

SINGAPORE & MALAYSIA

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GENERAL MARKET OVERVIEW

SINGAPORE

- **Population:** 5.08 million.
- The Ministry of Trade & Industry projected this year's economic growth to be 13 – 15%. However, the economy is expected to moderate to between 4% and 5% in 2011.
- Consumer price inflation is forecast between 2.5% and 3.5% for year 2010.
- In its intent to combat inflation, the Monetary Authority of Singapore has made a surprised move to tighten its monetary policy in October 2010. As a result, the US dollar has hit a record low of S\$1.28. Exchange rate for Australian dollar is still hovering above S\$1.27 – S\$1.30.
- Unemployment was at 2.2% as of June 2010 with job openings outnumbered job seekers. To create high-value jobs and prosperity for Singaporeans, the government will spend S\$16.1 billion over the next 5 years on research, innovation and enterprise.
- Singapore's millionaire households rose 35% in 2009, making its mark yet again as the market with the highest growth in millionaire households, based on Boston Consulting Group's (BCG) latest Global Wealth Report. Singapore also had the highest concentration of millionaire households at 11.4 percent. BCG's data cover liquid assets and exclude property.
- Singapore's Budget 2010 is set squarely on the longer term, with sights on quality jobs for a restructured advanced economy, superior skills, higher income, spurring innovation and the big goal of achieving 2 to 3% annual productivity growth over the next 10 years.

MALAYSIA

- **Population:** 28.25 million (more than 7.6 million in Kuala Lumpur & Klang Valley)
- GDP is projected 7% growth for 2010. Since the government has undertaken several new initiatives to prop up the economy, Malaysia expects 5 – 6% GDP growth in 2011.
- Inflation is projected at 2 – 3% for 2010.
- Labour market remains stable with unemployment rate projected at 3.5% in 2010.
- The Malaysian ringgit rose to a 13-year high against the US dollar to RM3.15 and is predicted to rise to RM3.10 or even RM3.05 against US\$1. The Australian dollar remains pretty strong at RM2.90 – RM3.
- To drive towards high-income status that increase per capital income from US\$7,600 to US\$15,000, and triple the country's GDP to US\$523 billion by 2020, Malaysia has revealed an ambitious 10-year blueprint of S\$591 billion to transform the economy.
- Malaysia plans to create an additional 3.3 million jobs, of which more than 60% will be in medium or high-income salary brackets to help turn it into a high-income nation by 2020.
- Malaysia unveiled a RM212 billion (S\$89 billion) Budget for 2011. Key highlights included 100-storey tower in the heart of Kuala Lumpur; the widely expected Mass Rapid Transit system for the city; import duty on 300 goods to be abolished to promote Malaysia as a shopping haven in Asia; and civil servants to get 90 days fully-paid maternity leave instead of 60 days.

MARKET PROFILE

SINGAPORE

- Number of outbound departures at the end of 2009: 6.96 million. Visitors to Australia: 251,100 as of year ended June 2010 with 5.5% (13,900) visiting SA.
- Singapore forms the largest number of SE Asian visitors and second largest number of Asian to SA. It is the 6th largest market to Australia with average expenditure of A\$3,939 per trip. In the period until 2019, the TFC expects the annual growth rate for arrivals from Singapore to be 3.2%.

Consumer Trends:

- High repeat visitation: 82% of visitors are repeat visitors.
- In 2009, 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, shorter peak periods exist around the festive seasons where timing changes from year to year, i.e. Chinese New Year in either January or February, and Hari Raya and Deepavali in November 2010. 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 airlines' special deals and last minute offers.
- 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. The recent airing of TV programme "Food Source" has certainly heightened the awareness of Port Lincoln, resulting in the interest for self drive packages on Eyre Peninsula.
- More Singaporeans are embarking on self drive journeys in Australia. The self drive market has increased more than 30% between January and September 2010 compared to the same period in 2009.
- 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, CTC Holidays has online booking engine for accommodation etc.
- The top 5 holiday leisure activities undertaken by Singaporean visitors 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 2009: more than 30 million. Visitors to Australia: 191,700 as of year ended June 2010 with 5.6% (10,700) visiting SA.
- Malaysia forms the 2nd largest number of SE Asian visitors to SA and the 7th largest market to Australia with an average expenditure of A\$5,068 per trip. In the period until 2019, the TFC expects the annual growth rate for arrivals from Malaysia to be 4.1%.

