

# Domesticate 2017

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



## Fear that Australia is losing itself

### The gap is widening between the haves and have nots

As the Australian economy shifts away from resources, housing becomes increasingly unaffordable, and job security a thing of the past, concern is growing about the ever-widening gap between the 'haves' and the 'have nots'. For many, survival and the family unit are more of a focus than ever as the goal posts shift out of sight.

### Brexit and Trump are just the beginning...

Globally, confidence in Governments looks to be low, and Australia has not escaped this, with low confidence in the Turnbull government. Trump and Brexit are leading the way with a shift, particularly in Europe, towards non-careerist politicians who hold 'outsider' viewpoints that are resonating with people.

### Aussie laid back spirit is diminishing

Globally, Australians are still seen as laid back and easy going; however, Australians' view of ourselves is diminishing – we feel that our service, attitudes, and warm and welcoming character are not as strong as they once were.

## Rejuvenation is more important than ever

### Australians are making holidays work for them

Despite concern over staying on top of things, holidays are a non-negotiable in Australians' lives, with re-connection remaining central to the Australian holiday experience. Indulgence is more important than ever before – indulgence in products, experiences, and taking time to relax and escape everyday life.

### Regional Australia best fulfils Australians' needs

Top 5 experiences Australians want from holidays



52%

Peaceful, a moment of quiet



48%

Leaving the cares of the world behind



40%

Re-connecting with family or friends



37%

Enriching and fulfilling



36%

Indulging and rewarding

Australians' domestic holiday needs are best fulfilled through regional Australia - 1 in 4 associate regional Australian destinations with peaceful moments of quiet and reconnecting with family and friends, key experiences Australians want on holidays.

Sydney is the most visited destination in Australia for holidaying (44%) and the most popular short break destination (1-3 nights). Around 43% are intending to visit Sydney in the next 12 months. Regional NSW is the most visited regional destination in Australia (41%) and the most popular regional destination (43%) that people are seriously considering visiting in the next 12 months for a holiday or short break. Regional NSW fulfils what Australians look for from holidays: 'Peaceful, a moment of quiet' (20%) and 'Reconnecting with family or friends' (23%).



## Luxury overseas, value at home

While Australians look for luxury overseas, domestic holidays are more about the value of the experience, with VFR, mid-range hotels, motels, and serviced apartments the desire at home. Despite this desire for value, accommodation costs have surpassed flights as the number one barrier to domestic travel.

## Travellers are reverting back to the tried and true

### Google and aggregators to plan, but better value through direct and travel agents

Australians are looking for a one-stop shop for their travel needs, and Google is that default shop, highlighting the challenge of search engine optimisation. Consumers are finding aggregators are effective in drawing together information and are vital in planning; however, are reverting to direct websites for better value when it comes time for booking. Travellers are also looking to travel agents during inspiration, planning, and booking – a knowledgeable source that makes planning a holiday easy.

### Value of first-hand experience

Trust is critical to Australians and access to first-hand experience paramount throughout the travel cycle, which is why they look to family and friends. Word of mouth from family and friends influences holiday decisions for 1 in 2 Australians, specifically destination, accommodation, and destination choices. During holiday experiences, Australians want authentic experiences and look to locals and local information bureaus for recommendations on how to do this.

### However, digital isn't dying

Despite Australians reverting to more traditional methods throughout the travel cycle, digital is still important and impacts decisions about destination, accommodation, and activities. For many Australians, brand websites and Facebook are the preferred platforms for engaging with travel brands, with 2 in 3 Australians sharing about their holidays on Facebook as they experience them.



## The Share Economy: Do I or Don't I?

### The Share Economy has many advantages, but is not without risk

The share economy is providing Australian consumers with cheaper alternatives and a wider range of offers. However, Australians are conscious of the risk in the variability and unregulated nature of the offer, leading them to swing back and forth about whether to try the share economy or take the safer bet of traditional providers. It's clear that trust and transparency are critical to Australians – they want to be assured that what they see is what they get.

### The share economy is already having an impact

Australians are already seeing the impact of the share economy in their lives, enabling them to branch out during holidays and have greater contact with locals. Additionally, share economy companies are providing the single source of information that travellers crave – everything is conveniently available in an app (e.g. Airbnb, Uber).

### It's set to grow

The share economy is growing in Australia and the future is bright. 1 in 8 Australians already use share economy accommodation when holidaying domestically, and it is expected to grow by 33% in the short term, predominantly from new users. Share economy users are more likely to be aged 25-44 (54%), be middle-income earners (49%), and be based in NSW (35%).

As share economy companies become more commonplace and impact everyday life, the risk associated with them will diminish and barriers will dissolve, meaning greater consideration and usage of share economy companies in the future.



### What is the share economy?

The share economy is typified as an online platform that connects buyers and sellers, and usually incorporates a peer review system where goods are rated and reviewed to build trust and create a minimum standard.

**Current market share of share economy homes in the Australian domestic travel accommodation market:  
2.7% = 2.4 million overnight trips and 8.9 million nights**

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