UK OFFICE
MARCH 2012 REPORT
Prepared by: Venessa Alexander
UK Director

Meetings

British Airways

Met with Marc James at BA to discuss current plans on promoting the Tampa route and how business is going. As of 4th March, forward bookings to Tampa for 2012 are up 15% with an increase in August alone of 40% compared to August 2011. As Marc is a new contact, updated him on previous work we have done to help promote the route and plans in place for 2012.

Thomas Cook

Met to discuss possibilities of advertising in-flight. Costs are very high and currently no budget available for this.

Trade Shows

Ferie, Herning

This is Florida's Beaches first year at 'Ferie for Alle' having participated at 'Ferie I Bella' in Copenhagen in previous years. Numbers at this year's show were as follows:

Friday:	22,623
Saturday:	23,354
Sunday:	20,318
Total:	66,295 – second consecutive year with more than 66,000 visitors.
Number of exhibitors:	1,064 (1,023 in 2011)

Whilst there is no official trade day at FFA the product and marketing managers for all of the main tour operators were at the show on the Friday. All of the key tour operators in Denmark were exhibiting at and selling from the show. The unofficial USA pavilion was larger than last year and was given modern equipment and booth materials (as a testament to the organisers desire to attract US exhibitors).

Visitors interacted well and many had already booked trips to Florida. The brochures, maps and other materials went VERY well with literally everything gone by 4pm on the Sunday. The distribution was steady – as borne out by the even spread of visitors over each of the days. Recommendation would be to continue participation in 2013. Date for the 2013 show are 22-23 February 2013.

Reiseliv and TravelMatch

TravelMatch – B2B, 1st March 2012, Oslo, Norway

Travel Match is a new event that we attended as part of the Florida's Beaches coalition. In past years the main Norwegian show – Reiseliv, has been a four day show, one day for trade and three for consumers. This year's show has been reduced to three consumer only days. Travel match was set up as a trade event to fill the gap. The show was held at the Oslo, Spektrum which is in central Oslo and not with the main Reiseliv show which located outside of Oslo. There were approximately 150 exhibitors and around 200 buyers at the show. The show was an appointment based event with allocated fifteen minute slots. Due to some pre-show technical issues with the online scheduling system there were problems with the appointments. This meant on the day many exhibitors were left with no appointments or appointments that did not show up. For Florida's beaches we had most of our appointments but three did not show. We would need to obtain assurances as to the organisation of the show before attending this event in the future.

Reiseliv – Consumer Show, 2-4 March 2012, Lillestrom, Norway
The Reiseliv show was moved from its normal January slot to March for 2012. This was due to a competing show that had been scheduled at the same time in January. It was also reduced from a four to three day consumer only show. There were only six USA related exhibitors at the show this year. This was in part due to the shift from January but also that it clashed with the Swanson's Show in Osby, Sweden. Slots for suppliers at the Swanson's show are limited and there is a waiting list to participate. Visitor numbers were down considerably over 2011.

2012 – 20,184
2011 – 31,374

There was a lot of interest in all of the Florida's Beaches destinations. Most visitors had already booked their 2012 trips or were enquiring for 2013. Brochures moved well and we were left with very little by the end of the show. The show organisers have accepted the issues from this year's show and this reflects in the 2013 schedule:

Meeting Point (TravelMatch) – 7th February 2013
Reiseliv – 8-10 February 2013

Swanson's

Attended the consumer travel day at Swanson's Tour Operator/Travel Agency in Osby, Sweden as part of Florida's Beaches. A total of 1450 consumers attended this fantastic consumer day, now in its 10th year. Special guest this year was Tommy Cash (Johnny Cash's brother), who performed a live set 4 times throughout the day. The only other Florida supplier apart from Florida's Beaches was Visit Orlando and this made a perfect combination. Discussions have already taken place with the other Florida's Beaches partners to advise that it was so well attended that we would recommend attending this event again in 2013.

During the day itself, Swanson's booked 59 packages to Florida, which was the highest of any of the destinations. Swanson's make the point that these are sameday sales and that most people come to gather information and book at a later date.

TRADE LIAISON

- Virgin Holidays – Work/preparations still taking place on our co-op marketing activity in partnership with Virgin Holidays. This month saw the distribution of the 'Where's Next' E-mail Inclusion and the internet POD in the AAA e-mail inclusion. The e-mail included details, imagery and special offers on our area. Activity on-going.

- Virgin Holidays/Visit Florida – Activity approved this month for the joint promotion with Virgin Holidays and Visit Florida includes the copy for St. Pete/Clearwater on MSN and the Times national newspaper insert. Preparations and activity on-going.