Consumer Trends:

- High repeat visitation: 75% of visitors in 2009 were repeat visitors.
- In 2009, 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 "early bird" deals by airlines are changing the booking patterns. However, the planning and booking period remains comparatively short for land packages, 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, accommodation and car rental. The most popular sources of information used are Internet, word-of-mouth and travel agents.
- The Internet will become a highly effective promotional and selling tool for the industry with a larger percentage of the population becoming 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 Sedunia Travel, Mayflower Travel, PNL Travel, Reliance Travel (under the branding PYO) and Malaysian Harmony Travel (under the branding 12fly.com.my).
- The top 5 holiday leisure activities 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

Travel is an integral part of life for Singaporeans and the appetite for travel among Singaporeans held through the recession compared to other markets. Based on a MasterCard Survey, travel remains a priority for half of Singaporeans and nearly 50% of Singaporeans consider travel a priority over the next 6 months, compared to 42% 6 months ago and 30% a year ago.

There has been a growing trend for FIT bookings and Singaporeans are also increasingly opting for self-drive holidays in countries such as Australia, New Zealand, Japan (Hokkaido) and the US. Most are in their 30s and 40s and travelling with families. CTC Holidays commented that self-drive holidays contributed 15% to its business, and demand for self-drive holidays was growing by about 5% each year. The Automobile Association of Singapore has organized driving holidays for more than 400 of its members, their families and friends in 2009 with a 23-day road trip from Singapore to Lijiang (in China) in September 2009 that received overwhelming response.

At the same time, there has been a rising demand for customized tours whilst the mass market with "hard-to-resist deals" group tours are losing appeal. The increased demand for quality and premium travel has spurred large travel agents and a proliferation of bespoke travel specialists to provide services for such a market and the luxury travel segment. For instance, Dynasty Travel launched in February 2010 its pricier Signature Tours with over 20 premium and customized itineraries. Chan Brothers Travel has opened a new branch focusing on MICE and high end segment, while Five Stars Tours has developed new packages targeting the high end segment to Kenya, Tunisia and a 12-day Latin America tour priced S\$9,000 per person. Meanwhile, CTC Holidays has established a Private Collection business for tailored made holidays with concierge support, and developed its own software to generate a lifestyle profile of each customer.

Studies by MasterCard have shown that silver spending globally is expected to soar in the next 5 years as the population steadily ages. By 2015, consumers aged 65 years and above are expected to spend US\$1.5 trillion (S\$2.1 trillion) annually within the Asia Pacific region. In Singapore alone, that figure is set to hit US\$10.8 billion, more than twice the projected spending of Singapore's young premium consumers (those under 34 years old) in 2016.

A study commissioned by the Council for Third Age (C3A) in 2009 with those aged 45 to 60 (baby boomers), found that 3 in 5 travel for leisure at least once a year, and about a quarter of them travel 4 times or more. For those who travel abroad, 41% buy full package tours, 42% arrange their own travel, and 27% book free-and-easy tours. Brick-and-mortar travel agencies are still the most common channel of booking holidays for this segment, with 81% using their services

More Singaporeans are getting broadband internet services for both home and work use, from 1,262,500 in year 2008 to 1,804,800 in year 2009. For home use, there are 1,654,800 in 2009 as compared to 1,154,200 in 2008. According to a survey done by digital marketing intelligence firm comScore Inc, nearly 1.2 million people in Singapore visited sites listed in the travel category in January 2010. This is nearly a 50% surge from last year and an all-time high recorded for this category so far. In the travel category, 3 out of 5 visitors browsed 2 or more travel related sites, indicating that consumers are being very diligent in comparing prices prior to purchase and creating a more competitive environment among online travel agents and suppliers as they vie for consumer loyalty and share of wallet. It was also found that 25-44 year olds account for more than half of the visitors to travel sites, whereas visitors aged 45-54 composed 19.5% and aged 15-24 accounted for 17.5% of traffic.

With the growing number of Professionals, Managers, Executives and Businessmen (PMEBs), the People's Association and community clubs has started offering overseas learning trips in 2010. These could be a wine tour in Bordeaux (S\$6,180 inclusive of airfare and 5-day fully guided wine learning experience and ground arrangement), a week-long rice cultivation trip in Chiang Rai (Thailand) or an anti-ageing course in Thailand. So far, off-site courses have been well received and attracted 4,520 participants in 2009. The People's Association hopes to attract more than 5,000 participants in 2010.

