

## THE AMERICAS

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## **General Market Overview**

### **United States of America**

- Population: 305 million. Major Market Centers: California (36.5 million), Texas (23.9 million), New York (19.3 million), Florida (18.3 million), Illinois (12.8 million), Pennsylvania (12.4 million), Washington State (6.5 million), and Arizona (6.3 million).
- GDP Growth Forecast (Economist.com GDP Estimates. June 16, 2008): 2008 - 0.8%, 2009 - 1.1%, 2010 - 2.5%.
- GST/VAT: Sales tax at point of sale varies from state to state.
- Annual Leave Entitlement: Generally 2 –3 weeks

### **Market**

- The U.S. is the fourth largest source market for travellers to Australia, with 426,606 arrivals for the year ended June 2008. The research indicates visitor arrivals have remained stagnant when compared to the year ended July 2007 figure of 427,065.
- The overall visitor numbers from the U.S. to Australia for the first seven months of 2008 was 278,000, unchanged relative to the same period of the previous year.
- Qantas currently operates 35 non-stop services per week between Australia and the U.S. mainland. From October 2008, Qantas added capacity with the introduction of the A380 from Melbourne and Sydney to Los Angeles. Qantas now offers codeshare flights from Los Angeles, San Francisco and New York to 25 cities in the U.S., as well as six cities in Canada. The premium economy service is being progressively introduced on selected flights from Los Angeles to Sydney and Melbourne on 747-400 aircraft.
- United Airlines fly the following routes daily: LAX-SYD-MEL and SFO-SYD. Air Pacific, Air New Zealand and Air Tahiti Nui all offer one stop service to Australia from Los Angeles.
- V Australia will launch daily services between Sydney and Los Angeles from 28 February 2009. From 1 October 2008, international travellers visiting Australasia will be able to purchase the Virgin Blue Airpass starting from \$207. Brisbane will become V Australia's second destination.

### **Canada**

- Population:33.3 million. Major Market Centres: Ontario (12.9 million), Quebec (7.7 million), British Columbia (4.4 million)
- GDP Growth Forecast: 2008 - 1.0%, 2009 - 1.9%, 2010 2.4%.
- GST/VAT: 7% GST+ Provincial Sales tax
- Annual Leave Entitlement: 3-4 weeks

### **Market**

- The Canadian market is responsible for 115,000 visitors to Australia for the year ending June 2008. This represents an 11% increase in Canadian visitors coming to Australia when comparing the year ended June 2007.
- The overall visitor numbers from the Canada to Australia for the first seven months of 2008 was 74,200, representing a 13% increase compared with the same period in 2007.
- Air Canada continues to operate daily nonstop service between Vancouver and Sydney, which was launched in December 2007. Air Canada continues to operate a code share with Air New Zealand and Singapore Airlines. Air New Zealand will

increase their Vancouver – Auckland flights to 4 times per week in December. These flights connect easily with the AKL-ADL flight.

- Qantas Airlines have introduced code share services between Vancouver and Sydney with Alaskan Airlines. American Airlines is offering a code share flight from Toronto to Sydney.

## **Market Profile**

### **USA and North American Visitor Summary**

- South Australia received 49,800 North American visitors for the year ending June 2008. This is a 3% increase on the 12 months to June 2007.
- South Australia received 34,000 U.S. visitors for the year ending June 2008. This is a 5% decrease on the twelve months to June 2007.
- Package expenditure in South Australia for US visitors was reported at \$38m for the year ended June 2008. This is compared to \$36 million last year. Package expenditure in South Australia for Canadian visitors was reported at \$18 million for the year ended 2008, being the same level as the previous year. Source: IVS,

### **US Economic Environment**

- The American economic environment has been extremely volatile in recent months. Over the last year, Americans have been hit with a depreciating dollar (although the U.S. dollar has appreciated significantly in the last month), higher prices for energy and other goods, an economy that is operating at just above recession levels and a major credit crunch. The U.S. economy lost 605,000 jobs in the first eight months of 2008, and the jobless rate reached a five-year high of 6.1 percent in August.
- In September, the U.S. government took over major mortgage-finance companies Fannie Mae and Freddie Mac and insurer American International Group. Lehman Brothers Holdings filed for bankruptcy and Merrill Lynch & Co. was rushed into a merger with Bank of America Corp. A number of other banks and investment companies have been forced into bankruptcy this year whilst others have been taken over including banking giants Washington Mutual and Wachovia. On October 1, the Senate passed a revised \$700 billion rescue plan for the U.S. economy, being the largest bailout in history. The U.S. Treasury recently announced that it will implement this bailout, in part, by giving banks \$250 billion in return for shares of their stock.
- The combination of the above factors has caused consumers in all regions of the U.S. to be less confident about their financial situation than they were in June 2007 (according to the latest consumer confidence index).
- A study by market research firm GfK Roper Consulting states that nine out of 10 United States citizens are minimising discretionary spending due to current economic conditions. Concerns about inflation, oil prices and rising unemployment deter spending in many areas, but travel is not one of them.
- According to the GfK Roper study, 59% of Americans still plan to take a trip in the next six months that takes place at least 100 miles away from their home – a number only slightly below the 61% average of recent years. Vacations will still happen, albeit with altered plans as the report also shows that the majority of travellers will take trips closer to home and more likely within the continental United States instead of outside of the country.
- U.S. Air Transport Association have stated the cost of fuel per passenger is approaching 40% of the cost of a U.S. domestic airfare, compared to an average of 15% in 2007. United Airlines announced plans to lay-off 950 pilots from September 2008. United and Continental Airlines have recently entered a comprehensive marketing and operating alliance following failed merger talks earlier this year. United

forecasts its international capacity will fall by 1.5%-2.5% in 2008 and 4%-5% in 2009 (significantly less than forecast domestic declines).

