

# New Landscape Report

AUSTRALIA



TRAVEL  
SOUTH  
USA

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# Overview

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# **Factors Affecting Travel**

# OVERVIEW OF AUSTRALIA'S ECONOMY

**Whilst 2020 has been a year of devastation to the nation and its economy, the future of the economy and how fast we turn it around relies on how well we continue to control the virus.**

2020 was a tough year for Australia from day one. With severe fires blazing across the country and one of our worst droughts on record, COVID-19 was the straw that broke the economy's back.

In an effort to assist regional towns impacted by the fires, the federal and state governments injected a bushfire recovery fund starting at AUD\$2bn. This meant that the pandemic came at a time of underlying weakness in the domestic economy.

Despite relatively strong employment growth over recent years, income growth outside of the financial and mining sectors was tepid; productivity performance was running at about a quarter of its long-run average, residential construction had turned down at the end of a record boom in the property market and; non-mining business investment was weak. With this in mind, even as Australia was setting new world records for the longest period of uninterrupted growth, we were running out of steam and in need of reinvigoration.

By the March quarter of FY20, Australia followed other economic markets and entered a technical recession – the first in 29 years. The shutdown of businesses across the country have taken their toll. Despite measures by the government and central bank to support the economy, the severe contraction in household spending resulted in the worst economic growth in 61 years. Whilst the nation has since pulled itself out of the recession with GDP growth of 3.3% in the September quarter, with high unemployment forecast to persist over the coming years, the effects of the recession continue to be felt.

Furthermore, Australia has strongly and publicly backed a global inquiry into the origins of the coronavirus in April 2020 which infuriated the Chinese government. The increasingly tense relationship with our biggest trade partner means our economy is further feeling the pinch.

The federal government has already pumped more than A\$200bn (US\$147bn) in economic stimulus. Unemployment peaked in July at 7.5%. However Economist Sarah Hunt says the current national effective unemployment rate is 9.3%. Whilst the nation has fared better than many other countries around the world in controlling the virus and in subsequent economic slump, the harsher reality is to come as we look at how to turn things around. Resurrecting the tourism industry is a matter of significant priority in terms of resurrecting jobs. Discussions between the Commonwealth and the New Zealand government are well advanced on the development of a trans-Tasman COVID-safe travel zone.

However, whilst it sounds all doom and gloom, despite the severe drop in economic activity, Australia is faring better than most other advanced economies that have experienced bigger downturns. The outlook for the future is dependent on whether or not we experience further outbreaks before a vaccination is developed. A stronger economic recovery is possible if the country continues with its faster progress in controlling the virus.

# VIEW ON COVID-19

## As the pandemic draws out, ideological differences in restrictions and management of the pandemic increase.

Whilst there are differing opinions on Australia's stringent lockdown and border restrictions, similar to New Zealand, the early physical distancing measures is a contributing factor to the relative success of controlling the pandemic.

About 16% of the Australian population is in the epidemiologically most at-risk 65+ age group and 18.7% is in the least at-risk 0–15-year age group (Australian Bureau of Statistics, 2019). A total of 30.3% of the national infection rate was among people who were 60 years of age or more. Although 18.7% of the population is in the 0–15-year age group (Australian Bureau of Statistics, 2019), no deaths have occurred in this group (Australian Government, 2020), which was significant in light of debates about the safety of opening schools and childcare centres.

While public support for governments' initial physical distancing and economic support measures is significant, there are ideological tensions emerging in public debates, as Australia considers its post-pandemic recovery. These differences especially concern the roles of taxation, industrial relations policy, income support payments and support for some sectors of the economy.

An Australian Bureau of Statistics survey found that while a majority of Australians were taking a range of precautions to prevent the spread of COVID-19, two-thirds (68%) remained concerned about their health due to its spread. There was heightened anxiety about personal safety and personal job security. Assuming that there isn't another wave of coronavirus infections, the next significant test of the virus' economic and social impact will occur at the end of March when the JobSeeker supplement is scheduled to be withdrawn, with the level of the unemployment benefit returning to AUD\$550 a fortnight. This reduction will be significant not only for the livelihoods of the recipients but also for its broader economic impact of reducing the spending capacity of a group that is forecast to be as large as 10% of the working-age population.

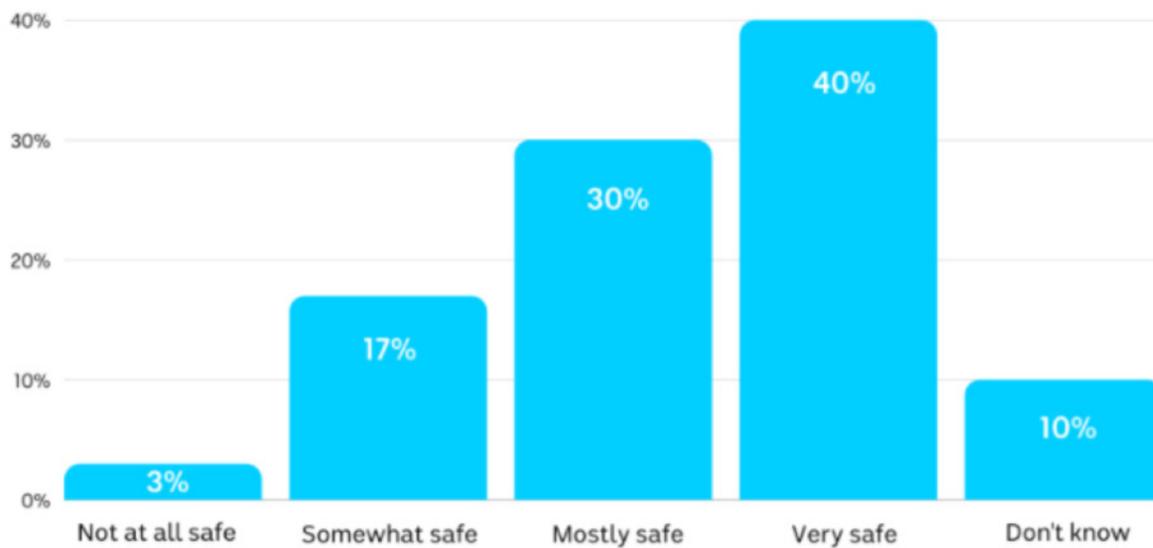
Australia has entered into 5 separate agreements for the supply of COVID-19 vaccines, if they are proved to be safe and effective, at a cost of AUD\$3.3bn. The federal government has invested AUD\$363m in support of research and development to find a successful vaccine.

COVID-19 vaccine attitudes differ in Australia. A new study published by Roy Morgan reveals Australians are now 10% less likely to take a COVID-19 vaccine than back in April 2020. Around 77% of Aussies said they would take the vaccine if it was made available today, with men (83%) more likely than women (72%) to take the jab when the time arrives. In terms of interstate intentions, Tasmania leads the way with 84% stating they would be vaccinated, followed closely by NSW (81%), Victoria (79%), and South Australia (77%), while lagging behind is Queensland (70%) and Western Australia (69%).

## VIEW ON COVID-19 cont...

Summary of context for the month

### How safe do you think the COVID-19 vaccine will be when it becomes available?

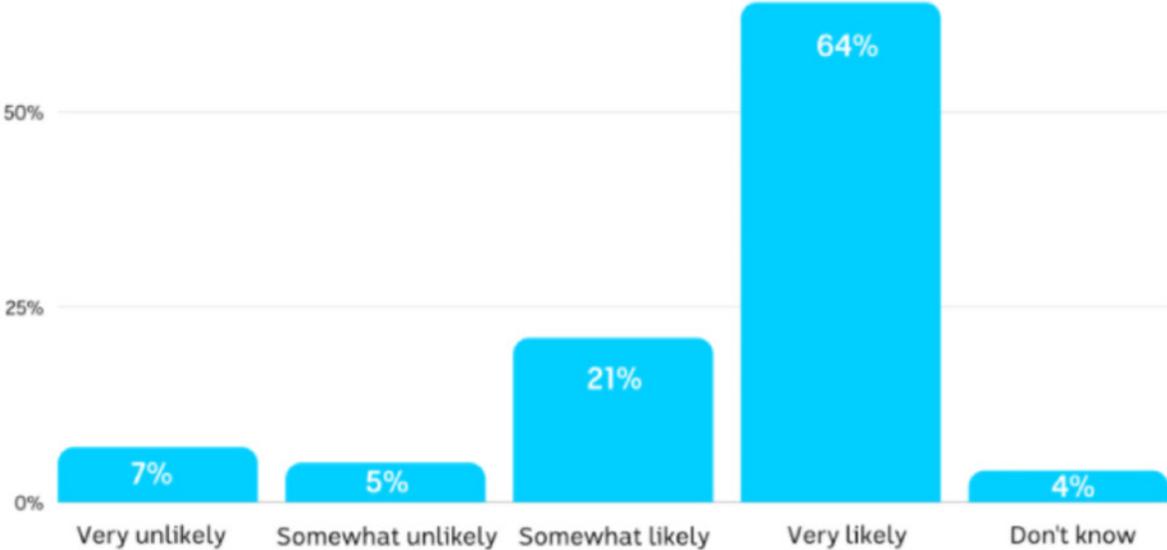


The survey of just over 2,000 people was conducted by Vox Pop Labs for the ABC at the end of September. (ABC News)

# VIEW ON COVID-19 cont...

Summary of context for the month

## How likely are you to get the COVID-19 vaccine when it becomes available to you?



Survey results were backed by experts who said it broadly reflected the "vaccine acceptance spectrum" in Australia. (ABC News)

# GLOBAL INDUSTRY TRENDS

## Summary of context for the month

At 9pm on Friday, March 20th, Australia closed off its borders to all non-citizens and non-residents. The government took the drastic step as approximately 80% of coronavirus cases in Australia were people who caught the virus overseas before entering Australia, or people who had a direct contact with someone who had returned from overseas.

