

Consumer Trends in the Australian and Global Market

**Global Market – Competitive Edge
Tourism Futures Conference
Gold Coast, Australia
June 3, 2008**

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Chief Executive
Roy Morgan Research**



Australia is facing an increasingly complex social environment that is changing both the level of demand for its products and services, and the climate of support for those products and services.

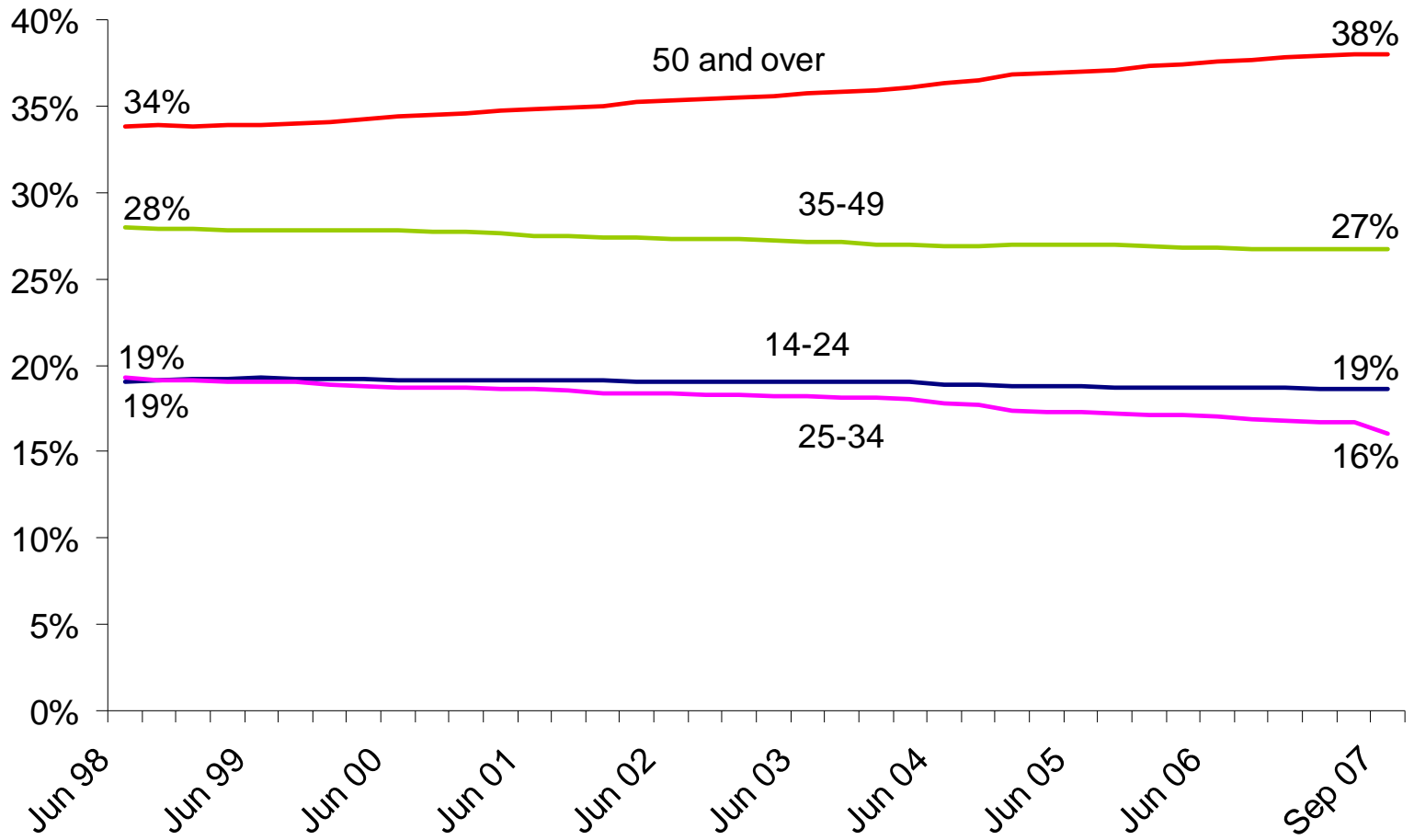
The trends are clear.

The threats to the domestic tourism market are palpable, but the opportunity is there for the taking.

