.
- Paul Hopkinson has joined Travelbag as Head of Marketing.
- The UK is the biggest cruise market in Europe. The Passenger Shipping Association says that more than 1.5 million British people took a cruise last year –

a 4 per cent increase on 2008 and up nearly 50 per cent since 2005. Source: [www.timesonline.co.uk](http://www.timesonline.co.uk), April 11, 2010

- As at March 2010, there were 3518 Aussie Specialist agents in the UK, of which 58 per cent were fully qualified.

#### 4. Airline News

- 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](http://www.asiatraveltips.com), January 19, 2010
- Eithad Airways is increasing its capacity by close to 60 per cent on its Manchester services from June 2010, upgrading its current two-class A 330-200 aircraft to two B777-300, effectively increasing seating capacity by 2,100 seats a week. Source: ATC email, February 19, 2010
- Budget long haul carrier AirAsia X is to introduce business class flatbeds on its London flights. The new cabin will be fitted on aircraft flying from Stansted to Kuala Lumpur. Source: [www.ttglive.com](http://www.ttglive.com) April 6, 2010
- Manchester Airport will be the first regional base in the world to host services on the A380 superjumbo this autumn. Emirates will base one of the aircraft at Manchester for a daily service to Dubai. Source: [www.travelmole.com](http://www.travelmole.com) March 30, 2010

#### 5. Competitor News

- The US Department of commerce says that UK bookings to the US ended 2009 on a low with bookings down 10 to 15 per cent compared with 2008. The primary barriers to travel to the US were competitive promotion by other long haul destinations, visa processing time and the UK economy. Source: [www.eturbonews.com](http://www.eturbonews.com) April 12, 2010
- The Tunisian National Tourist Office has launched a print, outdoor, digital and direct marketing campaign in the UK to encourage young couples and the seniors market to visit the country. The ads will communicate four themes – beaches, adventure, luxury and history. Source: *Brand Republic*, April 1, 2010
- The Bahamas Tourist Office is rolling out a viral campaign in the UK to show the diversity of attractions on the islands. Source: *Brand Republic*, April 9, 2010
- Travel operator Kuoni reports that long haul holidays are on the rise with the Maldives, Thailand and the US its leading destinations. New entries in its top ten include China, Hong Kong, Singapore and Malaysia. Source: *Kuoni*, April 1, 2010
- Spain is still the UK's favourite holiday destination, however it was hit hard in 2009 and saw a 15 per cent drop in British visitors. France fared better with only a 5 per cent reduction. Source: *Mintel* 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 respectively. *Source: [HSBC's Expat Explorer Survey](#) January 14, 2010*
- According to the ABTA Travel Association Trends Survey Egypt\*, Turkey, Morocco and Sri Lanka are expected to be strong destinations for British travelers this year. (\*Bookings to Egypt are up 14 per cent according to the Press Association. *Source: Press Association, April 12, 2010*). *Source: Western Mail, January 5, 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](http://www.eturbonews.com) January 10, 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. *Source: Daily Telegraph, January 21, 2010*
- Ten South East Asian countries including Malaysia and Indonesia are launching a 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](http://www.traveldailynews.com) January 25, 2010*
- 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](http://www.forimmediaterelease.net), January 14, 2010*