Whilst travel restrictions have remained tight and co-op budgets stripped, destinations have focused heavily on remaining connected with the local industry through inspirational and supportive initiatives that required mainly the investment of time. This included training webinars, development and promotion of online training programs, native content pieces, and the creation of various industry Facebook groups.

To date, many international destinations are continuing to remain focused on training opportunities and keeping their destination front of mind with inspirational content. The exception here tends to be tour operators who are capitalizing on being able to sell packages quite far in advance, offering up flexible cancellation policies. Also, New Zealand which opened up a trans-Tasman bubble with Australia at the start of November.

Whilst there continues to be shifts in speculation as to when borders re-open, it is expected that most international destinations will continue with inspirational and educational activity for the time being, keeping their marketing plan agile to move with changes in border and airline activity.

On the domestic front, as state border restrictions ease, the Australian tourism boards are now really ramping up their co-op activity, utilizing their recovery funding from the government to drive conversion, encouraging Aussies to #HolidayHereThisYear.

Passport

(n.) The most useless thing  
in 2020.

# GLOBAL INDUSTRY TRENDS cont...

Messaging from destination marketers has centred around open spaces, destinations outside of the iconic cities, adventure and connecting with nature.

## New Zealand

Since the pandemic, Tourism NZ were one of the first to share a message of support and connect with the industry, starting the communicative trend of being there when travelers are ready to travel again.

In recent months, they have been sharing inspirational content via key travel trade publications highlighting their wide range of adventure experiences with the key campaign message centered around adventure having different a meaning for each individual traveller.

Furthermore, they have shared industry messages of care and heart-warming videos sharing messages with the world.

Air New Zealand operated its first quarantine-free flight from AKL-BNE on January 07th, 2021. Flights from Auckland to Brisbane will operate similarly to the flights that have been operating to Sydney and Melbourne – with quarantine -free flights for people whose travel originates in New Zealand, and quarantine flights for people who do not meet the Safe Travel Zone criteria and are required to quarantine on arrival in Australia.

### DESTINATION INSPIRATION

#### 5 Of The Best Food & Wine Experiences New Zealand Has To Offer

Disclaimer: mouthwatering may occur while reading this article.

[Read more](#)

### DESTINATION INSPIRATION

#### New Zealand Is Sharing The Industry Love

One message at a time.



### DESTINATION INSPIRATION

#### PURE: Tourism New Zealand Showcase Stunning Video

Reminding us how and why we travel.



## Adventure is What You Make It In New Zealand



Sponsored Stories | 02 Nov 2020

[Travel Inspo](#) [Travel Inspiration](#)



You don't have to be a hardcore adrenaline junkie to indulge in a little adventure in New Zealand, because adventure is different things to different people...



# GLOBAL INDUSTRY TRENDS cont...

Tourism Australia MD, Phillipa Harrison, has shared the tourism body's 'Stages of Recovery' model for COVID-19.

## Australia

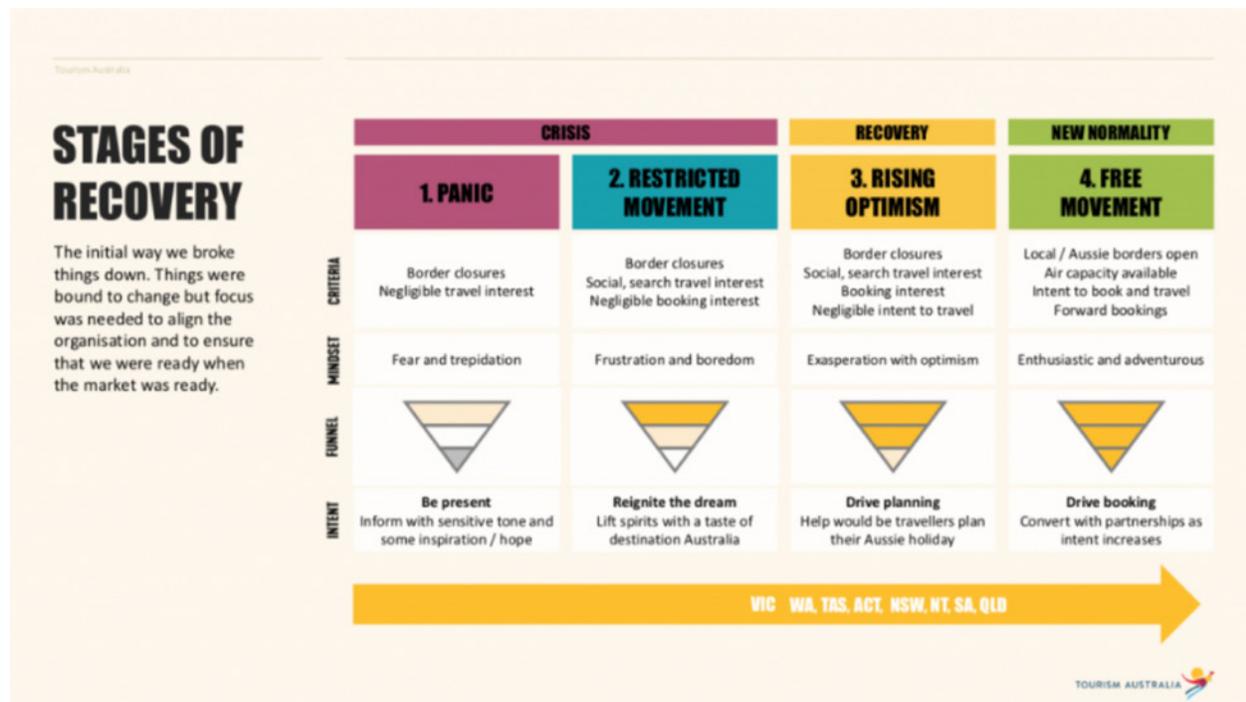
Tourism Australia is looking at the next 10 years in two phases. Firstly the recovery phase and then rolling into their 'Tourism Futures' which is going to be a dynamic model.

The organization is using a lot of off-the-shelf research to work out what changes are going to be here for the long-term and what is just of the moment.

One clear focus will be around telling Australia's indigenous stories as a key opportunity globally.

For now, they will continue to roll out their next phase of their 'Holiday at Home' campaign with the new iteration aimed to encourage Aussies to do more whilst they take a break.

Whilst international visitors are unable to travel to Australia, the national tourism board have also released interactive virtual experiences such as their series of '8D' videos designed to transport viewers from around the world into the heart of some of the country's most breathtaking destinations.



# GLOBAL INDUSTRY TRENDS cont...

## Local retailers, wholesalers and OTAs continue to partner with domestic tourism boards on national campaigns

### Australia cont. . .

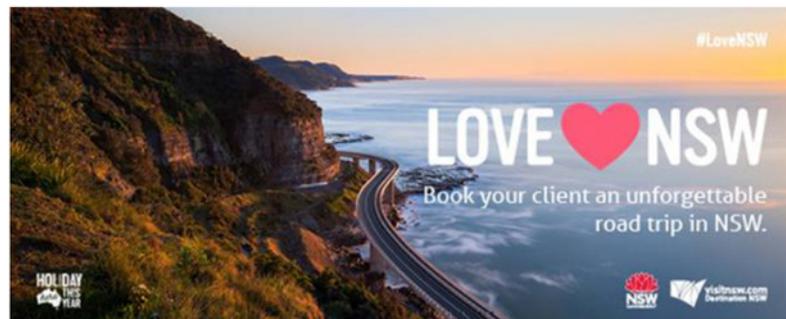
- In an effort to revert the dire state of business for travel agents, Tourism Australia has adapted some of its 'Holiday Here This Year' campaign creative urging consumers to plan their domestic trips with the help of a travel agent.
- After months of strict lockdown rules, Tourism Victoria launched a multi-million dollar 'Stay Close, Go Further' campaign focusing on regional Victoria.
- Tourism NT launched their biggest marketing campaign paired with a compelling offer with their biggest discount ever enticing Aussies to visit. In partnership with Jetstar, they also offered family deals with kids flying and staying for free in Uluru.
- South Australia Tourism Commission (SATC) is offering travel vouchers of up to \$100 for holidays taken by Aussies until March 2021. This is the 2nd iteration of the program where initially it was offered to South Australian residents to explore their own backyard.
- Aussie musicians, combined with rich data from travel intenders, have informed the new Destination NSW road trips digital marketing campaign geared at driving Australian travellers to take a road trip in NSW. The Road Trips campaign uses the top searched items, content types and experience categories to guide every element to deliver tools and information that is most sought after by visitors to the Destination NSW operated sites.



#### DESTINATION

### RELEASED TODAY: Get Your Hands On South Australia Holiday Vouchers

SA is giving away \$100 and \$50 travel vouchers for holidays until March.