Society

Society

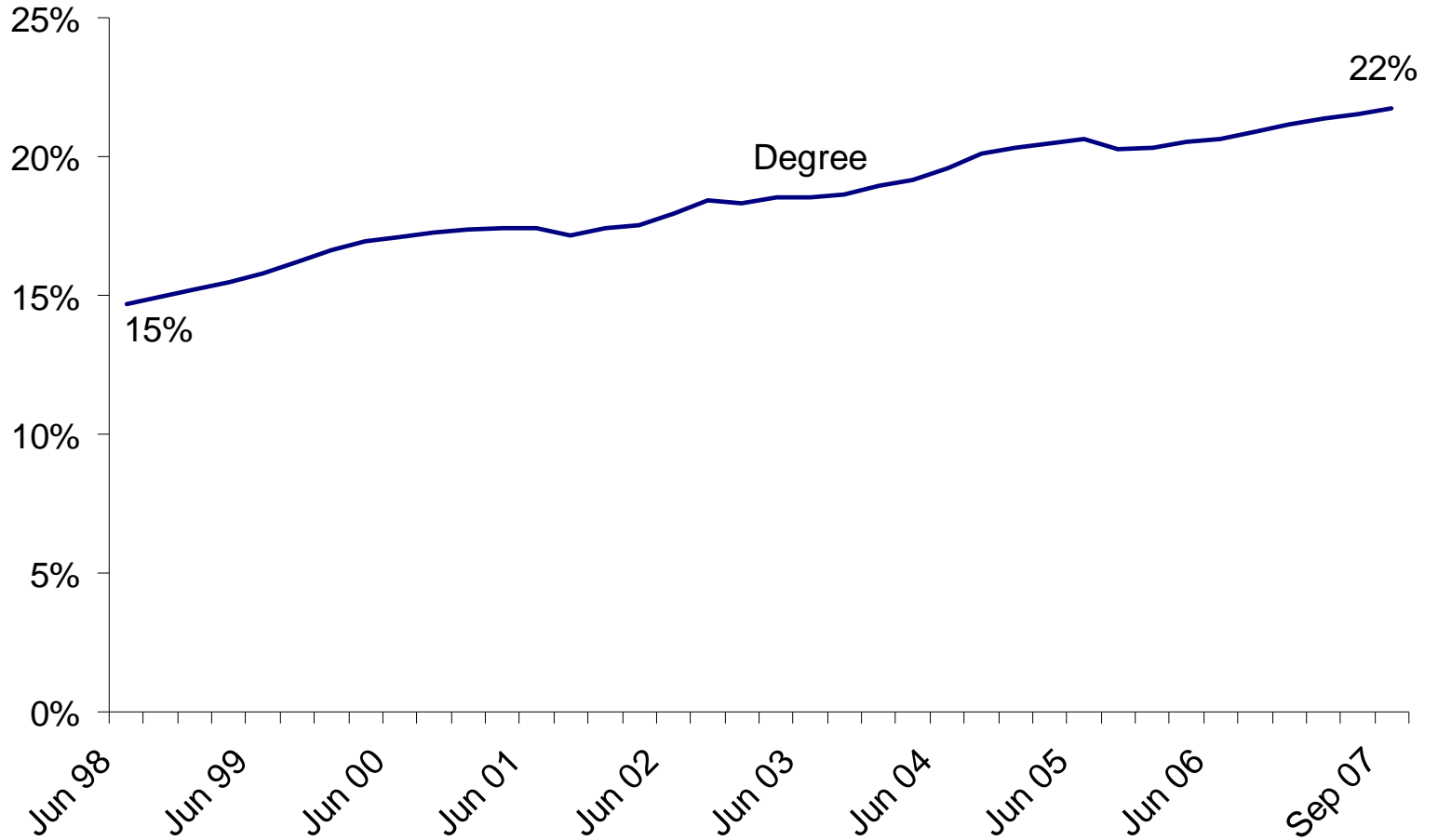
Ageing Population



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

Rising Education Level



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

Rising Wealth and Debt

Housing Loan Outstanding

**1997-2007,
increased 327%**

Credit Card Outstanding

**1997-2007,
increased 412%**

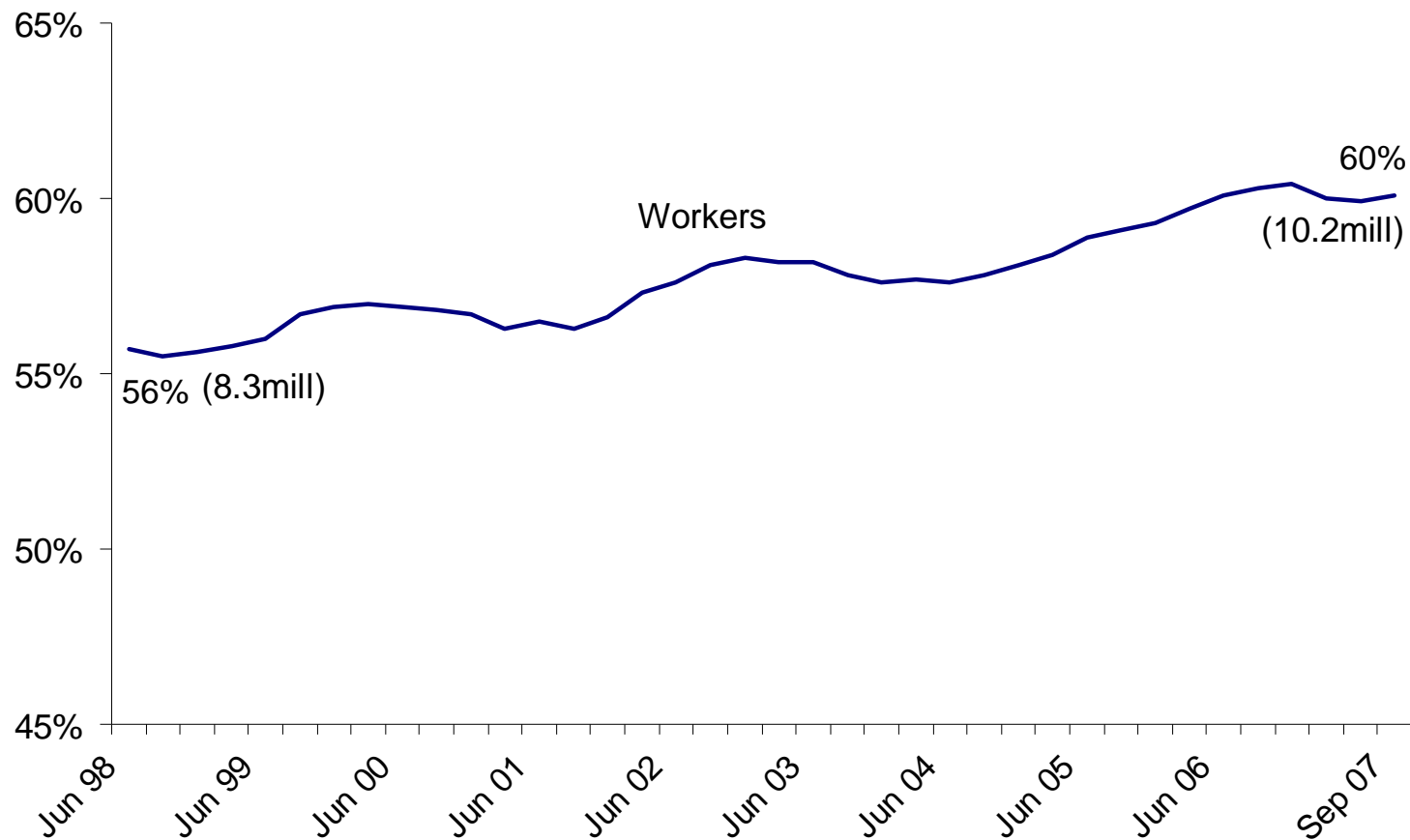
Superannuation Saving

**1997-2007,
increased 269%**

Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

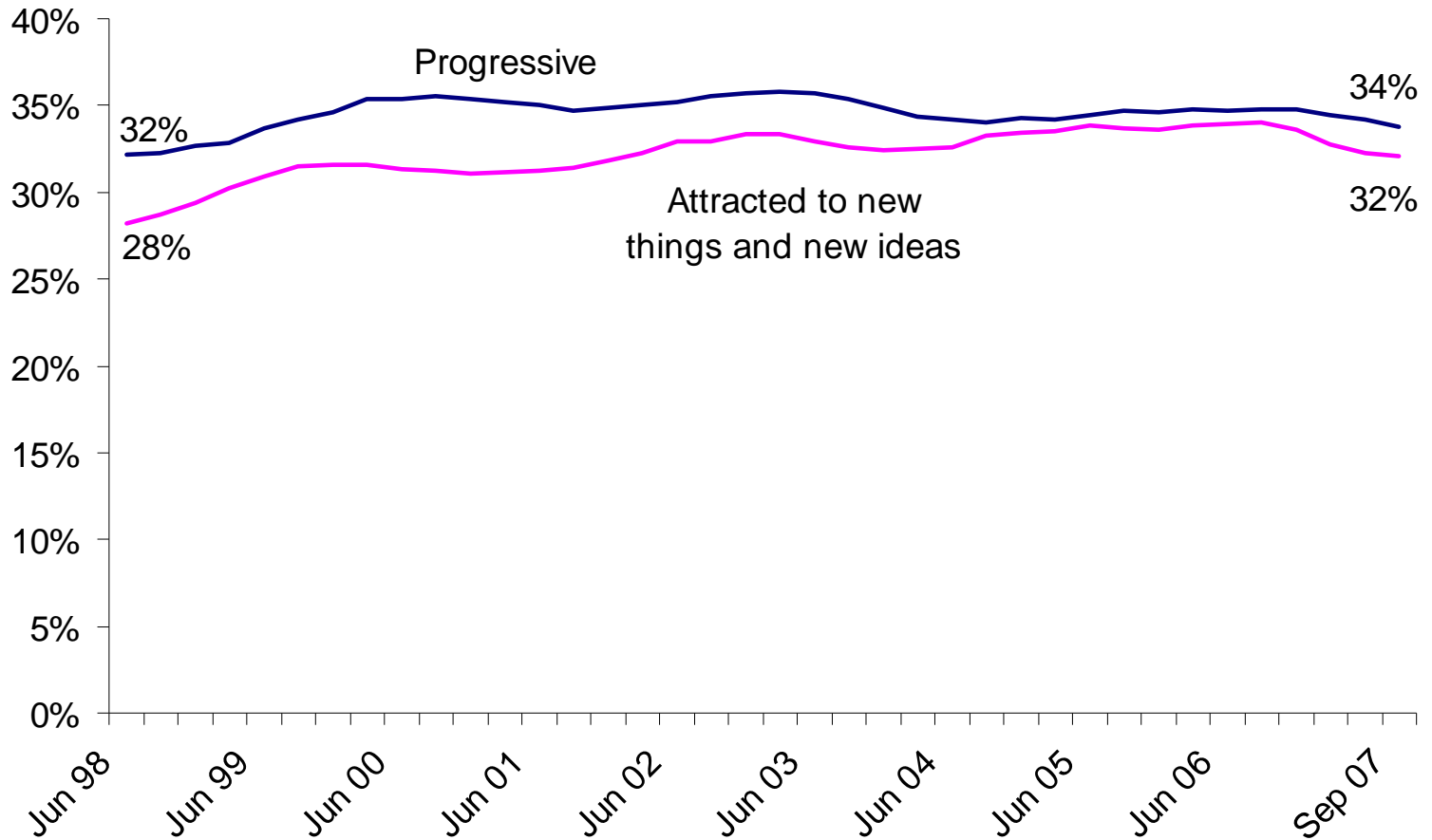
Real Growth in Employment



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

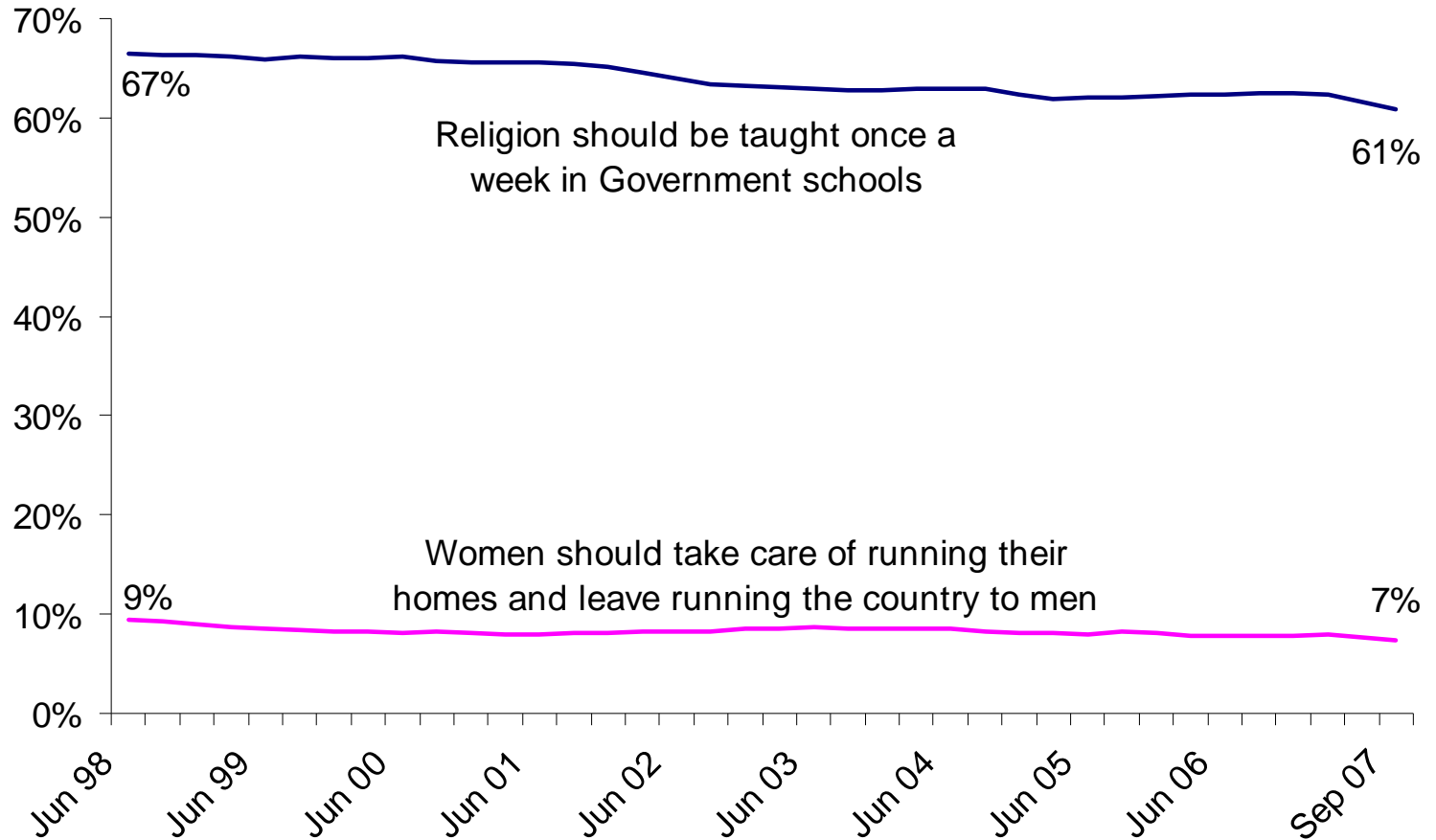
Australians Becoming More Progressive



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

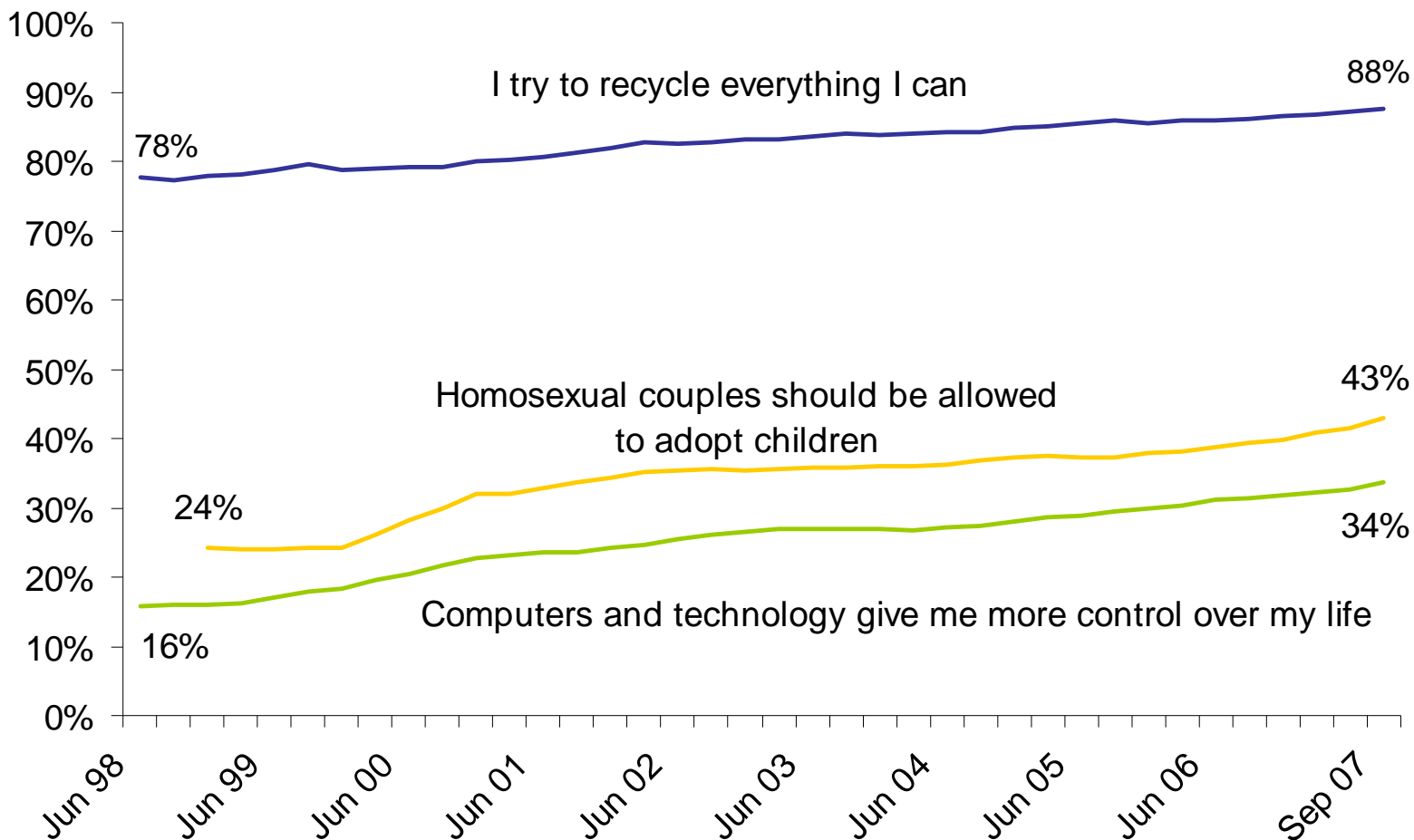
Australians Becoming More Progressive



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

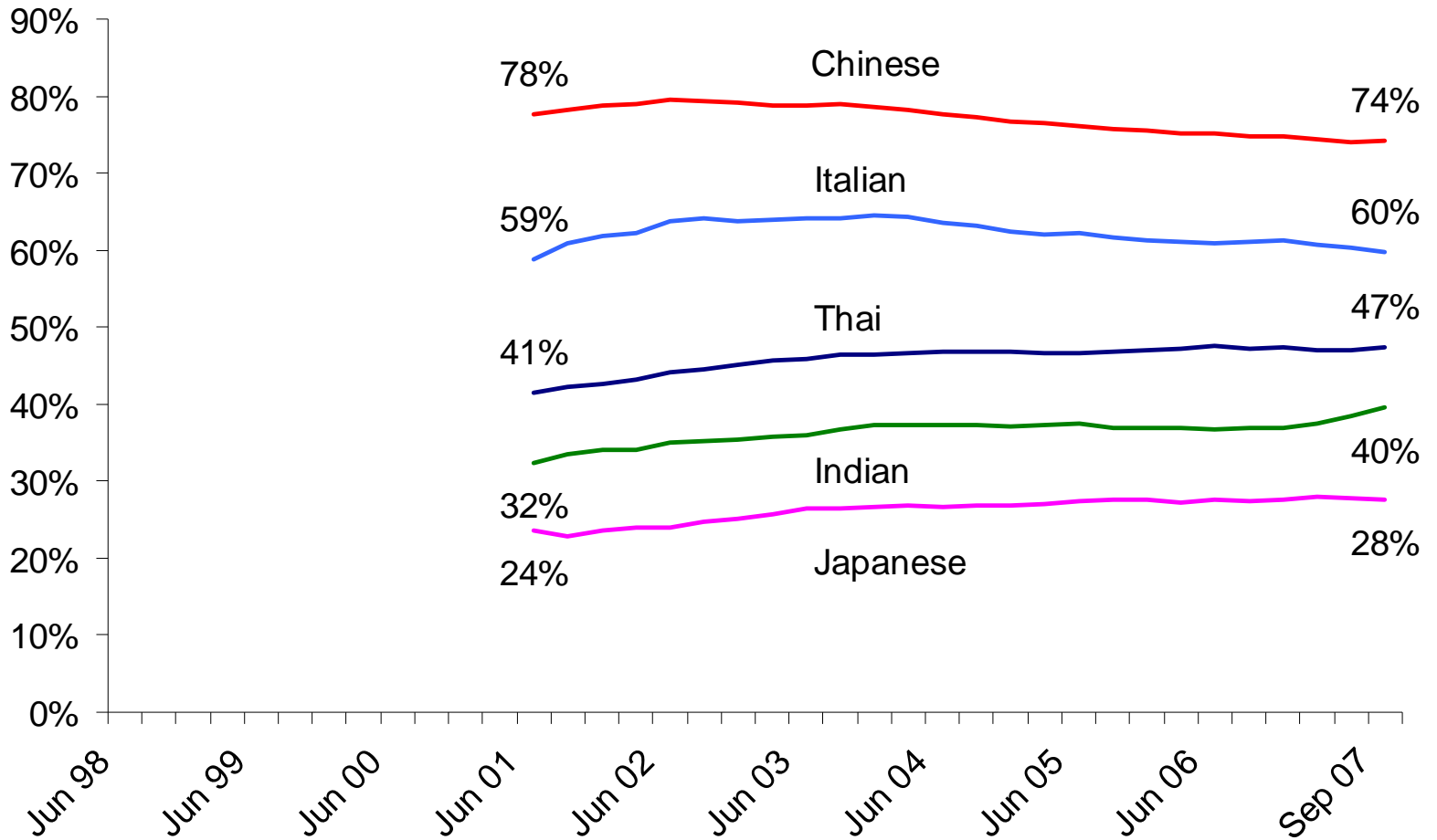
Australians Becoming More Progressive



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

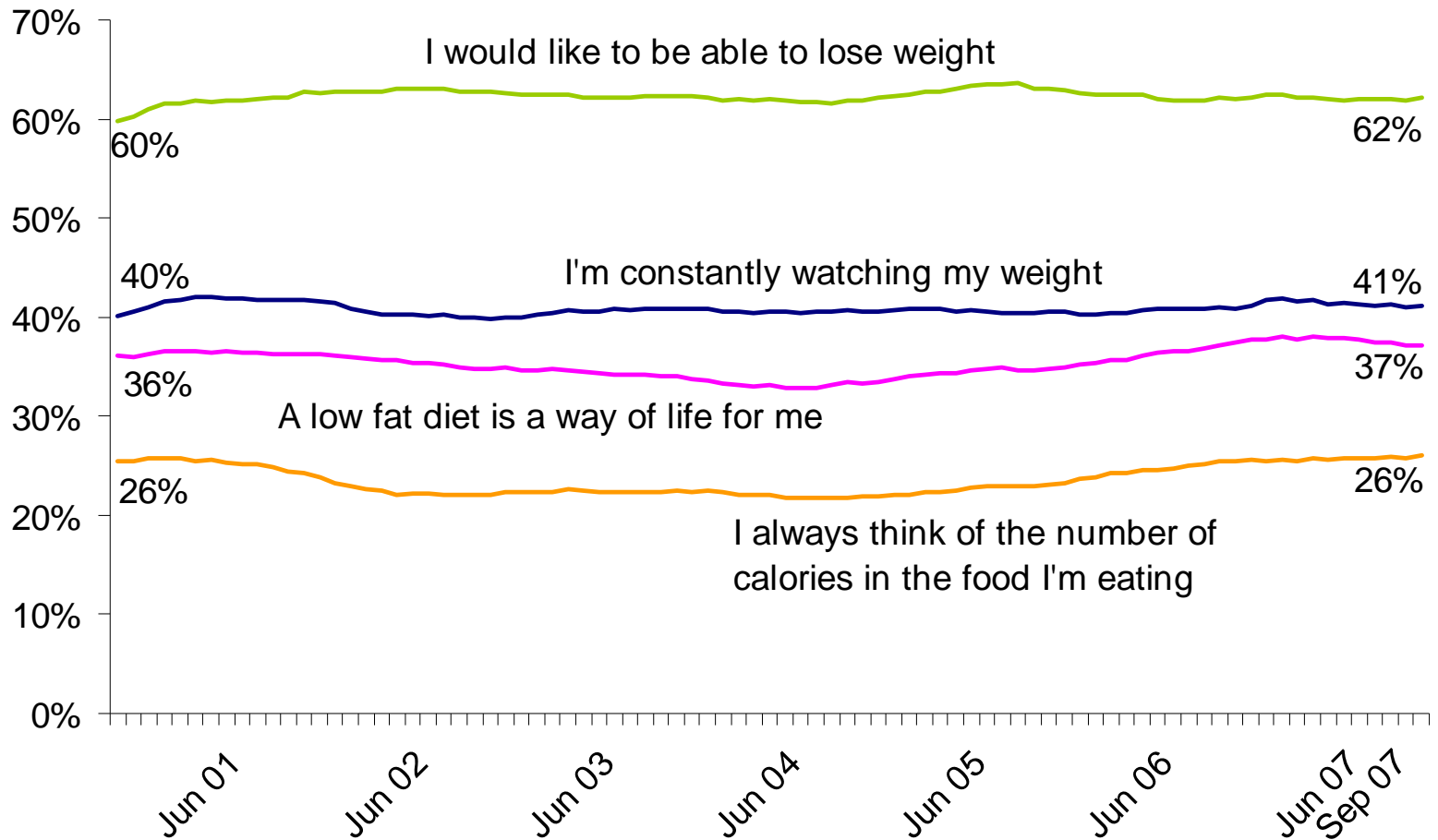
Food and Health



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

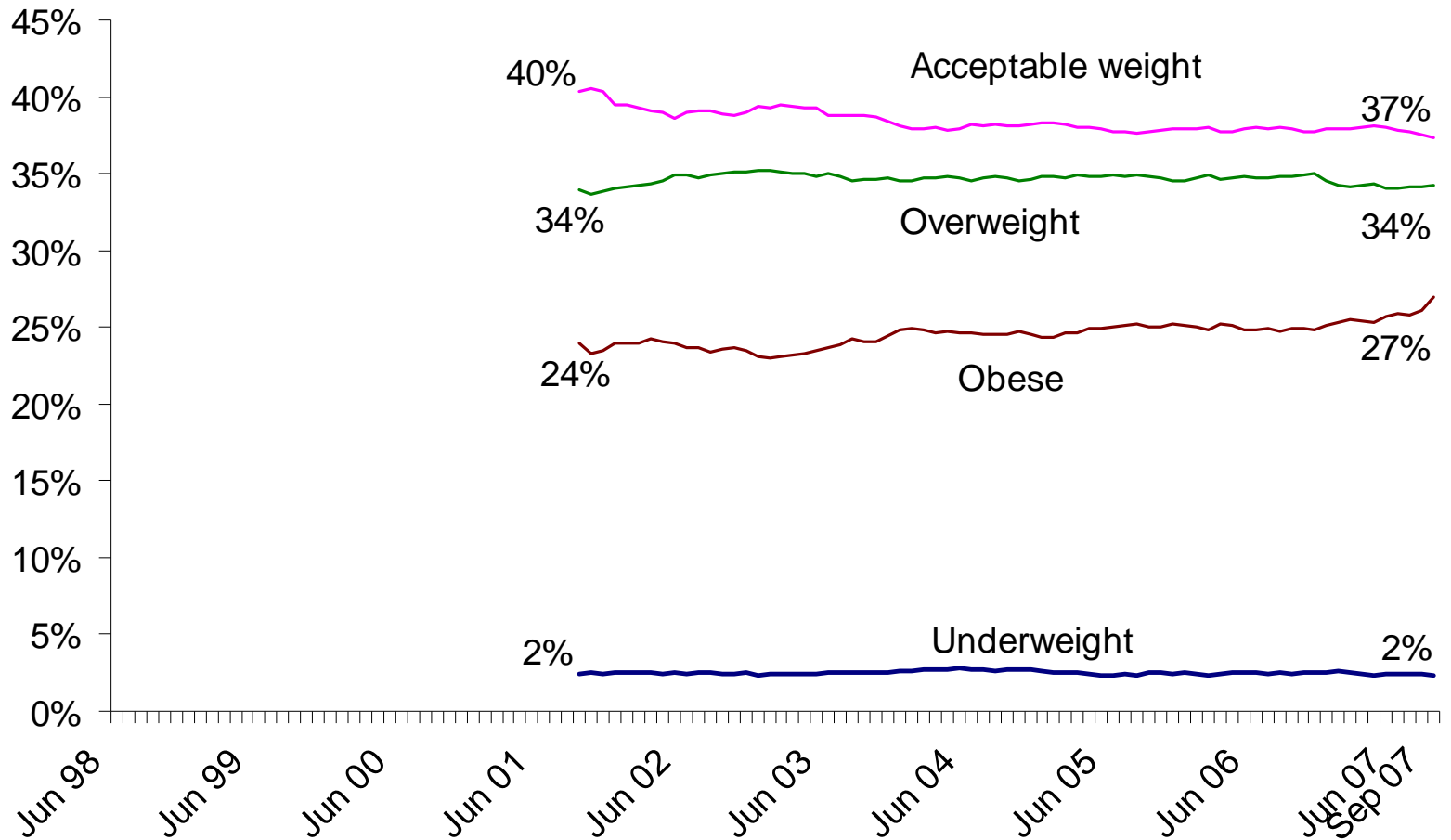
Society

Food and Health



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

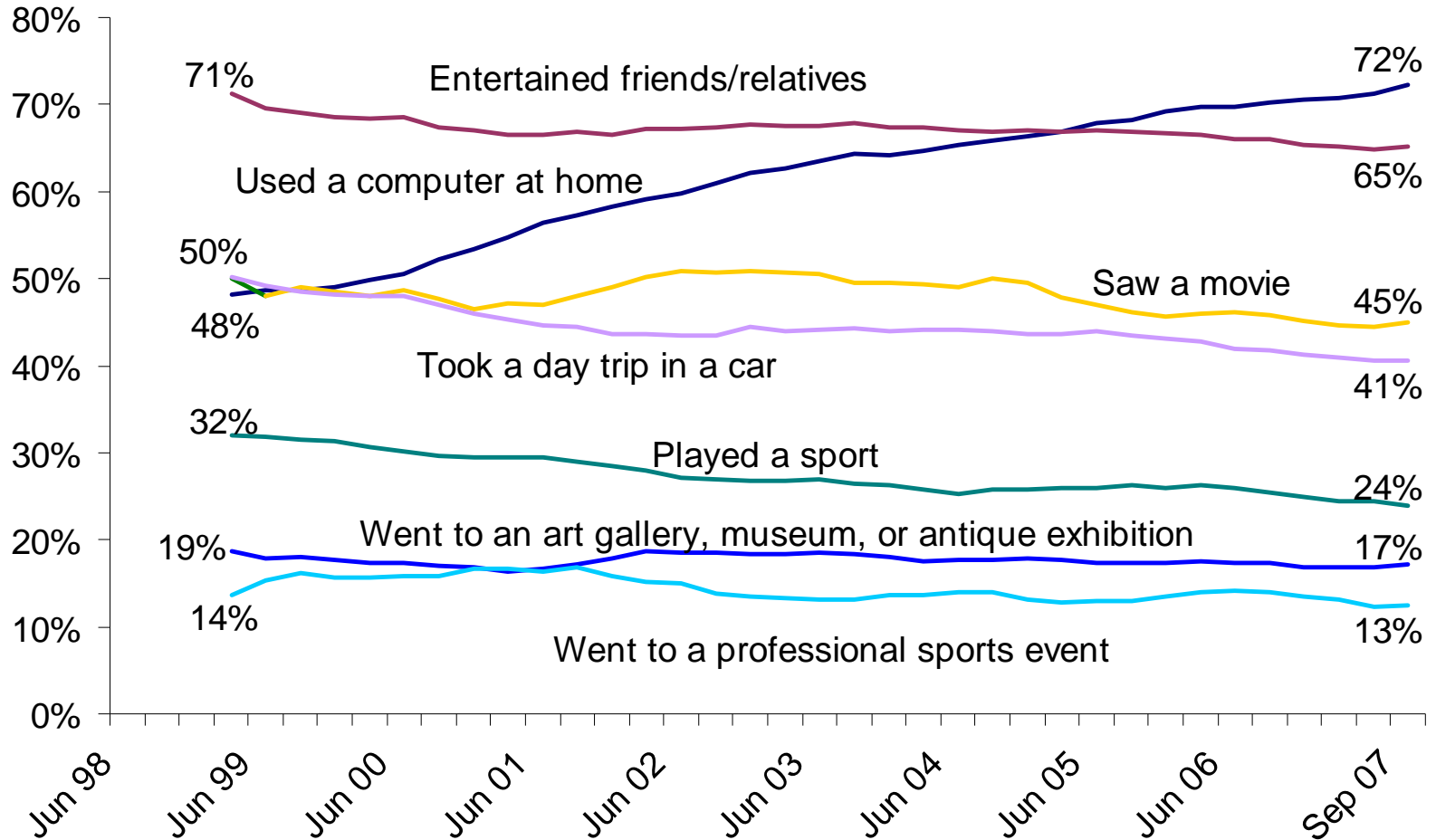
Society BMI



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Society

Changing Leisure Activities

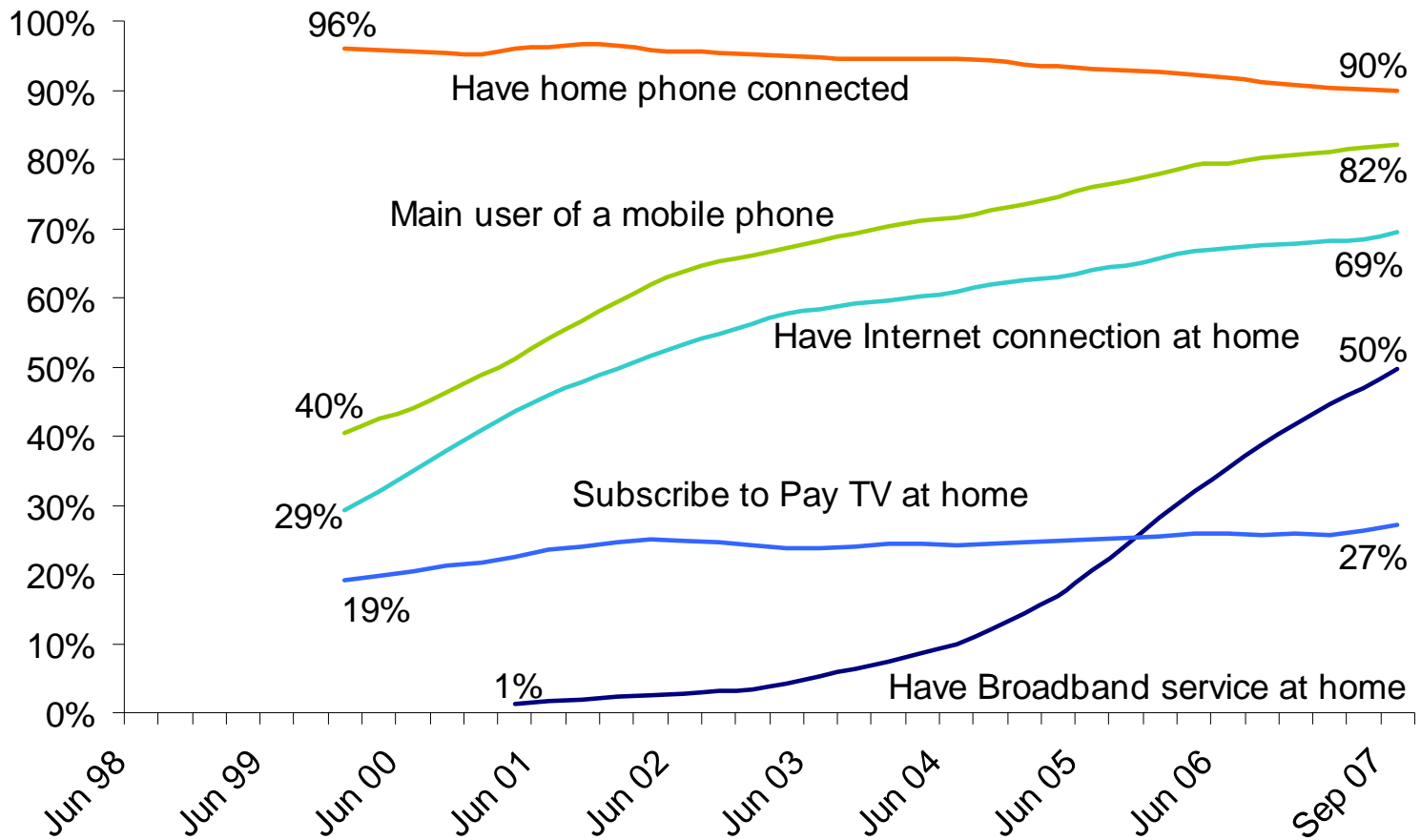


Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Technology

Technology

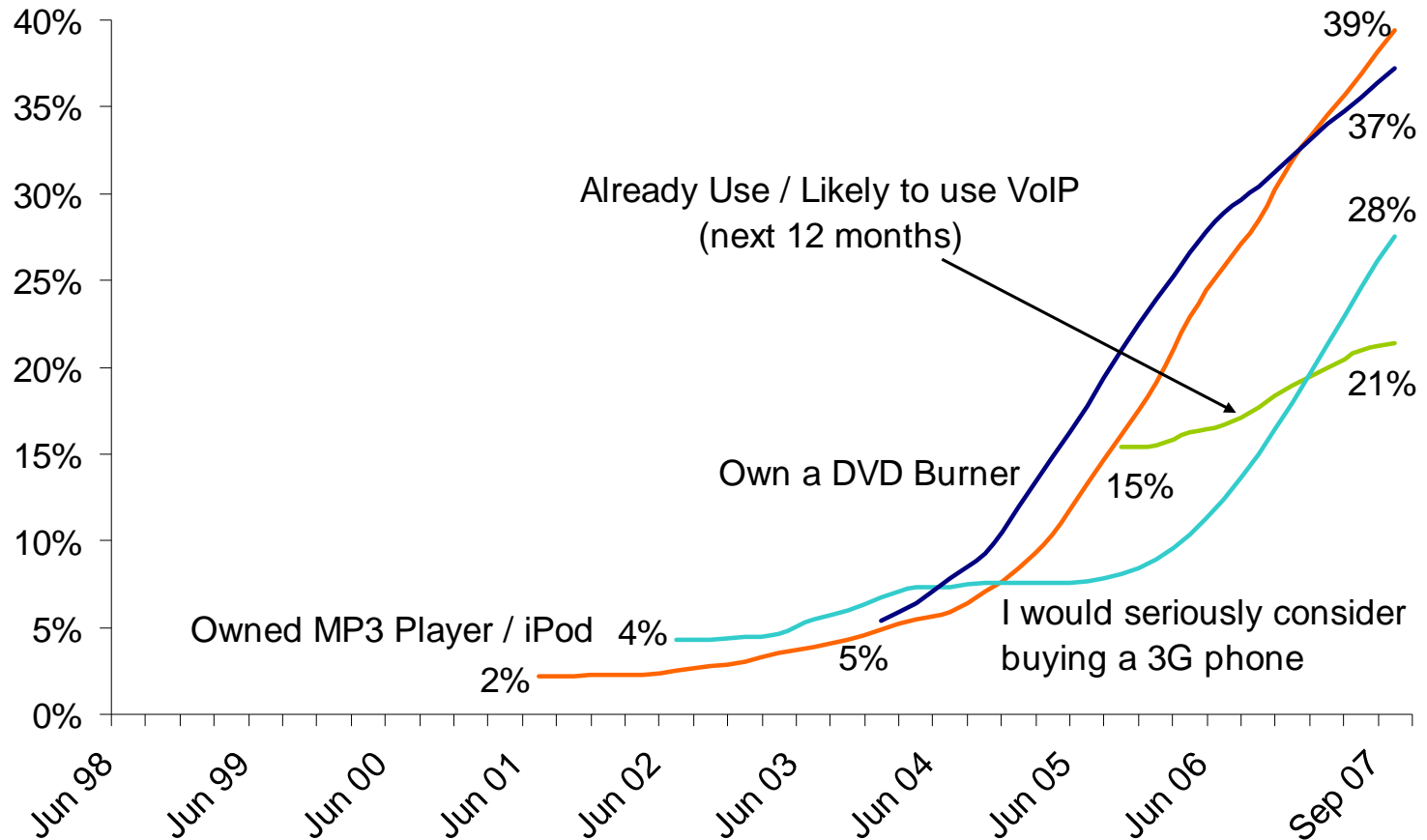
Mobile and Internet, particularly Broadband Increase



Base Aust Population aged 14+; Source: Roy Morgan Research (TECH)

Technology

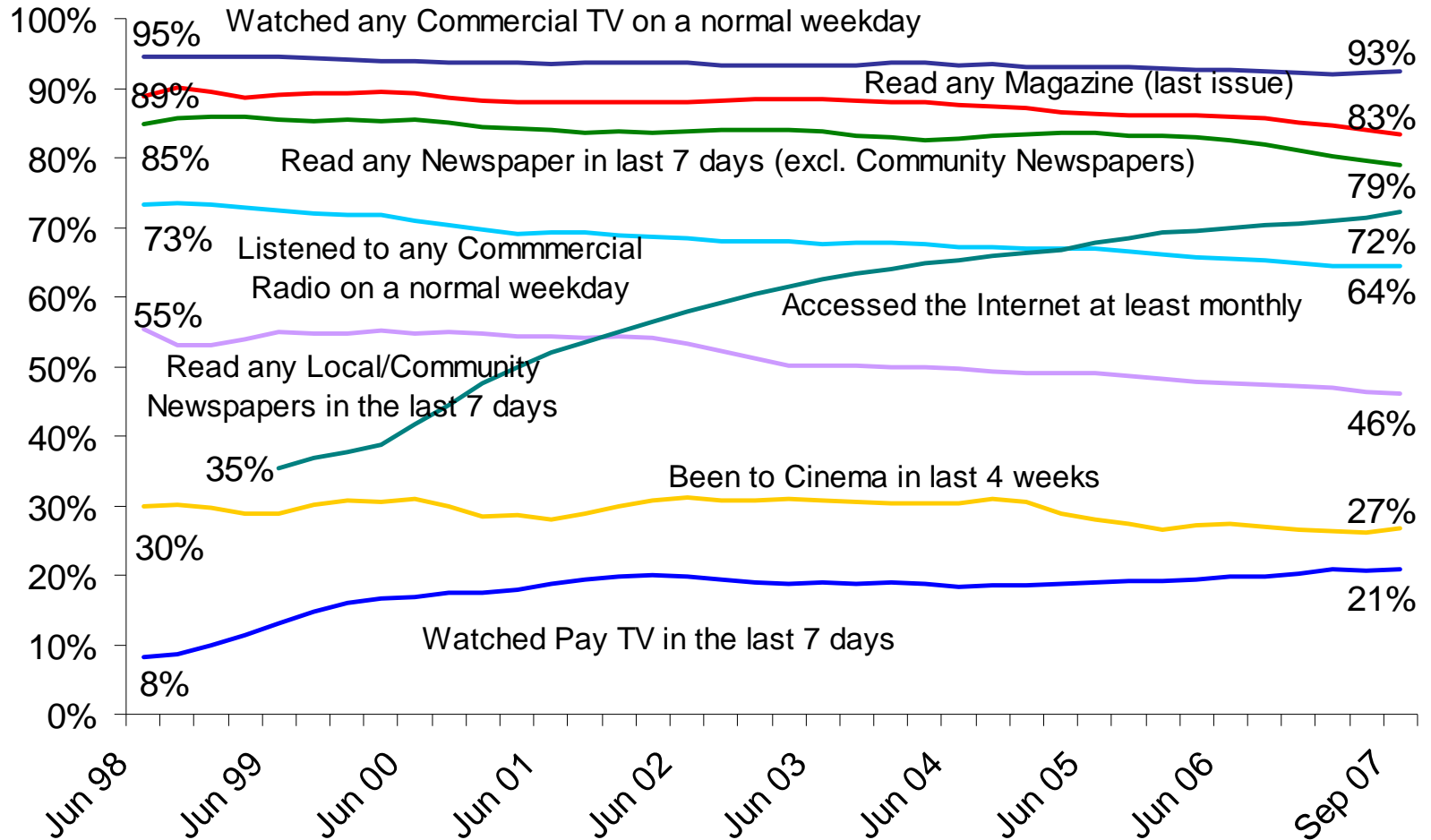
MP3 Players, DVD Burners, 3G Phone Consideration and VOIP Use/ Intention Increasing



