

**UK OFFICE**  
**March 2016 REPORT**  
**Prepared by: Venessa Alexander**  
**UK Director**

**Tour Operators**

- **Titan Travel** – We met with Jayne White, Product Manager, who advised that overall their business to the US was slightly down, however revenue has increased versus bookings in 2015. This was due to the increase in rates for hotels and airfares. They currently offer 1 tour incorporating Clearwater Beach for a 1 night stay at Sheraton Sand Key, which attracts their customers who are on average aged 67 years old.

**Trade Shows**

- **Swanson's Travel Day** – As part of Florida Beaches we attended their annual consumer travel day on Saturday 5<sup>th</sup> March, at their office in Osby, Sweden, which celebrated its 14<sup>th</sup> year. The show attracted 1460 visitors who were able to speak with exhibitors from over 30 US cities and book their holidays with a Swanson travel consultant. There was a continuous flow of visitors to our booth who were very engaged and wanted to discuss holiday itineraries, attractions in each of the destinations and to receive brochures. The majority of the attendees were travelling to the destination in the next couple of months or plan to travel in the next year.
- **FDM Travel** - As part of Florida beaches we attended their annual consumer show on Sunday 6<sup>th</sup> March which attracted over 4000 visitors from throughout Denmark and southern Sweden. Consumers were able to gain more information about USA destinations from over 30 exhibitors. Throughout the day, the booth was extremely busy with people wanting to discuss itineraries as well as receive brochures. Overall the show was very well received.

**Meetings/Training/Events**

- **Discover America Denmark** – We attended their travel agent evening event which consisted of timed workshops with the agents, as well as food and a prize draw. The event was attended by approximately 250 agents and media, who received brochures and maps, and a destination overview from each of the 65 exhibitors. We were able to speak with key sales staff from agencies that we may not have been able to see during the year, so the event was a success and we would consider participating again in the future.
- **USAirtours/TravelPlanners** – We visited their Head Office in Essex to provide training to approximately 20 sales specialists, to coincide with the launch of the sales incentive. Many of these agents had not visited the destination, so the training was very well received by the agents.
- **TUI Specialist** – We attended their dedicated Florida training day, which enabled the 15 exhibitors to speak with their staff about the destinations ahead of their 2017 brochure launch. We spoke with approximately 50 agents who received a destination overview as

well as brochures. Many of the agents had not been to the destination, so it was a good opportunity to meet with them.

- **Travel Bulletin, Chester and Newcastle** – We attended their sales agent evening events in Chester and Newcastle on Monday 21<sup>st</sup> and Tuesday 22<sup>nd</sup> March, which was well received by the agents. The evenings consisted of a speed networking event, which allowed the 12 suppliers to present to each of the small groups of agents, before a plated buffet dinner was served. We met with 58 agents in Chester and 66 agents in Newcastle, and we were able to provide them with brochures and maps, as well as answer any questions. Overall the agents were very engaged and appreciative of all of the information provided.
- **North America Travel Service** – We visited their head office in Leeds to provide training to 6 of their key sales agents. Many of the agents had not been to the destination, so it was a good opportunity for us to speak about the new hotel openings as well as provide a destination overview.
- **American Sky** - We visited their Head Office in East Grinstead to offer training to their sales agents. They are about to implement specialists teams, which will include a dedicated Florida team, which will allow us to focus on these agents particularly when offering further training and fam trips. Many of the agents had not been to the destination so were very engaged in the training session asking relevant questions to gain more knowledge. We were able to provide them with visitor guides and maps.

## **TRADE LIAISON**

- **Virgin Holidays/Visit Florida Campaign** – Confirmed participation in the forthcoming Virgin Holidays/Visit Florida annual co-op marketing campaign. The campaign will run from the 1st – 31st May and will include press adverts, outdoor activity on London Underground Digital Escalator Panels and carousel ads via social media. The activity will be based on the ‘Dream Bigger’ creative route which Virgin Holidays launched in January of this year and which is all about ‘Virgin Holidays letting you escape the ordinary into the extraordinary in Florida’.
- **British Airway Holidays/Visit Florida Campaign** – We received a proposal for their Florida campaign which is in partnership with Visit Florida and other Florida partners. We have now confirmed our participation. The activity will launch in May and target pre and post family mainstream customers, and include interactive digital display units and targeted digital advertising.