- BA Holidays/Visit Florida – Creative for the campaign has been signed off with the campaign due to launch on 16th April for 2 weeks.

- Expedia – Ongoing discussions with Expedia regarding the launch of our annual campaign. Expedia are keen to run Visit Florida activity alongside our activity to make this a much bigger campaign. In addition we are looking at securing funds from Brand USA

- Premier Holidays – Work has started on the approval process of the joint activity with Premier Holidays and SeaWorld Parks & Entertainment. The promotion is due to launch in April 2012. Preparations on-going.

- Rooster – Ongoing liaison and direction of Rooster PR including online competitions, press release sign off and discussions re upcoming media fam.

- Contacted BA Media regarding a price for Z cards on board all Orlando and Tampa flights in September. They are currently revising their pricing and will revert with a cost asap.

- Scheduled Pow Wow appointments.

- Consumer Newsletter sent out to 9028 consumers on our database which have been gathered through consumers opting in to a number of consumer brand promotions. The newsletter included information on the recent TripAdvisor vote as number one beach in the US, information on the UK Facebook page and the promotion currently running with Land's End as well as a holiday offer from Cosmos/Monarch.

- American Holidays – Approved the final element (E-newsletter) of our joint activity with American Holidays which has now been distributed to the consumer database. Results to follow next month.

- Tour America – Work has commenced on the promotional activity that has been agreed with Tour America and SeaWorld Parks & Entertainment. Provided Tour

America with up to date copy, imagery and key selling points to utilise for this activity. Preparations on-going.

- THG Holidays – Finalised co-op activity with THG Holidays. The advertisement in the local newspaper has now gone to print and THG have advised that this has already seen a keen interest and enquiries to our area with some possible conversions to sales. Results to follow next month.

- VSPC & Busch Gardens VIP Event – Preparations on-going with Busch Gardens Tampa Bay regarding our joint summer VIP Tour Operator Event, which this year, is due to take place in Bruges, Belgium on Thursday 21st June 2012. Site visit of the hotel in Bruges was undertaken.

- UK FAM Trip – This year will see the UK office for Visit St. Pete/Clearwater hosting a UK reservations agent FAM trip in conjunction with Tampa Bay & Company and British Airways. Work has commenced on the itinerary as well as securing the agents who will be joining us on this trip. The FAM will take place from May 11th – 16th 2012 and will include a 2 night stay in Tampa and a 3 night stay in St. Pete/Clearwater. Preparations on-going.

- Orlando Tourism – Discussions on-going with regards to our joint co-op marketing activity with Orlando Tourism and UK Tour Operators. Barrhead Travel and TUI Specialist (Jetsave Florida/Hayes & Jarvis) have been identified as key partners and discussions are taking place with these operators.

- Visit Florida/Bon Voyage Florida Consumer Day – Visit Florida have advised us that the recent Gun Wharf Quay consumer day promotion in partnership with Bon Voyage Travel & Tours has been re-scheduled and will now take place at the Marks & Spencer Consumer Store in Southampton in June 2012. This is the 3rd largest store in the country and on a weekend the footfall is around 25,000 per day ABC1. Bon Voyage and Visit Florida staff will be covering a stand from 9am to 9pm to distribute literature on the destination and answer consumer questions.

- Infinity Holidays – Our scheduled training for Infinity Holidays/Flight Centre Call centre staff has been postponed and will now take place at the beginning of May.

- USAirtours Destination of the Month – Results have now been received from our recent activity with USAirtours in the 'Destination of the Month' promotion and we have been advised that a total of 12 bookings with a minimum of 7 nights were made during the month of February. A total of 82 additional room nights were booked as part of this promotion. A total of four trade e-mails were sent to their travel agent contact list (5,500 agents) which all included the link to our landing page on the DOTM webpage. The average open rate for the emails was 26.7% (1352 x 4 = 5400). Total click thrus from the email to the dedicated webpage was 376. Page views (from navigating on the USAirtours webpage) was a total of 362 and total visits to the dedicated webpage was 738. We have also been advised that 7 bookings have already been made in the first few days of April so this activity has definitely increased the awareness of St. Pete/Clearwater with their travel agent partners.

- Land's End Promotion – This promotion is due to finish on 30th April. As of 30th March there had been just over 9000 entries to the competition.

- UK Facebook Page – Tour America have been secured as the Tour Operator partner of the month in March and have supplied a number of holiday discounts to the area.

