



SATC Industry Forum Market Update Presentation The Americas

November 2010



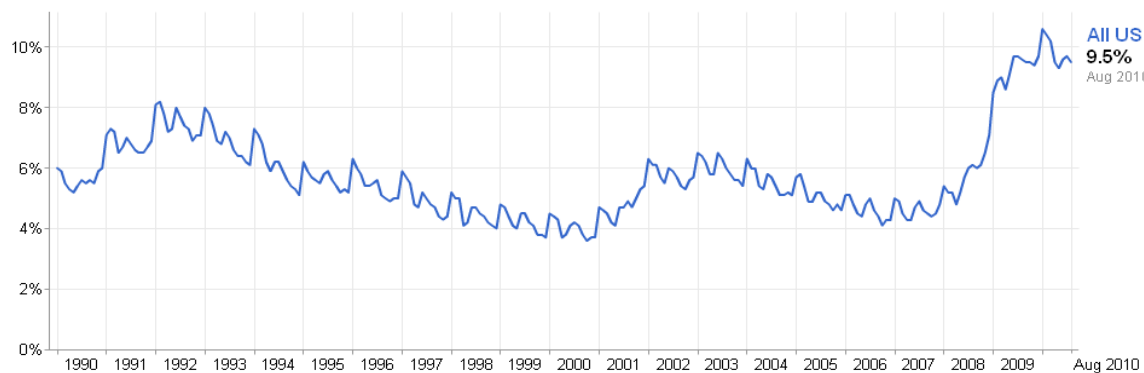
Market Overview

United States Economic News

- The Federal Reserve recently ruled out the possibility of a near-term double-dip recession, but scaled back **economic growth** forecast (2.3% in 2011)
- Small businesses and consumers within the US continue to grapple with weak confidence and stubbornly high unemployment rates (9.5% in August)
- Americans are more confident than they were a year ago and vacation intentions and outbound travel are positive.
- The weakening US dollar continues to put pressure on the US traveler's purchasing power on the ground in Australia.

Unemployment rate

The percent of the labor force that is unemployed, not seasonally adjusted. [More info >](#)



Data source: [U.S. Bureau of Labor Statistics](#) - Last updated October 1, 2010



Market Overview

United States Consumer Profile & Travel Trends

- The popularity of package tours saw a revival after the GFC as consumers responded to the value of all-inclusive vacation options that had a clearly defined price-point.
- The number one booking channel for Americans remains the travel agent with an estimated 44% of consumers using a travel agent in 2010.
- However, the importance of online and direct to product channels continues to increase, with online the primary resource for trip research.
- The general consensus amongst SATC wholesale partners is that luxury upscale itineraries are starting to book again. After a period of cheap lead-in clients, luxury clients are returning to the market. Everyone in every level of the market is still looking for a deal or value-add though.



Market Overview

Canadian Economic News

- Canada experienced a recession shorter and less severe than the US.
- The unemployment rate in Canada was 8.1% in August 2010 (compared with 8.7% in August 2009, 6.1% in August 2008).
- The forecast is for Canadians to spend \$24.4 billion on outbound leisure travel in 2010 compared with 23.2 billion in 2009.

Canadian Consumer Profile & Travel Trends

- Canadians have a high awareness and aspiration for Australia as a vacation destination, mainly due to Commonwealth ties.
- They are intrepid travellers for whom the traditional barriers to travel to Australia (time, distance, and cost) are less than for their US neighbours, but hunt for value and shop around.
- October through to March is the peak travel period for Canadians wishing to escape the Northern winter. They are highly seasonal travelers.

Market Overview

Visitor Statistics – South Australia

Origin	Visitors				Nights			
	12 months ending June 2008	12 months ending June 2009	12 months ending June 2010	% change	12 months ending June 2008	12 months ending June 2009	12 months ending June 2010	% change
USA	34,000	30,700	30,900	1	345,000	324,000	344,000	6
Canada	15,800	14,500	11,800	-19	255,000	283,000	169,000	-40
Total North America	49,800	45,300	42,700	-6	600,000	607,000	513,000	-15

Visitor Statistics – Australia

Origin	Visitors				Nights			
	12 months ending June 2008	12 months ending June 2009	12 months ending June 2010	% change	12 months ending June 2008	12 months ending June 2009	12 months ending June 2010	% change
USA	424,300	420,100	453,900	8	9,498,000	9,182,000	10,037,000	9
Canada	114,400	114,800	118,700	3	4,448,000	5,041,000	4,429,000	-12
Total North America	538,700	534,900	572,600	7	13,946,000	14,222,000	14,466,000	2

