

SINGAPORE & MALAYSIA

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General Market Overview

Singapore

- Population: 4.84 million
- The Ministry of Trade & Industry projected this year's economic growth to be 4-5%.
- Consumer price inflation will remain stable at between 6 and 7% this year.
- To curb inflation for sustained economic growth over the medium term, the Monetary Authority of Singapore has allowed current policy of a rising dollar to remain for now, even if it may hurt some local exporters.
- Exchange rate for the year to date (October 2008) has been hovering above S\$1.25 -1.35 to A\$1.
- Unemployment was at a low of 2.3% as of June 2008. Employment growth in first half of 2008 hit a record 144,600, compared to 113,800 in the same period last year. Prospects for the job market remain positive.
- Wages increase is projected to be surprisingly high at an average of 5% for 2008 and 5.6% for 2009 despite an expected economic slowdown due to the US financial crisis. Variable bonuses are expected to average 2.1-2.5 months in 2008, similar to 2007.
- The latest 2008 global wealth report by the Boston Consulting Group has found that Singapore emerged as the market with the greatest concentration of millionaire households (defined as those with assets under management of at least US\$1 million) at an astounding 10.6% of all households. Meanwhile, Barclay's Wealth report projected that 40% of Singaporean households (or 436,000 households) will be millionaires by 2017, hence, the anticipated demand in luxe travel experiences.
- As advised by the government, Singapore has the resources and ways to stimulate the economy to deal with an economic slowdown should the downturn in the US economy get worse.
- Singapore's 2008 Budget aims to rise up Singapore's competitive ladder with an R&D push and education thrust. The key features of the Budget include tax reductions on R&D done in Singapore to increase from 100% to 150%, companies being granted R&D tax allowances, scrapping estate duty to enhance Singapore's attractiveness for wealth investment, increasing university bursaries for students, and the Government setting aside a S\$90 million fund over 3 years to encourage innovation.
- Average monthly household income has increased by 9.1% to S\$6,830 in 2007, from S\$6,260 the previous year due to the buoyant economy. However, the average monthly household income for the top 10% earners rose 10.5% to S\$20,240, up from S\$18,310 in 2006.
- Singapore remains the world's second most competitive economy and is closing the gap on the top-ranked United States, according to an annual analysis on World Competitiveness Yearbook by Swiss business school IMD. In addition, Singapore has leapfrogged Hong Kong as a financial centre to 4th place on MasterCard's Worldwide Centre of Commerce Index this year. It is now the number two city in Asia in this ranking.
- Demand for passports has surged by 62% since 2005, with 435,000 issued in 2007 due to a growing population and more people travelling.

Malaysia

- Population: 27.73 million (7.6 million Kuala Lumpur & Klang Valley)
- GDP is expected to grow 5.7% in 2008, and ease to 5.4% in 2009 due to the global economic slowdown.
- Inflation is projected at 3% for 2008.
- Labour market remains stable with unemployment rate at 3.5% in the 2nd quarter of 2008.
- Ever since Malaysia abandoned the Ringgit's peg to the US dollar in July 2005, it has advanced to RM3.30 against the US dollar this year.
- Exchange rate for year to date (October 2008) has been hovering above RM2.80 and RM3 to A\$1.
- With Malaysia's historic election conclusion in March 2008, the ruling coalition lost a third of parliamentary seats and 5 states in its worst result in half a century.
- Malaysia's political uncertainties are expected to continue. Intense internal bickering in the United Malays National Organization (UMNO), the main party in Malaysia's coalition government has seen Prime Minister Abdullah Ahmad Badawi recently appoint his deputy Najib Razak as Finance Minister to appease his supporters while taking over Mr Najib's defence portfolio.
- The UMNO has postponed party polls and its AGM from December 2008 to March 2009, hoping this will allow the increasingly unpopular Mr Abdullah to exit gracefully.
- The Government is implementing belt-tightening following recent fuel price hikes. Entertainment allowances for ministers will be trimmed by 10% and their overseas holidays restricted to the region for no more than a week. Previously, ministers enjoyed annual paid vacations to any destination.
- Malaysia has been gradually liberalising policies that protect Bumiputeras (Malays and indigenous people in Malaysia) in order to encourage foreign investment.

