

UK OFFICE
JUNE 2011 REPORT
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TOUR OPERATORS

Virgin Holidays

Virgin Holidays – A meeting was held with Sonia Powell at Virgin Holidays Marketing to discuss the final elements to our joint marketing campaign for the remainder of 2011. Opportunities discussed included online advertising to push September onwards with an inclusion in the Frequent Virgin Club direct mail brochure.

Further meeting held when DT was in the UK, with James Killick, Andrea Noble and Sonia Powell to discuss product and marketing activities. It was generally felt that our accommodation product is not competitive enough in pricing compared to other beach destinations in Florida. James is going to take another look at their product offering with a consideration to increasing self-catering options. Self-catering in Orlando has grown dramatically for Virgin Holidays so they are going to explore the possibility of twin-centres based on self-catering options. Discussed inclusion in the Virgin Holidays Beyond Orlando campaign and recapped the 2011 marketing activity as well as discussing options for 2012.

Virgin Holidays Retail Marketing – A meeting was held with Julia Mullin, Retail Marketing Manager at Virgin Holidays Retail to discuss future joint co-op marketing opportunities. Opportunities discussed included a mini brochure for September targeting last minute deals, sponsorship weekends in store, press & radio ads and attending opening days for their new branches due to open in the coming months. We are currently awaiting a proposal.

Virgin Holidays Retail – A meeting was held with Dan Buckingham, Regional Sales Manager to discuss in-store opportunities as well as training and sponsorship of Managers Meetings and staff incentives. We have, since our meeting, confirmed a joint promotion in the USA Lates Brochure (1,000 copies per branch) as well as offering a front line sales staff and branch manager incentive based on a minimum requirement of 5 bookings to the VSPC area. The sales staff incentive will be based on the top three sellers throughout the retail network of 70 stores and will be based on prizes of an iPad, iPod Touch and an iPod Nano. The Manager's incentive prize will be a holiday for 2 for 7 nights to St. Pete/Clearwater – Virgin Holidays will be providing the flights and car hire and the Sirata Beach Resort have provided a 7 night complimentary stay at their property. The staff incentive will also be communicated via 'Retail Line', their weekly communication piece as well as via manager's meetings and conference calls. We are also in discussions regarding sponsorship of future managers meetings.

BA/BA Holidays

Meeting held with when DT was in the UK to discuss ways in which to promote the Tampa route as well as to discuss the recent campaign in conjunction with Visit Florida and the forthcoming Winter Sun campaign launching in October.

The dedicated VSPC on BA.com is performing very well and room night stats to the area are 26% up. Final results from the campaign are not yet available but the load factors on the Tampa route are up 22% from Jan-May 2011 compared to the same period in 2010.

Also finalised plans for the Z-card meal tray inserts which will be on all flights from the UK to Orlando and Tampa during the month of September. Discussed options of how the cards should look and also the call to action.

Discussed securing discounted fares from BA for a period of 4-6 weeks to be offered to trade for a trade appreciation month and also discussed securing fam seats. As a result of our activity with BA, they have now offered 12 seats FOC for use in the next 12 months.

Other Meetings

Meeting held with DT to recap FY 10-11 co-op and to discuss forthcoming activity.

Discussed:

- FY11-12 sales budget
- Sales Mission
- Trade appreciation month
- Co-op budget and proposed initiatives
- Meal tray inserts on BA flights
- Release of Dolphin Tale
- World Travel Market

TRADE LIAISON

- Dolphin Tale – Request has been made to BVK to see if tickets to the premier can be secured for a VIP event
- VIP tour operator event held at Amberley Castle in conjunction with SeaWorld Parks and Entertainment was a great success. The following operators attended:
 - Travel City Direct
 - Jetsave
 - Cosmos
 - Virgin Holidays
 - BA
 - Attraction Tickets Direct
 - BA Holidays
 - Trailfinders
 - Premier Holidays
 - Funway Holidays
 - Do Something Different
 - Miki Travel

