

**UK OFFICE**  
**DECEMBER 2011 REPORT**  
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**Meetings & Training**

**Virgin Holidays**

A meeting was held with Sonia Powell to discuss retail opportunities with Virgin Holidays in conjunction with SeaWorld Parks & Entertainment in 2012. Virgin discussed the possibility of working with 5 – 6 of their largest and top selling stores with activity based on in-store pop up banners with video, in-store dedicated leaflets, regional press and training for a period of 2 weeks at the end of April. We are currently awaiting a proposal including timelines etc.

**Travel Uni**

A meeting was held with Sally Oakey and Joanne Preocanin to discuss content updates and partner opportunities for our training programme on Travel Uni. We discussed a re-launch of the training programme in the spring of 2012. Relaunch would be via a solus e-mail once the content has been updated – this is due to be updated in January 2012. This will also include a spotlight on the Travel Uni homepage leading to 10 reasons why you should travel to Visit St. Petersburg/Clearwater. Also discussed the possibility of an agent incentive at the same time as the re-launch.

**Travel Republic Training**

Training was held at the Travel Republic call centre in Kingston. A total of 20 reservations and marketing staff were trained on all that our area has to offer in time for the launch of our co-op marketing activity in January 2012. Agents were also provided with up to literature guides including visitor guides, area maps and key selling points.

**USAirtours Training**

Training was held with USAirtours reservations staff at their call centre in Essex in conjunction with Florida's Beaches. A total of 18 call centre staff were trained individually on each area featured within the Florida's Beaches consortia and agents were also provided with literature and giveaways.

## **TRADE LIAISON**

- BA.com Dedicated Web Page – Confirmed continuation of the BA.Com dedicated webpage in conjunction with SeaWorld Parks & Entertainment. The page will continue from January 2012 for a period of 12 months. We will be updating the content with new area copy, images etc.
- Virgin Holidays – A proposal has now been received from Virgin Holidays for the launch of the January 2012 Campaign and has been confirmed. Activity includes creative press on a shared basis (Evening Standard, Daily Star and The Sun publications), brochure follow up during February and March, Inspiration e-mail inclusion in February and Frequent Virgin Club Web feature during February. Provided Virgin Holidays with up to date images, copy etc to start working on the creative
- Participated in conference call with VSPC US Office and Rooster PR. Provided updates on UK activity and face to face meeting scheduled in January.
- Scandinavian Sales Mission – arrangements for calls and events have been finalised for the Mission taking place during the last week of January in conjunction with Orlando Tourism, SeaWorld Parks and Entertainment and Universal Studios. The Mission will visit operators and agents in Oslo, Helsinki, Stockholm and Copenhagen.
- Confirmed that we will attend the new dedicated Business to Business show that will take place immediately prior to Reiseliv. The show called Travel Match will enable us to arrange pre-scheduled appointments with Norwegian tour operators.
- Tour America – A revised co-op marketing proposal has now been received from Tour America which if confirmed will be in partnership with SeaWorld Parks & Entertainment and United Airlines. Activity proposed includes window domination, banner ads, press advertisements and a Pigsback.ie online campaign. Discussions on-going.
- Cosmos/ Monarch – On going preparations taking place for the launch of our co-op marketing activity which is due to start in January 2012. As previously mentioned activity includes online promotions, banner advertisements and e-mail blasts to their consumer database. Preparations on-going.
- Travel Republic – Confirmed participation in a 6 month campaign with Travel Republic in conjunction with SeaWorld Parks & Entertainment. The campaign will include banner ads on the Hotels and Holiday web pages, banners on the Florida Hotel and Holidays web pages, links from our pages to SeaWorld Parks & Entertainment and vice versa, an e-newsletter to the consumer database as well as a travel blog which would include information, copy etc. Work has already commenced on all of this activity as this is due to go live in January 2012.
- Premier Holidays – Discussions are taking place with Heidi Blades regarding a co-op marketing proposal in conjunction with SeaWorld Parks & Entertainment. A proposal has now been received and has been forwarded to SeaWorld for their approval. The

proposal includes a discount campaign, in-store posters in all 30 Premier Holidays Retail branches as well as 5000 independent travel agency stores, e-newsletters etc. Discussions on-going.

