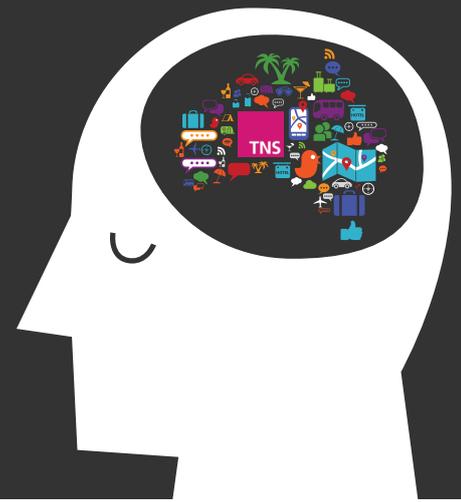


Domesticate 2016

TNS Australia's annual syndicated study into the Australian travel market; their mind-set, attitudes to travel and outlook for the Australian travel industry.



The end of innocence, but Australian holidays provide reassurance

Global issues are closer to home than ever

Australia's isolation from the rest of the world is diminishing in the age of social media and there is a growing sense of unease as global politics are geared up to play a bigger role in Australia's future, particularly regarding terrorism and immigration policies. With a softening economy and policy of fear in place, there are fewer freedoms than ever before, challenging the Australian way of life.

For young Australians

The Australian dream is becoming increasingly unattainable and young Australians can no longer count on having a job for life. They are focusing more on building their careers and establishing themselves to get ahead. With this focus comes more limited free time – going on holiday for long periods of time is no longer as practical as it once was.

Good news for the industry

The desire to travel is strong and trumps financial pressures. Travel is more common and valued more highly in terms of the hierarchy of needs. Escapism and short breaks have become the new norm as Australians look to break free from the frenetic pace of everyday life and find space to be themselves away from the pressures of home – domestic holidays can offer a safety net to Australians with easy and affordable trips at home.

What Australians need from a holiday at home

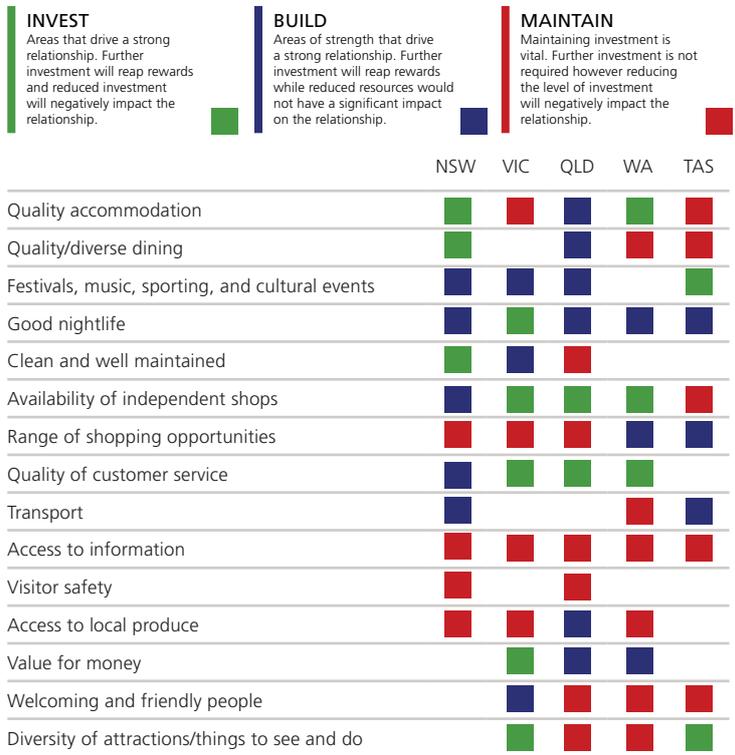
Australian travel fulfils different needs

Australians travel domestically and internationally to quench their thirst for knowledge and different experiences, but domestic travel can achieve this in a shorter time span. Domestic travel fulfils the need for a fun, relaxed holiday experience. For young Australians, this stretches up into carefree and spontaneous experiences.

Driving the appeal of domestic holidays

Balancing the promotion of metropolitan and regional offers will help drive the appeal of domestic holidays. Most Australians are familiar with the offer of capital cities but this is not seen as a true 'Australian holiday' whilst there is lower awareness of regional destinations and the experiences you can have in them.

The following highlights which areas drive a strong Australian domestic holiday experience.



