

SINGAPORE & MALAYSIA

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GENERAL MARKET OVERVIEW

SINGAPORE

- Population: 4.84 million
- The Ministry of Trade & Industry projected this year's economic growth to contract 4-6% due to continued weaknesses in the global economy.
- Consumer price inflation is forecast between -0.5% and 0.5% this year.
- Unemployment was at 3.3% as of June 2009. The government's numerous help initiatives such as the S\$4.5 billion Jobs Credit scheme and the S\$600 million Spur re-skilling and training programs are bearing fruit in their efforts to save jobs. Prospects for the job market are likely to stay soft for at least the next 2 quarters.
- Monthly household income rose by about S\$700 a year on average, from S\$6,300 in 2007 to S\$7,090 in 2008. The group enjoying the biggest jump was the middle-income family, making S\$6,730 monthly even after taking inflation into account.
- Faced with a structural shift in the world economy and an uncertain outlook, Singapore will set up an Economic Strategies Committee (ESC) chaired by the Finance Minister to help chart its new path. The ESC will study Singapore's strategies in 5 areas, such as growth opportunities, corporate capabilities, human resources, creating high value jobs and deploying resources to maximum effect.
- Singapore's population is ageing rapidly and the number of people who are over 65 years old is expected to treble to 900,000 by 2030 from 300,000 today.
- Singapore's millionaires shrank by 22% to 61,000 due to the global financial meltdown. A year earlier, Singapore boasted one of the world's top 10 fastest-growing millionaires' clubs, with a 15.3% expansion to 78,000. On average, Singapore's high net worth individuals were worth about US\$3 million each. A millionaire is defined as a person having net assets of at least US\$1 million, excluding his main residence and everyday possessions.
- In the 2009 Budget address, the Government unveiled a S\$20.5 billion Budget package to save jobs and cut costs as Singapore braces itself for its worst recession since independence. In addition, the government will draw S\$4.9 billion from the reserves for the first time. The Budget set aside a total of S\$2.6 billion towards enhanced GST offsets and workfare payments, and other measures to help households.

MALAYSIA

- Population: 28.31 million (more than 7.6 million in Kuala Lumpur & Klang Valley)
- GDP is expected to contract 4-5% for 2009. However, Malaysia's economic recovery depends on the situation in Europe and the United States.
- Inflation is projected at 4% for 2009.
- Labour market remains stable with unemployment rate at 4% in 1st quarter of 2009. Malaysia jobless rate may hit 6% in 2009, the highest in more than 20 years due to the global economic slowdown. But as the economy picks up again, unemployment is expected to fall to 4-5% in 2010.
- Malaysia swore in its 6th prime minister on 3 April, Datuk Seri Najib Razak, after the resignation of its former prime minister.
- Malaysia's Prime Minister Najib Razak remains committed to push on with economic liberalisation to prevent the economy from worsening by sticking with the status quo. These liberalisation measures will be implemented over the period 2009 to 2012. Liberalisation in the services sector will remove many of the policies sacred to a

decades-old affirmative action policy that favoured Malaysia's majority Malay population (64% of 26 million). Foreigners will be allowed to hold up to 70% of Malaysia's financial institutions except for commercial banks etc.

- The Government has put together a second fiscal package to boost the economy after an earlier round of spending worth RM7 billion came under fire for being too little and too late. The new RM60 billion stimulus package will be spent over 2 years from 10 March 2009. The four main areas the funds will be allocated to are: reducing unemployment and job creation (RM2 billion); easing the burden of the vulnerable segments (RM10 billion); assisting the private sector (RM29 billion) and building for the future (RM19 billion).
- The political tumult caused by the March 2008 general election has yet to calm down and has seen some upheavals in 2009. Malaysia's political situation remains uncertain.

MARKET PROFILE

SINGAPORE

- Number of outbound departures at the end of 2008: 6.83 million. Visitors to Australia: 270,900 as of year ended 2008 with 4% (10,800) visiting SA.
- Singapore forms the largest number of SE Asian visitors to SA and the sixth largest market to Australia with average expenditure of \$4,539 per trip. In the period until 2016, the TFC expects the annual growth rate for arrivals from Singapore to be 2.3%.