- TUI Specialist – As previously mentioned, Jetsave Holidays had approached us with the opportunity to have an advertisement for our area on the reverse of the new 2013 Florida summer brochure. The brochure has now launched and is being racked in 5000+ Thomson and First Choice branded retail stores as well as their independent travel agent partners.

- TUI Specialist – Preparations being made for the Jetsave/Hayes & Jarvis Travel Training Day that Visit St. Petersburg/Clearwater will be participating in. Other partners attending the staff travel day are Miami CVB, Tampa Bay & Company and Fort Myers & Sanibel.

- Visit USA Committee Ireland – We have been advised that the VUSA Committee in Ireland have announced the appointment of a new Executive Director. Clodagh Oxley will commence responsibilities, previously undertaken by Brigid Kennedy, from April 2012. Clodagh has previously worked at Delta Air Lines and comes from a marketing and PR background.

- Visit USA Committee Ireland – Provided the VUSA Committee in Ireland with a press release on the recent TripAdvisor accolade of 'Best US Beach' and top 5 'Best Beach in the World' for inclusion in the March Edition of the consumer and trade e-newsletter.

- Visit Florida – A request was received to provide Travelsport, a local travel agency in Wales with literature and DVD's for a Florida promotional day to be held in the coming months and items were duly sent.

- Thomas Cook Signature – Preparations are being made for the scheduled training at the Thomas Cook Signature call centre in Peterborough next month. A total of 30 call centre staff will be trained on our area.

- Cosmos Holidays – Discussions taking place with Cosmos Holidays regarding training their call centre staff in Stockport. To be advised.

- Travel City Direct/Virgin Holidays – Training has been confirmed with the call centre in Crawley to train all Travel City Direct and Virgin Holidays reservations staff. Training will take place in September 2012.

- Virgin Retail – A meeting has been secured next month with Virgin Holidays and Virgin Retail to discuss joint co-op marketing activity in partnership with SeaWorld Parks & Entertainment. TBA.

- Tour America UK – Tour America in Ireland have recently launched a UK Online Brand and a meeting has been scheduled in April to discuss the possibility of working together in the future.

ENQUIRIES:

Telephone/website enquiries for information and/or literature 40

MARKET INTELLIGENCE:

02 March 2012 – Source Travelmole

TripAdvisor under fire for new ratings system

TripAdvisor is coming under fire again, this time for a new ratings system. The new scoring system has been criticised by reputation management company KwikChex, which argues that it will produce even more mistrust and distortion. It claims in the last 24 hours it has been inundated with concerns about the new ratings systems. "They are coming from many who have always supported TripAdvisor, including consumers," said chief executive Chris Emmins. "Many are saying that the new content has also been generated from 'pop-unders', which were so annoying they just put anything in them in the hope they would go away. "It seems astonishing that at a time when there is rising concern about deception and malice on the web and a growing desire for greater reliability and an end to anonymous bullying, that TripAdvisor should apparently introduce the least diligent system yet and produce greater levels of mistrust and distortion. "This seems to be an extension of the quantity rather than quality model - adding to already existing factors such as the number of ridiculously out of date reviews on the TripAdvisor site - we estimate around 30 million are of no use for that reason alone, making the statistics quoted so often by them more puffery than real substance." Emmins pointed to complaints about the new system on TripAdvisor's own forums.. He said in the next two weeks KwikChex will introduce a suggested voluntary code of practice for feedback resources that is intended to give consumers a better perspective of the degree of trustworthiness on each site or resource. "We will also be publishing further specific reports that will contain information on reliability factors and specific evidence of how easily and substantially feedback resources and review sites are abused." In its defence, TripAdvisor said the recently highlighted ratings "provide yet another source of insight from which travellers can make an educated decision when planning their trips". It said the scoring out of five system allows travellers to rate hospitality businesses to compliment standard reviews, giving users another source of insight when planning their trips. "Ratings come from either Facebook or TripAdvisor members, all of whom we have profile information on," said a spokesman. "All content on TripAdvisor is systematically screened by our frequently upgraded proprietary site tools. These tools scan reviews for biased material, monitoring a wide range of attributes associated with electronic correspondence. Suspicious activity is then flagged for further inspection by our team of dedicated agents who use a variety of additional confidential investigative methods designed to identify potential fraud. "The highlighting of ratings is a recent addition to the site and the feature is in development. As with all other content on the site, users will shortly be able to report them as inappropriate. As always though, TripAdvisor users are able to make educated decisions when choosing a hospitality business based on the wealth of content available on the site, which now includes ratings. "We take the authenticity of all content of the site extremely seriously as the integrity of the content on TripAdvisor is fundamental to our success."

