

UK OFFICE

JANUARY 2009 REPORT

**Prepared by: Venessa Alexander
UK Director**

TRADE SHOWS

Holiday & Travel Show, Manchester

The UK office attended The Holiday & Travel Show in conjunction with Visit Florida from 16th – 18th January 2009. A total of 57,609 consumers attended the show this year over a period of three days. As always we saw a good number of consumers interested in Florida with some consumers already having booked to travel to our area in 2009 seeking information about what to see and do within our county. The Holiday & Travel Show in Manchester has been running for the past 17 years and is the largest and most established consumer event of its kind in the UK. Other exhibitors included tour operators, travel agencies, airlines, tourist information organisations and places of special interest

MATKA, Helsinki

The UK Office attended Matka in Helsinki on behalf of the Florida Beaches Consortium, 15th – 18th January 2009. A total of 85,669 visitors attended (17,000 of which were travel trade professionals). This was slightly up on 2008 numbers. Florida's Beaches exhibited as part of the Discover America Pavilion. Excellent interest in Florida with many consumers having already booked flights to Miami (direct service from Helsinki) and looking for ideas of where to travel within Florida.

Ferie, Copenhagen

The Florida's Beaches consortium attended Ferie in Copenhagen as part of the Discover America Pavilion. A total of 39, 595 visitors attended the show over three days. There was an excellent level of interest from consumer for Florida. West coast was very popular as was interest in Florida Keys and Miami.

GENERAL MEETINGS

- Meeting held with Matt Bell at Virgin Atlantic regarding the possibility of seats for a "family" fam trip in July. Currently awaiting a response.

TRADE LIAISON

- Consumer promotional opportunity secured with Bon Voyage Travel. Visit St. Pete's/Clearwater will be participating in a consumer promotion with Bon Voyage Travel at an extremely popular outdoor factory outlet complex, Gun Wharf Quay in Portsmouth. We shall be promoting our area during a weeklong promotion. This opportunity allows us to brand an exhibition unit with pop up displays and provide Bon Voyage staff with St. Pete's/Clearwater sweatshirts. Visitor's guides will be distributed with special offers encouraging bookings for 2009/10. The footfall per week on average is 135,000 consumers from a radius of 30 miles. We shall be featured as hotel destination of the month on their direct sell website www.goamerica.co.uk (28,000 hits per month) as well as on their brand new www.bon-voyage.co.uk website during the month of April with offers to appear for St. Pete's/Clearwater holidays for 2009/10.
- Co-op marketing campaign has been confirmed with Travel City Direct to launch in February and run until end of September 2009. The campaign will include direct mail, e-mail and consumer advertising activity.
- Co-op marketing campaign has been confirmed with American Holidays, Ireland. Activity includes press advertising, sponsorship of their e-newsletter, radio advertising and website advertising.
- Confirmed participation of joint marketing activity with Trailfinders. Activity includes inclusion in one marketing e-mail, offer to be promoted on www.trailfinders.com as well as the offer being promoted on Trailfinders plasma screens in 22 travel centres.
- Confirmed participation with Funway Holidays on a joint co-op marketing proposal following on from the success of our joint activity in 2008. Trade and consumer activity confirmed includes e-newsletters to both their trade and consumer databases as well as a homepage banner ad on their agent website. We shall also be participating in online media activity with The Times Online and Telegraph e-bulletins.

End of year stats are as follows:

