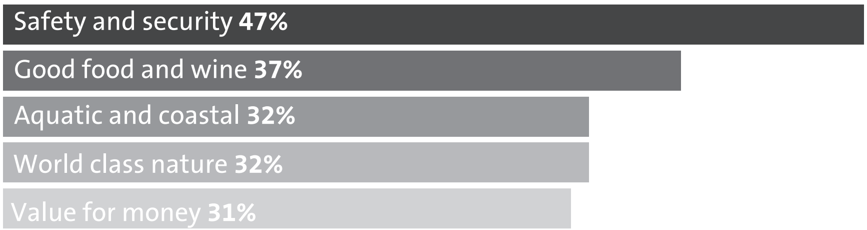
UNITED STATES OF AMERICA
MARKET PROFILE

TOURISM AUSTRALIA

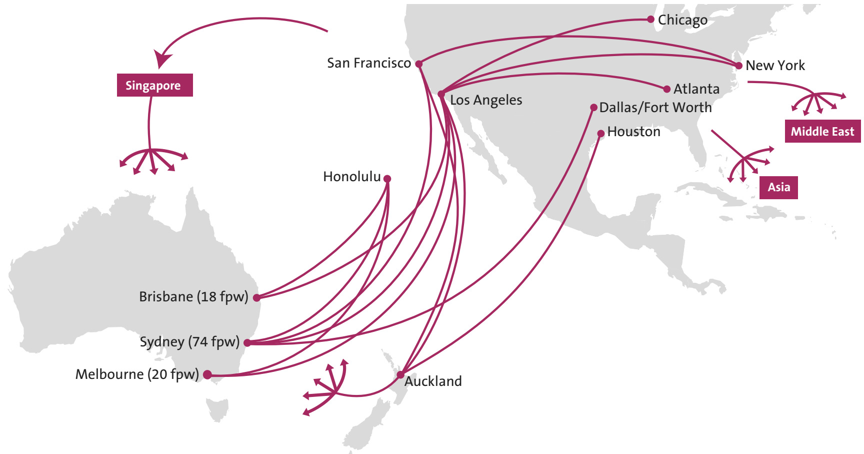
Market overview

In 2016, the United States of America (USA) was Australia's fourth largest inbound market for visitor arrivals, the third largest market for total visitor spend and fourth for visitor nights.

Key importance factors for holiday destination choice[1]



Aviation routes from the USA to Australia[2]



fpw: flights per week

Which airlines[3] do visitors from the USA use to travel to Australia?

Airline	2012	2013	2014	2015	2016
Qantas Airways	35%	32%	31%	28%	24%
United Airlines	19%	18%	15%	15%	14%
Air New Zealand	6%	8%	8%	9%	9%
Virgin Australia	10%	10%	9%	8%	8%
Delta Air Lines	7%	7%	8%	6%	6%
American Airlines	0%	0%	0%	0%	5%
Jetstar (Australia)	3%	3%	3%	4%	4%
Emirates	2%	3%	3%	3%	3%
Others	18%	21%	24%	25%	27%

$4.5-5.5bn
Potential to be worth by 2020

711,400
Visitor arrivals[3]
(↑ 16 per cent)

Holiday ◊§
43%

Visiting friends & relatives ◊§
25%

Business ◊§
20%

Other ◊§ ‡
12%

$3.7bn
Total spend[4]
(↑ 7 per cent)

23 nights *4
Average nights stayed◊

11 nights **4
Median nights stayed◊

Jan-Mar and **Oct-Nov**
Booking peak period

Dec-Mar and **Jul**
Travel peak period

Business Events

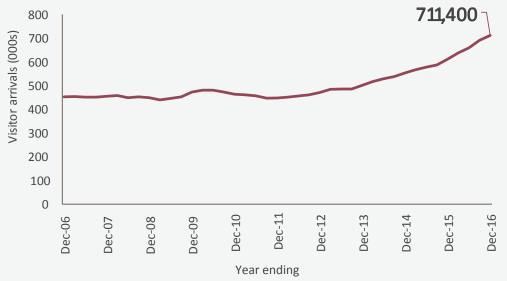
Tourism Australia focuses on the association and incentive sectors in North America, recognising that international incentive events and international conferences bring high economic value to Australia. Sydney, Melbourne and Brisbane continue to be the best known Australian destinations in the North America association market. For more information on current trends in market and information on North America's business events distribution system, view the dedicated Business Events Market Profile for North America at www.tourism.australia.com/statistics/market-profiles.aspx

