Australia

Market & Trade Profile

visit Britain

Updated January 2006

AUSTRALIA
Market & Trade Profile

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1) Market Snapshot

GENERAL MARKET CONDITIONS	Population: 20.4 million - growing - particularly those aged 55+ IMF Forecasts 2006: GDP (based on PPP per capita) USD$32,687. GDP Growth Rate 3.2%. Inflation 2.7%. Unemployment 5.1%
ACCESS OVERVIEW	No visa required for visits of less than 6 months duration BA, Virgin and Qantas offer true through flights. Sydney & Melbourne are key start points. Large number of indirect / stopover flights.
MARKET SIZE / MARKET SHARE	7 million outbound in 2004. UK has 11.2% market share UK ranked 1st outbound destination (top three are UK, New Zealand, France) 787,000 visits in 2004 (up 9% on 2003) £588m spent in 2004 (up 10% on 2003). AEV £745; AED £48
MARKET SHAPE / MARKET DYNAMICS	43% are VFR visitors; 39% HOLIDAY ALS 15.5 days. 35% stay 15 nights or more; VFR visits last even longer (47% stay 15 nights or more and have ALS of 18 days) 39% visit in core July-Sept period
BRAND USPS	History / Heritage; Contrast Old & New Cultural Events & Attractions Beautiful Landscape / Scenery
PRODUCT / MARKET FIT	Ancestry; Touring; Living & Working in Britain
DEMOGRAPHICS / POTENTIAL CONSUMER SEGMENTS	Very balanced market. 2004 visitors evenly spread across age groups, and equally across gender. VFR have an older profile than HOLIDAY visitors Active Retired Seniors & Empty Nesters Youth Market
REACHING THE AUSTRALIAN CONSUMER	Internet access 68%

2) General Market Conditions

Population / Languages

The Australian Bureau of Statistics puts the population of Australia at 20.4 million. Nearly everyone in Australia lives close to the coast, with the majority living along the east coast, stretching from Cairns in the North, through Brisbane, Sydney and down to Melbourne in the south. Perth is the only major urban centre on the west coast.

The most recent Census revealed that less than 72% of the resident population were Australian born. Helping to explain the high share of inbound visits to Britain from Australia that are by British nationals, the Census found that nearly 6% of the Australian population had been born in the United Kingdom. A further 5.2% of the population had been born in Asia. Latest figures show that in a typical month around 2,500 Asian born citizens settle permanently in Australia. There is also a large Australian population in the UK, with analysis of the 2001 Census showing that more than 106,000 Australian born citizens were living in the UK, of whom 41,000 were living in London.

Despite the relatively high flow of young immigrants the Australian authorities face similar demographic worries to those of many other developed nations regarding the ageing population. The Federal Government has recently put forward plans to discourage early retirement in an effort to ensure pension costs do not spiral out of control.

Languages: - English

Economics / Politics

The Liberal (Conservative) Government is attempting to push ahead with economic reforms that it believes are essential for maintaining Australia's strong recent performance. However, these reforms are being met with stiff opposition from the well-organised Trades Unions.

According to the Economist nearly 150,000 job vacancies in Australia cannot be filled due to lack of suitably skilled workers, one of the reasons for the Australian government redoubling its efforts to attract increased immigration by skilled professionals.

Economic growth remains healthy, supported by rapid expansion in the mining and construction sectors, along with high levels of business investment. Nevertheless one cloud on the Aussie horizon is a slowing in the growth rate of consumer expenditure.

Recent data published by the Australian Bureau of Statistics shows that the labour market remains healthy, with 3.6% more Australians in employment in August 2005 compared with a year earlier, and unemployment remaining steady at 5.1%.

Holidays / Annual Leave

Australians get 20 days of paid annual leave.

3) Access Overview

Political Situation

No political issues currently exist to restrict travel between Australia and UK.

Passport and Visa Issues

The number of passports issued to Australian citizens (living both in Australia and abroad) regularly exceeded one million per annum in the 1990s, reaching 1,450,000 in the year ending 31 March 2000. However, the Australian Department of Foreign Affairs and Trade notes that after the events of 11 September the number of passports issued in the year ending 31 March 2002 had fallen back to 986,316.

No visa is required for visits of less than 6 months duration.

Despite the UK Government relaxing the rules covering WORKING HOLIDAY VISAS in 2003 - i.e. increasing the upper age limit from 27 to 30 years and being able to work in the profession of choice - this has been tightened up in 2005, which has stalled any potential growth from this sector, especially with the opening up of similar working visa schemes from the US, France and Canada - increasing direct competition.

We must recognise that in many cases a prime motivator for the visit to Britain is for work purposes and the prestige element of having UK experience on a CV portfolio. However, this segment is important as it can deliver additional visits through the conversion of parents wishing to visit their offspring living and working in the UK, an insight confirmed through VB survey feedback from our attendance at consumer travel events.

Gateways / Access to Britain

In 2004 (IPS), 86% of Australian visitors traveled to UK by air and a further 14% via the Channel Tunnel or Sea (in all likelihood as part of a wider European tour).

During 2004 (those not giving details of their home State are excluded) 32% of Australian visits were from New South Wales, 17% Victoria, 14% Queensland and 11% Western Australia. There are no great surprises here with the distribution closely mirroring that of the resident population within Australia. Sydney (NSW) and Melbourne (Victoria) enjoy the greatest connectivity with Britain and dominate the departure gateways. British Airways and Qantas operate direct daily flights from these destinations to Heathrow.