Room nights booked for travel in 2007

Clearwater = 394

St Pete's = 650

Total 2007 = 1044

Room nights booked for travel in 2008

Clearwater = 630

St Pete's = 647

Total 2008 = 1277

- Following on from our recent training at Virgin Holidays for their Travel City Direct new recruits, we have secured a two month staff incentive from 2nd January to 28th February 2009. Every booking made that includes a stay in the St. Pete's/Clearwater area will be placed into a prize draw to win a Nintendo Wii Console (1st Prize) or an IPOD Shuffle (2nd & 3rd Prize). Results to follow at the end of February. Prizes will be presented to the winners on the 10th March 2009.
- We have also secured a staff incentive with the Virgin Holidays reservations team from 1st – 28th February 2009. Every booking made that includes a stay in the St. Pete's/Clearwater area will be placed into a prize draw to win a Nintendo Wii Console (1st Prize) or an IPOD Shuffle (2nd & 3rd Prize). Virgin Holidays will also be adding a 7 night complimentary stay at one of the hotels they feature within our county for all three prize winners. Results to follow at the end of February. Prizes will be presented to the winners on the 10th March 2009.
- Training scheduled in March at Virgin Holidays call centre for their reservation team. We shall also hold the prize giveaway to the winners of the staff incentive (Both Virgin Holidays and Travel City Direct) that will run in the month of February.
- Discussions ongoing with Cosmos Holidays regarding a proposed joint co-op marketing campaign for 2009. Opportunities being discussed include their Florida Direct Mail Piece to their database as well as a solus e-mail newsletter.
- On-going preparations being made for our UK Travel Agent online training programme in conjunction with Travel Uni which is due to launch mid-February 2009.
- Meeting scheduled with Travel Weekly to finalise details of our landing page on Gazetteers.com.
- Confirmed joint event at Amberley Castle with Busch Entertainment Corporation. The event will take place on the 11th June 2009. Preparations on-going.
- We have received a joint marketing proposal from Thomas Cook Signature and are awaiting responses to questions raised.
- Meeting with Nikki Beszant, Product Manager at Jetlife Holidays postponed until February 2009.
- Meeting scheduled with Paul Celaschi, Product Manager of Travel 2 & Travelbag in February to discuss product updates as well as any joint co-op marketing opportunities that may arise in the future.
- Meeting scheduled in February with Jonathan Couch, Contracts Manager at Destinations of the World who specialise in selling hotels and transfers to Travel Agents around the world.
- Provided Althams Travel in Chorley, Lancashire with Visitor's Guides, Area Maps and giveaways for a forthcoming consumer promotion they are holding in-store.

- Provided Travel House of Florida in Swansea with Visitor's Guides, Area Maps and giveaways for a forthcoming consumer promotion they are holding.
- Assisted Tara Flanagan, Product Manager of Sunway Holidays in Ireland with a request for a contact at the Don CeSar Resort on St. Pete's Beach.
- On-going preparations with ABTA as part of our Travel Industry Partner Scheme sign up. Awaiting a banner advertisement from our advertising agency to be included on the ABTA Travel Industry Partner website. Date TBC
- Information on our UK office was provided to the Visit USA Association in Sweden which was included on their Travel Agents Newsletter which was distributed at the beginning of January 2009.
- Discussions and negotiations taking place with a number of tour operators regarding joint in-store retail promotions.
- The Vacations Group have added The Sandpearl Resort Clearwater Beach to their Florida Vacations programme following on from a recent site visit to our area.
- Contacted by Cosmos with a request to upload the video of St Petes/Clearwater on to their website
- Provided US office with an update on status of all tour operators who will be coming to the booth at Florida Huddle
- Information on Visit St Petersburg/Clearwater was included on an ABTA newsletter circulated to 3200 retail travel agencies.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

652

MARKET INTELLIGENCE:

Holidays up in 2009?

The financial doom and gloom may be spreading its net even further, but the humble holiday is holding its head high with the average number of holidays planned for 2009 increasing to 1.8 from 1.5 in 2008, according to research published by travelsupermarket.com. Almost half (49 per cent) of Brits are assessing their holiday plans for 2009 – nearly a fifth (18 per cent) of people questioned will be looking for cheaper holidays and one in ten (11 per cent) are planning just one short break – but more than a quarter (28 per cent) won't be making any changes to their annual leave. Bob Atkinson, travel expert from travelsupermarket.com, commented, "Holidays are seen by many as a necessity rather than luxury, so it's not surprising that people are still planning to go away. "However, the type of holidays people will take and the destinations they will visit over the coming year are changing quite dramatically. "There is a growing trend for short breaks in the UK – with short haul European breaks destined to be the main casualty of the current economic climate. At a time when European resorts are seeing some of the best snow fall in years demand for ski holidays, often seen as an additional break, is also down this season, so for those planning time on the slopes tour operators have some fantastic deals around. And for those looking to peg their holiday price, all inclusive holidays will continue their rise in popularity. "With the current weakness of the pound against several key currencies consumers will be paying a lot more attention to what's going on with exchange rates. "For example, with the strength of the euro, destinations outside the eurozone are seeing huge growth. Places such as Turkey, Bulgaria, Egypt and other North African countries are high on the holiday agenda for 2009. "In general, holidaymakers are now much more savvy about booking and getting the best deals. "The holiday companies are all vying for their attention, so shopping around will pay real dividends." Top ten value destinations for 2009 suggested by travelsupermarket.com are, the UK, Turkey, Egypt, Tunisia, Thailand, Iceland, Morocco, Bulgaria, South Africa and Canada.