Base Aust Population aged 14+; Source: Roy Morgan Research (TECH)

Technology

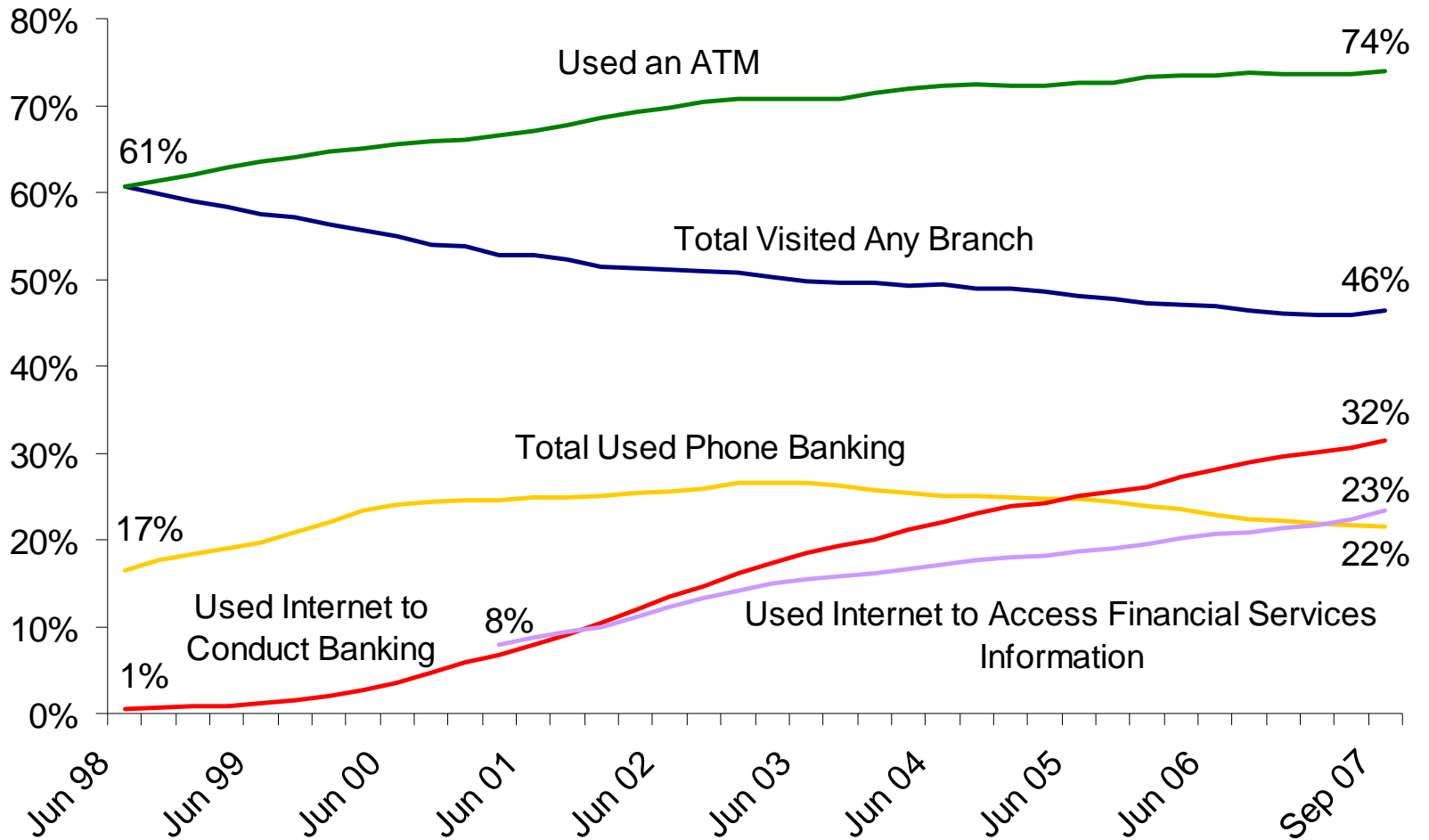
Media Consumption Over Time



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Technology

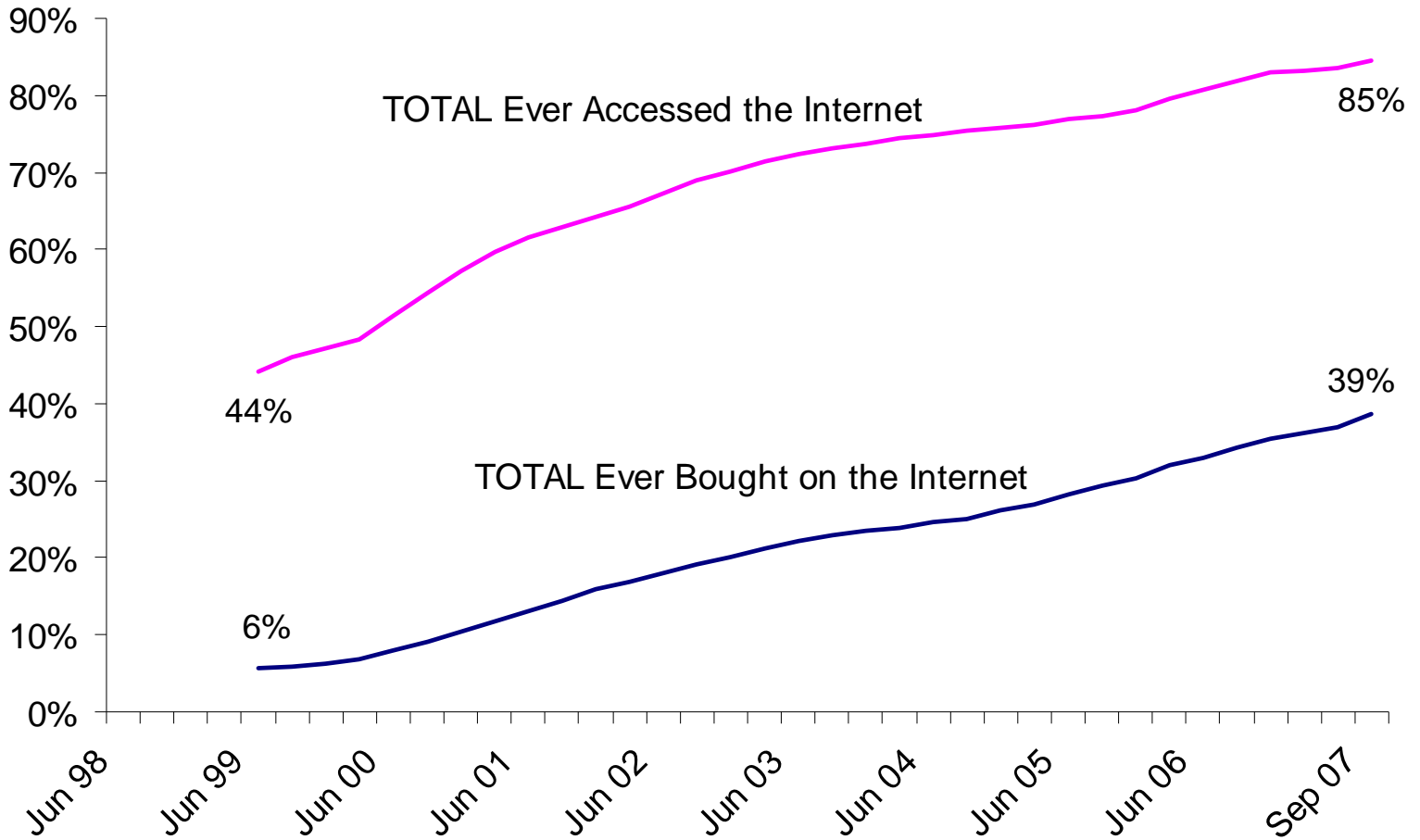
Technology and Banking



Base Aust Population aged 14+; Source: Roy Morgan Research (Finance)

Technology

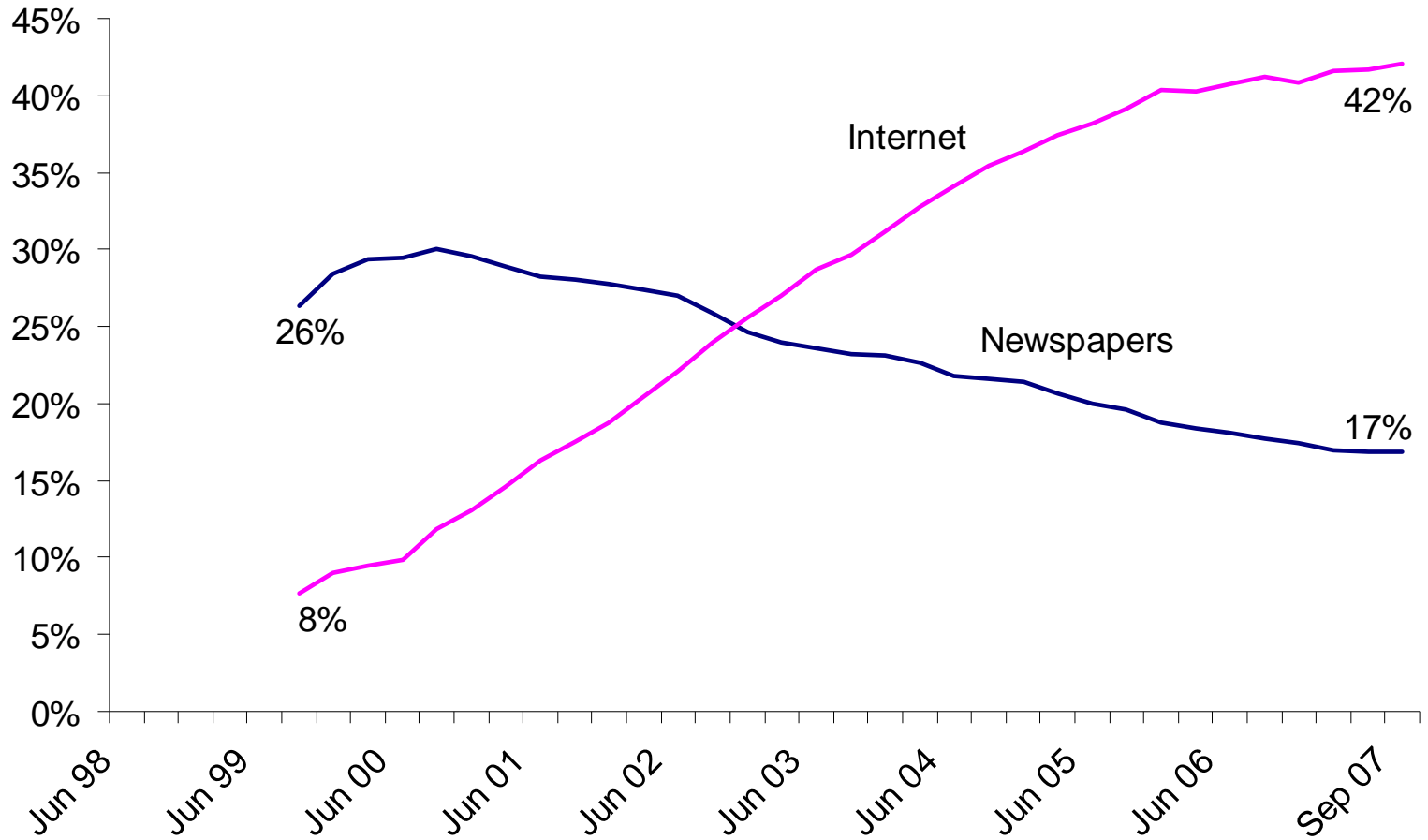
Shopping on the Internet



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Retail and the Internet

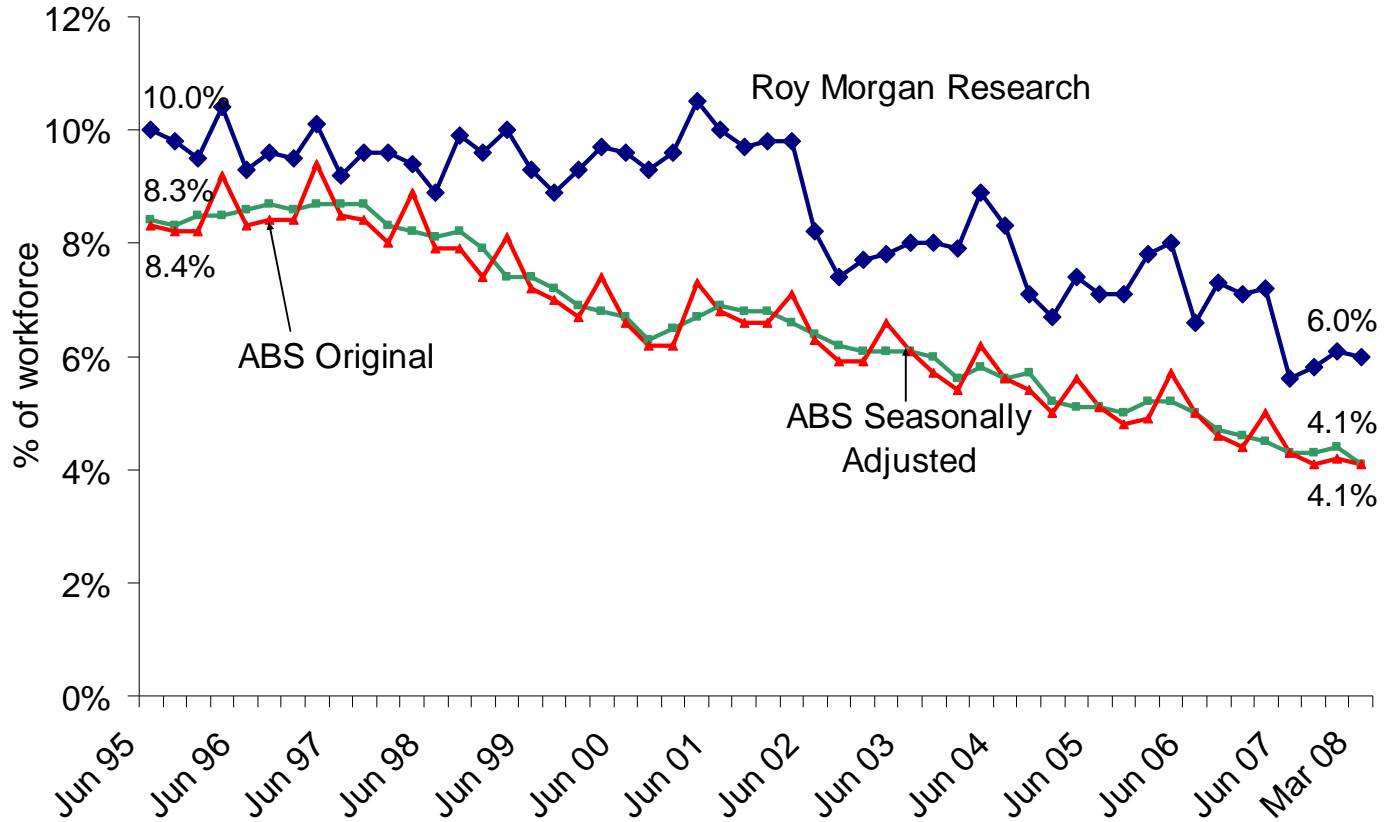
Media Most Useful for Purchasing - Travel



Base: Aust Population aged 14+; Source: Roy Morgan Research (10M)

Economy

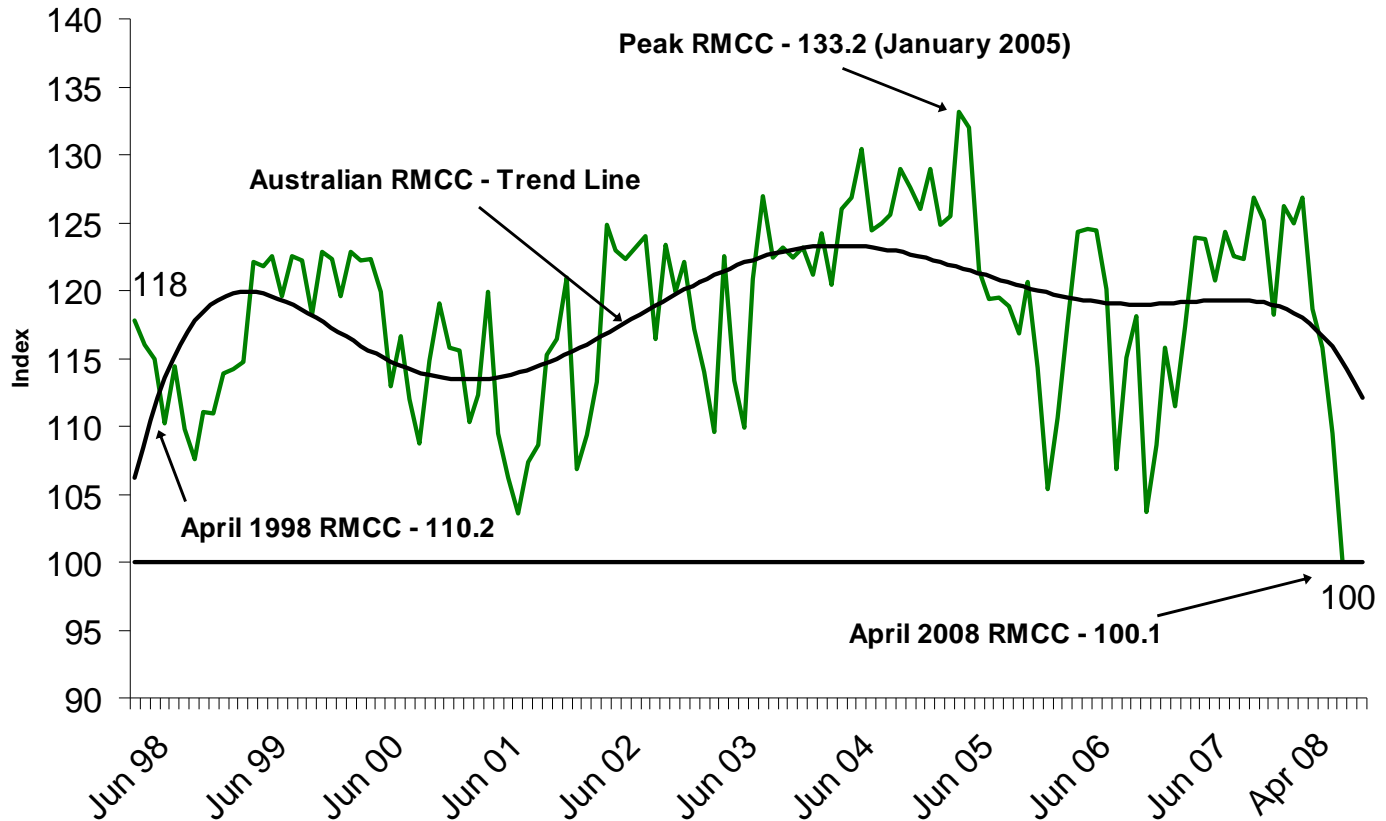
Economy Unemployment



Base: ABS Quarterly Average June Quarter 2007, Roy Morgan Quarterly Estimate (MP)

Economy

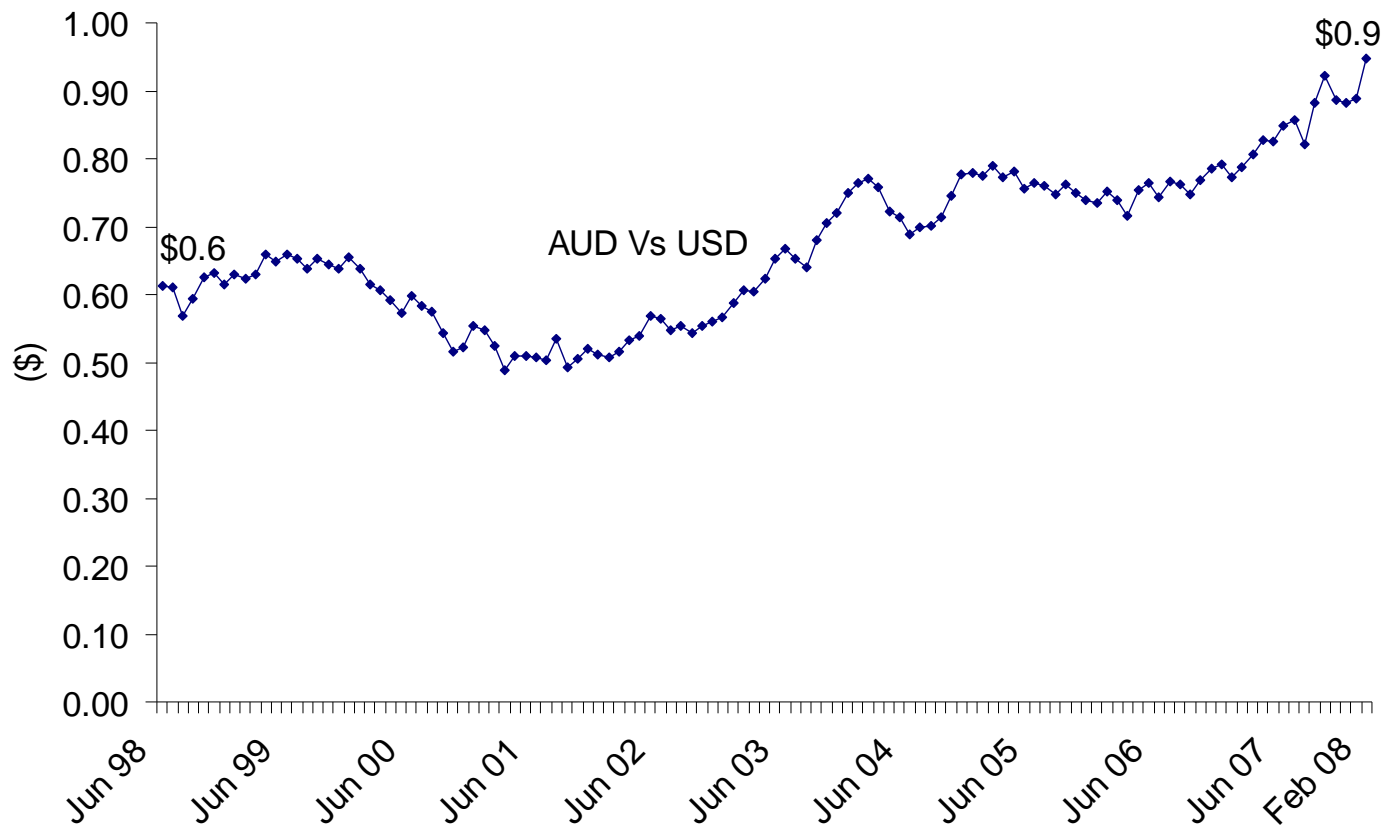
Roy Morgan Consumer Confidence



Base Aust Population aged 14+; Source: Roy Morgan Research (MP)