Traditional airlines such as Cathay Pacific and Qantas are indicating more frequent services to come. Virgin Atlantic was the new market entrant and other airlines are opening up new regional routes, such as Emirates expanding to Perth and Adelaide allowing Birmingham, Manchester and Glasgow to be marketed as alternative destinations to London.

The average flight time (direct service) between Australia and UK is about 27 hours. Only BA, Virgin Atlantic and Qantas have true through services on scheduled routes from Australia i.e. same plane for entire journey. Direct services operate from:

Sydney: Virgin - daily; BA - twice daily; Qantas - 24 times a week
Melbourne: Qantas - twice daily; BA - daily

It is possible to reach the UK from Sydney, Melbourne and all other state capitals with the exception of Hobart with just one change of plane on a daily basis with a large number of carriers.

Capacity growth is projected to increase in 2006 with the introduction of the new Airbus A380 by many of the traditional airlines. It is important to substantiate if this will lead to an actual increase in capacity (or just fewer services), result in cheaper fares (or even a fare-war) and how this may influence the marketing activities of the airlines given the continuing rise of fuel surcharges.

The first airlines to get this added potential capacity are Singapore Airlines and Emirates (who have recently expanded into Perth and Adelaide allowing Birmingham, Manchester and Glasgow to be marketed as alternative destinations to London).

4) Market Size / Share

Current & Forecast Market Size

Global Insight estimates that there were 7 million outbound overnight visits from Australia in 2004. By 2010, this is forecast to be 8.8 million - a growth of 26%. UK currently accounts for 11.2% of outbound trips from Australia - a statistic that is likely to remain static until 2010.

Current Volume and Value Statistics / Trends

	2003	**2004**	**Change year on year**
Total Visits	723,000	787,000	+9%
Visits Rank (League Table No. Visitors to UK)	9	9	No change
Total Spend	£535m	£588m	+10%
Spend Rank (League Table £ Spend in UK)	5	6	Down 1 place
Average Spend per Visit (AEV)	£738	£745	+1%
AEV Rank	21	17	Up 4 places
Average Spend per Day (AED)	£41	£48	+17%
AED Rank	Outside top 30 rankings		

2004 was the best ever-recorded year for visits and spend.

Key Competitor Destinations - actual

Global Tourism Navigator shows us that UK was 1st in the actual ranking of top destinations (short and long haul included) for Australian outbound travel in 2004. France and Italy are the significant European competitors.

1	**UK**	6	China
2	New Zealand	7	Hong Kong
3	France	8	Thailand
4	Singapore	9	Italy
5	USA	10	Indonesia

ABS (2005) shows a slightly different picture from GTN. Britain is currently ranked 3rd in terms of the most popular international destinations for Australian visitors.

1	New Zealand	6	China
2	USA	7	Fiji
3	**UK**	8	Singapore
4	Indonesia	9	Hong Kong
5	Thailand	10	Malaysia

Keeping our profile high within the market is very important as the Asian-Pacific markets (e.g. Indonesia and Fiji) become increasingly popular for outbound travel and new competitors (e.g. Russia and China) further develop via local wholesalers.

Key Competitor Destinations - aspirational

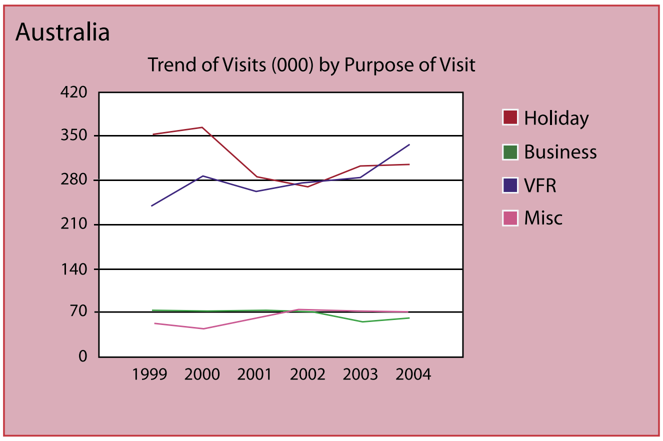
According to the Anholt-GMI Nation Brands Index (Wave 3 2005), which surveys a representative n=1000 sample of the online population in Australia, UK is ranked 3rd out of 24 destinations that would be likely for a leisure visit "if money were no object".

Note: only 24 countries were asked about in this survey

1	Canada	6	Switzerland
2	New Zealand	7	USA
3	**UK**	8	Sweden
4	Italy	9	France
5	Ireland	10	Netherlands

5) Market Shape / Dynamics

Purpose of Visit



The biggest proportion of Australian visitors comes to the UK for VFR (43%).

Holiday visitors still make up a large proportion - at 39% - and back in 1999 there were significantly more holiday visits than VFR, which has since overtaken it.

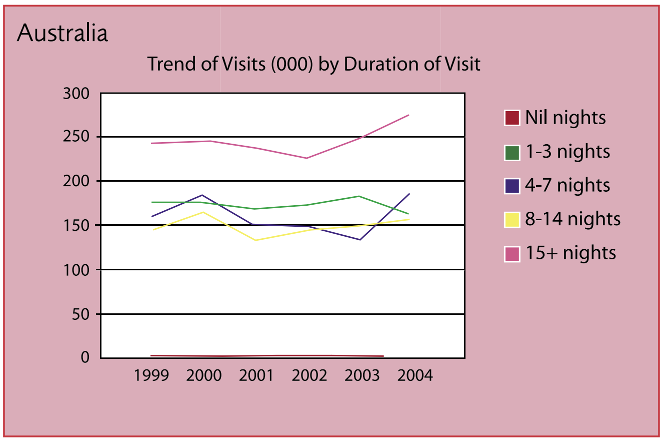
With the latest Australian census showing that 37% of Australians claim UK ancestry, this means an immediate VFR audience of 7 million people. NB a further 10% claim Irish ancestry (Source: Australian Bureau of Statistics, 2001).