- BVK have been briefed on ideas for the BA meal tray inserts and we are currently awaiting an artwork plan
- VSPC/Virgin Atlantic/SeaWorld Parks & Entertainment Familiarisation Trip – The FAM Trip to Orlando and St. Pete/Clearwater took place this month. A total of nine tour operator reservations staff and travel agents as well as a host from the VSPC UK office and a host from the SeaWorld Parks & Entertainment office in the UK were in attendance. The FAM was a fantastic success and feedback from the trip has been very complimentary. Companies that joined us were American Holidays (Ireland), Tour America (Ireland), Funway Holidays, Jetsave Holidays, Premier Holidays, Kenwood Travel, USAirtours, Thomas Cook Signature and Travel 2 (Scotland). The itinerary included stays in both the south and north county as well as including hotel site visits, visits to area attractions and local beaches and a day at both SeaWorld and Busch Gardens.
- Barrhead Travel – We have now received the final results from Barrhead Travel from our recent marketing campaign in conjunction with SeaWorld Parks & Entertainment and the results showed that a total of 25 bookings were made during the promotion which equated to 69 passengers and a total of 332 extra room nights.
- Sales Mission – Work has commenced on our planned training and sales call mission due to take place the week of 10th October 2011. Hoteliers confirmed to be joining us are the Don CeSar Beach Resort, Innisbrook Golf & Spa Resort, Sirata Beach Resort and the Tradewinds Island Grand & Sandpiper Resort. As well as a week of training of major tour operator call centres, we will be conducting sales calls as well as hosting a luncheon in both Dublin and London.
- Premier Holidays – The results from our recent joint marketing campaign with Premier Holidays and SeaWorld Parks & Entertainment have now been received from Premier Holidays and the results are as follows:

Newsletter stats:

- Dedicated Consumer E-newsletter generated 1,880 clicks through to the offers on the website.
- Dedicated Trade E-newsletter generated 60 clicks directly through to download the window poster with offer to display in store

Booking stats:

- 153 room nights booked during campaign period

Overall booking stats to date (as of Tuesday 14th June) = 702 room nights

- Tour America – Continued to work on our joint co-op marketing campaign with Tour America Ireland. Activity confirmed and already approved includes the radio adverts, Sunday World publication advertisements, e-newsletters and on- line banner ads. We have also secured a staff incentive for their sales team during the month of July to push late sales. The incentive will be based on the top three selling agents (with a minimum booking requirement of 5 bookings to the VSPC area) and the prizes will be based on an iPad (1st prize), iPod Touch (2nd prize) and an iPod Nano (3rd prize)

- British Airways Holidays – Work continued on our joint marketing campaign focusing on Florida with British Airways Holidays. Activity includes online elements, a campaign splash page, a campaign e-mail to include copy and images, a BA holidays homepage feature, paid search activity, advertorial in Grazia Magazine and PR.
- Titan Travel – After our recent meeting with Emma Jordan, Product & Operations Executive at Titan Travel/Titan HiTours and the request for a direct contact at both the Sirata Beach Resort and the Tradewinds Island Grand/Sandpiper Resorts, we are pleased to say that a contract has now been signed with the Sirata Beach Resort for the launch of their new brochure programme for 2012. Discussions ongoing with regards to training their call centre staff and currently waiting to hear back regarding this.
- US Embassy Sweden – We have been advised by the US Embassy in Sweden that visitors to the US from their country has in the first quarter of 2011 increased by 7% year on year.
- US Embassy Denmark – Provided the Denmark US Embassy with posters to utilise for decoration at the 4th July ball being held at the US Ambassador’s residence in Copenhagen.
- Golden Holidays – A request was received from Golden Holidays for up to date imagery on our area to utilise on their website. Details of how to obtain images from our website as well as details of our FTP were duly sent.
- International Travel Writers Alliance – An article about St. Pete Beach ran in the June edition of the International Travel Writers e-newsletter. The article included general area information and also had a feature on the Tradewinds Island Grand/Sandpiper Resorts.
- Travel Uni – Travel Uni sent an e-newsletter to their trade database to encourage further sign up to their complimentary training programmes featured on the Travel Uni Training website. This included our own VSPC training programme with our logo.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

01 June 2011 – Source Travel Daily

Leisure market grows in April as business travel dips, says report: Holiday bookings up 13.2%

Leisure holiday bookings increased 9.8% during April compared to 2010, according to a new report from Pegasus Solutions. The technology company's figures, which draw from GDS and ADS transactions and hotel-direct bookings, have revealed that revenue from the leisure market was boosted 13.2% in April despite a global average room rate rise of 2.5%. It has predicted that more trips will be taken in 2011 than last year, but trips would be kept short to save money. Meanwhile business trip bookings registered a mere 0.3% rise during April, after being hit by the unrest in Middle East, Japan earthquake and world events in the UK. "Many factors around the world affected travel markets in April, which translated into a dip for corporate travel and a boon for the leisure sector," said Mike Kistner, CEO of Pegasus Solutions.

