

Country Profile: Australia 2017

1. Global Tourism Performance of Australia

According to the Australian Bureau of Statistics (ABS) Overseas Arrivals and Departures for Australia there were 605,100 visitor arrivals during June, an increase of 8.9 per cent relative to the same period of the previous year. This brings us to 8.5 million visitor arrivals for year ending June 2017, an increase of 8.9 per cent relative to the previous year. This represents an extra 695,000 visitors on the previous year. Leisure arrivals (Holiday + VFR) continued to drive international arrivals growth, with an increase of 11.3% per cent over the 12 month period. International visitors to Australia spent a record \$39.8 billion in the year ending March 2017, up 5%.

The International Visitor Survey is published quarterly by Tourism Research Australia and is the most comprehensive source of information on international visitors to Australia. The survey samples 40,000 departing, short-term international travelers over the age of 15 years who have visited Australia. The survey is conducted by Computer Assisted Personal Interviewing (CAPI) in the departure lounges of eight major international airports: Sydney, Melbourne, Brisbane, Cairns, Perth, Adelaide, Darwin and Gold Coast.

Participants are asked around 100 questions about their visit, including nights spent in Australia, travel arrangements, reasons for visit, places visited, activities undertaken, information sources and expenditure made during trip

Australia with a population of approximately 23 million people, is one of the wealthiest countries in the world with the 12th largest economy. In 2012, Australians were recorded to have the world's 5th highest income per capita. This has enhanced their appetite for travel as outbound tourism numbers continue to grow in 2012 increasing by 6% to 8.2 million.

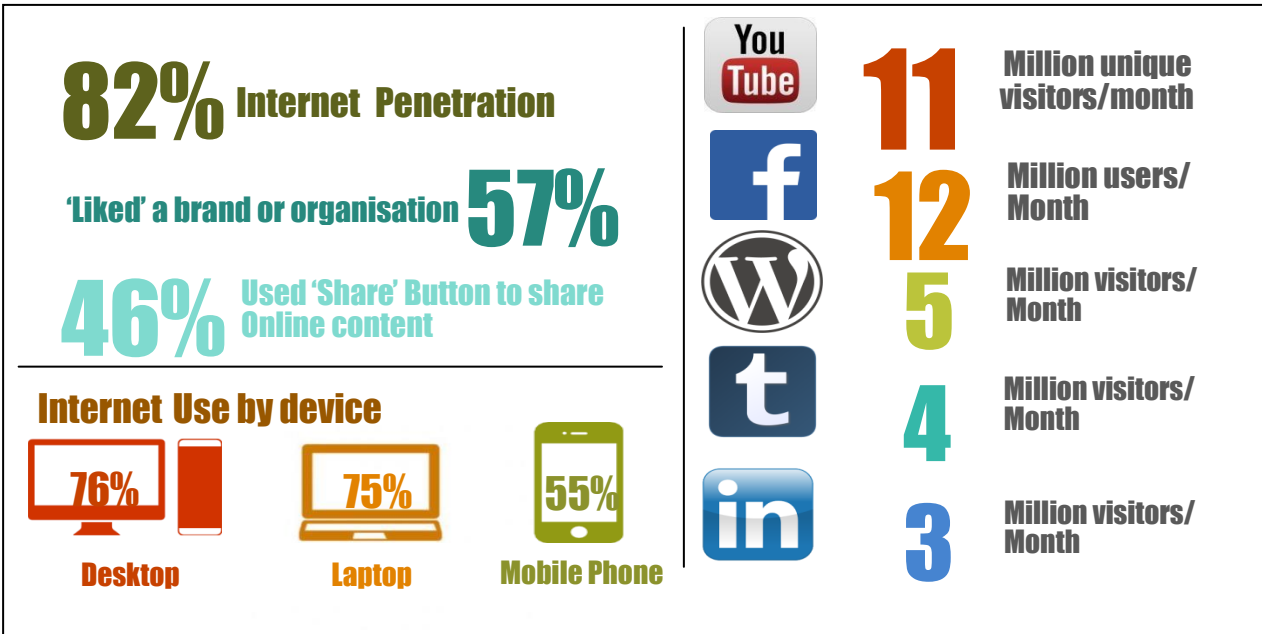
The growth in outbound numbers may be attributed to multiple factors such as the strong Australian dollar during, the growing number of 'empty-nesters', and the increase in air capacity and routes; specifically the number of low cost carriers flying on international routes.