5th January 2009 – Source Travel Daily

BA - AA deal on hold:

British Airways hopes of securing an alliance with American Airlines have been dealt a blow by American regulators just days after a proposed merger with Qantas also collapsed. BA has been ordered by the US Department of Transportation (DoT) to file more detailed information over its potential tie up with AA, specifically relating to their global expansion ambitions, the impact on the US travel retail industry, and BA's other merger plans. The demand, which analysts reportedly warned could delay any deal by several months, was delivered to BA and AA in a detailed filing by the DoT on Friday night. Last week talks between BA and Qantas about a possible tie-up broke down over issues concerning BA's pension deficit and the UK flag carrier's merger discussions with Spanish carrier, Iberia. In its report, the DoT acknowledged that submissions from Virgin Atlantic, Air France and US travel agents had influenced its decision to force BA to provide the extra data. The emergence of Air France and US travel agents in questioning the alliance is likely to add weight to Virgin's long held argument that a deal between BA and AA would constitute an unfair monopoly of trans-Atlantic routes. Since details of a possible alliance emerged, Sir Richard

Branson, the Virgin founder, has furiously lobbied US regulators and politicians to oppose the deal.

5th January 2009 – Source Travel Daily

VS turns 25 in '09:

Long-Haul airline, Virgin Atlantic, has launched an optimistic £6 million campaign to try to crack the credit crunch. The keystone of the campaign is a TV ad set in 1984, the year when VS flew its first service to New York. VS says it will be marking the occasion of its 25th anniversary with a series of special offers, campaigns and events.

6th January 2008 – Source Travel Daily

Travel spending up in 09:

Travelzoo this week announced the results of a pan- European subscriber survey conducted simultaneously in 22 regions across the UK, Germany, France and Spain from 21 November, 2008 to 5 December, 2008. Despite credit crunch concerns, the survey reveals that 95% of Travelzoo's 2,200,000 European subscribers plan to travel for leisure at least once in the first half of 2009, no more and no less than in the same period of 2008. Travelzoo's European subscribers will spend as much as £4.5 billion (€5.27 billion) on leisure travel in the first half of the year, with German subscribers planning to spend the most per person, per trip - an average of €556 (£560), while British, Spanish and French will spend an average of £478 (€559), €549 and €537 per person, per trip respectively. In all regions across Europe, more than 35% of subscribers say they plan to take two or more leisure trips in the next six months. German and British subscribers indicated that they will book almost three months in advance of departure, while French subscribers will book two months in advance and Spanish subscribers will book just over one month ahead. Subscribers in Berlin and Hamburg will book the furthest in advance, while subscribers in Madrid plan to book an average of 35 days before departure.

The survey also reveals that Travelzoo's subscribers are highly flexible when it comes to travel plans - of those subscribers who did book an offer seen on Travelzoo in 2008, 37% said they had no plans to travel to the specific destination or with the specific travel company before seeing an offer published by Travelzoo. Subscribers in London & the South East of England are the most flexible in Europe, with 41.5% saying they booked an offer in 2008 that they were not planning to. Chris Loughlin, managing director of Travelzoo in Europe commented, "The survey results bring some much needed good news for travel companies across Europe. "Travelzoo's European subscribers plan to spend as much as £4.5 billion on leisure travel in the first half of 2009, despite the credit crunch. "A high percentage of subscribers are open to new ideas and will book offers they were not planning to if Travelzoo recommends them. "We are very proud of the fact that so many travellers across Europe trust our recommendations."

7th January 2009 – Source Travel Daily

USA ESTA deadline:

Travellers to the United States of America are being reminded that from Mon 12 Jan they will need to follow new border entry procedures. UK passport-holders eligible to travel to the US under the Visa Waiver Program (VWP), are required before travelling, to obtain approval to travel to the US, using the Electronic System for Travel Authorisation (ESTA). ESTA is an online system administered by the US Gov't which determines the preliminary eligibility of visitors to travel under the VWP, prior to boarding an airline heading to America. There is no fee charged to users completing an application (which collects basic biographic, travel and eligibility information), with an authorisation normally only taking a few minutes. Electronic pre-clearance will be valid for two years, and for multiple-entry visits to the US.