The 2001 UK census finds that there were over 106,000 UK residents who had been born in Australia - an increase of 45% on the 1991 census. These residents are most likely to be found in London and the South East of England.

The high concentrations of nationals from Australia currently resident in Britain will be one of the factors contributing to the fact that the share of inbound visits in 2004 that were to visit friends and relatives was 43%. This figure compares with a global average for inbound visits to the UK to see friends or relatives of 28% in 2004.

Australians don't visit UK for short-term study purposes and only 8% of Australian visits are for business purposes. There is more on business visits specifically in section 12 of this document.

Length of Stay



Naturally given the distances involved, Australians are long-staying visitors to UK - with an average length of stay (ALS) of 15.5 days overall.

Average Length of Stay

VFR - 18 HOLIDAY - 14 BUSINESS - 10

35% of visits are for duration of 15 days or longer - rising to 47% of visits for VFR.

However, short breaks (possibly as part of a wider European tour) are in evidence - and 4-7 night breaks have been gaining share over the past few years (currently 24% of all visits).

Regional Spread

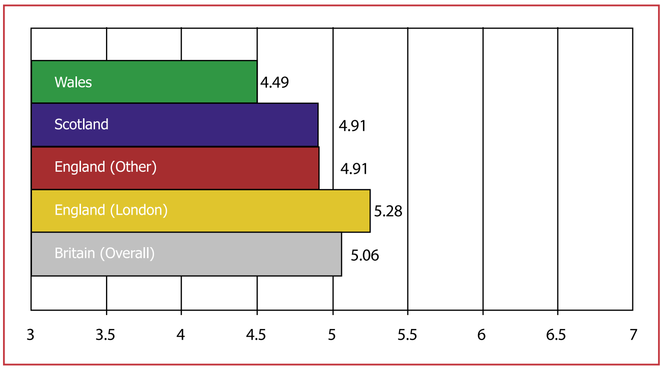
95% of Australian visitors stayed in England, 61% in London, 15% in Scotland and 8% in Wales in 2004 (IPS).

Top Towns for Australian visitors in 2004 were:

		Visits (000)
1	London	478
2	Edinburgh	61
3	Glasgow	29
4	York	27
5	Bath	24

In the Anholt-GMI Nation Brands Index Wave 3 2005, we asked 1000 Australian participants how well they felt they knew the regions of Britain - giving a score of 1-7 and taking into account any of the ways they had learned or heard about each region. 1 = never heard of the region and 7 = know the region very well.

Australian participants were somewhat more likely to be aware of London than any of the other regions - including the concept of Great Britain overall. Awareness of other parts of England, and of Scotland was identical. Australians were least aware of Wales as a region of Britain.



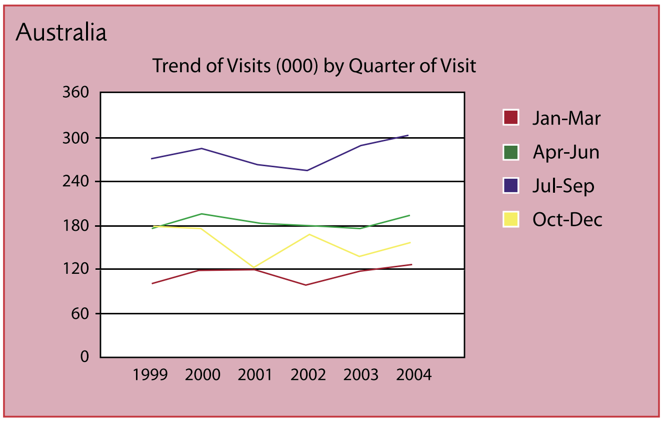
Looking at the 369 Australians who had ever visited Britain, awareness increases for all regions, particularly for England outside of London (up to 5.43) and Wales (up to 4.73).

5) Market Shape / Dynamics (Continued)

Seasonal Spread

According to IPS 2004, the core July-September period is the most popular for Australian visitors - regardless of whether they are VFR or holiday visitors.

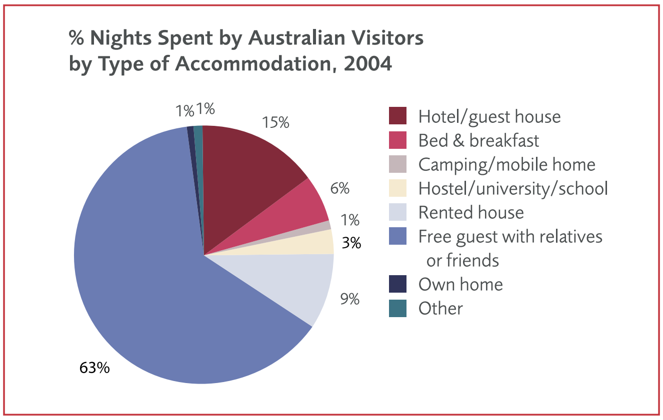
39% of visits take place during this quarter.