Keri Mulqueen, Destination Executive, advised that room nights were tracking at -25% compared to last year for the destination, and suggested that this was because the airfares were higher into Tampa versus last year. Their Orlando airfares are currently more competitive due to the competition from indirect services from other airlines. She also commented that there is less capacity into Tampa for winter 2016/17.

- **Virgin Holidays/Virgin Retail** – The Virgin Retail in store promotion and staff incentive has now been launched and will run until 11<sup>th</sup> April. The campaign included in-store

standee graphic displays in all 105 stores across the Virgin Retail network as well as a staff incentive.

- **Travel Republic** – We have received the final artwork for sign off. The campaign went live on their website and will be in market until the end of July.
- **Gold Medal** – We received a draft copy of the Gold Medal 2017 Florida preview brochure for sign off for the St Pete/Clearwater page from Ashley Pilkington, Assistant Product Manager. This has now been signed off.
- **Visit USA Ireland** – Clodagh Oxley, Executive Director advised that they will no longer be sending out monthly newsletters to their database. They are working on their strategy and will advise in due course of how we will be able to work with them to promote St Pete/Clearwater.
- **Deichmann Shoes/British Airways Holidays Brand Affinity Campaign** – We have received the artwork from Deichmann which consisted of store banners, web banner, newsletter and facebook page. All of the artwork has been signed off, and the campaign launches on 14<sup>th</sup> March.
- **USAirtours/TravelPlanners** – The joint campaign with USAirtours and TravelPlanners has now launched and will continue into April. The staff incentive with the sales team, offering agents the chance to win Love2Shop vouchers when booking holidays to St Pete/Clearwater during March has also started and will run for a period of one month. We also provided Linda Dixey, Product Manager, with contact details for Nancy Cimney as they are adding Opal Sands to their programme and required copy and images.
- **TUI Specialist** – We have received the artwork for the tactical direct marketing email, which has now been signed off. Other artworks will follow in due course. We have confirmed our participation in their Thomson Store training evening event in Peterborough next month.
- **American Holidays, Ireland** – We have confirmed our marketing campaign which will consist of; full page advert in the Sunday Independent, cinema, online digital display and social media, American Holidays website, Ezines, lightboxes and plasma screens. This will be in market during April and May. We have provided assets and are waiting to approve the artwork.
- **St Pete/Clearwater consumer campaign** – Following on from the consumer campaign in February, we have finalised the winners and have begun liaising with BA Holidays to confirm the 4 prizes.
- **Discover America Stockholm** – Following our attendance in January, we assisted Petra Bodman from BCD Travel to confirm her 3 night prize at Blue Waters Beach Club.
- **Swanson's Travel, Sweden** – We have started discussions for marketing opportunities with Tommy Swanson for later this year which will include; dedicated newsletter to 43k subscribers, newsletter to approx. 350 travel agents in Sweden, homepage, and digital banners. We are looking to get this activity live during April.

- **St Pete/Clearwater Fam Trip** – As part of our barter as the call to action on our ad campaign, we have secured seats with British Airways for a dedicated UK & Ireland Fam trip for 9<sup>th</sup> – 13<sup>th</sup> June. We have confirmed 4 nights accommodation at Holiday Inn & Suites Clearwater Beach for the group. We will begin finalising the itinerary next month and confirming the participants.
- **Ocean Florida** – Work has started on a joint co-op marketing campaign with Ocean Florida that will launch in May and continue into the month of June. The campaign will include 3 x newsletters (Flash, Reactive and Educational), 1 x landing page, 1 x homepage banner for a period of 2 weeks, paid social media activity including social media headers for 2 weeks, 2 x Travelzoo listings, dedicated paid search on Bing, Yahoo and Google PPC and YouTube advertising. Images, copy and logos have duly been sent and we are currently working on approvals for the campaign.
- **Ocean Florida** – Muna Abanour, Destination Executive, advised that their room nights were flat into the destination, however they are expecting to end the year up versus last year. They currently have an internal beaches incentive and training for their sales agents, and our marketing activity will launch in May.
- **Funway Holidays/My America Holiday** – We have now received the final results from the joint campaign we ran with Funway Holidays and My America Holiday and these are as follows:
  - The My America Holiday Microsite received 7,855 click throughs
  - The Destination Page received 902 click throughs
  - The myamerica.co.uk Homepage Banner received 24,970 impressions and 289 click throughs
  - The My America Holiday email received 50,064 impressions and 254 click throughs
  - Sponsored social media received 37,815 impressions, 1048 likes, 49 shares and 31 comments
  - PPC activity received 5657 impressions and 303 click throughs
  - The Funway Brochure had a print run of 20,000 copies and is currently in circulation
- **Tour America** – Tour America has again this year won the prestigious Deloitte ‘Best Managed Company’ award for the 7<sup>th</sup> year running and also received the accolade of receiving the Platinum Club Award this year.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

