

UK OFFICE

April 2013 REPORT

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UK Director

Meetings

BA Holidays - Attended the recent BA Call Centre Training day in conjunction with Visit Florida in Newcastle. The training was a day-long event to a total of 120 of their in house sales agents who were split into groups throughout the course of the day. We discussed the area in general, showed the UK powerpoint presentation and also provided the agents with literature and giveaways. Mark Tanner, Destination Manager for Florida and Canada from British Airways was also in attendance on the day. Mark was particularly pleased with how the day went as their Florida campaign was running at the same time as the training day which meant that the training was very relevant.

NCL Cruises – Attended a workshop for agents in conjunction with the inaugural of their latest ship. As a new partner we were asked to come along and promote our destination to the 2,500 travel agents/tour operators that were attending the event and we also had the opportunity to spend time with their trade customers onboard.

TRADE LIAISON

- Extensive liaison with Tampa Bay & Co re the advertorials in the Express, Mail and Telegraph. Advertorials appearing in the publications in late April.
- Barrhead Travel/SeaWorld Parks & Entertainment – Signed off on all elements of this joint campaign. The campaign has now launched with results due to follow next month.
- Barrhead Travel: Confirmed our participation in a retail in-store promotion with Barrhead Travel that will take place in May 2013. The campaign will include window posters in their retail outlets across Scotland, advertisements on the Scottish Underground system, local advertising as well as banner ads and a dedicated landing page. Also provided Barrhead Travel with a supply of literature including visitor's guides and area maps for their new, state of the art Luxury Travel branch that will open in Glasgow City Centre's business district in June.
- Premier Holidays/SeaWorld Parks & Entertainment. The co-op marketing activity with Premier Holidays and SeaWorld Parks & Entertainment has now finalised and has now launched. The promotion will continue into the middle of May 2013. Results will follow in due course.
- Manchester Advertising – secured quotes for extensive advertising in Manchester in September on bus sides, bus shelters and on taxis. Currently soliciting operators for a call to action.

- Virgin Holidays – Final liaison and sign off on the Virgin Holidays/Visit Florida campaign.
- ETraveli – Extensive liaison with ETraveli and SeaWorld Parks re this promo that is running across 3 brands in 4 countries. Promo has launched and will be live for 2 months.
- Norwegian Fam Group – 12 Norwegian tour operators attended a fam 10th – 12th April. The group were staying at Sand Dollar and experienced a range of local hotels and activities. Feedback has been excellent.
- British Airways Holidays Florida Campaign – The joint campaign with BA and Visit Florida was launched on the 16th April. As previously mentioned our other destination partner is Tampa Bay & Company. Brand USA are also part of the campaign.
- Decathlon Promotion – The Decathlon campaign has now ended and results are as follows:
 - Promotional channels included: In-store posters, flyers, Decathlon customer magazine, website homepage banner, dedicated landing page, direct mailings, e-newsletter and social media interaction
 - Banners on the Decathlon homepage generated 870,541 visits and of this 585,494 were unique visitors
 - 3 x e-newsletters were sent to the whole database which has 187,000 subscribers
 - Mention in the Decathlon direct mailers which reached 45,000 households in total
 - Mention in the Decathlon Magazine which had a door drop to over 1,900,000 with an additional 26,000 in-store
 - 10,000 A5 flyers across 14 UK stores, between 500-1500 per store
 - Average 10 x A3 posters per store
 - Competition Landing Page with 10,352 visits, 9,052 unique visitors, competition entries totalled 4,645 and of this number 2,350 opted in for additional data
 - 2 x posts on Facebook page, 14,790 followers in total
 - 3 x posts on Twitter feed, exposed to 12,300 followers in total
 - **Total reach 3,163,776**
 - **Total Media Value £100,400**
 - **Return on Investment 10:1**
- Bathstore Promotion – The Bathstore campaign has now ended and results are as follows:
 - Promotional channels included: Mention in Bathstores ‘Bathtimes’ magazine, Sunday Telegraph & Sunday Times, Bathstore website homepage banner, Personalised landing page, Flyers in-store, E-newsletters, Mention in Bathstore postal mailing letter, Social Media interaction
 - Banner on Bathstore homepage generated 49,322 unique homepage visitors across the 4 live days
 - Competition Landing Page had 35,256 unique visitors, Competition Entries totalled 33,825 with 1,524 opting in
 - 2 x E-Newsletter mailed to 370,268 in total
 - Mention in A4 letter mailed to 2,000 in total with accompanied A5 flyer
 - Minimum of 100 A5 flyers in all 169 UK stores