# GLOBAL INDUSTRY TRENDS cont...

Messaging from destination marketers has centred around open spaces, destinations outside of the iconic cities, adventure and connecting with nature.

## Australia cont. . .

### Touring

Domestic tour operators are focusing on ways to appease traveler concerns around travelling in crowded spaces by offering more small group touring as well as private jet travel. Also, ensuring their marketing communications include language around discovering “wide open spaces” and “natural wonders” rather than crowded major cities.

With international borders closed for an extended period paired with the new safety needs of the traveler, tour companies are moving to launch new domestic tours in the Australian market specifically designed for local travelers.

Cosmos and Global have launched new tours in Australian and New Zealand specially designed for local travelers.

Insight Vacations has kicked off it’s first ever Australian tour which is also the first tour they have departing globally for the brand since the pandemic.



The Kimberley, Western Australia | Fossil Bay

**Once-in-a-Lifetime All-Inclusive Outback Luxury with Private Plane Transfers**

Buy now, choose dates later – travel until 7 Sep 2021

4 Nights from  
**AS\$11,999**  
per person  
Valid up to AS\$15,620

[View Details](#)



South Australia

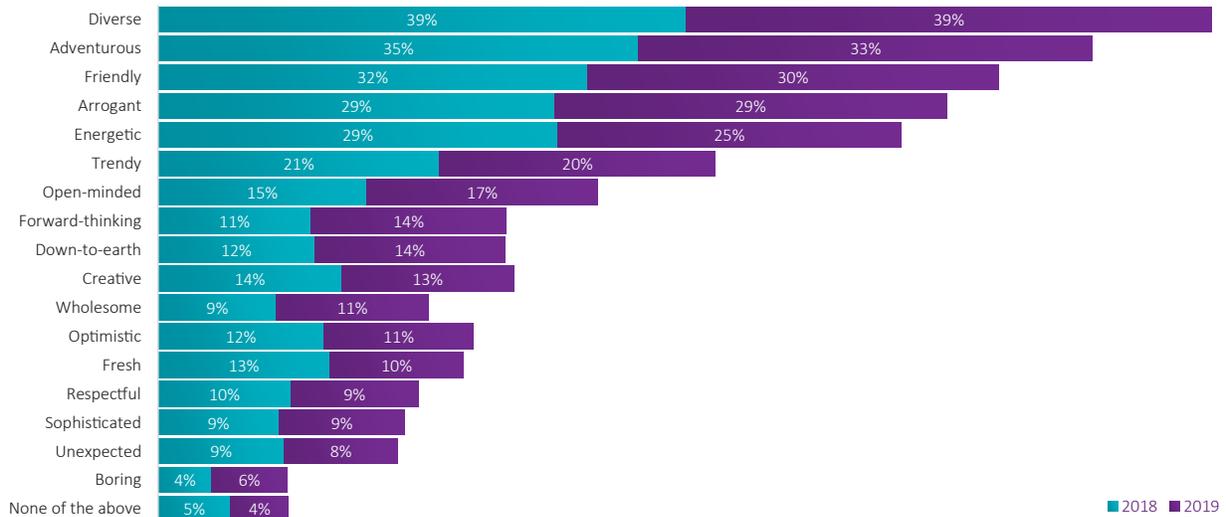
**South Australia: 4-Day Small-Group Gourmet Tour with Private Wine Tastings & All-Inclusive Luxury Outback Stay**

4 Days from  
**AS\$4,899**  
per person  
Valid up to AS\$9,847

# VIEWS ON TRAVEL TO THE USA

## Summary of context for the month

### Perception of the USA



Question for the graph results: For each of the following countries, select which characteristics, if any, describe it as a holiday destination. Select all that apply. Base: Australia international travelers (2018 N=1058, 2019 N=1007)

Media coverage of the USA's official response to the pandemic as well as the civil unrest in 2020 shone a strange and unfamiliar light on the USA. Australians didn't recognize the America they saw on the news.

However, Australia and the US have for many decades had a close alliance and Aussies have always had a love for travelling to America. Despite recent events in the USA, Australians haven't lost faith in the USA. The recent election results give hope and in time when a vaccine has been introduced and, borders reopen, Australians will be ready to travel to the US once again.

The graph to the left shows Australians view the USA as diverse, adventurous, friendly and energetic.

# STATE OF LONG-HAUL OVERSEAS FLIGHTS

Prior to international border closure, airlift to the US was on the rise as the increased demand combined with new aircraft saw capacity and new routes open

Incremental Services 2018-2020 (pre-COVID)



Melbourne to San  
Francisco  
*(Launched Sept 2018)*

Brisbane to San  
Francisco  
*(Launched Feb 2020)*



AIR NEW ZEALAND

Auckland to Chicago  
*(Launched November 2018)*



Sydney to Houston  
*(Launched January 2018)*

Melbourne to San  
Francisco  
*(Launched October 2019)*

# STATE OF LONG-HAUL OVERSEAS FLIGHTS

Increasing airlift was on the cards for 2020

The following new routes were scheduled to be introduced in 2020



Brisbane to  
Chicago

*(Scheduled to have  
launched April 2020)*



AIR NEW ZEALAND

Auckland to  
New York

*(Scheduled to have  
launched October 2020)*



Christchurch to  
Los Angeles

*(Scheduled to have  
launched October 2020)*

Auckland to  
Dallas Fort Worth

*(Scheduled to have  
launched October 2020)*

# STATE OF LONG-HAUL OVERSEAS FLIGHTS

**Airlines are increasing their roster of services in anticipation of the rollout of the vaccine becoming widely available in the coming months**

## Qantas Airways

Qantas CEO, Alan Joyce, announced that flights across all of its global network are now available to book, bringing forward flights to the USA and UK from October to July 01. There are a handful of destinations missing from the July 2021 roster with New York being the most notable one (previously Qantas flew the 787 between LAX and JFK). Also, their Brisbane to Chicago flights which were scheduled to launch on Apr 15th last year are yet to make a return.

The announcement has ruffled a lot of feathers – the airline’s explanation that they expect international travel to begin from July 2021. However, the deputy prime minister has said it’s a government decision, not the airline, to determine when to open international borders. We’ll keep you updated on any other major announcements.

## United Airlines

United Airlines has ramped up its non-stop service between Sydney and Los Angeles to 5 times weekly from 01 December. The Sydney-Los Angeles service resumed in September, and with the addition of the two extra flights, United will operate the service on Mondays, Tuesdays, Thursdays, Saturdays, and Sundays. United is the only carrier that continued to offer regular service between Australia and the US throughout the COVID-19 pandemic. In addition, United also operated nearly 200 cargo-only flights between the two countries between April and September.

## Delta Air Lines

Delta Air Lines has scrapped change fees for all international flights originating from the US.



# TRAVEL RESTRICTIONS TO THE USA

**A ban on all international travel remains in place with the exception of New Zealand**

No travel to the USA possible until international borders reopen

Since 20th of March, 2020, there has been a ban on overseas travel from Australia unless citizens are able to get an exemption from the Department of Home Affairs.

The screenshot shows the 'United States of America' travel advisory page. At the top, it states 'Overall: Do not travel'. Below this is a navigation menu with options: Advice levels, Overview, Safety, Health, Local laws, Travel, and Local contacts. The breadcrumb trail reads: Home > Destinations > Americas > United States of America. The 'Latest update' section is dated 12 January 2021 and was last updated on 08 January 2021. The update text describes widespread protests and demonstrations, advising travelers to avoid these areas and follow local authorities. It also mentions COVID-19 health risks and various restrictions. A 'Local emergency contacts' button is visible on the right side of the page.

**United States of America**

Overall: **Do not travel**

Advice levels Overview Safety Health Local laws Travel Local contacts

Home > Destinations > Americas > United States of America

**Latest update**

**Still current at:** 12 January 2021

**Updated:** 08 January 2021

**Latest update:** Widespread protests and demonstrations are likely to continue in the weeks ahead. Avoid areas where protests and demonstrations are occurring due to the continuing potential for disorder and violence. Follow the instructions of local authorities and abide by any curfews and stay at home orders (see 'Safety'). Monitor the media for information and updates. COVID-19 remains a serious health risk. Various restrictions and public health measures are in place and vary by location, including those related to quarantine, self-isolation, social-distancing and the wearing of face masks. Monitor the Embassy website for further COVID-19 related information (see 'Local Contacts').

**Local emergency contacts**



# **Travel Industry Landscape**

# TRAVEL INDUSTRY LANDSCAPE

**Whilst 2020 has been a year of devastation to the travel industry the governments support with job keeper to encourage a ‘hibernation’ whilst international borders are closed has assisted the industry in staying open.**

Whilst 2020 was a tough year for travel on the world stage the Australia government has supported the Australian industry by injecting stimulus via job keeper and offering a further \$128m to assist travel industry businesses dealing with the ongoing closure of Australia’s international borders. The funding is part of a \$1.2 billion package which also includes the underwriting of 800,000 half-price domestic flights to specified regional destinations, as well as Government-backed loan guarantees for small and medium businesses. Qantas and Virgin Australia will be also provided with monthly “retention payments” to support staff and ensure aircraft are ready for the recommencement of international travel which is anticipated to be when the COVID-19 vaccination program is complete in late October.