- Delta Air Lines plans to cut total capacity by 4% in the second half of 2008 (cut domestic capacity by 13% but increase international by 14%). Delta and Northwest plan to merge but the merger is still to be approved by the US Department of Justice.

### **Canadian Visitor Summary**

- The Canadian market is responsible for 114,400 visitors to Australia for the year ended June 2008. This represents a 10% increase from June 2007.
- South Australia received 15,800 Canadian visitors for the year ending June 2008, compared with 12,500 visitors for the year ended 2007 and 16,100 for the year ended 2006. This reflects a 25% increase on visitor arrivals for the year ending June 2007, but a 2% decrease since June 2006.

### **Canadian Economic Environment**

- The downturn in the U.S. and the strength of the Canadian dollar is expected to cause Canadian real GDP growth to slow to 1% in 2008 but it is expected to recover to 1.9% in 2009.
- With persistent pressure from commodity prices driving up inflation in June, inflation is forecast to rise to 2.4% in 2008 and fall back to 2.1% in 2009. As the central bank's recent monetary loosening has ended and inflation is resurgent, no change in interest rates is expected until the second half of 2009.
- The Canadian travel market remains robust. Outbound leisure trips increased in the first five months of 2008 with Canadians making an estimated 14.1% more leisure trips to destinations outside the country compared with the same period in 2007. Canadians made an estimated 1.7 million outbound leisure trips in May compared with 1.5 million in May last year.

### **North American A-Team Wholesale Activities**

- Stella Travel Services North America: Since the arrival of Michael Londregan as Managing Director of Stella Travel Services, there have been major changes announced to the Stella group of brands and partnership configuration.

As of the end of this year, the brands of ATS, Newmans and Jetabout Asia will be merged into a single brand named Travel2, which will be positioned as a wholesale or business-to-business brand, specialising in long haul travel. Qantas Vacations will continue to operate its retail and wholesale business, positioned as a market leader for leisure travel to Australia and New Zealand. Stella has also launched its retail brand, Travelscene, which will aim to be the leading online/offline retail specialist for long haul destinations.

The other major change announced relates to the implementation of the Stella Select Partnership. As the name suggests, Stella has decided to pursue the strategy of working with fewer operators in order to gain leverage in areas such as familiarisations and training, as well as to deliver noticeable increases in business delivered to these partners. A total of 62 organisations across the South Pacific and Asian regions will be part of the program.

SATC has committed to being a platinum partner in the program for 2008/2009. The sponsorship entitles SATC to priority pick in areas such as sales and marketing events, incentives with staff, media and famils. This commitment continues the close relationship that SATC has had with the Stella family of brands over a number of years.

- Down Under Answers: Kirk Demeter's Seattle-based company now shares its office with sister brand Abel Tasman Tours and has a combined staff of 29. DUA remains the largest wholesale leisure client of Air New Zealand and biggest client of AOT in North America. Down Under Answers has recently implemented a campaign themed 'Release your Inner Australian' that will leverage the publicity and promotion surrounding "Australia" the movie and revolve around the themes of romance, adventure, journeys and indigenous.

SATC will continue to work closely with DUA in 2009, including leveraging their strong relationships with many Premier Aussie Specialists. DUA was once again voted the Best Wholesaler by the Aussie Specialists during Corroboree this year (they have won 6 out of 7 years) and also the best large wholesaler at the OZtalk awards.

- Goway Travel: Headed by Bruce Hodge, Goway has grown to 180 staff in the Toronto office, 70 in the Vancouver office and 50 in Sydney as part of their inbound tour operations. Presently, the U.S. provides 40-45% of North American business. The company reports that sales to Australia are relatively flat in Canada and in a decline in the U.S. Africa is showing growth in both countries, and especially out of the U.S., whilst Asia is relatively flat. Goway produce a consumer magazine called "Globetrotting with Goway" which is distributed to their database of clients (325,000 copies), which SATC has participated in the last few years. Goway was the exclusive travel partner during G'Day Vancouver in April 2008.
- Swain Tours: Under the direction of company founder Ian Swain, this wholesaler based in Philadelphia employs thirty staff. Swain Tours continues its position as a contracted wholesaler for United Airlines through the brand United Vacations. The company is now accepting online bookings through the United Vacations website and has reported significant increase in business to Africa and Asia over the last year.

Swain Tours will focus on leveraging relationships with the Virtuoso consortium in 2009, including a feature in Virtuoso's Best of the Best publication. The company reports that high-end bookings have remained strong and will consequently focus on high yield consumers. Grant St.Clair, who is the highest producing reservation staff member, continues to sell South Australia heavily and has recently returned from a trip to Kangaroo Island.