Economy

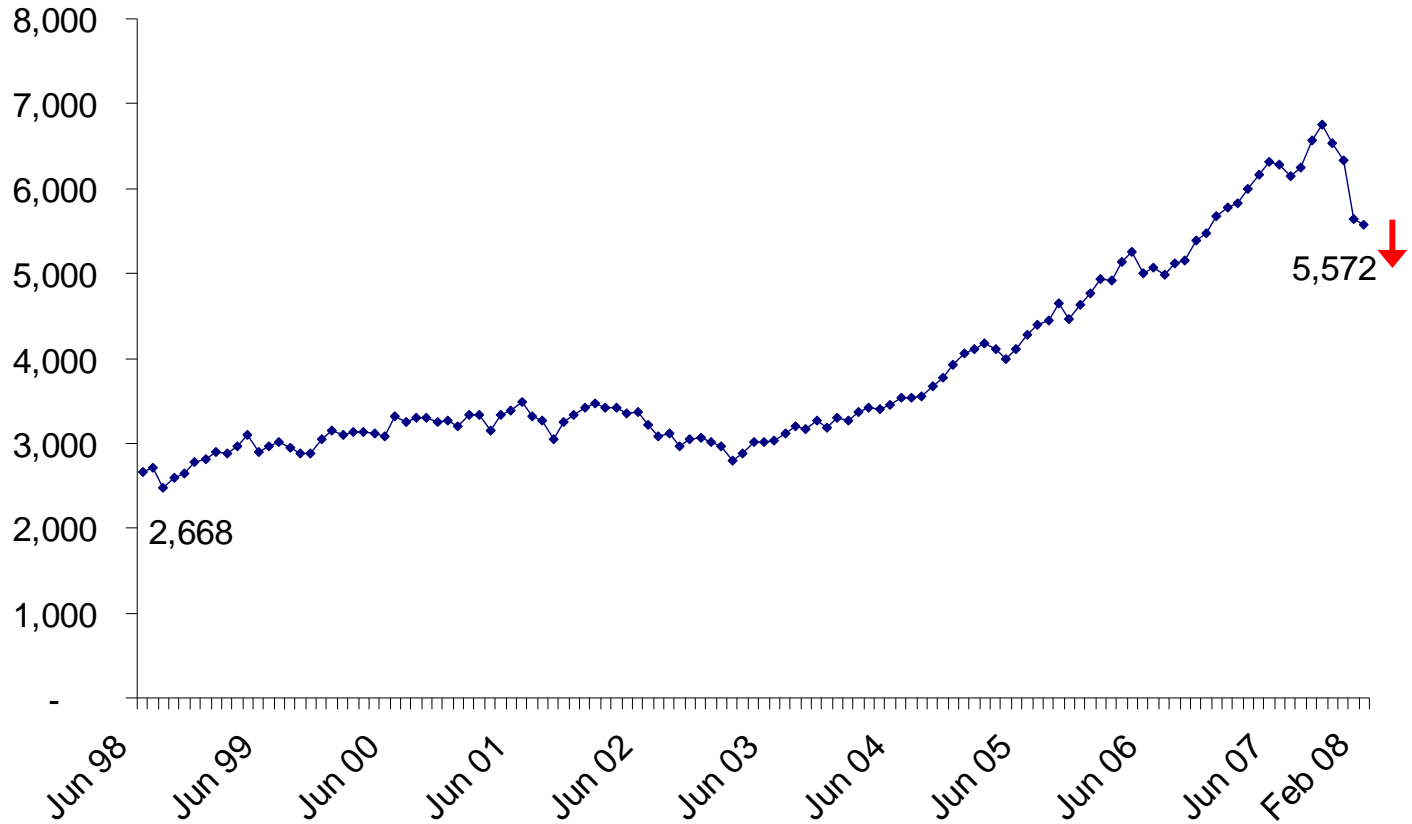
Exchange Rates



Source: Reserve Bank of Australia

Economy

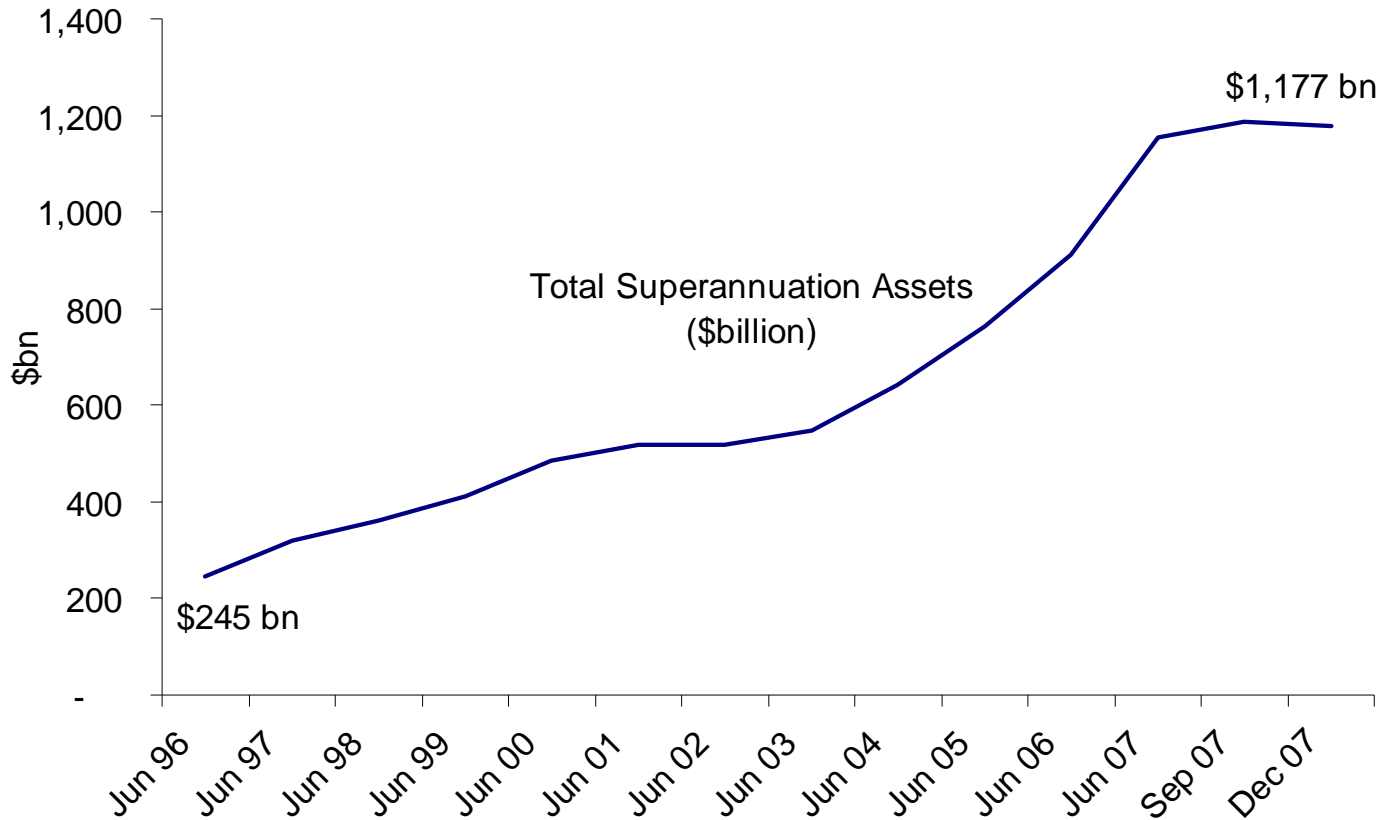
Share Market Declines



Source: Reserve Bank of Australia

Economy

Total Superannuation Assets

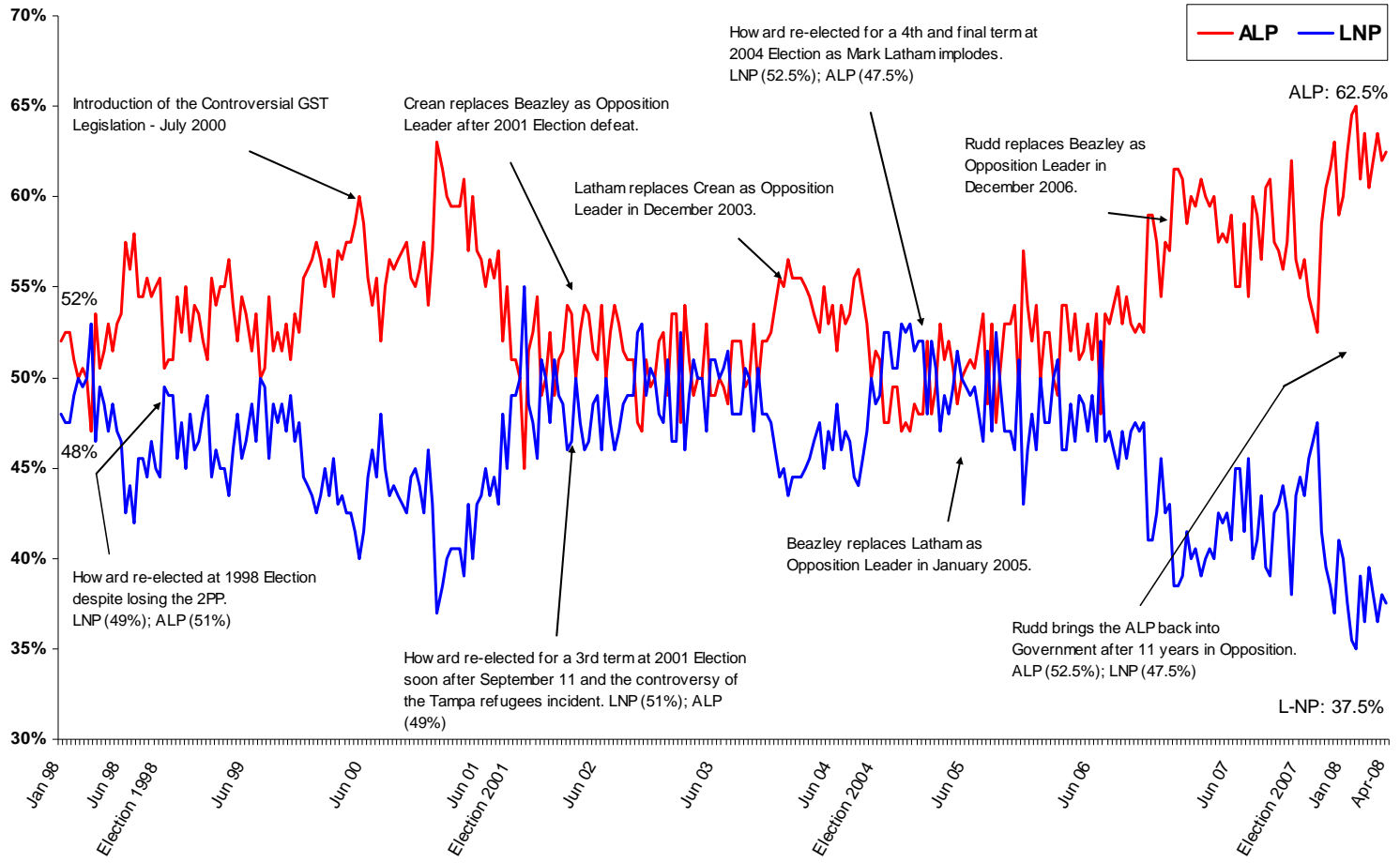


Source: APRA

Politics

Politics

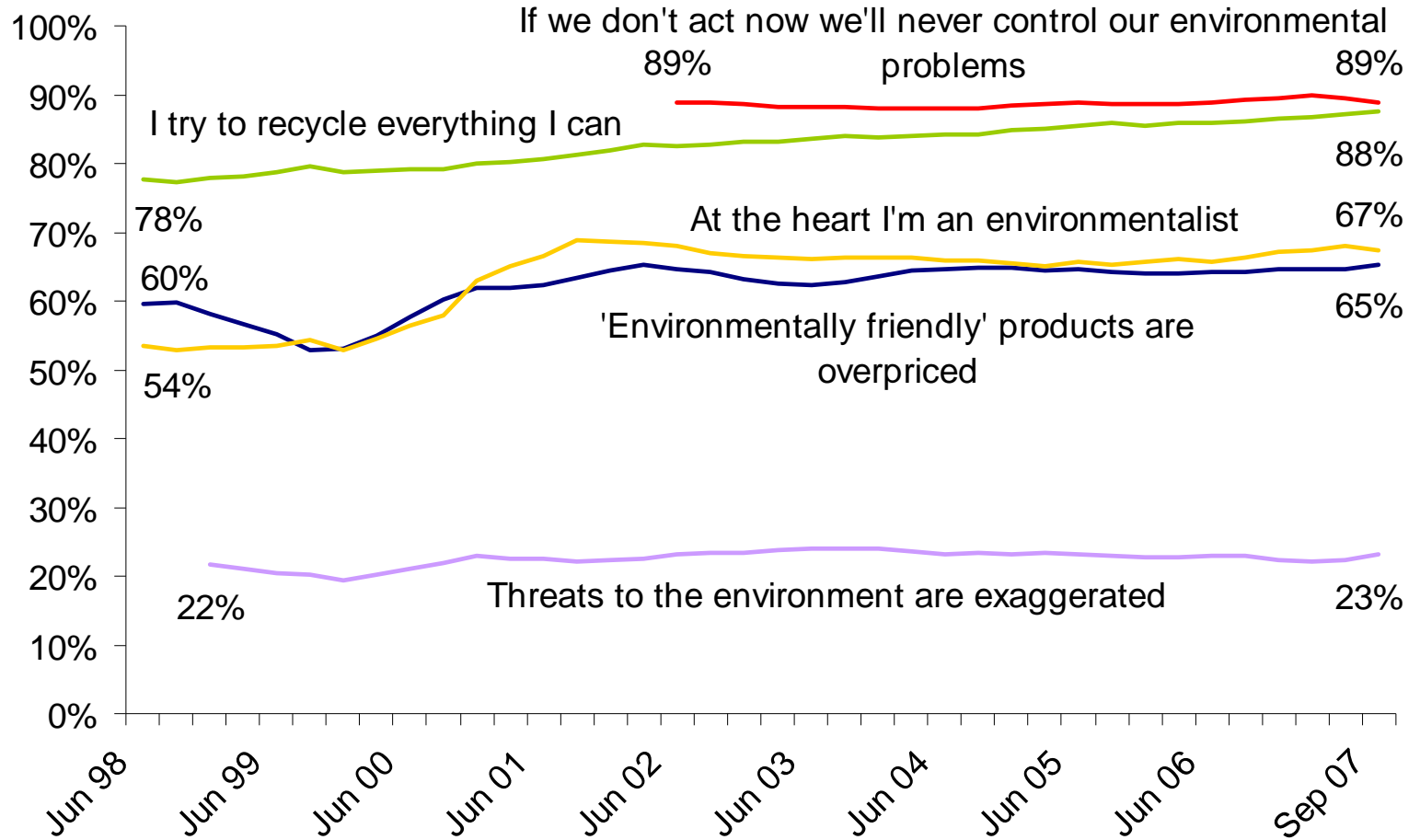
Voting Intentions



***E**Environment*

Environment

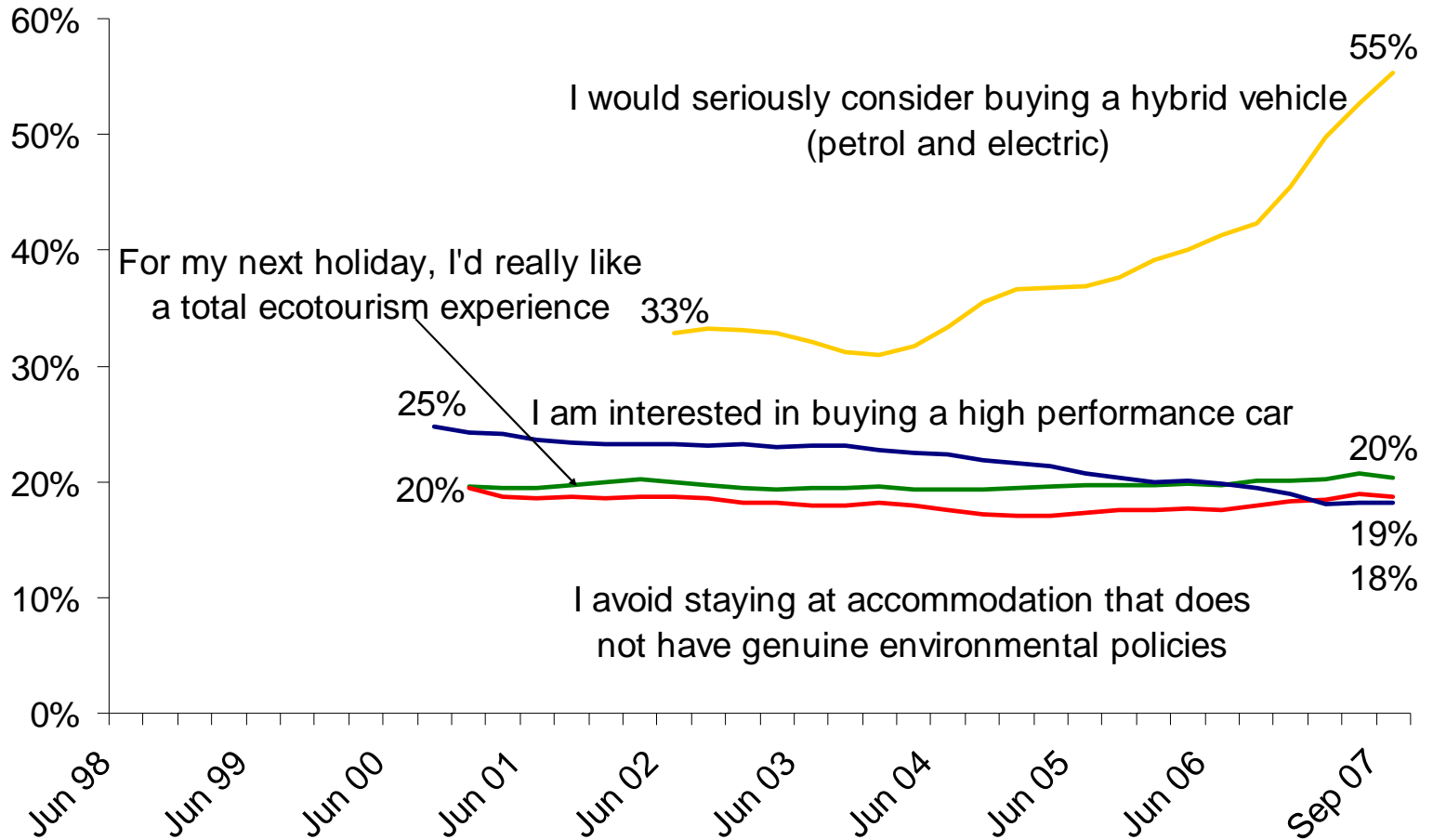
Environment as an Issue has come of Age



Base Aust Population aged 14+; Source: Roy Morgan Research (10M)

Environment

But Taking Action is the Next Step...

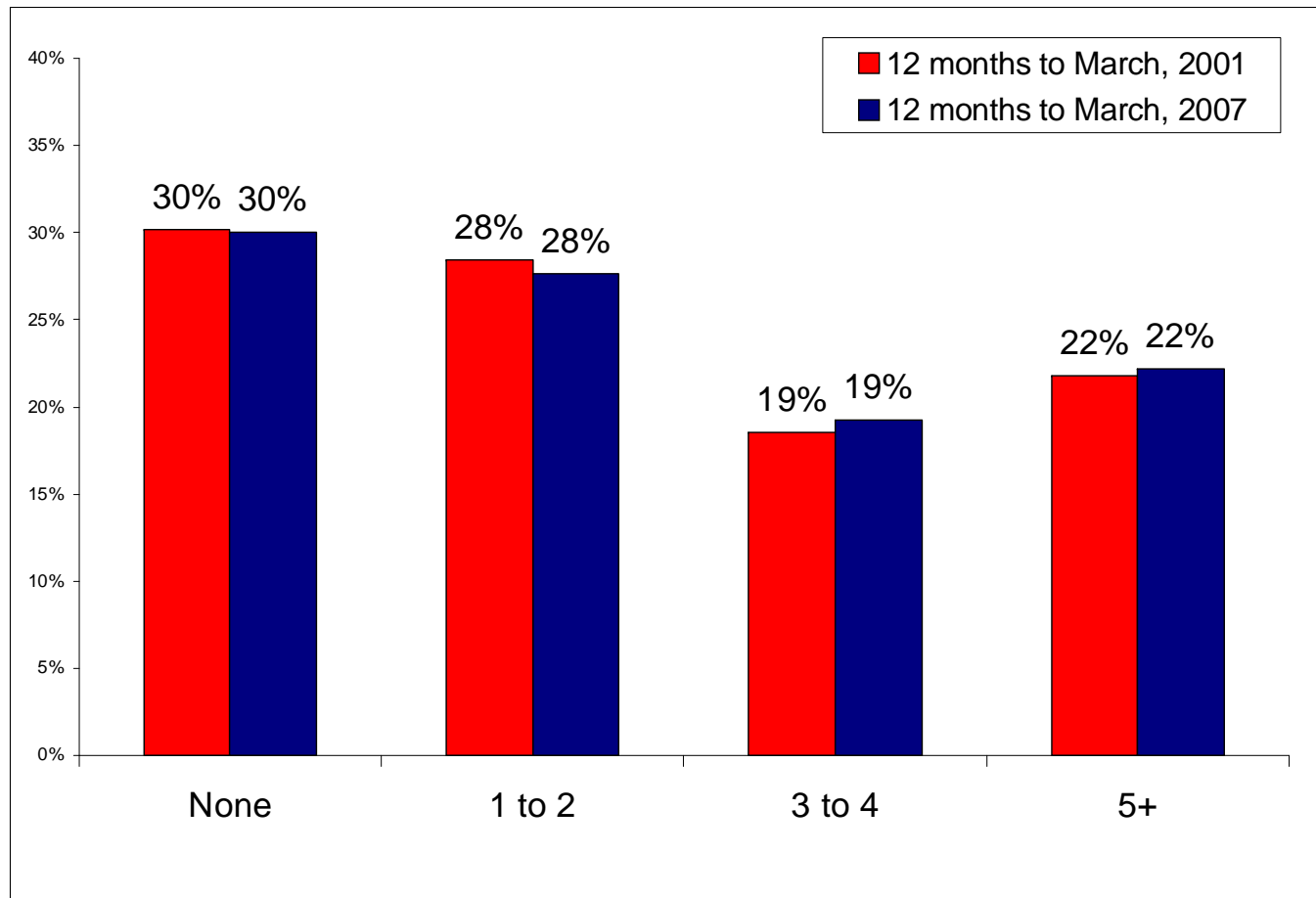


Base Aust Population aged 14+; Source: Roy Morgan Research (AUTO)

“So what does this mean for travel, and tourism?”