- Mention in the Bathstore ‘Bathtimes’ magazine with 1 million copies published in the Sunday Times and Sunday Telegraph on 24th May
 - 4 posts on Bathstore Facebook page homepage exposed to 16,448 followers in total
 - 4 posts on Bathstore Twitter feed exposed to 7,996 followers in total
 - **Total reach 1,448,190**
 - **Total Media Value £85,306**
 - **Return on Investment 9:1**
- Flexibletrips – Extensive liaison and sign off on the joint promotion running in May to include banner ads, landing page and flyers to their retail network.
- Tour America/Visit Florida Promotion – The joint campaign has now launched and will run through until the 3rd May.
- Gold Medal – Extensive liaison with Gold Medal and sign off on a number of elements for the current co-op marketing campaign.
- Norwegian Cruise Lines: We have confirmed a 2013 partnership with NCL that will include attendance at the NCL inaugural that will be taking place in Southampton this month, participation in their 2013 travel agent road shows scheduled for October/November 2013, participation in their online travel agent training programme, a dedicated Webinar to train their top selling agents as well as participating in their awards dinner.

As part of this partnership we attended the NCL inaugural that took place in Southampton this month and were also offered the opportunity to participate, free of charge, in a BP mailing to the agents attending the inaugural. A meeting has also been scheduled for next month to discuss the partnership further.
- Flight Centre: Discussions are taking place with Flight Centre regarding a possible in-store consumer promotion in their High Street Flight Centre Travel Stores around the UK.
- Virgin Holidays/Virgin Retail: Discussion on-going to secure a date to meet and discuss the proposed Virgin Retail in-store promotion.
- Travel Extra Ireland: Confirmed our participation in the Travel Extra United States Publication in May 2013. The guide is consulted by Irish travel professionals throughout the 2013/2014 booking season and we shall be taking a one page advertorial. Provided the publication with copy, imagery and logos.
- British Airways/Visit St. Pete/Clearwater & Tampa Bay & Company Fam Trip: Work has begun on our annual joint fam trip for tour operator reservation agents in conjunction with BA and Tampa Bay & Company. A total of nine sales/reservations agents as well as a host (this year to be escorted by the Tampa UK Rep) have been invited to join us in resort on the fam trip that will take place in May 2013. The agents will be visiting both St. Pete/Clearwater and Tampa Bay area hotels, attractions & restaurants on a 4 day trip.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

02 April 2013 – Source Travelmole

APD rise comes into force

A rise in Air Passenger Duty comes into force yesterday, despite fierce campaigning from the travel industry. The new rates mean a family of four flying in economy class to Florida will now pay £268 in APD, while a family of four flying to the Caribbean will pay £332.

Campaigners say the tax hits hard-working families where it hurts, with many families having to pay hundreds of pounds in air passenger taxes on their annual getaway. "The Chancellor's decision to proceed with yet another APD increase from this April will only make the situation worse, and so the Airport Operators Association - together with A Fair Tax on Flying alliance - will continue to make the case for fairer levels of APD ahead of this year's Autumn Statement," said AOA chief executive Darren Caplan. "The Treasury needs to conduct an independent study into the impact these shocking levels of APD are having on the wider UK economy, and the damage it is doing to our competitiveness, our reputation as an outward looking trading nation, and our ability to generate jobs and growth in these tough economic times." Simon Buck, chief executive of the British Air Transport Association, another member of the Fair Tax on Flying campaign, added: "It's not good enough to continue increase APD when the clear economic evidence shows that it both damages the UK economy and adds hundreds of pounds onto the annual tax bill of many families who fly overseas every year." As part of the campaign, 200,000 people wrote to their local MP in 2012 calling for the Treasury to undertake a review into the economic impacts of APD. But some have questioned whether the industry-wide campaign has lacked clout and direction.