01 June 2011 – Source Travel Daily

Virgin Atlantic unveils new travel agent website

Virgin Atlantic has launched a new website dedicated to travel agents and tour operators. The website, named www.vsf.yinghub.com, includes a news section featuring the latest agent competitions and special offers. It will also include information on the airline's products, destinations and policies in an A-Z format. There are also tools to create pdf's to send to customers, as well as logos, images and copy to download for emails or brochures. "We recognise that the trade is an essential part of the whole customer journey and want to provide them with as much information and as many tools as possible to help them," said Paul Wait, general manager sales at Virgin Atlantic.

In addition, the airline revealed that it is developing training modules which will be available later this year.

02 June 2011 – Source TTG

Global air passengers up 16.5% in April

Global air passenger demand jumped 16.5% year on year in April 2011 - a spike mainly attributed to comparisons with April 2010 when the volcanic ash disaster closed down European airspace. However, passenger numbers have increased by 7% compared to the pre-recession peak of early 2008, according to the latest figures from the International Air Transport Association (Iata). "Demand improved significantly in April," said Iata director general and chief executive Giovanni Bisignani. "Eliminating all distortions, we are growing at 3-4%. "Load factors are hovering around 77% and business confidence is high." But "two things are spoiling the party", he said. "Demand shocks and high jet fuel prices." European carriers reported a 29.3% year on year hike in passenger demand for April 2011, unsurprisingly the largest increase posted of all the regions as it was most impacted by the ash cloud fiasco. Latin America posted 25.9% growth, bumped up by commodities demand and trading growth; the Middle East reported a 12.1% increase, indicating a return of confidence in long-haul operations; North America achieved 11.9% growth internationally, but only 1.2% domestically; strong Chinese and Indian markets propped up Asia Pacific with 5.1% growth; and African carriers saw a modest 1.2% nudge - better than the 7.1% year on year decrease in March and reflecting greater stability in North

Africa. Bisignani warned that despite the “enormous restructuring” of the airline industry over the last decade, it was not “shock-proof”. “Profits are being squeezed by the succession of crises and shocks that have marked the first four months of this year,” he said. “Their impact on demand will continue to ease as we move into the second half. But maintaining the high load factors needed to support profitable growth will be difficult given the ongoing challenge of matching capacity to volatile demand.”

08 June 2011 – Source Travelmole

Survey investigates role of social media in holiday decisions

Around half of Brits use social media platforms to gain personal recommendations and reviews for their holidays. According to a new poll by online independent travel agency www.sunshine.co.uk, social media platforms play a large part in holidaymakers’ decisions about where to visit. The poll was carried out by after the site noticed an increase in traffic directed from social media platforms such as Facebook and Twitter. It surveyed 1,102 British holidaymakers, each of whom had been abroad in the past two years. Respondents were asked questions surrounding how they went about selecting their eventual holiday destination. Respondents were initially asked: “Did you research your chosen destination and accommodation before booking and going on your last holiday?” The overriding majority, 98%, said “yes”. These respondents were then asked to select all that applied from a list of possible answers about how exactly they researched their chosen destination and/or accommodation. The results were as follows:

- Review websites – 62%
- Social media platforms – 49%
- Information from travel agent – 33%
- Word of mouth – 26%
- Travel guides – 19%
- Other – 13%

Of those who selected social media platforms to plan their holidays, 61% said they used Facebook, whilst 17% said they used Twitter.

08 June 2011 – Source TTG

TUI Travel loses place in FTSE 100

Europe’s biggest tour operator TUI Travel will lose its ‘blue chip’ status after being relegated from the list of the UK’s 100 leading shares. TUI Travel will be replaced in the FTSE 100 list by ingredients and food solutions provider Tate & Lyle later this month. The operator will be relegated to the FTSE 250 from June 20 where it will join arch-rival Thomas Cook. TUI’s demotion comes exactly a year after Cook’s lost its own place in the FTSE 100 list. The FTSE 100 index is based on a company’s market capitalisation which is the total value of all of its shares. The change means there will be no tour operators in the list of leading shares on the London Stock Exchange.