Number of holidays taken by Australians is static

- Propensity to take a holiday & number of holidays static over the past six years
- Work, family and time constraints limit number of holidays people take



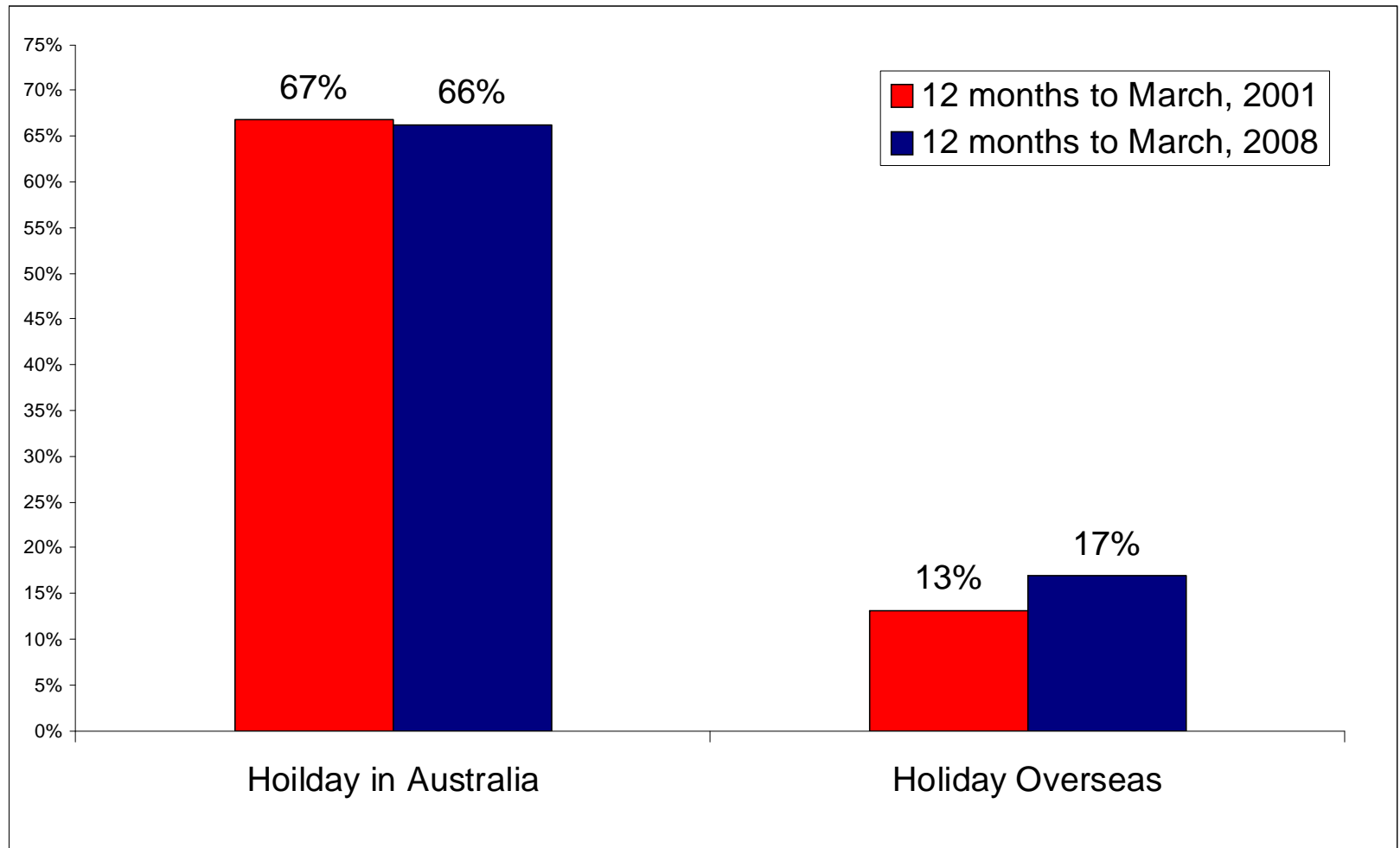
Base: Australian Population aged 18+

Source: Roy Morgan Research

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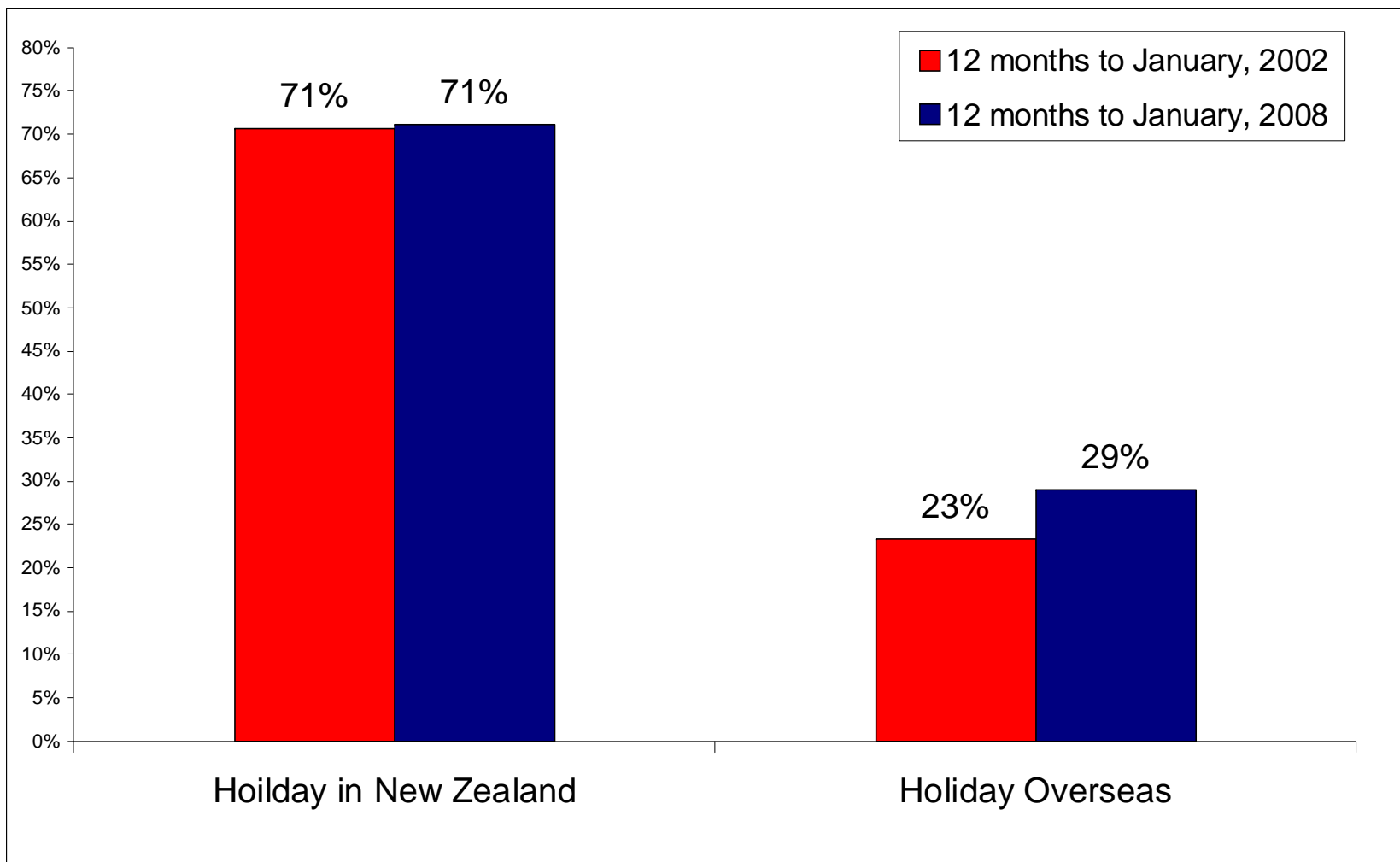
Overseas holidays growing at expense of domestic

- Within a static market, overseas holidays growing at the expense of domestic



Base: Australian Population aged 18+
Source: Roy Morgan Research

Same trend in NZ – more New Zealanders holidaying overseas

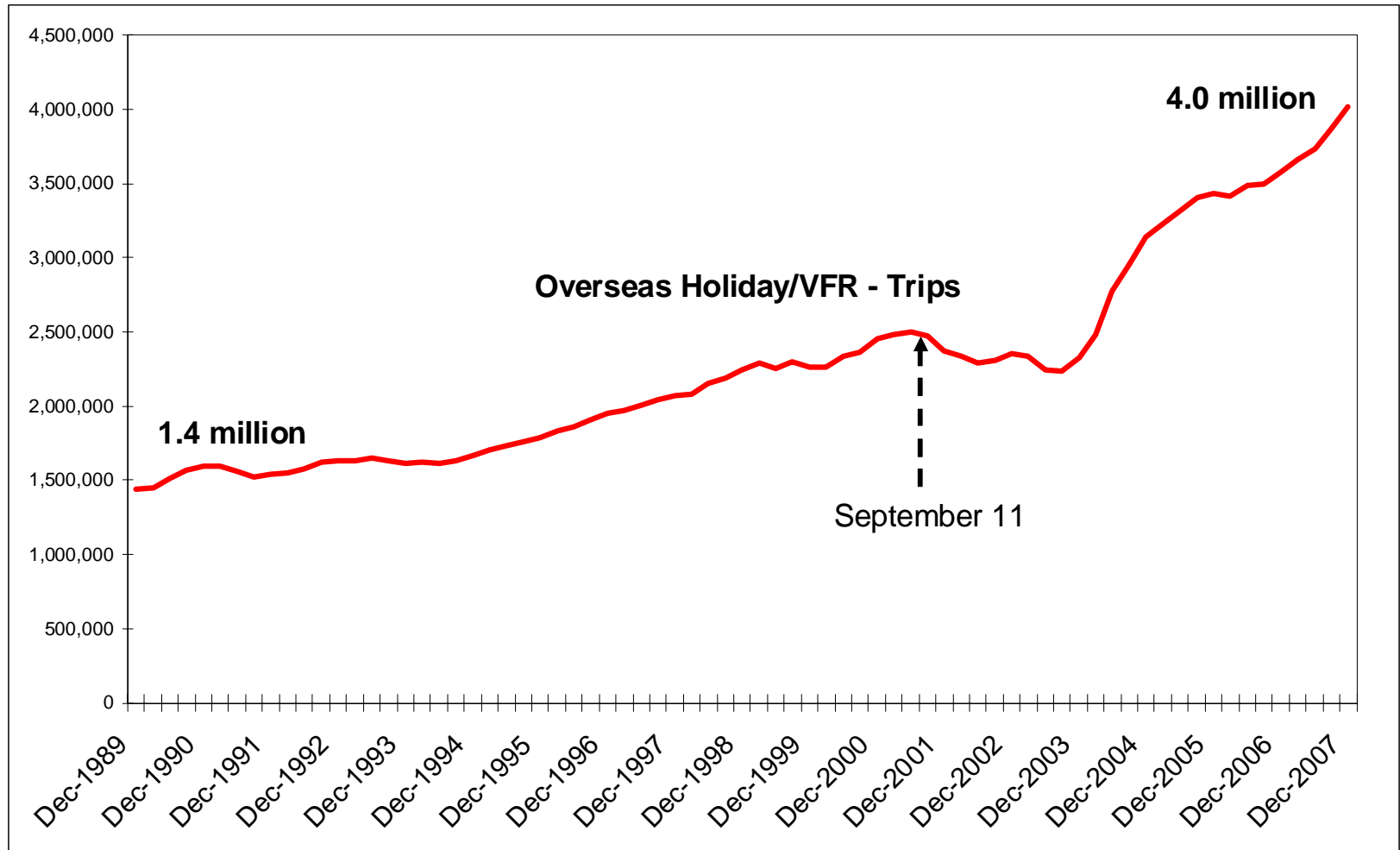


Base: New Zealand Population aged 18+

Source: Roy Morgan Research

Growth in Australians holidaying overseas a long-term trend

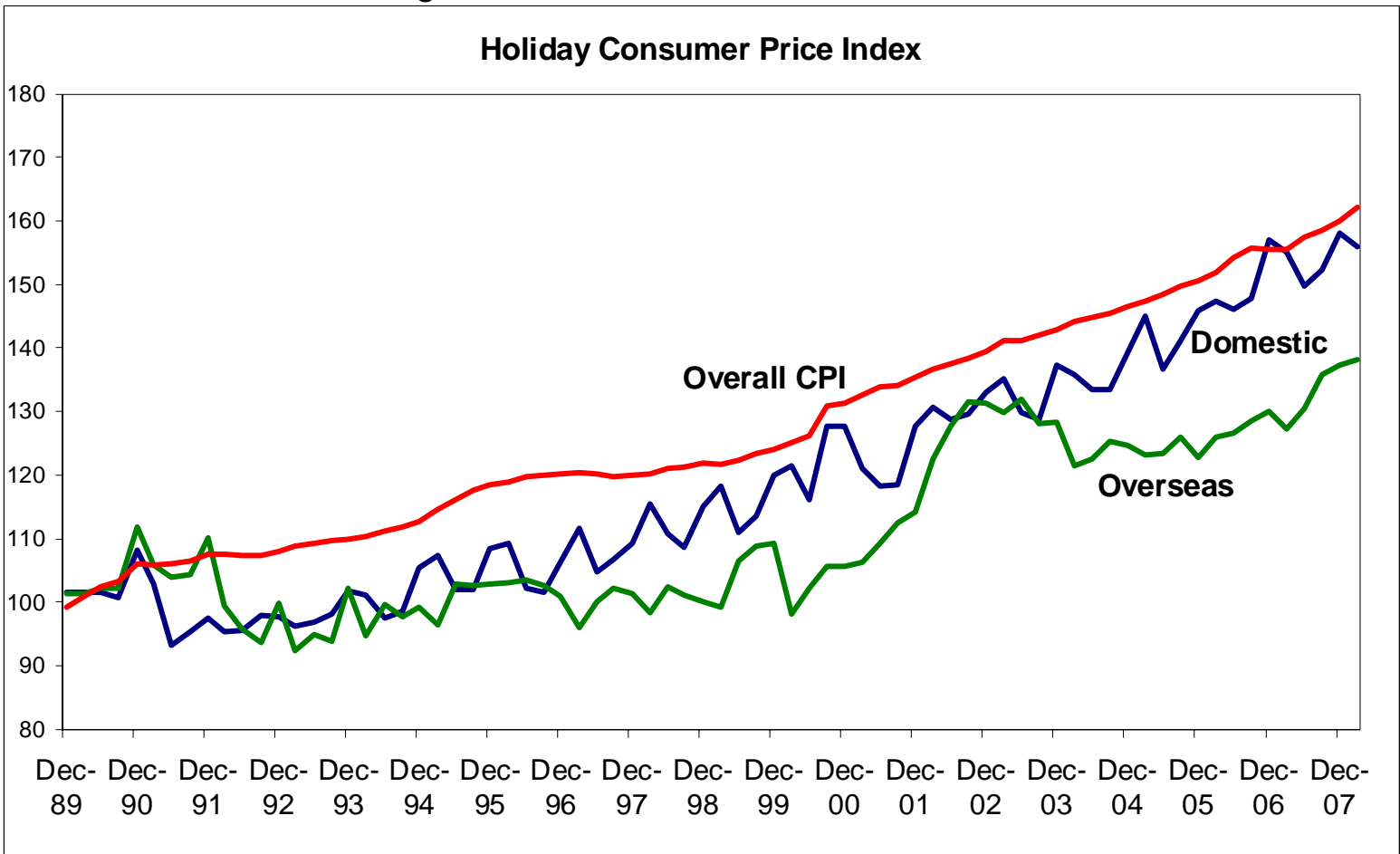
- Overseas holiday/VFR trips grown at average annual rate of 6% over past 18 years – domestic trips grown only 1%, less than population growth



Source: Australian Bureau of Statistics, 3401.0

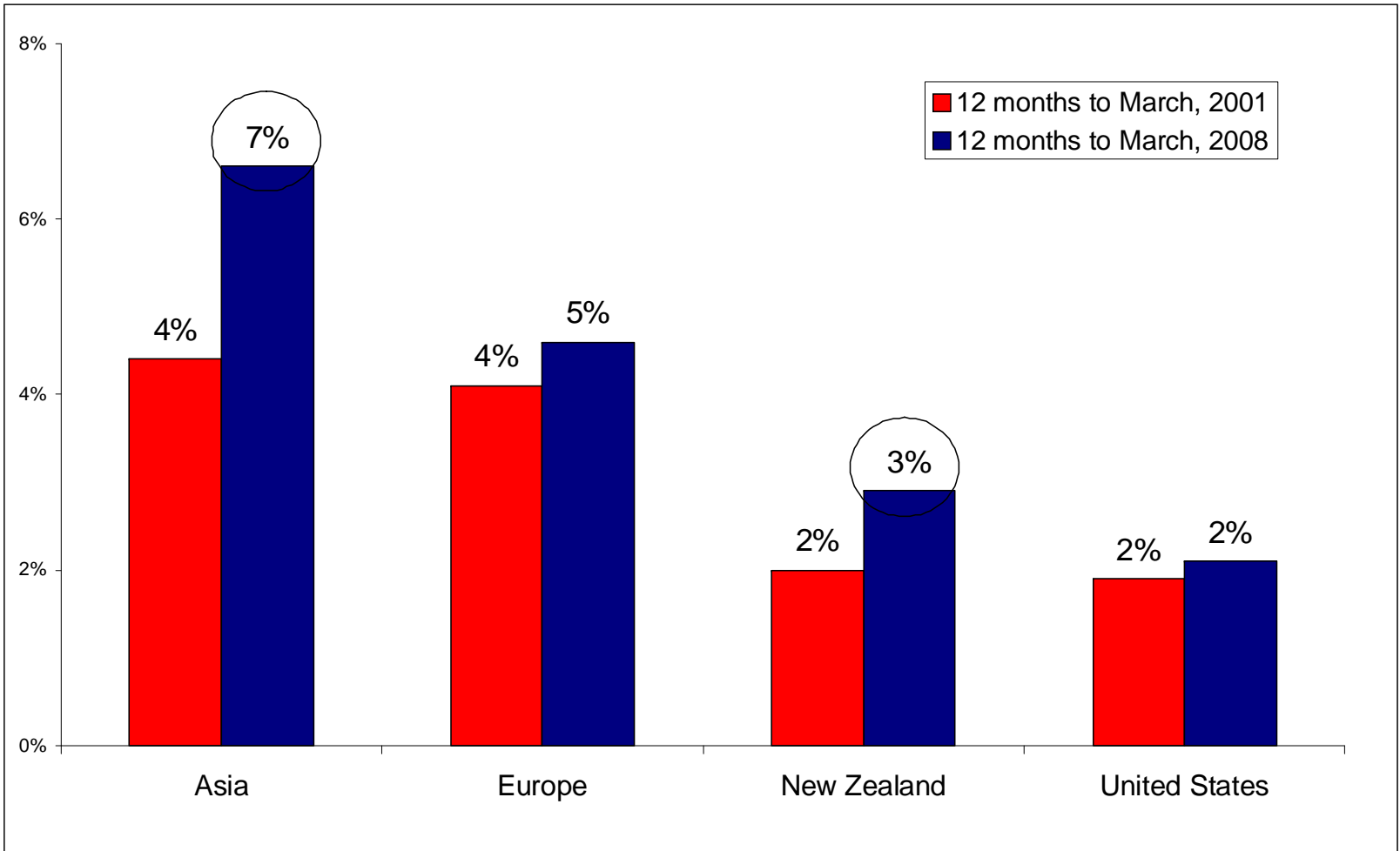
Overseas holidays now relatively cheap for Australians . . .

- Over the past 18 years the price of an overseas holiday has not grown at the same rate as other goods and services



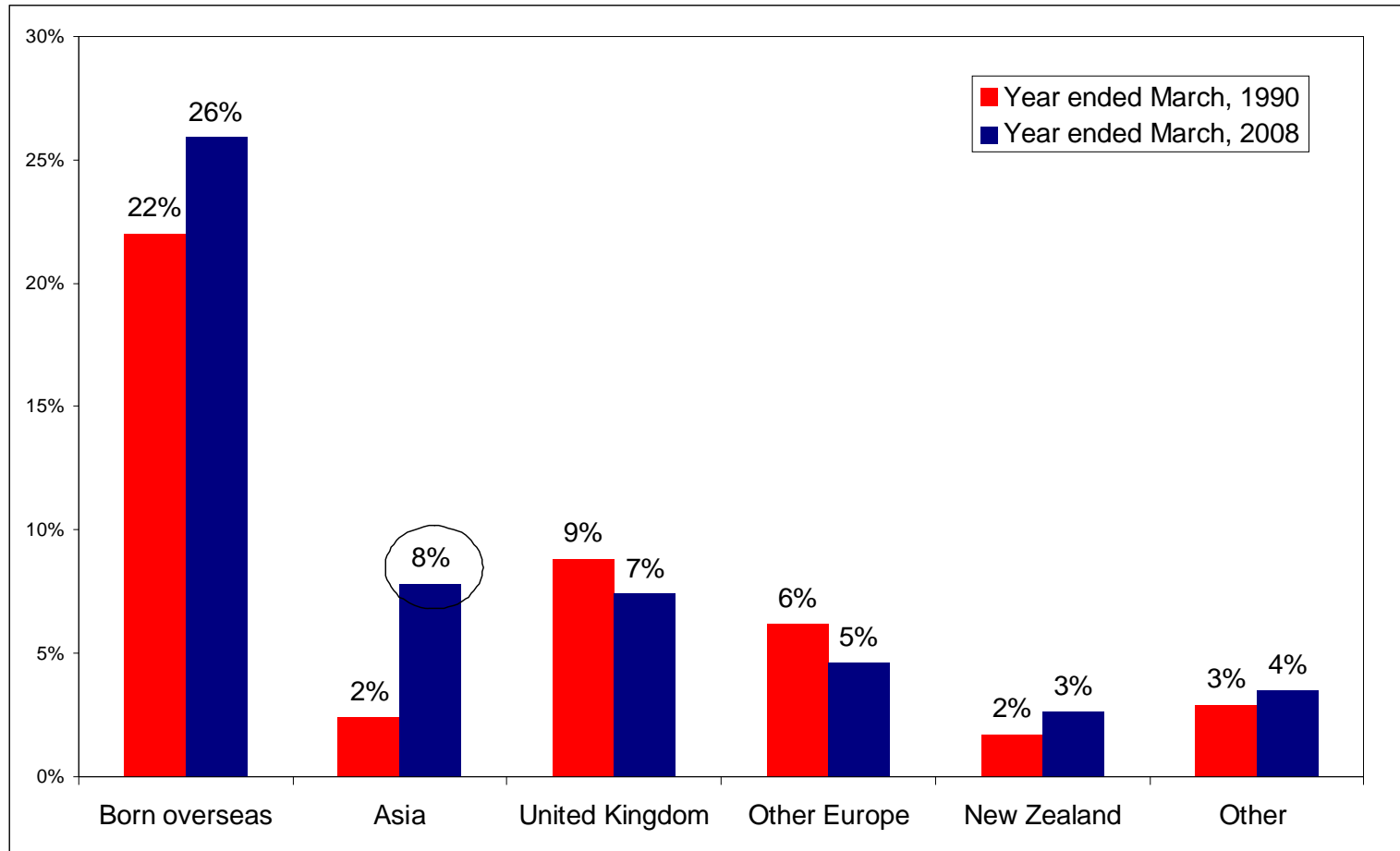
Outbound to Asia and NZ growing at a fast rate

- Asia and NZ are attracting Australian holidaymakers
- Low cost carriers flying to these regions make these destinations cheap and accessible



Australians increasingly born overseas, especially Asia

- Over past 18 years more Australians born overseas – especially Asia
- In 2008, 25% Australians holidaying in Asia were born in Asia