The improved economy in Malaysia and pent-up demand have spurred bookings from those who had shelved travel plans last year due to economic uncertainties. There is a growing demand for high-end tour packages, such as to New Zealand, Europe and Exotic destinations.

The strong Australian dollar has made Australia a less appealing destination, while the weakening of Euro has resulted in significant increased demand for Europe travel packages. Similarly, the devaluation of the pound has spurred a growing interest and demand not only for travel but for education in the UK, which is cheaper to educate a child in Britain than in Australia.

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 destinations like London, Korea, Japan etc. More consumers are now seeking land only packages from travel agents or are making their own bookings on the Internet.

The affluent middle class segment and retiree/senior market particularly in the ethnic Chinese community are growing. In

addition, outbound travel from the Muslim segment in Malaysia is also growing. To target the growing Muslim segment, agents like PNL Travel plan to organize land packages featuring Halal meals, Sunway Travel has set up a new branch in Kuala Lumpur city, and Triways Travel has restructured recently.

A survey by Silver Group indicated that up to 80% of Malaysian internet users aged 55 years and above access social networking sites like Facebook and Twitter, which provides another media platform to target the senior segment.

Aussie Specialists

Singapore: The Asian Aussie Specialist Program (ASP) was launched in Singapore in March 2001. As of September 2010, there were 283 individual agents from 40 travel agencies enrolled in the scheme. The Premier Aussie Specialist Program was launched in 2008 with 9 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), 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 are 265 agency staff from 74 participating travel agencies enrolled in the program in Malaysia as at September 2010, 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 Park 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

Eyre Peninsula: Seafood & aquaculture trails, nature & wildlife

Flinders Ranges: Wilpena Pound

MARKET INTELLIGENCE

Competition

Australian States

Tourism New South Wales, Tourism Victoria, Tourism Queensland and Tourism Western Australia continue to dominate and remain highly visible in Singapore and Malaysia. These states have also signed an MOU with Singapore Airlines, and have worked on a joint campaign to promote "Family Playtime" offers for year-end.

In a bid to sharpen its focus on tapping short-haul markets with the support of a significantly increased marketing budget, Tourism Western Australia has launched its new marketing brand campaign "Experience Extraordinary," highlighting all that is unique about Western Australia. It has also partnered with agents in both Singapore and Malaysia to promote the destination. Recently, Perth Convention Bureau has appointed a marketing representation company in Singapore and Malaysia effective 1 September 2010.

Tourism Tasmania has intensified its marketing effort through collaboration with Nuyou magazine to produce a 36-pp A5 size booklet featuring the destination and suggested self-drive itineraries, in addition to organizing a 24-pp travel story and fashion shoot in the magazine. It has also launched a 'Devilishly Tasmania' campaign that ran across different online platforms. Jointly with AirAsia X, it has launched a 2-week promotion that offered 350 free tickets on Jetstar to Hobart for passengers booking with AirAsia. This promotion received an overwhelming response.

Tourism Queensland continues with its aggressive marketing campaigns in the markets and had recently launched a new global brand campaign "Queensland, Where Australia Shines," which aimed to ensure the state's destinations and experiences were positioned in a way that connected with visitors from South East Asia. Online media platforms such as Facebook were used for the campaign in Singapore and Malaysia.

National Tourism Organisations

Intense competition from regional destinations continues through aggressive marketing campaigns and trade marketing, particularly from Tourism Taiwan, Malaysia, Korea, Thailand, Japan (a new tagline and logo), and Macau.

Seychelles Tourism Board opened its regional office in Singapore at the end September 2010, with the aim of repositioning the destination as not only for honeymooners and high-end luxury segments. It will explore the potential of niche tours such as ecotourism, photography tourism, cultural tourism and adventure trips to widen the appeal of the destination to Singapore travelers.

Macau Government Tourist Office has launched a new website in Malay to attract more Malaysian visitors. The website provides useful tourist information such as places to see, shop and stay, upcoming events and festivals, MICE facilities and a MICE calendar. Malaysia is Macau's fifth largest visitor-generating market with 332,529 arrivals in 2009, out of a total of 21.7 million of tourist arrivals.