07 March 2012 – Source Travelmole

Aer Lingus to launch one-stop transatlantic flights from Southend

Aer Lingus Regional is to launch flights from Southend to Dublin, offering onward connections to transatlantic services. From May 10, the airline will offer three daily services which will connect with Aer Lingus flights from Dublin to New York, Boston, Chicago and Orlando. Flights between Southend and Dublin will be operated by Aer Lingus' franchise carrier Aer Arran, which has been rebranded Aer Lingus Regional. Aer Arran launched its first passenger flights from Southend last March after the airport's owner - Stobart Air- invested in the airline. Nevertheless, Aer Arran suspended its twice daily service from Southend to Galway last October due to a deterioration in bookings.

The new flights to Dublin are being sold to passengers living in Essex and East London as offering easy access to the US. They will have access to US Customs and Immigration pre-clearance facilities at Dublin Airport, which means they can avoid queues when they arrive in the States. Southend Airport managing director Alastair Welch, said: "We are delighted to welcome Aer Lingus Regional, operated by Aer Arann to London Southend, offering a fantastic new route and taking the number of destinations available from this airport up to 15 from this summer. " Dublin is a popular and welcome addition to the services we offer, especially with the very exciting potential for convenient onward journeys to the U.S.A." Southend Airport plans to start work expanding its passenger terminal this year, after signing a 10-year deal with easyJet. The low-cost airline will start flying to nine destinations from the airport next month.

07 March 2012 – Source Travolution

Lastminute.com reveals inspiration e-commerce platform

Lastminute.com has become the latest online travel retailer to target an increase in conversion rates by developing an inspiration e-commerce platform. The 'inspire me' platform, officially launched today following trials on the site's City Breaks home page, has been developed with FusePump, using its data feed extraction technology. It integrates with Google maps through an API, and includes search and recommendation tools to try to better match the product to the consumer by delivering the most relevant results. The platform has been designed to provide inspiration for customers who arrive on the site without a fixed idea of where they want to go. Results can be refined and filtered to match a range of criteria the customer might be looking for including shopping, partying or romance. It can also be configured against customer budgets and timescales. Mark Maddock, UK managing director of lastminute.com, said: "lastminute.com is one of the most widely recognised brands for dynamically packaged travel and leisure solutions, enabling consumers to book and pay for a combination of products in a single transaction. "Many of our customers don't have fixed ideas about their destination when they're searching online for the best deals. "We wanted to provide them with a creatively designed search interface that's fun and easy to use. FusePump's data feed and referral engine technology achieves this and ensures that relevant results are displayed every time." Inspire me is populated using FusePump's lifestyle product data feed containing lastminute.com's inventory of city breaks. The conversion rate of this feed is currently around 3% of consumer click through, said FusePump. Oliver Harkness, product manager for display and merchandising at FusePump, said: "inspire me is the first project we've undertaken that combines Google's mapping API and the power and flexibility of FusePump's data feed technology – not just in terms of having accurate product data, but in respect of innovating around how it's presented to end users. "While there are numerous

examples of on-site merchandising applications in the travel sector, our objective was to deliver an engaging end user experience. Inspire me provides relevant recommendations every time and eliminates the instances of broken links we encountered on competing websites." FusePump credited use its data feed on Lastminute's lifestyle website, which attracts 2.5 million visitors a week, with a 20% increase in revenue and 16% while sales of dynamically packaged city breaks through its widgets have increased 16%.

