

**UK OFFICE**  
**MARCH 2010 REPORT**  
**Prepared by: Venessa Alexander**  
**UK Director**

**TOUR OPERATORS**

**Funway Holidays/United Vacations**

Meeting held with Lee Burns to discuss area updates and the recent joint co-op marketing activity that had just taken place. We have been advised that Lee is no longer looking after marketing and concentrating solely on product and that Viara Challier is now our contact for all marketing discussions covering both their brands. The USA generally and as a whole is doing very well for them and is currently up 40% year on year although sales to Orlando are currently flat. Our room night stats for the first ten weeks of 2010 are as follows:

	2009	2010
St. Pete	341	365
Clearwater	346	345

**Premier Holidays**

Meeting held with Heidi Blades General Manager and Emma Coteman Marketing Manager to discuss area updates and joint co-op marketing opportunities. Premier Holidays have advised us that they have had a record January and February with sales exceeding 2008 levels and that advance bookings are looking very healthy for the US with this trend looking likely to continue into the next few months. Sales to the USA are up by 28% year on year (2010/2009). Florida is also selling very well for them and during the first two months of the year Premier Holidays sold a total of 211 room nights to our area. An updated joint marketing proposal has been received and we have confirmed a discount promotion which will take place during the months of May and June 2010. The promotion will offer customers a discount of £75 per booking which includes accommodation in our area and international flights (which Premier Holidays will be funding). The discount will be promoted through a number of channels including a feature on their consumer newsletter (20K consumers), a feature on their weekly e-newsletter sent to 5,000 travel agent partners, a dedicated A2 full colour window poster for travel agents to display within their stores, a consumer mailing to a segment of their database and a special offer to be featured on Times Online for a period of one week. Premier Holidays will also offer an agent incentive where agents could earn up to £150 per booking.

## **Thomas Cook Signature Meeting**

Meeting held with Jill Townsin to discuss area updates and the recent joint co-op marketing activity that has just taken place with Orlando Tourism. We were advised that Thomas Cook Signature is generally doing well to the USA although their margins at present are very tight to secure the sales. They are currently working on their new 2011 brochure which they are looking to launch at the end of May. VSPC pages will remain the same. Provided Jill with our most up to date literature for her and the product team.

## **TRADE LIAISON**

- British Airways Holidays – Provided British Airways Holidays with a recent press release (covering details of the new Hyatt Regency Clearwater Beach Resort & Spa, new Salvador Dali Museum etc) to keep them updated with information on new hotels and new area attractions for their information. We have also been advised that Sarah Boyett's maternity leave will be covered by Kathryn Brownrigg and discussions are taking place to schedule a meeting to meet Kathryn at the beginning of May.
- National consumer promotion has been confirmed with Debenhams's department stores to launch in July. Promotion will feature a placement in their card mailing pack to 1.2m cardholders, inclusion in an to 500k cardholders and a feature on the cardholder offers page of the Debenhams Personal Finance microsite ([debenhams.com/personalfinance](http://debenhams.com/personalfinance)).
- TUI UK – Jetsave, Thomson Worldwide and Hayes & Jarvis Update – Joint co-op marketing activity has been confirmed with TUI Specialist UK, in particular the Jetsave Florida brand. Activity is due to commence in April and will include an e-mail newsletter, a banner ad leading to a dedicated destination landing page, a press ad and free inclusion of video footage on their website. Provided TUI with details of copy, images, video and logo's etc. Training has also been scheduled at the end of April for their call centre staff to coincide with the launch of the activity.
- Trailfinders Update – Work has commenced on the forthcoming co-op marketing activity which will be taking place with Trailfinders at the end of April. We provided the marketing department with the most up to date copy, how to obtain images, literature etc and are awaiting proofs of the activity which will include a marketing email to their consumer database of over 350k consumers, offers to the area promoted on [trailfinders.com](http://trailfinders.com) and also on the Trailfinders plasma screens in 22 travel centres.
- Sunway Holidays Ireland Update – A co-op marketing proposal was received from Sunway Holidays and activity has been confirmed and will take place in September 2010. Activity that is scheduled includes an e-newsletter to their consumer database, a banner ad on the USA homepage for the month of September, a dedicated landing page with destination information, two faxes to the trade database with offers, two e-mails to their trade database with offers and a press release issued to the trade media in Ireland. VSPC will also be a featured resort on the Sunway home page for one week during September. .

