

TOURISM, DOWNTURN IN JAPANESE, NEW ZEALAND AND SINGAPORE MARKETS

1568. Mr O'Gorman to the Minister for Tourism

- (1) Is the Minister aware of a media release issued by the Tourism Taskforce on 20 December 2001 that revealed the worst performing markets for Australia were Japan (down 39.5%), New Zealand (down 31%), and Singapore (down 29%)?
- (2) What action is being taken to rebuild the market share in these and other international markets?

Mr BROWN replied:

I am advised:

- (1) Yes (copy of release is attached). [See paper No 1355.]

The figures used in this release refer to preliminary Australia-wide arrivals for the month of November 2001. Visitor arrival figures for Western Australia are current through to June 2000 only.

Poor arrival statistics to Australia were anticipated for September, October and November as a result of the September 11 attacks on the US. Particularly Japan, where travellers are highly conservative and will defer or cancel travel when safety becomes an issue.

The impact of Ansett's collapse on September 14 also had an impact on the Japan market as approximately 50 per cent of WA's tour series product sold in Japan is combined with East Coast product. The collapse of Ansett caused major disruption and resulted in many cancellations from Japan as a result of a lack of substitute seats on Qantas aircraft.

- (2) JAPAN

Those countries predicted to rebound the quickest post-September 11 for Japan were 1) Australia 2) China and 3) New Zealand. Preliminary results for January 2002 indicate this prediction may prove correct. The Western Australian Tourism Commission's (WATC) recovery strategy in Japan post September 11 and September 14 included the following:

WATC/Australian Tourist Commission/Qantas Consumer Marketing Campaign

Continuation of the A\$1.56M campaign aimed primarily at building traffic to Perth on Qantas' thrice-weekly direct, non-stop services Perth/Tokyo/Perth. The WATC's contribution to this campaign is A\$500,000. Campaign activities will focus on building traffic over the trough months of April, May and June 2002.

· Introduction of New Products to the Market (Kanto region)

The WATC introduced two new products to the market: 1) hiking/walking; and 2) dolphin activities. Hiking along the Bibbulmun Track was incorporated into one of Japan Travel Bureau's tour series to Perth. So far the response to this offer/concept has been encouraging. The WATC produced a brochure titled 'Australia's Dolphin Coast' which was launched in the market at end of February 2002. It is expected this concept will generate much interest in Perth and WA as a destination particularly amongst WA's primary target market, the experienced female traveller (EFT).

· Singapore Airlines/WATC Western Japan Campaign

The WATC expanded this campaign using additional 'crisis funding' provided by the WA Government. The campaign (involving mainly newspaper advertisements partnered with a tactical component) was expanded to include the regions of Fukuoka and Hiroshima, as well as increase the force of the campaign in Osaka and Nagoya.

· Japan Australia Mission (JAM) 2002

The Japan Australia Mission is an annual travel trade show coordinated by the Australian Tourist Commission. It is the only trade show held on Japan soil open to Australian product suppliers interested in doing business in Japan. In 2001, four WA suppliers participated alongside the WATC at this event. In 2002, the number of WA suppliers participating in this event increased more than four-fold to 17 companies (22 delegates), making Western Australia the second largest State delegation behind Queensland. The result was an outstanding success and a heightened profile for WA product in this market at a time when interest in 'new' product is high.

NEW ZEALAND

Given the exposure of the Eastern States to the New Zealand market, the major impact of September 11 and 14 was felt by the Eastern States. Western Australia has not actively pursued this market for some years however following the release of extensive product segmentation research conducted by the Australian Tourist Commission in 2001 and the introduction of an additional Air New Zealand return flight on the Auckland-Perth-Auckland route, the WATC has now made a commitment to re-enter this potentially lucrative market.

This commitment has been supported by the newly created position of 'Market Development Manager Future Markets' within the WATC's recent restructure. This position will oversee the marketing activities for New Zealand, the Middle East and South Africa.

Funds have been set aside in the current budget year (\$100,000) to undertake cooperative marketing activities and to participate in a major travel trade event to showcase WA product. Oztalk NZ will be staged in Auckland in March 2002.

SINGAPORE

In response to the events of September 11 and 14 the WATC's Singapore office negotiated and implemented a number of tactical campaigns with major cooperative partners. With the support of the WA Crisis Marketing Committee five targeted tactical campaigns were launched to ensure a strong WA market presence.

- WATC/Chan Brothers Tactical Campaign (1/11/01 – 31/3/02)
- WATC/Dynasty Travel Tactical Campaign (9/11/01 – 13/12/02)
- WATC/SA Travel Tactical Campaign (1–28/11 2001)
- WATC/Sakura Travel Tactical Campaign (Jan – December 02)
- WATC/WA Key Agents Consortium Tactical Campaign (Jan – June 2002)
- National Association of Travel Agents Singapore (NATAS) Travel Fair

Additional funding was committed to the NATAS travel fair which took place in February 2002 to enhance the Brand WA presence and to focus consumer attention on WA tourism product. The resultant feedback from participants has been very positive.

MALAYSIA

The WATC's Kuala Lumpur office was the first State Tourism Organisation to launch a campaign initiative in response to the crisis. The campaign launched in early October with the campaign objective of driving consumer traffic to Western Australia in the short to medium term through targeted tactical and brand initiatives. The campaign achieved unparalleled support from the travel trade in Kuala Lumpur with over \$80,000 raised in support of the WATC campaign. Since then additional campaigns have been introduced including:

- Fantastic Holidays Special Tactical Campaign (21/10 – 10/02)

High-frequency newspaper advertisements in major dailies across Malaysia were inserted throughout the duration of the campaign period. The campaign linked compelling/exciting images of Western Australia with partner tactical offers. To date the campaign has achieved over 2400 passenger bookings.

- Malaysian Association of Travel and Tourism Agents (MATTA) Travel Fair

Crisis Marketing funds have been allocated to the MATTA consumer fair being held in Kuala Lumpur from 15-17 March 2002 to boost the WA brand profile and to enhance the WA tourism product profile.

SOUTH AFRICA

The WATC undertook a joint tactical campaign with wholesaler Go Australia, Tourism Victoria and Tourism Queensland immediately following the September 11 crisis. The 'Early Birds Specials' tactical promotion targeted South Africans in the Gauteng (Johannesburg), KwaZulu Natal (Durban) and Eastern/Western Cape regions.

Further campaigns are currently being developed.

UNITED KINGDOM/EUROPE

As expected outbound travel from the UK and Europe fell sharply following September 11. The Ansett demise also had a compounding effect with a significant number of wholesalers aligned to Ansett through the Star Alliance.

Offsetting the potential for dramatic loss in market share was the major shift in focus by wholesalers and direct retailers for markets other than USA and European destinations considered at risk in the aftermath of 11 September.

This focus on the 'Oceania' region provided the catalyst for the WATC (along with the Australian Tourist Commission and major strategic partners) to develop marketing campaigns targeting prospective international travellers to come to Western Australia.

A number of campaign initiatives have been implemented by the WATC's London and Munich offices with key suppliers such as CANUSA, Baron DeKeiser, Austravel, Bridge The World, Travelbag and Student Travel Association (STA) each aimed at achieving significant booking outcomes for the State.

As all of these campaigns are currently still running, no results are available to date.