12 March 2012 – Source Travelmole

APD is costing Britain's economy £4.2bn

New research by the World Travel & Tourism Council (WTTC) shows that Air Passenger Duty costs the UK economy billions of pounds and tens of thousands of jobs. Removing it, says the WTTC, would create another 91,000 jobs and add £4.2 billion to the economy in 12 months.¨ The research comes as Britain is about to face yet another rise in APD. From April, a family of four flying to Malaga will pay £52 extra on the price of their tickets. This rises to £260 for the same family to fly to Florida and £368 to fly to Australia.¨David Scowsill, WTTC president and CEO, said: "APD is a completely disproportionate tax on people's holidays and is hitting business travel hard. "When the economy needs help, it is economically illogical to continue with a tax that costs the country some 91,000 jobs and as much as £4.2 billion." He said in the next 12 months, the UK Government will collect £2.8 billion in extra tax from air travellers, far more than any other country in the world. "Travel & Tourism grew by 4.1% in the UK last year, but is forecast to slow to 1.3% in 2012. This slowdown is partly due to the impact of APD, which is dampening demand. "This tax is damaging the economy at a crucial time, and is having a negative effect on trade with countries in the Caribbean, Africa and Asia. "We urge the UK Government to recognise the impact on the overall economy and reduce APD." Martin Craigs, CEO of the Pacific Asia Travel Association (PATA), added: "The UK is an island trading nation, air services are the vital lifeblood of modern global commerce. "The UK APD is now the world's highest by a wide margin. It is certainly turning away tourism and trade from the world's fastest growing economic region Asia Pacific." Meanwhile, EasyJet, British Airways' parent IAG, Ryanair and Virgin Atlantic have renewed their joint attack on the Treasury, saying it intends to grow APD revenue by 46% by 2016. The four airlines said these increases would mean a family of four paying tax of £440 to fly economy-class to the Caribbean, and £500 to Australia. In 2005, a family of four travelling to any long-haul destination would have paid just £80. A family of four in Scotland or Northern Ireland flying to see friends or relatives in England three times a year would have an APD bill of £420. In 2005, it would have been £120.¨ The airlines' CEOs, Carolyn McCall, Willie Walsh, Michael O'Leary and Steve Ridgway, said: "These endless cumulative increases in APD are pricing families out of flying - both from and to the UK. That means fewer visitors to the UK, which destroys jobs in our tourism, aviation and hospitality industries - and chokes off opportunities for young people at a time of exceptional youth unemployment. "CAA figures have confirmed this week that UK passenger numbers in 2011 were at the same level as in 2004. Seven years of rising taxes have brought seven years of no growth. "Aviation wants to, and should be, playing a leading role in economic recovery - as it does in so many other countries. But the UK imposes the highest aviation taxes in the world, and keeps on increasing them without any analysis whatever of their overall economic impact. We are exporting economic growth, and jobs, to competitor countries. How much longer must this madness go on? "We call on the Chancellor to suspend the April 1 rises in APD, and those planned up to 2016, while the Treasury commissions an independent study of the economic effects of this job-destroying tax. "We are confident such a study would show that APD's damage to economic activity

outweighs the revenue obtained. It is irresponsible of the Treasury, if it is serious about pursuing economic growth, to keep piling on APD increases without conducting a study of this kind."

13 March 2012 – Source Travelmole

European Commission expected to hold up BMI takeover

IAG has been told its proposed concessions for the takeover of bmi are likely to be rejected by the European Commission. The airline group, formed through the merger of British Airways and Spain's Iberia, has offered to give up some take-off and landing slots at Heathrow airport in a bid to get quick regulatory approval for its purchase of Lufthansa owned bmi. But IAG's lawyers have been told it is unlikely to be enough to satisfy Brussels' competition concerns, reports the Financial Times. The deadline for an initial Commission decision has been extended to 30 March. IAG has offered up to £172.5m for bmi which would increase IAG's share of slots at Heathrow from 44.8 per cent to 53.5 per cent. The Office of Fair Trading said last week that it would work closely with the European Commission to look at whether the deal posed competition concerns for domestic passengers from other airports in the UK as well as those travelling from Heathrow. It said the Commission has "extensive expertise" in handling airline mergers, including the merger of British Airways and Iberia in 2010 and the tie up between BMI International and Lufthansa. A deal to sell budget airline bmibaby, which is celebrating its 10th birthday this month, is expected in the next few weeks.

13 March 2012 – Source Travelmole

Holidaymakers see hike in hotel prices

Holidaymakers were hit with hikes in hotel prices across the world last year. Global room rates rose by an average of 4% in 2011, according to the Hotels.com 2012 Hotel Price Index which gathered information from 142,000 properties in over 85 countries. There were increases in all regions apart from Asia which saw a 2% dip. Within the Europe and the Middle East region there were drops however with Egypt seeing a fall in price of 22% - with prices down 30% in Sharm El Sheikh resort - and Tunisia down 9%. The average price of hotels in the UK dropped 1% to £82, although London rates rose 1% to £115 on average. European cities popular with Britons saw some big rises, with Amsterdam hotel rates increasing 9% and Venice and Barcelona rooms going up by an average of 8%. In popular sunspots like Ibiza, prices rose by 40% while Greece suffering with economic problems saw a dip of 10% in Athens. US hotel rates went up by an average of 3% in 2011, but the rise was steeper in some American cities, with San Francisco up 14% and Las Vegas rising 11%. Average prices rose 13% in Australia last year and there was a 12% increase in New Zealand, fuelled by the Rugby World Cup. Hotels.com president David Roche said: "Price volatility in 2011 meant UK travellers found it more expensive to stay in the majority of their favourite destinations abroad. "A variety of factors, including currency movements and a growth in corporate travel, pushed up prices at a time when many consumers were already struggling to pay their bills at home."