Accommodation Type

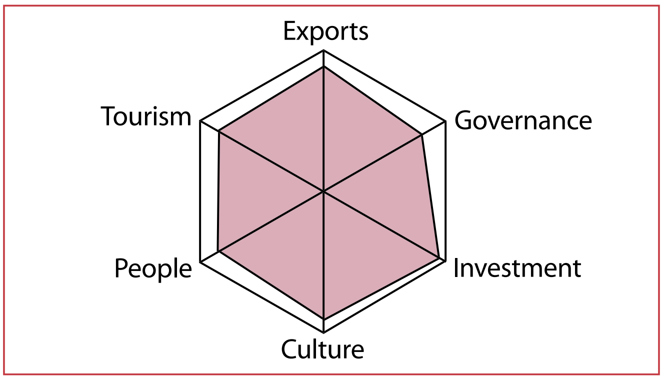
In 2004 (IPS), 61% of Australian visitors stayed as a free guest with family and friends (making up 63% of all Australian nights). 38% stayed in a Hotel / Guesthouse and 10% in a B&B during their stays in the UK.

Holiday visitors are equally likely to stay in a Hotel / Guesthouse OR as a free guest. 90% of VFR visitors stayed as a free guest.



6) Britain's Brand Image in Australia

The bigger picture - Britain as a "nation brand"



The Anholt-GMI Nation Brands Index (Wave 3 2005), an online panel survey of 1000 Australians tells us that overall, they rate the UK very well on all aspects of the Brand Hexagon. The 6 points of the hexagon are made up of several different questions, which compare 24 countries as Nation Brands.

Overall

Australians would be happy to live and work in the UK and rank us in 1st position on the INVESTMENT aspect of the hexagon. The CULTURE of the UK is also well perceived with the UK in 2nd place behind the US. Australians have high opinions of the products produced in the UK, the British people and if time and money were no object they would want to visit. The UK is in 3rd position for the EXPORTS, PEOPLE and TOURISM aspects of the hexagon. GOVERNANCE is in 5th place.

Culture

The Culture aspect of the Hexagon is made up of two key questions that measure both cultural heritage and popular culture. Australians rank the UK in 7th position as a country that is perceived as having a rich cultural heritage - with Japan, China and Egypt in the top three positions. In terms of popular culture, the UK is ranked in 2nd place behind the US as a country that is an interesting and exciting place for contemporary culture such as music, films, art and literature.

People

Australians feel the people of New Zealand would make them feel the most welcome if they were to visit that country, followed by the people of Canada, with Ireland and the UK in joint third position. Australians would like to have someone from Canada as a close friend, followed by someone from the UK. If they had an important position to fill, someone from the UK would be first choice.

Tourism

If money were no object Canada would be the country Australians would be most likely to visit, followed by New Zealand with the UK in very close third position. The real strength of the UK is the rich built and historical heritage; Australians rank the UK in joint second place with Italy (Egypt is number one). The UK is ranked in 10th place for a country rich in natural beauty (New Zealand is in first place).

Governance

Australian respondents perceive the UK positively on the governance aspect of the brand hexagon, ranking it in third place as a country competently, honestly and fairly governed, a country that respects the human rights of its citizens and treats them with fairness and a country that behaves responsibly towards international concerns over the environment and world poverty. The UK is in 6th position as a country that behaves responsibly in the areas of international peace and security.

Exports

Australians place the US, Japan and the UK in the top three positions for countries that make a major contribution to innovation in science and technology. The 'made in' stamp is strongest in Japan, followed by the UK, with the US in third position.

Investment

Australian respondents would be most willing to live and work in Canada, followed by New Zealand and the UK. The UK is top of the pile as a country that would be a good place to study for educational qualifications, closely followed by the US.

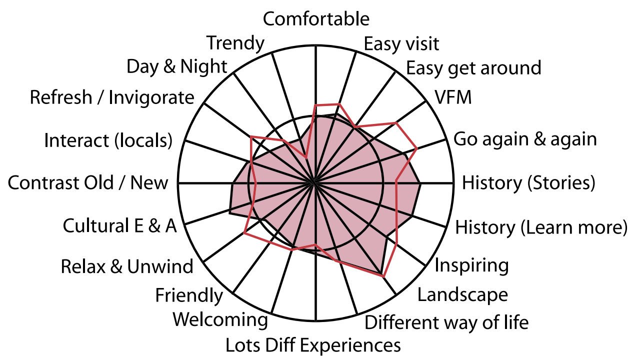
6) Britain's Brand Image in Australia (Continued)

Britain as a Destination Brand - DEPTH, HEART & VITALITY

In VisitBritain's quantitative Brand Tracking research (2003), Australian consumers rated Britain most positively for dimensions related to "history / heritage", having "lots of cultural events and attractions", the "contrast of old and new" and "beautiful landscape". Britain is seen as a comfortable and easy place to visit. Britain did not rate so well on perceptions of being trendy or with plenty to do day and night (although these were not important relatively to Australians). Nor was Britain seen to be particularly relaxing or refreshing / invigorating.

HEART elements (particularly friendliness and welcome) came up as influential over disposition towards Britain as a holiday destination - but perceptions of these could be improved.

The diagram below shows the % of respondents rating Britain as excellent/very good on brand attributes (the middle circle represents 50% and the outer circle 100%). Red line is "claimed importance" - % rating extremely / very important.