09 June 2011 – Source TTG

Bumper April for Travel but market still fragile

The late Easter and extra bank holiday for the royal wedding have boosted leisure travel

sales, but demand is still struggling to make a comeback in 2011. Visits abroad by UK residents increased 6% to 13.7 million in the three months from February to April 2011 compared to the previous three months, according to the latest figures from the Office for National Statistics (ONS). The data also revealed that visits abroad were up 4% year-on-year when seasonally adjusted, according to figures from the International Passenger Survey (IPS). But expenditure abroad by UK residents increased by only 1% to £7.3 billion. However, statistics that have not been seasonally adjusted unveil a 2% decrease in the number of UK travellers going abroad during the 12 months ending in April 2011 compared with the previous year (from 56.6 to 55.4 million). The number of holiday visits fell by 3% to 36.2 million for the 12-month period while business visits remained broadly flat at 6.7 million. Visits to Europe during this period declined 3% to 43.1 million while trips to North America fell 1% to 3.5 million and visits to other parts of the world remained unchanged at 8.8 million. Barclays Corporate head of hospitality and leisure Mike Saul said April was “always going to prove a popular month for travel” because the combination of the extra bank holiday and Easter was “too good an opportunity to miss”. “This does not herald a change in tides, however, as there is still a lot of pessimism around the short-term outlook for the sector,” he said. “Comments this week from Iata on the impact of fuel costs and taxes putting greater pressure on European low-cost flights highlight the challenges to come. “This is compounded by our recent travel industry survey which showed that 88% of respondents expect outbound traveller numbers will either stall or shrink through the remainder of the year. Saul said 2012 “promises to be more positive” with almost 80% of travel industry representatives expecting some growth, according to the Barclays survey. “The two largest UK travel groups TUI and Thomas Cook both announced this week they will be looking to bolster UK profits with retail expansion into new international markets, which should provide further uplift for the industry generally,” he added. From an inbound perspective, the ONS figures revealed that visits to the UK in the three months from February to April 2011 increased 4% to 7.7 million and earnings from overseas residents increased by 3% to £4.2 billion.

13 June 2011 – Source TTG

Heathrow breaks passenger records

Heathrow has recorded its busiest 12 months ever after serving a record 68 million passengers. Figures from Heathrow’s owner BAA showed that the airport was boosted by its busiest ever spring from March to May.

Heathrow’s monthly passenger numbers were up by 11.6% to 5.9 million compared to May 2010 which was affected by volcanic ash and strike action. Without these factors, passenger numbers were up by 5.2% year-on-year. BAA handled 9.3 million passengers in May across its six airports which was a rise of 9.2% over May 2010. The figures were boosted by the late Easter and royal wedding. BAA chief executive Colin Matthews said: “Demand is particularly strong on the long-haul routes that connect UK businesses to fast-growing economies around the world.” Both Edinburgh and Aberdeen recorded double digit increases in May - 13.7% and 11.8% respectively. While Glasgow saw an increase of 7%. Traffic at Stansted grew by 0.7% - its second consecutive monthly rise - but Southampton saw numbers down by 1.1% due to a drop in scheduled flights.

13 June 2011 – Source TTG

Barrhead expands with two new Scottish agencies

Barrhead Travel has opened two new agencies in Scotland, bringing the total number of shops it owns to 28. The Scottish travel agency opened its 27th store in Glasgow Prestwick airport last month before opening its latest store in East Kilbride on Saturday. The newest shop features dedicated areas for cruise and long haul holidays as well as a foreign exchange bureau and will be staffed by 12 travel agents. Barrhead Travel chief executive Sharon Munro said: "This is the fulfilment of many years of planning, and we're thrilled that we now have one of our flagship stores here on one of the town's busiest thoroughfares. "We believe that the state-of-the-art new store is something that the people of East Kilbride and its surrounding areas will see as a welcome addition to the area." Manager of the new shop, Michelle White added: "I'm so excited at being given the opportunity to manage the new branch in East Kilbride, as it is a showcase store which is a destination in itself." Meanwhile, the Glasgow Prestwick airport store is being headed up by Louise Gale and is currently running a promotion of free airport parking for customers who make a booking through it during their break. Munro said: "Our new branch at Glasgow Prestwick is in an excellent location and will provide a comprehensive travel service to the area, combining Barrhead Travel's thirty-six years' experience and unparalleled network of tourism contacts, with fully-trained specialist consultants hired from within the local area. "While we have already employed some new staff for the opening, we are still looking to recruit more consultants on both a part-time and full-time basis. "Strong customer service is a key focus for us and establishing a physical presence in the town will help us provide a bespoke travel service on a one-to one-basis with each individual client." Barrhead's ongoing recruitment comes as the agency seeks to bring on board 20 apprentices nationwide, in the hope of having an apprentice in every store by the end of the year.