Consumer Trends:

- High repeat visitation: 78% of visitors are repeat visitors.
- In 2008, the age bracket with the largest number of visitors to Australia (and SA) was the 25 to 44 years, followed by 45 to 54 years.
- December, November and June are traditionally the peak periods. In addition, a shorter peak period exists around the changing timing from year to year of Chinese New Year during either January or February, and Hari Raya and Deepavali in November 2009. Short school breaks take place in March and September.
- The planning and booking period remains very short, less than 1 month and some are less than a week, due partly to the global airfare promotion. Australia remains a timeless favourite. There is a growing trend of planning for a longer vacation to South Australia, ranging from 1 week to 2 weeks. Driving routes to the Limestone Coast and the Fleurieu Way combined with Kangaroo Island are gaining popularity.
- More Singaporeans are embarking on self drive journeys in Australia. The self drive market has increased tremendously by about 48% between January and April 2009 compared to the same period in 2008.
- Travel agents are still the primary mode of booking for travel packages but there is a fast growing trend towards direct bookings from Internet, particularly for FIT packages. The most popular sources of information used are Internet, newspaper, travel guide, travel agents and word-of-mouth.
- More travel agents are enhancing their website to cater to the growing trend of consumer direct bookings. For instance, Chan Brothers Travel has enhanced its website, UOB Travel has developed website with online booking engine etc.

- The top 5 holiday leisure activities undertaken by Singaporean visitors in 2008 were eating out at restaurants or cafes, shopping for pleasure, sightseeing, going to markets, and going to the beach.

Language: English is the first language. Chinese and Malay are the common second language.

Annual Leave Entitlements: Average 14 – 28 days.

MALAYSIA

- Number of outbound departures at the end of 2008: more than 30 million. Visitors to Australia: 171,019 as of year ended 2008 with 4.5% (7,700) visiting SA.
- Malaysia forms the second largest number of SE Asian visitors to SA and the ninth largest market to Australia with an average expenditure of \$5,799 per trip. In the period until 2016, the TFC expects the annual growth rate for arrivals from Malaysia to be 5.7%.

Consumer Trends:

- High repeat visitation: 70% of visitors in 2008 were repeat visitors.
- In 2008, the age bracket with the largest number of visitors to Australia was the 25 to 44 years and 45 to 54 years, closely followed by the 15 to 24 years and beyond 55 years.
- The bulk of holiday taking occurs during December to February.
- The planning and booking period remains comparatively short, about 1 month before arriving in Australia. There is a growing trend of consumers embarking on self drive holidays in Australia with multi-state visits for about 2 weeks.
- Travel agents are still the primary mode of booking for travel packages, but with an increasing trend of consumers going direct especially for flight and accommodation. The most popular sources of information used are Internet, through word-of-mouth and travel agents.
- The Internet will become a highly effective promotional and selling tool for the industry as a larger percentage of the population becomes IT savvy. The Internet is a popular medium among working adults who currently generate the greatest revenue among the tourist demographic. As a result, an increasing number of travel agents are fast adopting online marketing and developing their website, such as PNL Travel, Reliance Travel and Malaysian Harmony Travel (under the branding 12fly.com.my).
- The top 5 holiday leisure activities in 2008 were eating out at restaurants or cafes, shopping for pleasure, sightseeing, going to markets, and going to the beach.

Language: Most speak English. Chinese and Malay are the common second language.

Annual Leave Entitlements: Average 14 days.

MARKET TRENDS

The family travel segment is one of the key segments not to be neglected in Singapore. Recent statistics show that marriages and babies born increased in 2008 with 24,596 couples married (the highest number since 1999) and 39,935 babies born.

Meanwhile, based on the Ministry of Community Development, Youth & Sports Singapore survey on Singapore's baby boomers aged 44 to 61, this senior segment are willing to pay for products and services catering to the silver market. Most popular are senior-centric travel packages and leisure activities.

