UNITED KINGDOM
MARKET PROFILE

TOURISM AUSTRALIA

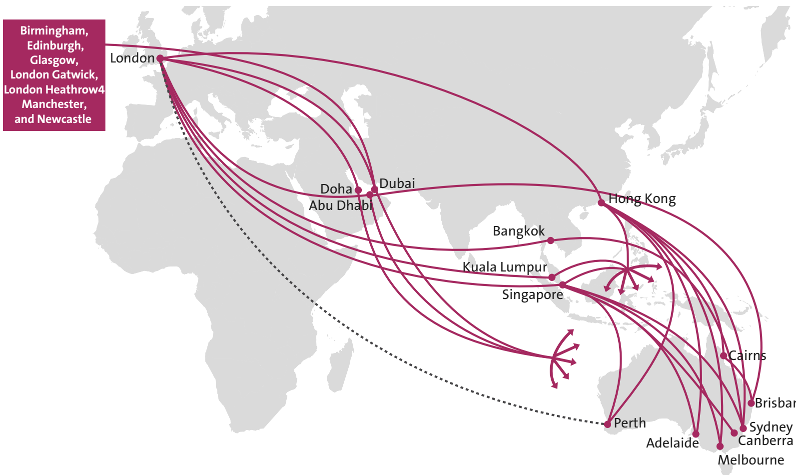
Market overview

In 2016, the United Kingdom (UK) was Australia's third largest inbound market for visitor arrivals, second largest market for total visitor spend and visitor nights. UK is the largest market for regional dispersal.

Key importance factors for holiday destination choice[1]

- Safety and security **54%**
- Value for money **43%**
- Good food and wine **40%**
- Friendly and open citizens **35%**
- Rich history and heritage **33%**

Aviation routes from the UK to Australia[2]



**Perth – London route will be operational on March 2018*

Which airlines[3] do visitors from the UK use to travel to Australia?

Airline	2012	2013	2014	2015	2016
Emirates	21%	25%	26%	26%	25%
Qantas Airways	23%	19%	16%	14%	13%
Etihad Airways	4%	5%	6%	8%	10%
Singapore Airlines	14%	12%	12%	11%	10%
Cathay Pacific Airways (HK)	6%	6%	6%	7%	7%
Qatar Airways	2%	3%	3%	3%	5%
British Airways	5%	4%	4%	4%	4%
Jetstar (Australia)	3%	2%	3%	3%	3%
Others	22%	24%	25%	24%	23%

$5.5-6.7bn
Potential to be worth by 2020

716,700
Visitor arrivals[3]
(↑ 4 per cent)

Holiday ◊§
39%

Visiting friends & relatives ◊§
43%

Business ◊§
9%

Other ◊§ ‡
9%

$3.7bn
Total spend[4]
(↓ 3 per cent)

40 nights *4
Average nights stayed◊

20 nights **4
Median nights stayed◊

Jan-Mar and **Sep-Nov**
Booking peak period

Dec-Mar
Travel peak period

Business Events

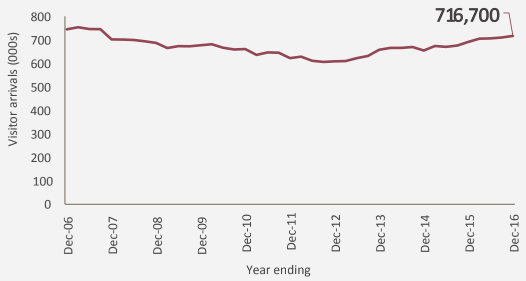
Tourism Australia focuses on the association sector in the UK and Europe, recognising that international conferences bring high economic value to Australia. Approximately 57 per cent of international associations have their headquarters in Europe, with many key decisions on where to host events being made there. From UK/Europe the current association enquiries are from health, services and science. For more information on current trends in market and information on UK and Europe's business events distribution system, view the dedicated Business Events Market Profile for UK and Europe at www.tourism.australia.com/statistics/market-profiles.aspx