When it comes to travel trade, Australia and New Zealand are quite unique, with over 70% of travelers booking at least one component of their journey with a travel agent. While OTAS are growing, the trade continues to remain strong. As such, engaging the travel trade through training, marketing and product development efforts is still extremely beneficial to those operating in this market.

The Australian market maintains two major players: Infinity Holidays (internal wholesaler at Flight Centre Travel Group) and Viva Holidays (previously Qantas Holidays, the internal wholesaler at Helloworld Travel) . A notable third is Expedia, which has a Travel Agent Affiliate Platform (TAAP) offering commissionable packages to travel agents nationwide.

# RETAIL MARKET SHARE

Estimate of the Australian market share of retail leisure business based on anecdotal market knowledge and statistical information.



# WHOLESALE MARKET SHARE – AUSTRALIA

Estimate of the Australian market share of wholesale leisure business based on anecdotal market knowledge and statistical information.

Flight Centre Wholesale:  
(Infinity Holidays):

30%



Qantas Holidays / Viva Holidays:

30%



Expedia TAAP:

20%



Other Wholesalers:

20%



# STATUS OF TOUR OPERATORS & PRODUCT SAMPLE

## 17/18 – 19/20 wholesale product comparison

Company	2017/18	2018/19	2019/20	Comparison	During COVID-19
Adventure World	8 self drive itineraries 1 escorted tour 1 train journey 1 river cruise 3 city profiles 3 city stays	11 self drive itineraries 8 escorted tour 3 train journey 1 river cruise 3 city profiles 3 city stays	11 self drive itineraries 9 escorted tour 0 train journey 2 river cruises 0 city profiles 11 city stays	Same number of self drives as per last year +1 escorted tour -3 train journey +1 cruise -3 city profiles +8 city stays	Whilst the product range for the south still exists, there are currently no active promotions or invested advertising dollars focused on promoting the product range.
Qantas Holidays	3 self drive itineraries 4 escorted coach tours 1 American Queen cruise 5 city tours 7 hotels	3 self drive itineraries 5 escorted coach tours 6 city tours 12 hotels	2 self drive itineraries 1 motorcycle tour 3 escorted coach tours 6 city tours 15 hotels	-1 self drive itinerary +1 motorcycle tour -2 escorted coach tours Same number of city tours +3 hotels	The Qantas Holidays brand no longer sits with Helloworld and is now fully under the network of Qantas Airways' brands. Currently only domestic Australia packages are on offer.
Venture Far	2 self drive 2 escorted coach 4 city tours 8 hotels 1 cooking class	9 self drive 4 escorted coach 2 city tours 4 hotels 1 cooking class	N/A Venture Far ceased operating in Q4 of 2018	N/A	Venture Far ceased operation late October 2018 and fell into receivership after 39 years in the industry.

# PRODUCT SAMPLE

## 17/18 – 19/20 touring product comparison

Company	2017/18	2018/19	2019/20	Comparison	During COVID-19
APT	N/A	N/A	N/A	N/A	APT are currently focusing all of their efforts on domestic Australian travel including a full range of 2021 private jet tours.
Adventure Destinations	1 self drive itinerary 2 escorted tours 1 Amtrak train journey 1 American Queen journey	19 self drive itinerary 5 escorted tours 1 Amtrak train journey 1 American Queen journey	22 self drive itinerary 6 escorted tours 0 Amtrak train journey 0 American Queen journey	+ 3 self drive itinerary + 1 escorted tours - 1 Amtrak train journey - 1 American Queen journey	All International Touring and Cruising suspended up to 28 February 2021. A future holiday credit equal to 100% of the amount paid on bookings, is being offered to all suspended tours and is valid for travel up to the end of 2022.
Collette	5 escorted tours 17 Hotels 1 single stay hotel – New Orleans	4 escorted tours 9 Hotels 1 single stay hotel – New Orleans	4 escorted tours 8 Hotels 1 single stay hotel – New Orleans	Same number of escorted tours - 1 Hotels Same number of single stay hotels	Collette is currently offering 10% off of all tours as well as a Travel Protection Plan where travelers can cancel for any reason and get their money back – all the way up to 24 hours before departure.
Contiki	5 escorted tours	5 escorted tours	5 escorted tours	No increase or decrease in product	In November they ran a Cyber Sale with up to 30% of 2021/22 tours. They also have the WTTC safe travels stamp. FlexDeposit policy to our 30-day refund program you can change your plans for any reason, or no reason at all and rest assured your money is protected.
Cosmos	8 escorted tours 2 Amtrak City of New Orleans trips	6 escorted tours 1 Amtrak City of New Orleans trips	6 escorted tours 1 Amtrak City of New Orleans trips	No increase or decrease in product	Cosmos also continue to have southern product available with flexible booking conditions.
G Adventures	7 small group camping Escorted Tour	5 small group camping Escorted Tour	5 small group camping Escorted Tour	No increase or decrease in product	In November they ran a 21% off Cyber Sale with \$1 deposits. Record sales were achieved with bookings up 400%. Currently they only have tours available around Hawaii, Alaska and the West Coast.

# PRODUCT SAMPLE

## 17/18 – 19/20 touring product comparison

Company	2017/18	2018/19	2019/20	Comparison	During COVID-19
Globus	2 escorted tours 1 train trip – Amtrak MEM/MSY	3 escorted tours	3 escorted tours	No increase or decrease in product	All 2021 holiday bookings have the flexibility to move holidays to any other 2021 or 2022 date, destination or itinerary.
Insight Vacations	5 Escorted Tours 13 Hotel Listings	8 Escorted Tours 15 Hotel Listings	3 escorted tours	+ 3 Escorted Tours + 2 Hotel Listings	Whilst they haven't changed their touring product range, the core focus is promoting discounted tours in domestic Australia (now) and Europe (last Nov).
Intrepid	6 escorted van tours	6 escorted van tours	6 escorted van tours	No increase or decrease in product	Intrepid's product range remains the same. However, much of their communication efforts during COVID has been on promoting sustainable travel.
Scenic	1 escorted tour	3 escorted tour	3 escorted tour	No increase or decrease in product	Scenic have currently paused their USA product range online.
STA Travel	2 self-drive itineraries 19 escorted tours 7 hotels/ 2 hostels	1 self-drive itineraries 18 escorted tours 9 hotels 9 Attractions	0 self-drive itineraries 18 escorted tours 15 hotels 3 Attractions	- 1 self-drive itineraries - 1 escorted tours +6 hotels - 6 Attractions	In August 2020, STA Travel collapsed into administration.

# PRODUCT SAMPLE

## 17/18 – 19/20 touring product comparison

Company	2017/18	2018/19	2019/20	Comparison	During COVID-19
Top Deck	9 van escorted Tours 1 City escape New Orleans Top Trip of TS cities and states: 27 Day Road Trip USA 2 City Tours	7 van escorted Tour	6 van escorted Tour	-1 van escorted Tour	Currently only 1 USA tour including the south – the 25 night USA road trip which includes Louisiana, Georgia, South Carolina, North Carolina.
Trafalgar	5 escorted tours 7 hotel options	5 escorted tours 14 hotel options	4 escorted tours 11 hotel options	- 1 escorted tours - 3 hotel options	Trafalgar continues to sell their USA packages with a no risk \$99 deposit and unlimited changes up to 30 days from departure
Trek America	17 escorted tours	19 escorted tours	11 escorted tours	-8 escorted tours	Due to ongoing uncertainties from COVID, TrekAmerica won't be continuing to run trips.

# CURRENT & FUTURE TRENDS

## Several research sources show Aussies have a fierce appetite to travel but how they travel and their needs is likely to change

Since COVID-19 impacted travel for Australians, several organisations have reached out to their database to gain an understanding of travel intent into the future. The following is a summary of key insights to date:

### Intention to travel

- The latest Roy Morgan Leading Indicator Holiday Travel Intention report shows that during the quarter April to June 2020, a period in which the full scale of the pandemic's effect was becoming apparent, 5.79 million Australians said they intended to take a holiday in the next 12 months. This is well under half the 13.2 million who had that intention in the equivalent quarter of 2019. The data is drawn from Single Source, the country's largest, deepest and longest-running repository of information on consumer behavior. It shows that people's intention to travel over the next 12 months is tightly linked to the confidence they are feeling in the overall economy.
- Research conducted among Flight Centre's leisure customers indicates that almost 60% are considering booking an international trip to travel in the next 12 months once travel restrictions are lifted with just 3.6% saying they don't plan to travel at all.
- Around 60% of Australians believe international travel will be safe in 6 months time, according to Skyscanner's insight data. This is a much more positive result compared to the global average of 47%.
- Luxury travel network Virtuoso has revealed that nearly 60% of its members would be willing to take an international trip in 2020, so long as travel restrictions were not in place.
- In August 2020, a study showed Australian travelers identified the U.S., NZ and Japan as their top three destinations when restrictions are lifted according to research performed by Dynata and Blackbox Research. More than half of Aussies would be willing to embark on a long haul trip within 12 months of lockdown ending, while 62% would be willing to go on a trip to neighboring countries.
- According to the latest Consumer Pulse report released by price comparison company Canstar, baby boomers in Australia are still prioritising saving for an international holiday. One in four older Australians listed taking an overseas trip as a strong savings goal, sitting narrowly behind retirement costs.