*Notes: *Average nights: the sum of all nights divided by the sum of all visitors. **Median nights: the midpoint length of stay for which 50% of visitors stay less and 50% stay longer.◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose. ‡ Other includes education, employment and others. Sources: 1. Tourism Australia, Consumer Demand Project, 2016. 2. Department of Infrastructure and Regional Development, December 2016. 3. Department of Immigration and Border Protection, December 2016. 4. Tourism Research Australia, International Visitor Survey, December 2016.*

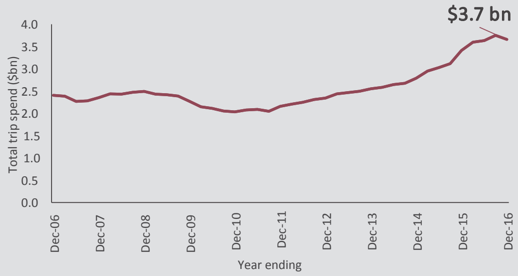
UNITED STATES OF AMERICA
MARKET PERFORMANCE

» The charts on this page provide a trend overview of visitor arrivals and spend over the last 10 years by main purpose of visit, by first and repeat leisure$^{\Delta}$ visitors and also a snapshot of age demographic split of leisure visitors and spend.

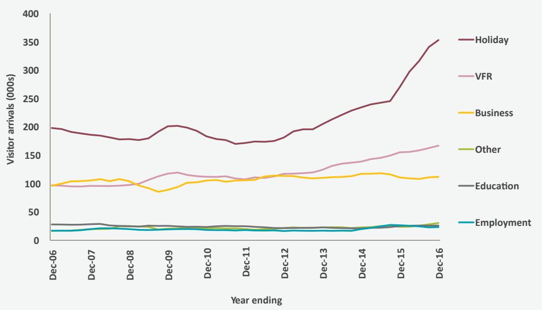
Visitor arrivals[1]



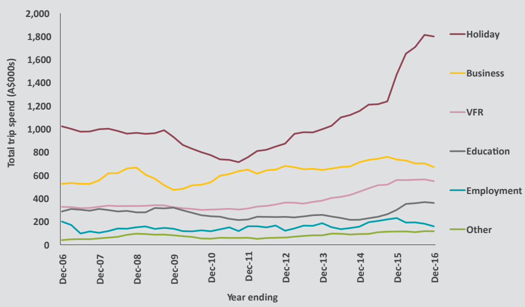
Visitor spend[2]



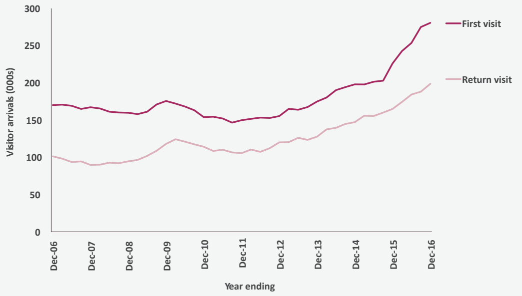
Visitor arrivals by main purpose of visit[1]



Visitor spend by main purpose of visit[2]

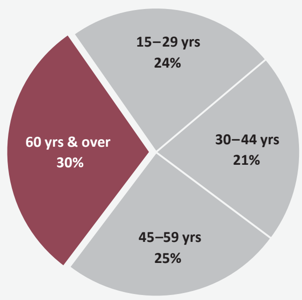


First and repeat leisure visitor arrivals[2]

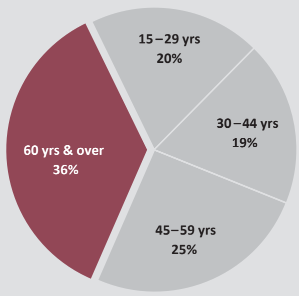


First and repeat leisure visitor spend[2]

Leisure arrivals by age[2†]



Leisure spend by age[2†]



Notes: Δ Leisure refers to main purpose of visit of holiday and visiting friends and relatives. † Age profile data refers to an average of 2012-2016.
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016.