16 March 2012 – Source Travelmole

Thomas Cook fails to comment on failed bid reports

Thomas Cook has refused to comment on reports that the group rejected an offer of a £400 million cash injection two weeks ago. According to the Financial Times, Cook's chairman

Frank Meysman rejected the proposal from a group of individuals, supported by the group's second largest investor Invesco. It is understood the idea was thrown out in the very early stages of discussions. The 'bid' is said to have been led by Terry Fisher, former managing director of Thomas Cook's scheduled businesses, who left in December 2010. Fisher joined Gold Medal in May 2005 and moved to Thomas Cook when the business was acquired by the group in 2008. Alongside him in the failed offer was Clive Jacobs, founder of Holiday Autos and now owner and chairman of Travel Weekly Group. The FT said the proposed bid would have seen Fisher and Jacobs become joint chief executives of the group. Thomas Cook is expecting to announce a new chief executive in late March or early April and a spokeswoman said the search was progressing well. "Someone is not going to join at that time, but we do hope to have an appointment," she said.

16 March 2012 – Source Travelmole

ONS figures reveal drop in overseas travel

Overseas visits from the UK dropped 4% in the three months to January 2012, compared to the previous year. Latest ONS travel and tourism figures showed spending by UK residents abroad has also fallen, by 2%. Over a 12-month period, visits abroad by UK residents have risen by 1%, but spending has fallen by 2%. Meanwhile, international visits to the UK fell 1% in the three-month period, with a 5% drop in spending. In the past year, however, things are looking more positive, with visits to the UK up by 4% and earnings up by 6%. Mike Saul, head of hospitality and leisure at Barclays Corporate said: "In this Olympic and Jubilee year, the UK continues to attract increasing numbers of tourists, with visitors to the UK up 4% in the past 12 months. "As enthusiasm starts to build ahead of this summer's festivities, early indications from our clients in the hotel industry suggest that bookings are looking strong from international and domestic travellers alike. "With unemployment still high, however, outbound travel figures are stagnating year on year. All eyes are now on next week's Budget and just what it has in store for the consumer purse."

20 March 2012 – Source Travelmole

Kuoni profits rise almost 50%

Kuoni's acquisition last spring of destination management services provider Gullivers Travel Associates (GTA) helped boost the company's annual turnover by 28% to CHF5111m (£3533m) in 2011. Net profit also rose sharply from CHF23.2m (£16m) in 2010 to 33.3m (£23m) last year. "These positive results are attributable to the Kuoni Group's new global focus and stronger business activities in the growth markets of Asia," said the company. "The continued growth of the destinations division and acquisition of Gullivers in May 2011 contributed greatly to this." Political upheaval in the Middle East, the European debt crisis, the natural and nuclear disasters in Japan, prevented even stronger growth, it said. The strength of the Swiss franc against all the major currencies had a negative impact. CEO of Kuoni Group Peter Rothwell said: "Kuoni today is a larger and better positioned company than it was a year ago. The acquisition of GTA, which does a large proportion of its business in the growth markets of Asia, puts Kuoni in a better strategic position. "We have also managed to improve our financial results and achieve organic growth." Rothwell said Kuoni would continue to pursue its "asset-light" strategy minimising ownership of aircraft or hotels. The group will strengthen its board of directors at the AGM next month with the appointment of two new members: Korean Jay Lee, previously in charge of eBay's Asia/Pacific region portfolio; and Dutchman Adriaan Nuhn, who sits on the boards of several international consumer goods companies.

21 March 2012 – Source Travelmole

Rising oil prices expected to wipe $500m off airline profits

Airlines will see their global profit shrink by $500m this year due to rising oil prices, the International Air Transport Association said today. It said it expects airlines to turn a global profit of $3bn for the year, $500m less than it was forecasting last December. Average oil prices are expected to rise from $99 a barrel to $115 this year, but IATA said the avoidance of a significant worsening of the Eurozone crisis, the improvement in the US economy, cargo market stabilization and slower than expected capacity expansion had prevented a more significant downgrade. IATA said the outlook for European airlines - which face by far the most difficult situation among the regions - remains unchanged from December with the expectation of a $600m net loss. Many European economies are in deep recession, it said, and at the same time air travel in the region is being hit by taxation and the cost of the EU's Emissions Trading Scheme. "2012 continues to be a challenging year for airlines. The risk of a worsening Eurozone crisis has been replaced by an equally toxic risk - rising oil prices," said IATA director general Tony Tyler. "Already the damage is being felt with a downgrade in industry profits to $3.0 billion." Airline performance is closely tied to global GDP growth. Historically, when GDP growth drops below 2.0%, the global airline industry returns a collective loss. "With GDP growth projections now at 2.0% and an anemic margin of 0.5%, it will not take much of a shock to push the industry into the red for 2012," warned Tyler. IATA revised upwards its estimated profits for 2011 to $7.9bn from the previously forecast $6.9 billion. This was primarily owing to the much better than expected performance of China's airlines.