- Travel City Direct – Training was held for Travel City Direct call centre staff to coincide with the launch of our co-op marketing activity. A total of 10 agents were trained on all aspects of the area and were also provided with up to date literature, maps, key selling points etc.
- Visit Florida Meeting – Attended the recent Visit Florida Partners meeting in London. Topics discussed included the Travel Promotion Act, projects for the remainder of 2010, PR, 2011 Budget and the 2010 Superfam (we were advised that the 2010 Superfam would be on a much smaller scale as in previous years due to a lack of free airline seats available and that this would be offered to areas that had not participated over the past few years).
- Co-op marketing campaign to launch with Expedia on 14<sup>th</sup> April to run for 2 months. Promotion will include a dedicated landing page including video, VSPC ads running throughout the site, a dedicated promo box on the Expedia Beach Holidays page to run for one month (negotiated free of charge) as well as inclusion in newsletters to their database for the duration of the promotion.
- Travel Uni/Selling Long Haul – Provided Travel Uni with the details of the winners of the recent competition in Selling Long Haul and Travel Uni e-newsletter. Agents won VSPC goody bags for completing all four training modules via our online training programme during the month of March. Also provided Travel Uni with a press release of information to include on the Travel Uni pages in the May edition of Selling Long Haul.
- Attended the Travel Media Association of Canada conference held in Wales on behalf of the PR Department. Pre-scheduled appointments held with 13 Canadian media who were provided with updates on VSPC as well as assistance with regards specific enquiries.
- Invitations for the forthcoming VIP tour operator event held in conjunction with Busch Gardens have been sent out. So far the following operators have confirmed attendance:
  - Travel City Direct
  - Funway Holidays
  - American Holidays
  - Expedia
  - Premier Holidays
  - TUI
  - BA Holidays

The event will be held on 24<sup>th</sup> June.

- Visit USA Association, UK – Provided the Visit USA Association with 50 word copy for inclusion in the Visit USA consumer e-newsletter due to be distributed to their database of 30k in April. VSCP will have 50 words of copy, an area image and a link to our website.

- Discover America Norway – Provided Discover America in Norway with a press release after receiving a request for information on new attractions etc for them to include on their website.
- Visit USA Committee Ireland – Provided the Visit USA Committee in Ireland with details of the newly opened Hyatt Regency Clearwater Beach Resort & Spa for inclusion in their April e-newsletter which is distributed to both their trade and consumer databases.
- ABTA - Provided the ABTA Travel Industry Partner Scheme marketing department with details of our online training programme for this to be promoted in the next edition of the Travel Industry Partners e-newsletter which is distributed to all ABTA bonded travel agents.

## **TRADE SHOWS**

### **Swansons, Sweden**

This is an annual show held by Swanson's tour operator for consumers. Florida's Beaches have exhibited for a number of years and this year the booth was manned by Venessa Alexander. This year they had more exhibitors than ever before with a total of 15. Exhibitors ranging from Rockford to North Dakota!

They also had a record number of visitors with 985 through the door.

Another record was that they booked 126 packages plus 34 separate cruises, most of them being their Baltic Sea Cruise. This means that one out of six visitors actually booked the same day! They feel this justifies their guess that at least 75% of the visitors are planning a tour to the USA within two years. Approx sales on Saturday was sek 2.500.000 (or USD 350,000).

The bulk of the visitors of course came from Skåne, Småland and Blekinge, many from Halland and also several from Gothenburg, Östergötland and Västergötland. Four came from Norway and spent the weekend there!

We had a very steady flow of traffic at the booth with a lot of really good enquiries. People genuinely wanted advice on what to do and they were all touring Florida, not staying in one place. It seemed very much a choice as to whether they should visit the East or West Coast. We got through most of the material that was sent through and Swanson's are very happy to keep anything that is left over. I would absolutely recommend doing this again and next year's event is March 5th.