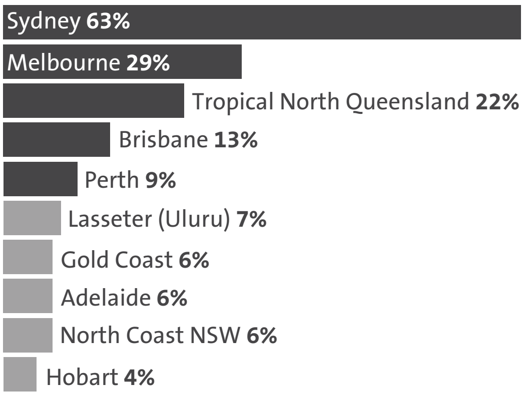
UNITED STATES OF AMERICA
MARKET PERFORMANCE

» The following[◊] table provides a summary of arrivals, spend and the proportion of repeat visitors to Australia by main purpose of visit: holiday, visiting friends and relatives and business.

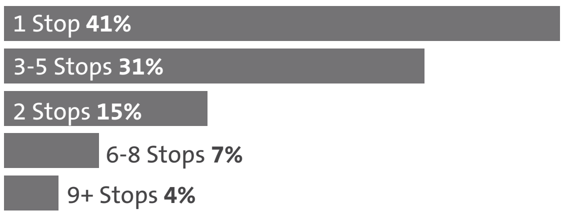
	HOLIDAY	VISITING FRIENDS AND RELATIVES	BUSINESS
Arrivals[1]	248,600 (44%[§])	140,400 (25%[§])	112,700 (20%[§])
Spend per trip[2]	$5,100	$3,500	$6,200
Spend per night[2]	$308	$167	$429
Repeat visitors[2]	32%	61%	54%
Average nights stayed[2]	18	22	14
Median nights stayed[2]	10	14	8

» The following provides an overview of top 10 regions visited by leisure visitors, number of stopovers made in Australia by leisure visitors and a snapshot of the main states of residence of USA visitors to Australia.

Top 10 regions visited by leisure visitors[◊*^2]

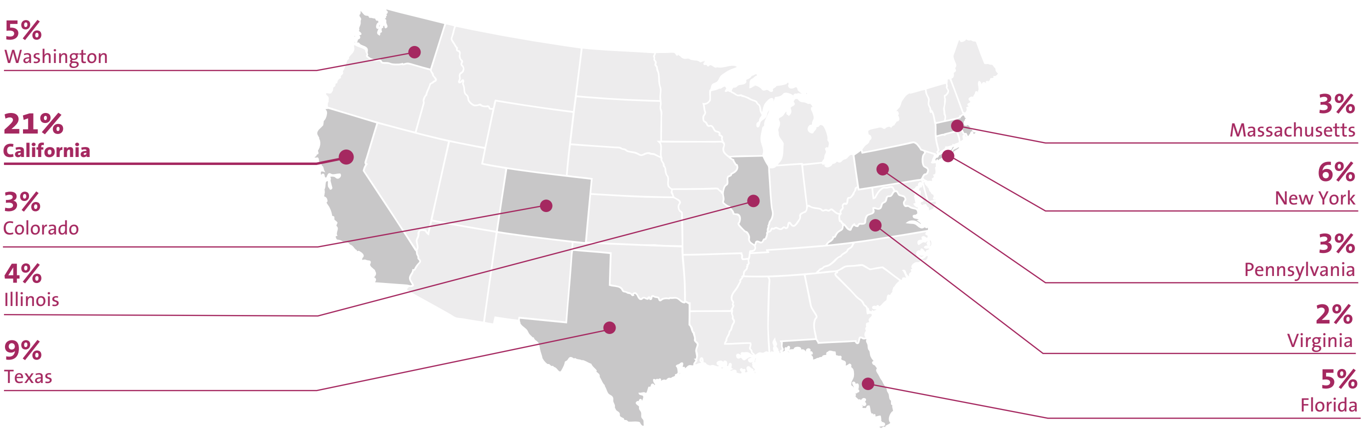


Overnight stopovers made in Australia by leisure visitors [◊*^2]



Read as: 31% of leisure travellers from the USA visited 3-5 regions (and made at least one overnight stay).