15 June 2011 – Source Travel Daily

Travel industry makes push in final APD reform week

The travel industry is bumping up its push for a fairer Air Passenger Duty (APD) in what is the last week of the Government's review of the tax. The Fair Tax on Flying alliance, fronted by ABTA, has encouraged members to come forward by Friday with support for a different banding system and fewer taxation on the industry. "We already pay the highest levels of aviation tax in the world, and if the Government goes ahead with its double-inflationary increase and levies an ETS tax on top of this in 2012, we will see another eye-watering increase in the tax burden on the industry and on holidaymakers and business travellers flying in and out of the UK," said Mark Tanzer, chief executive of ABTA. "The industry is willing to pay its way, but this clearly puts us at a competitive disadvantage when compared with our European neighbours and punishes the travelling public unfairly." Mike Greenacre, managing director of The Co-operative Travel revealed the impact of APD had been shown in the company's holiday sales in the last year. "A survey of over 30,000 holidays carried out earlier this year by The Co-operative Travel revealed a 17 per cent reduction year-on-year in holidays for destinations that are between 4,000 and 6,000 miles from London, with sales to the Caribbean (down 20%) and India (down 34%) hit particularly hard," he explained.

15 June 2011 – Source TTG

Agents play waiting game as holidaymakers leave it late

A failure to educate the public over capacity cuts is hampering the current market, an agent has claimed. Can-Am Travel managing director Alan Hubbard said customers are failing to understand the days when they could buy a late deal for £199 per person are long gone, largely thanks to recent capacity cuts. He claimed this has led to a lates market where consumers are convinced they can get better prices, despite the evidence pointing otherwise. Hubbard said: "It is slow, we get enquiries but basically people don't seem to make a decision. "Probably some think it is going to get better and they're all waiting for the last-minute deals; when you tell them these are the last minute deals they don't believe you. "The interest is there but the conversions aren't. What is accepted in the trade as a really good deal is not accepted by the public as a really good deal. "They can have a bad experience (on a holiday) but if the price is right they still go back. We've got to do a lot of work educating the public." He added this attitude had wiped out any increases in sales the agency had made since the start of the year, leaving the agency flat on overall sales in 2011. Julia Lo Bue-Said, Advantage leisure director, agreed the market was slow with the bottom-end of the family market particularly badly hit. She added: "The conversions are not coming in anywhere near as much as what you'd expect this time of year." However, with the members' average selling price up about £30 on this time last year, albeit due to Air Passenger Duty and fuel cost increases, she argued the market has been hit more by a lack of confidence than a desire for bargain basement deals. This means Advantage members are on a par for year-on-year sales for 2011 compared to last year. Lo Bue-Said added that providing operators hold their nerve on pricing, the lates market could still prove strong for the trade. She said: "It is always the balance of the tour operators holding their nerve and if they can hold their nerve I think the 'sod it' factor will kick in (for the public) and consumers will book. "The problem will be if operators reduce their pricing – it'll escalate the situation." TTA managing director Gary Lewis added: "It is very quiet out there but agents are hot on conversions, they have to chase every conversion." He said that so far this month TTA members were up to 10% ahead on sales compared to the same period last year while the consortium's members finished May 17% up on the previous year. However, Newells Travel owner Roger Hawke said while May was 'exceptional' for the nine-shop miniple in the south west but June had been very quiet. "The only pattern is there is no pattern, it is very difficult to manage our staff levels accordingly," said Hawke. "When we think we're going to be quiet we're busy and when we should be busy we're quiet."

17 June 2011 – Source Travel Daily

APD increase could cost UK Holidaymakers £1bn says Virgin Atlantic

In the latest efforts to change the government's proposal to increase Air Passenger Duty (APD), Virgin Atlantic has estimated that the impending rise could cost UK holidaymakers an extra £1 billion. Julie Southern, chief commercial officer of Virgin Atlantic led a team of cabin crew to the Treasury today to deliver its consultation response. The airline has said passengers on short-haul flights should contribute more tax and that there should be no 'south east' airport levy. British Airways also joined Virgin in agreement that premium economy should be charged the same as those in higher class cabins and the band system should be altered. "Our customers are telling us in overwhelming numbers that they believe rates are too high – and the vast majority rejected the idea of paying even more tax to fly

from a South East airport. We already know that more than half of long haul flyers say they would consider cutting down their number of long haul flights if there were further rises in APD,” said Southern. "Historically the rises in this tax, both in percentage and absolute terms, have been much higher for long haul flights than for short haul. If the Government spares the travelling public and decides to take the same level of revenue from this tax, we strongly believe the burden should be shared more fairly.” Southern also criticised low-cost airlines for commenting on tax increases due to their add-on sales nature. “It is a bit rich for the supposed low-cost airlines to complain about tax increases of £4 at most for their passengers, when some charge three times that amount to book flights using a debit card,” she said.