## 6. Key Campaigns and Activities in Market

January to March campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
July 2009	June 2010	<p><i>Tourism Australia's ongoing media partnership with Condé Nast:</i> The <a href="http://www.condenast.co.uk/australia">www.condenast.co.uk/australia</a> sitelet is refreshed each month with updated content. A new promotion was also added in March (a meal at Pied à Terre restaurant in London showcasing the Aussie chef Shane Osbourne). This was updated in April with a Bridge &amp; Wickers promotion to win cases of Australian wine.</p>	High yield UK First Time Experience Seekers	Condé Nast, Pied a Terre Bridge & Wickers
July 2009	June 2010	<p><i>International Media Hosting Programme (IMHP):</i> Tourism Australia continues to pitch stories to media, arranging visits to Australia for print/online/broadcast channels in return for destination coverage. In the January-March period the following visits were delivered:</p> <ul style="list-style-type: none"> <li>• Sir Ian Botham travelled to QLD and SA to write features for the <i>Mail on Sunday</i> and fishing titles using the Ashes series as a hook</li> <li>• <i>Red magazine</i> travelled to NSW to write coastal living and city features</li> <li>• <i>Jamie magazine</i> travelled to NSW and VIC to write foodie stories</li> <li>• <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 across the country</li> <li>• <i>The Western Morning News</i> travelled to Queensland to research two coastal lifestyle pieces</li> <li>• <i>Travelbite.co.uk</i> and <i>Fabulous</i> magazine travelled to NSW to write city features</li> <li>• <i>The Express</i> travelled to QLD to write a Great Barrier reef piece.</li> </ul>	UK First Time Experience Seekers	Various airlines, STOs and industry partners

September 2009	June 2010	<i>Luxury Australia:</i> Integrated trade and consumer campaign designed to showcase Australian experiences rather than just accommodation.	UK travel agents, High yield UK Experience Seekers	Seasons in Style
November 2009	January 2010	<i>Travel 2 Australia:</i> Integrated consumer and trade campaign to promote Travel 2's new Australia brochure and product range.	UK travel agents, UK Experience Seekers	Travel 2
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	<i>Australia Day:</i> To celebrate Australia Day in the UK, Tourism Australia partnered with radio stations Heart FM and XFM.	UK First Time Experience Seekers	
January 2010	January 2010	<i>Tourism Australia and Mr &amp; Mrs Smith in Waterstones promotion:</i> Tourism Australia joined up with the publishers of the Mr & Mrs Smith books for a national promotion in Waterstones bookstores to showcase luxury accommodation options and experiences across Australia, using the launch of the new Mr & Mrs Smith dedicated Australia & New Zealand guide as the hook.	High yield UK First Time Experience Seekers	Mr & Mrs Smith; Waterstones.
January 2010	June 2010	<i>Aussie Specialist launch:</i> Online promotion of the new ASP site.	UK travel agents	Online Travel Training, TTG

8 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
13 March 2010	6 April 2010	<i>Two Week Walkabout Qantas Airways co-op.</i> Print and online campaign helping to mitigate the natural barriers of time and cost by emphasising how achievable a holiday in Australia is in just two weeks, utilising Qantas' domestic network.	UK First Time Experience Seekers	Qantas Airways
13 March 2010	1 May 2010	<i>Two Week Walkabout:</i> Double page spread print ads emphasising how achievable a two week holiday in Australia can be.	UK First Time Experience Seekers	None
15 March 2010	18 April 2010	<i>Barrhead Travel Australia:</i> Television campaign to promote Australia, emphasising ease of one stop access from Scotland (GLA).	First Time Experience Seekers in Scotland	Barrhead Travel
17 March 2010	19 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. <a href="http://www.facebook.com/australianworkingholiday">www.facebook.com/australianworkingholiday</a>	UK First Time Experience Seekers aged 18-30	None
31 March 2010	30 May 2010	<i>Scenic Tours Australia:</i> Press insert and online campaign showcasing luxury touring in Australia.	UK Experience Seekers over 55yrs of age	Scenic Tours
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	DAP