### **Other Wholesale Announcements**

- At the end of 2007, Flight Centre purchased GoGo Worldwide Vacations and Liberty Travel. GoGo Worldwide Vacations launched their Australian product range to their network of agents in September. This range is fed by Flight Centre's Global Product platform. GoGo has more than 40 offices throughout the United States servicing over 18,000 travel agencies.
- Travel Impressions / AMEX Vacations are planning to release their Australian brochure near the beginning of 2009. They will be using ATS Pacific as their inbound operator. AMEX Vacations (one of five highly preferred suppliers for American Express) is a brand under the Travel Impressions group and is currently the fastest growing segment of the Travel Impressions portfolio. AMEX Vacations will be sold exclusively through AMEX leisure travel offices and directly to consumers. They currently have a 51 person sales force with more to be added soon.
- The Thomas Cook Group purchased Fun Sun Vacations and their family of brands – including Intair, Exotik Tours and Boomerang Tours.

- Anderson Vacations based out of Canada has rolled out a new division, providing customised vacations to The South Pacific. They have placed special focus on their technology platform to allow the retail market to book in a real time. Their site is [www.DownUnderSolution.com](http://www.DownUnderSolution.com), and 60% of the Anderson call centre and executive team are from the South Pacific.

### **Key Marketing Activities in 2007/2008**

Qantas Aussie Airpass: This has continued to be the key tactical approach by TA and Qantas Airways in North America. The Airpass starting fare has been increased once again this year to US\$1,199 before taxes and fees, compared with US\$1,099 at the same time last year. With the strength of the Australian dollar for much of the year, Qantas business on the Trans Pacific routes has been strong due to the high number of Australian passengers traveling to the US.

### **Key Trade Marketing Activities**

#### Air New Zealand

- \$250k joint campaign between SATC and Air NZ in May/June in collaboration with Down Under Answers, Swain Tours, Goway and Pleasant Holidays. Utilised online advertising placements with popular travel sites such as Travelzoo, Frommers and Tripadvisor and also in major print publications in San Francisco and Vancouver.

#### Swain Tours

- An online campaign was conducted from March-May focusing on Southern Australia experiences. This included a series of e-blasts to 1.5 million United Airlines Mileage Plus members and included an offer of 500 – 5,000 bonus miles with the packages.

#### Jetabout Group

- SATC was the primary sponsor for 'Stars of Australia' event on Rodeo Drive, in partnership with Qantas Vacations and Qantas Airways. The event focused on promoting premium South Australian wines and travel to high-end consumers in the West Los Angeles area.
- Online ad placements and email blast campaigns were conducted with Qantas Vacations and ATS, including a campaign aimed at Ivy League Graduates.

#### Virtuoso

- SATC participated in the Virtuoso Australia LBD (Local Business Development) sales and marketing initiative. The program run by this high-end consortium included advertorials in Virtuoso Life magazine, direct mail pieces to Australian specialist consumer databases, on-line training with Virtuoso Opal and Gold agents, inclusion on virtuoso.net and an educational.

#### Wild Australia

- SATC partnered with Tourism Australia, Tourism Tasmania and the Northern Territory Tourist Commission in the Wild Australia promotion, targeting niche and special interest groups. The main component of the program involved attendance at the Educational Travel Conference in Baltimore. Two SA operators attended the conference, which attracted over 500 delegates.

## **Key Consumer Marketing Activities**

South Australia Wine Reception – The Grove

- SATC hosted a wine reception for 204 members of The Grove's customer loyalty program in January during G'Day USA week. The Adelaide musical group, E-Type Jazz performed for guests. Wagstaff Worldwide arranged for over 20 media to attend a briefing from Deputy Premier, Kevin Foley. SATC also arranged a dinner focusing on renewable energy for DTED at The Grove after the wine reception.

G'Day Vancouver

- SATC in partnership with Tourism Australia conducted a consumer event in Vancouver at Telus Science World. The exhibition of unique Australia flora and fauna ran from 1st April 2008 – 30th June 2008 and attracted over 125,000 visitors. SATC successfully acquired a mounted Tamar Wallaby, Echidna, Sea Lion Skin and Kangaroo fur from the South Australian Museum that was displayed during the exhibition.

## **Public Relations**

Top Media Placements for South Australia for November 2007-October 2008 included:

- New York Times
- New York Times T: Travel Magazine
- Town & Country Travel
- Departures
- Men's Journal
- Elite Traveler

Upcoming Media Placements include:

- Travel & Leisure
- Robb Report
- Forbes Life

## **Media Visits to South Australia 2007/08**

Jaime Gross visited Kangaroo Island for a feature story that ran in the 18 May 2008 issue of *New York Times' T: Travel Magazine*. An additional story on Adelaide ran in the fall 2008 issue of *Town & Country Travel*.

Bruce Schoenfeld visited South Australia for two stories that will appear in upcoming issues, one on Kangaroo Island and one on three Australian wine regions to include McLaren Vale.