Market Profile

Singapore

- Number of outbound departures at the end of 2007: 6.02 million (projected to be 7 million for 2008).
- Visitors to Australia: 229,300 as of year ended 30 June 2008 with 3.4 % (7,800) visiting SA (TRA IVS).
- Singapore forms the second largest number of SE Asian visitors to SA and the sixth largest market to Australia with average expenditure of \$4,450 per trip. In the period until 2016, the TFC expects the annual growth rate for arrivals from Singapore to be 2.3%.

Consumer Trends

- High repeat visitation: 83% of visitors are repeat visitors.
- In 2007, the age bracket with the largest number of visitors to Australia (and SA) was 25 to 44 years, followed by 45 to 54 years.
- December, November and June are traditionally the peak periods. In addition, a shorter peak period exists around the changing timing from year to year of Chinese New Year during either January or February, and Hari Raya and Deepavali in October 2008. Short school breaks take place in March and September.

- The planning and booking period continues to be very short, less than 1 month. It is partly due to the global airfare promotion. Australia remains a timeless favourite. There is a growing trend of planning for longer vacations to South Australia, ranging from 1 week to 2 weeks. New regions such as the Eyre Peninsula and Flinders Ranges are slowly gaining popularity.
- Travel agents are still the primary mode of booking for travel packages with Internet as secondary. However, 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 guides, 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 will be launching its new enhanced website and engaging tourism boards, Nam Ho Travel has set-up an online booking engine, and CTC Holidays has set-up a hotel booking site.
- The top 5 holiday leisure activities undertaken by Singaporean visitors in 2007 were:
 - Eating out at restaurants or cafes
 - Going shopping for pleasure
 - Sightseeing
 - Going to markets
 - 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. (NB. In July 2004, the government shortened the working week in the Civil Service to five days to encourage a better quality of family life.)

Malaysia

- Number of outbound departures at the end of 2007: more than 30 million.
- Visitors to Australia: 148,400 as of year ended 30 June 2008 with 5.8% (8,600) visiting SA (TRA IVS).
- Malaysia forms the largest number of SE Asian visitors to SA and the eighth largest market to Australia with an average expenditure of \$5,364 per trip. In the period until 2016, the TFC expects the annual growth rate for arrivals from Malaysia to be 5.7%.

Consumer Trends

- High repeat visitation: 73% of visitors in 2007 are repeat visitors.
- In 2007, the age bracket with the largest number of visitors to Australia was 25 to 44 years, closely followed by 45 to 54 years and beyond 55 years.
- The bulk of holiday taking occurs during December to February.
- The planning and booking period remains comparatively short, less than 1 month before arriving in Australia.
- Travel agents are still the primary mode of booking for travel packages, but with a noticeable trend with consumers going direct especially for flight and accommodation. 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 as a larger percentage of the population becomes IT savvy. The Internet

is a popular medium among working adults who currently generate the greatest revenue among the tourist demographic. As a result, an increasing number of travel agents are adopting online marketing.

- The top 5 holiday leisure activities in 2007 were :
 - Eating out at restaurants or cafes
 - Going shopping for pleasure
 - Sightseeing
 - Going to markets
 - Going to the beach

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

Annual Leave Entitlements: Average 14 days. (NB. 5-day week for public sector and commercial banks were implemented. Total 40 paid and public holidays in a year.)

Market Trends

Luxury retreats are gaining appeal for Singapore consumers with a surge in the number of requests for quality travel experiences at 5-star hotels or luxurious villas, and for spa-themed resort holidays or beach resorts offering full spa treatments. The affluent segment of families and honeymooners still prefer to book through travel agents for full-tour programs, allowing the agency to handle all arrangements, while the younger group tends to make bookings via the Internet.