## CURRENT & FUTURE TRENDS cont...

- A new Luxury Escapes survey reveals for 2021, travellers listed the top destinations they wanted to head to when restrictions ease, with New Zealand, Japan, Italy, Fiji and the United Kingdom all high on the list for Aussies.
- TripADeal ran a survey that revealed 50% of Aussies plan to head overseas as soon as borders re-open. More than 16,500 people responded to the online survey. Whilst 33.4% plan to wait for a vaccine, and 16.2% are waiting for the World Health Organisation to announce the virus is mostly contained. 33.2% of respondents said they planned to return to normal travel habits within 1-6 months, followed by 28.6% who said they'll likely resume in 6-12 months.
- According to an analysis by NewsCorp, more than one in four Australian's have been keeping an eye out for holiday offers right throughout enforced isolations.
- Figures released at Expedia Group's annual partner conference Explore '20, shows that 57% of travellers would be comfortable travelling next year if a vaccine was widely available.
- The data also indicated that Generation Z and Millennial travellers would be 150% more likely than other generations to take a leisure trip in 2021, while a large portion of respondents said they would book travel sooner rather than later if they could be assured of their safety and be able to alter or cancel their holidays at any time.

### Method of booking and safety requirements

- A Travelpoort study in August that surveyed more than 5,000 travelers from five countries, including Australia, found that people are now more likely to book through a travel agent than before the COVID-19 crisis. Furthermore, the majority of travelers are ready to consider domestic and international travel, so long as a range of safety measures are introduced including enhanced cleaning and/or disinfection, access to sanitising gel/wipes, face masks & gloves, social distancing, temperature checks, mandatory wearing of face masks, improved air filtration, staggered boarding protocols and contactless services.
- According to research compiled by tech business Toluna, hygiene in the air was high on the list of concerns for travellers, with 65% stating face masks should be mandatory on flights, while 73% also wanted temperature checks to be mandatory prior to boarding, and 68% of Australians stated a desire for spaced seating in the air.

## CURRENT & FUTURE TRENDS cont...

### The great outdoors, sustainability and wellness will be more important than ever

- Booking.com research reveals 41% of Australian travelers want to travel more sustainably in the future. 62% of those researched expect the travel industry to offer more sustainable travel options. 52% of travelers consider reducing waste and/or recycling when travelling again and, 63% will be more price conscious. Further findings can be found [here](#).
- A Travel Index compiled by Tripadvisor has shown beach holidays and outdoor adventure trips are increasing in interest from Aussies. Top motivations for taking a holiday were listed as “relaxation”, “enjoying nature” and “escaping the daily routine”.
- Virtuoso revealed three quarters of its members were seeking a beach holiday.

... and whilst the above findings were gathered since COVID-19, a study from Luxury Escapes prior to the pandemic shows that travelers trends were already heading in this direction.

**Experiential Travel:** Luxury and indulgence is no longer about opulence but, much more about a personalized journey and shared experiences. As a result, there are more experiences bundled into travel offerings and changes in the way that travel is described.

**The Connected Trip:** On the one hand, travelers are expecting their experiences to be ever more personalized, enabled through the appropriate use of data. On the other hand, they want to be able to disconnect and detox from their gadgets while on holidays. There’s a love / hate relationship with technology and people want to benefit from the opportunities it brings, while finding themselves desperate to get away from it too.

**Transformational Travel:** In 2018, Australia officially became an experience economy for the first time ever spending more of our discretionary spending on experiences than things. While we treasure, collect and showcase our experiences on Instagram, the next status symbol is the ability to truly transform. Futurist Anders Sorman Nilsson says “Going on a transformational journey of sustainable mental and physical health may well be the future of travel – whether you achieve that during a meditative retreat or an eye-opening festival.

**Conscious and Sustainable Travel:** With increasing discussion around climate change and now undoubtedly also because of our unparalleled bushfires, people are becoming ever more aware of their impact on the environment. They want their travel to be a reflection of their ethical values.

# CURRENT & FUTURE TRENDS

## Expedia's Global Traveller Sentiment Survey

### Traveller Insights

#### Expedia's Global Traveller Sentiment survey revealed:

- Travel searches continue to fluctuate as people are awaiting outcomes of a vaccine and signs of improvement in the number of cases across different parts of the world.
- Travellers are mostly searching anywhere between 0-21 days out with Expedia suggesting that travelers will continue to do shorter-term planners into 2021.
- Whilst for the most part since March, people have been searching domestic travel, early vaccine news in November turned this around with international travel searches overtaking domestic.
- Pandemic fatigue is setting in and there is pent-up demand – people seek travel to rejuvenate and recharge.
- Travelers want to minimize risk to their health and protect against financial setbacks.
- Brands can reassure travelers with messaging and imagery on pandemic protocols, flexibility, and financial security.
- 1 in 2 travelers feel optimistic about taking a trip in the next 12 months. The other half need reassurance.
- Younger generations are leading future leisure and business travel
- 7 in 10 will feel more confident traveling in the next 12 months with flexibility – such as travel insurance and trip protection, full cancellations, and refunds on transportation and accommodations.
- Car travel, including renting a car, feels safer than other modes of transportation.

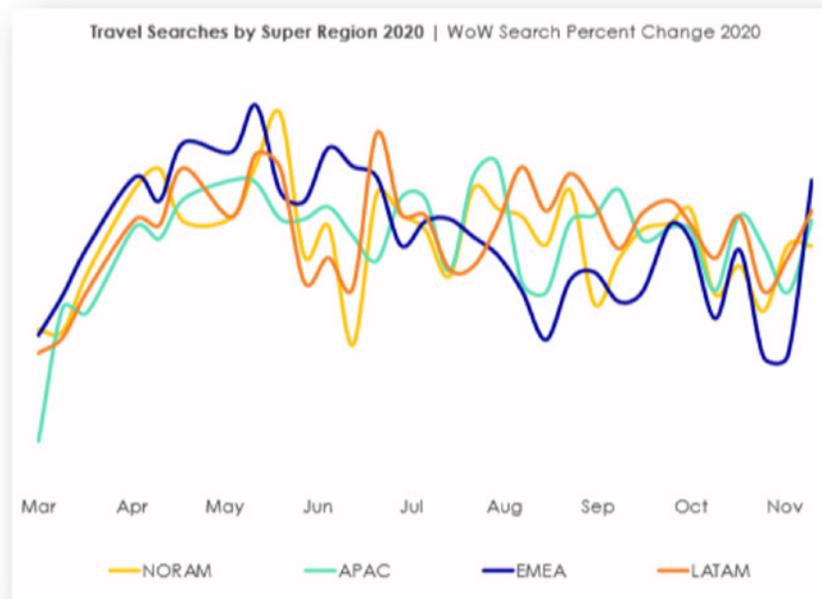
# CURRENT & FUTURE TRENDS cont...

## Expedia's Global Traveller Sentiment Survey

### Traveller Insights

#### Expedia's Global Traveller Sentiment survey revealed:

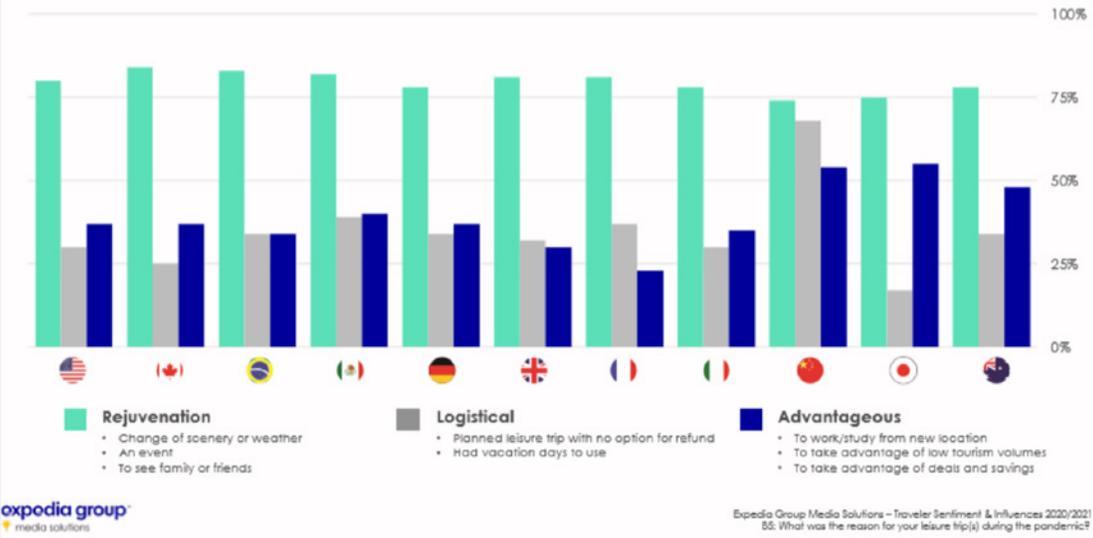
- The most important factors that can influence Aussie confidence in travel over the next year:
  - 73%: Travel insurance or trip protection, don't have to worry about health care expenses/ coverage, full cancellation & refunds on transportation and/or accommodations.
  - 63% Traveling with safety supplies such as mask, disinfectants and sanitizers; accommodations are strictly following WHO guidelines on cleaning & hygiene
  - 54% Traveling to a destination with lots of tourist activity, traveling to a destination where local establishments are open & there will be things to do
  - 62% Traveling to a destination where local establishments are following safety protocols & guidelines, the destination is less populated.
  - 1/3 of travelers want to see destination messaging around social distancing measures or protocols and cleanliness standards.