As a result of the SATC/ Tourism Victoria/ Tourism Australia famil, Nicole Alper's stories have run in the following publications:

- *Modern Bride*—Southern Ocean Lodge was featured in world's best honeymoons story section on Australia in the September issue
- *Celebrated Living (American Airlines' First Class in-flight publication)*—included Adelaide Hills restaurant Locavore in her 20/20 Food and Wine trends six-page feature in September issue
- *Sierra Club*—story on Kangaroo Island ran in September issue
- *Chicago Sun Times*—story has been submitted to editor; run date has not been confirmed to date

Dena Braun's article will appear in an upcoming issue of *Paradise*.

Raul Barreneche of *Elle Décor* and *Architectural Record* will have the following stories published:

- *Elle Décor* - Southern Ocean Lodge included in September 2008 issue of “What’s Hot! News” section
- *Architectural Record* - feature on Southern Ocean Lodge will run in the December issue of this publication, which is the most prestigious professional U.S. architecture magazine; they are featuring several cool new hotels around the world in that issue, SOL among them

Dave Johnston will have a feature story in an upcoming issue of *Lexusmagazine*.

Rima Suq, Cleo Glyde, Adrienne Egolf, and Scott Goetz visited Kangaroo Island and the Barossa.

- *Organic Spa*—first person feature on Kangaroo Island to run in December issue
- *Town & Country Travel*—feature on Southern Ocean Lodge ran September issue
- *Islands*—[www.islands.com](http://www.islands.com) July/August issue ran story on “Best Islands to Live On” that features KI; she is also doing a feature article on her trip that will run in the April/May 2009 issue and some smaller pieces between now and then
- *Islands*—Kangaroo Island received two full pages in feature article entitled “The 10 Greatest Islands to Call Home” in the August 2008 issue
- *Islands*—feature story on Kangaroo Island will run in April 2009 issue
- *Destination Weddings & Honeymoons*—2/3 of a page article on the Barossa Valley featured in the “Love at Large” section in the Fall 2008 issue
- *Elite Traveler*—Southern Ocean Lodge featured in the July/August issue’s annual 101 Best Suites in the World story
- *Elite Traveler*—South Australia featured in the cover story on “Elite Cuisine Worldwide” in the Australia section; this was as a result of writer’s attendance on April famil; full page includes color photos of Southern Ocean Lodge dining room and dish from Appellation, as well as information on Adelaide Central Market, Barossa Gourmet Weekend, Appellation and The Louise, Maggie Beer’s Farm Shop, Southern Ocean Lodge, Penfolds, and Torbreck Vintners
- *Modern Bride*—story on Australian honeymoon destinations including Southern Ocean Lodge to run in an upcoming issue

Julie Earle’s one-page feature on Southern Ocean Lodge appeared in *Departures* in July/August “Explorers” issue.

Laurie Kahle’s story on Southern Ocean Lodge and Kangaroo Island will run in the November issue of *Robb Report*.

Jonathan Miles’ November cover story in *Men’s Journal* on Hugh Jackman also included a half page travel story on his experience at the Prairie Hotel.

Barbara and Leon Keer’s September and October stories on Kangaroo Island and Life is a Cabernet ran as result of their visit in all of the Splash online publications worldwide.

Writer, Liz Mazurski visited Adelaide and Kangaroo Island for stories for *Spa Magazine*, *Marin Magazine*, and possibly *InStyle* and Modern Luxury publications.

Writer, Tamara Moore visited Kangaroo Island and the Adelaide Hills. She will be working on stories for Canada publications, *West of the City*, *Dreamscapes*, and [luxurytravelandlife.com](http://luxurytravelandlife.com).

Spud Hilton visited South Australia on his own for three stories for the *San Francisco Chronicle*.

### **Trade Events**

- The New Product Workshop held in March 2008 in Redondo Beach, California. Two SA suppliers attended the event, which attracted 20 wholesale product development managers.
- OZtalk showcased almost 80 tourism operators to approximately 200 wholesaler reservations and sales staff. This year's program was comprised of events in Manhattan, New York and Orange County, California. Six SA operators participated in the event. In addition to the OZtalk event, SATC held an OZtalk media lunch that was attended by 7 highly regarded media based in the Los Angeles area. Two SA operators visited Toronto to participate in Goway's POWWOW event, prior to the OZtalk event in the east.
- This year's Corroboree was renamed 'Corroboree the Movie' and was created by Tourism Australia's Americas office inspired by the themes and concepts of the Twentieth Century Fox movie, "Australia". A total of 160 Aussie specialists attended the event from the United States and Canada. SATC and six SA operators participated in the event.

### **Trade Famils**

- AMEX Walkabout: Ten agents (most of whom deal with Centurion and Platinum AMEX card holders) travelled to Adelaide, Fleurieu Peninsula, Kangaroo Island and the Adelaide Hills, and were escorted by John Daw.
- Virtuoso LBD Educational: SATC partnered with Southern World for the Virtuoso LBD Educational (27 April-7 May). The educational consisted of 12 Virtuoso agents along with Cathy Holler (Managing Director of Destination Sales - Virtuoso) and Michelle Gysberts (Vice President Tourism Australia, North America). The group, which was escorted by Matt Guy toured around Kangaroo Island, the Barossa Valley and Adelaide.
- Corroboree: Eleven agents visited South Australia from 17 to 23 August, touring the regions of Adelaide, Kangaroo Island, Coober Pedy and returning to Adelaide on the Ghan. Rebecca Sewell hosted the group, with the majority being Premier Aussie Specialists.
- Down Under Answers Famil: Kirk Demeter, President, escorted a group of 12 top performing DUA agents to South Australia from August 21-24. The trip included the regions of Kangaroo Island and Adelaide.