*Notes: *Average nights: the sum of all nights divided by the sum of all visitors. **Median nights: the midpoint length of stay for which 50% of visitors stay less and 50% stay longer.◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose. ‡ Other includes education, employment and others. Sources: 1. Tourism Australia, Consumer Demand Project, 2016. 2. Department of Infrastructure and Regional Development, December 2016. 3. Department of Immigration and Border Protection, December 2016. 4. Tourism Research Australia, International Visitor Survey, December 2016.*

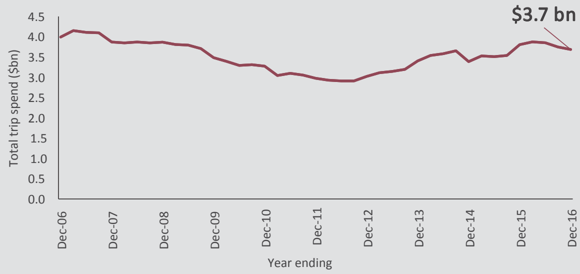
UNITED KINGDOM
MARKET PERFORMANCE

» The charts on this page provide a trend overview of visitor arrivals and spend over the last 10 years by main purpose of visit, by first and repeat leisure$^{\Delta}$ visitors and also a snapshot of age demographic split of leisure visitors and spend.

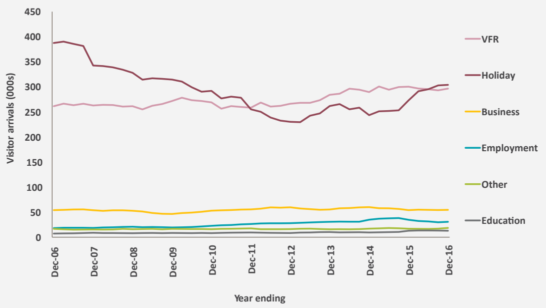
Visitor arrivals[1]



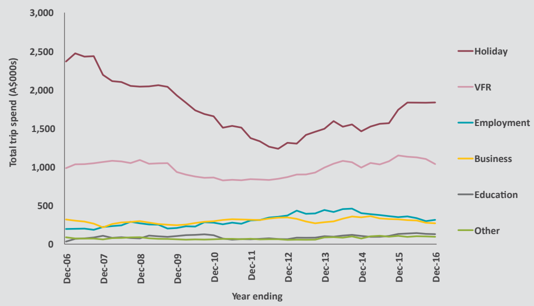
Visitor spend[2]



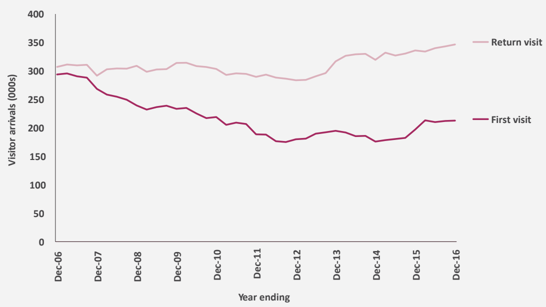
Visitor arrivals by main purpose of visit[1]



Visitor spend by main purpose of visit[2]

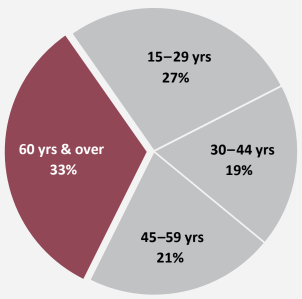


First and repeat leisure visitor arrivals[2]

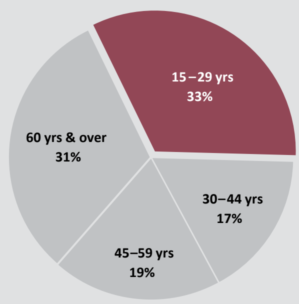


First and repeat leisure visitor spend[2]

Leisure arrivals by age[2]†



Leisure spend by age[2]†



Notes: Δ Leisure refers to main purpose of visit of holiday and visiting friends and relatives. † Age profile data refers to an average of 2012-2016.
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016.