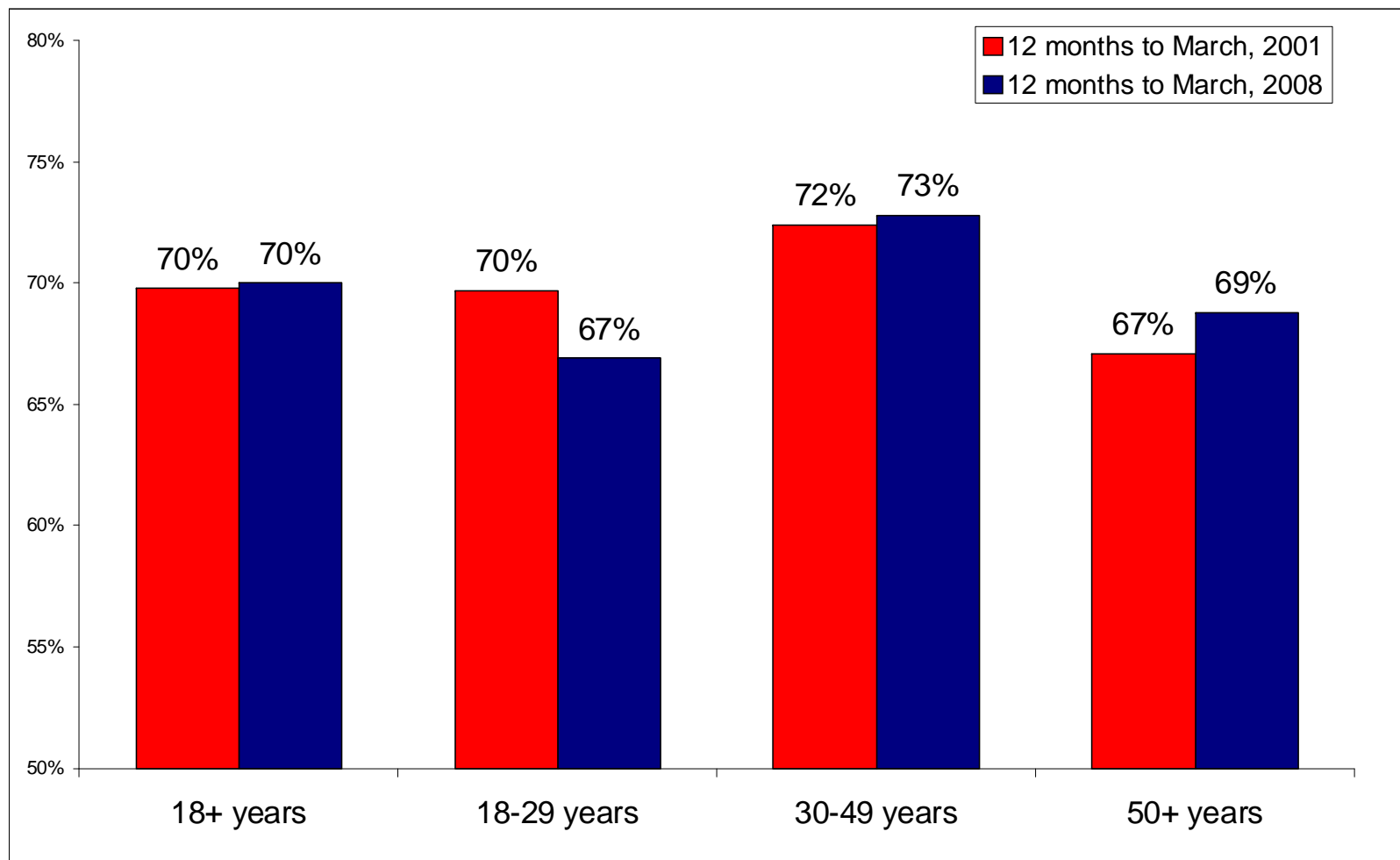


Base: Australian Population aged 14+

Source: Roy Morgan Research

And 50+ have increasing propensity to holiday

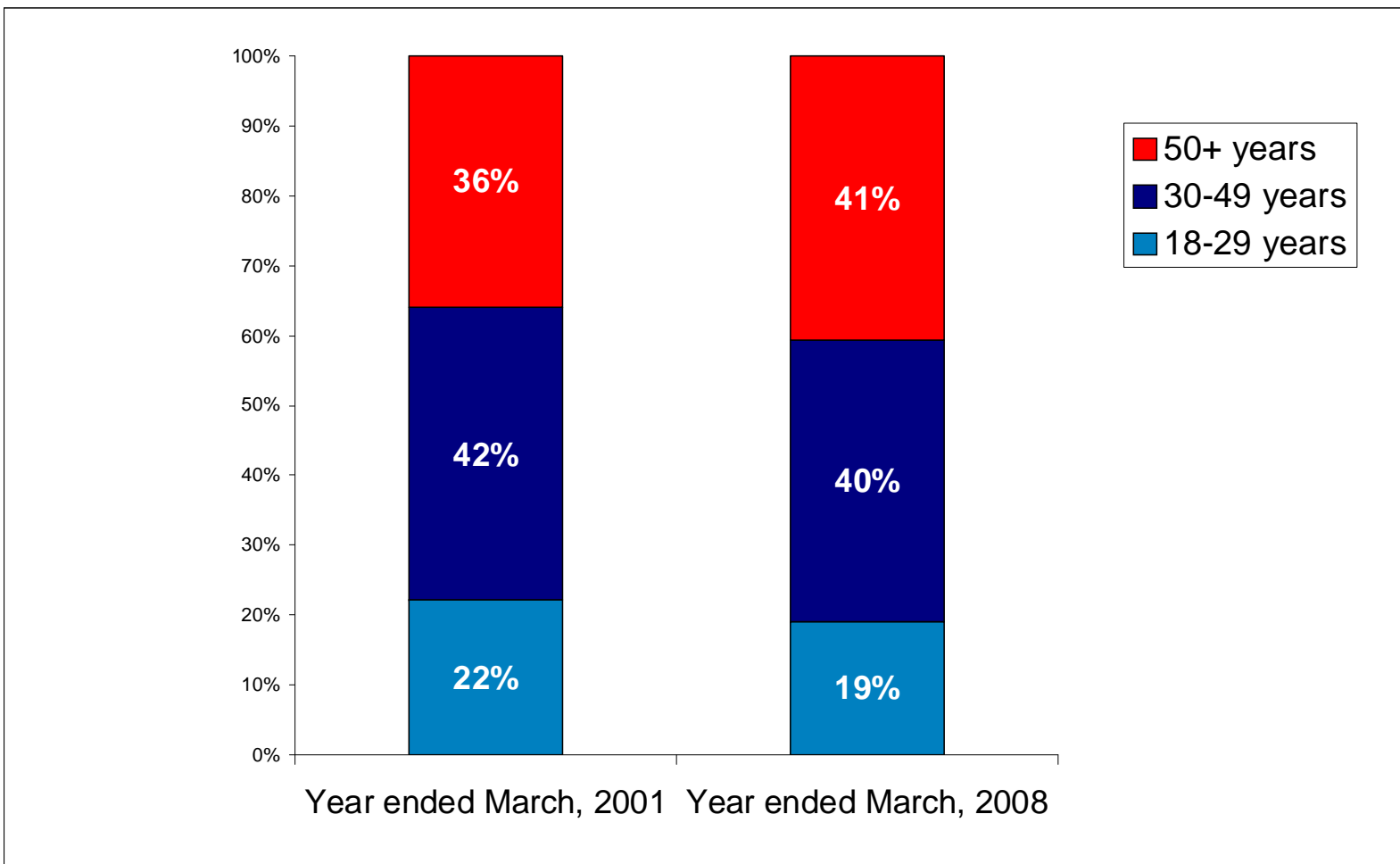
- A greater percentage of Australians 50+ years are now taking holidays (69% compared with only 67% seven years ago)



Base: Australian Population aged 18+
Source: Roy Morgan Research

So 50+ years growing part of domestic tourism market

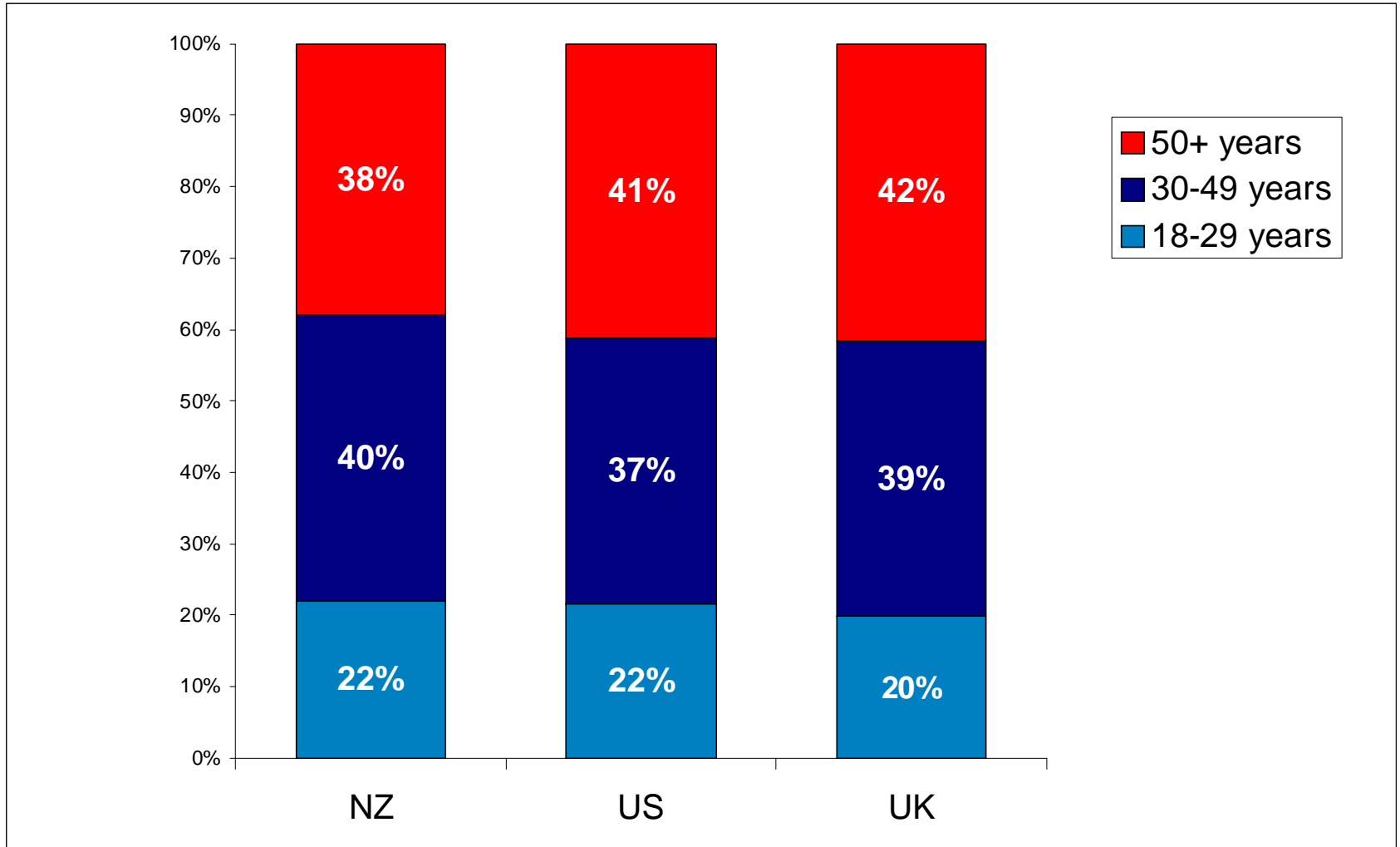
- 50+ years now make up 41% of Australians taking any holiday in the last 12 months – up from 36% in 2001



Base: Australian Population aged 18+ who have taken a holiday in the last 12 months

Source: Roy Morgan Research

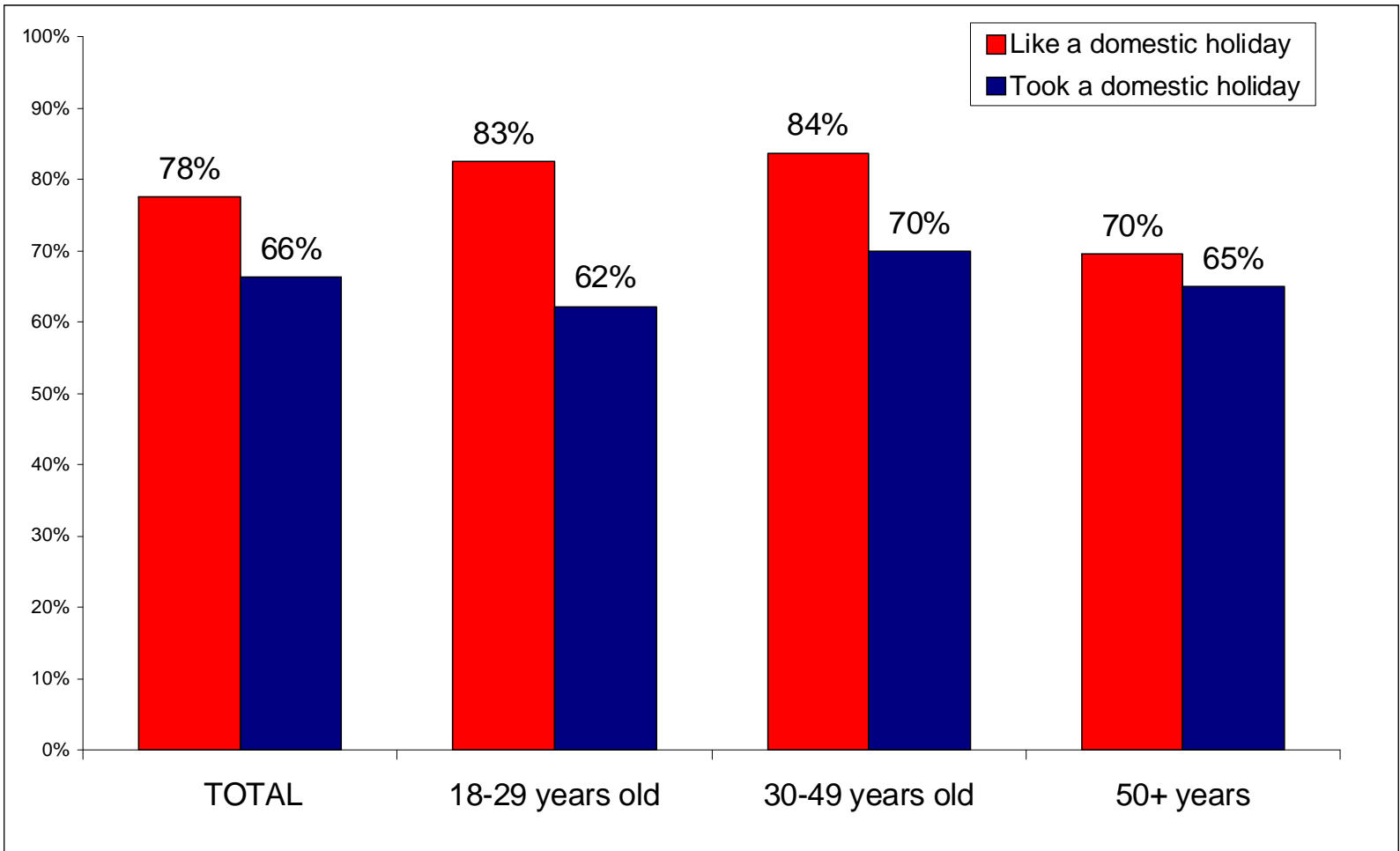
50+ years also growing part inbound market to Australia



Base: NZ, US, and UK Population aged 18+
Source: Roy Morgan Research

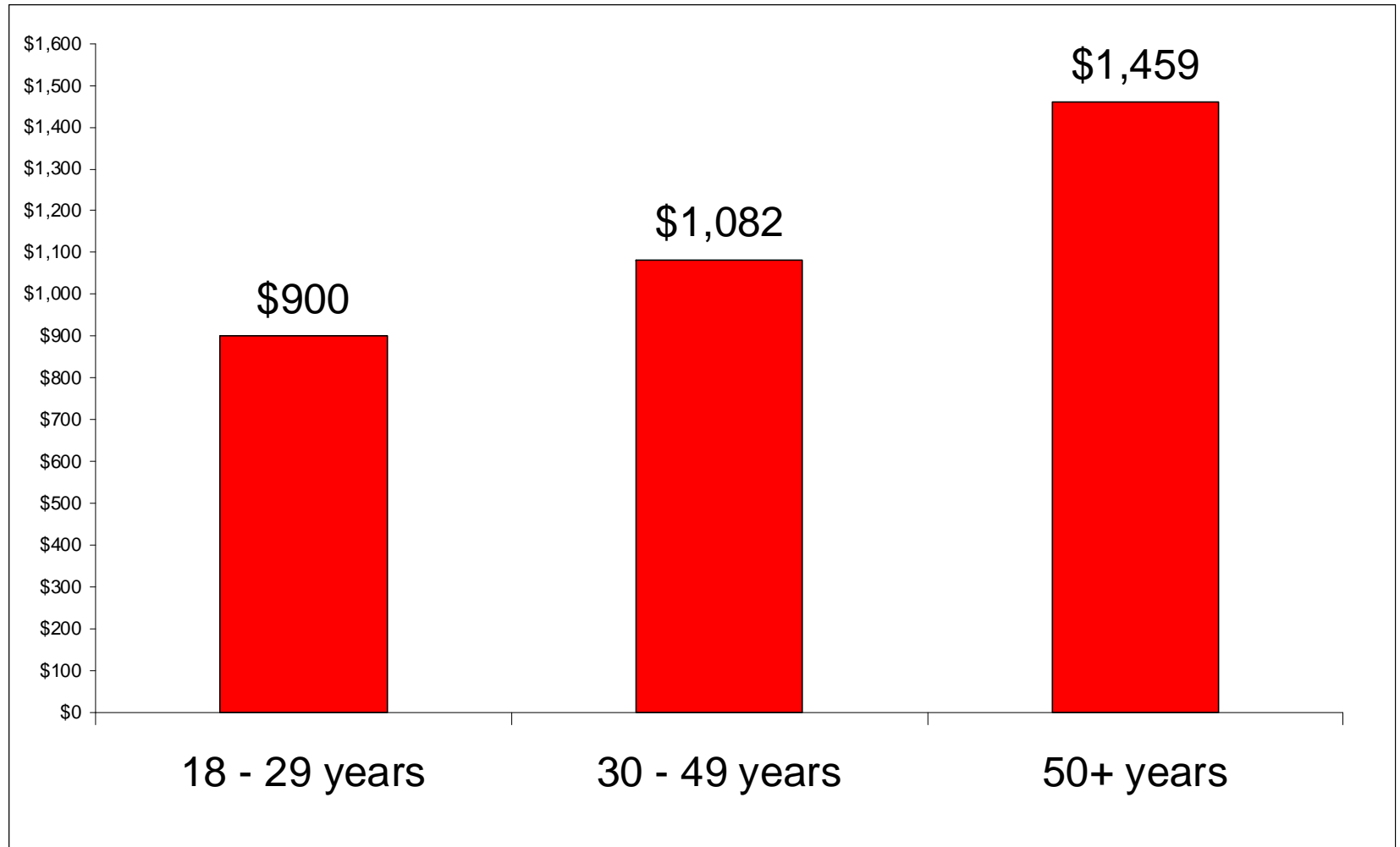
50+ low preference for a domestic holiday; but conversion is high

- 50+ market has the lowest level of preference for a domestic holiday, but the highest level of visitation – more time and money do to so



Base: Australian Population aged 18+
Source: Roy Morgan Research

On average, 50+ spend a lot on a domestic holiday. . .



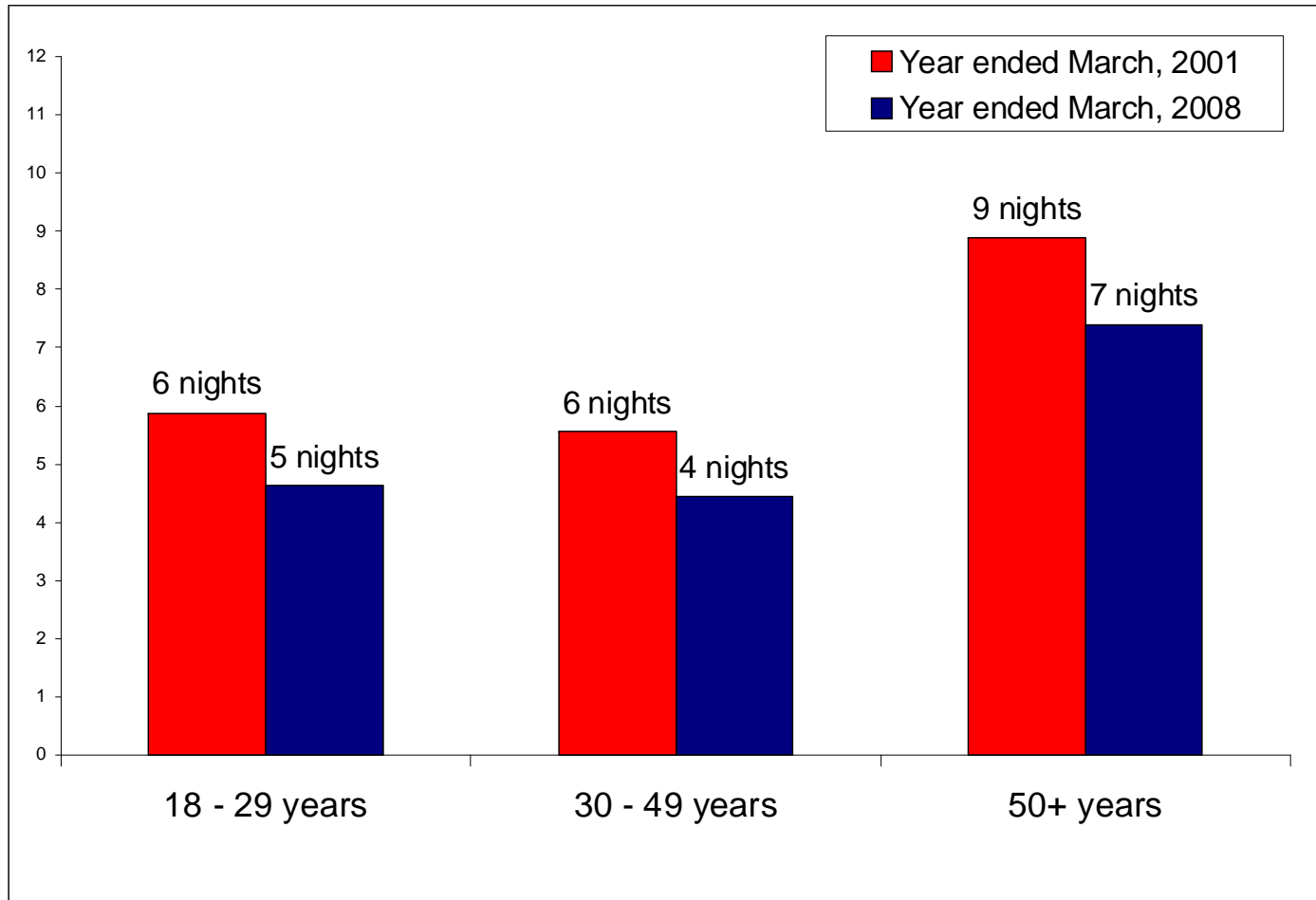
Base: Australian Population aged 18+ who have taken a domestic holiday in the last 12 months

Source: Roy Morgan Research

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... *Because they take longer domestic holidays*

- 50+ take longer holidays on average, but length across all age groups declining - mainly because low cost carriers and discount airfares make short breaks more feasible

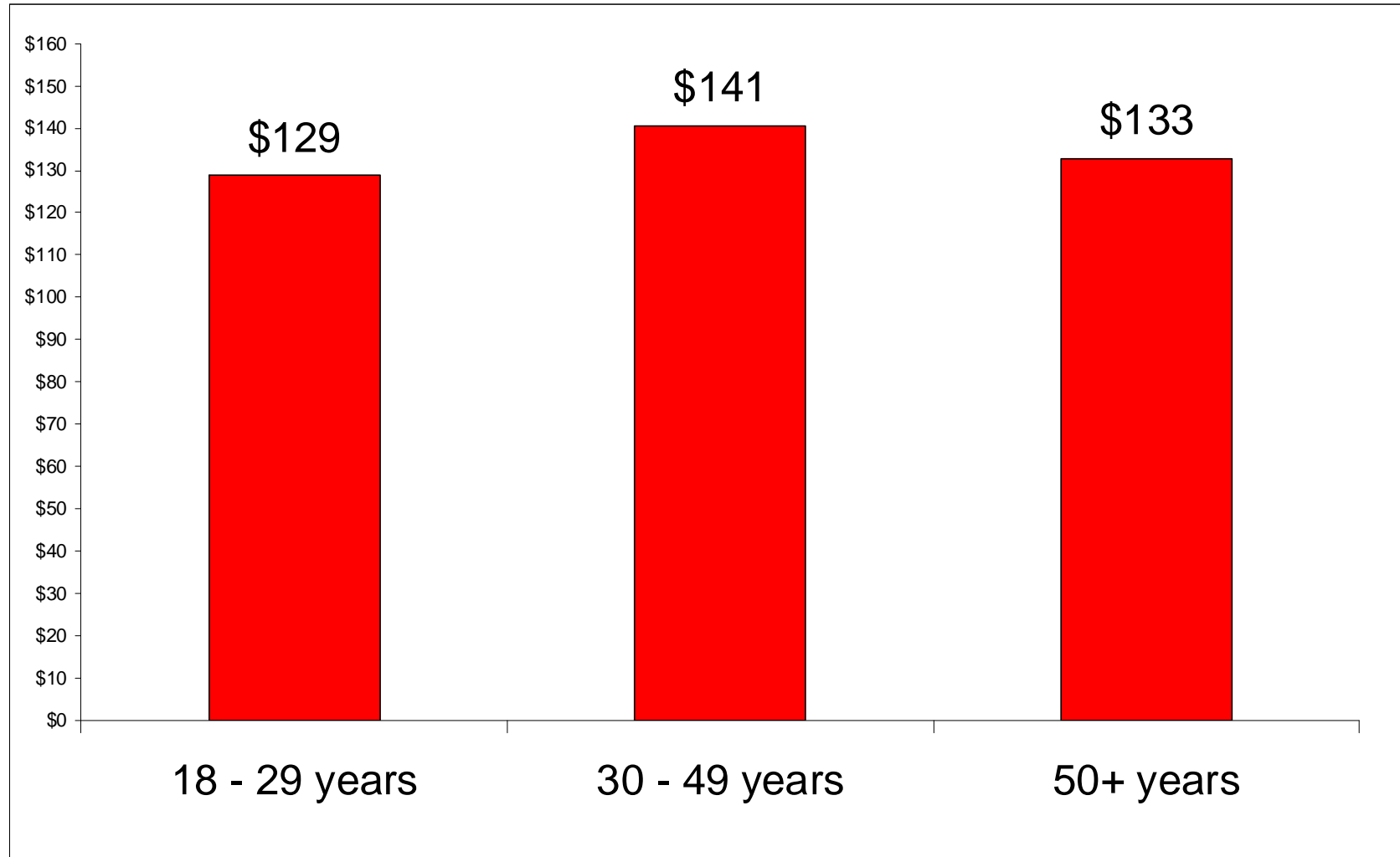


Base: Australian Population aged 18+ who have taken a domestic holiday in the last 12 months