April to June campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
April 2010	June 2010	<p><i>International Media Hosting Programme visits:</i></p> <ul style="list-style-type: none"> <li>• Youth press trip to WA and QLD</li> <li>• Freelancer travelling to NSW and QLD for commissions with Wanderlust and the Independent for City, Aboriginal and Coastal commissions</li> <li>• Millener, Stephen Jones, is travelling to Lord Howe island for a luxury Australia feature in <i>Harper's Bazaar</i> magazine</li> <li>• <i>Sunday Times Travel Magazine</i> travelling to WA and NSW for coastal, city and Aboriginal stories</li> <li>• <i>TTG Luxury</i> magazine is travelling in NSW and SA</li> <li>• TTG is travelling to ATE (SA) and VIC</li> <li>• <i>Selling Long Haul</i> is travelling to ATE (SA)</li> <li>• <i>BBC Lonely Planet Magazine</i> is travelling to NT and WA to cover the Australia Way.</li> </ul> <p>We are also working to organise a group press trip for regional media with Emirates, and to secure individual visits for <i>Waitrose Kitchen</i> magazine, <i>Olive</i> magazine and <i>Men's Health</i> magazine.</p>	UK First time Experience Seekers	Various airlines, STOs and industry partners
April 2010	June 2010	<p><i>Ashes vodcast project:</i> Tourism Australia is working to produce a series of vodcasts promoting Australia using the Ashes as a hook. The crew will travel to Australia in April and edit and distribute the videos in May/June. Videos will be seeded with media and industry partners.</p>	UK First time Experience Seekers	None
April 2010	June 2010	<p><i>Ashes i-phone application:</i> Tourism Australia is creating an Ashes application that deepens consumer knowledge of holiday experiences across the country, as well as providing fun facts and engagement opportunities for users.</p>	UK First time Experience Seekers	None
01 April 2010	30 April 2010	<p><i>Austravel:</i> Online, print and online campaign designed to drive immediate bookings</p>	UK Experience Seekers	Austravel

April 2010	May 2010	<i>Ultimate Australia:</i> Online, press and direct mail campaign showcasing luxury experiences.	UK high end Experience Seekers	Tailor Made Travel
April 2010	June 2010	<i>Emirates Australia:</i> Integrated radio, press online and direct mail campaign to leverage off Emirates' strength from GLA and NCL airports.	UK First Time Experience Seekers living in Scotland and Newcastle Airport catchment	Barrhead Travel
April 2010	June 2010	<i>Australia in Luxury:</i> Press and online campaign designed to showcase the range and diversity of luxury five star accommodation and experiences in Australia.	High end UK Experience Seekers	Bridge and Wickers
May 2010	May 2010	<i>Luxury:</i> Double page spreads prompting unique Australian luxury experiences in high-end titles inspiring high-yielding Experience Seekers to consider Australia for their next trip.	UK First Time Experience Seekers	None
May 2010	May 2010	<i>All Out Cricket content piece:</i> Tourism Australia is working with AOC magazine on an eight page content piece to promote the destination ahead of the Ashes series.	UK First time Experience Seekers	None
May 2010	June 2010	<i>Find Vaughany:</i> Tourism Australia is working with <a href="http://www.telegraph.co.uk">www.telegraph.co.uk</a> on an online promotion for users to win tickets to the Ashes. The sitelet will contain destination content and an interactive game to find Michael Vaughan in the crowd at the last Ashes test match at the Oval.	UK First time Experience Seekers	None
May 2010	June 2010	<i>Australia 135:</i> Online campaign designed to give a high-end audience an insight into the myriad of unique experiences to be explored in Australia.	High yield UK Experience Seekers	Black Tomato
May 2010	June 2010	<i>Circle Australia – Silver Shadow:</i> National press and magazine advertising to support direct mail piece promoting Circle Australia voyage.	UK Cruise market	Silversea Cruises

2 May 2010	16 May 2010	<i>Corroboree 2010</i> : Training event for 300 Aussie Specialist Travel agents from across Europe. Workshops with Australian industry on 5 to 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
25 May 2010	28 May 2010	<i>IMEX</i> (Worldwide Exhibition for Incentive Travel, Meetings & Events) Global business-to-business trade event targeting the business events sector. Held in Frankfurt, Germany.	Business Events Trade	Adelaide Convention Bureau; Adelaide Convention Centre; Brisbane Convention & Exhibition Centre; Brisbane Marketing; Cairns Convention Centre; Canberra Convention Bureau; Darwin Convention Centre; Gold Coast Convention Bureau; Gold Coast Convention Centre; Melbourne Convention + Visitors Bureau; Perth Convention Bureau; Business Events Sydney; arinex
17 June 2010	17 June 2010	<i>The OZcars</i> : Tourism Australia's UK industry awards.	Key trade partners	N/A