20 June 2011 – Source Travelmole

Two fifths of Brits won't take summer holiday, poll finds

Just when the travel industry hoped the worst of the recession was over, new research today reveals two in five Britons plan not to take a summer holiday to improve their bank balance. A poll of 2000 respondents carried out by banking and finance giant ING Direct showed 39% of them would not be taking a holiday. If that figure is broadened out as a representative sample of Brits, that means 17.7 million will be staying put this summer. In the lead up to the summer of 2008 when the credit crunch really started to bite, the figure staying at home was 33%, that's 2.7 million less than today's numbers. ING also suggests from the responses gleaned that the rise and rise of the staycation has also been halted as Brits deem UK hotels and attractions as beyond their means as foreign holidays. The research showed that nine out of ten people who said they weren't going on holiday this summer would normally have taken a UK holiday. The poll showed the number of foreign holidays taken by British families is down 3% in the 12 months to April compared to the previous period. It also revealed that holidaymakers are now more likely to save up to pay for a holiday than put it on credit cards. ING Direct spokesman Richard Doe said: "It's clear that a tough economic climate is causing consumers to pull off a very difficult balancing act – cutting down on debt while dealing with rising prices. "So it's not surprising that the summer holiday is often being sacrificed. However, it is certainly a good thing that consumers are adopting a more sensible approach to holiday planning, saving in advance for their trips, rather than entirely relying on the plastic."

20 June 2011 – Source Travelmole

Virgin Atlantic pilots poised for strike action

Virgin Atlantic passengers should prepare themselves for strike action after weekend reports showed strong support for a pilot walk-out. In a row over pay, it is thought industrial action will take place either at the end of June or the start of July. A ballot on the proposed action closes on Tuesday. Transatlantic routes are expected to be severely disrupted if the 750 pilots cannot come to an agreement with management over a 4% pay offer which rides on the back of three years of pay freezes. The weekend newspapers report a sentiment of overwhelming support by pilots for the industrial action which will be organised by union The British Airline Pilots Association. However, Virgin Atlantic chief executive Steve Ridgway told the media: “Everybody is very clear that we need to reach an agreement. Both sides are very motivated to get a resolution and I know the pilots, I know they don't want to go on strike.” “It's just a matter of can we reach an agreement on what is right in the current market and what the company can afford. We hoped to have reached an agreement by now. All the rest of the company has reached an agreement, which is the first

pay rise that anyone's had for two years.” But BALPA general secretary Jim McAuslan said pilots had not had a pay increase since 2008, in the belief that they were helping out the airline during tough times and would be rewarded later. This, he said, had not proved to be the case.

21 June 2011 – Source Travelmole

School holiday shake-up could extend peak season

The travel industry's six-week peak summer season could be extended to two months under government plans to shake-up the school calendar. Education secretary Michael Gove yesterday announced plans for new academies and free schools to have a more flexible, month-long summer break. State schools have normally taken a six-week break from the end of July to the beginning of September, but under government plans the summer holiday would be shortened to just four weeks to be taken any time from the beginning of July to the end of September. Although some reports have suggested this could force tour operators to shorten their peak season, it could have the opposite effect of pushing up prices at the beginning of July and for the last three weeks of September. There will be 1,100 new academies by next year and the government hopes 100 free schools will be established by 2012. Under powers granted last year, they are allowed to set their own term dates and radically alter the school timetable. As well as switching from three to six terms a year, schools may lengthen their hours to last from 8am to 8pm and those with large numbers of pupils may open 51 weeks of the year. General secretary of the teachers' union NUT described the plans as 'ridiculous'.