Source: Roy Morgan Research

50+ year olds are a 'high yield' market

- 50+ year olds spend on average \$133 per person per night on a domestic holiday, dispelling the myth that they are a low yield market

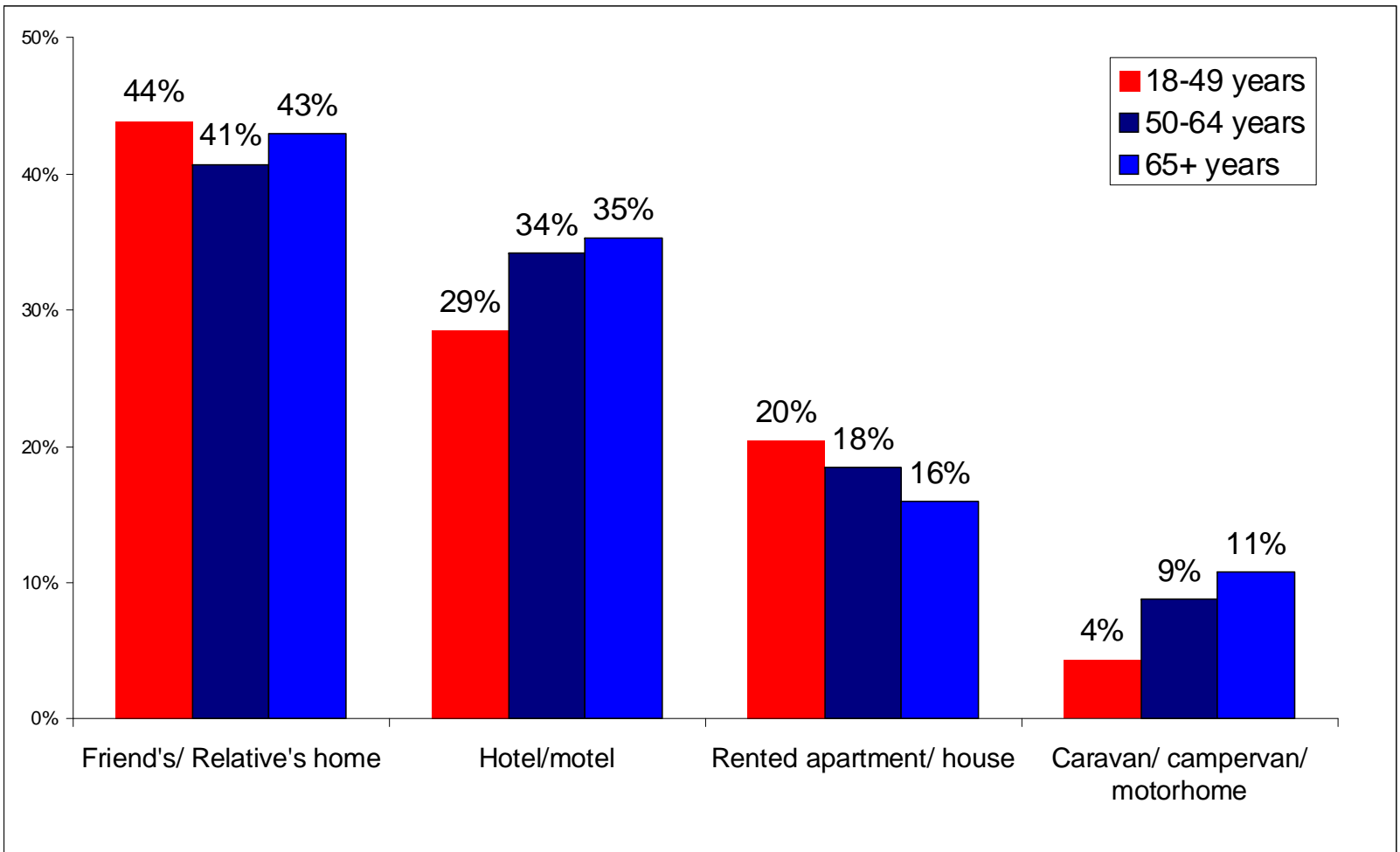


Base: Australian Population aged 18+ who have taken a domestic holiday in the last 12 months

Source: Roy Morgan Research

50+ stay in a variety of accommodation on domestic holiday

- It is a myth that older Australians are mostly low yield grey nomads staying in caravans, campervans or motorhomes



Base: Australian Population aged 18+ who have taken a domestic holiday in the last 12 months

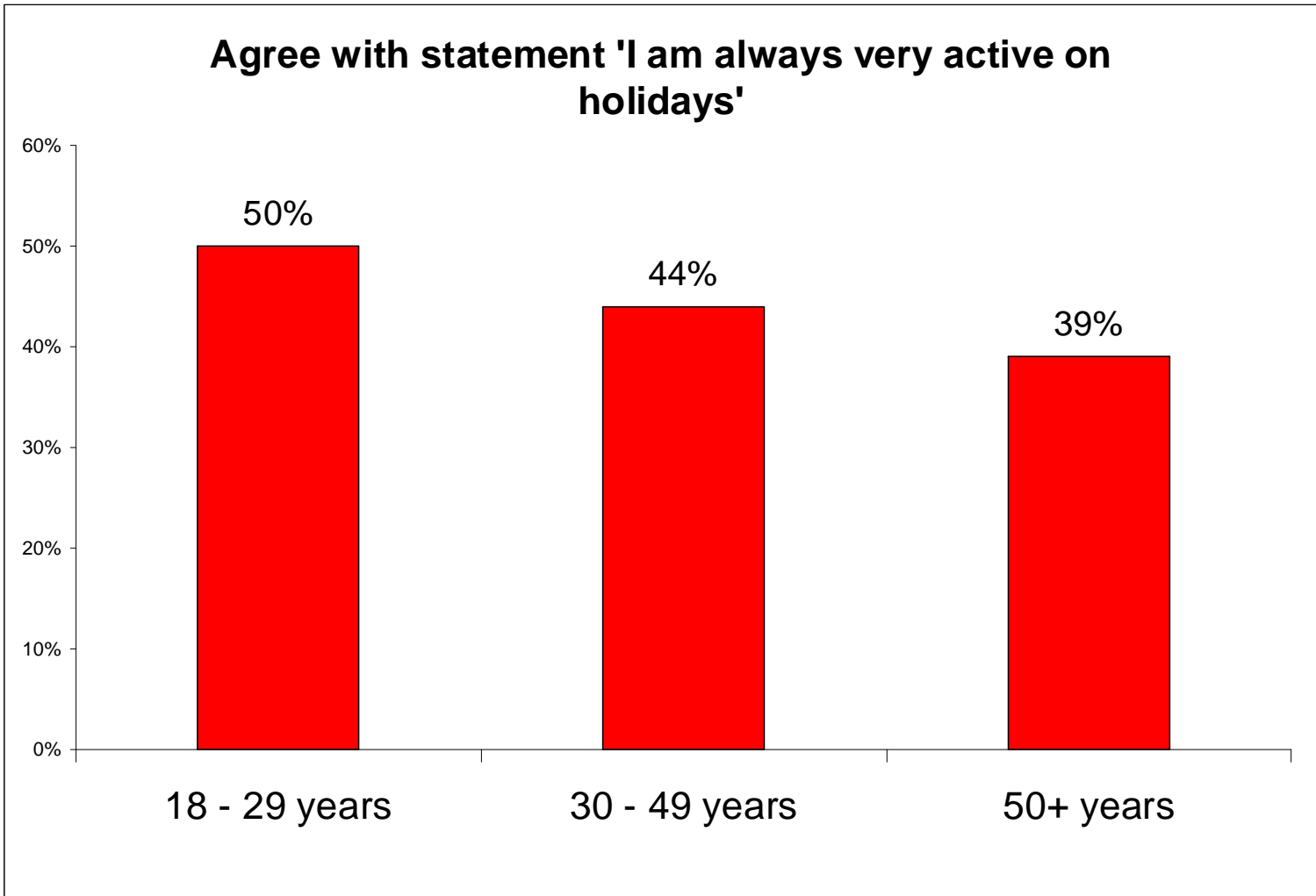
Source: Roy Morgan Research

Which holiday experiences to offer?

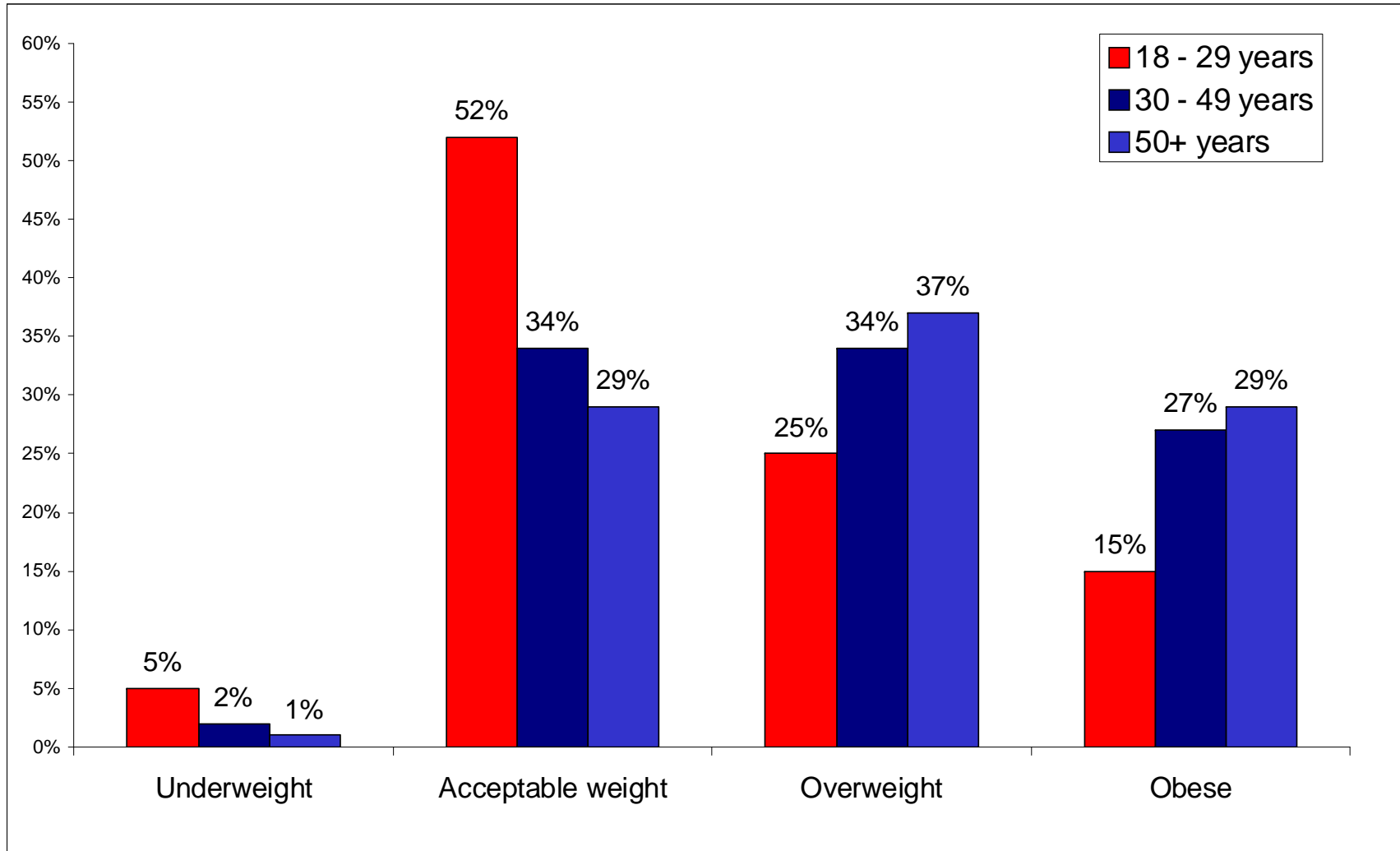
Discover your *edge*



50+ less likely be active on holidays



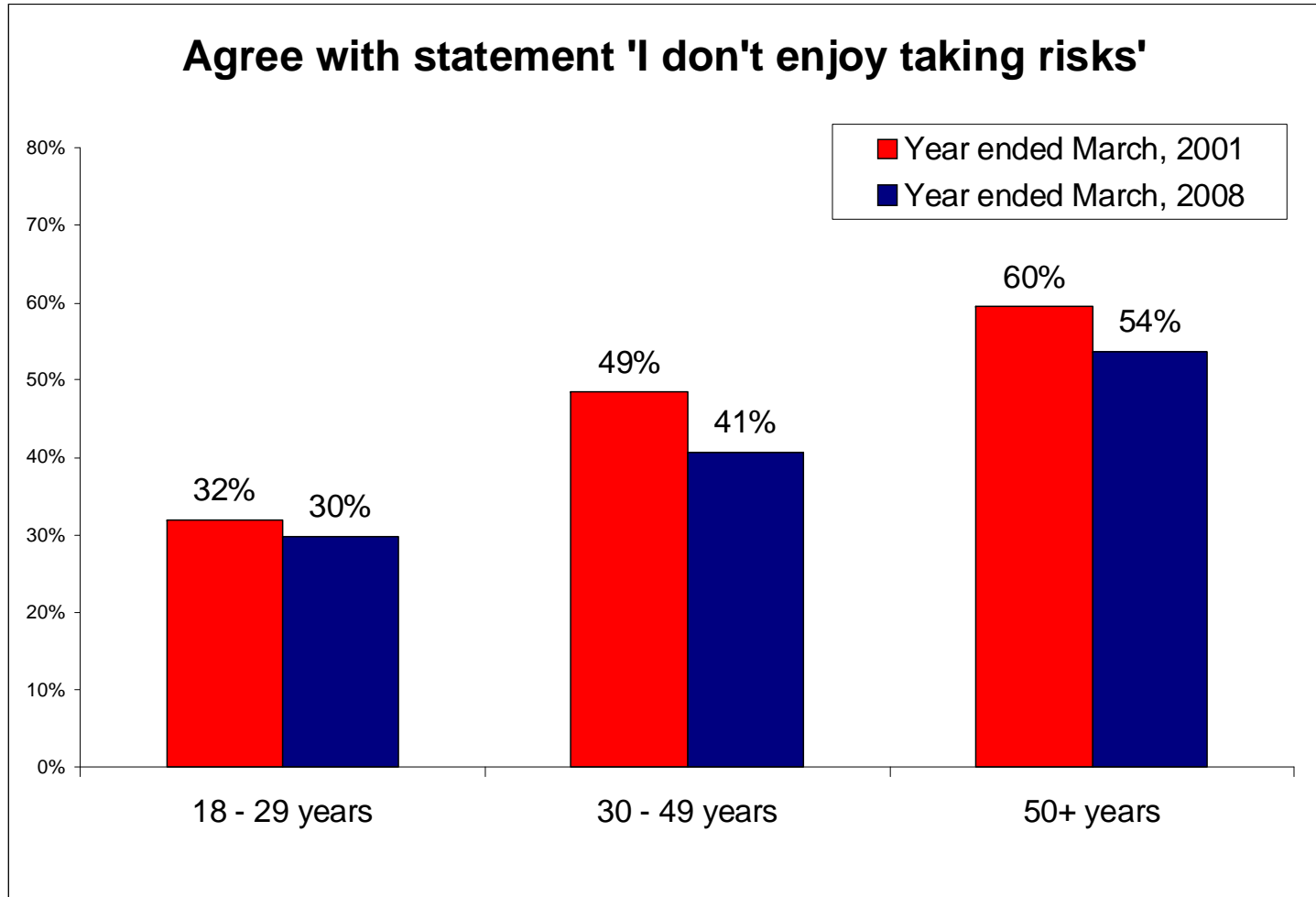
Two-thirds of 50+ market overweight or obese



Base: Australian Population aged 18+
Source: Roy Morgan Research

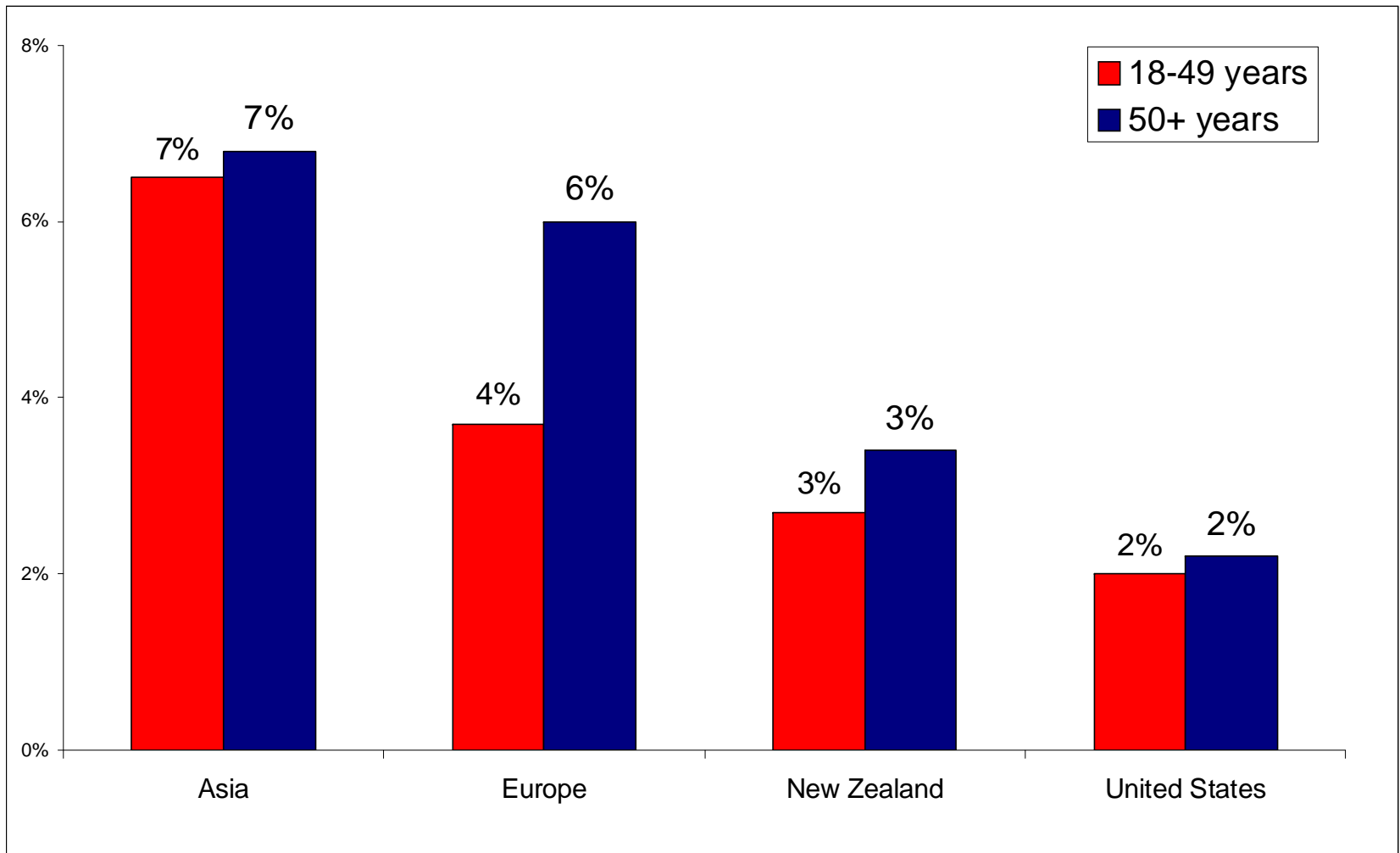
50+ tend to be risk averse; but less so than predecessors

- 50+ years are more risk averse than younger age groups but less so than predecessors; this shift led to changing holiday choices and behaviour for 50+



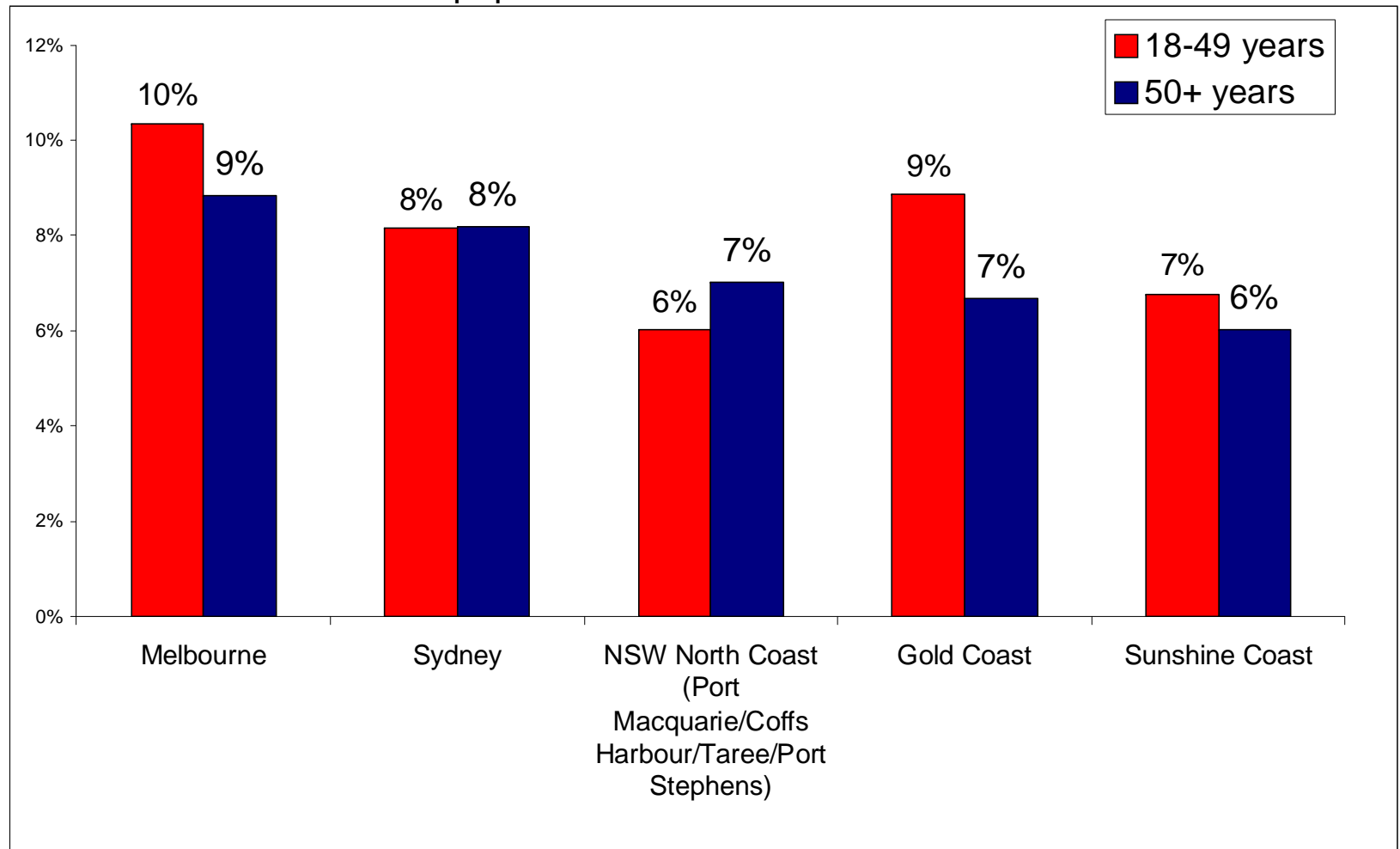
50+ strong affinity for Europe; but increasingly holidaying in Asia

- 50+ years have slightly higher propensity to take overseas holiday than younger groups – Asia increasingly popular with 50+, but still have affinity with Europe, especially UK



