



UK, IRELAND & SCANDINAVIA OFFICE

2008/09 SALES PLAN

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INTRODUCTION

It has been evident that St. Petersburg/Clearwater had been losing market share to other beach destinations due, in the main, it seems, to the construction work taking place in the area and the perceived impact this has been having. Despite the fact that most of the construction has been taking place in Clearwater, operators tell us that this affects the area as a whole and they have started to move product away with Daytona being seen as a popular alternative.

In view of the decreasing market share it has been necessary to convince tour operators to revisit the area and increase product, do a better job in educating the trade as to the diversity on offer in the area and to use our trade partners to reach the consumer. There is also always the issue of persuading families to leave Orlando and come to the beach in the first place. Do families think that there might not be enough to do at the beach after the action they have experienced in central Florida?

Economic Background

In December 2007, UK consumer confidence fell to its lowest point for a December in five years. The spending intentions of UK consumers fell even more, registering a -7 in the December EU survey. December year-on-year sales grew at its slowest rate since March 2006. The British Retail Consortium (BRC) stated that *"The outlook for 2008 is equally challenging, with many customers' personal finances under increasing pressure..."* Tighter credit conditions (a fallout from the sub-prime issue), a slowdown in the house price inflation rate and high consumer debt loads have resulted in putting the brakes on consumer spending. Household consumption is forecast to grow by only 1.8 percent in 2008 compared with a 3.1 percent growth rate in 2007. December retail sales grew by only 0.3 percent on a like-for-like basis according to the BRC. The travel industry should take note of the magnitude of the fall in confidence and spending intentions. Holiday travel is a discretionary expenditure unlike housing, food and transportation. UK outbound holiday visits grew by an estimated 1.5 percent in 2007 which is the lowest rate of growth in twelve years!

British consumers are starting to curb their spending and family holidays are the first thing to go, according to the latest Mintel research. Its British Lifestyles report found Brits are now really starting to feel the pinch, with 57% saying they have recently had to cancel their spending plans because they were uncertain about their personal financial situation.

Of these, 20% said they delayed a family holiday, 16% did not carry out their planned home improvements, and 11% chose not to increase their savings. "People are clearly starting to get a sense that things are not as easy financially as they once were," said Mintel chief statistician Peter Ayton. "In light of the credit crunch, borrowing has now become harder and we are likely to see even more people having to make sacrifices when it comes to their spending in the future."

The consumer research is based on a sample of 2,000 adults aged 16 and above.

The economies of most major Euro zone countries are also expected to grow at a slower rate in 2008. **Ireland, Norway and Sweden are among the exceptions with growth of 2.7 percent or better forecast for 2008.**

MARKET TRENDS AND STATISTICS

UK visitation to the US and Florida increased in 2007 and the signs for 2008 are excellent. UK visitors to the US were up 7.7% and although final figures have not yet been released, it is estimated that UK visitation to Florida was up by 3%.

British Airways and Virgin Atlantic estimate that deplanements to Orlando were up 4.7% over 2006. Overall UK deplanements to Orlando and Sandford Airports increased 4.2% over 2006. Orlando/Sandford capacity has been increased by 6.3% in 2008 to 780,918 estimated seats available. Orlando/Sandford statistics are important to view due to the huge majority of British travellers that arrive in Florida via these airports.

Winter 2007/08 is also off to a good start with deplanements to Orlando up 9.2 percent through the first two months. Generally British operators are very positive for 2008 citing the fact that bookings especially for summer and September 2008 are excellent, as are forward bookings for summer 2009.

Some UK package operators have expressed concern over the increase in the Air Passenger Duty (APD) and the impact it will have on travel to Florida. A larger issue for Florida is the changing nature of the UK travel market. An estimated 200,000 Britons now own second homes/condos in Florida. The growth in second home ownership is shifting the balance of UK travel to air only and away from packages. This is an important shift in the market for Florida. Travellers going to a second home often have a longer average stay and are more willing to take a flight that has a connection if it is less expensive. American carriers with flights to Florida through New York, Boston or Atlanta become more important partners as a result of this market shift. Package operators had a 55 percent share of the UK/Orlando market in 2002 but only a 42 percent share in 2007.

In 2007, the UK was the third highest generating country in terms of visitors to the US (4,497,858) with Ireland 15th (491,055) and Sweden at 18th (337,474).

The Irish market for overseas travel has experienced phenomenal growth over the last six years with the number of Irish trips abroad increasing by 50 percent since 2001. Visits to family and friends are up 53 percent during the same time period and those taking business trips have increased by 23 percent. In 2006, domestic trips rose by 16 percent and international trips increased by 18 percent. The latter being supported by an 8 percent increase in direct flights from Ireland to the United States. The average length of stay for an Irish visitor to America is 14 days and daily visitor spending is approximately \$123.

America, the United Kingdom, Spain and France continued to be the favourite destinations for Irish travellers with trips to South and Central America and Africa on the increase. Self-packaging has become more popular. The on-line travel market is growing by 20 percent per year with the national carrier Aer Lingus recording 75 percent of their total bookings through their website.

Swedish visitors to the US in 2007 were up 20% over 2006. The favourable exchange rate is encouraging Swedish visitors to return to the US after visiting other destinations over the past few years. According to the tour operators travellers are booking earlier and summer business is very strong.