With 40% of Singaporean households projected to be millionaires in the next decade (by Barclay's Wealth report) the anticipated demand in luxe travel experiences has led to an increase in specialised travel operators in the market.

The emerging potential in untapped markets, such as Singapore's hurried wealthy, will be one of the biggest outbound consumer groups from Asia by 2012. From 2002 to 2007, the average gross income of those aged between 20 and 24 grew 48.2 per cent, while those aged 25 to 29 grew 53.6 per cent. With more exposure to the good life, this group is far more willing to spend and travel spending also tends to be higher among this segment.

A recent qualitative survey by American Express revealed that the young affluent Singaporeans in their late 20s and early 30s with an average income of more than S\$75,000 yearly see themselves as "world citizens" and "experience hoppers". The convergence of cultures and growing diversity in Singapore has led to a wider range of professional and lifestyle experiences. Because they are so IT savvy, new styles and innovations, and world-class product and services are essential to win this segment.

Singapore travellers are also becoming more adventurous, with more venturing to exotic locales like Greece, Turkey, the Middle East and South Africa, and exotic new destinations in China such as Sichuan, Tibet and the Silk Road. The rich history and foreign culture of such countries are partly the draw for Singaporeans.

Online shopping has grown. Based on a Nielson Global Online Survey on Internet shopping habits, 8 in 10 Singaporeans have shopped online, with travel-related products such as plane tickets and hotel rooms/tours the most popular buy at 42% and 32% respectively. With the growing trend of Internet shopping, Visa launched a one-stop travel website, www.visagreatbreaks.com that enables Visa cardholders to do research on destinations, book deals on holidays, flights and hotels. It has teamed up with MSN, Zuji, Lonely Planet and Hertz to provide travel information and promotions.

Holiday makers tend to make shorter trips, squeezed into long weekends, with an unprecedented zeal to escape the stresses of life in Singapore. Consumers prefer more focus on the individual experience, whether it be for self-improvement, self-interest or self-discovery, educational tours, wine trials and shopping trips. Families are also opting for a cross-cultural experience overseas instead of conventional holidays where the exposure both informs and educates, and pleases parents as well as children during their overseas holiday. Most Singaporeans will travel at least one long haul trip and many short trips within a year if time permits.

The number of overseas school trips has increased by about 38% over the past two years, and this is expected to increase further. To ensure that schools obtain better rates and also to assure parents of their child's safety, a new framework for selecting travel agents has been released by the Ministry of Education, which will replace the current "quotation system". Approximately 10 operators have been appointed to handle Australian education trips.

Malaysian consumers are becoming increasingly value conscious, a trend driven by the increased competition in the aviation sector, particularly from Low Cost Carriers (LCCs). Competition within the Malaysian market is increasing as LCCs open up new shorter-haul destinations. Group travel still remains the mainstream in outbound travel however, partially packaged and fully independent travel (FIT) is fast growing as a result of pricing initiatives by airlines and travel agents.

Malaysia outbound travel continues to be buoyant and interest in long haul destinations, specifically Europe and USA remain high due to the competitive priced packages and a perceived stronger Ringgit.

Results from the latest MasterCard Worldwide Index of Travel report predict Singapore to show the strongest year-on-year growth of 23% amongst other countries in the Asia Pacific region, with more than 4 million departures for leisure and business purposes expected over the second half of 2008 despite an inflation pinch. Also, more women in Singapore (73%) made personal trips in the past 12 months than men. Meanwhile, Malaysians are expected to make 25.2 million departures for personal and business travel in the second half of 2008. Consumers are increasingly using the Internet as a source of destination information. The favourite personal travel destinations for Malaysians are China and Australia.

Consumers are very value conscious and are often stimulated to visit destinations based upon perceived deals and special deals driven by airlines. Access to good eating and shopping opportunities remain the key components when travelling. With travel becoming an integral part of both Singapore and Malaysia lifestyle like household items, travel agents are upbeat despite inflation and economy slowdown.