- American Holidays – We have now received a co-op marketing proposal from American Holidays after our discussion with Dee Burdock at World Travel Market. Activity has now been confirmed and will include joint press advertising, an e-zine newsletter to their database of consumers, PPC spend and website presence on their homepage for a period of two weeks in February leading to a dedicated landing page to include special offers. Preparations on-going.
- Florida's Beaches Scandinavian Trade/Consumer Shows – Preparations have begun on the Scandinavian trade and consumer shows in which we will be participating, in conjunction with Florida's Beaches. The shows the consortia will be attending include Matka, Ferie, Swanson's, Reiseliv and TUR and will take place between January and March 2012.
- USAirtours – A co-op marketing proposal has now been received and confirmed with Linda Dixey after our recent meeting at World Travel Market. Visit St. Petersburg/Clearwater will be participating in activity including inclusion in desk maps for their 5,000 independent travel agents. These will display a 2012 calendar, USA Map and the details on each destination USAirtours will be promoting each month in 2012. This allows agents to plan their marketing activity with USAirtours and promote USA weeks / months for that destination and order material if needed as well as sending emails /letters to their database to advise on special offers and discounts available. The co-op marketing proposal also includes a dedicated landing page with area information, a dedicated web page with offers on our destination and weekly e-mail newsletters. Provided Linda with imagery, copy, logo's etc to utilise. Also assisted Linda with a contact for the Postcard Inn On The Beach as they wish to feature this hotel in 2012.
- THG Holidays – Continuation of assistance to THG Holidays for our co-op activity which is due to start in January 2012.
- Barrhead Travel – Chased Caroline Donaldson for up to date room night stats and a co-op marketing plan. TBA
- Discover America Magazine – Confirmed full page advertorial advertisements in the Norway and Sweden Discover America magazines to be published in January 2012. Provided DA with images, copy logo's etc.
- Visit USA Website – Added additional information onto the new Visit USA UK website including 'Get Inspired' suggestions, video content and news including details on Dolphin Tale and the Clearwater Marine Aquarium.
- Cosmos Training – Unfortunately we were unable to secure a date with the Cosmos call centre in Stockport prior to the launch of our co-op marketing campaign due to date restrictions and staff holidays but we were able to send over our power point presentation as well as literature and giveaways for the call centre manager to distribute. Discussions on-going to secure a training date in 2012.

- Selling Long-Haul – Continuing discussions regarding content with Sally Parker with regards to our advertising campaign with Selling Long-Haul which will be taking place in 2012.
- Travel Uni Newsletter – The November edition of the Travel Uni e-newsletter featured an article on the winning agents of the recent Visit St. Petersburg/Clearwater travel agent incentive.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

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## **MARKET INTELLIGENCE:**

01 December 2011 - Source Travelmole

### **TUI Director leaves as colleagues are promoted**

Christian Cull, TUI UK & Ireland director of communications, is leaving the company. In a statement today, TUI said he "has decided to take this opportunity to move on from the Group and will leave the business". The news came as TUI announced the promotion of other staff to its board. Jeremy Ellis has been appointed marketing director after 20 years with the company. Garry Wilson, currently director of purchasing, has been appointed product and purchasing director and Andrew Flintham, currently aviation planning director, has been appointed planning and trading director. Chris Bayley also joins the board as IT director. Commenting on the appointments David Burling MD TUI UK & Ireland said: "It is particularly pleasing that we have been able to promote colleagues from within the business to these positions, which is testament the strength of our leadership team. "With these appointments I believe we have the right structure in place to drive our strategy and deliver our targets."