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

Spain National Tourist Office is banking on gastronomy and fly-drive programmes to court the Singapore market in 2010, where there is an uptake in self-drive holidays in Spain among Singaporeans. There has also been a surge in interest for wine and gastronomy in Spain. As part of its effort to raise destination profile, it has also organised a 8-page write up on Spain on the theme "A Taste Of Spain" about its produce/food in BusinessTimes weekend. In addition, it has launched a new international promotional campaign "I Need Spain" that featured specific visuals tailored to Asian markets for the first time, with Singapore as its launch pad in Asia.

Meanwhile, Munich Tourism Board has organized consumer awareness campaigns jointly with Singapore Airlines, incorporating a contest where participants could win a 4-night private touring trip to Munich on Business Class.

VisitBritain has appointed a representative based in Kuala Lumpur to service the travel trade and media in Malaysia and Brunei market. A weaker currency and joint airline tacticals with AirAsia X has helped VisitBritain drive demand from Southeast Asia (Malaysia, Singapore & Thailand) in 2009, making this region the fastest growing market in Asia to the UK. Arrivals from the region grew 23% in 2009, from 244,000 visitors in 2008 to 300,000, and total spend increased by 61% (to £341 million) in 2009. It also worked with Middle East carriers like Emirates on a month-long tactical campaign in March 2010 targeting premium travelers for other cities/destinations in the UK.

Low Cost Carriers

The Low Cost Carriers (LCCs) continue to aggressively expand routes farther and improving service standards to challenge full-service airline. They also increase frequencies to Australia. For instance, AirAsia X has increased frequencies from 1 to 2 daily flights for its Melbourne and Perth services on 1 July 2010 due to strong demand.

Jetstar will commence daily flights from Singapore to Melbourne and Auckland from 16 December 2010 and 17 March 2011 respectively. It has also commenced Singapore/Taipei/Osaka daily services on 5 July 2010, becoming the first budget connections between the 3 airports.

Meanwhile, Tiger Airways will launch daily flights from Singapore to Taipei on 11 January 2011.

AirAsia X has also been aggressively expanding its services in the region, such as direct daily flights between Kuala Lumpur and Seoul on 1 November 2010, and 3 times weekly direct Kuala Lumpur /Tokyo flights on 9 December 2010. AirAsia will move to a new low-cost terminal at Kuala Lumpur's international airport by March 2012 instead of 2011. The current low-cost carrier terminal (opened in 2006) had a capacity to handle 15 million passengers annually, whilst the new terminal would have a capacity of 30 million.

Airlines

Flight services to Adelaide by Singapore Airlines, Qantas and Malaysia Airlines remain status quo.

Singapore Airlines has deployed a second daily Airbus A380 service on the Singapore/Sydney route from 31 October 2010, increasing its capacity. In view of seats constraint for the last quarter of 2010, Adelaide has been excluded from Singapore Airlines' special fares promotion and joint campaign with other Australian States.

Malaysia Airlines' (MH) market share has declined noticeably over the years with AirAsia X flying to 3 Australian cities. MH carried 74% of Malaysian travelers into Australia in 2004, however, this decreased to 62% in 2006 and 46% in 2008.

Additional flights from Kuala Lumpur to Australia have been implemented. For instance, MH has launched 2 direct services weekly between Kuala Lumpur and Brisbane in March 2010. MH will operate 3 times weekly direct services from Kota Kinabalu to Perth effective January 2011. Emirates introduced new daily service between Kuala Lumpur and Melbourne on 1 February 2010, and on 1 July 2010 has upgraded its aircraft from A340 to B777 resulting in an additional 100 seats.

KEY HIGHLIGHTS OF MARKETING ACTIVITIES IN 2009/2010

SINGAPORE

F&N Foods Magnolia Promotion (July – August 2009)

SATC leveraged on the leading dairy company in Singapore, F&N Foods' advertising funds and its Magnolia products to increase exposure for South Australia in a cost efficient manner. The nationwide advertising campaign featured a variety of above the line (newspaper & magazine advertising), below the line and point of sale (image and information on milk cartons and other products) elements. Consumers who purchased \$5 worth of any participating Magnolia products were entitled to a lucky draw where 2 couples won a 4D3N holiday to Adelaide. The contest generated 12,222 entries and more than S\$160,000 was leveraged.