Aussie Specialists

Singapore

The Asian Aussie Specialist Program (ASP) was launched in Singapore in March 2001. As of September 2008, there were 277 individual agents from 45 agencies enrolled in the scheme. The Premier Aussie Specialist Program was launched in 2008 with 5 agents entering commercial and marketing partnerships with Tourism Australia (TA), where they are the primary qualified conversion point for TA lead campaigns. They provide a key role in Tourism Australia's marketing programs and actively extend the reach of the campaigns through their own marketing initiatives.

Malaysia

Participants in the ASP are all identified as strongly promoting and developing Australia as a holiday destination. There were 243 agency staff from 63 agencies enrolled in the program in Malaysia as at September 2008, with the majority of participants located in the Klang Valley.

Key Themes / Experiences Promoted in Market

Adelaide:	Lifestyle (food & wine), selected events and festivals, uniquely South Australia (Haigh's, Jurlique, Balfours Frog Cake etc.) and nature & wildlife (dolphin cruise and swim with dolphins)
Adelaide Hills:	Nature & wildlife, food & wine trails
Kangaroo Island:	Nature & wildlife, food & wine trails
Barossa:	Lifestyle (food & wine), selected events and festivals, uniquely South Australia (wine, Maggie Beers, Angas Dried Fruit, Lavender etc.)
Fleurieu Peninsula:	Nature & wildlife, food & wine trails
Limestone Coast:	Self-drive Melbourne to Adelaide, Great Ocean touring route, nature & wildlife
Flinders Ranges:	Wilpena Pound
Eyre Peninsula:	Seafood & Aquaculture Trails, nature & wildlife

Market Intelligence

Competition

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

Tourism Queensland has received a surge in its marketing budget due to its new directive to promote the Great Sunshine Way, where it has organised aggressive print campaigns with Etihad Airways and a consortium of 12 agents, as well as separately with Chan Brothers Travel targeting the self-drive and family segment. As part of its MOU with Singapore Airlines, it has launched an online campaign leveraging on expandable banners using contextual media channels such as Lonely Planet, Virtual Tourist and Asiarooms, as well as Yahoo! and MSN Messenger to reach out to the mass Internet audience.

In addition, Gold Coast Tourism has expanded its Singapore Office from 1 to 3 staff effective December 2007 to look after Asia. Gold Coast Tourism jointly with AirAsia launched a press ad campaign with a special fare of S\$70 per way from Kuala Lumpur to Gold Coast and S\$5 per way from Singapore to Kuala Lumpur.

Tourism Victoria continued its marketing effort in addition to its MOU with Singapore Airlines in which 2 series of full-page and colour advertorial in 'Straits Times' (about S\$50,000) were organised.

Tourism Tasmania intensified its marketing effort through joint collaboration with Chan Brothers Travel by mounting a series of full-page print campaigns in 'Today' to promote self-drive routes and travel packages.

Intense competition from regional destinations through aggressive marketing campaigns and trade marketing, particularly from Tourism Taiwan, New Zealand (a travelogue series with Chan Brothers Travel), Malaysia, Korea, Thailand, Japan, Macau and Hong Kong.

In response to the growing number of Singaporean tourists to the destination and the high Internet traffic for information search, the Japan National Tourist Organisation launched a web contest on 22 July as part of the Visit Japan Campaign with a monthly online quiz and photo contests through to 31 January 2009. Contestants can win free travel vouchers worth S\$300 to Japan in the monthly lucky draw, and the grand prize of a free trip to Japan worth S\$3,000 at the end of the website promotion in February 2009. A seminar was also organised for travel agents in Singapore in June to promote new winter products in Hokkaido and a flexible 4-day rail pass with a delegation from Hokkaido tourism industry.

Riding on the significant 70% growth in visitor arrivals from Singapore in the first 3 months of 2008, the Macau Government Tourist Office hosted the "Experience Macau" roadshow and "Meet In Macau" seminar in Singapore to showcase its tourism development and MICE facilities.