The recent survey conducted by MasterCard on consumer purchasing priorities in Asia Pacific indicated that over half the respondents in Singapore are planning to maintain their discretionary spend for the 2nd half of the year at the same levels as 6 months ago. Dining and entertainment topped the list for discretionary spend followed by fashion and accessories, with personal travel remaining in 3rd place. The global recession does not appear to have had a serious impact on the urban middle class in Asia Pacific compared with the previous recession.

Singapore has some 16,000 women millionaires worth an average of US\$4.2 million and is currently being outnumbered in their own backyard by 20,000 wealthy Indonesian women in Singapore with an average of more than US\$4.6 million each, according to private bank RBS Coutts. The survey excluded the property they own.

There has been a rising trend of volun-tourism due to an increased awareness of social responsibility and more Singaporeans are signing up to help in community projects overseas and to sightsee. The Youth Expedition Project is a program established by the National Youth Council nine years ago to give those aged 15 to 35 exposure to service-learning projects and nurture social responsibility at home and overseas. Since the year 2000, the project has sent more than 14,000 people to Southeast Asia, India and China. Schools and social organisations are not alone in arranging such trips; online travel company TakeMeToAsia (www.takemetoasia.com) launched its program two years ago where trips last a few days and cost from a few hundred dollars to a few thousand, depending on the destination.

Growing interest from consumers to visit movie destinations is increasing, especially when a distinctive Hollywood movie is released. As a result, travel agencies in Singapore are riding on hit movies such as "Angels & Demons" to promote destinations and travel packages. Capitalising on last year's Oscar-winning film "Slumdog Millionaire", STA Travel has organized a special package for those interested in seeing poverty-stricken areas of the Indian capital with add-on options of a half day walking tour and a trained English-speaking guide to its regular Mumbai tours which last between 6 and 10 days. Meanwhile, a Korean drama series has paved the way for visits to scenic spots and popular attractions where shows are filmed, with CTC Holidays reporting a minimum 300% increase in demand for its Korean tours since the start of the K-wave more than five years ago.

Since travel is essential for Singaporeans, more are opting for "travel now, pay later" schemes for their travel packages in interest-free installments. The scheme has been around since 2001 and is usually for packages that range from S\$1,500 to S\$3,000 with popular destinations including Japan, Europe and the United States. Those who sign up for the scheme are usually younger travellers and those below 45 years old with either a lower income or other financial commitments.

The latest statistics from the Infocomm Development Authority of Singapore revealed that Singapore's household broadband penetration rate soared to 90.4% at the end of August 2008. This translates to a total of 4.27 million individual subscriptions or nearly 1.04 million households using high-speed internet services for online activities. The goal of attaining a 90% broadband penetration rate was first set in 2006, and Singapore has hit its target a good 7 years ahead of schedule and looks set to displace Korea to be Asia's most connected city if the climb continues.

The rebounded Australian dollar along with the high Australian departure tax and fuel surcharges has made Australia a less appealing destination compared to other long haul destinations. Furthermore, the low cost carrier flights from Malaysia to many destinations are often cheaper than the Australian departure tax and fuel surcharge payable on flights to Australia. The surge in short haul low cost airline seats from Malaysia has increased the average travel propensities and has affected Australia's market share of total outbound traffic.

Malaysian consumers are becoming increasingly value conscious due to a trend driven by the intense competition in the aviation sector, particularly with low cost carriers (LCCs) opening up new shorter-haul destinations. The boom in short haul low cost airline seats from Malaysia has resulted in an increase in the average travel propensities. The partially packaged and fully independent travel (FIT) continues to grow faster than expected as a result of pricing initiatives by airlines. More are seeking land only packages from travel agents or are making their own bookings on the Internet.

The affluent middle class segment in Malaysia is growing for whom travel is an integral part of their life. In addition, there is also a growing retiree market particularly in the ethnic Chinese community.

Travel agents are upbeat despite the economic slowdown. Furthermore, travel confidence has returned as observed at the consumer fairs and hopefully the pent-up demand will make up for the shortfall during the H1N1 period.