02 April 2013 – Source Travel Daily

Affluent travellers booking more but ditching agents

A survey in the US has found that affluent consumers are planning to spend more on leisure travel in 2013 than they did last year, but are growing less inclined to book through a travel agency. The Affluent Consumers & Their Travel Plans for 2013 survey, by Unity Marketing compared results with those in surveys conducted in 2012 and 2011, based on feedback from 1,300 consumers with an average income of \$267,800 and an average age of 45.4 years. "Fewer than a third of the respondents said they plan on using a travel agent – and that amount has been declining," said Pam Danziger, president of Unity Marketing. "They have all these new tools at their command, including their mobile apps. Competition is growing." Despite the negative news for agents, Danziger said there were opportunities, particularly for experiential travel. "People are looking for special insights that go beyond booking a flight," she asserted. "So you have to really be knowledgeable about the destinations you sell – enough to be able to deliver a new and important experience that consumers can't easily find on their own."

04 April 2013 – Source Travel Daily

Virgin to discuss JV options with Air France-KLM Alitalia

Virgin Atlantic is planning to hold talks over a possible joint venture (JV) with Air France-KLM and Alitalia which would see Sir Richard Branson's airline offer more routes to Asia, Africa and the Middle East, according to reports. Julie Southern, Virgin's chief commercial officer, told the Financial Times the carrier was "very interested in exploring what further cooperation opportunities there are", particularly with Air France-KLM and Alitalia. While "no detailed discussions" have taken place yet, Southern confirmed talks are due to take place in the coming months. Virgin Atlantic is already planning a joint venture with Delta Air Lines this year in a bid to challenge British Airways' dominance of the London to New York

market. A similar deal could be made between Virgin and Air France-KLM to open up more flights to Asia, the Middle East and Africa. Italian airline Alitalia could also be involved in the tie-up. There is speculation that Virgin is considering altering its business model and may drop its independence as it looks to return to profitability. Jean-Cyril Spinetta, Air France-KLM's chief executive, said the Franco-Dutch group may consider a JV with Virgin on Asian and African routes. Delta, which is planning to take a 49pc stake in Virgin Atlantic, already has a partnership with Air France-KLM and Alitalia on transatlantic routes.

04 April 2013 – Source Travel Daily

Bookings up for high street agents

High street agents noted a strong February with summer bookings up 2% on last year, according to industry analyst GfK. While total booking were flat for the month year-on-year, revenue gained 8% for the same period -, an average £52 a passenger. Sales of package holidays, family holidays and all-inclusive rose 8%, 6% and 14% respectively. There were shortfalls however, adult bookings for short breaks dropped 3%, but the demand for seven and 14-night holidays held up. Despite this, GfK highlighted a shift to shorter holidays among families, with a 22% increase in sales of 'six nights or fewer' despite the rise in average price. Total season-to-date bookings for summer 2013 remain 1% down, with revenue 2% up, according to GfK. Bookings for the winter season about to end were 7% down year on year in February and 8% down overall – broadly in line with capacity – but with revenue better at -4% on 2011-12. GfK managing director Sarah Smalley said the deep capacity cuts "will help re-base the market so we should see less steep declines in future."

Tunisia and Egypt were among the fastest-growing summer destinations in February, along with Minorca, Tenerife and Croatia. Mexico was the leading growth destination for winter – up 8% for the season to the end of February, on top of 20% growth last year, despite an average selling price of £1,457.

04 April 2013 – Source Travel Daily

Premier Travel closes 2 branches

Premier Travel is closing 2 of its branches following a full review of the business, according to the company. The East Anglian-based firm said that the Gorleston branch, near Great Yarmouth in Norfolk, had already closed with all bookings transferring to its Reepham Road branch. Its Travel Centre in Grove Road, Norwich is still operating, although the company confirmed there were plans to close it "in the near future". A spokeswoman for the Premier Group said: "After a full review of the business it became apparent that business levels at these branches were not in line with the others and therefore the changes had to be made.

"This was obviously a very difficult decision but we believe a strategic one, which enables us to utilise resources and grow our business in our most successful branches."