## **TUR TRADE & CONSUMER SHOW**

**GOTHENBURG, 25 - 28 MARCH 2010**

The "Florida's Beaches" booth exhibited as part of the "Discover America" Pavilion organised by B-For. The booth was staffed by Venessa Alexander and Peter Moss. The Pavilion is the same format as at WTM with a central area for the exhibitors to hold private

meetings with a refreshment bar. The “trade days” were disappointing as very few travel agents make the effort to attend the show however we were reasonably busy with consumers who must have had some sort of privilege entry.

There were quite a number of exhibitors on the Discover America Pavilion including Swansons Tours, Go West, Alamo and Avis, California Tourism, Sarasota and Bradenton and Memphis and Mississippi.

Stats provided by TUR are as follows:

**Total number of visits TUR 2010**

49,500

*of which:*

**Trade visits** 19,000

(including entrances via exhibitor badges)

**Public** 30,500

**Numbers of main exhibitors** 362

**Companies represented** 1,700

**Countries and regions who were represented** 112

The annual client dinner, held on Thursday was also less well attended than in past years although Delta did contribute to 50% of these costs. As per 2009, many operators left the show on the Thursday evening due to cuts in travel expenses.

There was excellent interest from consumers and we distributed nearly all brochures sent to the show. Many had previously been to Florida and had spent time on the East Coast so were particularly interested in Gulf Coast destinations. Florida remains a key destination for the Swedish market.

**ENQUIRIES:**

Telephone/website enquiries for information and/or literature 56

**MARKET INTELLIGENCE:**

01 March 2010 – Source Travelmole

**Obama to approve US tourism promotion body**

Foreign travellers to the US face paying a fee of \$10 to help fund a planned new body to promote tourism to the country. The Corporation for Travel Promotion public-private partnership is due to be rubber stamped by President Obama after winning Senate approval. The initiative is funded through a matching program of up to \$100 million in private sector contributions and a \$10 fee on visitors to the US who do not pay \$131 for a visa to enter the country. The fee will be collected once every two years in conjunction with the Department of Homeland Security’s Electronic System for Travel Authorisation.

This means the US taxpayer will avoid making any contribution. The travel promotion partnership could attract 1.6 million additional visitors from other countries and create more than \$4 billion in consumer spending a year. The Corporation will work with the US departments of Commerce, Homeland Security and State to develop a nationally co-ordinated, multi-channel marketing and communications program to attract more international visitors and explain changing travel security policies. International travel to the US has suffered due to negative perceptions about travel processes following increased security reforms following the 9/11 terrorist attacks on New York and Washington. The US has lost visitors, with 2.4 million fewer overseas travellers last year than in 2000. This is in a decade where 46 million more international travellers took long-haul trips. US tourism authorities believe the country's failure to keep pace with the growth in international long-haul travel has cost a combined 68 million visitors and more than \$500 billion in total spending over the last ten years. Caroline Beteta, chair of the US Travel Association and president and CEO of the California Travel & Tourism Commission, said: "We know how successful a public-private partnership to promote travel can be from our own experience at the state level. "With the best minds coming together from government and private industry to boost international travel to our country, we can make travel an even stronger economic engine for America." Commenting on legislation which establishes the Corporation, US Travel Association president and CEO Roger Dow said: "The United States Congress has sent a clear message that travel is a high priority to our nation and that tangible steps must be taken to increase travel to and within the United States."

02 March 2010 – Source Travel Daily

### **Virgin doubles flights between Glasgow and Orlando for 2011**

Virgin Atlantic announced last week that it is to double its number of flights from Glasgow to Orlando during the summer of 2011. The extra flights will mean Virgin can offer 26,000 more seats to the Florida city raising the total to 45,000. Overall the airline carried over 850,000 passengers to Orlando in 2009. Steve Ridgway, Chief Executive of Virgin Atlantic, said: "The decision underlines Virgin Atlantic's commitment to flying to long-haul destinations from regional airports in the UK and these Glasgow flights will be a great addition to our current services."