Aussie Specialists

Singapore: The Asian Aussie Specialist Program (ASP) was launched in Singapore in March 2001. As of June 2009, there were 120 individual agents enrolled in the scheme. The Premier Aussie Specialist Program was launched in 2008 with 10 agents entering commercial and marketing partnerships with Tourism Australia (TA), where they are the primary qualified conversion point for TA lead campaigns. These agents are ASA Holidays, Chan Brothers, CTC Holidays, Dynasty Travel, Five Stars Tours, Qantas Holidays (Holidays Tours), Sakura Holidays, Sino-America Tours (SA Tours), Tradewinds Tours and UOB Travel. They provide a key role in Tourism Australia's marketing programs and actively extend the reach of campaigns through their own marketing initiatives.

Malaysia: Participants in the ASP are all identified as strongly promoting and developing Australia as a holiday destination. There were 117 agency staff enrolled in the program in Malaysia as at June 2009, with the majority of participants located in the Klang Valley.

KEY THEMES/ EXPERIENCES PROMOTED IN THE MARKET

Adelaide:	Lifestyle (food & wine), selected events and festivals, uniquely South Australia (Haigh's, Jurlique, Balfours frog cake) and nature & wildlife (Dolphin Cruise and swim with dolphins)
Adelaide Hills:	Nature & wildlife, food & wine trails
Kangaroo Island:	Nature & wildlife, food & wine trails
Barossa:	Lifestyle (food & wine), selected events and festivals, uniquely South Australia (wine, Maggie Beers, Angas Dried Fruit, lavender)
Fleurieu Peninsula:	Nature & wildlife, food & wine trails, the Fleurieu Way
Limestone Coast:	Self-drive Melbourne to Adelaide, Limestone Coast Driving Route, nature & wildlife, food & wine, the Real Food Trail
Flinders Ranges:	Wilpena Pound
Eyre Peninsula:	Seafood & Aquaculture Trails, nature & wildlife

MARKET INTELLIGENCE

Competition

Tourism New South Wales, Tourism Victoria, Tourism Queensland and Tourism Western Australia remain highly visible in Singapore and Malaysia due to their huge marketing budgets. These states are very often the first choice destination for Australia.

In line with Tourism Western Australia's recently stated strategy to increase focus on short haul markets, it announced in late July 2009 a new business model which sees an increase in marketing investment in both Singapore and Malaysia markets. As a result, several consumer awareness and tactical campaigns were organised to further drive demand for the destination. It will also embark on a new marketing brand by year end.

Tourism New South Wales continues with its aggressive marketing campaigns. For instance, it organised a joint campaign with Chan Brothers Travel to run a 4-series full-page full-colour advertorial in TODAY featuring Sydney and its surrounds with top 10 wallet-friendly tips and several self-drive routes. Jointly with UOB Travel, it promoted its 7D/5N Sydney Grand Pacific Self Drive route from S\$998. In addition, it also has a full-page full-colour article in "Straits Times Life" featuring "Sydney on a shoestring", and a double-page spread to promote Sydney and Canberra self-drive routes.

Capitalising on its "The Best Job in the World" global campaign, Tourism Queensland organised an aggressive print campaign with Chan Brothers Travel to promote "The Best Holiday in the World" with various themed packages, such as Best Nature in the World, Best Adventure in the World, Best Romantic Getaway and Best Family Fun.

Tourism Victoria continues its marketing effort in addition to its MOU with Singapore Airlines and has also recently appointed a Public Relations Consultancy in Malaysia.

Intense competition from regional destinations continues through aggressive marketing campaigns and trade marketing, particularly from Tourism Taiwan, Malaysia, Korea, Thailand, Japan, Macau and Hong Kong.

Aside from mounting a series of thematic print campaigns, Tourism Taiwan promoted its “Honeymoon” and “Wedding Photo Shooting” package to Taiwan where participants will receive a free dinner and stand to win a diamond ring in a prize draw. It has also introduced new products like farm stays, hot springs and homestays to the Singapore market in an effort to halt the 10% decline in arrivals from Singapore in the first 7 months of the year.

