

Outlook for Travel to Britain

- Outbound tourism has increased 17% since January 2009 with a record 6 million outbound departures year ended September 2009.
- Early indications from coach companies point to a return to demand for UK holidays next year with sales up over 50% on same period last year.

Britain in the News

- The Cumbrian floods received wide spread coverage, however there is no evident impact on consumers travel plans for UK.
- Britain has been ranked 7th best value destination to visit (s.m.h. 10/9) with the Australian Dollar appreciating 13%, the US has been ranked one of the best value destinations for Australians with the Australian Dollar appreciating 20%.

General Market Mood

- With Australia avoiding the recession – the Reserve Bank has now applied three interest rises in the last quarter to slow growth. Retailers are still forecasting a bumper Christmas in sales.

Consumer Behaviour

- Sales for escorted European tours seem to be on the rebound. Trafalgar Tour's sales for October climbed 63% on October 2008, and 20% ahead of October 2007 figures.
- Globus & Cosmos are citing pent-up demand for deals for their increase in sales during this first Early-bird period. Globus' European sales are up 51% year on year, while Cosmos are up 55%.
- STA Travel is also reporting a surge in enquiries and bookings for the UK, as young Australians are "keen to capitalise on the favourable exchange rates".
- Trafalgar Travel Trends survey indicates that clients who have visited Europe are on average likely to return 5 more times. Europe remains at the top of the list, followed by Asia, North America, and South America. Minimum length of stay is 3 to 4 weeks. Those who have not been to Europe – UK at 64% is the must see destination, followed by France at 61%, Italy 51% and Germany 42% (Travel Daily 30/9).
- Australia and New Zealand's online travel market is predicted to increase to US\$7.6 billion by the end of 2009 with a growth of 23% (PhoCusWright, 10/9).
- Eight out of ten Australian internet users now use social media tools. Social networking is the second most popular activity for online Australians, behind watching video, with more than 60% having a profile on a social networking site, accounting for 1.6 million hours. Facebook's unique Australian audience surpassed eight million in August 2009. Twitter was up 979% to 1.5 million in August 2009.

Media Matters

- More than half of Australian homes (53%) are now digital TV-capable.
- Fairfax (rival media group to Murdoch empire in Australia) opposes the Rupert Murdoch proposal to charge consumers for online media access for News Intl. Fairfax believes that paid-for content will be a hotly debated topic in 2010 but they will not be supporting it.
- Terrestrial TV Channel Ten is set to introduce a new travel show, aimed at 25-35 year old audience – TravelBug TV will air December 2009. This bucks the trend of other channels (e.g. Channel 7) axing their travel programming.

Routes and Fares

- Emirates will be introducing a third daily service from Sydney in December 2009.
- For October, Singapore Airlines strengthened its position as the largest overseas carrier operating out of Australia in terms of market share, with 9.8% of traffic. To boost consumer confidence in purchasing early bird airfares, Singapore Airlines are guaranteeing the airfares against any future price decreases. (Travel Today 26/10).
- Qatar Airlines Melbourne flights will expand to daily from January 2010 and departures from Sydney are scheduled to commence operations early 2010.
- Malaysia Airlines has announced an additional 2 flights per week ex Brisbane, creating a daily service.
- Both Emirates and Etihad are lobbying the Australian government for increased flights to Australia.
- Emirates have provided Europe tour companies with tactical airfare to sell in conjunction with products, prices to London ex Sydney at AUD\$1479 (compared to consumer direct price of AUD \$1837) Emirates report that sales to date have far exceeded expectations.
- Prices for earlybird airfares range from AUD \$1835 through to AUD \$2060 to London for low season travel. Asian and Middle East carriers have extended low season travel from 1 April through to 30 June on earlybird fares. Feedback from airlines and wholesalers is that earlybird airfares are selling well. Low cost carrier Air Asia X is offering return airfares to London from AUD \$1000.

Business Tourism

- Capacity growth is still planned for 2012, there will be huge first and business class growth out of Australia, based on expected demand. Emirates will be up 42% on 2009 (equating to 4,298 seats a week), Etihad up 31% to 597 seats per week and new player Qatar offering 1,176 seats per week.