### **SATC North America Focus for 2008/09**

#### **Trade Activities**

- SATC North America will undertake cooperative marketing activities with wholesalers that have strong consumer brands that fit with the 'travel in style' target segment. Significant promotional campaigns will be undertaken with Stella Travel Services, Down Under Answers, Swain Tours and Goway Travel that will aim to leverage these brands to maximise marketing effectiveness and reach. Staff training, sales incentives, consumer promotions, online promotions and famils will be initially directed to these key wholesale partners.

To leverage the publicity and promotion surrounding "Australia" the movie and the themes of romance, adventure, journeys and indigenous, individual campaigns will be conducted with both Stella Travel Services and Down Under Answers.

- The SATC will continue involvement in the Virtuoso Australia Destination Development and AMEX Walkabout programs. The 2008/2009 Virtuoso program will incorporate advertorials in the renowned Virtuoso Life magazine, direct mail pieces, e-blasts, coverage on virtuoso.net, an educational to South Australia and training with the 150 opal and gold level agents. SATC will also participate in the 'Taste of Australia' restaurant promotion, which involves over 60 consumer evenings at high-end restaurants across America, hosted by opal and gold level Virtuoso agents.

SATC will direct efforts towards increasing knowledge and sales amongst Centurion and Platinum AMEX call centre offices and will conduct training visits in conjunction with Air New Zealand across the 8 call centres located across America.

- The focus of the SA specialist program for the next year will be providing agents with the best online sales and training tools available.

SATC is planning to incorporate an online training component to the southaustralia.com North American site that will be available to trade only. Through utilising a web conferencing program, training sessions that were conducted by SATC and A-team operators will be placed online. A comprehensive online sales tool kit will also be produced that will educate agents on how to package and sell South Australia more effectively.

The SATC's focus will be on driving consumer leads to the retail agents through marketing activities that promote the website and toll free numbers. SATC will also continue to conduct low cost grass-roots events with a select group of SA specialists.

- In 2009, SATC North America will participate in OZtalk, New Product Workshop, Virtuoso Travel Mart, Stella Select Symposium, Down Under Answers event, Swain Awards and Goway POWWOW.
- The SATC will continue to work cooperatively with Air New Zealand on trade promotions, consumer promotions and public relations activity. Building upon the consumer campaign carried out in 2008, SATC plans to conduct another integrated marketing campaign that promotes a minimum four-night stay in South Australia, utilising the nonstop flights between Auckland and Adelaide.

### **Consumer Activities**

- The North American version of southaustralia.com is due to be launched at the end of 2008. The new site will place an increased emphasis on directing consumers to our wholesale and retail partners and place greater branding on South Australia's iconic attractions. The site will enable consumers to sign up to receive online e-blasts from the North American office, which will include vacation ideas and packages from our distribution champions. The SATC will direct significant efforts to building a database of 'travel in style' consumers through web activity and various consumer promotions discussed below.
- This year, the SATC will host a minimum of 5 small, intimate consumer nights aimed at educating affluent travellers about visiting South Australia. The first of these evenings was held on 12 November. Additional events are scheduled for Los

Angeles, San Diego, Orange County, the San Francisco Bay Area, Vancouver, and Toronto.

- SATC North America will participate in the Australia Week activities planned for January 2009. En route to performing at Carnegie Hall in New York City, the Adelaide Symphony Orchestra will first stop in Los Angeles and will perform at Royce Hall in Westwood, CA as part of G'Day USA. This event is being sponsored by the SATC and following the performance an exclusive South Australia reception at Napa Valley Grille aimed at American consumers will be held.

SATC will also participate in a boutique of Australia's premium experiences for the Beverly Hills elite consumer and the KCRW (public radio) audience. The Tourism Australia event will include premium Australian tourism product, new indigenous experiences and interactive Aussie entertainment. The event will take place at the Paley Center for Media.

- The Lark Creek Restaurant Group has 10 restaurants in the San Francisco Bay Area and is a \$45,000,000 company. They are one of the most well known and most award-winning restaurant groups in California. The SATC will bring members of their team including the co-founder, president & CEO, the Vice President Beverage & Service, the Vice President and Culinary Director, Lark Creek Restaurant Group to South Australia in March 2009 for a 10-day South Australian food and wine immersion trip. In September or October 2009 they will run a month-long promotion at all of their restaurants, which include special SA menu items, an SA wine list, the sale of SA products in their restaurants' boutique stores, and much more. The SATC is also considering bringing an A-list journalist along to do an article about the trip.
- The SATC has committed to participating in Project Fox Canada in partnership with Tourism Australia. The strategy is to leverage the buzz created by Fox around "Australia" the movie by placing specific Australia messages into the marketplace across Canada via a number of platforms including Metro Canada Newspaper, Flare magazine, National Post Newspaper and Jacob's Creek promotional neck tags. In all cases, the plan is to attract and qualify leads via database opt-in mechanisms to allow further engagement beyond the specific promotion.
- The SATC is working with Trek Travel, one of the official sponsors of TDU and Kinesys sunscreen to promote this event through a trip giveaway contest.
- During this financial year SATC North America is focusing on small, targeted media visits, one to be hosted by Mary Wagstaff in the spring, and one to be hosted in early December by Trisha Cole. Additionally they are working directly with journalists with confirmed story assignments to bring them to South Australia on an individual basis. SATC is also working closely with Tourism Australia and the other state tourism offices to develop press visits for multiple states.