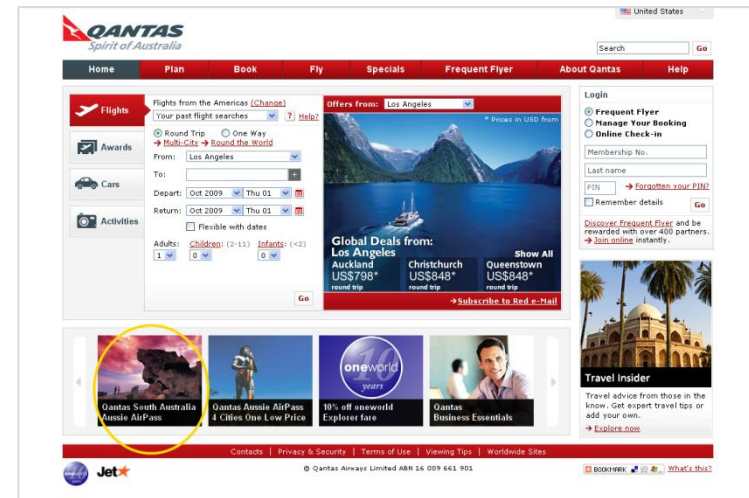
Marketing Successes

Qantas Vacations/Qantas - Fly Free to Kangaroo Island

- SATC, Qantas Vacations and Qantas conducted a major three month integrated campaign from September 2009 through January 2010.



The screenshot shows the Qantas Vacations website for South Australia. The header includes the Qantas Vacations logo, the text "Early Bird Deals to Australia Book Early, Big Savings!", and a "Book Now!" button. The main content area features a large image of koalas and the text "SOUTH AUSTRALIA" and "Australia AirPass from \$999* Fly to 3 cities in Australia for 1 low price! Hurry, SALE ends Oct. 20th". Below this, there is a "LIVE CHAT" button and a "South Australia Fly Free to..." banner.



The screenshot shows the Qantas website's flight search interface. The header includes the Qantas logo and navigation tabs: Home, Plan, Book, Fly, Specials, Frequent Flyer, About Qantas, and Help. The main content area features a "Flights" section with a search form for "Flights from the Americas" and "Offers from: Los Angeles". The search form includes fields for "From", "To", "Depart", and "Return", and a "Go" button. Below the search form, there are several promotional banners for "Global Deals from: Los Angeles", "Qantas South Australia Aussie AirPass", "Qantas Aussie AirPass 4 Cities One Low Price", "10% off oneworld Explorer fare", and "Qantas Business Essentials".

- Kangaroo Island was the predominant theme with a 'free flight' to KI as the value proposition (on top of the Aussie Airpass including SA for \$898).
- The campaign netted 764 passengers.
- Unique Visitors to Microsite - 90,093
- Leads: 9504 - 7,968 Clicks to Qantas.com, 1,536 Calls to Qantas Vacations
- Average booking value: \$3,527 per person


Marketing Successes

Swain Tours AMEX campaign & It's Time for Australia

- SATC participated in a significant campaign with Swain Tours, V-Australia and AMEX launched in November 09. Swain tours mailed out 150,000 x 24 page piece booklets, to households in key target areas across a number of states. The campaign yielded 155 pax to South Australia, with an average booking per person without air of \$5,194

Adelaide Temptations

Considering Adelaide's festive atmosphere, the city's lively night scene as a nightlife, Cottage and guest houses overlook the surrounding Adelaide Hills, while grassy parks with ornate fountains cozy up to stunning suburbs and swanky cafes.



Wine & Food
A short drive away, the Barossa Valley combines old world charm with world class wine. Luxury Australian wine labels, including Penfolds, Henschke, and啸天, are proudly displayed next to smothered meats, pastries and freshly baked breads. Savor a night or two amongst the vines at The Lodge and explore the picturesque region including the Clare Valley and McLaren Vale.



Further north you'll find the Flinders Ranges and Wilpena Pound. Experience the tranquility of the Australian Outback from the rim of the Pound. Keep company with kangaroos and manna at the incredible views of the seemingly endless landscape.