1.1 Global Tourism Market Insights on Australia

Australians in general are experienced travellers. While both domestic and international trips play an important role in their travel repertoire, more is expected of an international trip, translating into bigger budgets and more effort during planning. Being experienced travellers might also explain their comfort in purchasing travel-related products and services online. The peak travel period for leisure in Australia is from December to January, coinciding with the school holidays and Christmas season.

Peak travel season is from
December to January;
February and May see the lowest
number of outbound travellers

Ranked 5th in the world, Australia is the only non-European country amongst the top 5 nations in terms of Internet penetration. In fact, approximately 82% of the population is connected to the Internet. With the recent introduction of the National Broadband Network (NBN) by the Australian government, 93% of Australia's population will have access to high speed Internet. As such, understanding how Australians interact and behave online will become increasingly valuable.



Needs of the Australian Leisure Traveller

Travelling is an activity that constantly sits at the back of the Australian travellers' minds. As articulated during recent focus groups in Melbourne and Perth, travelling is associated with freedom, exploration and self-improvement. This need to travel may be triggered by multiple factors, such as wanting to escape the stress of day-to-day life, discover new experiences, bond with their loved ones or even visit their friends and relatives abroad.

Travelling allows them to break away from their daily routine and wipe away the stress built up from their day-to-day life. As articulated by a respondent to survey conducted during a focus group on her last holiday in Milan, "to wake up in the morning to a lake outside the window...we felt like movie stars." For parents, travelling provides them with the opportunity to bond through experiencing something new with their children.

Travelling challenges them to explore beyond the usual tourist spots to seek out for the authentic character and flavour of a destination. Novelty is insufficient for Australians, as they want to immerse and be engaged in a new culture. Aside from the usual activities such as cultural festivals and off the-beaten-track locations, interactions with people and the food at a destination will play a major role in shaping the destination experience of the Australian traveller. The sense of achievement and fulfilment associated with unexpected new discoveries can lead to a deeper connection between the destination and the Australian traveller.

Top Travel Needs

-  Break away and escape from Daily Routine and stress from Day-To-Day life
-  Spending quality time with Partner/family/friends
-  Exploring the unknown and Enjoying new experience

TOP 5 TRAVEL CONSIDERATIONS

Visit Friends and Relatives

Value for Money

Travel Companion

Unique Experience

Fits the Budget

Visiting friends and relatives (VFR) is the top consideration amongst Australians when planning for their holiday. This tendency among Australians may be intrinsically tied to the history of their country, as more than 7.5 million people have migrated to Australia since the 1940s a result of an agreement between Australia, Britain and other European countries. Due to this, 1 in 4 Australians today were born outside of Australia. Unsurprisingly, this has prompted VFR travel by migrants between their country of origin and Australia.

When planning for their trip, Australians look for good value across multiple aspects of their holiday. Despite this, they are unlikely to be swayed by deals if they expect their experience to be compromised. Their quest to seek out value when planning their holiday makes South Africa an appealing destination choice due to the proximity and availability of a myriad of affordable experiences to choose from.

Planning and Booking Trends

Travelling is always on the minds of the Australians. During a focused group discussion, respondents candidly mentioned that they start planning for their next holiday once they are back in Australia.

While anecdotal, there are elements of truth as observed from their planning and booking behaviour. In particular, 1 in 3 respondents start their planning process 4-6 months ahead of their holiday. Similarly when it comes to booking for their trip, 1 in 3 respondents book their trip 4 – 6 months ahead of their trip. This is in contrast to other Asian markets such as China and Japan where only 15% of respondents book their trip so early in advance.