Meanwhile, Korea Tourism together with Asiana Airlines promoted the value of its boarding pass with discount up to 40% on tourist attractions, 20% discount on restaurants, 50% off on hotels and 40% off on shopping and other services.

In line with the 10th anniversary celebration of the establishment of Macau, the Macau Government Tourist Office has developed and launched five thematic tour package itineraries based on the theme of ‘Experience Macau with the Five Senses’ for the Malaysian market. About 450,000 Malaysians visited Macau in 2008, an increase of 12.2% compared to 2007. Direct air access between Malaysia and Macau will further improve with AirAsia flying Penang/Macau from 1 March 2009.

The European national tourist offices continue to increase their presence in the markets.

In line with its 2020 strategy to enhance the importance of the hospitality industry and rejuvenate its diverse offerings, the French Tourism Board introduced a new brand logo and tagline “Rendez-vous en France”, to enrich and renew its image. It also organized a print campaign jointly with Singapore Airlines to promote A380 flights to Paris and a contest to win a pair of Business Class tickets and a holiday in Paris. In addition, there were a series of advertorials featured in “Business Times”.

Visit Britain launched a Travel Industry Partnership Support (TIPS) initiative in March 2009, which included a first-ever BritAgent training program specially tailored for the Asian market. TIPS will first be introduced to Singapore, Malaysia and Thailand in its pilot program. It has garnered double the number of responses expected for its first-ever BritAgent training program since its launch where some 97 agents in Singapore and 81 in Malaysia signed up for the program. Britain has become more attractive to Asians due to great air fare deals and the weaker Pound, which has slipped 25% against the Singapore Dollar and 23% against the Malaysian ringgit between January 2008 and January 2009.

Meanwhile, Visit Britain has opened a representative office in Kuala Lumpur with an appointed staff to service outbound travel agents promoting Britain. Malaysia was the fastest growing market in Southeast Asia.

Low Cost Carriers

Low cost carriers (LCCs) not only continue to aggressively expand routes in Asia but also increase frequencies to Australia.

Jetstar has commenced its daily service between Singapore and Perth. The new direct service has added to the existing twice daily Qantas service on the same route, or an increase of 30% seat capacity for the Qantas Group on this trunk route.

In response to the strong and growing demand from travellers, AirAsia X will ramp up frequencies from Kuala Lumpur to Melbourne from 7 to 11 flights weekly on 1 December 2009, increasing seat capacity by 1,532 each way.

AirAsia and AirAsia X have also been aggressively expanding their services in the region. In addition, it has increased frequency of its Kuala Lumpur / London and Kuala Lumpur / Taipei services from 5 times weekly to daily.

AirAsia abolished passenger administration fees, a move that could cut its revenue by up to RM400 million. However, the shortfall will be offset by higher revenue from ancillary services as well as greater volume sales. Travellers on AirAsia flights only have to pay for the seat fare and airport tax.

The new international arrival hall at Malaysia's low cost carrier terminal (LCCT) at Sepang opened on 15 December 2008. The RM160 million extension added 32,000sqm of floor space to the existing 28,000sqm, increased check-in counters from 72 to 117, and increased capability of handling to 2,200 passengers an hour instead of 600 passengers per hour.

Airlines

Singapore Airlines launched its new Airbus A330 to Adelaide in June 2009 and began daily direct A380 flights between Singapore and Melbourne on 29 September 2009, increasing seat capacity to Melbourne by 10%.

The intensifying fare war between Malaysian Airline (MAS) and AirAsia continues. MAS has organised several campaigns, including "All Inclusive Low Fares" promotion for domestic, ASEAN and Australian flights where 2 million seats were on offer with fares from RM54 nett. Australian destinations such as Perth, Melbourne and Brisbane were covered under this promotion with the lowest fare to Perth starting from RM639 nett. MAS also mounted an aggressive campaign in Singapore with return airfares to Melbourne / Sydney / Brisbane from S\$598.