151

## **MARKET INTELLIGENCE:**

2 March 2016, Source Travelbiz

### **Should you buy your holiday cash now? Currency brokers bombarded with orders for euros as value of the pound plummets**

Families worried costs will soar before Easter and summer holidays

Post Office has exchanged 43% more euros in the past week year-on-year

A pound will now buy you just \$1.35, compared with \$1.51 a year ago

Holidaymakers are stockpiling travel money as the value of the pound plummets.

The prospect of Britain pulling out of the EU is slicing huge chunks off the pound's purchasing power in other countries. Currency brokers, including Hifax and Asda Money, have been bombarded with orders for holiday cash from families worried that costs will soar before their Easter or summer breaks. The Post Office, which is Britain's biggest currency seller, has exchanged 43 per cent more euros over the past week than in the same period last year. On some days it is selling double the normal amount for March amid fears that Britain's currency crunch could get worse. Darren Kilner, of FairFX, another foreign exchange firm, says: 'The past week or so has been much busier than normal. Customers are fearful about the impact the EU referendum might have on their holidays.' Last week, sterling fell to its lowest level against the dollar since the financial crisis in 2009. A pound will now buy you just \$1.35, compared with \$1.51 a year ago. That means you will get \$80 less for every £500 you change. The pound has also fallen 9 per cent against the euro, with £1 now buying €1.23 compared to a peak of €1.40 in July. For every £1,000 you exchange, you now get €170 less than last summer. Experts say the pound could collapse in the countdown to the EU referendum on June 23. HSBC says that the pound could even fall another 20 per cent if Britain votes to leave, taking the pound to around \$1.11 — its weakest level since 1985 — while experts at UBS have suggested it could eventually fall to parity with the euro. David Buik, a respected financial commentator at stockbroker Panmure Gordon, says: 'Although talk of the pound falling to parity with the euro is extreme, an exchange rate of €1.15 is possible. However, I expect sterling to enjoy a sharp rebound before too long.'

2 March 2016, Source Travel Newsgram

### **NORWEGIAN TAKES DELIVERY OF FIRST BOEING 787-9 DREAMLINER**

Oslo: The Swedish actress Greta Garbo is proudly displayed on the tail of Norwegian's first 787-9, leased from MG Aviation. The aircraft's first commercial flight will take place on 27 February 2016 from Oslo to Orlando. Norwegian leased the airplane through an agreement with MG Aviation. The delivery is also the first Dreamliner to MG Aviation, the aviation leasing arm of Jordache Enterprises which has three additional 787s on order. "The 787-9 Dreamliner will provide Norwegian with unrivalled operational advantages, large improvements in fuel efficiency and much lower costs," said Norwegian's CEO Bjørn Kjos. "In addition, it is an airplane that offers an exceptional in-flight experience." Norwegian already operates eight 787-8s and will use its 787-9s to open up new routes across North America, South America and Southeast Asia with its increased range and capacity. Norwegian serves more than 130 destinations across Europe, North Africa, the Middle East, the USA and Southeast Asia, with a fleet that includes 90 Next-Generation 737-800s and eight 787-8s. In October 2015 the airline placed the largest single order for 787-9s from a European carrier, ordering 19 airplanes valued at more than US\$5 billion at list prices.