Provide your officials on the Five Pastoralists with a swim, beaching, sea, sea fun, dolphins or Great White Shark! Or, catch and shuck your own oysters in the shallow waters of Cliffs Bay.


For reservations contact your Travel Agent or call a Swain Specialist 1 800 947 8246

Kangaroo Island

Kangaroo Island is Australia's open-air museum. A showcase of the pristine treasures of a nation dotted around an island just a half-hour flight from Adelaide. Walk amongst sea lilies, stare at the great granite formations known as Renegade Rocks, witness New Zealand sea squirrels at Admiralty Arch and photograph kangaroos and koalas in their natural habitat.



Sea Day
Venture to Kangaroo Island for a full day experience or extend for a night or two or more! Accommodation choices range from cozy B&Bs and rustic homesteads to the ultimate retreat of Southern Ocean Lodge.



Renegade Rocks
Isolated northwest of Adelaide, the Renegade Range is Australia's most famous wine region with some of the world's finest wine. The world's fascinating wine trails and much interesting cultural heritage.

Adelaide and Barossa Valley Highlights:
- Barossa For wine Market - 1 day the region's finest regional wine festival.
- Maggie Beer's Farm Shop - find exclusive local produce online.
- Dinner with a view at The Adelaide Magill Estate Restaurant.

JOIN US ON WINE FESTIVALS:
March 20-21: **Wine Festival of the River**
April 20-21: **Wine Festival of the River**
April 20-21: **Wine Festival of the River**
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For more information visit www.SwainAustralia.com

It's time for Australia



With a selection of these activities, you'll experience, taste, and enjoy the best of Australia. So plan for the next time you're in Australia. So plan for the next time you're in Australia. So plan for the next time you're in Australia.

ANALYZE YOUR TASTE BUDS IN MELBOURNE
Melbourne is a food lover's paradise. A stroll through the Queen Victoria Market, dinner at the famous Café Lucca, a walk through the city's vibrant street art, and a Melbourne Art & Craft Preview that are just some of the city's top experiences.

WORLD'S BEST DRIVE: THE GREAT OCEAN ROAD
Take the scenic route, just out of Melbourne, through stunning coastal towns, coastal landscape and past the Twelve Apostles rock formation. While it makes for a driving day, it's also a stunning view. The Great Ocean Road will take you to the coast and offer a number of exciting things to see and do. There are plenty of other ways to experience the region, including scenic walking in Werribee National Park, or a visit to the beautiful Blue Mountains National Park.

WORLD WONDERS, WINEFESTS & LANDSCAPES
WINEFESTS PLUS BEER & FREE WINE
IT'S TIME FOR AN AUSTRALIAN WINE AND BEER FESTIVAL
Melbourne, Adelaide & the Great Barrier Reef
4-star First-class from \$2,670+
FREE International Flights

Book by April 20, 2010 and receive FREE NIGHTS on a Nature & Adventure or Food & Wine Vacation. Swain Tours are the expert in providing personalized travel experiences. For more vacation ideas, call 877.848.5222 or visit Australia.com/now.
Swain Tours is a member of the Swain Group. Swain Group is a leading provider of travel services. Swain Group is a leading provider of travel services. Swain Group is a leading provider of travel services.

- SATC was one of three state partners to be featured in TA's \$2.2m 'It's Time for Australia' campaign aimed at the 'Experience Lead Luxury' consumer to travel to Australia now. Swain Tours the exclusive partner for the campaign, which SATC achieved a huge amount of leverage.
- Over the last year, **18.5%** of passengers booked by Swain to Australia went to South Australia

PR Successes

G'Day USA Chicago

- SATC participated in Australia Day events at the Trump Chicago during G'Day USA 2010, with two South Australia operators. SATC was able to leverage attending Chef Simon Bryant to secure additional media coverage for the state, including TV coverage in local Chicago stations including ABC-TV Chicago and WGN-TV Chicago.



Individual Media Famils to SA

- SATC continues to arrange individual media visits for A-list journalists to visit South Australia and editorialise their visit, resulting in multiple page features as well as multiple placements. In addition, SA continues to partner with other STOs and TA to assist with media families. Over \$5 million publicity value was achieved in 2009-2010.