Australians look to people like them for inspiration

When they travel, Australians want to do what the locals do and have an authentic experience and are strongly influenced by the experiences of family and friends. 60% of young Australians say their decisions about holidays are influenced by the experiences of friends and family on social media. Word of mouth recommendations influence Australians in their overall holiday destination choice and what they see and do while there – the Australian travel industry needs to leverage this experiential promotion.

| | 18-30 YEARS | 31+ YEARS |
|---|-------------|-----------|
| Word of mouth | 67 | 46 |
| Experiences by family/friends on social media | 60 | 29 |
| Destination websites | 39 | 38 |
| Special packages or offers online | 43 | 34 |
| Online discussions/consumer review sites | 45 | 26 |
| Special deal sites | 38 | 23 |
| Special packages/offers via travel trade | 35 | 22 |
| Destination social media | 40 | 16 |
| Blogs or online articles | 34 | 15 |
| Viral posts on social media | 30 | 11 |

Friends and family - a key driver of domestic travel

Not only do Australians look to friends and family for holiday inspiration, but visiting them is a key driver of domestic travel. Australians are looking to go shopping and have good drinking and dining experiences while visiting friends and family. This presents an opportunity for the industry to target both visitors and hosts, broadening the challenge and the audience.

How can we make it easier?

Booking travel isn't fun anymore

What was once fun is now an arduous process due to information overload. The digital environment makes travel planning fun and easy; however, the sheer number of sites is overwhelming. There are now two stages to travel planning: information seeking and information validation, adding time and frustration to the process.

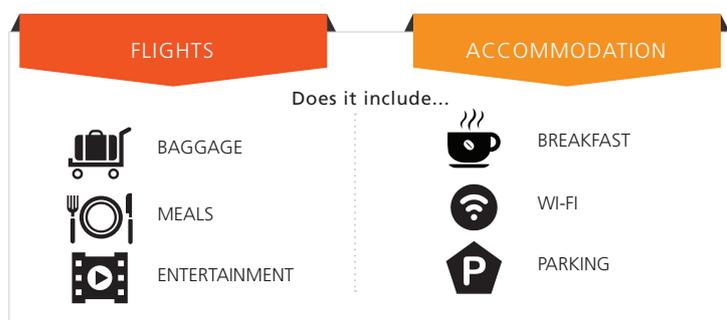


Hard to find out information about domestic travel

It's also difficult to find out information about the Australian domestic offer – it lacks visibility compared with international destinations. Australians are turning back to travel agents, but the knowledge of the Australian travel offer is low, particularly for regional destinations. Operators and government organisations alike are failing to truly meet the needs of today's tech savvy travellers. Educating the industry on the Australian offer will both help promote Australia and crash through the barrier of information overload on the online travel environment.

Bundles and packages are the way forward

Packages to international destinations exist, however, finding similar offers for domestic holidays is more difficult. Pricing for flights and accommodation is a particular challenge and many Australians long for an industry standard on pricing – 1 in 2 Australians say the cost of accommodation is a key barrier to domestic travel.



The Australian youth traveller

Young Australians love to travel

Young Australians travel domestically more than any other age group and are the largest group when it comes to interstate travel. While they look to relax at home, a thirst for knowledge and different experiences drives travel to both interstate and international destinations.

Youth travel has become a little bit fancy

The days of 'always keep it cheap' have gone as young Australians have a continued sense of making the best out of life and its experiences. Accommodation in hotels or staying with friends and family are popular at home and abroad, while serviced apartments are popular for interstate travel.

Greater focus on experiences and personal enrichment

Young Australians are less materialistic and more focused on experiences – cultural and personal enrichment drive travel and young Australians are motivated to travel to try something new. There is also a strong desire to connect with Australian culture, particularly through traditional and indigenous experiences.

Career pressures are a barrier to travel

The inability or lack of desire to take time off from work or study is a key barrier for youth domestic travel. One-third (36%) feel time is a barrier to intrastate travel, with a similar proportion for interstate (38%) travel.

What is on young Australians' minds?

Keep up and get ahead: Rising rent and housing costs and challenges in finding full time employment are contributing to the disappearance of the Australian dream for young Australians. There is a rising resignation of the chance of owning your own home.



Focus on the moment: With the increasing resignation to financial pressures comes the attitude of 'I might as well enjoy what I have'. Young Australians value their holidays and the quality is more refined than it once was for travellers of this age. Experience is crucial – young Australians are looking to expand their knowledge and perspective and enrich their lives.

Time pressures: With pressure to get ahead in their careers and financially, young Australians are feeling time pressure and free time is limited given the focus work requires. Holidays are more important than ever as a tonic to these pressures and are a good way to spend time with friends and family.

Occasion-based travel: Young Australians are travelling domestically for special occasions (birthdays, weddings, sporting and music events), and are looking to make the most of these events by extending their holidays around these occasions. The challenge is therefore promoting the destination and encouraging young Australians to extend their trips.

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