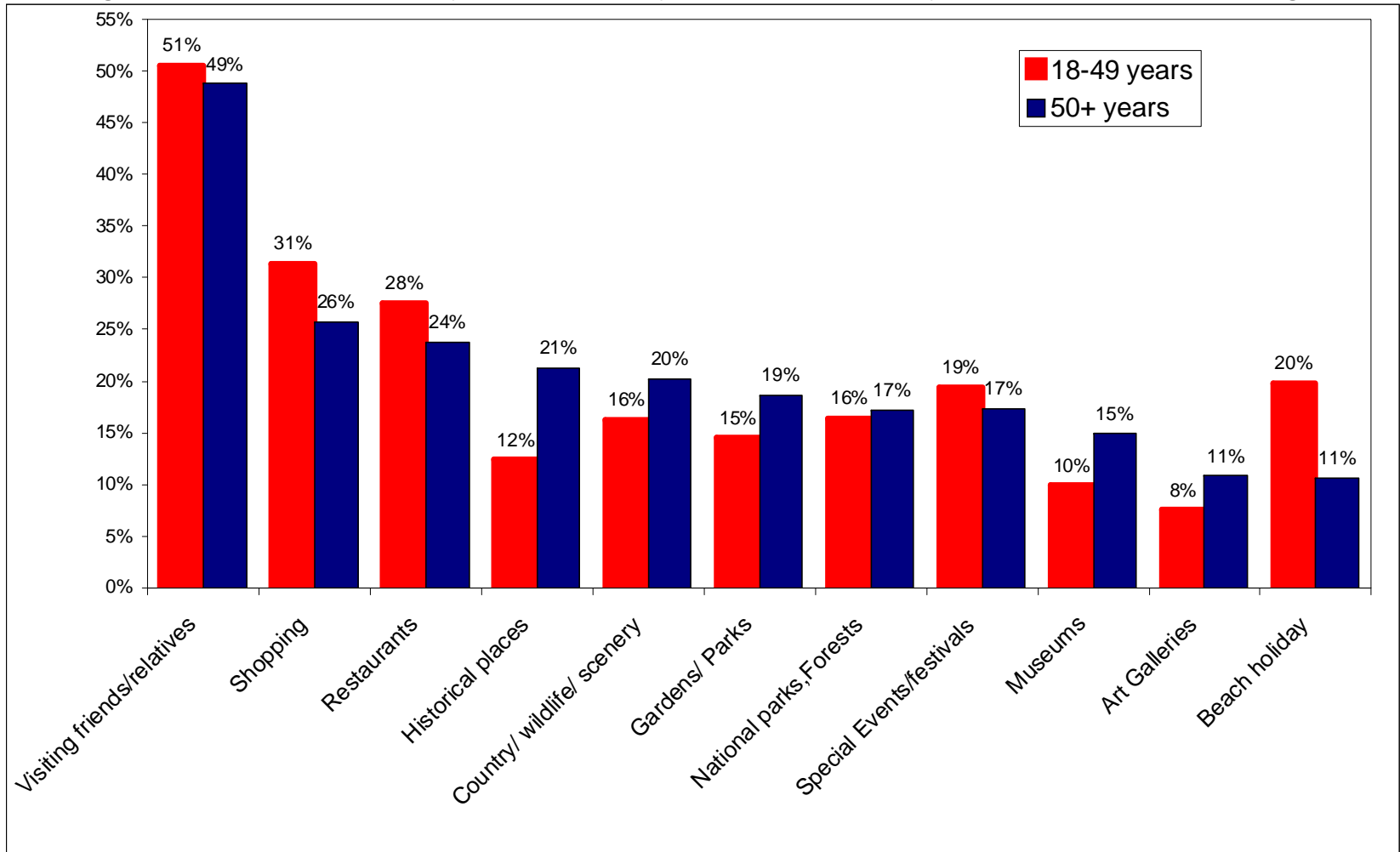
Melbourne & Sydney most popular domestic destinations for 50+

- Melbourne and Sydney are the key domestic destinations that attract 50+ market
- Gold Coast is not as popular with 50+ market



50+ more likely to go sightseeing than young tourists

- Sightseeing is popular with 50+ market (historical places, museums, art galleries, gardens/parks, country and scenery). Beach holidays are not as appealing



Base: Australian Population aged 18+ who have taken a holiday in last 12 months

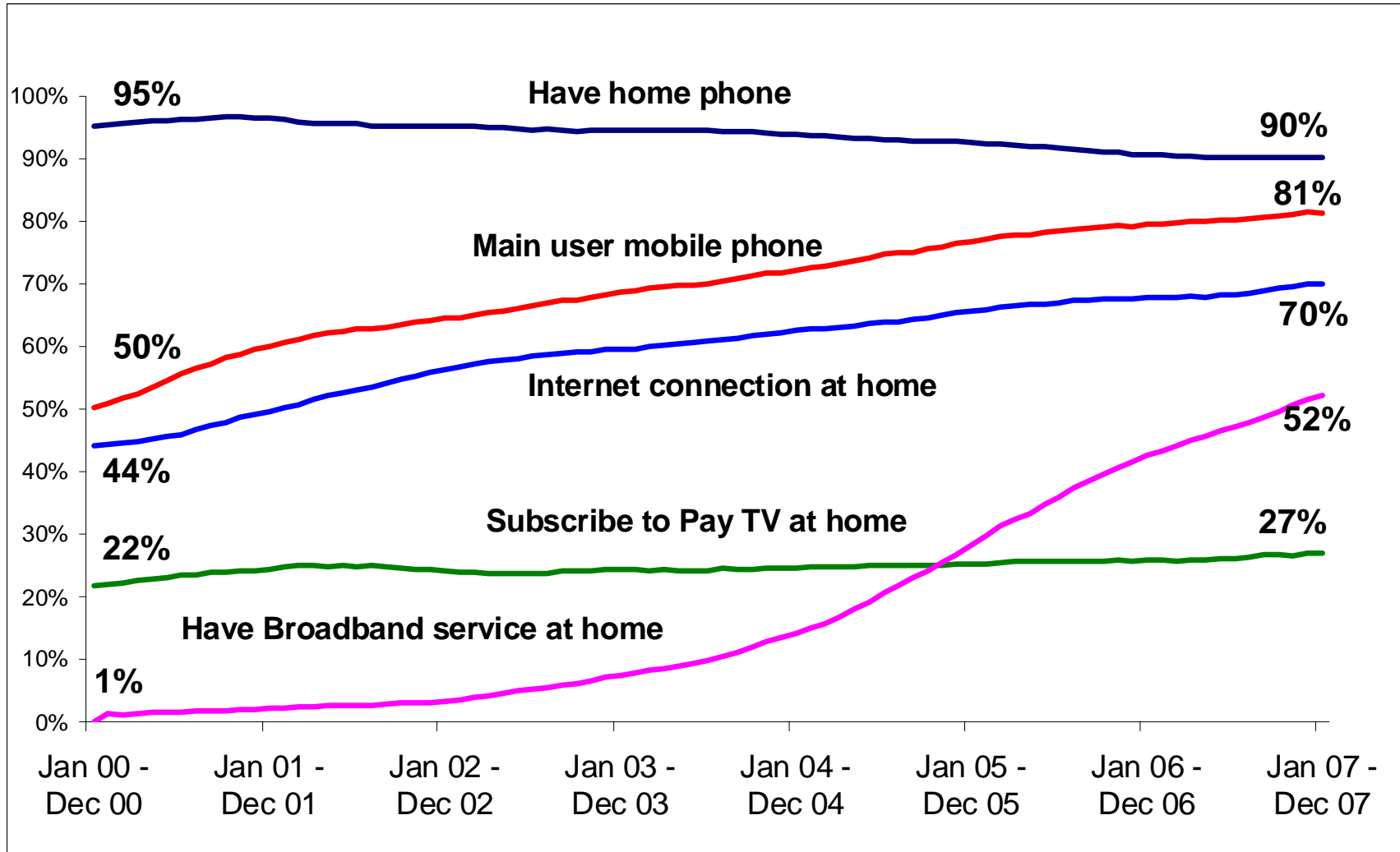
Source: Roy Morgan Research

How to reach them?

Discover your edge



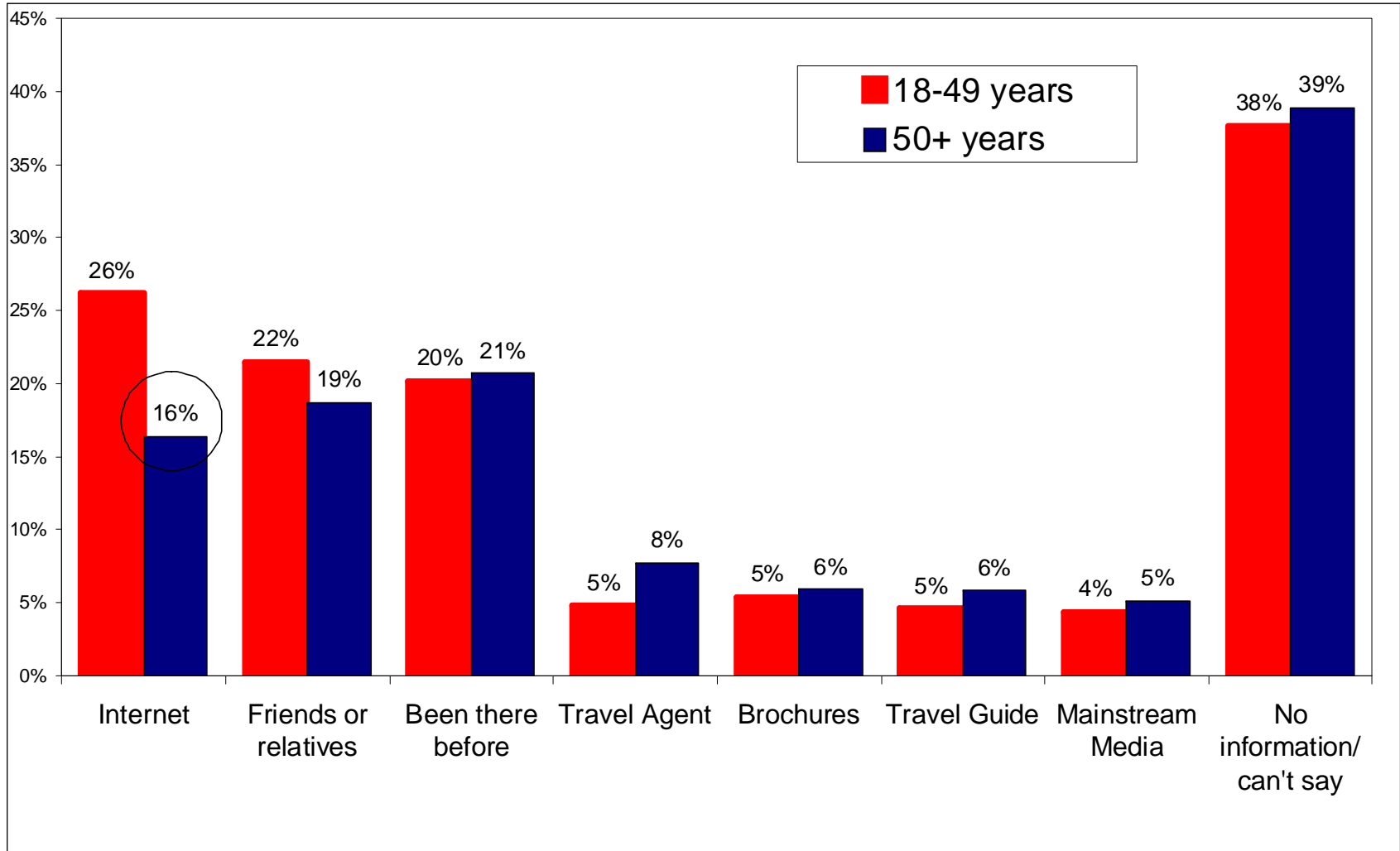
Mobile and Internet (particularly broadband) increasing



Base: Australian Population aged 14+
Source: Roy Morgan Research

Previous experience and word-of-mouth important for 50+ years

- For the 50+ market, previous experience at destination or word of mouth from friends or relatives is more important than the internet when choosing a domestic holiday destination

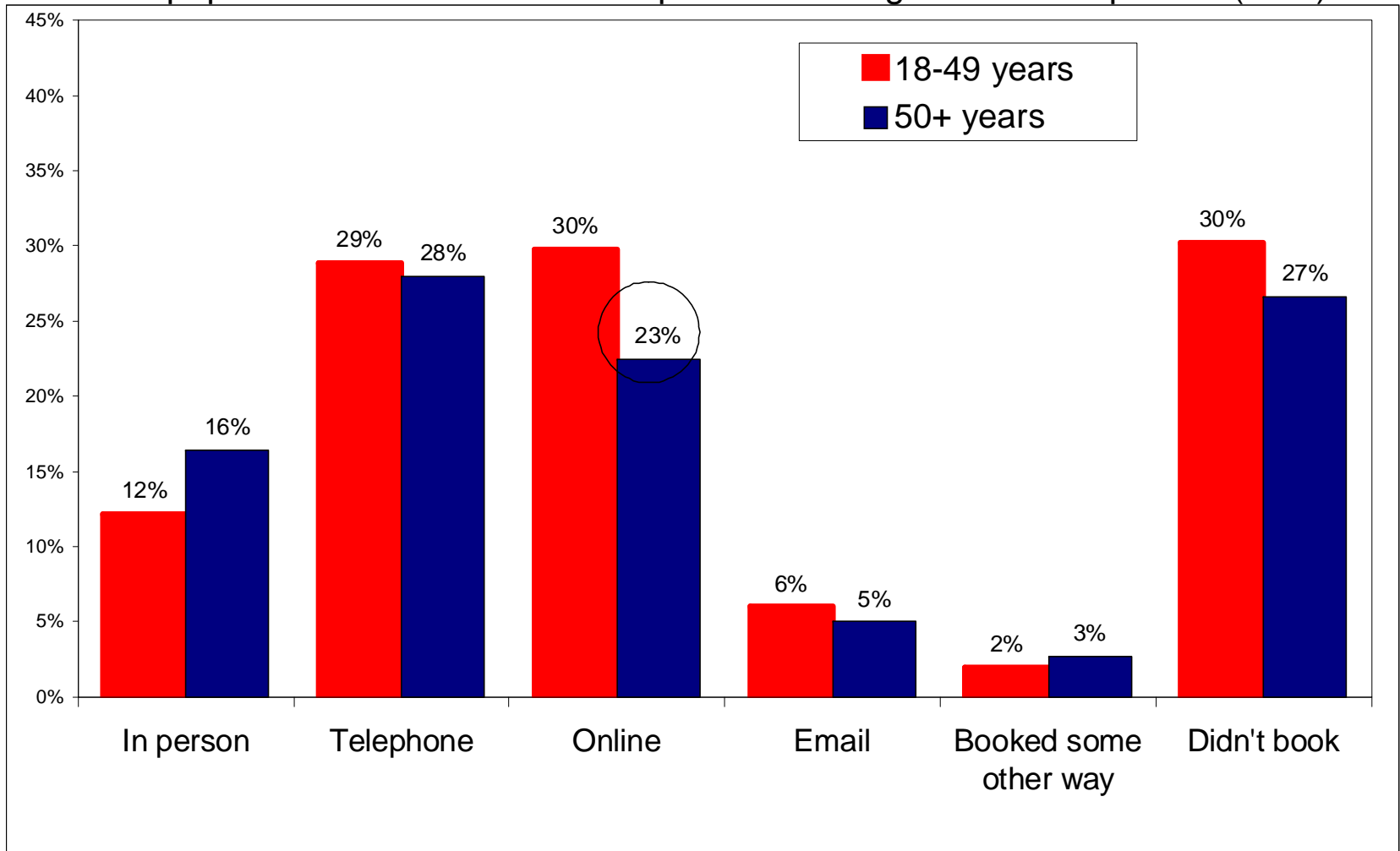


Base: Australian Population aged 18+ who have taken a domestic holiday in the last 12 months

Source: Roy Morgan Research

50+ years prefer telephone booking over internet

- Although 23% of 50+ years book their domestic holiday online, telephone is still the most popular method at 28% and in person bookings are also important (16%)

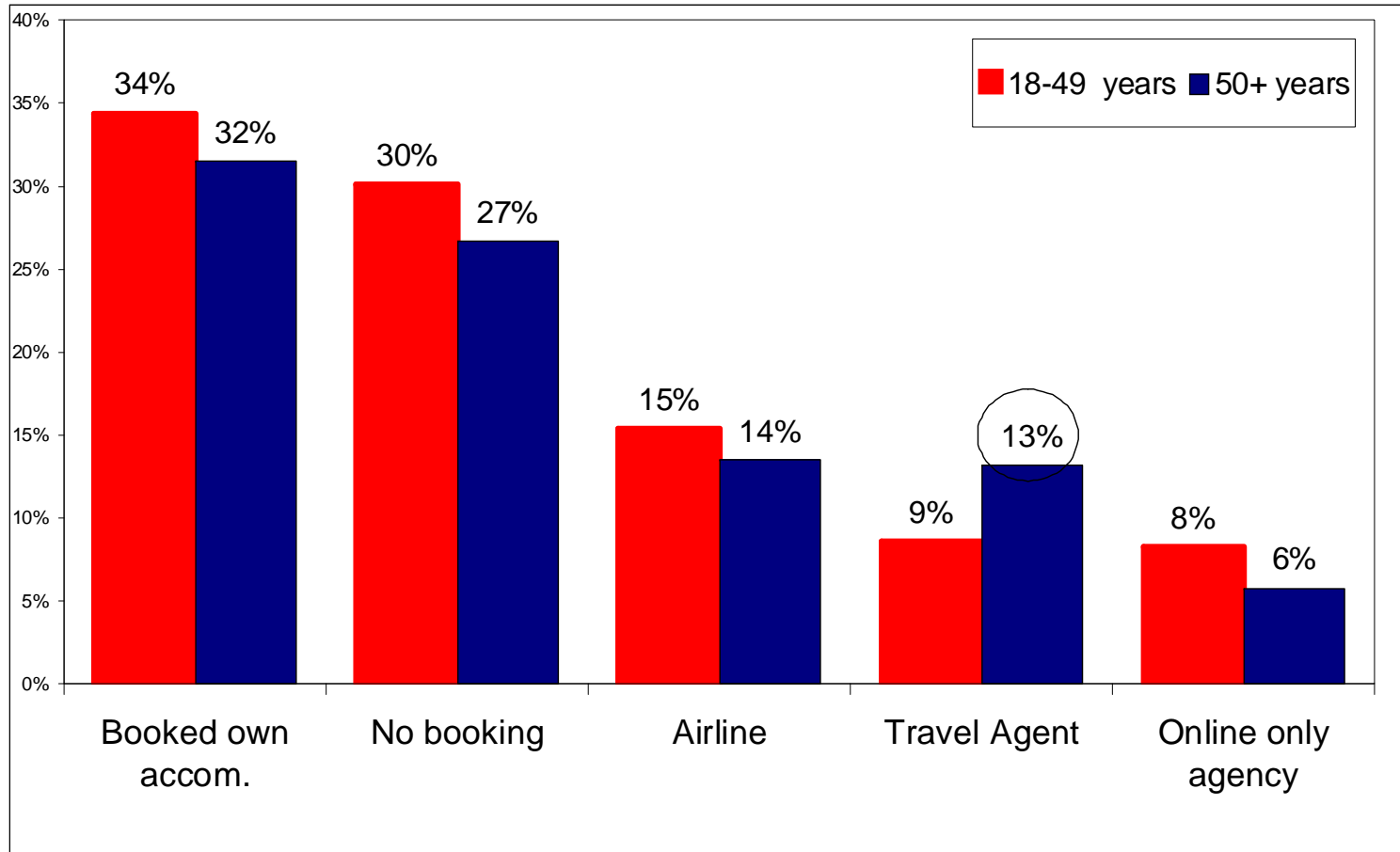


Base: Australian Population aged 18+ who have taken a domestic holiday in last 12 months

Source: Roy Morgan Research

50+ years more likely book domestic holiday through travel agent

- Most Australians either book own accommodation and flights or don't bother booking at all
- 50+ years tend to use traditional travel agents rather than online only agencies



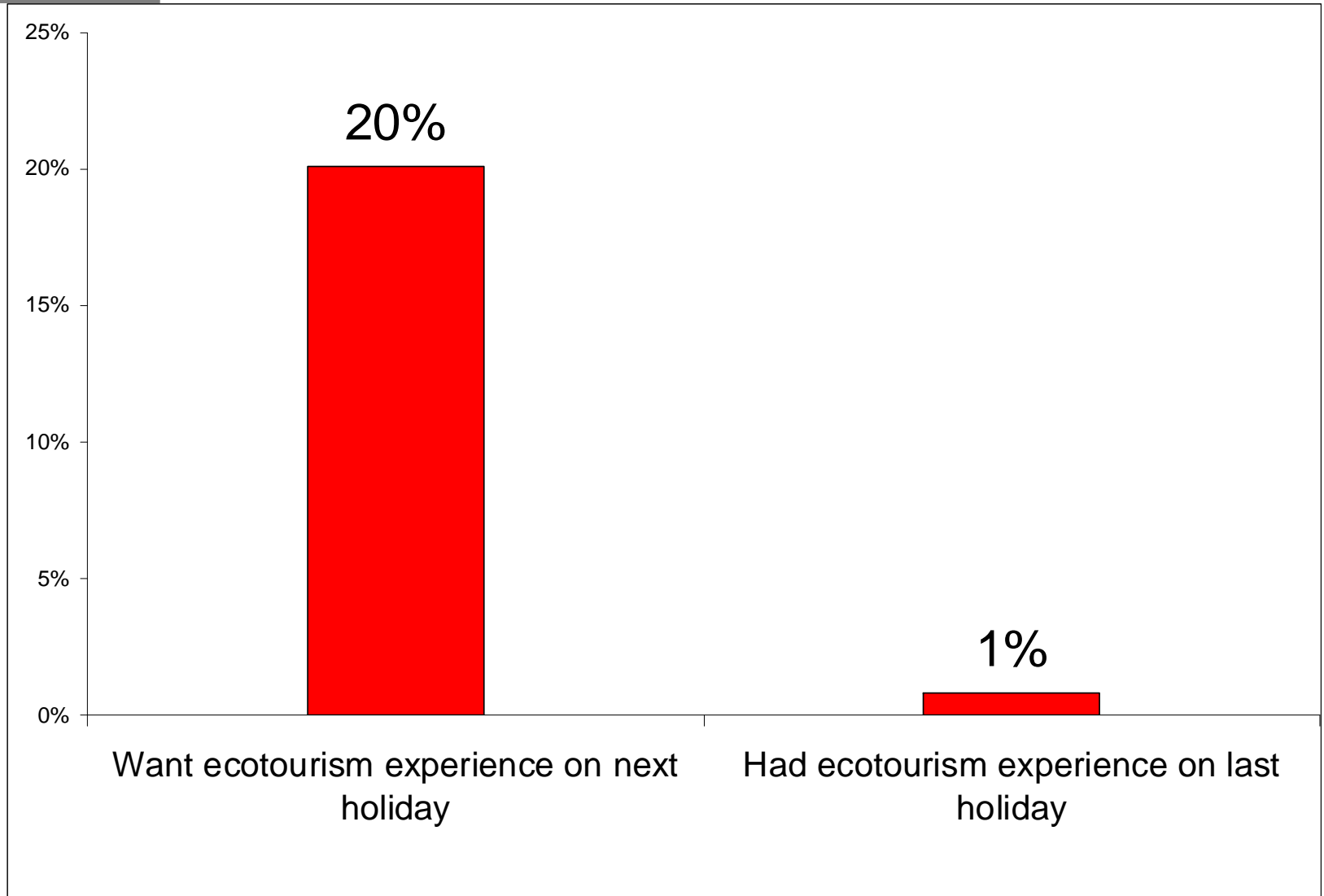
Base: Australian Population aged 18+ who have taken a domestic holiday in last 12 months

Source: Roy Morgan Research

...But taking action is the next step

- **62% intend to participate** in a carbon emission offset scheme for holiday/leisure travel
- But only **4% have participated** in the past
- **41% claim that climate change is an important issue** when considering taking a holiday
- But **air travel for leisure purposes has increased** over past five years

Ecotourism - many claim to want it; few take action



Base: Australian Population aged 18+ who have taken a holiday in last 12 months

Source: Roy Morgan Research

- The 50+ years market offers an opportunity for Australia – tourism operators and marketers to grow their business;
- Australia must “get” this market;
- The danger is missing the opportunity through misunderstanding the market.



- The 50+ market today is unlike the 50+ market of the past – and unlike any market of the past;
- Ignore it, alienate it, or underestimate it at your peril;
- Roy Morgan Research has the insights to assist you to understand, reach and communicate with this growth market.

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Thank you

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