UNITED KINGDOM:

GOAL 1: **To maintain the St. Petersburg/Clearwater Area's position as the second most popular Florida destination for the UK holidaymaker**

GOAL 2: **To diversify and broaden the market to St. Petersburg/Clearwater by appealing to both families and couples seeking beach time but also to couples looking for more up-market long weekend stays including spas, shopping, dining and nightlife**

TRAVEL TRADE:

Strategies:-

Exhibit at World Travel Market and attend Pow Wow

Ongoing tour operator sales in the UK to develop and enhance existing business, educate these operators and their reservations' staff and to identify new sales opportunities

Work with the tour operators to ensure that the St. Petersburg/Clearwater area has a strong, high and up-to-date profile within their brochures

Conduct personal sales calls to targeted tour operators not currently working with the St. Petersburg/Clearwater area with the purpose of obtaining inclusion in future programmes

Provide assistance and information to special interest tour operators, incentive/conference organisers and retail travel agencies, including advice on itineraries, receptives, specific product and niche activities within the St. Petersburg/Clearwater area.

Follow-up calls and correspondence to be made on all new leads in order to secure new business.

Extend invitations to qualified companies/individuals to participate in site visits at any time of year in order to familiarize existing accounts with the tourism infrastructure or develop new business.

Regular presentations will be made to tour operator product teams and reservations staff to update them on the St. Petersburg/Clearwater area and the ways to sell the destination.

Maintain an annual VIP event for tour operators in conjunction with Busch Gardens.

Source and initiate co-op advertising campaigns with tour operators, targeting trade and consumer (as these campaigns include advertising the budget for these initiatives will be taken from the UK ad budget)

Work diligently with the receptive operators to maximise their product offering.

Work with the tour operators and their on-the-road sales staff to train their retail travel agents.

Seek out opportunities for in-store promotions with certain multiples and miniple travel agencies such as Thomas Cook.

Launch an online training programme for retail travel agents

Run a series of trade promotions/competitions within the travel trade publications in conjunction with an airline or tour operator partner to create further awareness of the St. Petersburg/Clearwater area

Maintain membership and co-ordinate promotional activity with the UK Visit USA Committee.

Maximise the opportunities available via Visit Florida such as their advisory lunches, sales missions, training sessions and fam trips.

Work closely with British Airways to promote its Tampa service.

Initiate a family fam trip whereby a tour operator representative is invited to attend a fam to the area with a child to fully experience the diversity of what the area has to offer. The aim would be to highlight in particular that St. Petersburg/Clearwater can be as relaxed or action packed as any family requires.

Continue an ongoing strategy of meetings with tourism partners such as tour operators, airlines, attractions (eg Busch Gardens and Walt Disney World), partner destinations (eg Visit Florida) and travel trade publications to proactively seek co-op advertising opportunities.

Oversee the fulfilment contract

Operate a dedicated telephone line during office hours available to the trade and consumer and answered by a "live" person.

Work with the St. Petersburg/Clearwater International Airport to continue the process of persuading selected UK tour operators to operate charters into the airport.

CONSUMER:

Strategies:-

Exhibit at the 2 largest consumer holiday shows in the UK – Manchester and Glasgow. Communicate details of the destination to 120,000 consumers.

Provide supplies of the 2008 Visitor Guides for distribution to the public via all travel agencies who respond to the sales calls and all agencies who accept a window display.

Initiate an online advertising campaign utilizing the opportunities presented by Web 2.0, including user generated content, social networking, blogs and wikis. Any such initiatives would always include some sort of tour operator call to action to track ROI. (As these campaigns include advertising budget for these initiatives will be taken from the UK ad budget)

Seek a co-op marketing initiative which will link St. Petersburg/Clearwater with an up-market spa product or spa break such as Aveda, NK Space, Elemis or Thalgo.

Consumer promotion in-store possibly in conjunction with Orlando Tourism either with a national grocery outlet or national press.

Work with the UK PR representative to co-ordinate responses generated by articles placed in consumer publications.

IRELAND:

GOAL: Maintain and increase the market share of the St. Petersburg / Clearwater Area in the Irish market.

Strategies:-

Attend the Tour America Consumer Show in Dublin as part of the Florida's Beaches consortium

Ensure that the Irish tour operators featuring Florida receive regular visits, updates and training for their reservations staff including fam trips to ensure comprehensive exposure of the St. Petersburg/Clearwater area in their 2008 brochures.

Participate in activities organised for the Irish Travel Trade by Visit Florida and the Irish Visit USA Committee.

Renew membership of the Irish Visit USA Committee in order to work with the entire membership in enhancing travel to the USA.

SCANDINAVIA:

GOAL: Continue to use the Florida's Beaches co-op marketing platform to develop trade and consumer awareness of the St Petersburg/Clearwater Area and thus enhance visitor numbers to the county.

Strategies:-

Exhibit at Reiseliv, Oslo, Norway; Matka, Helsinki, Finland; Ferie, Copenhagen, Denmark and TUR, Gothenburg, Sweden. Expose the destination to the 200,000 attendees at the shows.

Co-host senior tour operators at the annual TUR dinner. Anticipated attendance – 20 tour operator staff from Sweden, Denmark and Norway.

Provide in-house training for Scandinavian tour operator reservations staff.

Participate in travel agent training days, or consumer shows in Scandinavia mounted by tour operators and the Visit USA Committees.

Encourage tour operators/Visit USA Committees to initiate familiarisation tours from Scandinavia to the St. Petersburg/Clearwater area.

Renew memberships of the Visit USA Committees either as part of the Florida's Beaches Consortium or in the name of Visit St. Petersburg/Clearwater.