The SATC continues to send out monthly press releases and is actively pitching stories to key target publications. In addition they will be traveling to New York in January to meet with editors and A-list freelance journalists on their own turf. A media lunch with SA operators was held in August 2008 in Los Angeles and the SATC North America office will hold another one in March in conjunction with the New Product Workshop.

### **Active Inbound Companies in the Region**

- AAT Kings
- Australian Pacific Touring
- Australia One
- Australian Outback Travel
- Australia 2 See
- Beehive
- Bob Wood
- Goway Travel
- Pan Pacific
- Southern World
- Qantas Holidays
- Swain Tours

### **Key Challenges**

1. America is entering an economic period and climate that is volatile and unpredictable. Economic pundits are uncertain with respect to the length and severity of the current economic slowdown. Many sources report luxury travel bookings remain steady, however there is some risk that even the more resilient 'travel in style' segment will feel the effect of the downturn in the next year.
2. Many of the SATC's key wholesale partners continue to expand their portfolios of destinations. Additional marketing efforts are being directed towards destinations such as Africa, Asia and the Middle East. These destinations are also receiving increased interest from the North American consumer, aided by attractive currency rates.
3. North Americans have a difficult time grasping where SA is and what it means specifically. It is a challenge to educate consumers in North America, which continues to be the most expensive and cluttered market in the world in relation to advertising.
4. Tourism Australia continues with the Aussie Week promotional concept, in partnership with Qantas, which highlights 7 night stays in the three gateway cities of Sydney, Melbourne and Brisbane. This campaign gets significant coverage during G'Day Australia week, with the message not directed at dispersal across other regions such as South Australia.
5. Travel partners and news sources are beginning to report a reduction in the numbers of vacations being booked by middle-class consumers. It is evident that many organisations are redirecting their marketing efforts towards the deluxe or luxury segment. With the 'travel in style' segment being the focus for SATC the next year, it is likely that increased promotional efforts will be directed at this segment from competitor destinations. Maintaining and increasing market share amongst the segment will remain an ongoing challenge.

## Key Opportunities

Despite the challenges listed above, there are a number of compelling reasons for South Australian operators to be involved in marketing activities in the U.S. and Canada over the next year.

Fox will be spending millions of dollars promoting "Australia" the movie in the U.S. and Canadian markets, which promises to be the biggest advertisement for Australia since Crocodile Dundee. The themes of the movie are very much aligned with South Australia's product offering and the messaging of the movie will promote seeking Australia's more diverse experiences, not necessarily the three icons of the Reef, Rock, and Opera House. South Australian operators can capitalise on the excitement around the movie, through participation in trade and consumer training and promotions.

Despite uncertainty in the US market, Canada is still showing growth, largely due to the resources boom. The SATC is also aligning itself with key partners to focus primarily on the 'travel in style' segment of the market, as this will be the market least affected by the prevailing economic conditions. South Australia is also receiving an increased amount of interest from trade and media with the introduction of properties such as Southern Ocean Lodge. SATC North America received more media coverage in the North American market for the State in 2007/2008 than any other year. We want to continue to capitalise on the media and trade's excitement for and about the State.

As mentioned previously, many of the wholesalers are expanding their portfolio, meaning now more than ever is the time to have a presence in the market. This is a market where repetition is key. Even if operators have presented their products, it is imperative to revisit and remind the trade of the unique and world-class experiences available in South Australia.

Please find below a number of opportunities for operators to be involved in over the next year:

- New Product Workshop, 26<sup>th</sup> – 27<sup>th</sup> March 2009
- OZtalk North America, Date TBA
- Corroboree North America, Date TBA
- Australia Week LA/NYC/SF, January 2008
- G'Day Canada, Vancouver, Date TBA
- Online webinars with SA specialists
- Independent trade training visits
- Inclusion in media famils
- Inclusion in 08/09 Product Manual
- Inclusion in the Trade Self Famil Program

If you would like further information on the above opportunities please contact Matt Guy, Marketing Coordinator – NZ & The Americas on 08 8463 4608 or email [matt.guy@tourism.sa.com](mailto:matt.guy@tourism.sa.com).