04 April 2013 – Source Travelmole

Travel trade wants to accept APD and 'get on with it'

The vast majority of the travel trade wants to accept the Air Passenger Duty rise and "get on with it", according to a TravelMole Poll. We asked: "APD unchanged: should we just get on and accept it?" The poll received 15,670 votes, of which nearly 98% voted "yes, we should accept it", while only 2% disagreed. A rise in APD came into force on Monday, despite fierce campaigning from the travel industry. The new rates mean a family of four flying in economy class to Florida will now pay £268 in APD, while a family of four flying to the Caribbean will pay £332. Simon Buck, chief executive of the British Air Transport Association, a member of the Fair Tax on Flying campaign, said: "It's not good enough to

continue increasing APD when the clear economic evidence shows that it both damages the UK economy and adds hundreds of pounds onto the annual tax bill of many families who fly overseas every year."

09 April 2013 – Source Travel Daily

Virgin Atlantic's domestic services start

Virgin Atlantic launched its domestic services under the Little Red brand at Edinburgh Airport today. Founder Richard Branson was on hand at the Scottish airport to reveal its 'stiff competition' to British Airways' flights between Heathrow and Manchester, Edinburgh and Aberdeen. Virgin Atlantic will fly 26 domestic flights a day and is expected to carry up to a million passengers a year on the routes. "Virgin Atlantic Little Red is the next step on our exciting journey, allowing us to offer a more connected network which will deliver sustained and effective competition at home and around the world," said Branson. Newly appointed CEO Craig Kreeger said the routes had proved popular for connecting to long-haul destinations. Little Red has already secured codeshare agreements with Singapore Airlines, Air New Zealand, South African Airways and Cyprus Airways with plans for more.

09 April 2013 – Source Travel Daily

Florida driving permit not legal requirement

British holidaymakers no longer need to hold an international permit to hire a car in Florida after an outcry from tourists and the trade. The law has been revoked for British travellers after it was suddenly introduced in January and caused confusion over insurance policies and legal position. Some car hire firms may still ask for the international permit, which is still in place for licences in a foreign language.

10 April 2013 – Source Travelmole

Titan Travel sister brand set to close

Cheltenham-based Tailor Made Travel is likely to close with the loss of up to 30 staff, mainly homeworkers. The parent company Acromas Holdings confirmed today that it had entered into a 30-day consultation with Tailor Made Travel staff to discuss its proposal to withdraw the bespoke travel brand which specialises in long-haul holidays. The consultation will end on May 8. Spokesman Paul Green said that in the meantime it is "business as usual" for the mainly direct-sell brand, which is continuing to take bookings. If Tailor Made does cease to operate, existing bookings will be handled from sister brand Titan Travel's office in Redhill, Surrey. Green said some Tailor Made staff would be given the option to transfer to Redhill or take redundancy unless a buyer is found for the brand, which takes around 1,000 bookings a year. He said the consultation follows a review of the business by parent Acromas Holidays, an insurance-to-travel group which also owns the AA and Saga Holidays. "Tailor Made makes up only a very small part of the overall Titan family," said Green. "The rise of the Titan business is an incredible success story so far this year, whereas Tailor Made is very labour intensive and so it is difficult for it to return a profit." If the brand closes, Green said some staff could be employed for a further year to handle existing bookings, initially from the Cheltenham office and later from Redhill. "We will need to recruit people to work in Redhill, so that depends on the staff and whether they want to move," he added.

10 April 2013 – Source Travel Daily

Delta, Virgin Atlantic file for anti-trust immunity

Delta Air Lines and Virgin Atlantic Airways have filed an application with the US Department of Transportation (DoT) seeking anti-trust immunity for their planned trans-Atlantic joint venture. If approved by competition regulators, the partnership would allow

the two carriers to join forces on a series of sectors between the US and UK, coordinating flight schedules and pricing. "Our proposed joint venture will mean an expanded schedule with more frequencies and destinations for customers travelling between the key business markets in the US and the UK," said Delta's President, Ed Bastian.