# CURRENT & FUTURE TRENDS cont...

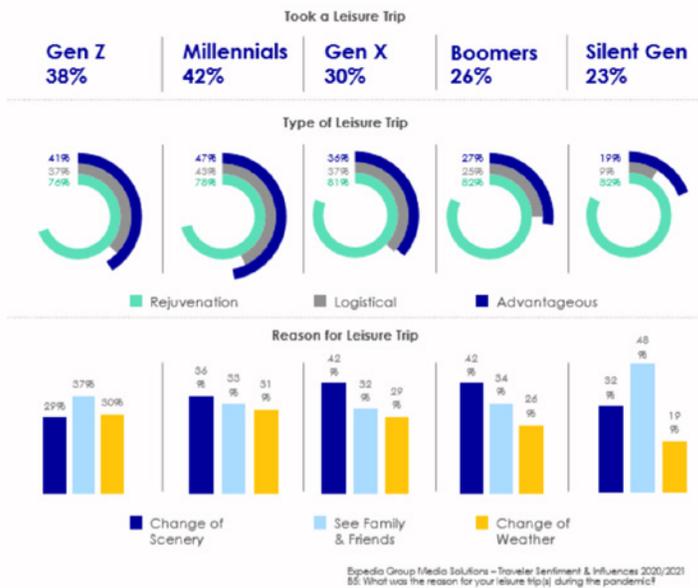
## Expedia's Global Traveller Sentiment Survey

### Rejuvenation drove leisure trips during the pandemic



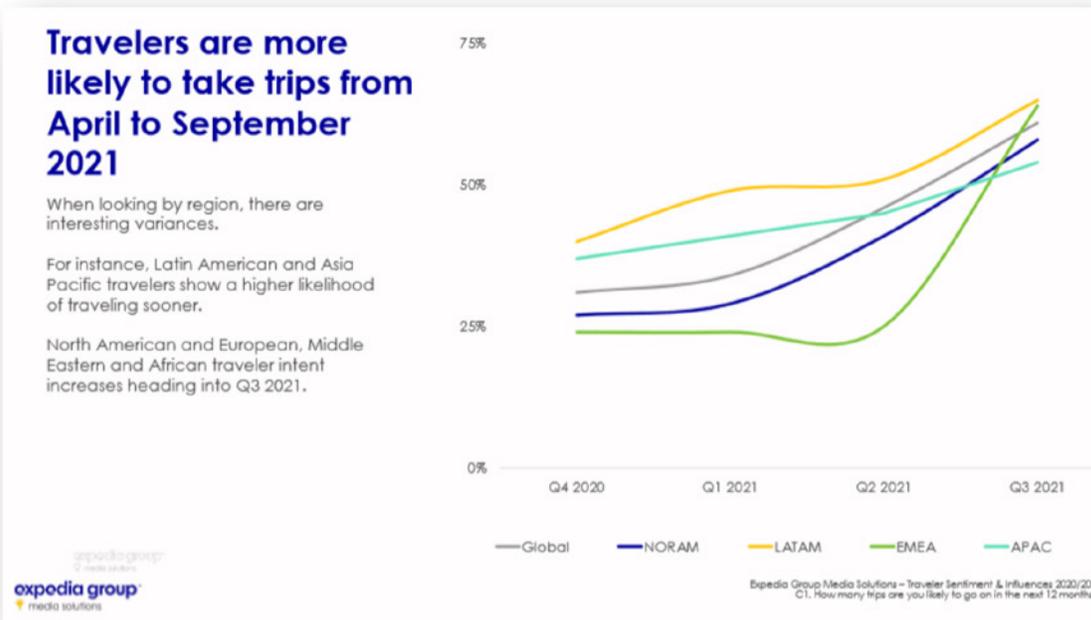
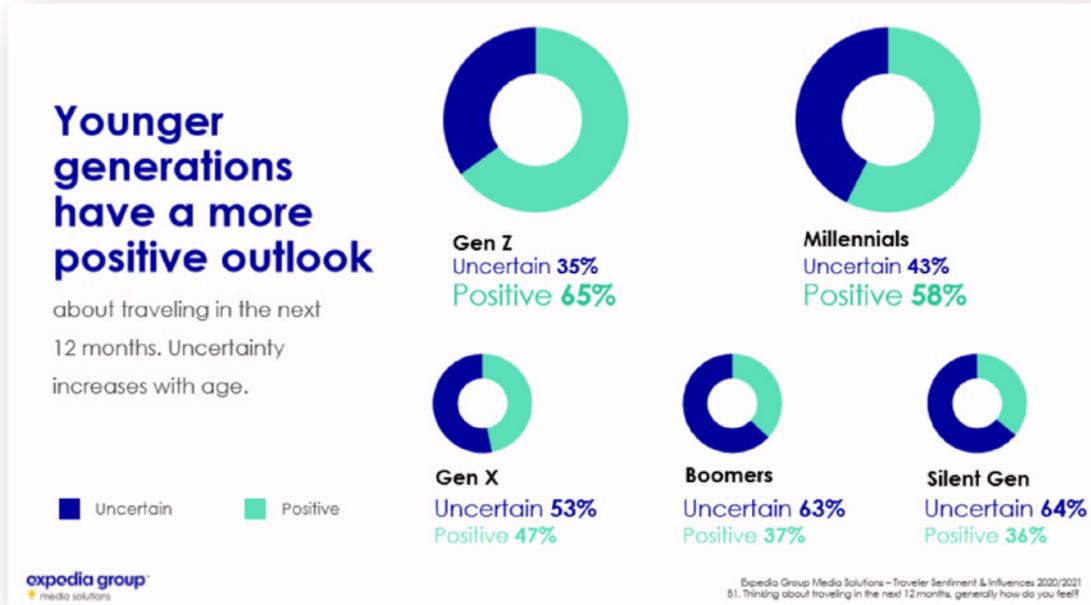
### Millennials took more leisure trips

than other generations during the pandemic and were most driven by a change of scenery. Meanwhile, the Silent Generation traveled to see family and friends far more than the other generations.



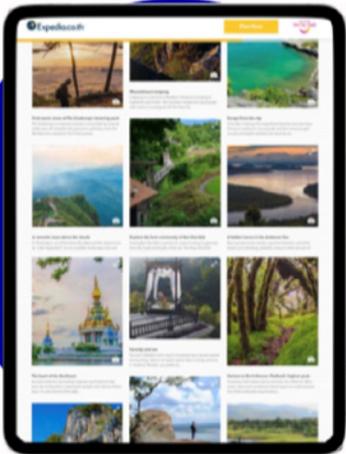
# CURRENT & FUTURE TRENDS cont...

## Expedia's Global Traveller Sentiment Survey



# CURRENT & FUTURE TRENDS cont...

## Expedia's Global Traveller Sentiment Survey



Travelers are increasingly turning to online travel sources for trip planning - more than pre-pandemic

Source	Percentage Increase
Online Travel Agencies (OTAs)	24% more
Destination Sites	20% more
Travel Advertising	16% more

Expedia Group Media Solutions - Traveler Sentiment & Trends 2020/2021  
F1. Think about planning leisure travel in the next 12 months, where do you get information? Do these differ from before the pandemic and now?

**expedia group**  
media solutions



Travelers want brands to take an informative and professional tone

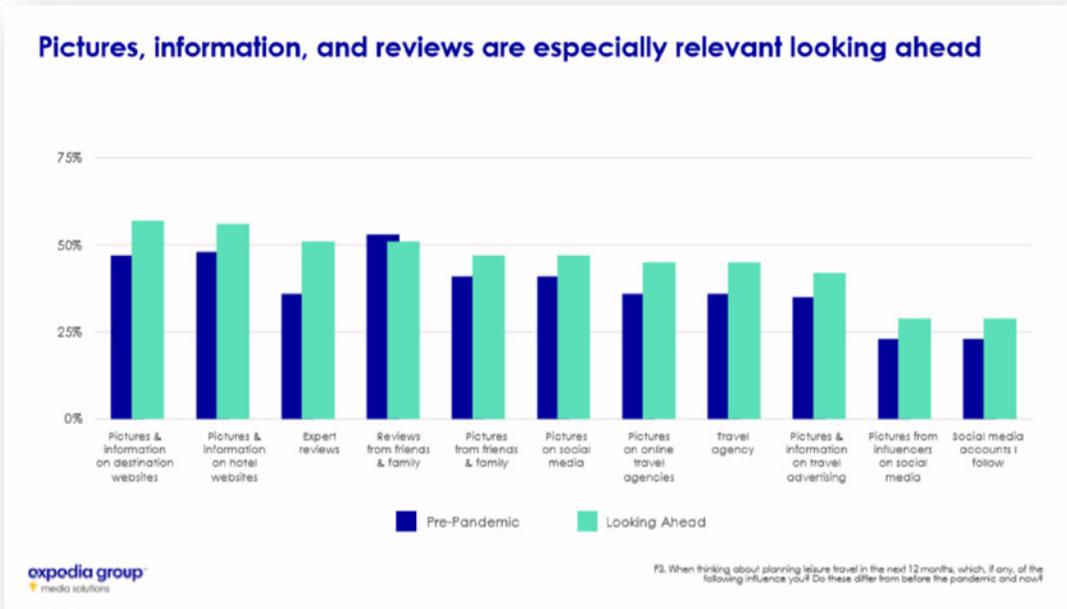
Informative	27%
Professional	23%
Friendly/Kind	18%
Upbeat/Energetic	16%

Expedia Group Media Solutions - Traveler Sentiment & Trends 2020/2021  
F5. When deciding on a destination for your leisure travel, what kind of tonality would you find most appealing from a brand?

