



North American Market Intelligence Update for NSW Sellers attending ATE 2009

Market Performance

- The United States is currently the third largest source market for visitors to Australia, with 429,402 arrivals in year ending 2008, an increase of +8%. Canada generated 119,000 arrivals +2% growth and is the eleventh arrival source market for Australia.
- The US Market is the fourth largest source market for international visitors to NSW producing 10.7% of total visitors in 2008 and Canada 3.1% for same period.
- In 2008, New South Wales captured 72% of the market share of total US leisure visitors and 38% of leisure visitor nights.
- Average US length of stay in NSW is 14 nights and Canada 22 nights.
- US visitors spent \$581 million in New South Wales during 2008.
- US visitors are venturing beyond Sydney, generating a 20% dispersal rate in regional NSW. Some of the most popular regions are the Blue Mountains, the Hunter, Byron Bay and North and South Coast drives.
- The US has the second highest repeat visitor rate (40%) of all long haul source markets.

Market Trends

- With the US in recession, consumers and leisure travel industry are trimming travel budgets and seeking value for money vacations.
- In this highly competitive, consumer driven market, Sydney and Australia are poised to be more popular than ever.
- Recession wary, "Experience Seeker" travel segment is seeking authentic, unique experiences and still consider vacations as essential.
- Technology is changing how North Americans book travel to Australia. Approximately 90% now plan and research online and 50% book with travel agents.



- Booking lead time for travel to Australia continues to shorten to less than three months.
- Peak months for travel to Australia are October through to March.
- Due to new regulations over 30 million North Americans now hold passports, removing one more barrier to their dream Australia vacation.

Aviation Trends

- Air capacity between the US and Sydney will increase approx 30% in 2009.
- In response to current economic climate, Qantas Airways is currently offering special airfares to Sydney as low as \$US299 and continues to operate daily flights from Los Angeles and New York to Sydney and five flights per week between San Francisco and Sydney. Capacity also increased this year with arrival of the new A380 aircraft.
- V Australia started three flights a week Los Angeles to Sydney Feb 28.
- Delta Airlines will commence daily flights Los Angeles to Sydney July 1.
- United Airlines, Air Canada, Hawaiian, Air New Zealand, Air Tahiti Nui, Jetstar and Air New Zealand continue to operate either direct or connecting flights to Sydney.

North American Buyers

A wide variety of experienced buyers are attending ATE this year representing, retail consortiums, tour wholesalers and online operators. Many are revamping existing Australia programs to meet current market demands.

Some of the more experienced wholesalers buyers expected to attend include, Abel Tasman Tours, Boomerang Tours, Brendan Worldwide Vacations, Down Under Answers, Globus, Goway, Pleasant Holidays, Springboard, STA Travel, Swain Tours and Qantas Vacations.



Buyers relatively new to Australia market or with revitalised operations include Air Canada Vacations, American Express Travel Services, Anderson Vacations, Classic Vacations, Hai International Tours, Happy Vacations, Stella Travel Services, Travel 2, Virtuoso and online operator Orbitz.

What products and experiences are North American buyers seeking?

- Value for money packages and or value add offers
- Wildlife - native animals in the wild
- Unique & authentic Australian experiences
- 3-4 star Sydney hotels & new hotels.
- Updates on regional NSW accommodation recently opened or refurbished
- Half or full day small group excursions
- Family vacation experiences and packages.
- Indigenous experiences in Sydney and surrounds
- Luxury resorts, spas and upscale experiences
- Soft adventure, small group tours of national parks and interactions with wildlife, local guides and historic sites.
- Seven – ten day itineraries in Sydney and surrounds.
- Active vacation experiences like surfing, biking and walking.
- Volunteer, educational and carbon neutral experiences.