Main place of residence of USA visitors to Australia[Δ2]



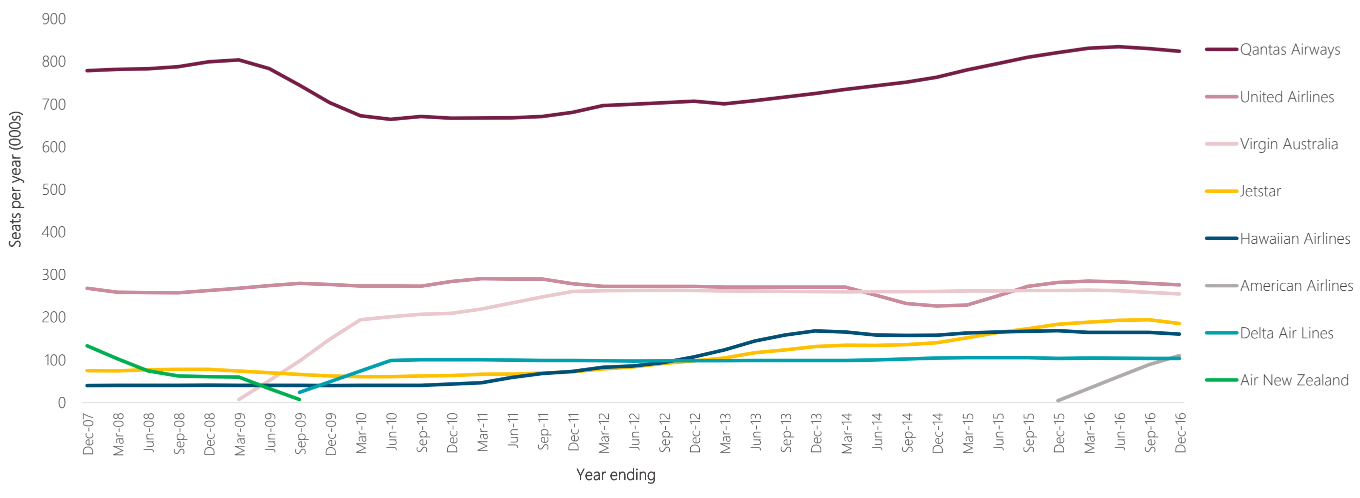
*Notes: ◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose of visit. * Leisure refers to main purpose of visit of holiday and visiting friends and relatives. ^Percentages will not add to 100% as one person can visit multiple regions. The data refers to visitors that made at least one overnight stay.*
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016

UNITED STATES OF AMERICA
AVIATION LANDSCAPE

1.9 million Inbound seats | **5%** year on year | **111** Flights per week

- Connectivity from USA to Australia have improved significantly over the last three years, with direct aviation capacity growing 16% over the period. There are now approximately 110 direct flights each week from USA to Australia. The majority of visitors from USA to Australia travelled on Qantas (24 per cent), followed by United Airlines (14 per cent), Air New Zealand (9 per cent), Virgin Australia (8 per cent) and Delta Air Lines (6 per cent) (see table on page 1).
- Other than March to May, average load factors are relatively healthy, with capacity tight during the Australian holiday peaks of January and July. Average load factors for 2016 hovered around 81 per cent.
- While Chinese and Middle Eastern carriers continue to expand their American networks, the majority of USA tourists, particularly those from US west coast, are expected to continue travelling to Australia on direct flights (as these tourists are generally time poor).

Direct aviation capacity from the United States of America to Australia



Sources: Department of Infrastructure and Regional Development, Aviation Statistics.