15 April 2013 – Source Travelmole

Travel Counsellors leaps up profit league table

Five travel firms have made the Sunday Times Profit Track 100 league table with Travel Counsellors jumping 67 places since last year. Paultons Park in Hampshire, which is home to Peppa Pig World, came 12th with profit growth of 107.68% in the table which rates Britain's private companies with the fastest-growing profits. Travel Counsellors rose to 13th position, up from 80th last year, with 102.96% profit growth. The homeworking group founded by David Speakman has exported its business model around the world. Hotel operator Arora Holdings, which started running a bed-and-breakfast business for airline staff at Heathrow in 1999, saw profits grow by 84.29%. In 22nd place, the company now runs six hotels around Manchester, Heathrow and Gatwick airports. It plans to develop hotels at sporting venues including a project at the Oval cricket ground. Great Rail Journeys came 78th with a 49.87% growth, partly due to investment in brands and ecommerce. Accommodation website Totalstay ,which features hotel rooms for agents, operators and consumers to book, came 95th with a 44.09% increase. The company runs Totalstay, Hotel Pronto and Exclusively Hotels and was launched by Peter Clements during the dotcom boom in 1999. To be eligible, companies had to be registered in the UK, independent and to show profit growth over three years, exceeding profits of £3 million in the latest audited accounts.

15 April 2013 – Source Travel Daily

IATA plans restructure as it consults trade over NDC

International Air Transport Association (IATA) has announced a restructure to come in force on 1 July as it looks to be more valuable to its airline customers. Taking on a concept of 'Global Development, Regional Delivery', the changes will see its regional operations condense from seven offices to five with Europe's to remain in Madrid. Its head office will be split into five new division including a new 'Airports, Passenger and Cargo Services' division alongside its already standing divisions that cover member relations; safety, finance & distribution and marketing & commercial. "Strengthening our regional structures where we are closest to our members will help us to understand and meet their needs better. We have also regrouped activities that have grown organically over time with the goal of being more intuitive to those we deal with," said Tony Tyler, director general and CEO of IATA.

The restructure comes as the association faces scrutiny from travel agent associations over its New Distribution Capability (NDC). Associations have argued that the booking system could limit fare competition and impose a huge cost on travel agencies if introduced.

16 April 2013 – Source Travel Daily

US sees more hotel development

The number of hotels under development in the US has risen significantly in the last year, according to the latest pipeline report by STR. The total nationwide hotel development pipeline in the US now comprises 2,717 projects with 320,750 rooms - 9.2% more than in March 2012. In fact the number of hotel projects actually under construction in the US has leaped 19.3%. New York City reported the largest number of rooms under construction, with 10,247 - a 34.4% increase compared with March 2012.

17 April 2013 – Source Travolution

Over half of flights now low cost, finds Amadeus research

More than half of all flights from the UK (52%) are now operated by low-cost carriers (LCC), a rise of 4% on 2011, new research out today reveals. Spain has the highest share of departing LCC traffic in Europe at 57%, followed by the UK. Meanwhile, 65% of all air travel in the Philippines and 61% of all air travel in Thailand is made on low-cost carriers.

LCC penetration is highest in Europe at 38% and North America at 30%. The new analysis from Amadeus Air Traffic Travel Intelligence shows that worldwide air traffic grew by 5% between 2011 and 2012, with Asia being the largest, fastest-growing and most competitive market. Asia saw year-on-year growth of 9%, followed by Latin America, at 6%. The study also highlights that 22% of all global air travel is concentrated on just 300 ‘super routes’, each of which carries more than one million passengers a year. Furthermore, 69% of all global air travel is made on major routes with 100,000 annual passengers.

19 April 2013 – Source Travel Daily

London Airport Regulations in shake up

Heathrow, Gatwick and Stansted are to face new regulation and pricing structures from the Civil Aviation Authority (CAA) later this month. According to the Daily Telegraph, the shake-up will stop Heathrow from increasing its landing charges of 5.9% a year above inflation and will give Gatwick more freedom to start up commercial deals. The new rules would also replace Stansted’s formula and could reduce fares across all three although the money could be ploughed into airport development. The initial proposals will be published on 30 April outlining the maximum landing charges per passenger for the airports, which are all now under separate owners. The CAA’s current regulations have been criticised since the sale of Gatwick and Stansted from BAA as each airport operates differently, while the Davies Commission into airport capacity in 2015 could mean another change in two years’ time.

The report added that the CAA could benchmark charges against European airports or remove price caps.