As an update to 2003's Brand Tracking, Wave 3 2005 of the Anholt-GMI Nation Brands Index, included questions to measure perceptions of Britain as a holiday destination on attributes related to Britain's brand values, DEPTH, HEART & VITALITY.

COMPARISONS BETWEEN SURVEYS ARE NOT TRULY RELIABLE DUE TO THE FACT THAT METHODOLOGIES AND SAMPLES ARE VERY DIFFERENT.

In the NBI, 1000 Australian participants rated Britain on a scale of 1-7, where 1 was "poor" and 7 was "excellent" and overall, they gave a range of mean scores from 4.80 - 5.74 across the 16 attributes.

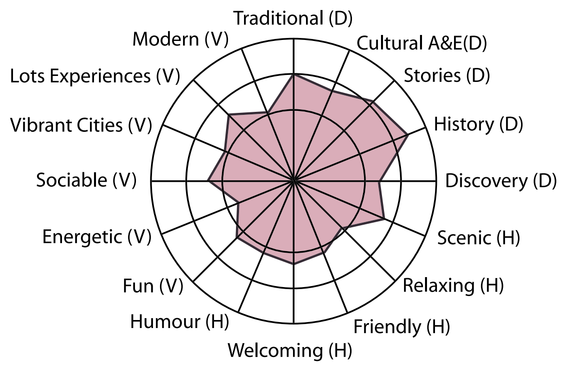
For Australians (as with the 2003 survey), Britain's DEPTH value is strongly endorsed - with highest ratings for interesting history, fascinating stories and being traditional. Natural scenic beauty is a strong point on the HEART dimension but other aspects are weaker - particularly in being a "relaxing" destination (again, same as Brand Tracking 2003).

Britain is seen as somewhat lacking in "energy".

Looking only at the 369 Australian participants who had ever visited Britain, we can see that in all except one case, perceptions of Britain on the attributes is more positive than the response overall. This is particularly so for most DEPTH attributes (significantly improved perceptions of fascinating stories and interesting history in particular) and also our sense of humour.

The exception here is "always something new to discover" - for which perceptions are weaker amongst Australians who have visited Britain in the past. This experience will need improving if we are to tempt our longest haul market back for repeat visits to the destination.

This is a simplified diagram showing the relative strengths of the different brand attributes. People were asked to rate Britain on each attribute using a scale of 1-7 (where 1=poor and 7=excellent). As nobody rated below 4 or above 6, the diagram below has a mid point of 4 and an outer rim of 6. Basically, the closer the shading to the outer rim, the better the perception of Britain on that attribute!



7) Product / Market Fit

What products / experiences are most attractive to Australian visitors?

Ancestry / Foundations of Australia

In qualitative research Australians often talk about Britain as the "motherland" (especially older Australians) and having close ancestry. Their education systems involve study of British history and there are continuing close ties - for example the Queen remains Head of State in Australia. A shared language also helps.

"The ties that we have with England as a nation...being of English stock - you want to see it"

Many Australians are of recent British descent and many have close relatives in Britain

Backpacking / Living and Working / Extended Stay

Australians are keen backpackers - and a trip to Britain is often combined as part of a wider European or World tour.

Extended working holidays are very popular - especially in London. Many Australians hold a British passport / dual nationality, which makes the whole process easier.

Britain's Core Values: Heritage, Culture & Countryside

In terms of the key triggers, it is Britain's core values of heritage, culture and countryside, which provide a strong appeal to the Australian visitor and likewise serve to distinguish Britain from our respective competitors.

The youth market whilst also interested in the traditional sights, is looking for a more 'off beat' experience, investigating the British rock scene, attending Hogmanay and travelling widely.

Sport

Sport features high on the national agenda in Australia. The tight Ashes series in 2005 has ensured extensive media coverage for England in Australia.

The focus shifted from cricket to Rugby Union in Autumn 2005, with Australia, New Zealand and South Africa all touring in the UK during November including matches against England, Wales and Scotland.

In 2002 questions were included in the IPS asking whether inbound visitors watched a sporting event or took part in an amateur sporting event during their visit. Figures show that overall 6.8% of inbound visits featured either watching or participating in sport, but for visitors from Australia, the figure was somewhat higher at 9.7% of visits.

8) Who is the Australian visitor?

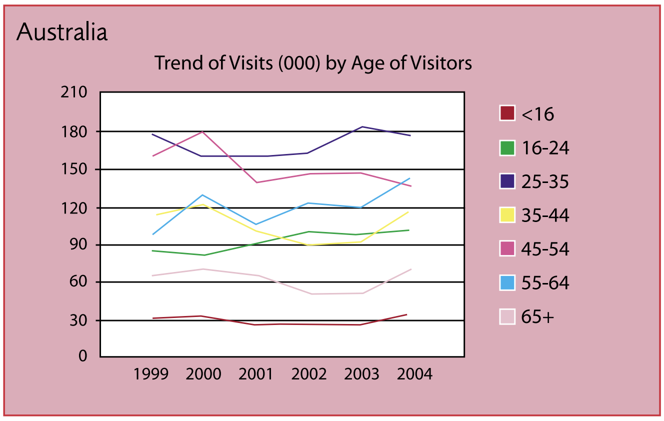
Demographics (Source: IPS)

	Male %	Female %
0-15	4	6
16-24	10	16
25-34	**25**	**20**
35-44	17	13
45-54	16	**19**
55-64	**19**	17
65+	10	9

Travelling Group 2003	% of Visits
Lone Traveller	**44**
As a couple/with partner	**29**
Group of friends	6
Family group	**19**
Business colleagues	1
Tour Group	1
Other	0
Don't Know	0

IPS 2004 shows that 52% of Australian visitors are male and 48% female. VFR are slightly more likely to be female (55%) than male, holiday are equally split, and business overwhelmingly male (82%).