TOP 5 TRAVEL HINDERANCES

Currency Exchange

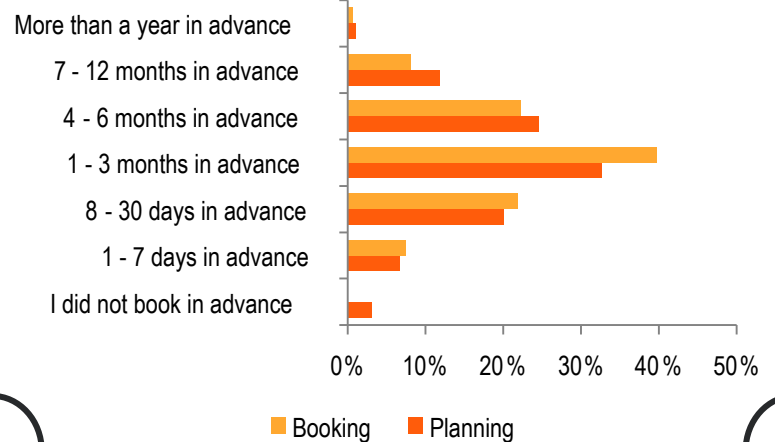
Cost

Aggressive Marketing of Domestic Destinations

As mentioned in the previous section, bonding with their loved ones is a key need for the Australians. This is especially so for parents with younger children as they bond through new experiences and shared memories. For these parents, ample time is taken to plan for the trip. Aside from the activities and experiences available, cost is usually the main consideration when choosing the destination.

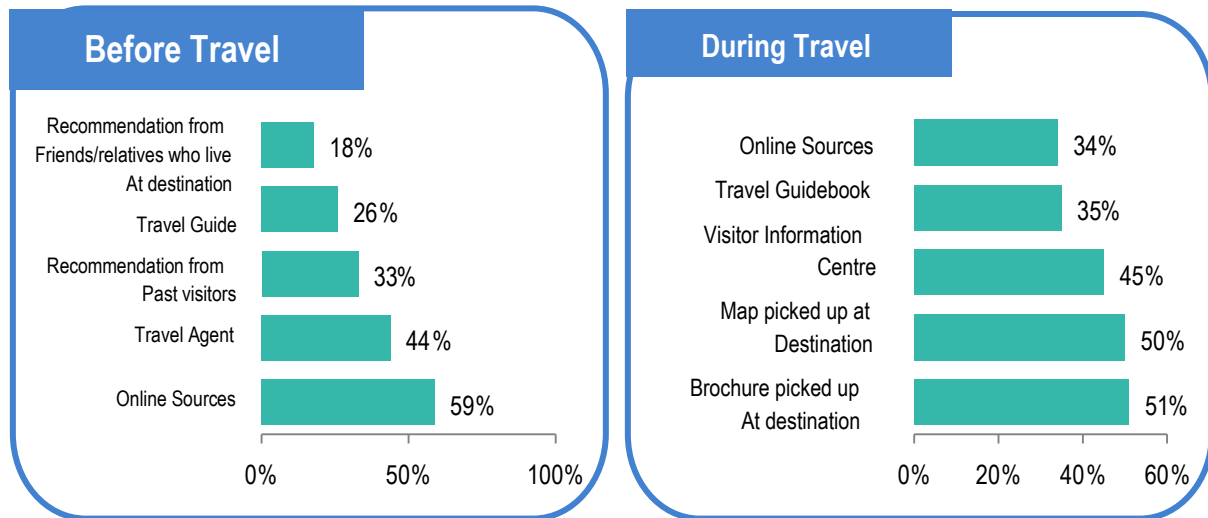
With travel being so ingrained in their lives, very little can deter the Australians from travelling. However, currency exchange is a point of consideration that may affect where one takes a trip to and for how long. In 2015, due to the strong Australian dollar, outbound travel for Australia went up by 5.4% from the previous year. However, there is a recent resurgence in domestic travel with the weakening of the Australian dollar since mid-2013 and aggressive domestic marketing. Domestic travel spend grew by 3.4%

Trip Planning/Booking Duration



to A\$51 billion in the 12 months to June 2016.