02 March 2010 – Source Travelmole

### **ABTA steps up airline passenger protection lobby**

ABTA is urging the Government to close a gaping loophole in passenger protection by bringing scheduled airlines under the financial cover umbrella. The association's formal submission to a consultation by the European Commission into air passenger rights legislation calls for a compulsory financial protection scheme for all airline travellers. The Government has argued that if it were to take action it might be open to challenge under European law, ABTA said. New EU legislation would remove this possibility and the association is calling on the Government to support its recommendation to protect the best interests of the travelling public. ABTA chief executive Mark Tanzer said: "The Government has consistently made it clear that it would not take unilateral action to bring airlines within the scope of a financial protection scheme. "This leaves European legislation as the only current option for pursuing this outcome. "The European Air Passenger Rights consultation has provided us an ideal opportunity to press the case for

change and if the Government has any concern for consumer interests it must support us.” ABTA has implemented the views of members on the consultation. Together with the ongoing review of the EU Package Travel Regulations and the ATOL scheme, it represents a “fundamental and unprecedented opportunity” to correct years of consumer uncertainty and financial risk, ABTA said.

03 March 2010 – Travel Daily

### **Harry Potter magic in Florida**

Figures from The Co-operative Travel indicate that the new Harry Potter theme park may increase visitor numbers to Florida. While total leisure bookings are still down 15% on 2009, family package bookings have increased 7% for summer 2010 and Florida’s share of the UK’s package holiday pound has increased to over 4%. Trevor Davis, Director of Retail Distribution at The Co-operative Travel believes the Harry Potter effect has helped. “I’m sure many resorts wish that they had someone that could come in and wave a magic wand to improve bookings. Fortunately for Florida that’s exactly what they do have. The exchange rate is also helping to attract families looking for better value, with the relative weakness of the dollar giving UK holidaymakers up to 15% more spending power than they had last year.”

05 March 2010 – Source Travolution

### **Hotel Prices declining at slower rate**

Hotels.com’s regular look at global room night prices shows that the rate of decline is slowing but that customers can still expect to find deals in the short to medium term. Nigel Pocklington, hotels.com vice president marketing and strategy, told Travolution: “The balance will be in favour of the travellers for some time to come.” Headline figures from the report showed that, in sterling terms, global hotel prices dropped by 14% during 2009 compared with 2008. Quarterly comparisons show that the rate of decline is slowing – prices in the last three months of 2009 were 9% down year-on-year compared with 14% in Q3, 17% in Q2 and 16% in Q1. “The finding that really stands out is the scale of the falls,” Pocklington said. “Hotel prices have effectively fallen to 2003 levels, and prices will not return to those levels overnight Pocklington acknowledged that combining the findings of the index with Expedia Inc’s financial statements to Wall Street proved that there is still a strong demand for hotel stays if hoteliers were willing to price accordingly. “ The trend we’ve seen towards promotions will last,” he said. And hotel supply generally is likely to increase over the next few years, he claimed. “There are lots of hotels under construction which were commissioned during the good times but which will open in the current climate. These new builds will have to price accordingly to stimulate demand.” During the year, Expedia Inc introduced an agency programme for hotels, known as Expedia Easy Manage. This has been designed to help independent hotels in secondary destinations distribute inventory through all Expedia Inc brands. Pocklington denied that having more cheaper hotels on its books had an impact of the findings. “These drops are bigger than just a shift in the category or star rating of our offer,” he said. There are now more than 110,000 hotels bookable on Expedia. “Our acquisition plan is to bring on hotels across the board – all categories in all destinations,” Pocklington said.

05 March 2010 – Source Travolution

## **Travel Brands fly high in Hitwise Hot Shop list**

The travel sector was a clear winner in February's IMRG-Hitwise Hot Shop list with EasyJet moving up two places to make it into the top 10. Thomas Cook moved up 31 positions to sit at number 15 while British Airways moved up 11 places to 31 and Thomson Holidays climbed 10 positions to sit just outside the top 10 at number 11. Other travel companies including Travel Republic and First Choice made a come-back to the Top 50 sitting at 39 and 45 respectively. The top four retailers – Amazon, Argos, Play.com and Apple Computer - held their positions. Experian Hitwise director of research Robin Goad said travel agencies had done particularly well with consumers looking to plan holidays following the UK's cold spell in January. In February last year Expedia, Thomson and easyJet were all within the top 10.