22 March 2012 – Source Travelmole

Budget 2012: Chancellor accused of putting 'reckless brake on economy'

The Chancellor's decision to push ahead with the double inflation increase in Air Passenger Duty (APD) in today's budget has been branded as "a reckless brake on the economy" by the Board of Airline Representatives in the UK (BAR UK). The organisation, representing over 80 airlines, said George Osborne has ignored widespread opposition to the tax, while ABTA described the Chancellor's decision to stick with an 8% rise in APD on April 1 as "incredibly disappointing". Airlines said Civil Aviation Authority figures showed UK passenger number were the same as in 2004, suggesting that the tax was suppressing growth. In a joint statement, the heads of British Airways, EasyJet and Virgin Atlantic said: "At a time when the Government talks about creating jobs and growth, its blinkered insistence on further increases in APD achieves precisely the opposite. "Youth unemployment is at record levels. Inbound tourism is a major employer of young people, but international visitors are being turned off the UK because of the exorbitant level of APD - which is by far the highest air travel tax in the world. "Yet again, the Treasury is pressing ahead with further rises without any analysis of their effect on the wider economy. In the absence of such a study, we must assume that the Treasury knows it cannot justify this job-destroying tax in overall economic terms. APD must be scrapped." BAR UK chief executive Mike Carrivick added: "It is a day-dream to assume that air travellers will continue to pay increased air taxes without shrinking the market. "Hitting families and businesses with ever-increasing APD rates and restricting much needed capacity increases at key airports is a recipe for failure." However, families should have more cash in their pockets following the announcement today that the personal tax allowance is increasing to £9.205 - giving an individual an extra £220 a year - and that parents earning up to £50,000 will be allowed to keep claiming child benefit, which will then

gradually withdrawn for higher earners. Russell Eisen, tax director at travel accountants Elman Wall, said that on the whole the Budget was "good news" for travel businesses. Travel firms will benefit from the 1% reduction in corporate tax, also announced today, and the taxation system is to be simplified for very small businesses with a turnover of up to £77,000, who will be taxed on the amount of cash passing through their businesses rather than more complicated methods used for larger firms. Also, the Chancellor hinted there was a possibility research and development allowances would be enhanced, which would help businesses investing in websites and reservations systems. "Much rhetoric but, as ever, we'll need to see the detail over the next few days," said Eisen. Osborne also acknowledged the need for more airport capacity in the southeast of England to avoid Britain being "left behind by China, Brazil and India." He said a report on airport capacity would be published this summer. Virgin Atlantic chief executive Steve Ridgway responded, saying: "The Chancellor has said this is an unashamedly pro-business Budget. To ensure the UK plc. is not left behind the rest of the world, the Government must confront the lack of airport capacity in the south east. We look forward to an urgent and open debate with Government on all options, which must include Heathrow."

28 March 2012 – Source Travelmole

Lastminute goes back to basics with new brand campaign

Lastminute.com has signalled a return to its founding principles with a new brand campaign. The online travel retailer says it will return to its roots of offering 5 star luxury for 3 star prices at the last minute. Starting on Saturday (March 30) a print and outdoor advertising campaign will kick off in London targeting the capital's commuters. The move comes after a number of recent attempts to re-establish the brand with consumers including the targeting of other suburban centres including Manchester and Birmingham. But the latest branding is a back to basics attempt to revitalise the principle that lastminute.com is known for of making the unattainable attainable. The campaign will feature ordinary people in extraordinary locations, lastminute.com said. As well as profiles in the press and around London, the new campaign will feature on lastminute.com's Facebook page and Twitter stream. Kathy Maxwell, head of brand and PR at lastminute.com, said "To us, this creative is more than a rebrand, it marks a transformation of our business, our next chapter. "We have identified our core value proposition and are focused on letting people know why they should come to us." "The ads feature normal people proudly showing off in their amazing environments lastminute.com has provided for them, from amazing hotels to front row theatre seats, and gorgeous spas. "For us that image embodies how we want our customers to feel. We want to inspire a nation of 'prouders' – customers who are proud of the experiences they book through us and suppliers who are proud to work with us." The new campaign has been created by agency adam & eve who were appointed in January.