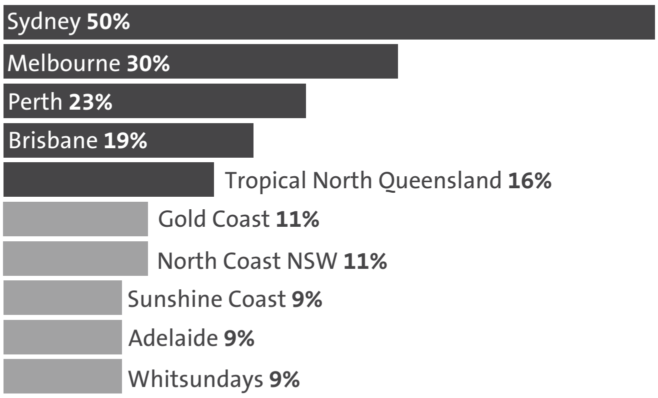
UNITED KINGDOM
MARKET PERFORMANCE

» The following◊ table provides a summary of arrivals, spend and the proportion of repeat visitors to Australia by main purpose of visit: holiday, visiting friends and relatives and business.

	HOLIDAY	VISITING FRIENDS AND RELATIVES	BUSINESS
Arrivals[1]	262,400 (39%§)	287,300 (43%§)	56,600 (9%§)
Spend per trip[2]	$6,200	$3,700	$5,700
Spend per night[2]	$142	$142	$285
Repeat visitors[2]	49%	75%	65%
Average nights stayed[2]	45	27	20
Median nights stayed[2]	20	20	9

» The following provides an overview of top 10 regions visited by leisure visitors, number of stopovers made in Australia by leisure visitors and a snapshot of the main place of residence of UK visitors to Australia.

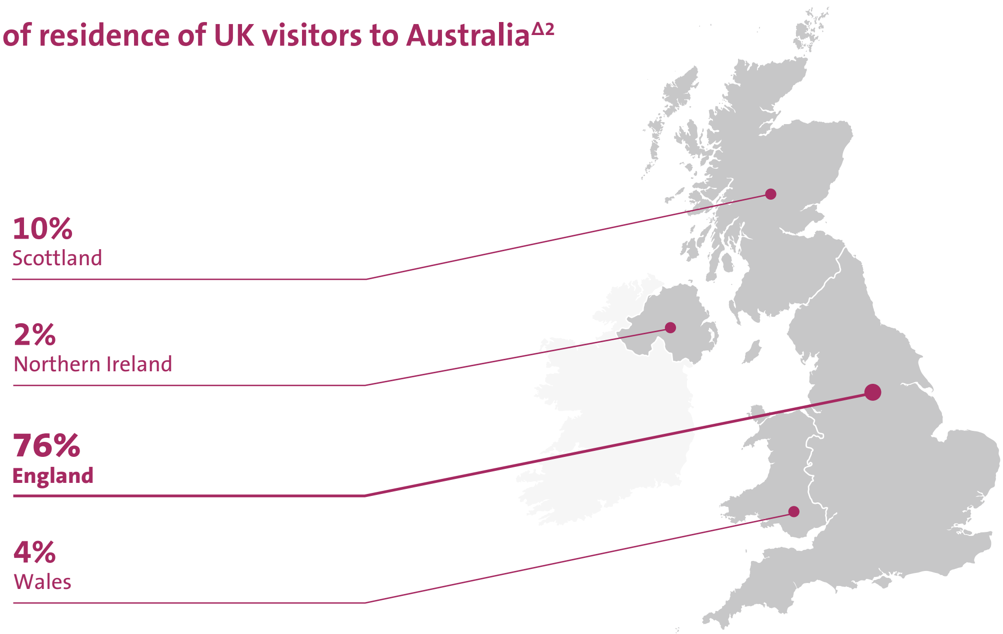
Top 10 regions visited by leisure visitors◊*^2



Overnight stopovers made in Australia by leisure visitors ◊*^2

Read as: 32% leisure travellers from the UK visited 3-5 regions (and made at least one overnight stay).