Information Sources Before and During Travel



Like most developed markets, the Internet is the top source of information before travel for the Australians. The data also revealed that Australians view TripAdvisor as crowdsourcing travel review website. This is followed by the use of travel agents, which is surprising for the casual observer. While brick-and-mortar travel agents have lost some ground to the Internet, travel agents in Australia today have evolved to better compete with their online counterparts.

Australians also regard recommendations through word-of-mouth as an important source of information, with 1 in 2 respondents getting information from past visitors or friends and family who live in the destination. A possible reason as to why they hold these recommendations in such high regard may be due to the level of detail one can get from their friends and family. While travelling, Australians turn towards more traditional information platforms, as we observe that more than half of our respondents use brochures and maps picked up at the destination. This is followed by visiting information centres and using travel guidebooks.

According to data from Nielsen's Consumer Media View and 2017 Australian Connected Consumers report, Australian travellers can be classified into six distinct groups.

1. CONVENTIONAL TRAVELLERS

Local tourists visiting their favourite domestic destinations or visiting family and friends.

2. GLOBETROTTING GREY NOMADS

The affluent older overseas travellers who like to experience the unknown and are keen to embrace other cultures

3. DOMESTIC GREY NOMADS

A smaller group 5% they are older travellers who enjoy getting away on weekends or for short breaks and prefer camping.

4. ESCAPE FROM REALITY

The family orientated travellers who are looking for local weekend escapes. Representing 21% of the travelling population.

5. HUNGRY FOR CULTURE

This group 17% prefer to plan a long overseas holiday & will visit historical sites and museums.

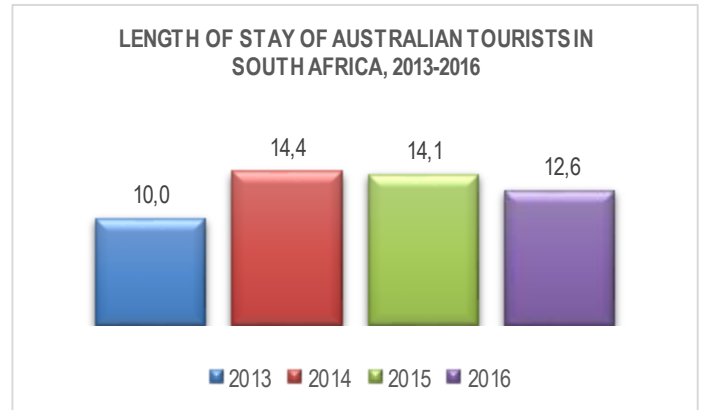
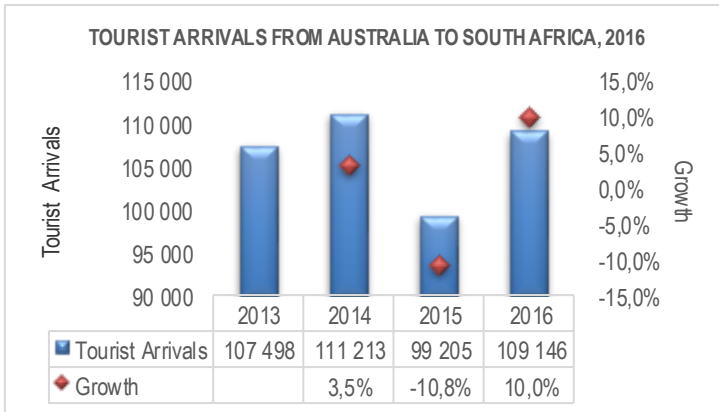
6. TRAVELLING IN STYLE

The extroverted image conscious and spontaneous domestic travellers. This group use social media to interact with others & obtain information about new products.