KEY HIGHLIGHTS OF MARKETING ACTIVITIES IN 2008/2009

SINGAPORE

Best of Australia Campaign (www.bestofaustralia.com.sg)

A continuation of the Team Australia's "Best of Australia" campaign organised by STOs with QF/BA support and a consortium of 17 travel agents. Value added items of S\$100 were created to drive bookings.

Chan Brothers Travel Co-op (July – end August 2008)

Joint collaboration between SATC and Chan Brothers Travel to target year-end travellers. An improved and new 6 day tour, "Adelaide Indulgence" which included new products such as an overnight stay in Barossa and Victor Harbor, wine tasting at Chateau Yaldara and art session at Red Poles.

"Australia" Theme Feature in "Sports & Travel" Magazine (September – October 2008)

Capitalised on Tourism Australia's marketing campaign in organising a 5-page feature with foldout in the magazine to promote themes in "Australia" the movie. A total of 5 STOs participated with a double page each. Products featured for South Australia were in-line with the movie, such as Wilpena Pound, Coober Pedy, Outback Mail Run, Great Australian Cattle Drive and Pichi Richi Camel Tour.

Dynasty Travel Co-op (Mid October – Mid November 2008)

Dynasty Travel chose only 4 Australian states (SATC, TV, TNSW and TQ) to be part of its marketing campaign targeting year-end travellers. A series of 90-sec open talk and 30-sec recorded commercials ran on Jia88.3FM for 5 weeks beginning 13 October 2008.

Media Famil – Channel U ‘On The Beat 3’ (17 – 21 November 2008)

Capitalised on Channel U’s existing 36-episode popular Chinese magazine-style infotainment program, “On the Beat 3”. Two 30-minute episodes on South Australia were aired on 6 and 13 January 2009 with repeat telecasts on the same day at midnight.

UOB Travel “Luxury” Joint Campaign & Oasis Advertorial (Jan – Feb 2009)

A double-page spread featuring South Australia was organised in high-end lifestyle magazine “Oasis”. Food, wine, nature and wildlife, as well as unique accommodations and spa retreats were part of the experiences featured.

SATC/SA Tours “Journey” Co-op (16 February – May 2009)

A joint collaboration with SA Tours to promote South Australia’s self-drive packages/routes to capitalise on Tourism Australia’s marketing effort to promote Road Trip. The 6 day Adelaide & Beyond Self Drive Packages featured the Fleurieu Peninsula Wilderness & Winery Touring Route (that included Kangaroo Island) and Eyre Peninsula Nature & Seafood Route. A series of 60-second open talk and 30-second radio commercials was organised together with prints ads in Straits Times / TODAY / Business Times. The campaign has generated great interest for the destination.

Adelaide Brilliant Deals (19 February – May 2009)

Continuation of the Adelaide Brilliant Deals campaign incorporating the self-drive campaign and extensive SA branding focused to enhance SA appeal and create strong media hype/buzz. Part of the focus is also to create word-of-mouth / viral marketing, and to promote SA as the ideal self drive destination in conjunction with Tourism Australia’s marketing activities.

TA Come Walkabout Campaign (Late February – June 2009)

Leveraging on “Australia” the movie, SATC together with five other STOs, Tourism Australia and nine Premier Aussie Specialist Agents organised “Unexpected Australia / Come Walkabout” packages focusing on romance and adventure themes while continuing to showcase Australia’s competitive positioning of “City & Country”. Total bookings received for the South Australia Come Walkabout package was 27 (3.2% share), while agents’ in-house Adelaide Packages fared better with 118 bookings (5.7% share).

Fitness First Campaign (2 – 28 March 2009)

Tapped into the time poor, high spender gym goers segment by leveraging on the free media space worth S\$10,800 negotiated with Ultimate Media. Posters featuring SATC’s Adelaide Brilliant Deals advertisement were displayed at 18 locations and helped to sustain the “Adelaide Brilliant Deals” campaign using a non-traditional medium in a cost efficient way.