**expedia group**  
media solutions

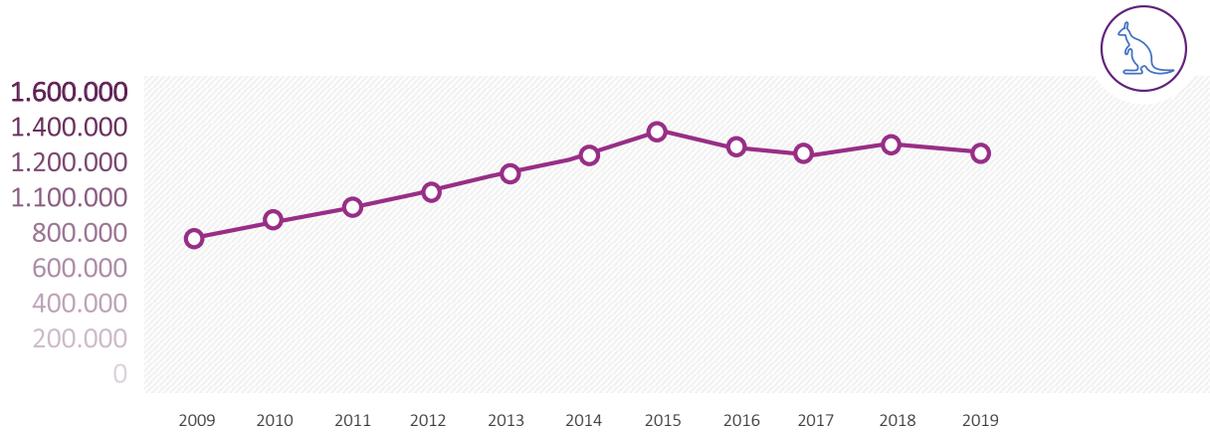
# CURRENT & FUTURE TRENDS cont...

## Expedia's Global Traveller Sentiment Survey



# DURATION & TYPE OF VACATIONS TO THE USA

Prior to COVID-19, Aussies were known to stay longer, travel further and spend more than most international markets



# DURATION & TYPE OF VACATIONS TO THE USA

## Aussies' love for the USA delivered a strong repeat visitation and length of stay

Research shared earlier in this document shows that when border restrictions lift, the appetite for international travel is strong. However whilst the demand and intention will be there, the economic impact from COVID-19 will likely impact the average length of stay as affordability will be a bigger consideration than previous to the pandemic. The below figures are Australian travel patterns to the USA pre-COVID.



Repeat visitation

**72%**



Number of states visited

**2.0**



Average length of stay

**18.7**  
nights



Advance trip decision

**18.7**  
days

Source: U.S. Department of Commerce, International Trade Administration, National Travel and Tourism Office

# DURATION & TYPE OF VACATIONS TO THE USA

In 2018, the primary reason for travel to the USA was for a vacation, followed by VFR. Post COVID these weightings are unlikely to change



Vacation

**82%**



VFR

**27%**



Conference/Trade Show

**07%**



Business

**06%**



Education

**04%**

# BOOKING CONFIDENCE, PROCEDURES & ROUTE TO MARKET

## Changes to booking windows, deposits and travel insurance

### Booking windows and deposits

For the most part, it seems that Australia will likely see a progressive reopening of international borders pending the following:

- a safe vaccine is created
- safe travel bubble arrangements can be negotiated with international destinations that are considered low-risk

Both communication from the government and Qantas CEO signals travel movement will continue to remain low and slow through to the latter part of 2021. However, with the unpredictable nature of the pandemic, this can change and it's too early to really predict how soon or late travel to the USA will recommence.

### Travel Insurance

Most travel insurance policies taken out pre-Covid did not include cover of a pandemic. Some examples of Covid-19 related problems that were not covered by policies include: protecting customers in the event of airlines going into administration, cancellation due to Covid-related sickness or if travellers were denied entry to destinations due to failed temperature checks.

According to research by financial comparison site Mozo, one third of Australian travelers were financially affected by COVID-19 lockdowns cost up to \$10,000.

Mozo's research found 78% are avoiding buying cheap airline tickets due to uncertainty around travel restrictions and other impacts of the pandemic.

There's also some concern around travel booking websites, with almost a third of survey respondents not planning to book through a third party travel site in the future. When asked to rank these sites, Skiddoo, Skyscanner and Lastminute.com were the least popular, with Flight Centre scoring the top spot.

Currently insurance providers are working to address the 3 main traveler concerns:

1. Unexpected travel restrictions
2. Health while travelling
3. Financial loss, should a trip be cancelled or an airline go into administration

In November it was announced that Cover Genius and Skyscanner will roll out new Covid-19-proof travel insurance. Following this, Cover-more insurance confirmed it will go ahead with the launch of new policies including coverage for COVID-19 related conditions.

# LODGING TRENDS

## Chains, Independents, Boutiques, Rentals, RVs

### Chains versus independents and boutiques

Australians and Kiwis still heavily rely on booking via a travel agent and so for the most part, the chains have led the way when it comes to retailers packaging up accommodation. This, paired with attractive incentives mean that often the agents are encouraged to book their clients with a hotel chain over an independent or boutique option.

However, cultural shifts in demand for seeking the unique, authentic and different experiences (think living like a local), paired with a surge in supporting small business means that consumer appetite for large chains is changing. FOMO has been replaced with JOMO (i.e. the joy of missing out) whereby travelers want to avoid crowds, consider travelling off-peak and off the beaten track.

With the above in mind, it means that over time, the type of property being booked will be more led by changes in consumer demand than by the large brands themselves. The exception here is where larger brands that are able to move in line with changes in consumer values (e.g. showcase their efforts in sustainability, being relevant in today's culture, offering a modern twist on luxury etc).

### Rentals and RVs

Australians and Kiwis love a road trip. Over 1/3 hire a car in the US and this is unlikely to change post-pandemic. Australians that have had to cancel their international holidays have been re-discovering the road trip down under. Furthermore, with the pandemic abruptly changing how we work, alongside an increased push to holiday at home, there's been a renewed interest in the "van life". With this lifestyle becoming increasingly popular, it's likely it will carry over to an increase in RV rentals when international borders open – people have the fierce appetite to travel overseas as well as the flexibility for many to work on the road.



# ATTRACTIONS & EXPERIENCES

## Included, add on, or not featured

Travel has become experiential. This is impacting our industry in a number of ways. We're seeing more experiences bundled into travel offerings than before (prior to COVID) and changes in the way that travel is described. Furthermore, there has been a notable increase in bookings driven by experiences including music festivals and bucket list events. Over 30% travelling to the USA attend a concert, play or musical and 27% attend a sporting event.

Whilst COVID-19 will have an impact on traveler desire to gather in large groups, the idea of more intimate concerts and events that can show they are safe to attend are still likely to draw demand.



# KEY TRAVEL INDUSTRY EVENTS

## What vacations consumers will want in 2020 and beyond

### Visit USA Expos Australia

Typically held every February in Brisbane, Melbourne and Sydney, the Visit USA Expos are the largest travel agent-focused event showcasing the USA each year. Over 40 U.S. delegates and representatives attend these expos with a combination of presentation time and free-flow expo stands. Each event attracts between 150-400 agents.

### Brand USA B2B Day, Sydney

This event is held off the back of the Visit USA Expos and is hosted by Brand USA. Key marketing and product contractors participate each year from AU/NZ to meet in a “speed-dating” style set up with visiting US suppliers to network and discuss key partnership opportunities and updates for the year ahead.

### Brand USA Discover America Expos

Similar to the Visit USA Expos in Australia, the Brand USA team in New Zealand run the Discover America Expos across 2 cities. Each year the event is hosted in Auckland with Wellington and Christchurch rotating every other year. The event has drawn record crowds each year and is the largest US focused trade event in NZ.

### IPW

Each year several Australian and New Zealand delegates (trade and media) attend IPW.

### Sales Missions and Roadshows

Sales missions and roadshows are a hugely popular way for individual destinations and/or regions to connect with the travel trade, offering event experiences and opportunities to meet with a theme that's strongly tied with the destination. Whilst several destinations have hosted virtual events during the pandemic, there is no doubt the demand for face-to-face events will be strong when restrictions to gather in groups ease. The only key difference will be factoring in event capacities and revised regulations.



# **Media Landscape**

# MEDIA LANDSCAPE OVERVIEW

The impact of COVID-19 has seen the media go through many changes. As PR professionals, we are adapting to a faster, more complex media landscape in Australia; keeping on top of changes and cultivating strong relationships remains key.

## Major News and Updates

Uncertainty continues, however Australian media (as with consumers) have settled into this 'new normal' and we are now embracing it.