9 March 2016, Source TTG

### **Barrhead Travel opens first branch in England**

The independent travel group's recently unveiled Newcastle branch is its only one to be opened south of the border. Based in Eldon Square on Tyneside, the new outlet is part of a

£1.5 million investment for the company - pushing its total number of UK stores to 61. Headed-up by manager Vanessa Rowley, the shop employs 16 travel specialists with Barrhead anticipating more growth due to a forecasted busy summer season. Sharon Munro, chief executive for Barrhead Travel, believed the new store will give the company, which was founded in Glasgow, an “outstanding platform” to help customers, she said: “We are very excited to have launched our store in Newcastle. “Our store in Eldon Square gives us an outstanding platform to meet our commitment of delivering the best and most comprehensive travel experience to our customers in the North East. “Trends have shown us that people are heading back to their trusted high street travel agents in droves as they appreciate the help and expertise that a travel specialist can give them, rather than spending hours looking for a deal online.”

14 March 2016, Source TravelMole

### **What makes a good beach?**

Graham McKenzie feels the joy of sand between his toes on a variety of Florida's best beaches - all in the name of research. It's a hard life. "There's one thing you can definitely say about Florida - it does a good beach. Many of the top 10 beaches voted for in the US have been in the Sunshine State, but what is the make-up of a good beach? Never ending sand? Small secluded coves? Rock pools? Well, we all have our preferences and a lot of those may change depending on the time of day, week, year and whom you are with. Suffice to say the Gulf Coast and the St Petersburg Clearwater area has pretty much all varieties to suit even the most discerning beach bum. Following my encounter with the pirates of Tampa, I took the short trip to the clear blue sea and the soft creamy sand of Clearwater and, after a hectic day on the galleon, it could not have offered a better contrast. My first exposure to the sands was of the never ending, flat, white variety, where even at 8am a shimmer of heat rises from far and wide, but with the morning's distinctive freshening sweet sea breeze. It's the coastal equivalent of a strong milky coffee with a little bit of sugar. Later in the day the area becomes much more of a frothy mix with loungers, games, music and all the hustle bustle of a seaside resort. So after the Clearwater caffeine fix, it was off to something a bit more secluded by way of Caladesi Island, which you get to - unless you have private marine transport or kayak - via a 15-minute ferry ride starting in Honeymoon Island State Park. No shortage of the creamy white stuff here either as, in fact, the beaches on Caladesi often feature not just in the State or national rankings but indeed the global league tables. The tempo, though, is much more relaxed with seclusion and tranquillity top of the menu. The island offers nature walks, a small cafe, picnic areas, wildlife spotting and a three-mile kayak trail, but above all peace and quiet. As the sun goes down and with sand between your toes, desires will often turn to coffee alternatives and where could be better than Caretta on the Gulf, part of the Sandpearl resort. Here you can enjoy fabulous views across the Gulf as you sip on your favourite cocktail or, like me, gulp down an ice-cold beer. Caretta offers a fine dining experience but with a relaxed touch - no jacket required - as an array of fresh fish and organic local produce is bought to the table, either inside or outside on the deck. In the morning we went to see how one institution is doing its very best to maintain the marine eco system in pristine condition so we can continue to dine at seafood specialists like Caretta for years to come. The Clearwater Marine Aquarium (CMA) operates as a hospital with its main mission to rescue, rehab and release sea creatures ranging from tropical fish, dolphins, stingrays, pelicans and turtles. A host of heart breaking stories are linked to virtually every water going species known to man, and each one of them will tug at your emotions. The most famous one from CMA is perhaps Winters Tale. No not the David Essex Christmas classic, but the story of a young female dolphin who lost her tail after being trapped by crab lines. She survived against the odds and, with the help of Hanger Prosthetics and the clever people at CMA, a new

rubber tail was developed for Winter which she wears to this day. One key thing here is that the story was so good Warner Brothers made it into a 3D film and distributed it around the world bringing a mass of attention not only to CMA but also to the general cause of marine conservation. Tourism wise it's a winner, with a recent report stating that in the last four years CMA has had an economic impact on the local economy of \$2 billion-plus, has created a total of 44,444 jobs and is directly responsible for 2.2 million room nights booked. Tourism in action. As if to say farewell, my taxi drive back to the airport, alongside the waterfront, was accompanied for long stretches by Dolphin Pods leaping, frolicking, diving and, if I'm not mistaken, waving and encouraging me to come back soon."