2. National Performance of Australia in South Africa

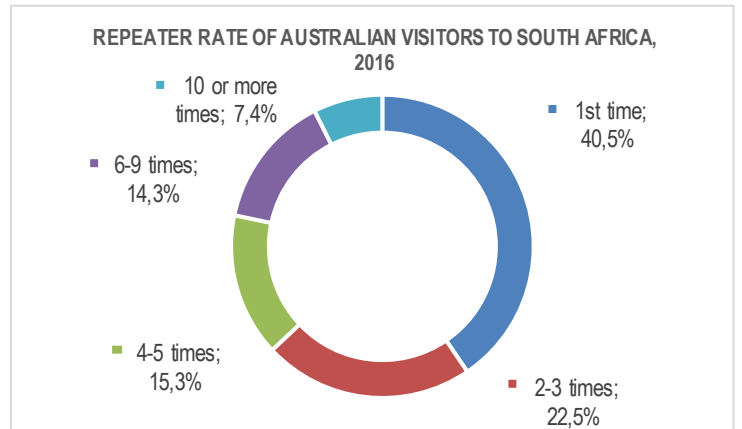
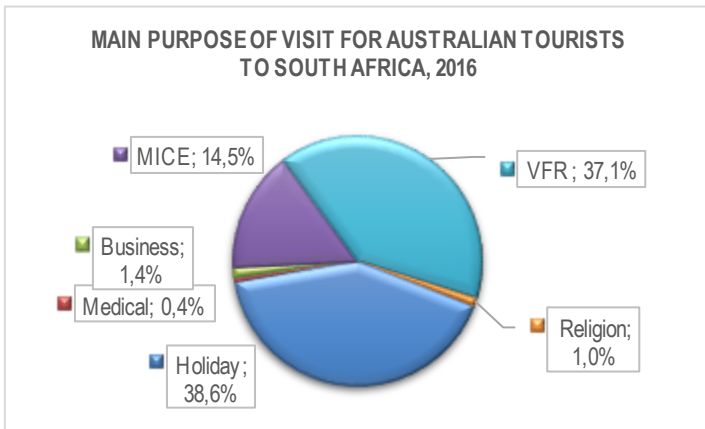
South Africa received the highest tourist's arrivals from Australia in 2014, followed by second highest arrival in 2016 illustrating positive progress in tourist arrivals despite decline in 2015. The year 2016 illustrated positive double digit growth of Australian travellers to the country.

The longest length of stay for Australian tourists were in 2014. Australian visitors to the country in 2016 showed positive length of stay of over a week.



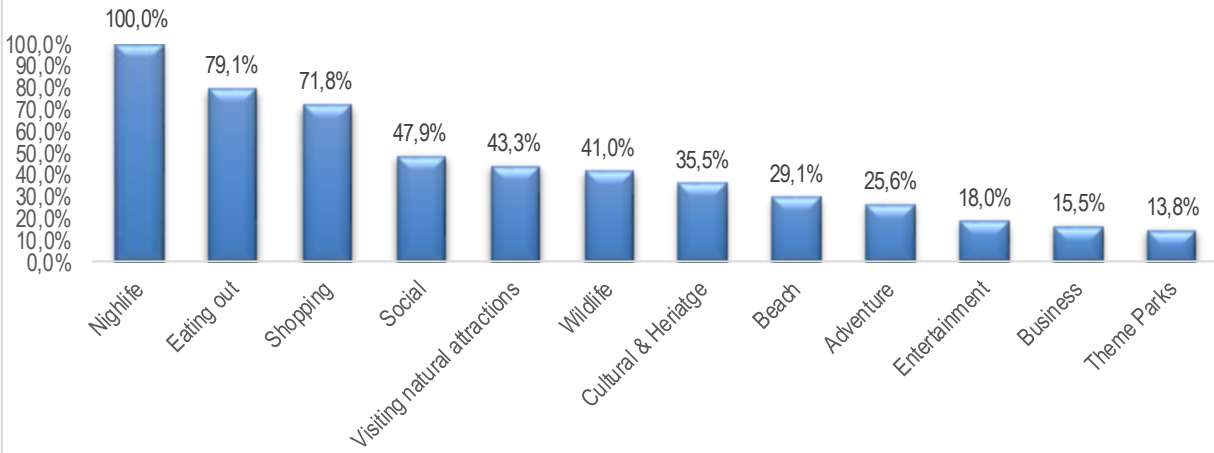
Research has shown that Australian tourists predominantly travel to the country for holiday and visiting their friends and family.