10 March 2010 – Source Travel Daily

## **Thomson and First Choice set to launch 30 new stores**

Thomson and First Choice have announced plans to open approximately 30 new travel agent shops over the next two years. While the percentage of empty travel agents on British high streets currently stands at 12.4%, up from 10% in the middle of 2009, Nick Longman, Distribution Director, Thomson and First Choice believes things are set to change. "We have been listening to our customers and many of them have said they want face to face contact when booking and researching holidays." The findings are further confirmed by a report published last month suggesting that the retail travel industry has every reason to be optimistic. The number of adults using a travel agent has increased by 6% between 2005 and 2009. Longman added: "The popularity of booking holidays through shops should not be to the detriment of other booking channels. The web and call centre, as methods for researching and booking holidays, continue to play a vital role. However, many consumers see the benefits of having a travel agent to do the work for them. This can be for a number of reasons. Whether they value the knowledge an agent can give them or they want the reassurance of having an expert make the booking. There are also a growing number of people who simply do not have time to undertake the research involved, so want to enlist the help of a third party." Locations for the new stores are yet to be announced.

12 March 2010 – Source Travelmole

## **BA Strike ON**

British Airways cabin crew are to strike over seven days this month - but a last ditch offer from the airline could see the walk-out being postponed. The Unite union today confirmed industrial action will take place for three days from March 20 and four days from March 27. Crucially, this means the union has stuck to its pledge not to dispute Easter peak holiday flights. But the seven days of action is bound to cause massive disruption despite the airline stressing that it will make all efforts to keep aircraft flying. The strike dates were outlined today after lengthy talks between union leaders and the airline broke down earlier this week. The union will also ballot members on a new offer from BA aimed at preventing strike action. Unite is not recommending BA's offer to its members. The ballot on the offer will take place straight away and if cabin crew vote to accept the airline's offer, the strike action will be called off, the union said. Unite had until Monday to

announce the dates of any industrial action in the row over pay and work conditions. BA has said it is determined to keep the airline flying by using volunteer cabin crew and chartering in aircraft.

16 March 2010 – Source Travelmole

### **BA to fly 60% of passengers during first three strike days**

British Airways expects fly 60% of passengers through the first cabin crew strike planned for March 20-22. The revised schedule aims to fly around 45,000 passengers each day. Thousands more will be offered seats on alternative BA flights or on services operated by other airlines. “At this stage the vast majority of flights between March 23 and March 31 remain in the schedule and we will update customers due to fly during the second strike period (March 27,28, 29, 30) after the first strike period has ended,” BA said. “The airline is still available to hold further talks but wants customers to have early warning of its flying schedule to allow sufficient time for alternative travel arrangements to be made.” The airline will operate all long haul flights to and from Gatwick and more than half of short haul flights at the airport. All flights to and from London City airport will be unaffected by the strike action. At Heathrow the airline will continue to operate more than 60% of its long haul flights to and from the airport during the first three days of action. The airline will operate some of its own short haul flights at Heathrow, and will supplement its schedule by leasing up to 22 aircraft with pilots and crews from eight different airlines based in the UK and Europe. But this will enable the airline to operate only around 30% of its short haul schedule. BA has also agreed with 40 other carriers that passengers can be rebooked free of charge during the actual strike period onto their flights if they had been due to travel on a BA flight which has been cancelled. Chief executive Willie Walsh said: “We will continue to try to prevent this strike taking place, but we have reached a point when we must now offer some clarity to our customers who have waited with great patience since Friday when the strike dates were first announced. “Due to the numbers of cabin crew who have called in to offer their services over the weekend, the schedule will be slightly larger than we had originally anticipated. “Despite the desire of Unite’s leadership to ground the airline, the flag will continue to fly. Around 60% of our customers will be able to fly as planned and many thousands more can be rebooked onto alternative BA flights or onto rival airlines. “I recognise the frustration of customers booked for travel from March 27 onwards, when the second stoppage is due to begin, and we will do all we can to give them more clarity about their specific flight number once we start to understand just how many cabin crew are willing to work as normal. “We remain absolutely determined to search for a sensible settlement and our door remains open to Unite, day or night. It is not too late for the Unite to call off this action and we will do all we can to reinstate some of the cancelled flights.”