UNITED STATES OF AMERICA
AVIATION LANDSCAPE

Weekly services to Australia

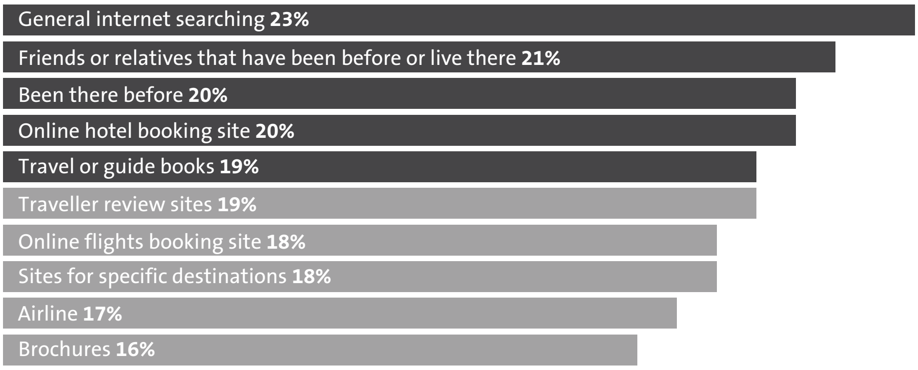
Operating Airlines	Flights per week	Route	Alliance/ code share partner (on route)
American Airlines	6-7	Los Angeles-Sydney	Qantas
Delta Air Lines	6-7	Los Angeles-Sydney	Virgin Australia, Air France, KLM
Hawaiian Airlines	3	Honolulu-Brisbane	
	7	Honolulu-Sydney	Virgin Australia
United Airlines	7	Los Angeles-Melbourne	Lufthansa, Air New Zealand
	7	Los Angeles-Sydney	
	7	San Francisco-Sydney	
Jetstar	3-4	Honolulu-Melbourne	Qantas
	5-6	Honolulu-Sydney	
Qantas	5-7	Los Angeles-Brisbane	American Airlines
	10	Los Angeles-Melbourne	
	7	Los Angeles-Sydney	
	6-7	Dallas-Sydney	
	5	Honolulu-Sydney	
	1-2	New York- Los Angeles-Sydney	
	5-6	San Francisco - Sydney	
Virgin Australia	7	Los Angeles-Brisbane	Delta Airlines
	7	Los Angeles-Sydney	
	3-5	Los Angeles - Melbourne	

Sources: Department of Infrastructure and Regional Development, International Airlines Timetable Summary (Northern Summer), 2017

UNITED STATES OF AMERICA
PLANNING AND BOOKING INFORMATION SOURCES

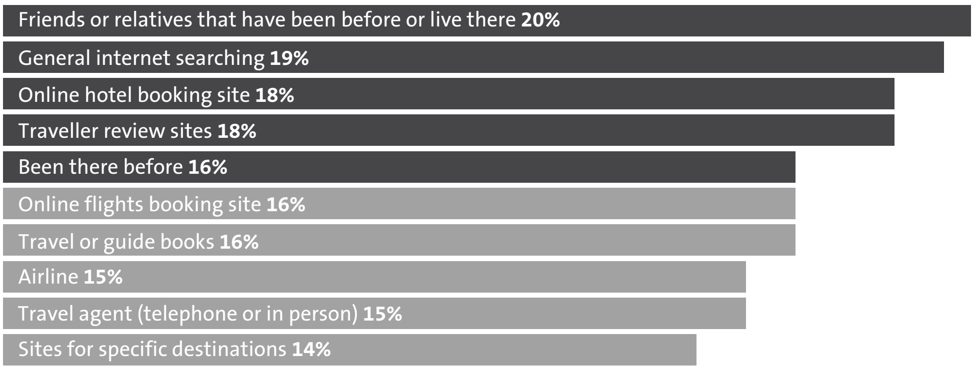
The following charts highlight the information sources that American consumers use to plan and book their holidays.

Preferred sources for early planning and inspiration



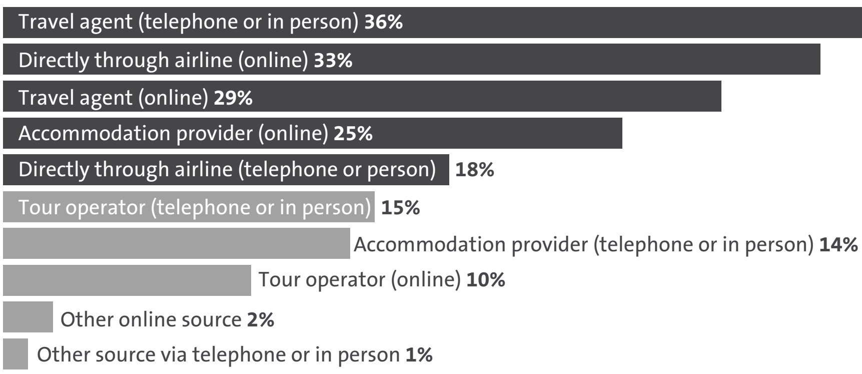
Read as: 23% of respondents indicate 'general internet searching' as a preferred source during the early stages of planning a holiday.