**DISTRIBUTION CHAMPION WHOLESALE PARTNERS 08-09**

<b>Company</b>	<b>Key contacts</b>	<b>South Pacific Staff</b>	<b>SA Product Brochured</b>	<b>• Comments</b>
Stella Travel Services (Travel 2, Qantas Vacations, Travelscene)	Michael Londregan Kieron Keady Monica Wilson Amanda Behre Mark Punshon Ruth Daly Sarah Henderson	90	New brochure will come out in 2009 under the Travel 2 brand  Adelaide/ KI / Barossa/ Flinders / Coober Pedy/ Clare Valley / Fleurieu/ / Adelaide Hills	<ul style="list-style-type: none"> <li>• Travel 2 brand will be a merge between ATS, Newmans and Jetabout Asia wholesale brands. Qantas Vacations will continue to operate its retail and wholesale business.</li> <li>• TravelScene, will be an online/offline retail specialist for long haul destinations.</li> <li>• Special coverage will be given to suppliers who are part of the Stella Select program. SATC will be a platinum STO partner, being the highest tier.</li> </ul>
Swain Australia Tours / United Vacations	Ian Swain Sarah Miller Diana Swain	30	75% Australian content. Adelaide / Barossa / Clare Valley / Kangaroo Island / Coober Pedy / Flinders / Fleurieu Peninsula / Limestone Coast	<ul style="list-style-type: none"> <li>• Contracted wholesaler for United Airlines.</li> <li>• Strong relationship with Virtuoso affiliated agents</li> <li>• Very strong supporters of SA</li> <li>• Mostly FIT travel</li> <li>• Focus is luxury, but will accommodate any budget</li> </ul>
Down Under Answers	Kirk Demeter Kerryn Cook Jane Osborne	29	70% Australian content. Adelaide / Adelaide Hills / Barossa / Kangaroo Island/ Flinders Ranges/ Coober Pedy. DUA have an Australia/New Zealand/ South Pacific brochure, an APT and AAT Kings wrap brochure.	<ul style="list-style-type: none"> <li>• Are strong supporters of SA</li> <li>• Moderate to deluxe travel</li> <li>• Share the same office as Abel Tasman Tours</li> <li>• Strong relationship and business with Premier Aussie Specialists.</li> </ul>
Goway Travel	Bruce Hodge Emma Cottis	40	70% Australia content. Adelaide / McLaren Vale / Adelaide Hills / Barossa / Kangaroo Island / Fleurieu Peninsula / Flinders / Clare Valley / Coober Pedy	<ul style="list-style-type: none"> <li>• Sell all levels of travel</li> <li>• Great Supporters of SA</li> <li>• SATC has supported Globetrotting Newsletter which reaches 325,0000 readers</li> </ul>

## OTHER WHOLESALE PARTNERS 08-09

Abel Tasman Tours	Janelle Cook	4 (office shared with DUA)	FIT Brochure – 5 pages on SA including Adelaide, Coober Pedy, Barossa, KI and Ghan, Escorted (APT Wrap) Adelaide/KI/Barossa/ Coober Pedy	<ul style="list-style-type: none"> <li>• FIT's</li> <li>• Middle-market traveller</li> <li>• Are strong supporters of SA</li> </ul>
Above and Beyond Tours	Kevin Kailey	2	75% Australian product in brochure. Adelaide / Barossa / Clare Valley / McLaren Vale/ Kangaroo Island / Flinders Ranges	<ul style="list-style-type: none"> <li>• Gay and Lesbian Travel specialists</li> </ul>
Absolute Travel	Ken Fish Michael Rubinstein	12	25% Australian content Adelaide/ Kangaroo Island/ Barossa/ Flinders Ranges	<ul style="list-style-type: none"> <li>• FIT only</li> <li>• Specialise in luxury and romance</li> <li>• Include SA in about 40% of their travel programs</li> </ul>
Anderson Vacations	Corey Marshall Karen McCardle	9	50% Australian product in brochure Adelaide / Barossa / McLaren Vale/ Kangaroo Island / Murray River/ Limestone Coast/ The Ghan	<ul style="list-style-type: none"> <li>• Just launched into the South Pacific market this year.</li> <li>• FIT and escorted holidays</li> <li>• Use House of Travel as inbound company</li> </ul>
Antipodes Tours	Hank Kallio Sandra Kallio	6	No brochure Adelaide/ Kangaroo Island featured in brochure	<ul style="list-style-type: none"> <li>• Focus on Deluxe FIT travel</li> </ul>
ANZCRO	Dan Knutzen Jill Hoar	5	90% Australian content in Australian & Pacific islands brochure Adelaide/ Barossa/ Kangaroo Island/ Flinders Ranges/ Murray River	<ul style="list-style-type: none"> <li>• Specialise in FITs</li> <li>• Owned by Guthrey's New Zealand</li> </ul>
Aspire Downunder	Sharon Tidbury Phil Tidbury	5	55% Australian content in FIT brochure. Use an APT wrap brochure and ATS Australia White Label FIT brochure Adelaide / Barossa/ Kangaroo Island / Flinders Ranges	<ul style="list-style-type: none"> <li>• Specialises in FIT for mid-higher range traveller.</li> <li>• Aspire focuses on New York, New Jersey and Connecticut market.</li> <li>• Focus on consumer direct with an emphasis on web and classified advertising.</li> </ul>
Brendan Tours	Liliana Cervantes Gordon Dirker	12	80% Australian content. Adelaide, Barossa / Clare / Flinders / Coober Pedy / Kangaroo Island /	<ul style="list-style-type: none"> <li>• Sell worldwide travel</li> <li>• Work very closely with retail travel agents</li> <li>• Cater for all budgets</li> <li>• 50% of business is FIT</li> </ul>