The repeater rate of Australian tourists indicates that over 40% of Australian tourists come to South Africa once and less than half come back for second and third visitor.



South Africa seems to be a hotspot for nightlife, eating out and shopping amongst Australian tourists. They also enjoy socialising with the locals and visiting the natural attractions.

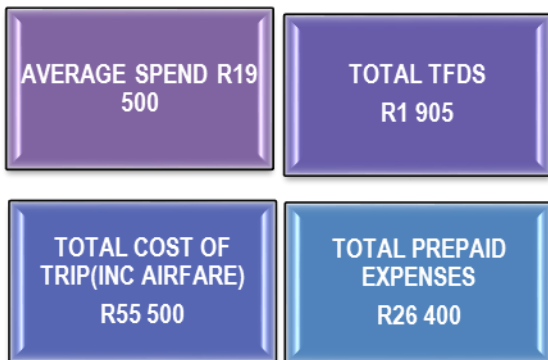
MAIN ACTIVITIES UNDERTAKEN BY AUSTRALIAN TOURISTS TO SOUTH AFRICA, 2016



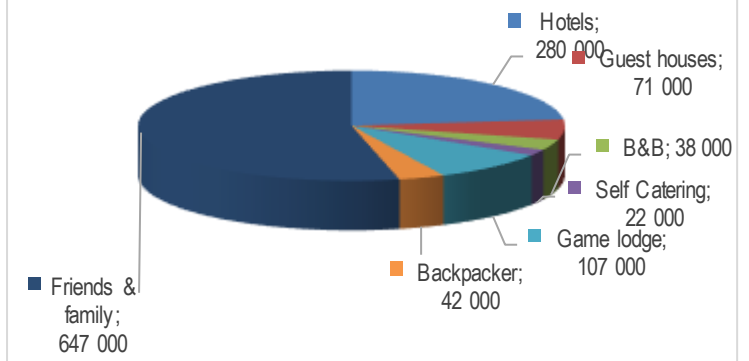
The spend data for Australian tourists visiting South Africa illustrate high average spend and positive foreign direct spend for the economy of the country.

The Australian tourists prefer to stay with friends and family as their main choice of accommodation, which was also one of their main motivators for travel. They also prefer to stay at hotels as second option as they also enjoy luxury and have the disposable income to stay at 4 and 5 star hotels.