The European national tourist offices continue to increase their presence in the markets. At the Malaysia International Travel Mart consumer travel fair held in August 2008, South Africa, Turkey and Uzbekistan made their presence for the first time.

Meanwhile, France Tourism organised trade workshop, "Colours of France 2008" in Singapore (4-5 Sep), Kuala Lumpur (3 Sep) and Bangkok (1-2 Sep). Its 64-page sales kit "The Travel Agent's Guide to France" was also launched at the workshops.

As part of a 3-year campaign, the British Tourist Authority has launched a pan-regional lifestyle-themed promotional blitz, supported by television advertising on Star TV and Star Movies, and includes an online and print travel guide, all aiming to showcase the destination's heritage, culture, food and sports in a new way. A competition offering a host of travel prizes has also been launched in Singapore and Malaysia as part of the campaign's first-year activities. It also plans to roll out a product campaign that focuses on Dynamic Britain and Classic Britain to attract Singaporean visitors.

The Austrian National Tourist Office (ANTO) held a half-day workshop for Malaysian travel agents to introduce new tourism products and updates in Austria at Westin Kuala Lumpur on 10 March 2008. An online training website for agents was also launched.

Low Cost Carriers

Low cost carriers (LCCs) not only continue to aggressively expand routes in Asia but also to Australia, in particular Perth.

With the view that Singapore is the biggest source of Southeast Asian traffic to Australia, Jetstar Australia will commence daily A320 services between Perth and Singapore on 2 December 2008 with a special promotional fare of S\$8 for travel on selected flights between 1 December and 15 December 2008, and 3 February and 31 March 2009.

In addition, Tiger Airways increased its Singapore/Perth flights to 11 flights weekly from 1 June 2008, up from the previous 7 flights weekly. Between 18 June and 10 August, Tiger Airways increased capacity to offer two daily flights, bringing weekly scheduled flights to a total of 14. One-way fares started from S\$59.99 for travel until 25 October 2008.

The introduction of Tiger Airways on the Singapore/Perth route has resulted in a significant increase in competition on the route from traditional carriers, i.e. SQ and QF.

AirAsia X will soon commence flying to 2 new destinations in Australia from Kuala Lumpur. It will offer 6 direct weekly flights to Perth from 2 November and 4 direct weekly flights to Melbourne on 12 November. The new routes to Perth and Melbourne will be serviced by the airline's first, new wide-bodied Airbus 330 aircraft. This will be AirAsia X's 2nd and 3rd destination to Australia, after the Gold Coast, which it flew on 2 November 2007. One-way fares between Perth/Kuala Lumpur will be offered from A\$132 and Melbourne/Kuala Lumpur from A\$199, including airport taxes, surcharges and fees. For those opting for business class seats, the return fare is about RM2,000 from Perth. It is planning to increase to daily return flights for both Perth and Melbourne from March 2009.

AirAsia's route to the Gold Coast has been a huge success with 50,000 seats sold by mid-January valued at US\$15 million. A survey by AirAsia X passengers by the Gold Coast Airport indicated that 45% are destined for Gold Coast, 35% for Brisbane, and the remaining passengers use Gold Coast Airport as a convenient transit to final destinations in NSW, Melbourne, Adelaide, and New Zealand.

Jetstar announced on 23 January 2008 a new daily 1-stop service between Singapore and Melbourne, via Darwin commencing from 17 April. In celebration of its new services, it has offered a special 1-way fare from S\$8 and S\$88 to Darwin and Melbourne/Cairns respectively for travel between 17 April and 31 May 2008. It also offered a 1-way fare from Singapore to Darwin from S\$1 and to Melbourne from S\$148 for travel between 24 May and 24 June 2008.

As a result of the problems caused by high oil prices and the high costs involved with operating to Darwin Airport, Tiger Airways will suspend services between Darwin and Singapore, and between Darwin and Melbourne from 26 October 2008.