Initially across the board, many major lifestyle and travel sites paused publishing international and domestic stories, as travel was banned. However now we are able to travel within our own country (to the most part) and there is hope of a Trans-Tasman bubble opening has brought optimism. We are starting to see small international stories appear; it just means we are being as creative as ever to ensure our story angles stand out amongst our competition!

Bauer Media closed eight of its magazine titles in Australia, including NW, OK!, Harper's Bazaar, and Elle, due to the effects of COVID-19. These decisions were the first to take place under new owner: private equity group Mercury Capital's ownership. Body + Soul and Stellar merged into one print title, with a combined editorial team.

However, on a more positive note, after a tough period in newspaper publishing, supplement titles Traveller and Escape's page numbers have increased (potentially with new / returning advertisers on board).

Brands continue to become publishers in their own right, and opportunities to collaborate with consumer brands to share inspiring destination content has never been greater.

Food and drink remains an incredibly popular topic to write about, and virtual classes where Aussies and Kiwis can get involve are of interest still, despite our experiences of interacting virtually wearing a bit thin!

**Tori Goddard**  
Director of PR



# MEDIA LANDSCAPE OVERVIEW cont...

## Feel Good Stories and Interest in Sustainability on the Rise

A move towards 'feel good' / acts of kindness / community articles is increasing, as talks of restrictions lifting and the Trans-Tasman bubble returning are evident. Many titles such as Urban List have created their own Sustainability content arm to adapt and this is reflected in the travel trade media industry also.

## Journalists-Turn Podcast Broadcasters

As many freelance journalists faced the prospect of limited commissions, we started to see quite a few take up podcasting (possibly due to it always being a 'to-do', and now they have time). This has proved to be a great vehicle for sharing our destination stories in a new and exciting format.

## Broadcast and Entertainment

More and more, people are searching online for their entertainment-related content and discussion about current TV shows such as Master Chef popular as ever on social media, making broadcast integrations a valuable tool for not only reaching an audience but creating conversations within that audience. <http://www.roymorgan.com/findings/8289-launch-of-tiktok-in-australia-december-2019-202002240606>



# **Social Media & Influencers**

# SOCIAL MEDIA & INFLUENCERS

## Mobile First

Smart phone ownership in Australia is at 84%, with 61% being active social media mobile users. With 73% of the population researching purchases on their mobile device, a mobile-centric media strategy is now paramount.

*Note: this is pre-COVID; no doubt smart phone usage would have risen dramatically during this time.*

## Social Media Usage

In Australia, Facebook dominates in popularity. Twitter and Instagram have both risen in popularity, no doubt due to the recent changes in how we live our lives.

**Australia:** <https://gs.statcounter.com/social-media-stats/all/australia>



## The Big Picture

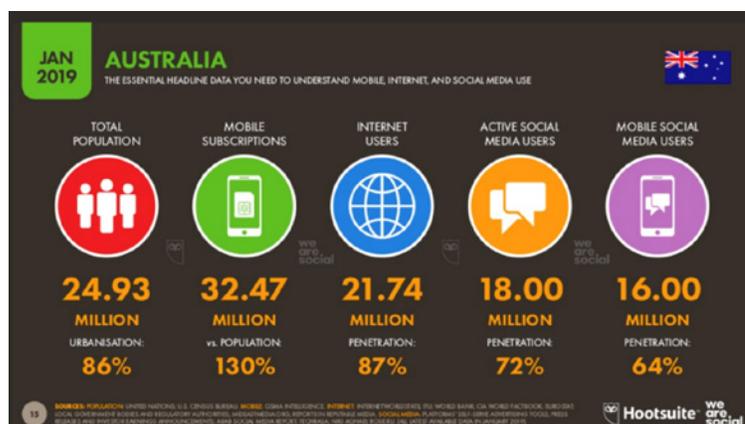
21.74 million Australians are internet users, and 93% of these connect to the internet everyday, spending an average of 5 hours and 4 minutes online via any device. Smartphone ownership is high in Australia with 130% of Australians having a mobile subscription and 64% engaging with social media on their mobile – illustrating the growing importance of a mobile-centric media strategy.

## Platforms & Growth

In 2018, the number of active social media users has continued to increase by +5.9% and the number of mobile social media users has increased by +6.7% representing more than one million active social media users in Australia.

## Key User Numbers

1. Facebook: 16 million users
2. Instagram: 9.7 million users
3. Twitter: 2.56 million users



Source: HOOTSUITE & WE ARE SOCIAL REPORT, AUSTRALIA 2019

# SOCIAL MEDIA & INFLUENCERS cont...

## NEW ZEALAND

The infographic on the right hand side of this slide demonstrates what New Zealand audiences are consuming, and how much time they are choosing to spend on each medium. These results are summarised below:

### Daily reach of all media

- 35% FTA (remains stable)
- 60% online videos, which is a 30% increase vs..2014
- 50% broadcast radio, which is a 17% decrease vs. 2014, therefore we need to look more towards creating online content – needs to be visual
- 61% SVOD which is a whopping 42% increase vs. 2014, no doubt helped along by COVID and the introduction of so many new streaming services. We need to be keeping this in mind when developing bigger ideas

### Most popular channels, sites, and stations in 2020

- YouTube is THE most popular channel that Kiwis consume
- The same number of people are consuming Netflix, as they are browsing Facebook. This shows the rise in streaming services again

### Time spent consuming media

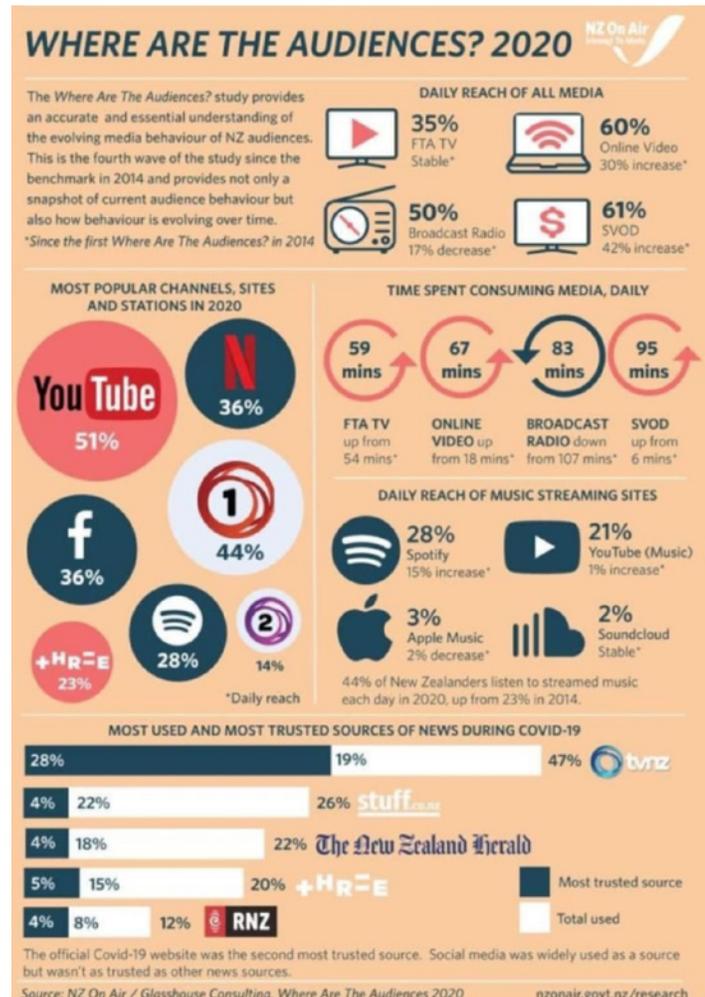
- Kiwis listen to (on average) 83 mins of radio per day, 95 minutes of SVOD, 67 minutes of online video, and 59 minutes of FTA TV

### Music streaming sites popular

- 44% of New Zealanders listen to streamed music

### Most used and trusted sources of news during COVID-19

- TVNZ comes out top in most used and trusted source of news, followed by Stuff.co.nz, then print title The New Zealand Herald, demonstrating again, the power of TV



# INFLUENCERS

## A Different Kind of Rise

Pre-COVID, we discussed the ‘Rise of the Influencer’ – and this is very much still the case (perhaps even more so, with more time spent at home!). However, travel influencers were stripped of their ability to travel (for the most part) in 2020, and with this brought its own set of challenges.

As with journalists, influencers were challenged to be more creative and make the most out of travelling their own backyard. For instance, influencers @TeganPhillipa (pictured far right) and @ItsNedKelly purchased, renovated, and rented their own campervan, and after decades of travelling with just backpacks @NoMadasauras (married couple Alysha and Jarryd) have sold their house and are travelling around in a motorhome. Influencers such as these have turned their attention to exploring Australia, in the absence of international travel.

Brands are engaging influencers through ‘Throw back Thursday’ style posts i.e. engaging those that have travelled to a particular destination in the past, and reposting their images as a way of keeping the travel dream alive. Luxury Escapes is working with Australian influencers to sell travel packages by sending them to experience luxury hotels and activities, share their experiences, then provide their audiences with ‘swipe up’ for direct bookings. Affiliate marketing is becoming more and more popular, and brands such as Luxury Escapes and domestic hotel groups have benefitted greatly.

We will continue to see influencers exploring Australia (in particular finding parts they never knew existed), however as soon as international borders open up, there will be a surge in influencers eager to travel. The more unique the experience (which the South lends itself well to), the better.