Preferred sources for seeking information



Read as: 20% of respondents indicate 'friends or relatives that have been before or live there' as a preferred source for seeking information about a holiday destination.

Preferred sources used to book a holiday



Read as: 36% of respondents indicate 'travel agent (telephone or in person)' as a preferred source when booking a holiday.

Source: Tourism Australia, Consumer Demand Project, 2016

UNITED STATES OF AMERICA
DISTRIBUTION

The USA travel distribution system is large and complex, with only a relatively small number of operators specialising in selling Australia. While consumers have increasingly turned to Online Travel Agencies (OTAs) to book some or all of their holiday, traditional distribution channels remain important for customised itineraries and booking ground arrangements.

Distribution system

WHOLESALERS/ LARGE AGENCIES

Commission level: 20% to 30%

- There are more than 1,500 wholesalers in the USA. Of these, around 300 have some form of program for Australia, although a small group of approximately 10 operators account for 20 per cent of the leisure travel market to Australia.
- The relationship between Australian wholesale operators and specialised travel agents is becoming closer, as online channels and the request for custom FITs are forcing operators to become more specialized and knowledgeable.
- Major wholesalers selling Australia currently include Travel2(HelloWorld), Goway, Swain Destinations, Down Under Answers, Down Under Endeavours, Journese, and Qantas Vacations.

RETAIL AGENTS

Commission level: 10% to 15%

- Retail agencies are adapting to change and continue to restructure their businesses by moving away from low commission products to more profitable products and services. The structure of the retail industry is also changing as single location agencies continue to consolidate into larger chains and consortia groups.
- There are approximately 100,000 US travel advisors in the USA, producing approximately 50 per cent of USA tour and package sales for international travel. Less than one per cent of these retail sales are to Australia.
- Preferred relationships between retail and wholesale operators are focused on product and destination training, sales tools, shared technology, marketing support, networking and familiarisation opportunities. In the past, relationships were largely based on commission levels only.
- The key retail consortia groups in North America include Virtuoso, Signature Travel Network, Travel Leaders Group (TLG), American Express, Ensemble Travel Group. Each retail consortia network has their own exclusive list of preferred Australian airline, hotel and cruise suppliers. Tourism Australia and regional STOs have partnerships with several of these consortiums, which are annual cooperative marketing programs comprised of a combination of D2C and B2B marketing activities supporting destination training for their preferred agent networks and driving leads back to these specialists.

AUSSIE SPECIALISTS

1,993 qualified Aussie specialists as of Apr-17

- The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop front line travel sellers to best sell Australia.
- As at April 2017, there were 1,993 qualified Aussie Specialist agents in the USA.

ONLINE

- The online market is dominated by Expedia (who has acquired both Travelocity & Orbitz, now operating all three brands) and Priceline with other online travel agents (OTAs) having varying degrees of Australian product. Distribution of hotels, resorts, lodges, attractions/tours, and car rental through major OTAs to Australia has increased as they continue to expand their long haul product offerings.
- Sites that market and sell on-the ground activities and tours, such as Viator and Tourico Holidays, continue to grow and add value to those consumers who initially booked air and land components then research what to do when they arrive.

INBOUND TOUR OPERATOR

Commission level: up to 35%

- Major North American wholesalers and increasingly more so direct retail agents continue to use the services of either their own inbound office in Australia or preferred independent inbound tour operators.

UNITED STATES OF AMERICA
DISTRIBUTION

Trends

Distribution

» The travel trade and distribution system in North America is large and fragmented.

» The distribution system has undergone substantial change and continued consolidation of wholesalers/retailers, with many wholesale companies looking to market direct to consumers to increase margins and profit.

» OTAs have increased their long haul travel offerings, including Australia, to open up new revenue streams outside a saturated domestic market. Online and direct bookings continue to grow.