Main place of residence of UK visitors to Australia∆2



*Notes: ◊ Data refers to an average of 2012-2016. § Refers to share of arrivals of respective purpose of visit. * Leisure refers to main purpose of visit of holiday and visiting friends and relatives. ^Percentages will not add to 100% as one person can visit multiple regions. The data refers to visitors that made at least one overnight stay.*
Sources: 1. Department of Immigration and Border Protection, December 2016. 2. Tourism Research Australia, International Visitor Survey, December 2016

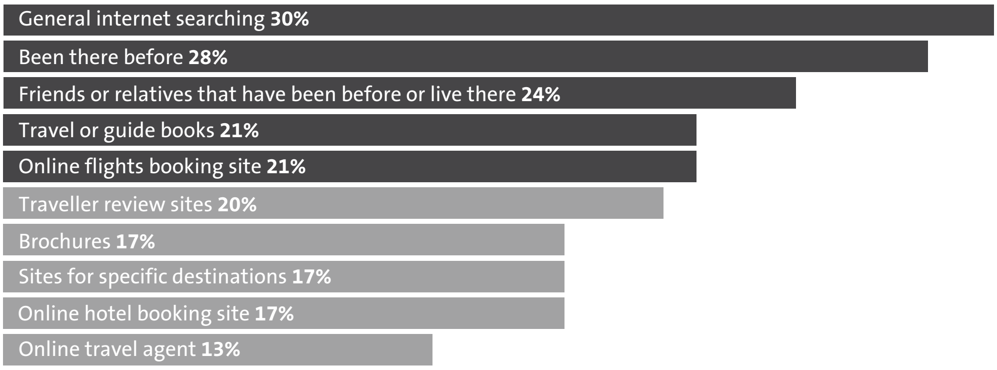
UNITED KINGDOM
AVIATION LANDSCAPE

- There are numerous ways of flying from the UK to Australia. British travellers can depart from a number of ports including London (Heathrow and Gatwick), Manchester, Birmingham, Edinburgh, Newcastle and Glasgow, via a number of hubs in the Middle East and Asia, to Australia.
- Tourism Australia's analysis using OAG schedules data suggests that there are almost 1,000 weekly services (with one stop, maximum five hours transit) per week from UK to Australia via major hubs in Middle East and Asia. Up to 70% of these capacity hub through the Middle East. Capacity from the three Middle East hubs of Doha, Emirates and Abu Dhabi, to Australia grew 18.4% in 2016, reaching approximately 2.8 million annual seats.
- Qantas will be commencing its non-stop 17 hour Perth to London daily service from March 2018, making this the first non-stop commercial flight between Australia and United Kingdom. This inaugural flight will be operated by Qantas' 236 Dreamliner.
- Close to half of UK visitors to Australia travelled on Emirates, Qantas and Qatar, with a quarter on Emirates alone. Etihad's share of UK visitors to Australia has been steadily rising over the last five years, now carrying 10% of visitors. (See table on page 1)

UNITED KINGDOM
PLANNING AND BOOKING INFORMATION SOURCES

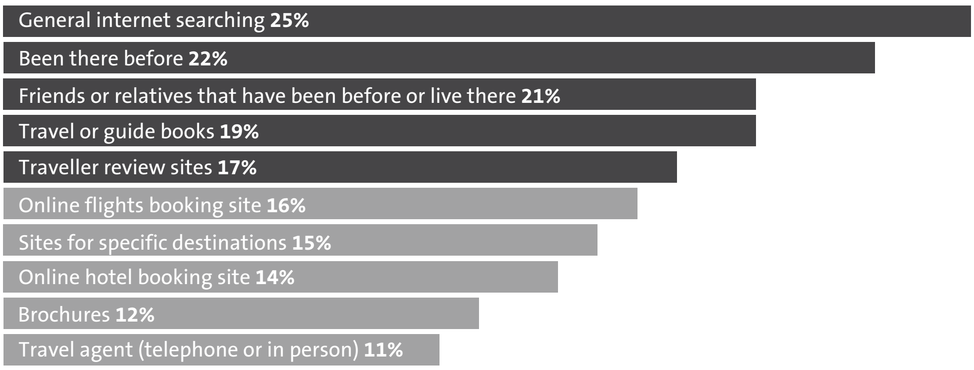
The following charts highlight the information sources that British consumers use to plan and book their holidays.