SATC / Konsortium Tours Co-op (3 – 20 March 2009)

Capitalising on local celebrity Moses Lim’s popularity and fan club base of about 400 members, as well as leveraging on his appointment as ambassador for South Australian Business Ambassadors Network, SATC entered into a joint collaboration with Konsortium Tours to promote gourmet packages in South Australia during the

autumn low season. The 7D/6N Adelaide in Autumn Food & Wine Package was priced from S\$2,893. Despite the global financial slowdown and the high package price, a special group departure for 35 passengers was confirmed, with 23 extending their stay on three Unforgettable houseboats.

SATC / Hong Thai Travel Joint Advertising Campaign (29 April – 26 May 2009)

Participated in a first-time, joint collaboration between SATC and Hong Thai Travel to promote group tours to South Australia during the winter low season. New and unique products like Red Ochre Restaurant and Penfolds Magill Estate have been included in the group itinerary as part of product development.

Carrefour Wine Fair (22 June – 2 July 2009)

Fosters Asia held a “Wine Fair at Carrefour” over a period of 11 days in Suntec City showcasing its core, predominantly South Australian brands like Penfolds, Wolf Blass, Rosemount, Wynns, and Lindemans. Fosters gave SATC a FOC stand to showcase the State and disseminate brochures/travel package flyers during the Fair. The SATC supported the Fair with a 3N Adelaide Land Package as a lucky draw. More than 1,000 copies of the South Australia motivational brochure were given out.

SMRT Trains “Remarkably Adelaide” Advertising Campaign (2 – 31 July 2009)

By leveraging on SMRT’s window network panels and tunnel TV GSS (Great Singapore Sale) package of savings up to 70% at its original rate of S\$27,500, this campaign aims to reach out to consumers who are constantly on the move. More than 2 million passenger trips are made daily across the SMRT network. Using the simple message “Isn’t It About Time” as a call to action and images as our strong selling point, the ads introduced and showcased different aspects of SA iconic products such as Kangaroo Island, wine & dine, and attractions to consumers. A total of 120 panel ads were displayed across 20 trains and a 15-second ad on Tunnel TV was shown.

MALAYSIA

MSL Travel Co-op (January – June 2009)

Joint campaign with MSL Travel to leverage on its cost efficient media buy in New Straits Time in January to March 2009. Editorial and a series of print ads promoting the tactical packages focusing on nature & wildlife and food & wine trails were organised. Packages promoted were MSL’s in-house self drive packages on Adelaide, Adelaide Hills, Fleurieu Peninsula, Kangaroo Island and Limestone Coast.

Adelaide Brilliant Deals

Continuous effort to expand South Australia specialists and distribution partners through partnership with Singapore Airlines in Kuala Lumpur, Penang and Johor Bahru. To-date there are 18 agents.

Media Famil – Jia Yu TV & Jalan Jalan Magazine (March 2009)

A combined TV broadcast & travel magazine IMHP (VJP) that showcased the travel journeys of the TV Host focusing on self-drive / journeys theme, in-conjunction with the Great Australian Journeys campaign launched in Malaysia. The 2 episodes of 30-minute Chinese travelogue “Fun Travel” on South Australia were aired on Jia Yu TV in Malaysia (with viewership more than 1 million) in July 2009 where each episode was repeated 4 times thereafter. In addition, Jalan-Jalan magazine, one of Malaysia’s leading Chinese travel magazine featured a 5 page travel story in June 2009 while the 12-page travel booklet insert on South Australia will be published in December 2009. Golden Deluxe Travel has been appointed as the fulfillment agent for the travel

packages. Media value generated for Jalan-Jalan magazine and Jia Yu TV is A\$18,125 and A\$4,050,000 respectively.

NATAS Travel Fair, Singapore – February/March & September yearly

NATAS Fair is the biggest consumer show held twice yearly in Singapore. The three-day event in February 2009 attracted over 56,000 visitors and is highly recommended by the SATC. The next date is confirmed for 26-28 February 2010 and will be held at the Singapore Expo. Please contact Martin Kaesler – martin.kaesler@tourism.sa.com - by end November 2009 to express your interest.