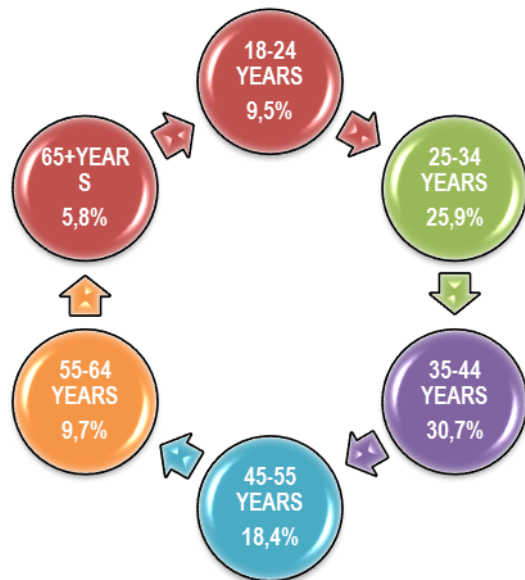
SPEND DATA OF AUSTRALIAN VISITORS TO SOUTH AFRICA



MAIN ACCOMMODATION USED BY AUSTRALIAN TOURISTS TO SOUTH AFRICA, 2016



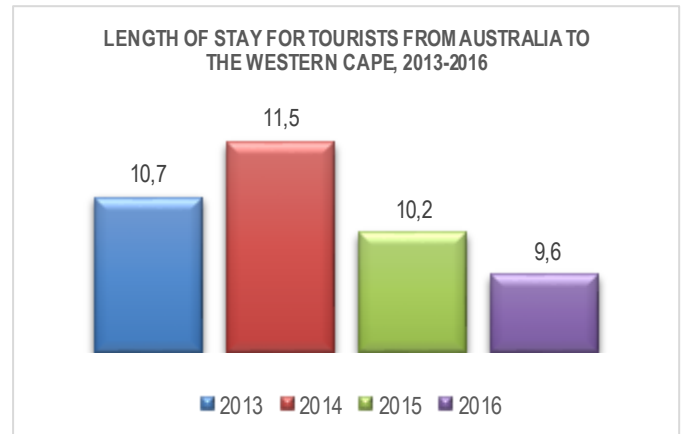
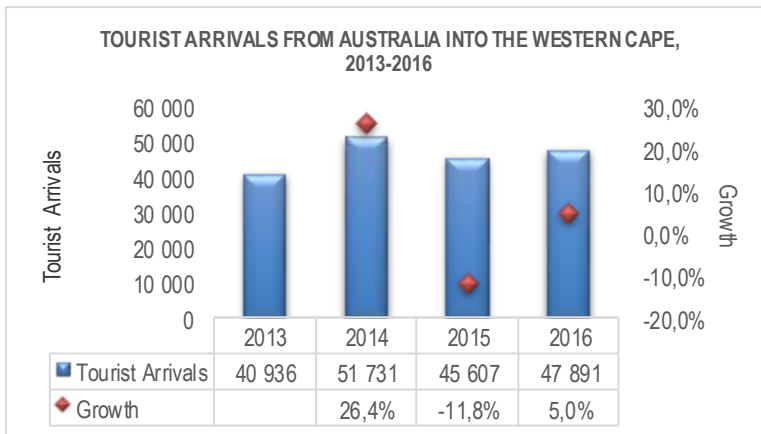
The majority of Australian tourists to South Africa are your middle aged group with high education and more disposable incomes, which also explains the high average spend by Australian tourists.



3. Provincial Tourism Performance of Australia in the Western Cape.

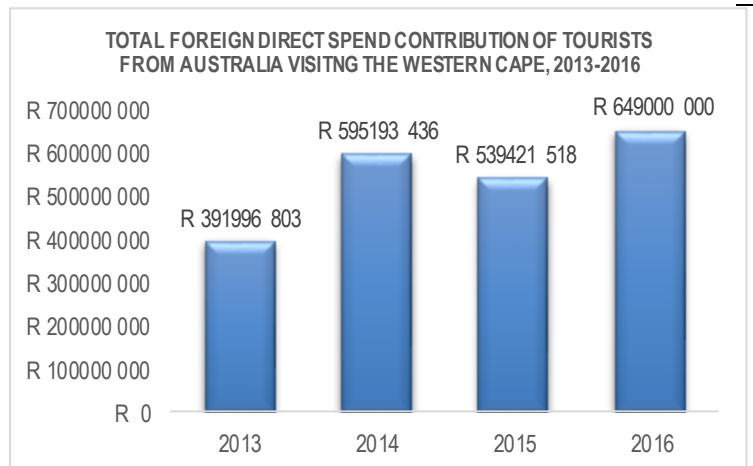
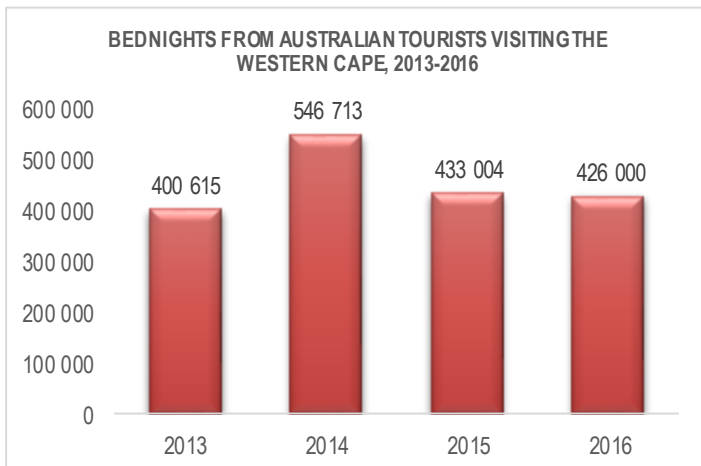
The Western Cape received positive number of tourist's arrivals from Australia with positive growth of 5.0% since decline in 2015.