02 December 2011 - Source Travolution

### **Barrhead Travel claim UK industry first**

Scottish travel agency Barrhead Travel is claiming a UK travel industry first, having started using new contactless rewards smartcard sQuid. A pilot has started at the agency chain's Dundee store ahead of what is hoped will be a roll out across its network of 32 shops. The sQuid card offers a 5% cash back for every booking as well as other discounts for account holders. Other local retailers in Dundee, as well as schools and colleges, are already using sQuid, with National Express soon to become the latest to sign up. The cards cost £5, but £10 is added to the customer's account once registered online and additional rewards are added to the account ready to be redeemed at a future date. Mark Brock, a director at Barrhead Travel, said: "Despite difficult economic conditions, our business continues to enjoy success, thanks to the great products and services we provide to our customers. "Our innovative smartcard-based rewards programme is another way of giving a little extra back, while acknowledging and maintaining a great relationship with our clients. sQuid's excellent product is a great fit for our business." Adam Smith, sQuid chief executive, added: "Loyalty and rewards schemes are now a vital part of creating competitive advantage in retail and we

are delighted to be working with Scotland's number 1 travel agency to prove that sQuid is not only the UK's leading next generation payments system, but a great rewards platform too."

02 December 2011 - Source Travolution

### **United Continental wins FAA green light**

A single booking system for partner US carriers United and Continental is to be introduced next spring. The move will effectively mean the two carriers will function as one airline. The planned migration to a single passenger service system in the first quarter of 2012 comes as the partners won approval for the next step in their integration. The US Federation Aviation Administration gave the green light for a single operating certificate for the two airlines following an 18 month process. This means that air traffic control communications will refer to all United and Continental flights as "United" ahead of a full rebrand early next year. United Continental Holdings said the regulatory milestone "does not change how customers interact with the airline". "Customers of United and Continental will continue to shop for flights, obtain seat assignments and check flight status on each carrier's respective website until the company migrates to a single passenger service system in the first quarter of 2012. At that point, from a customer's perspective, the two carriers will function as one airline." United's president and CEO Jeff Smisek said: "While we have much work ahead of us as we integrate these two great carriers, this is a significant milestone."

05 December 2011 - Source Travelmole

### **TUI announces record profit but cuts capacity**

TUI Travel made a record operating profit in 2011 of £471m, up 18% on the previous year, but announced it was chopping capacity by 9% for summer 2012. It said its record earnings in the UK for the year ended 30 September were due to increased sales of differentiated and exclusive product. However, it admitted 2012 would be a tough year, sales are running 11% down year on year, forcing it to cut capacity by 9%. But it insisted it would not follow rival Thomas Cook into the doldrums, saying the package holiday in the UK was "still alive and well". TUI chief executive Peter Long said: "We are very pleased with our robust performance in 2011 and have delivered another year of profit growth, against a backdrop of unrest in key North African destinations and weak consumer sentiment in some source markets. "The UK, Nordic region, Belgium, the Netherlands, Canada and Austria delivered record results. These achievements reflect the strength of our strategy to increase differentiated and exclusive product sales, increase controlled distribution with a focus on online to enhance our customer access and reduce distribution costs, and our delivery of the turnaround and cost efficiency programmes. "We remain focused on this successful strategy and through our new business improvement programme we have self help measures in place to help offset the difficult macro-economic environment, including clear plans in place for Germany and France. "In addition, we continue to strengthen our cash flow in order to fund the dividend and growth. All of which means that, even in the current challenging market conditions, we continue to operate from a position of strength." TUI announced a final dividend of 8p per share, resulting in a full year dividend of 11.3p per share, up 3% on 2010.

06 December 2011 - Source TTG

### **APD to retain four-band structure**

Air Passenger Duty (APD) is to be retained with its current banding structure. The government has announced that it will not change the current four-banding structure for Air Passenger Duty despite a long-running campaign against the current system by the trade. The Treasury today announced that it was not changing the banding structure for the duty despite