16 March 2010 – Source Travelmole

### **Easyjet claims number one slot**

Easyjet has been ranked as the UK’s largest airline in terms of passengers flown for the second year running. More than 28 million passengers flew with the budget airline through UK airports last year, with Ryanair in second place, followed by British Airways, according to Civil Aviation Authority figures. The airline has grown in 15 years from a two aircraft operation to become the UK’s largest, operating from 16 airports across the UK. Chief

executive Andy Harrison claimed: “EasyJet is now the UK’s national airline. Passengers have clearly voted with their feet, boarding Easyjet’s aircraft more than any other airline”. Easyjet expects to grow by 10% to carry more than 50 million passengers across Europe, and currently offers over 500 routes across 29 countries with a fleet of nearly 200 aircraft.

23 March 2010 – Source Travelmole

### **Recovery in consumer confidence lifting bookings**

Specialist operators are reporting improved consumer confidence with more than half seeing a rise in bookings for this year. A survey run by the Association of Independent Tour Operators in conjunction with Wanderlust magazine shows that 67% are experiencing an increase in bookings with a further 15% reporting similar levels to last year. Consumers still consider the destination to be the most influential factor when buying a holiday, the study shows. But the importance of customer service has jumped ahead of price, suggesting that cheap deals are not the be-all and end-all in holiday plans. It appears that securing the correct holiday is far more important than a cut-price deal, according to the study of more than 60 operators. The research found that 90% of specialist operators are more positive or that the status quo has been maintained since the end of last year. Looking forward to the next quarter, 90% are confident that bookings will be up or at the same level as last year. Exactly 80% of tour operators reported that passenger spending was the same or greater than last year. Travellers are also less price-sensitive than before. Companies report an increase in staff training, marketing and research to prepare for better times ahead, with some operators recruiting more staff. AITO chairman Derek Moore said: “2009 was a challenging year for travel companies and while Britain’s exit from the recession is slow, we know that people are less willing to forego holidays these days. “It’s encouraging to see just how positive consumer plans are for travel in 2010; tour operator bookings show that the desire to take holidays in 2010 is stronger than ever.”

25 March 2010 – Source Travel Daily

### **TUI reports recovery in consumer demand**

TUI Travel has reported a “significant recovery” in consumer demand for leisure holidays, which it claims has resulted in “strong trading across all open seasons”. In the firm’s pre-close trading update released yesterday, ahead of reporting its interim results for the six months ending 31 March 2010, TUI Travel PLC said winter 2009/10 programmes were almost fully sold and planned load factors on its aircraft had been achieved. The firm also reported “strong pricing” in the late market and said for summer 2010 there had been improvements in cumulative booking volumes in most source markets since the firm’s last update with the UK and Nordics up 13% and 23% respectively (up to 14 March). TUI said it remained “well positioned” to meet the board’s expectations for the year ending 30 September 2010. It reported that the UK business had continued to trade well in recent weeks and that since its last trading update, booking volumes in this market were up 13%, well ahead of capacity and stock left to sell. “The UK load factor is now 43%, flat versus the prior year despite a small increase in capacity,” said a TUI statement. Average selling prices remain strong and are up 9% year-on-year.

25 March 2010 – Source Travelmole

## **Thomas Cook reports “considerable improvement” in summer sales**

Thomas Cook reported “good progress” in trading for summer 2010 with fewer late sales anticipated. The travel group said there had been increased sales in recent weeks resulting in an improvement in the cumulative booking position across all our major markets. “Cumulative average selling prices have continued ahead of last year in the UK and Northern Europe,” the company said ahead of its Annual General Meeting at lunchtime today. Summer holidays sales have shown “considerable improvement”, with bookings up 30% in the last four weeks and cumulative bookings ahead of planned capacity levels. Thomas Cook has sold 54% of its summer capacity, with five per cent less left to sell for the season than at the same time last year. There is 17% less left to sell for May and 10% less for June. Average selling prices remain two per cent ahead of last year. This reflects a shift in mix away from higher priced long haul to lower priced but higher margin medium haul. “We would expect prices to trend upwards against last year as less late activity is anticipated,” Thomas Cook said. Independent businesses were described as trading well ahead of last year's level, with bookings up around 90% at Hotels4U and 40% at Gold Medal Net flights Retail. The winter programme just ending is 91% sold, described as being broadly in line with last year. “Recent bookings have improved strongly, with the resulting cumulative booking position trending towards capacity levels. Average selling prices, up six per cent year on year, have been fairly stable throughout the season.”