Major Plans - Focus 2010-11

- In 2010-11 SATC The Americas will focus on South Australia's key experiential themes of Wildlife, Outback, and Wine, promoting to the experience seeker segment (specifically Baby Boomers and Working Profs)
- The primary focus for Wildlife experiences will continue to be highlighting Kangaroo Island as Australia's 4th icon and the Galapagos of Australia.
- SATC The Americas will focus the 2010-11 year on a variety of trade and direct to consumer activities, with 50% of marketing funds targeted to working with wholesale and consortia partners, much of which will be channelled direct to consumer marketing.
- SATC will continue to direct significant efforts to building a database of consumers through web activity, various consumer promotions and public relations activities including the Tom Colicchio/Qantas Sweepstakes program.



Key Players – Trade

- The majority of investment will be aimed at leveraging airline and wholesale distribution partners with the strongest consumer brands in both the US and Canada. SATC currently has significant campaigns scheduled with the following wholesalers/consortia for 2010-11:
 - [Tourism Australia/ Qantas/ Qantas Vacations](#) – *One Week Walkabout featuring dual itineraries (largest campaign)*
 - [Springboard Vacations](#) – *Dual Destination campaign with NZ*
 - [Swain Tours](#) – *Repeat visitor campaign*
 - [Virtuoso](#) – *Partnering with TA and Tourism Tas on integrated campaign*
 - [Ensemble](#) – *Consortia focusing on Canadian region*
 - [Goway](#) – *Customized SA campaign to run 2010*
 - [Down Under Answers](#) – *Customized SA campaign to run 2010*
- In the absence of the OZtalk forum, it is likely SATC will conduct another roadshow in 2011. We will also support the New Product Workshop which is likely to be held on the back of a special interest/affinity event to develop new buyers for the Australian market focusing on nature and adventure.

Online Environment

- Central to this year's strategy will be an integrated online marketing program, driven by the evolving nature of the consumer purchase lifecycle, particularly in the area of information search and booking method.
- **Online Travel Agencies** – SATC will conduct a significant campaign with Expedia, specifically targeting searchers and bookers to gateways such as Sydney and Auckland.
- **Tom Colicchio/ Qantas Sweepstakes (Viral Marketing & Database)** – SATC has partnered with Qantas/QV and celebrity chef, Tom Colicchio, to offer sweepstakes to win unlimited number of trips for two to South Australia for a year with Qantas Airways. An integrated trade/ PR and social media campaign (via Facebook, Twitter and/or YouTube) will run in conjunction with the offer that will drive consumers to a dedicated SA microsite and build SA's consumer database (www.unlimitedflightstoaustralia.com)
- **User Generated Content Sites** – SATC has committed to a one year program with TripAdvisor, consisting of a banner ad program and destination pages for Adelaide, Barossa, Kangaroo Island
- **Social Media Networking sites** – SATC the Americas will work with head office to enhance Facebook and Twitter offerings.

Opportunities for Operators

- **Trade Events** - In-market visitation is critical to success in North America, where personal relationships play an incredibly important role. The following Trade events will be held in 2010-11, but SATC is always happy to assist with ad-hoc visits.
 - South Australian Roadshow (June or August... TBA)
 - New Product Workshop (Early June...TBA)
 - Special Interest Nature & Wildlife Workshop (Early June in conjunction with NPW...TBA)
 - Corroboree 2011 in Melbourne (September)
 - Consortia Roadshow with QV (Early January)
- **Famils** - Major trade famils are expected as part of the Virtuoso campaign, Ensemble campaigns, Anderson Vacations, Travel Impressions incentive and also for Corroboree 2011.
- **South Australian Webinar Program** – SATC will offer another webinar series to the retail agent community. Operators that have made in-market visits will hold first right of refusal to participate in the 2010-11 program. Regional webinars will also be held to educate retailers on incorporating up and coming regions into an overall SA and Australian itinerary.

How you can support SATC's Marketing Efforts

- Online Marketing – SATC will commit significant funds to campaigns with Expedia this year. Currently there is a significant product gap in South Australia, especially compared with competitor states.
- Given SATC's investment, it provides a significant opportunity for SA operators to add Expedia product and upgrade imagery/motivational content on their pages.
- Further to this, SATC is investing funds with TripAdvisor toward banner ads and destinational pages for the South Australia, Adelaide, Kangaroo Island and Barossa. We would encourage operators to actively engage with the TripAdvisor community and promote positive user reviews for tours and hotels.
- We would encourage you to share with us any updates with respect to product, packaging, images, videos and media worthy stories.