MATTA Travel Fair (MITF), Kuala Lumpur – March & September yearly

MITF Fair is the biggest consumer show held twice yearly in Kuala Lumpur. The three-day event usually attracts 80,000 visitors. The March event is highly recommended by SATC. The next fair will be held from 12-14 March 2010. Please contact Martin Kaesler – martin.kaesler@tourism.sa.com - by end November 2009 to express your interest.

PR/Consumer Activities

Press releases on new products/events, tourism updates and new story angles are sent once monthly to the media while the bi-monthly SATU e-blast and SAVvy e-blast go out to the trade and consumer respectively.

Media Famils

Key media have been targeted for several experiences for 2009-10, such as food & wine, nature & wildlife, adventure & self-drive, romance, stylish living, and events.

ACTIVE INBOUND COMPANIES IN THE REGION

- Encounter Australia, Adelaide
- Tranquil Travel, Adelaide
- Experience Tours Australia (ETA), Melbourne
- Australian Tour Management (ATM), Sydney
- Holiday Pacific, Gold Coast

KEY CHALLENGES

- High repeat visitation and over familiarity of Australia, hence lack the “wow” factor and urgency to book though preference is high.
- Changing consumer travel patterns to multiple short breaks per year due to competitive aviation environment driven by low cost carriers (LCC).
- Australia is perceived to be an expensive destination due to taxes and surcharges, and in addition the high exchange rate (A\$ rebounded strongly in July 2009).
- Slowdown in global economy somewhat affecting local economies.
- Losing share in group market and moving towards more FIT inclined.
- Growing trend of consumers booking online and direct booking for hotels/tours. Though the Malaysia online environment has improved due to the nature of LCC, traditional media is still important for delivery of destination information.
- Irresistibly attractive airfare and travel packages are creating a desire to explore further afield and to new destinations within the region and Europe/USA.

- Travel trade knowledge lags behind consumers and large travel operators lack capability in selling experiences and new products.
- Intense competition from other destinations, emerging new destinations (like Eastern Europe, Middle East and India) and more direct access from airlines. Middle Eastern carriers servicing Malaysia makes Europe seems more attractive as a Western destination with multi country options versus multi city in Australia.
- Malaysia – emerging Malay middle class segment has the propensity to travel but lacks understanding of Australia’s capability in catering for their needs.
- Limited flight capacity despite daily service by SQ and other carriers, especially during peak seasons.

OPPORTUNITIES FOR OPERATORS

- Participation as exhibitors in the biggest consumer fairs in Singapore and Malaysia – NATAS Fair and MITF 2010.
- Hosting of trade and media familiarisation tours. Tentative itineraries would include visits to Kangaroo Island, Fleurieu Peninsula, Barossa, Adelaide Hills and Adelaide City tour.
- Exposure of relevant products in our bi-monthly electronic newsletter (South Australia Tourism Update – SATU) which is distributed to all travel trade partners in Asia.
- Exposure or ad-hoc deals in our bi-monthly electronic newsletter (SAVVY) which is distributed to our 8000 consumer database in Singapore and Malaysia.
- Inclusion of relevant products in our tactical campaigns.
- Exposure of relevant products on Singapore website (www.southaustralia.com).
- Participation in ATE 2010.
- A joint sales visit to travel agents offices in Singapore and Malaysia can be arranged.
- South Australian Travel Mission in Singapore and Malaysia (tentative early July 2010).

USEFUL TIPS FOR WORKING IN THE ASIA MARKET

Cultural Issues

- Cultural and religious sensitivities i.e. no beef for Hindus and some Chinese, Halal meals for Muslims and most Muslims do not consume alcohol in any form.
- Incorporate Asian or Asian influenced meals at least 50% of stay. Prefer Asian style breakfast.
- Quick meals preferably warm – Asians like to be on the go.
- Free hot water.
- Be mindful of school holidays and seasonal travel pattern to capitalise (usually June and 3rd week November to end December for Singapore and Malaysia).
- Asians expect responses within 24 hours or less.
- Asians prefer to travel in family groups, either immediate or extended (in terms of in-laws, grandparents, etc).

Note: Families with young children prefer to stay in one room with an extra bed or in 2 bedroom apartment style rooms.