19 April 2013 – Source Travel Daily

Thomson, First Choice unveils summer 2014 programmes

Thomson and First Choice revealed their summer 2014 programmes today with new additions across the brands. Direct operations to Mauritius and new holidays to Puerto Vallarta, Mexico are amongst the new options for Thomson and First Choice next year, with a new Sensatori Jamaica and new twin-centre options in Florida also announced through Thomson. The Mexico and Jamaica options are available as wedding destinations through Thomson with Bride and Groom incentive offers available that include free gifts such as a wedding dress travel box, champagne and access to an airport lounge. Mauritius has been added to the programme. ‘Tour and stay’ options have been added for Thailand following the launch of its direct flights to Phuket this winter. First Choice has also added a Holiday Village in Ibiza and a SplashWorld in Hurghada in the programme, alongside five Club Magic Life resorts in Fuerteventura, Tunisia and Egypt which goes on sale from 25 April.

“With our summer 2014 programme shaping up to be the ideal combination of desert island relaxation and luxurious hotels set in cultural surroundings, we have the perfect mix to suit couples, families and friends,” said Mark Hall, director of product.

19 April 2013 – Source Travelmole

Overseas holidays down and fewer Brits going long-haul

The number of visits abroad from the UK dropped last year, with the biggest fall among holiday visits. The overall number of visits overseas fell 0.5% from 56.8 million in 2011 to

56.5 million last year. Holiday visits, which account for nearly two thirds of visits abroad, fell most significantly by 1.8%. Meanwhile, business visits and visits to friends or relatives grew slightly. According to the latest travel trends report from the Office of National Statistics (ONS), UK residents cut back on longer haul trips to North America and other countries outside Europe. The number of trips to North America plunged 7.5% from 3.7 million to 3.4 million, while travel to other countries outside of Europe dropped 2% from 9.1 million to 8.9 million. Visits to Europe increased very slightly by 0.3% to 44.2 million. The number of package holidays abroad rose in 2011, but last year they slipped by 1.8%. "Given the 1.8% fall in all holiday visits, package holidays' share of the holiday market remained unchanged," said the ONS report. Spain and France still account for approximately a third of visits abroad, but while visits to Spain were up 4.3% to 11.1 million, visits to France continue to decline and are now 2.1 million lower than in 2008 (8.8 million compared with 10.9 million). Visits were down to Greece by 5.7% to 1.8 million following an increase in 2011. Visits to Egypt, which has seen unrest, have almost halved since 2009 from 749,000 to 407,000, and fell by 109,000 in 2012. But last year, Morocco, Tunisia and other North Africa countries saw a growth of 121,000 visits from the UK. Despite a 1.8% fall in visitor nights spent abroad by UK residents in 2012, spending on visits abroad rose by 2.4% in absolute terms to £32.4 million.

24 April 2013 – Source Travolution

BA Executive VP quits to join Travelzoo

British Airways executive vice president for the Americas is quitting to join Travelzoo.

Simon Talling-Smith becomes products and emerging businesses president from August 1. He will oversee all product development, infrastructure and customer-related activities. He will also lead Travelzoo's emerging businesses, including Fly.com, Travelzoo's new hotel booking platform and mobile apps. Talling-Smith is chairman of the American Airlines-British Airways-Iberia joint business and was previously head of e-commerce. Travelzoo chief executive Chris Loughlin said: "Simon brings over 20 years of world-class product, commercial and executive leadership experience to Travelzoo. He has an outstanding track record of developing high-quality products and highly effective organisations."

30 April 2013 – Source Travel Daily

Virgin COO quits after losing battle for top role

The chief commercial officer of Virgin Atlantic, Julie Southern, is to leave the company in May after missing out on the role of CEO. Having been beaten to the post by Craig Kreeger, a former executive at American Airlines, Southern will now leave the airline she worked at for 13 years. Southern was seen by many as the most likely successor to the company's outgoing chief executive Steve Ridgway, who retired recently after 11 years in charge.

Virgin said in a statement, released to The Daily Telegraph, that Southern will be moving on "to pursue new challenges" on 10 May, having been "pivotal in leading the airline's commercial endeavours during times of rapid growth and expansion." The airline added: "She will remain a close friend of the airline and we wish her well." Since the appointment of Kreeger in January, Southern has continued in her role as chief commercial officer, leading the implementation of Virgin's joint venture with Delta, which agreed to buy a 49% stake in the UK carrier for \$360 million. Before joining Virgin in July 2000, Southern was finance director for Porsche Cars in the UK.