30 March 2010 – Source Travel Weekly

## **Thomas Cook aims to be largest OTA in Europe**

Thomas Cook plans to become the largest online travel agent in Europe where there is currently no dominant player, chief executive Manny Fontenla-Novoa revealed. Speaking exclusively to Travolution he said Expedia and Priceline had the online travel market pretty much sewn up in the US, but that the marketplace in Europe was “totally wide open”. “TUI up until now has been concentrating on increasing online sales of its own product – it is not an online travel agency where you would think to go for a BA flight or a cruise. “Expedia is a fantastic online retailer, but mainly of hotels in cities and airline seats – not beach product. This is why we see an opportunity for us and why we’re so excited about it,” he said. “There’s a space we want to go into. Expedia has 100,000 hotels across the world.

We want direct contracts with all of those; add them to all the beach product that we’ve already got and we’ll have the widest range of anyone. That’s what will make us unique.” Fontenla-Novoa said his vision for Cook’s OTA business as a pan-European agent, was to offer consumers the ability to book flights, cars and hotels all over the world, mainly for leisure short breaks. Cook’s has taken on former Expedia managing director Simon Breakwell to help realise the dream. Fontenla-Novoa explained that ‘independent travel’, or non packages, accounted for 25% of Thomas Cook’s total revenues. And he predicted sales of package holidays online would never go beyond 35-40%. “Currently 30% of our packages are sold online,” he said. “I actually think there are signs that online is slowing down. I think the high street will thrive – I always said that even when others were predicting its demise. Cooks currently operates 800 shops in the UK which Fontenla-Novoa still believes will reduce to between 650-800 over the next five years. “We will invest in all channels and let the customer decide. What I have to do is have enough flexibility in my model, so that if one channel declines, we can react,” he said. In a recent investment day for the City Breakwell set out Thomas Cook’s ambition to become a top three European OTA. He said it was targeting £3-£3.5 billion of incremental sales in the

medium term and “significant profit” from OTA growth. A strategy document added that the OTA model would open up new source markets including Spain and Italy and claimed, with 2.6 million unique users in January it had a “significant platform to build on”. It concluded “work is well underway, with thomascook.com UK sales already up 30% year on year”.

31 March 2010 – Source Travelmole

### **Two million heading away for Easter Holidays**

More than two million holidaymakers are set to travel this Easter weekend, April 1-6.

Spain is the favourite country for people looking to escape the UK, with the Canary Islands – and Tenerife in particular - the most popular, according to ABTA. Egypt has continued the strong growth seen in 2009 with Sharm El Sheik leading the way. Tunisia and Turkey have also sold well. Families are flying to Florida to sample theme parks and the Dominican Republic for Caribbean sun. Snow sports enthusiasts make Geneva the number one choice to access the Alpine resorts of Switzerland, France and Italy. Paris, Amsterdam, Dublin, Milan and New York are the top five city break destinations. London, Edinburgh and Manchester leading the way for UK city breaks. People are also travelling to the Channel Islands and cottages in Cornwall, East Anglia and the North of England. ABTA estimates 575,000 will leave from Heathrow, 250,000 from Gatwick, 175,000 from Stansted and 60,000 from Luton. A further 15,000 will depart from Southampton. More than 155,000 will be leaving via Scottish airports with 58,000 from Glasgow, 75,000 from Edinburgh and 23,000 from Aberdeen. From the north and the Midlands, 141,000 will leave from Manchester and 60,000 from Birmingham. Other regional airports and ferry terminals will also be “extremely busy” over the weekend and Eurostar is reporting 85,000 leaving through the channel tunnel. ABTA chairman John McEwan said: “Easter is the traditional curtain raiser to the summer and I am delighted to see that hundreds of thousands of our customers are taking the opportunity to take a well earned break both here in the UK and overseas.”