Leisure Travel Trade

- Venture Holidays brand has been sold by Flight Centre Group to Venture Holidays SA/NT – this wholesaler may now expand into the East Coast.
- Over the last year operators reporting strong growth to US – with added competition onto the route (reduction in airfares) and the appreciation of the Australian Dollar to the US Dollar. Growth to New York has been over 30% (off a small base) while Los Angeles has experienced over 5% growth.
- Flight Centre continue with its bricks and mortars strategy with 40 new shops forecast to open 2009/10 – currently 1046 stores. (Travel Weekly 26/8).
- Jetset Travelworld Group also increasing their retail outlets by 23 over the last year.
- Trailfinders is reducing its presence in Australia – closing all retail stores with the exception of Sydney.
- Radical Travel have reintroduced the Hop on Hop Off Scottish travel pass under the Haggis brand due to strong demand.
- Yahoo 7 – news portal has entered into the travel sector through the purchase of totaltravel.com.
- Tempo Holidays hotel contracting has been taken in house of Cox's and Kings (Travel Weekly 3/7).
- Tempo Holidays launched Cox's and Kings brochure in December 2009 – offering a premium touring product.

Competitor Activity

- Tourism Australia has appointed Andrew McEvoy as the new Managing Director effective January 2010; next phase of global marketing campaign will launch April 2010.

- The Tourism Authority of Thailand will be focusing more heavily on their online travel agent training program in 2010 after a 30% marketing budget cut, directly impacting its ability to partner with wholesalers on tactical campaigns, limiting its agent familiarisation and attendance at consumer and trade shows. An additional 30% of their budget was lost on negative exchange rate movements. It is believed the budget has been realigned to the emerging markets of the Middle East, China and India.
- Tourism Ireland – multi media campaign 'Go Where Ireland Takes You' including free to air television launched in November 2009. This is the Ireland's first major TV campaign in more than 7 years. The campaign is run in conjunction with Commonwealth Bank (one of the Big 4 Australian Banks) with AUD \$10,000 spending money as part of the prize. Tourism Ireland is also running an early bird promotion with Etihad and Flight Centre – lead airfares to Dublin of AUD \$1639.
- Tourism New Zealand has allocated an additional NZ\$9 million for 'What's on' Campaign in Australia (Travel Weekly 24/8).
- Tourism Fiji have requested a FJD\$24.5 million budget for 2010.
- Tourism New Zealand's 'Great Kiwi invite' campaign, a reverse word of mouth campaign where New Zealanders logged on and invited friends and family to NZ. The results were better than anticipated with over 90,000 invites being sent and 45,000 acceptances. Campaign partner Air New Zealand followed up acceptees with great offers.
- The Japan National Tourist Office launched Visit Japan Year 2010; with a dedicated campaign website, providing information and competitions.
- Tourism Australia announced AUD\$9 million available for co op campaigns targeting tourist from key markets of Japan, China, Malaysia, Singapore, New Zealand and Middle East (Travel Daily 2/11).
- The governments of Australia and New Zealand are developing plans for joint tourism marketing (Travel Weekly 24/8).
- Queensland and NSW Governments have entered into a three year AUD\$8.8 million joint International marketing programme recognizing that International visitors don't recognize state boundaries.
- Tourism NSW announced a 3 Year AUD\$1.8million partnership with Singapore Airlines to fund marketing programmes in Europe, Asia, Japan and Middle East.

VisitBritain Activity Update

- Breakfast Television – The Channel 9 Today show showcased the new Sherlock Holmes film.
- Britain 'affordable and accessible' media trip in conjunction with low cost carrier Air Asia X – five staff writers from key publications explored Yorkshire and London.
- Promotion undertaken with Top Shop and Virgin Atlantic to promote the British fashion brand launch in Australia.
- Media programme devised and launch event (Inn England) held for visit from VisitEngland board member, Rob Rees.
- PR activity undertaken to support Sherlock Holmes film release – targeting of key travel and lifestyle media in Australia.

Upcoming activity

- Ongoing PR programme and project management of Edinburgh Military Tattoo in Sydney (Feb 2010) being undertaken for VisitScotland.
- Value Britain Campaign with Air Asia X.
- Gen Y Dynamic Britain Campaign.
- English Premiership League Campaign.

Who's in Town?

- Tom Jones and George Michael are both touring in February 2010.