8th January 2009 – Source Travel Daily

New year sales 'better than expected', say travel agents:

Travel agents have reported a "better than expected" start to the year, with Egypt and long-haul selling well at the expense of the eurozone. Footfall in the days in between Christmas and new year and the first few days of 2009 was healthy in many high-street agencies, despite plunging temperatures. However, there is concern that this may not translate into actual bookings. Advantage commercial director Julia Lo Bue-Said said certain trends were already beginning to emerge, with Orlando, Turkey and eastern Europe attracting a lot of interest in its 711 outlets. However, the conversion of enquiries into sales will prove difficult, she added. TUI Travel distribution director Nick Longman said it was too early to comment on booking figures. He added: "We have had really good feedback from the trade on the - advertisements and they have been driving footfall into the shops. "It's very early days to assess trading for January, but there is no doubt that, for retailers, the economic conditions are going to be challenging," he said. Global Travel Group consultant George Begg agreed that bookings "had not fallen off a cliff" as people thought they might and said he was "pleasantly surprised" by trading. However, agencies that specialise in European destinations are being hit hard because of the poor euro exchange rate. Greece and Cyprus Travel Centre director Anna Mavroulakis said: "We have been affected big time by the euro. It's a killer. We have to keep our fingers crossed and hope things get better." Cruise is selling well, although customers are looking for cheaper options. Oasis Travel manager Brian Gillespie said: "We're happy with how things are going so far as we're slightly up on last year. People are still booking cruises but downgrading to cheaper alternatives."

8th January 2009 – Source Travel Weekly

'Half of travellers unaware of new US visa rules'

More than half of people do not know about a new online US visa waiver requirement that comes into force from today. The poll of 2,000 found that 57% were not aware of the new procedure. And with more than a third (37%) of those questioned planning or considering a trip to the US, travellers could be returning home sooner than they thought. But 37% welcomed the new system, with more than one in three (38%) keen for other countries to follow suit where a visa is required and implement a Visa Waiver Programme. The research by travelsupermarket.com also found out that nearly one in 10 (9%) has been unable to travel to a country because their passport had less than six months left before expiring. Company spokesman Bob Atkinson said: "It's worrying that so many people

aren't even aware of America's new Visa Waiver Programme. "For those who don't get themselves organised in advance, there may be huge disappointment if they are turned away at check in or at the boarding gate.

"For the USA it's best to organise your visa online at least 72 hours before your flight, and it will then be valid for two years, or the length of your passport depending on whichever is shortest. "Although some people should be planning far earlier in case a visit is required to the embassy, such as anyone who has a criminal record. "With the requirement to have at least six months left on a passport before travelling to the US, as well as this new online system, we urge passengers to plan well ahead before they set off on their journey to avoid a costly disappointment. "Our advice is to think ahead and check everything to ensure your dream holiday does not start as a nightmare."

12th January 2009 – Source Travelmole

US entry system changed:

Yesterday saw the introduction of the compulsory ESTA (Electronic System for Travel Authorisation) for visitors to the US. The system appears to have been introduced smoothly, with the US Embassy in London saying that 99.6% of the applications so far have been approved – most within four seconds. Voluntary registration was introduced last year, but from yesterday, all citizens of countries signed up to the US Visa Waiver Program must apply for an ESTA at least 72 hours before travel. Michael Restovich, from the US Department of Homeland Security, told the BBC, "We want to keep the bad people out. "We don't want to restrict commerce, we don't want to restrict tourism. "We want to make sure the people getting on that aircraft or that sea vessel are clear to come to the United States and are risk free." Andrew Spice, of Post Office Travel Services, said: "Problems may also occur if UK tourists travel to the US via another country - like Canada or the Caribbean Islands - and don't realise they will need the ESTA to gain entry." An online search for ESTA will result in several sites that charge for the service, but the official DHS site, <https://.esta.cbp.dhs.gov> will bring up the online application screen, for which there is no charge. TD made an application yesterday to the online system, which worked very smoothly, with the authority being granted within seconds. Granting of an ESTA does not guarantee entry, with the final decision resting with the immigration official at the port of entry.