AirAsia has announced plans to expand its operations in the face of the bleak forecast made by IATA that global airline industry losses could reach \$5.2 billion this year. It is acquiring 175 Airbus A320 planes to be delivered until 2014 so as to increase its flights and add more routes. It's new order for an additional 10 Airbus A330-300 aircraft will fly from Malaysia to Australia, North Asia, India, the Middle East and Europe.

Meanwhile, Singapore's two-year old Budget Terminal will undergo a S\$10 million expansion to increase its handling capacity from the current 2.7 million passengers per annum to 7 million. The terminal's floor area will increase from the existing 25,000 square metres to 28,700 square metres. New facilities such as 7 check-in counters and 3 new passenger boarding gates will be added.

Airlines

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

An intensifying fare war between Malaysian Airline (MAS) and AirAsia has spilled into the open. MAS has organised several campaigns, including the "Everyday Low Fares" promotion for which Brisbane was one of the destinations on offer.

Meanwhile, Malaysia Airlines has reinstated two direct non-stop flights to Brisbane effective April 2008. It has also launched its new website, www.malaysiaairlines.com with its new look and more user friendly features to help increase the airline's internet penetration to 60% by 2010.

Key Highlights of Marketing Activities in 2007/2008

Singapore

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

Phase 7: September 2007 to end February 2008

Phase 8: 27 March to 3 August 2008

The BOA campaign, which ran from August 2004 (phase 1) to August 2008 (phase 8) was a great success. From the original target of 35,000, the campaign secured more than 42,423 bookings (as at June 2008). Despite the distribution network being reduced from 20 agents to 17, South Australia received 1,661 bookings with a gradual increase of market share from 2% (in 2004) to 7.5% (as at June 2008).

2. TA Unexpected Australia (17 February to 21 April 2008)

This campaign aimed to introduce new reasons for visiting Australia by promoting a wide range of new and unexpected Australian holiday experiences to the more mature Singapore market, in particular the singles/DINKs segment. A consumer contest was organised where 3 couples won an "Unexpected Australia Adventure" of their choice. They travelled with the radio DJs and shared their experiences via live radio broadcasts over 4 weeks. Daily blogging by the DJ's whilst in Australia was showcased on the Unexpected Australia website. The nine-week long campaign involved print, radio with Open Talk at FM91.3, and the online portal Unexpected Australia website hosted by AsiaOne. A media value of A\$55,700 was generated for South Australia. Three unexpected experiences at Barossa, Eyre Peninsula and Flinders Ranges were promoted jointly with 4 travel agents.

3. South Australia Brilliant Blend Fair (19 to 21 October 2007)

The inaugural 3-day consumer and trade outdoor event, "South Australia Brilliant Blend 07" was held at Marina Square shopping mall targeting the PMEBs. The event, jointly organised with the State Government of SA with support from Singapore Airlines and 12 travel agents and 12 trade exhibitors, showcased and promoted South Australia's top quality food and wine products, its versatile tourism attractions, variety of education establishments and wonderful lifestyle. Elements included a kids colouring contest, Coffin Bay oyster tasting, a preview of the Adelaide International Guitar Festival performed by Kerriane Cox, and travel packages. Approximately 7,000 visitors attended the event, more than S\$20,000 in sales was generated and about 12 travel package bookings were received at the fair.

4. Chan Brothers Travel Co-op South Australia Gastronomic Tour + Houseboat Experience (25 February to May 2008)

A joint campaign with Chan Brothers targeting the affluent Muslim segment in Singapore through a 6-Day Taste of Adelaide package featuring houseboat, shopping for SA local produce (Central Market/Port Adelaide) and a cooking lesson with local celebrity chef was organised with a special departure in May. The TV (with S\$200,000 worth of airtime generated), radio and print promotion featuring the Unforgettable Houseboat, city shopping scene, landscape and SA local produce created a lot of interest, even in the non Muslim segment.