destinations such as the Caribbean appealing for a change because they are unfairly penalised by the existing system. In a response to the APD consultation released today, the Treasury said in a statement: "Having considered the impacts of moving to fewer bands, the government has decided on balance to retain the current banding structure of APD." The Treasury added: "In weighing up the case for reform, the government recognises that no banding structure will be entirely free of anomalies. Moreover, a revenue neutral change to the current APD distance bandings would inevitably require some passengers to pay more. "A move to a two band structure would require passengers travelling within the UK and Europe, and those travelling to band B destinations including the United States, to pay more in order to ensure overall revenue neutrality." The government had suggested moving to a two or three-band system for APD and the Caribbean Tourism Organisation had been in favour of a two-band structure. The Treasury has also dismissed the trade's call for premium economy customers not to have to pay the same rate of APD as business and first-class passengers. "It is clear from responses to the consultation and further discussion with the industry that premium economy products vary significantly between airlines," said the Treasury. "Any attempt to define premium economy for taxation purposes would therefore increase the complexity of the tax. This would also lead to greater administrative burdens for both the industry and HMRC. "On balance, to maintain the simplicity of the tax and avoid additional burdens, the government has decided that no changes will be made to the class of travel distinction in APD." The Treasury added that it would also "continue to explore the feasibility" of devolution of APD to Scotland and Wales. The government will also charge private jets at different rates of APD depending on their size and number of seats. For aircraft of less than 20 tonnes or with 19 seats or more, passengers will be charged APD at the same rates as on commercial flights. But passengers travelling on aircraft heavier than 20 tonnes with fewer than 19 seats will be charged at double the standard APD rates for each band. Seat pitch is used to determine whether the lower or higher rates of APD apply. The government announced last week that the charging of APD on private jets was being delayed until April 2013.

08 December 2011 – Source TTG

### **'Not all doom and gloom' for travel**

Consumers that did not have a holiday this year are looking to book early for 2012, with Florida and short-haul being the main growth areas for Attraction World. This is according to the company's sales and marketing director Tony Seaman, who is confident that despite the challenges facing travel and the wider economy that it's "not all doom and gloom". He said that Attraction World's bookings for 2012 are 25% up on this time last year, which he attributes to people looking to get away on holiday if they weren't able to, as well as households adjusting to their new levels of disposable income. "Last year January was pretty strong for everyone but then when the austerity cuts were announced in February everyone felt it – from pubs to retail, taxis and everything in between. That was then coupled with the cost of long-haul travel due to taxes." "This year consumers have been able to get a feel of what disposable income they have and are making early bookings if they didn't have a holiday this year," he said. Seaman pointed out that while Florida is performing strongly for 2012, most other long-haul bookings are taking a major hit and all Attraction World's growth is being recorded in short-haul markets. London is also proving to be a good seller, despite worry about the impact of the Olympics. "London is up 25% up for next year, people are going to come in from the rest of the UK to London and they are going to do activities while they are there," he said. Looking ahead to 2012, Seaman said the company will intensify its work with agents. "We will be enhancing our campaigns and there is a lot of activity planned for what to do in the top 20 destinations," he said. "Smart independents are recognising that

offering customers a suite of services is the right thing to do, from transfers to parking and attractions and lounges," Seaman added.

12 December 2011 – Source Travelmole

### **Virgin makes rival bid for BMI**

Virgin Atlantic has confirmed that it has signed a terms and conditions contract with Lufthansa over the sale of BMI. Virgin said it is now in negotiations with Lufthansa over the next stage of the purchase. BA's parent company, International Airlines Group, last month announced it had reached an agreement in principle to buy BMI from Lufthansa. Since then, Virgin has been clear about its intention to stop that deal with an offer of its own. "British Airways' hold over Heathrow is already too dominant and we are very concerned - as the competition authorities should also be - that BA's purchase of BMI would be disastrous for consumer choice and competition," said a Virgin spokesman. "We believe that our offer will lead to the best outcome for the millions of consumers that fly in and out of Heathrow every year." According to reports in the financial press, Virgin's offer is lower than IAG's but it is relying on the fact that any deal is likely to be completed more quickly as it would not be open to so much scrutiny from competition authorities. Lufthansa is expected to make a final decision on the sale early in the new year.