22 June 2011 – Source Travel Daily

Brits still keen on long-haul holidays

Credit crunched, aviation fuel tax blitzed Brits aren't about to give up their long-haul holidays, according to findings from a survey conducted by boutique tour operator, Travel In Depth. When quizzed on their top travel spots, 68% of survey respondents revealed New Zealand as one of their favourite recent holiday destinations, citing far-flung destinations such as South America, Australia, Canada, the USA and even the Falkland Islands as next on their wish list. “These new insights could demonstrate the waning of the much-talked about ‘staycation’ phenomenon,” said Travel In Depth founder Paul Carberry. The survey found British travellers are keen to make their money go as far as possible, with 68% percent of those surveyed citing Value for Money as a key deciding factor in choosing their holiday. Demonstrating that the country's love affair with travelling is as strong as ever, a significant percentage of respondents stated that they spend between £3,000 and £5,000 per person per trip, with 15% happy to spend more than £5,000. An impressive 62% declared they would give up something such as a car, house move or eating out in favour of giving up their annual holiday/s. “While it is clear that value is important, this certainly does not mean that people are compromising on destination or experiences,” said Carberry. “Tapping into people's travel psyche, it seems that Brits heading abroad have an insatiable appetite for life-enriching trips. There's definitely a ‘where or what's next’ factor with travel plans”.

23 June 2011 – Source Travelmole

Industry reacts to today's ATOL reform announcement

The Government has officially announced today that it is considering widening ATOL

protection to airlines. Announcing its plans for the "biggest overhaul of financial protection for holidaymakers in more than a decade" it said views are also being sought on potential reforms which would require primary legislation. "These could include bringing holiday sales by airlines into the scheme along with those arranged on an 'agent for the consumer' basis," said a statement by the Department of Transport. If approved, this new legislation could come into force by May 2013. In its announcement today, the Government also confirmed plans to: - extend the ATOL scheme to "flight-plus" holidays comprising a flight and other holiday component bought within two successive days - ensure everyone booking ATOL protected holidays will get a recognisable ATOL certificate confirming their rights under the scheme for refunds and repatriation should their travel company fail - help ensure that 'agent for the consumer' businesses arranging holidays are fully aware of their legal responsibilities to consumers. In a huge document outlining its plans, the Department for Transport clarified that ATOL holders under the Flight-Plus scheme will not be brought within the Package Travel Regulations which apply to tour operators. It also put agents minds at rest that they will not become liable for VAT under the Tour Operators Margin Fund (TOMS). Subject to the responses received, the Government aims to respond to the consultation in the autumn, with a view to introducing the necessary legislation by January 2012 to capture the peak holiday-booking period for next summer. It said the consultation also paves the way for further potential reforms to the ATOL scheme in the medium to longer term, seeking initial views to inform more detailed work to be undertaken by the Civil Aviation Authority later in the year. Aviation Minister Theresa Villiers said: "We have always been clear about our commitment to modernising the ATOL scheme, and these proposals are an important step towards achieving just that. "As well as ensuring up to six million additional holidays are protected, these proposals will help steer the scheme's finances on to a more sustainable path for the future. We are also making an important step forward on the debate on delivering a wider reform of ATOL in the future." Today's consultation - which closes on 15 September - follows an announcement in February which outlined the approach the Government would take to reforming the ATOL scheme. Noel Josephides, AITO Council member, said: "AITO is very happy that this has come out at last and we see it as the first step forward in bringing the whole customer protection up to date. "It will hopefully improve consumer protection and level the playing field and it is heartening to see that the government is going further to protect travel arrangements that look like packages. "AITO will work to make sure the pitfalls for customers of companies acting as agents will be pointed out and constantly monitored." Jonathan Wall from Elman Wall Travel Accountants said: "Those whose business model relies on staying outside regulation which protects holidaymakers who give those companies monies upfront will find themselves under more and more pressure. "Those who focus on loopholes are playing a short term and self defeating game-the CAA are committed to closing down loopholes over time. "Most travel businesses recognise that holidaymakers should have complete financial protection and will consider during the consultation period how they can integrate new processes and procedures into their operations quickly and efficiently." He urged those with considered views to respond to the consultation as these can help in the shaping of the detail.

23 June 2011 – Source Travelmole

BA Cabin Crew dispute is finally over

British Airways and its cabin crew have finally settled their long-term industrial dispute. Cabin crew union Unite said 92% of members have backed a deal struck with the airline after a battle lasting nearly two years. Under the settlement, staff will get a two-year pay

deal worth up to 7.5%. BA has also agreed to bring back travel concessions taken away from staff who were involved in the strike action. Unite general secretary Len McCluskey said: "Unite always firmly believed that this dispute would be solved, not through conflict but through negotiation. "Thankfully we have reached an honourable agreement with BA. "The overwhelming acceptance of this deal by cabin crew means that both parties can now move forward together on securing a bright future for the airline."