5. Singapore Airlines MOU Campaign 08 (24 March to April 2008)

A campaign to support the MOU between SATC and SIA was organised and designed to present South Australia and SIA in an interactive manner through SA Mailman and a microsite (Brilliantblend.com) with a games element, Adelaide Brilliant Deal travel packages on offer and destination information. Part of the focus was to create viral and word-of-mouth marketing, and through web presence, create hype and awareness

of the destination. The viral marketing has been successful considering the number of registered users (more than 270) against the number of unique visitors at 2,872 unique visitors with 6,732 visits. The top downloads were the SATC Tourist Guide with 52 downloads and Adelaide Sightseeing Offer booking form with 36 downloads. More than 400 entries were received for the online contest, where a grand prize of 2 return air tickets and 3 nights accommodation in Adelaide was given. With the extensive marketing activities through print, radio and online, more than 20 bookings were generated for Adelaide Brilliant Deals, and as a result of the hype created, BOA sales for Adelaide in March hit an impressive number of 69 passengers.

- 6. Vitagen Consumer Promotion (March to April 2008)**
Leveraging Vitagen's advertising fund, a co-operative activity was launched with print ads in English and Chinese dailies and magazines, point-of-sales material and a consumer contest. Vitagen contributed about S\$50,000 in media buy and the SATC contributed an Adelaide trip for 2 couples. The campaign has created tremendous exposure for South Australia. About 3,100 consumers were added to the database and more than 35,000 contest entries were received.
- 7. Female Magazine Supplement (June 2008)**
Tapping on the growing and affluent female market, a double-page advertorial in Female magazine's June 2008 issue was organised to promote the key messages using a contest to engage readers. Contestants were required to submit their answers for the quiz incorporated within the DPS through reference materials from the advertorial. More than 100 entries were received.
- 8. SATC/ASA Holidays Joint Promotion (June to September 2008)**
The aim of this joint campaign was to develop the family segment and leverage the September and traditional year-end school holiday travel season to introduce new products, namely the Royal Adelaide Show as a highlight for special group departures in September, swimming with dolphins, Hel-a-va Jet Boat, and the Penfolds Make Your Own Blend tour. Elements of the campaign included tactical print advertising, radio promotion and online promotion through the SATC website.
- 9. SATC/SA Tours Joint Promotion (June to September 2008)**
Aimed at the family segment, a double-page advertorial with tactical travel packages in Motherhood magazine in July 2008 and a one month portal ad through Motherhood website with 50,000 unique visitors monthly was organised. In addition, a tactical print campaign in major dailies was mounted. About 3,000 (6%) people clicked through the portal ad and more than 43 bookings were received as at September 2008.
- 10. Media Famil – Self Drive in Limestone Coast TV Crew (Feb to Jun 2008)**
A media famil trip was organised for MediaCorp News from 25 February to 1 March 2008 under the theme "Self Drive in Limestone Coast". A total of 10 stories were aired in Channel U's Chinese prime time news, with each running for about 1.5 to 2 minutes followed by the first-ever integrated campaign supported by MediaCorp. A consumer contest was run on its highly engaging and interactive Chinese website, Xin.sg targeting the young and affluent population for 2 months. In addition, images and video clips of the Limestone Coast and suggested self drive itineraries were featured in the dedicated microsite. Positive feedback was received from consumers. Total media value generated was S\$145,000.