Preferred sources for early planning and inspiration



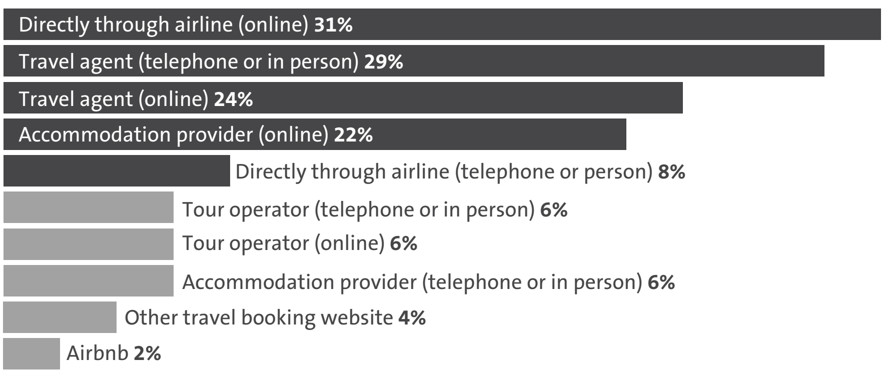
Read as: 30% of respondents indicate 'general internet searching' as a preferred source during the early stages of planning a holiday.

Preferred sources for seeking information



Read as: 25% of respondents indicate 'general internet searching' as a preferred source for seeking information about a holiday destination.

Preferred sources used to book a holiday



Read as: 31% of respondents indicate 'Directly through airline (online)' as a preferred source when booking a holiday to Australia.

Source: Tourism Australia, Consumer Demand Project, 2016

UNITED KINGDOM
DISTRIBUTION

The UK travel industry continues to consolidate and online channels are becoming more popular with consumers. However, traditional booking channels remain important for Australia with some distribution partners increasing their investment in high street retail space. These companies continue to play a key role in converting consumers and influencing them to spend more, disperse further and stay longer, as well as helping customers to pre-book more ground components.

Distribution system

WHOLESALERS/ LARGE AGENCIES

Commission level: up to 20%

- There are over 50 tour operators selling Australia throughout the UK, however a large proportion of sales to Australia are handled by a few key specialist operators.
- Tour operators vary from traditional wholesalers to companies that combine various wholesale, direct, online and retail channels.
- Direct sellers have been a key feature of the UK market and have traditionally dominated sales to Australia, although overall numbers are decreasing because of industry consolidation.
- Trailfinders, STA Travel and Flight Centre are major retail consumer direct sellers for Australia in the market. Other operators sending significant numbers of passengers to Australia include Austravel, Travelbag and the Lotus Group.
- Key consolidators include Travel 2 and Gold Medal.

RETAIL AGENTS

Commission level: up to 10%

- Retail agents generally have a basic knowledge of Australia, largely due to the Commonwealth, sporting and historic ties that Australia shares with Britain and the coverage in the media.
- Thomas Cook and TUI Retail (Thomson and First Choice) are the largest retail chains in the UK however, are not considered specialists in selling tailor made Australia packages

AUSSIE SPECIALISTS

2,474 qualified Aussie specialists as of Mar-17

- The Aussie Specialist Program (ASP) is the primary platform for Tourism Australia to train and develop front line travel sellers to best sell Australia. Each State and Territory has a module on the ASP website.
- As at March 2017, there were 2,474 qualified Aussie Specialist agents in the UK.

ONLINE

- Direct flights and accommodation bookings make up most sales through Online Travel Agencies (OTAs).
- OTAs to date have a limited capability to transact complete itineraries for holidays in Australia. True dynamic packaging cannot be purchased online through any OTA in the UK at this stage.
- The major UK online travel agencies are Expedia, Lastminute.com and Opodo.