» Despite the increase of online distribution, retail agencies are still an integral distributor of Australian travel in the USA, particularly for the 45+ age segment, as travelers are increasingly looking for destination specialists who can customise an Australian itinerary.

Special Interest

» There is a segment of the USA leisure market, particularly amongst those over 45+ years of age, looking for premium travel experiences. Retail consortia groups such as Virtuoso, American Express and Signature Travel Network specialise in high end travel and have a number of preferred wholesale and inbound tourism partners specialising in custom, high end journeys in Australia including Swain Destinations, The Tailor, Southern World, Epic Private Journeys Abercrombie & Kent, TCS Expeditions and Southern Crossings.

» The Luxury Lodges of Australia is a core collective of independent lodges showcasing the premium experiences Australia offers, establishing the highest of standards for luxury in Australia while offering key distribution partners the opportunity to effectively market these throughout their channels direct to consumers.

» Niche markets include Food & Wine, Health & Wellness, Golf, Fishing, Dive, Cruise, and Adventure, with an increasing number of wholesalers in market targeting these travellers looking for authentic and uniquely Australian experiences in these spaces.

» Key youth operators include Go Overseas, STA Travel and Student Universe (recently purchased by Flight Center). University and college students tend to research their summer holiday options in the early part of the year and book soon afterwards. July is the most popular month for student travel to Australia, consistent with the USA summer holiday period.

Trends

Planning and purchasing travel

» Customised holiday experiences continue to be very important for Americans who often research all the elements of their Australian holiday online and then work with a travel agent for planning and booking.

» Like the market itself, the purchase cycle in the USA is fragmented and varies. With the increase in consumer confidence in the US, the window for consumers to make a long haul decision on where to travel and through what distribution channels they will book with is currently trending 3-12 months in advance. There has been a shift to shorter windows for booking that has been trending the past 2-3 years.

Planning a visit to market

Top tips for sales calls

» State and Territory Tourism Organisations (STOs) manage and maintain a website to assist Australian product suppliers in planning and carrying out independent sales call trips to North America. This online manual also provides details on travel trade events. Visit www.coastnorthamerica.com.

» The USA market values strong relationships and loyalty, which take time to build.

» The USA trade value punctuality. It is a common courtesy to call the operator if you are going to be more than 10 minutes late to a meeting.

» Americans value straight talking and getting to the point.

» Structure your proposals to emphasise quick wins rather than long term objectives, although these should be included.

» It is common to leverage events in market for pre or post sales calls, especially around the Australia Marketplace held in Los Angeles every February. Additionally, the best time of year for ad hoc sales calls is from April to June and from July to August. These are traditionally the low season periods for bookings.

» For more information on sales calls, key market centres to visit and general planning of a visit to market, please see Tourism Australia's Planning for Inbound Success ebook at: www.tourism.australia.com/inboundsuccess.

UNITED STATES OF AMERICA
FURTHER INFORMATION

Key trade and consumer events

Event	Location	Date
IMEX America	Las Vegas	10-12 October 2017
G'day USA	Los Angeles	January 2018 (TBC)
Australia Tourism Summit	Los Angeles	February 2018 (TBC)
Australia Marketplace	Los Angeles	February 2018 (TBC)
Australian Tourism Exchange (ATE)	Adelaide, Australia	15-19 April 2018

Where to find more information

Tourism Australia's activities in the United States are managed from its Los Angeles office. For more information visit Tourism Australia's corporate website at www.tourism.australia.com.

» Australian State and Territory Tourism Organisations operating in the USA include: Destination NSW, South Australian Tourism Commission, Tourism and Events Queensland, Tourism Northern Territory, Tourism Tasmania, Visit Victoria, and Tourism Western Australia.

Also see:

» USA Country Brief published by the Department of Foreign Affairs and Trade at: www.dfat.gov.au/geo
» For the latest arrivals statistics, visit: http://www.tourism.australia.com/statistics/arrivals.aspx
» For additional statistical reports refer to the ABS and TRA websites, www.abs.gov.au and www.tra.gov.au
» For additional information, view the Business Events Market Profiles for North America at: http://businessevents.australia.com/businessevents/
» For additional information on consumer research, refer to: http://www.tourism.australia.com/statistics/consumer-demand-research.aspx

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