Malaysia

- 1. MSL co-op (29 January to 4 March 2008)**
Joint campaign with MSL Travel to leverage its cost efficient media buy in New Straits Time in January to March 2008. Editorial and a series of print ads promoting the tactical packages were organised. Packages promoted were MSL's in-house self drive packages, 4D/3N Relaxing Adelaide, 5D/4N Adelaide & Hills (with Barossa add-ons), 7D/6N Best of SA and 7D/6N Vines to the Ocean (ADL to MEL).
- 2. 'My Aussie Adventure' TV3 Broadcast / Best of Australia Campaign (3 March to 3 August 2008)**
Adapting the "Unexpected Australia" concept, a Team Australia broadcast initiative with TV3 was complemented with an 'Aussie Ambassador' recruitment drive campaign in Malaysia. The travelogue program on TV3 and NTV7 involved popular TV personalities and Aussie Ambassadors. The 30-minute episode on South Australia attracted 649,000 viewers and more than RM71,000 in media value was generated. The Best of Australia packages were the call-to-action featured on the My Aussie Adventure microsite where more than 58 passengers were generated for South Australia.
- 3. Adelaide Brilliant Deals**
As part of our continuous effort to expand South Australian specialists and distribution partners, Singapore Airlines' 5 top agents from Johor Bahru, a "new" secondary market in Malaysia were included in the Adelaide Brilliant Deals program (phase April to September 2008). The agents are AD Travel, KH Travel, Top, Sin Chung and Reliance. As a result, a consortium of 15 agents from Johor Bahru, Penang and Kuala Lumpur now promote the program.

Trade Shows / Consumer Events

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

The NATAS Fair is the biggest consumer show held twice yearly in Singapore. The three-day event in March 2008 attracted over 58,000 visitors and is highly recommended by the SATC. The 2009 event will run from 27 February to 1 March and will be held at the Singapore Expo. Please contact Marc Leopold (marc.leopold@tourism.sa.com) by end November 2008 to express your interest.

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

The MITF Fair is the biggest consumer show held twice yearly in Kuala Lumpur. The three-day event usually attracts 100,000 visitors. The March event is highly recommended by SATC. The next fair will be held from 13 to 15 March 2009. Please contact Marc Leopold (marc.leopold@tourism.sa.com) by end November 2008 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 trade and consumers respectively.

Media Famils

Key media have been targeted for several experiences for 2008/09 including food & wine, nature & wildlife, adventure & self-drive, romance, stylish living, and events.

Active Inbound Companies in the Region

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

Key Challenges

- High repeat visitation and over familiarity of Australia, hence lack the “wow” factor and urgency to book though preference is high.
- Changing consumer travel patterns to multiple short breaks per year due to competitive aviation environment driven by low cost carriers (LCC).
- Australia is perceived to be an expensive destination due to taxes and surcharges, and in addition the high exchange rate (before October 2008).
- Slow down in global economy somewhat affecting local economies.
- Losing share in group market and moving towards more FIT.
- Growing trend of consumers booking online and direct booking for hotels/tours. Though the Malaysian online environment has improved due to the nature of LCC, traditional media is still important for delivery of destination information.
- High consumer confidence and economic performance is creating a desire to explore further afield and new destinations within the region and Europe/USA.
- Travel trade knowledge lags behind consumers and large travel operators lack capability in selling experiences and new products.
- Intense competition from other destinations, emerging new destinations (like Eastern Europe, Middle East and India) and more direct access from airlines. Middle Eastern carriers servicing Malaysia makes Europe seems more attractive as a western destination with multi country options versus multi city in Australia.
- The emerging Malay middle class segment has the propensity to travel but lacks understanding of Australia’s capability in catering for their needs.
- Limited flight capacity despite daily service by SQ and other carriers, especially during peak seasons. Hence, exclusion of any global airfare promotion mostly.

Opportunities for Operators

- Participation in the biggest consumer fairs in Singapore and Malaysia – the NATAS Fair and MITF 2009.
- Hosting trade and media familiarisation tours. Tentative itineraries would include visits to Kangaroo Island, Fleurieu Peninsula, Barossa, Adelaide Hills and Adelaide city tours.
- Exposure of relevant products in the SATC's 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 the SATC's bi-monthly electronic newsletter (SAVVY), which is distributed to an 8,000-strong consumer database in Singapore and Malaysia.
- Inclusion of relevant products in SATC's tactical campaigns.
- Exposure of relevant products on SATC's Singapore website (www.southaustralia.com).
- Participation in ATE 2009.
- Joint sales visits to travel agent offices in Singapore and Malaysia can be arranged.
- South Australian Travel Exchange (tentative early September 2009).

Useful Tips – 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 patterns to capitalise (usually June and 3rd week in 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.