13th January 2009 – Source Travel Daily

Dollar values:

With the financial world in turmoil, it might be expected that the value of the Pound against the US Dollar would be considerably less now, as Barack Obama heads into the White House, than when George W Bush first became President of the USA in 2001. But analysis by foreign exchange specialist, International Currency Exchange, reveals that as of the morning of Obama's inauguration, the value of Sterling was only 3.9% lower than the exchange rate on Bush's inauguration day eight years ago. The ICE research also shows that there is less than 10 cents difference (-8.8%) in the rate between Obama's inauguration date and Bill Clinton's in 1993.

21st January 2009 – Source Travel Daily

Economy fails to dampen holiday plans but agents report mixed trading:

The economic gloom is failing to dampen the plans of holidaymakers, a new survey from research company TNS Travel and Tourism reveals. The poll of 2,047 people was conducted between January 2 and 6 on behalf of Travel Weekly and revealed two-thirds of people are still planning on taking a holiday. Of those, 34% said they will take a domestic break and 31% are planning on taking a holiday of seven nights or more. The results are broadly in line with January 2008 figures. TNS head of Travel and Tourism Tom Costley said: "At this stage of the holiday planning period, there appears to be a strong desire to continue along a similar path to 2008." However, despite these positive views, agents are reporting mixed results three weeks into the peak booking period. Kinver Travel owner Sue Foxall said January has continued to see a decrease in footfall although her revenues have remained flat compared with last year as the value of bookings has risen. She said this is due to an ongoing increase in face-to-face bookings thanks to TV programmes such as last week's Holiday Horrors Unpackaged on ITV, which highlighted the problems some consumers experience when booking online. She added: "It was quite a good advert for travel agents and I couldn't have written it better myself." Bailey's Travel managing director Chris Bailey said of his three shops, one is 2% down since the start of the year, one has seen sales drop 24%, while the third is down 46%. However, he said the hardest thing to deal with is the uncertainty, adding: "In all the years I've been doing this, this is the first year where I don't have a sense of what to expect and that should be worrying."

22nd January 2009 – Source Travel Weekly

BA expects £150m loss

British Airways expects to make an operating loss of £150 million in the year to March. This compares with an operating profit of £875 million in the 2007-08 financial year. The airline said further economic weakness in January and the outlook for February and March, combined with the fall in sterling, were impacting the outlook for end of the financial year. Results for the third quarter to December 31 2008 are expected to show an operating loss of around £50 million, which is after a £56 million non-cash charge relating to the retranslation of certain foreign currency obligations, the airline said. BA said costs were being impacted by foreign exchange. Non-fuel costs are now expected to rise by 8% year on year compared to its previous guidance of 5%. Fuel cost guidance is largely unchanged at around £3 billion as the lower price of fuel is being offset by a lower fuel hedging benefit for the year and currency impacts. Revenue guidance for the year remains unchanged as being up at least 4% year on year with yields benefiting from exchange more than offsetting volume declines. Traffic volumes remain in line with the market, BA said.

27th January 2009 – Source Travelmole

Payouts to passengers of the failed XL Leisure Group threaten to exhaust the funds underpinning consumer financial protection.

The Civil Aviation Authority refuses to estimate the total cost of the [XL Leisure Group failure](#), but in a sign of the pressure on funds it has rejected up to 4,000 claims from consumers who paid in part by credit card - despite paying such claims in the past.

A CAA spokesman said the scale of the collapse led to the change in policy, which is in line with consumer protection law, but conceded: "We have previously accepted claims where there was part credit card payment." About 45,000 claims have been received so far, but the CAA has no idea how many have still to be submitted.

Refunds will be paid from the £42 million bond provided by XL and thereafter by the Air Travel Trust fund using a £60 million overdraft guaranteed by the government. The fund was £21 million overdrawn on April 1 last year - leaving about £81 million available to cover the bill for refunds and repatriation before insurance facilities kick in. Even a bill of £60 million would mean pressure to raise the £1 ATOL Protection Contribution on holidays now paid into the Air Travel Trust fund. It is understood repatriation of customers abroad when XL collapsed did not exhaust the £42 million bond and the CAA confirmed this week it has paid £9 million in refunds so far. But it would not say how many claims have been settled.

One industry source described a bill of £80 million as "possible

29th January 2009 – Source Travel Weekly