12 December 2011 – Source Travelmole

### **Holidays are a basic necessity, finds You Guv survey**

Holidays remain a basic necessity for the majority of Brits, according to the latest survey by YouGov. Of the 2057 adults questioned, 65% of consumers said they are planning to take a holiday of five days or more in 2012, with the remaining 35% not planning any holidays. This was exactly the same result as last year's survey. Of those planning to take a holiday, 49% plan to go abroad once or more, while 29% are planning to holiday in the UK once or more.

When asked to think about the current financial climate and how this will impact their holiday plans for next year Brits are largely cautious. The survey found:

- 26% agreed that they were concerned but still planning to take a holiday
- 18% indicated they were concerned and will wait until closer to the time to book their holiday
- 6% said they were not concerned and have already booked their holiday.

Tony Mooney, business development director at First Data Merchant Solutions, said: "Following Thomas Cook's share price dip last month and the expected wider economic contraction in 2012 it is fair to say the travel industry is expecting sales to fall dramatically next year. "However, Tui Travels profitability and the results of our consumer survey suggest it might not be that bad. Despite the ongoing austerity consumers are continuing to spend on the basics, for which the annual holiday remains included." ABTA chief executive Mark Tanzer added: "Household budgets are feeling the pinch but for years we have seen that holidays are the last to be cut back in tough times.

"ABTA's own research has shown that people would rather cut back on eating out or home improvements than give their holiday the chop. "When there is lots of doom and gloom in the economy, a holiday gives people something to look forward to. Destinations including Spain, Turkey and the USA look set to be popular with holiday makers in 2012 and we're

also likely to see tourists returning to places like the Red Sea area in Egypt, and other parts of North Africa, where there are lots of high quality and good value holidays on offer."

13 December 2011 – Source TTG

### **Virgin Holidays opens first standalone store**

Virgin Holidays has opened its first standalone shop in London just in time for Christmas, featuring a number of new retail concepts, including iPads for customers to browse brochures. The ‘holiday emporium’ opened on Kensington High Street in London today, becoming the first permanent standalone retail outlet for the company. It already has a network of 100 concession outlets in Debenhams, House of Fraser, Tesco, Sainsbury’s and ‘pop up’ shops operating across the UK. The new 1,800sqm space will feature dedicated pods for Virgin Holidays, Virgin Holidays Cruises and Virgin Holidays HIP Hotels, as well as video walls, fresh graphics and the latest technology. Meanwhile, concierge lounges will encourage visitors to browse, discover and learn more about the wide choice of options available to them. Virgin Holidays managing director Amanda Wills said: “Our concession outlets have been very successful and the experiments we’ve conducted with ‘pop up’ standalone shops this year meant it was a natural evolution to do something more permanent. We’re delighted to be able to be a part of the pre-Christmas buzz along this famous high street.” Other elements include an ‘experience area’ with user-selectable content via iPads displayed on a super-sized video wall; a ‘holiday window’, offering glimpses of some destinations, iPads to browse brochures digitally and a games area for children.

13 December 2011 – Source TTG

### **Cook eases debt fears with hotel group sale**

Thomas Cook is to reduce its debts by around £81 million after reaching an agreement to sell its interest in Spanish hotel company HCV. The tour operator will offload its stake in HCV (Hotels Y Clubs De Vacaciones) to hotel chain Iberostar for €72.2 million as part of its strategy to raise £200 million in cash which it will use to reduce its debt pile. HCV is a holding company which indirectly owns five Spanish hotels and one golf club as well as operating a second golf club in Spain. It is being sold with a net debt of €22.4 million, so the transaction will reduce Cook’s net debt by €94.6 million or £81 million at current exchange rates. Cook had a net debt of around £900 million at the end of its financial year in September although analysts estimate this rises to around £1.5 billion by December. Sam Weihagen, Cook’s interim group chief executive, said: “I am delighted that we have been able to agree this transaction which will significantly reduce Thomas Cook’s net debt and demonstrate our ongoing commitment to strengthen the balance sheet. “Importantly for our customers, we have been able to maintain access to this popular portfolio of hotels through a commercial arrangement with our partner Group Iberostar.” Cook is scheduled to reveal its full-year financial results tomorrow. The results were postponed last month after Cook had to ask its banks for another £100 million loan facility, which it secured within three days.