Australian visitors have a fairly evenly distributed age profile - no one age group stands out overall as significantly larger than the others. 25-34 year olds made up 22% of all visits in 2004, but growth over time is coming from older Australians. Men have a slightly older profile than women.



VFR visitors have an older profile than holiday visitors and 1/3 of these are aged over 55 years - compared to 1/4 of holiday.

79% of visits from Australia in 2004 were from Australian nationals. 16% are British nationals (expatriates living in Australia) and 5% expatriates of other origin.

Amongst VFR visitors, 27% are actually British nationals visiting friends and family back home in the UK. Only 7% of holiday visitors are British expatriates - these are largely Australian nationals.

In terms of Travelling Group (IPS 2003), 44% of Australian visitors are lone travellers. A significant proportion (29%) visit as part of a couple and the other key group composition is that of the family group.

8) Who is the Australian visitor?

VB Key Market Segments

Active Retired Seniors / Empty Nesters

Mature age groups within the region (+50 years) have a much stronger affinity towards Britain than their younger counterparts, which explains why seniors and empty nesters respond far more favourably to VisitBritain communications.

Touring Youth

The youth market is also important. The typical young visitor will spend at least three months travelling and will increasingly travel with their parent's credit card.

Potentially: Families & DINKS/SINKS

Detailed data profiling has indicated that two key segments have a significant % share on VB databases - Families and DINKS/SINKS - which have previously been unrecognised.

Further quantitative research indicates that there is potential for VB to influence the DINKS/SINKS market, however the families segment will probably be more difficult as there is so much good value competition for this audience.

Anecdotal evidence indicates that there has been a recent escalation in the affluence of these segments resulting from the housing boom over the past 10 years, thereby removing the classic obstacle of 'cost' from the travelling equation.

1st Timers & Repeat Visitors

In 2004 (IPS), 66% of Australian visitors had visited the UK previously (in last 10 years).

9) Caring for the Australian Visitor

Value for Money

The most common demand from the Australian visitor is for good value product.

This has always been especially true in relation to budget hotels in London. However, making the A$ go further and at the same time receiving good value for money, is now very much a requirement of any Australian visitor to Britain.

Earlybird offers from the travel trade abound.

Accommodation

Australians prefer smaller hotels and B&B accommodation in their travels throughout Britain.

Australian visitors will have travelled a long way and new arrivals will almost certainly have jet lag. Hotels offering early check-in upon arrival in Britain will be well patronised.

If that were not possible, a room for showering and a quick brush up would be greatly appreciated. Remember that they may not have slept for up to 30 hours and could show signs of intolerance! Also, if planning an itinerary for Australians, do not make it too intensive for the first few days.

Australians are used to large rooms, cleanliness and a relatively high level of service. If rooms are small, make sure they know of extra space they can use - a lounge, swimming pool and of course, the bar!

Facilities are important to the Australian visitor, with a shower taking preference over a bath. However, not just any shower! To an Australian it is a powerful drenching affair of cascading hot water, not the weak drizzle found in some establishments, particularly the wall-mounted electric type often found in the UK.

Bear in mind that generally Australians do not tip unless service has been exceptional.

Interaction

A friendly manner is important. Be prepared to share a joke and the dry 'Aussie' sense of humour. They are on holiday to have fun and meet people, explore and learn about the place they are visiting and of course, have a chat in the bar! Do not take exceptions to jokes about 'Poms'. It is more a friendly endearment than an intended insult. Sporting rivalry is a good icebreaker!

Make it clear if a jacket is needed as few Australian restaurants insist on a jacket.

10) Reaching Australian Consumers

Deciding, planning & booking patterns

Itineraries for holiday and leisure trips from Australia/NZ tend to be fairly complex in nature and thus the buying process associated with it tends to revolve around the use of travel agencies over a period of 12 - 24 months.

There is good scope to effectively promote value-added products to this audience over an extended period of time in order to extend the regional value of their trip. The different products (flights, accommodation etc) are often bought separately, depending on the availability of "specials" in the marketplace.

Moreover, the availability to buy certain products online is far more restricted locally than more traditional offline methods and the propensity to buy online is still far lower than in UK/USA due to the complexity of the overall itineraries.

VisitBritain Omnibus research (2004) found that Travel agents were the most common source of information used by respondents throughout the stages of planning a trip. Internet is the second and brochures the third choice but both show a decrease in usage through the latter stages of the planning process.

This research confirms the growing strength of the Internet, however because their itineraries can be complicated and a holiday in Britain is likely to be a 'once in a lifetime' experience, the confidence factor is important. Therefore the majority actually book their trip through a travel agent.

10) Reaching Australian Consumers (Continued)

	Deciding on a destination		Planning an itinerary		Booking a trip	
		%		%		%
1	Travel agent	64	Travel agent	64	Travel agent	86
2	Internet	63	Internet	56	Internet	50
3	Brochure	51	Brochure	46	Brochure	20
4	Guidebook	36	Guidebook	42	Travel offers	20
5	Travel offers	26	Travel offers	22	NTO	13

Overall, just over a third of respondents prefer to receive a printed brochure (68%), the remainder were split between downloading a version online and both.