15 March 2016, Source Travelbiz

### **Consultation begins on reduction in Scottish APD**

A 12-week consultation has begun on plans to halve air passenger duty (APD) on flights from Scottish airports. Powers to replace UK APD are due to be devolved to the Scottish Parliament under the Scotland Bill. The Scottish Government wants to reduce the overall burden of APD by 50%, with a reduction introduced in April 2018 and delivered in full by the end of the next Parliament. The consultation will invite views on how the reduction should be structured and how the tax should be operated. The Scottish Government said the tax will be abolished entirely when resources allow. Deputy First Minister John Swinney said: "UK APD is one of the most expensive taxes of its kind in the world. It continues to act as a barrier to Scotland's ability to secure new direct international routes and maintain existing ones." The plans are being supported by airline bodies BARUK and the British Air Transport Association (BATA). BAR UK chief executive Dale Keller said: "The Scottish Government is leading the way on tackling this punitive departure tax on air passengers, and by doing so is sending a strong message to The Chancellor ahead of his Budget on Wednesday. "If it makes sense for Scotland to consult on the best ways to reduce and then scrap this tax, then it's most surely time that Westminster does the same and, by so doing, take affirmative action towards unlocking the full economic potential for the UK as a whole." BATA chief executive Nathan Stower agreed, but also warned that devolution will have knock-on consequences for airports in northern England as passengers travel across the border to pay less tax. "APD distorts competition and hinders economic growth. We look forward to its full abolition as soon as possible," he added. A spokesperson for Liverpool John Lennon Airport said it was one of the airports that risked being at a disadvantage. "If there are to be cuts in APD of 50% at airports in Scotland, then these need to be matched elsewhere across the UK. "We would hope that sense will prevail and that the UK Government would subsequently ensure a consistent charging regime across all parts of the UK, so as not to put airports such as Liverpool at a disadvantage compared to those in Scotland, and to airports across Europe where aviation taxes are already significantly lower than in the UK." EasyJet UK director Sophie Dekkers said if the proposed cut goes ahead in 2018, it would expect to increase flights to and from Scotland by around 30%. "This would deliver more services and routes for passengers in Scotland, including to European cities without a current direct connection, as well as the economic benefits of a larger easyJet operation in Scotland," she said. "We strongly welcome the Scottish Government's commitment to halve the tax for passengers. They have rightly recognised that cutting the tax will boost tourism, investment and business activity in Scotland."

19 March 2016, Source Travel Weekly

### **Abta warns vote to quit EU would raise travel costs and prices**

A vote to leave the European Union would mean increased costs for travel businesses, higher prices for travellers and uncertainty for all, according to a report published by Abta this

morning. The report, entitled 'What Brexit might mean for UK Travel', assesses the impact of the existing relationship between the UK and EU and the likely impact of a "leave" vote. It was produced with the aid of economic analysis by management consultancy and accountancy firm Deloitte. Abta points out that many EU regulations benefit holidaymakers and business travellers and, although these would not change immediately, it says Brexit "could have a significant impact in the future". The regulations include financial protection for package holidays, compensation for flight delays, access to free health cover through the European Health Insurance Card, caps on mobile phone charges and 'open skies' for airlines. But the report notes the most immediate concern is "the impact a period of prolonged uncertainty will have on the strength of the pound versus other currencies". Abta chief executive Mark Tanzer said: "Our assessment of the findings is that a vote to leave will lead to uncertainties and may lead to increased costs for travel businesses and the travelling public. "We recognise people will approach this referendum by considering many factors – personal, professional, and economic. "Abta has considered what a vote to leave the EU might mean purely from a travel perspective. Our view is that the potential risks and downsides are not matched by an equal upside for the traveller." Andrew Swaffield, chief executive of the Monarch Group and an Abta board member, said: "If the UK were to exit the EU, Monarch would view the outcomes for the travel sector as very negative, not least because of the uncertainty that would follow. "This sweating period after the exit would be very damaging for the sector. An exit would most likely lead to higher air fares and fewer scheduled flights between the EU and UK." Doreen McKenzie, owner of Knock Travel in Belfast and also on the Abta board, said: "It would be disastrous if the UK left the EU, both for consumer confidence and for those who work in the travel industry. "A whole new world of travel has opened up thanks to the EU's 'open skies' agreement and we're in a position where more of us can travel to more destinations more cheaply than ever before.