Australian tourists stay approximately a week in the Western Cape, its slight lower length of stay but still positive contribution to the accommodation sector of the province.

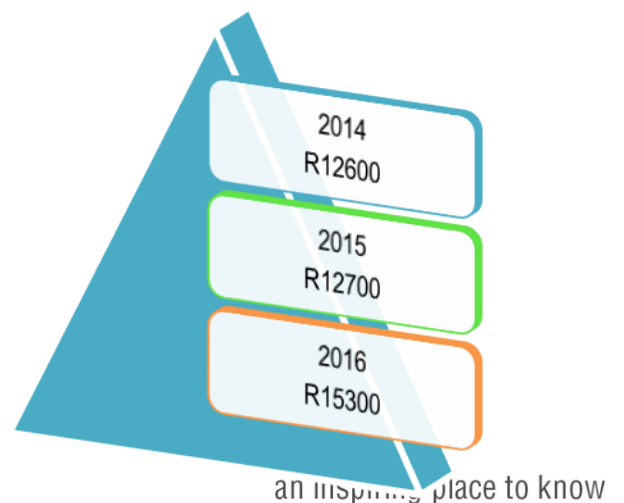


The Western Cape received a positive number of bednights from the Australian market, which can be seen by choice of accommodation.

In 2016, the total foreign direct spend from the Australian market for the province increased since 2015, making positive contribution to the economy of the Western Cape.



The average spend of Australian tourists has shown positive growth since 2014. It increased by R2600 in 2016 with total of when compared to 2015, this could be due to the increase in disposable income and favourable exchange rate with increase in Australian dollar.



Recommendations

- Australians want to immerse and be engaged in a new culture by interactions with people and the food at a destination will play a major role in shaping the destination experience of the Australian traveller.
- Australia is seen as one of the wealthiest country in the world ranked 12th largest economy and recorded the world's 5th highest income per capita, therefore great market to target as more and more Australians have the disposable income to travel and have enhanced appetite to travel. As outbound tourism increased by 6%.
- 93% of Australians have access to high speed internet and internet was one of the top main sources of information used to gather information on a destination, therefore marketing online initiatives could be good idea to target Australians.
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- Australians look for good value products but swayed if holiday is compromised therefore marketing good value for money quality holiday packages is good idea to target Australians.
- Australian parents travel to provide new experiences and shared memories to bond with love ones and children, therefore promoting the destination as family destination with many family related activities is good way to hook Australian families to visit your destination.

List of sources

- United Nations World Tourism Organisation, 2017
- World Travel Trends Report,2016/2017
- World Travel & Tourism Council Report,2016
- STB Market Insights Australia ,2016
- Australian Bureau of Statistics (ABS
- South African Tourism, 2017
- Nielsen's Consumer Media View 2017
- 2017 Australian Connected Consumers Report
- ETB Travel News,2017