INBOUND TOUR OPERATOR

Commission level: up to 30%

- There are several inbound tour operators (ITOs) active in the UK market, these include: ATS Pacific, AOT Inbound, Tour East Australia, Pan Pacific, Southern World and Goway. In addition, The Tailor, Southern Crossings and Alquemie target the high-end sector.

UNITED KINGDOM
DISTRIBUTION

Trends

Distribution

- Australia is a key destination for wholesalers and travel agents due to the high-yield value of booking a holiday Downunder.
- Distribution partners remain important in influencing consumers to spend more, disperse further, stay longer and pre-book more ground components.
- To adapt to the changing distribution landscape, major retail agencies have invested in direct selling channels, such as call centres and online sites. For long haul travel, retail agents remain an important channel for consumers.
- Vertical integration, consolidation and globalisation continue to be key trends in the retail travel sector. As a result, the number of UK retail high street outlets continues to decline, with major groups buying smaller independent chains. Some smaller travel agencies have struggled in the increasingly competitive environment and difficult economic conditions, which has resulted in them joining independent groups such as The Advantage Travel Partnership. Bucking the trend, brands such as Kuoni continue to open 'lifestyle' stores targeting the discerning traveller and operators such as Virgin Holidays continue to expand concessional outlets in department stores.
- Independent home working is increasing in the UK, particularly through the likes of Travel Counsellors. Reports suggest although the high street may be in decline, demand for the travel agent is not.

Planning and purchasing travel

- In terms of booking channels, research shows there remains a reliance on retail agents for long haul holidays as British consumers look for more protection. Offline travel agents remain the top method for those who would book a trip to Australia, with four in 10 nominating to book their trip with a high-street travel agency. Booking through an OTA was the second most popular booking method, closely followed by booking directly with an airline.
- Australia has traditionally had long lead booking times due to the perceived complexity of the purchase in terms of time, cost and distance. With economic uncertainty around Brexit, fluctuating exchange rates and last minute deals prevalent in the market, lead times for booking all international travel, including Australia, has become more unpredictable.

Special Interest

- STA Travel is the leading backpacker and youth travel specialist for Australia.
- Key operators specialising in the luxury segment include: Bridge and Wickers, Abercrombie & Kent, Wexas, Audley Travel, Cox and Kings and Turquoise Holidays.

Planning a visit to market

Top tips for sales calls

- The best time of year for sales calls is March to June and September to November. Try to avoid the holiday period from mid-June to the end of August.
- The key market centre to visit is London and the South East, with most specialist operators to Australia located in or around this region. Gold Medal is located in Preston and Travel2 in Glasgow whilst operators focused on high-end holidays are based in the Chester and Cheltenham areas.
- For more general information on sales calls and planning a visit to market, please see Tourism Australia's Planning for Inbound Success e-book at: www.tourism.australia.com/ inboundsuccess

UNITED KINGDOM
FURTHER INFORMATION

Key trade and consumer events

Event	Location	Date
World Travel Market (WTM)	London, UK	6-8 November 2017
European Product Workshop (EPW)	London, UK	20-21 March 2018
Associations World Congress	TBC	TBC Apr/May 2018
IMEX Frankfurt	Frankfurt	15-17 May 2018

Where to find more information

Tourism Australia's activities in the UK and Northern Europe managed from its London office. For more information visit Tourism Australia's corporate website at www.tourism.australia.com.

- Australian State and Territory Tourism Organisations operating in the UK include: Destination NSW, the South Australian Tourism Commission, Tourism and Events Queensland, Tourism NT, Visit Victoria and Tourism WA.

Also, see:

- UK Country Brief published by the Department of Foreign Affairs and Trade at: www.dfat.gov.au/geo
- For the latest arrivals statistics, visit: http://www.tourism.australia.com/statistics/arrivals.aspx
- For additional statistical reports refer to the ABS and TRA websites, www.abs.gov.au and www.tra.gov.au
- For additional information on consumer research, refer to: http://www.tourism.australia.com/statistics/consumer-demand-research.aspx
- For additional information, view the Business Events Market Profiles for UK/Europe at: http://businessevents.australia.com/businessevents/

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