Phillip Wain Promotion (July – August 2009)

Phillip Wain specializes in the operation of the finest and most luxurious fitness and beauty clubs exclusively for women. Using a non-traditional medium platform, a collaboration featuring a series of interactive and engaging South Australian themed consumer promotions and workshops for its club members was organized. SATC engaged Foster Asia to sponsor wines and conduct a wine appreciation workshop, and Lincoln Green to provide Adelaide Hills produce. An exclusive bonus worth A\$70 was provided to entice Phillip Wain's members to book Adelaide Brilliant Deals packages.

8Days Magazine Itinerary Contest (August – September 2009)

A series of travel stories/advertorials were featured in 8Days Magazine to introduce new products/driving routes to entice bookings and to drive readers to participate in the "design your own 4D/3N self drive itinerary" contest. The winner and their partner embarked on their planned self drive itinerary and post-trip coverage was featured.

UOB Travel Joint Campaign (August – September 2009)

Collaboration with UOB Travel to present South Australia's diverse offerings and promote the Royal Adelaide Show to consumers through radio and outdoor advertising. Tapping on UOB Travel's vast database of customers, as well as the parent company UOB Group's islandwide network of LCD TVs mounted on UOB ATM machines, a 30 second TVC highlighting SA travel packages were shown at 200 unique sites.

**“Study in Australia” Feature in Campus Magazine
(August – October 2009)**

Tourism Australia organized a 4-page “Study in Australia” feature in a new Campus magazine targeting the tertiary student segment. SATC capitalized on Tourism Australia’s media buy and subsidy of media cost to feature 1-page on South Australia’s nature & wildlife and food & wine experiences.

Team Australia “Family Playtime” Campaign (August – October 2009)

A Tourism Australia initiated campaign targeting family travel, with the support of Singapore Airlines, five STOs and a consortium of 10 Premier Aussie Specialist Agents. Attractive consumer value-based offers (eg. For every 2 paying adults, 1st child tours free) were introduced to present Australia as a family-friendly holiday destination that is exceptional value for money. The campaign was well-received, where bookings for South Australia Family Playtime package was 95 pax (7.4% share) and agents’ in-house Adelaide Packages at 78 pax (5% share).

Chan Brothers Travel Co-op (September 2009)

Collaboration with Chan Brothers Travel to target year-end travelers through a series of print advertisements and 2-weeks radio campaign at Gold 90.5FM. More than 110 pax to South Australia were generated.

**Media Famil – Channel U “Singapore Flavours”
(November 2009 – January 2010)**

Capitalized on Channel U’s new 13-episode “Singapore Flavours” Chinese infotainment programme that introduced Singapore food found overseas and at the same time showcased the destinations. The 1-hour programme featured 1 food item found in 3 or 4 countries per episode with repeat telecast on the same day at midnight. South Australia appeared in 7 out of the 13 episodes, generating a total airing time of approximately 76 minutes and media value of S\$1.35 million.

**SQ MOU Campaign / Adelaide Brilliant Deals
(February – May 2010)**

Continuation of the Adelaide Brilliant Deals campaign in conjunction with SQ MOU to enhance SA appeal and create strong media hype/buzz. In addition to newspaper and radio advertising, the campaign also presented SA in an interactive manner through a video game contest on a microsite and a consumer event to engage consumers. Part of the focus is also to create word-of-mouth / viral marketing. Value added items and great offers are being introduced with the travel packages to entice bookings.

**Best of Australia Campaign
(February – July 2010)**

A continuation of Team Australia’s “Best of Australia” campaign organised by STOs with QF/BA support and a consortium of 12 travel agents. The focus of this campaign is on self drive journeys and aims to promote Australia’s City & Country experience as the unique selling point. For every booking of a regional package, consumers can redeem hotel credit of S\$200 to offset an extension night in the same region or an extra night in another region. (www.bestofaustralia.com.sg)

**UOB Travel Co-op
(late April – June 2010)**

Tapping on UOB Travel’s vast database of 60,000 UOB Visa Signature card members, the campaign promoted Adelaide Brilliant Deals packages and offers, and UOB Travel’s Adelaide self drive packages. Using a ‘Spend and Redeem’ direct mailer exercise, a 4-page insert featuring the packages was included in the direct mailer. SATC was the sole travel partner for this campaign.