29 March 2012 – Source Travelmole

TUI pleased with UK trading

TUI has sold nearly half of its UK summer holidays, the same as this time last year. Giving a pre-close trading update this morning, the group said trading in the UK continues to outperform the market, with 48% of the programme sold to date. It said average selling price is up 8% "reflecting cost base inflation of approximately 5% and the continued increase in differentiated product sales". "Our differentiated products which are difficult for all our competitors to replicate continue to perform strongly, and currently account for 63% of UK bookings, up seven percentage points on prior year," said the update. "We have continued to

increase the proportion of holidays sold online with 40% booked online for Summer 2012, up five percentage points versus the prior year." UK summer 2012 controlled distribution is at 90% , with online sales accounting for just under half of this. Meanwhile, UK Winter trading is exceeding expectations, with UK, booked load factor currently at 90%, slightly ahead of this stage last year. "We are pleased with our price performance, with average selling prices up 4% due to inflationary cost increases and increased differentiated product sales," it added. TUI chief executive Peter Long said: "We are pleased with our winter performance, particularly in the UK, where our focus on differentiated product and online distribution is resulting in us out-performing the market. "Summer 2012 volumes have improved in all key markets since our last update. We are pleased with the development of bookings and pricing in the UK, where we continue to out-perform the market and have a strong performance in online sales. "In addition, our business improvement programme is progressing according to plan. We remain confident that these self-help measures, coupled with our strategy, will help us to deliver in the current challenging macro-economic environment." Trading in France, however, remains difficult where bookings for North Africa are weaker than originally anticipated.

30 March 2012 – Source Travelmole

BMI takeover expected to get green light today

British Airways' parent IAG is expected to get the greenlight this morning for its takeover of bmi. The European Commission is expected to agree to the deal after BA reportedly relinquished more landing slots at Heathrow in order to get a quick approval. It is believed that IAG originally agreed to give up 10 pairs of bmi's 56 slots, but then increased its offer to 14, although this has not been confirmed by the group. The £172.5m takeover has been fiercely opposed by BA's rival Virgin Atlantic, which claims it would severely damage competition on key European routes. Yesterday, Virgin president Sir Richard Branson sent a personal letter to the Commissioner of Competition, Joaquin Almunia, warning of the "irreversible damage" that IAG's proposed purchase of bmi could cause British aviation. "The remedies provided by BA in its alliance with American Airlines proved completely ineffective. The same mistakes cannot be allowed to happen again," he said. "BA's proposed competition remedies to get this purchase cleared are woefully inadequate and will ensure that BA continues to control all of the key domestic and some international routes. I am really battling to understand why the commission seems to be bending over backwards to clear this deal at phase one rather than submitting it to the proper scrutiny intended in phase two of the clearance process." According to the financial press, bmi's parent Lufthansa has been warning that it would have to shut down bmi if the Commission decided to hold a lengthy investigation. Meanwhile, IAG has expressed interest in taking a stake in BA's Oneworld partner JAL. The Japanese airline is poised to re-list on the Tokyo stock exchange. In a statement, IAG said: "JAL has done a great job in restructuring its business. IAG would look closely at investing in JAL and wouldn't rule it out at this stage."

30 March 2012 – Source Travolution

Holiday related keywords up 42% from November

More than 4.4 million online searches were carried out using holiday-related keywords in January, up 42% from 3.1 million in November 2011. Searches for holidays to short-haul destinations - largely within Europe - totalled 570,000 in the peak booking month, according to a new study by digital marketing firm Greenlight. Thomson maintained its lead as the most visible site in natural search by consumers, achieving a 79% share of visibility, up by

15% over November. Virgin Holidays maintained its lead as the most visible site for long-haul holidays, increasing its share of visibility from 53% in November to 59% in January. While searches for holidays within Europe remained the most popular - accounting for 39% of online holiday-related queries - actual search volumes were down on November's levels. This was the same for searches to Africa, which had been well ahead of North America in November. North America made the highest gains with search volumes totalling 305,948 in January against 186,740 in November. This saw the region's share of holiday-related queries rise from 15% to 21% in January. The Caribbean & South America, Far East & Australasia and the Middle East & South Asia also made good gains, according to the study. "However, with news reports that the Air Passenger Duty rise will add about £250 to the cost for a family of four flying to Florida and around £360 more to the cost for a four-person family flight to Australia, it remains to be seen if UK consumer online searches for holidays to the currently popular geographic zones might be impacted," Greenlight said.