On-line brochure types

We found that respondents prefer an online brochure that allows them to 'select relevant information from any part of the travel website allowing them to custom build their own online brochure' (41%). The second favourite is to 'view a traditional brochure online with the option to select pages of interest and create their own more personalised brochure' (32%). Viewing a full traditional brochure online was the least favourite (27%).

Media Habits

British period and modern-day drama, and comedy shows produced in Britain are popular with the Australian viewing audience and rank highly in television ratings.

Press Trips / Media & PR Strategies

Australia has only two national daily newspapers, The Australian and the Australian Financial Review, but each major city has its own daily paper or papers and a complete range of radio and television stations to suit all tastes. The key State broadsheets have national influence through their online editions.

Media Sources

National Newspapers & Regional newspapers with national influence
The Australian Financial Review
The Australian
The Sydney Morning Herald (NSW)
The Age (Victoria)
The Courier Mail (Queensland)
The Advertiser (South Australia)
The West Australian (Western Australia)

Major Lifestyle magazines
Australian Women's Weekly
Australian Gourmet Traveller
Vogue Entertaining and Travel
Vogue Living
In Style
madison
Australian House and Garden
Australian Table
Delicious

Travel
Australian Luxury Travel
Vacations and Travel Magazine
Get up and Go
Holidays for Couples

In-flight magazines
Qantas, The Australian Way

Online Environment

The ETC estimate that 68% of Australians have Internet access (2005). This is approximately 13 million Internet users, accounting for 84% of the adult population. Although there has only been a modest increase in Internet users over the last 12 months, the use of travel websites is buoyant.

71% of the active online audience uses a search site each month (source: AC Nielsen, Feb 05). Currently within Australia, Google dominates the search engine market with 54.5% market share (5.5 million users) followed by NineMSN with 24.7% and Yahoo with 18.8%.

However, in January 2006, the SE market could look very different when Microsoft launches their new independent search engine, which has been 10 years in the making so we must continually revise the local SEM strategy.

It is important to recognize the demographic breakdown of Internet users. In Australia 86% of the population under 20 are internet users, compared with 67% aged 20-29, 61% aged 30-39, 53% aged 40-59 but only 21% of the population is aged over 60. (Source: TNS Interactive). Therefore targeting must continue to embrace online marketing activities but also ensure that we use offline marketing collateral (such as brochures) in order to reach our key target segments.

VISITBRITAIN.COM

Recent (2005) online research about usage of VB.com reveals that about half of users are new to the site, and half have visited it previously. The key things that Australian users are looking for on VB.com are:

- Event & Attraction information (what to see and do in Britain) - 46%
- Information on places to stay - 44%
- Detailed information on places and regions within Britain - 43%
- Maps - 42%
- Information on transport within Britain (e.g. buses, trains) - 32%

In terms of travel plans, 43% were planning to travel to Britain but had not yet booked, and 27% had already booked either travel or accommodation in Britain.

Australians describe VB.com as customer friendly, useful, welcoming and high quality.

In terms of buying online, Australians are most interested in accommodation, tickets for events & attractions, maps and transport tickets.

Profile wise, VB.com users are more likely to be female than male. 33% are aged 16-34, 38% 35-54, 23% 55-64 and 6% 65+. 61% are planning to travel to Britain with a spouse / partner.

11) The Trade

Overview of trade structure

The trade structure in Australia is made up of Travel agents, Wholesalers and tour operators and GSA's (General sales agents).

Australian Wholesalers & Tour Operators

Most of the major operators in Australia offer British products at greatly varying levels of intensity. The larger part of market share for Britain is for independent touring, with a mix and match approach. Coach operators have changed their programmes substantially to respond to demand.

Commission levels for wholesalers, who generally will only sell to the agency community and tour operators; tend to be a minimum of 15%, more likely 20%-25%, sometimes more.

Most wholesalers and tour operators tend to be based in Sydney, although some have headquarters in Melbourne, Brisbane and a few in Perth mainly catering for the local market. Most of the larger airlines (Qantas, BA) operate their own in-house leisure wholesale and retail programme. Others sub-contract to independent operators (Cathay Pacific - Creative Holidays, Malaysia Airlines - Spree Holidays).

Tour operators generally close off their brochure contracting by September at the latest and print/distribute in October/November.

Australian Travel Agencies

There are approximately 4,000 agencies in Australia and many are members of AFTA (Australian Federation of Travel Agents). The majority are either franchises of or wholly owned by the major chains (Flight Centre, American Express, Jetset, Travelworld, STA and Qantas). The remainder are either privately owned or belong to a travel agent collective benefiting from membership deals and override commissions (Harvey World Travel, TravelScene).

The trend is for the smaller, privately owned agencies either to become franchises of the major chains, or to be bought by the chains as wholly owned agencies. Many retail chains have a system of preferred suppliers whose products have priority in their agencies. They also take on products sold exclusively through their chain; though being sold by one chain may exclude a product from another. Agencies are highly computerised with almost 100% access to CRS systems.

Marketing Representation

Marketing representation is available in Australia from a number of companies, who will agree a budget and marketing plan beforehand.

Reaching the Australian Travel Trade

One of the best ways to target the trade is to make contact with the various wholesale product managers for Britain face to face. VisitBritain can assist you and one of the most effective promotional and information activities is to arrange to make a presentation to VisitBritain staff in Sydney at the start of your visit.