24 June 2011 – Source Travel Daily

Brits spent £9.8bn abroad in 2010: Visa survey finds UK tourists performed more than 100 million transactions overseas...

The annual Visa Europe Travel Report has revealed that UK consumers spent more than £9.8bn abroad in over 100 million transactions in 2010 – an 18% and 19% increase from 2009 respectively – with many planning to spend even more on their 2011 getaways. The report found that Britons are increasingly venturing out of the euro zone, with far flung destinations such as Africa and India topping the UK's emerging destination list according to international spend trend data. Visa Europe analysed international spend trends of 105 million UK cardholders to reveal the countries with the highest annual increase in consumer spend in 2010. While Zimbabwe tops the list, fellow African countries, Gambia (4th), Nigeria (5th) and Morocco (10th) all featured in the top ten. Meanwhile, Pakistan (2nd) and Sri Lanka (9th) also revealed an influx in spending. "The top ten 'emerging destinations' give a fascinating insight into our changing travel habits," commented Simon Calder, travel editor of *The Independent* and independent advisor to Visa Europe. "Tiny Andorra has seen a surge in visitors' spending of 120 percent, year on year, as it lures back the skiing business – and welcomes summer visitors who have discovered the great outdoors of this mountain hideaway. The other highlights for me: Sri Lanka benefitting from a cricket 'bounce', a surge of interest in Morocco, and – at last – the discovery of Uruguay as the unsung gem of South America." The research is part of the third annual Visa Europe Travel Report, which is based on the international spending habits of Visa's 105 million

UK cardholders, around 75% of which is on Visa debit cards. The data also highlights that while overall spend and transaction figures have increased since 2009, average transaction values have fallen 21% to £72.92 – revealing that cards are increasingly being used by holidaymakers as a means to buy lower cost, everyday items while abroad instead of using cash.

27 June 2011 – Source TTG

Branson issues last-gasp plea to pilots over strikes

Virgin Atlantic boss Richard Branson has launched a last-ditch plea to his airline's pilots not to go strike. The airline's pilots, who are members of union Balpa, voted to take industrial action last week in a dispute over pay but no dates for walkouts have been set so far. Branson, in an open letter to pilots published in *The Times* today, wrote: "I was extremely sad to see threats of strike action in the media as these negative comments have damaged the reputation of our airline and the trust that our customers place in us." He went on to warn Balpa members not to "self-inflict" damage on the airline when it is facing a tough market. "Unless Balpa withdraws its threat very soon it will leave an indelible scar on the company," added Branson. "Your union has asked me to get involved – I've looked at all the facts and believe the management has made the best offer it can. The senior team

is ready to meet Balpa again and I appeal to you to insist that they do.” Branson said he would not personally be meeting Balpa representatives because it would “only cause more publicity, further damaging the airline” but added he would be willing to meet pilots to discuss the airline’s future. Pilots have voted to take strike action because they are unhappy about being offered a 4% pay rise after three years of pay freezes. Balpa would have to give Virgin Atlantic at least seven days’ notice of any strike action.

27 June 2011 – Source TTG

Travel’s famous five make top 100 private firms

A total of five travel firms have been named in this year’s Sunday Times Deloitte Top Track 100 list of the UK’s top private companies. The list, released yesterday, records Britain’s biggest private companies by their latest sales figures and reveals that since last year total sales among the group increased by 10% to £175 billion while profits rose by 7% to £17 billion. The top-performing travel company in the group is Virgin Atlantic at 12th place, down from 10th last year, after sales fell by 9% to £2.4 billion while recording a loss of £57 million. Bourne Leisure, owner of Butlins, Haven and Warner Leisure Breaks, is the second travel company in the list at 62, although it has also fallen down the list since last year when it came 57th. The holiday park operator generated sales of £803 million, up from £792 million in the previous year, with profits of £180 million. The report claims the improvement was largely thanks to an upswing in domestic tourism as the poor economy continued to bite. Coming 63rd in the list is visitor attraction operator Merlin Entertainments with sales of £801 million and profits of £256 million. The company’s sales were an increase on the £769 million it generated the previous year, prompting it to move up one place in the list. Airline and tour operator Monarch Holdings came 66th in the list, down from 58 last year after seeing a £34 million drop in sales to £757 million from its previous financial year. The company still generated profits of £47 million despite the fall. Foreign exchange operator Travelex shot 21 places up the list, from 95 to 74 with an increase of sales to £696 million from £599 million. During this time the company generated a profit of £100 million.