22 March 2016, Source TravelMole

### **Thomas Cook customers booking late in 'volatile' market**

Customers are booking later this year in the 'volatile market environment', according to a trading update by Thomas Cook today. Chief executive Peter Fankhauser said: "We know that customers want a summer holiday but we can see that some are leaving it later to book this year as they consider their options. "Against this backdrop I remain confident that we are doing all the right things as a business. It's clear also that customers value packaged travel more than ever and feel safer in our hands. "The early actions we took to move flights away from Turkey, Tunisia and Egypt have positioned us well for increased customer demand to resorts in the Western Mediterranean, with strong sales to the Canaries, Balearics and the Spanish mainland in recent weeks. "We have also seen an increase in sales to long-haul destinations such as the USA and Cuba as customers look further afield for their holidays." Thomas Cook said its summer 2016 programme is 40% sold, below last year as it continues to 'prioritise margins over volumes'. It said market conditions remain challenging, with consumer confidence affected by continued disruption in certain key destinations. The update said overall pricing is firm across the group, in line with this time last year. Bookings are 5% lower than last year, while charter risk capacity has been reduced by 3%. "The uncertain geopolitical environment is causing some customers to postpone booking their holidays, leading to a later booking pattern," it said. "We are also seeing a marked shift in demand, with significantly lower bookings than last year to Turkey, and higher bookings to Spain, other European and major long haul destinations, including the USA and Cuba." Looking forward, Thomas Cook said it would maintain its previous guidance for the full year, but added: "As highlighted at our last update, this is dependent on seeing a sustained recovery in customer confidence as we progress through the summer season."

23 March 2016, Source TTG

### **Virgin Atlantic boosted by tour operator performance**

Virgin Atlantic Group has reported a £22.5 million profit for 2015, an improvement of £10.1 million on the previous year and helped by a turnaround at Virgin Holidays. The group, which saw revenue of £2.78 billion, said Virgin Holidays had made “a substantial contribution” to the result, with a profit before tax and exceptional items of £10.9 million, a £5 million year on year improvement, which accounts for almost half of the group’s overall figure. During the year, the group sold and leased back four Boeing 787s, generating £57.7 million, which is also included in exceptional items. The results confirm a turnaround from the 2013 and 2012, when the Virgin Group lost a total of £153 million but underline that it still has some ground to make up. During the calendar year, Virgin Atlantic flew 5.9 million passengers and Virgin Holidays sold 325,000 packages. Virgin Atlantic saw average load factors down 2.5 percentage points year on year to 76.8% “driven by a significant redeployment of capacity” which saw it axe routes to Tokyo, Mumbai, Cape Town and Vancouver in favour of a 14.8% increase in transatlantic capacity. The network is now 70% transatlantic. Virgin’s partnership with Delta at Heathrow saw the market share to US cities without a non-stop service from the UK rise six points to 37%. The joint venture carried almost 400,000 passengers connecting between the two airlines and will bring more than 550 codeshare routes with up to 43 daily transatlantic services this summer. One bright spot was a fall in airline operating costs that plummeted by £196 million, largely driven by a 34% fall in fuel prices. However, the airline admitted “we did not anticipate this development” and had been caught out in its hedging. Virgin Atlantic chief executive Craig Kreeger added: “Our fuel hedging programme meant we did not benefit fully from the fall in the price of oil, but our hedging position will continue to unwind and give us significant savings in 2016. “We are confident that moving forward we have the right fleet, network and partners in place to be more profitable than ever before by 2018.”

31 March 2016, Source TravelMole

### **Florida celebrates fifth record year**

Florida welcomed a record 105 million visitors last year, its fifth consecutive year of growth. Preliminary estimates show that 1.6 million UK visitors travelled to the Sunshine State in 2015, a rise of 5% over 2014. The UK is Florida's largest foreign market, after Canada and just ahead of Brazil. The total numbers arriving by plane rose 8.2%, leading Governor Scott to announce a new target of 115 million visitors for 2016. For the fourth quarter of 2015, preliminary estimates show a record 25.2 million people visited Florida, the highest number ever and a 6.7% increase over the same period in 2014.