Top tips

Remember that you will need a visa to enter Australia. Since February 2000, business travellers to Australia have been able to obtain their electronic business visitor visa free of any Australian Government charges. The single entry short stay business visitor ETA (Electronic Travel Authority) is available through airlines and travel agents around the world that are linked to the system. As of 1st July 2000, visas have been available from Australian missions overseas.

Tour operators generally close off their brochures in September/October and any plans to be included should be completed before then. Some of the larger tour operators tend to contract product from their head office instead of on-territory in Australia. If this is the purpose for your visit, April to August is the best time. For promotional activity, January to April is a good time to visit. Note that Australia closes down for Christmas, as it is the main summer holiday and school holiday. You will have limited success in making appointments with either the trade or press between December 14 and January 14. Remember that the seasons in the Southern Hemisphere are reversed.

Business is generally conducted in a relaxed but formal manner. Business suits are the norm even in summer and meetings are by appointment. Australians are generally punctual and will become irritated if they think their time is being wasted.

E-mail is the standard method of business communication in Australia. It is essential that your e-mail address is featured on your business card and all company stationery. It is common practice to also feature your mobile number on your business card.

Business hours are generally from 0830-0900 to 1700-1730 Monday-Friday. Check to see that your visit doesn't fall on a public holiday or the school summer holiday around Christmas.

Travel between major cities can take more time than one thinks and is generally by air. Travel by train, coach and car is limited to shorter distances. There are a number of different time zones, even half an hour in some cases, with a three-hour difference between Sydney and Perth.

Finally, ensure that you make an appointment early in your visit to meet with the VisitBritain manager or marketing manager in Sydney. Let them know your progress and follow up, particularly after you arrive back in Britain.

12) Business Visits / Events

Business Visits Statistics & Trends

In 2004, only 8% of all visits from Australia to the UK were for business purposes - and this accounted for 14% of all spend.

Australian business visits are 16% Conferences, Large meetings, Trade Fairs or Exhibitions and 84% individual business travel.

BUSINESS VISITORS AUSTRALIA	Visits 2004 (000)	%Business Visits	Spend 2004 (£m)	% Business Spend
Trade Fair / Exhibition	3	4.0	3	3.4
Conference / Large Meeting	8	12.4	13	16.3
Other Business	54	83.6	65	80.3

BUSINESS VISITORS AUSTRALIA	AEV (£)	AED (£)	ALS (Days)
Trade Fair / Exhibition	1,061	200	5.3
Conference / Large Meeting	1,644	155	10.6
Other Business	1,202	119	10.1

It is impossible to estimate from IPS the proportion of Business travel that is Incentive travel.

There is very limited opportunity for VB to influence the BVE segments in the Australasia market due to high costs, travelling distance and a vast number of low-cost, local alternatives, providing very limited scope for a corporate travel trade strategy.

Aside from the competitive factors, Iraq and SARS in 2003 and the ongoing threat of terrorism in 2004-5 has demonstrated just how fragile our Business Visits segments can be.

13) VisitBritain in Australia

Working in Partnership with VisitBritain

There are many ways of working in partnership with VisitBritain in any of our 37 global markets. We deliver numerous marketing campaigns and produce various targeted guides and publications which are seen by millions of potential visitors throughout the world - offering excellent advertising and partnership opportunities.

We undertake both print and online advertising, and produce e-newsletters communicating with both consumers (via our substantial databases) and our trade partners on-territory whilst the exhibitions, workshops, sales missions and media events we organise provide the perfect platform to promote your product firsthand to trade, press and consumer visitors.

In some markets where the travel trade remains a crucial element of the booking process we produce Agents' Sales Guides and offer Agents' on-line training programmes to ensure both the destination and range of British tourism product is at the forefront of the travel agent's mind.

For more details on these and other diverse opportunities in markets of interest to you, please visit our UK Industry Website and read our worldwide marketing prospectus, or contact your VisitBritain representative in London or overseas.

www.visitbritain.com/ukindustry

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London Contacts / Further Information

For any further information relating to the Australian market, please contact the London-based International Markets Team **http://www.tourismtrade.org.uk/visitbritaincontacts/OverseasMarkets.asp**

Alternatively, visit VisitBritain's dedicated website for the UK tourism industry: **www.visitbritain.com/ukindustry**

Why not sign up to our Industry E-Newsletter, or register with VisitBritain to be kept up to date with all that's new in Australia and other markets worldwide?

Information Sources used to compile this report

NB: *Data from International Passenger Survey has been made available by the Office for National Statistics and has been used by permission. The ONS do not bear any responsibility for the analysis or interpretation of the data reported here.*

- Anholt-GMI Nation Brands Index - Waves 2 & 3 2005 (Quantitative)
- Metrixlab Online Surveys for VB.COM 2005 (Quantitative)
- Online / Offline Brochure Preference Omnibus Research 2004 (Quantitative)
- VB Foresight
- VisitBritain Visitor Satisfaction Research 2004 (Qualitative)
- VisitBritain Brand Tracking 2003 (Quantitative)
- IMF / Economist / US Census Bureau
- ABS - Australian Bureau of Statistics
- Global Tourism Navigator
- ETC (European Travel Commission) and ETC New Media Review
- WTO
- VisitBritain Australia Business Plans, Insights and Intelligence Reports 2005

Useful Websites

- British Council - www.britishcouncil.org
- Australian High Commission for visa information and forms www.Australia.org.uk (0207 379 4334)
- Australian Bureau of Statistics www.abs.gov.au
- www.worldfactsand figures.com



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