**I-weekly Jerry Yan Advertorial
(May 2010)**

Singapore weekly lifestyle entertainment magazine I-Weekly ran a 9-page cover story on Jerry Yan – a famous Taiwanese artist who shot his photo book in South Australia. The story featured photographs taken during Jerry’s trip to South Australia and his experience in doing the photo book. Leveraging on the extensive coverage on South Australia, SATC placed an advertorial with tactical element to drive bookings.

MALAYSIA

Best of Australian Journeys (October 2009 – March 2010)

Continuation of the Team Australia's "Best of Australia Journeys" campaign organised by TA and STOs together with a consortium of 11 travel agents. With the growing trend of self-drive holiday, the campaign aims to target the self-drive segment, emphasizing on state dispersion and country stays. Driving routes featured for SA are the Nature, Sea & Vine trail and Wine, Wildlife & Outback trail.

MSL Travel Co-op (November 2009)

Joint campaign with MSL Travel to leverage on its cost efficient media buy in New Straits Time and The Star from Sep to Dec 2009. Editorial content based on romantic getaway theme and a series of print ads promoting the tactical packages were organised. MSL's in-house self-drive packages focused on Food & Wine and Nature & Wildlife Trails. The Adelaide & Beyond packages offer different day tours to the regions.

Team Australia "Only in Australia" Campaign (March – September 2010)

Joint campaign by TA and STOs together with a consortium of 12 travel agents, to provide a list of "60 Things You Can Only Do In Australia", as featured by Travel+Leisure Magazine. Targeting the first-timers, the list of unique and iconic experiences will serve as a motivation to visit Australia and differentiate it from other destinations. Australia's appeal was strengthened by showing "value", and introducing savings/offers on the Only in Australia experiences. The experiences for South Australia included swimming with Bluefin Tuna, taking a flight over Wilpena Pound, Victor Harbor's Horse drawn tram, walking with Sea Lions on Seal Bay and Penfolds' Blend Your Own Wine.

Malaysia Airlines Campaign (March 2010)

Capitalizing on Team Australia's Only in Australia campaign, SATC jointly with Malaysia Airlines launched a supplementing campaign focusing on tactical offer and special airfare. In addition, the interactive self-drive game on the microsite also helped to generate destination awareness and enable consumers to test drive South Australia and learn more about the different driving routes/regions. Participants also had a chance to win a trip to South Australia.

Holiday Tours Penang Co-op (June 2010)

In view of the increasing in travel demand for Adelaide recently, Holiday Tours (HTT) was keen to work with SATC to jointly promote the destination during MATTA Travel Penang. HTT promoted "Best of Adelaide / Only In Australia" themed packages focusing on Food & Wine and Nature & Wildlife, to maintain message-recall and leverage on Tourism Australia's earlier marketing effort.

Trade Shows / Consumer Events

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 2010 attracted over 62,000 visitors. The next date is 25-27 February 2011 with September dates TBC. Please contact Martin Kaesler – martin.kaesler@tourism.sa.com – at any stage to express your interest in attending the September event as applications for February are already closed.

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 in March 2010 attracted over 85,000 visitors. The March event is highly recommended by SATC. The next fair will be held in 11-13 March 2011. Please contact Martin Kaesler – martin.kaesler@tourism.sa.com – by end November 2010 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 2010-11, 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
- ADU Holidays, 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 (against the Euro and US\$ which had weakened since 2010).
- 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, Exotic destinations and India) and more direct access from airlines. Middle Eastern carriers servicing Malaysia makes Europe seem 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 direct flight capacity into Adelaide despite daily service by Singapore Airlines and other carriers. This is especially the case during peak seasons.

OPPORTUNITIES FOR OPERATORS

- Participation as exhibitors in the biggest consumer fairs in Singapore and Malaysia – NATAS Fair and MITF 2011.
- Hosting of trade and media familiarisation tours. Tentative itineraries would include visits to Kangaroo Island, Fleurieu Peninsula, Barossa, Adelaide Hills, Adelaide City tour, Eyre Peninsula and Limestone Coast.
- 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 8,000 consumer database in Singapore and Malaysia.
- Inclusion of relevant products in our tactical campaigns.
- Exposure of relevant products on SE Asia website (www.southaustralia.com/sg).
- Participation in ATE 2011.
- A joint sales visit to travel agents offices in Singapore and Malaysia can be arranged.
- South Australian Travel Exchange (tentative early September 2011).

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.