Classic Vacations	Joelle Arriola Yvette Broussard	50	70% Australian content. Adelaide, Barossa / Kangaroo Island	<ul style="list-style-type: none"> <li>• New brochure launched this month and new website launching in January 2009</li> <li>• Specialise in deluxe FIT travel</li> <li>• South Pacific product launched in 2007</li> </ul>
Collette Vacations	Jaclyn Sullivan	20	Brochure has 80% Australian content. South Australia included in two out of the seven Australia/NZ featured tours. Adelaide/ Barossa / Coonawarra / Ghan	<ul style="list-style-type: none"> <li>• Operates group escorted vacations in Australia</li> <li>• 60% of business is group direct/wholesale and 40% is retail.</li> <li>• Approx 4,250 pax to Australia</li> </ul>
Costco Wholesale Travel	Rena Peterson Susie Slappey	35	Brochure has one dedicated Australian page with 5 Australian itineraries. One of the packages includes Kangaroo Island. The brochure is updated biannually.	<ul style="list-style-type: none"> <li>• Large consumer database of subscribers - 28 million; 500 warehouses across the US.</li> <li>• Send out direct mail pieces to select customers.</li> <li>• Revamping new marketing plans.</li> </ul>
Downunder Endeavors	Corinne Goodman	3	No brochure	<p>Target:</p> <ul style="list-style-type: none"> <li>• FIT</li> <li>• Honeymoon</li> <li>• Niche Groups</li> </ul>
GOGO Worldwide Vacations	Dean Smith Beth Kaplan	25	Brochure has 60% Australian content. Adelaide/ Barossa / Kangaroo Island / Ghan	<ul style="list-style-type: none"> <li>• Flight Centre purchased GoGo Worldwide Vacations and Liberty Travel.</li> <li>• Australian product range and brochure launched in September.</li> <li>• GoGo has more than 40 offices throughout the United States servicing over 18,000 travel agencies.</li> </ul>
Grand Circle Corporation	Simon Kay Patti Vega	10	60% Australian content	<ul style="list-style-type: none"> <li>• Target Seniors' travel</li> <li>• Escorted Tours.</li> </ul>
Great Expeditions	Marjanna Helwig	2	No brochure	<ul style="list-style-type: none"> <li>• Specialize in customized itineraries</li> <li>• Nature based</li> <li>• Horse-riding</li> <li>• Adventure</li> <li>• Romantic travel</li> </ul>
Happy Vacations	Claire Abot Kit Garrett Aretha McLean	25	100% Australian content. Adelaide / McLaren Vale/ Barossa / Kangaroo Island / Coober Pedy / Eyre Peninsula	<ul style="list-style-type: none"> <li>• New to market, 2008 is the first full year</li> <li>• Specialise in luxury FITs, honeymoons, small groups, soft adventure vacations</li> </ul>
Kangaroo Tours, Brazil	Craig Bavinton	4	50 % Australian content. Adelaide / South East / Kangaroo Island	<ul style="list-style-type: none"> <li>• Top selling Australian tour operator in Brazil</li> </ul>

Koala Tours	Dom Pitteri	2	70% Australian content Adelaide / Kangaroo Island / Barossa / The Ghan	<ul style="list-style-type: none"> <li>• Focus on deluxe FITs</li> <li>• Good supporter of SA</li> </ul>
Pleasant Holidays	Nadine Lu Amy Comparato	30	65% Australian product. Adelaide / Kangaroo Island / Barossa / Clare Valley / Adelaide Hills / Murray River / Coober Pedy / Flinders	<ul style="list-style-type: none"> <li>• Moderate to Deluxe travel</li> <li>• Cover most markets</li> </ul>
SITA World Tours	Caroline Kenney Susan Neva	3	No Brochure Website includes Adelaide/ Kangaroo Island/ Barossa/ Flinders	<ul style="list-style-type: none"> <li>• Moderate to Deluxe travel</li> </ul>
Travel Impressions/ AMEX Vacations	Francesca Bonavita Stephen McPartland Laura Demaio	TBA	Travel Impressions are planning to release their Australian brochure near the beginning of 2009.	<ul style="list-style-type: none"> <li>• Will cater to Deluxe market</li> <li>• ATS Pacific will be the inbound operator.</li> </ul>
Springboard Vacations	Warren and Ruth Grau	9	60% Australian content. Adelaide / Adelaide Hills / Kangaroo Island / Barossa / Clare Valley / Ghan	<ul style="list-style-type: none"> <li>• Focused on deluxe themed vacation packages</li> <li>• Have separate brochures named 'Hip Places and Cool Adventures', 'Cool Capers for Kids' and '10 Sexiest Places'.</li> </ul>

For further details, please contact the SATC Office in Los Angeles on email [john@southoz.com](mailto:john@southoz.com). Alternatively, visit [www.coastnorthamerica.com](http://www.coastnorthamerica.com).