13 December 2011 – Source TTG

### **Cook reaches deal with union to end cabin crew strike threat**

Thomas Cook has struck a deal with cabin crew union Unite to end potential industrial action at the tour operator’s airline. The two parties had been in dispute over redundancy terms for cabin crew affected by Cook’s decision to reduce the size of its fleet which put up to 500 jobs “at risk” of redundancy. Unite’s regional officer Mick Whitley confirmed that there would now be no industrial action after it reached “an accommodation” with Cook. He said the redundancies would go ahead but redundancy payments would include a pay rise of 2.5%. Discussions on other issues with Cook will continue. A Thomas Cook spokesman confirmed

that agreement with Unite had been reached and added that it was always going to include the 2.5% pay increase in the redundancy payments which would be backdated to April 2011. Unite had secured a vote in favour of industrial action from Cook's cabin crew members during a consultative ballot in October and the two sides last month agreed to talks brokered by conciliation service Acas. The union represents about 1,150 of the 1,800-strong cabin crew workforce. The crews fly from Belfast, Birmingham, Bristol, Cardiff, East Midlands Gatwick, Glasgow, Manchester, Newcastle and Stansted airports.

14 December 2011 – Source TTG

#### **Cook to close 200 shops over 2 years**

Thomas Cook has confirmed that it will close 200 “under-performing” shops in the UK over the next two years. The company released its delayed financial results today which included an update on the restructure of its struggling UK business. Cook said in a statement that a “thorough review of the profitability of the UK business’ combined retail estate of 1,300 shops shows the current need for a phased closure of circa 200 under-performing shops where leases expire within the next two years.” The move had been widely expected over the last few weeks following the completion of the retail merger with the Co-operative Travel. The 200 shops is higher than the 75 stores which the company had originally suggested would be closed following the merger. Cook added: “We will continue to review the performance of the remaining portfolio as leases come up for expiry and more customers move online. “In addition, we will continue with the modernisation programme of our remaining stores to ensure that the brand retains customer appeal.” The announcement came as Cook revealed it had made an underlying operating profit of £304 million for the year to the end of September - down 16% from a profit of £362 million in 2010. But when one-off costs are taken into account, Cook made an operating loss of £267 million compared to a profit of £167 million last year. The company’s “exceptional” charges of £573 million for the year include £428 million in accounting write-downs on the value of its assets. Cook’s revenue was up by 10% over the year to £9.8 billion helped by acquisitions and it said that good performances in central and northern Europe plus its German airline business had helped to offset a fall in UK profit and the impact of the north African crises. Sam Weihagen, Cook’s interim group chief executive, said the company’s recent financial problems had not affected its businesses outside the UK and bookings in the UK had “recovered well”. “This has been a very challenging year for the group, despite which we still delivered an underlying operating profit of over £300 million,” said Weihagen. “We have instigated significant management changes and implemented a turnaround plan in the UK to address our areas of underperformance. “We continue to take action to substantially strengthen the balance sheet and the board is undertaking a full strategic review.”

15 December 2011 – Source Travelmole

#### **Thomson swaps winter and summer brochures for year-round**

Thomson has ditched its traditional winter and summer brochures in favour of a year-round product. As part of its move to focus on holiday concepts rather than mainstream products, the operator has produced destination brochures that last all year. The Thomson Couples – adult only – brand it launched this summer has been expanded and it has made a standalone brochure for its 3T brand which only features hotels which are rated highly on Trip Advisor.

15 December 2011 – Source TTG

#### **Cook to go ‘back to basics’ to fix UK business**

Thomas Cook has promised to go “back to basics” to revive its struggling and overly complex UK tour operation. The tour operator revealed that its mainstream UK business

made no profit during 2011 with its independent sector accounting for the UK's entire £19.5 million operating profit. This was despite a UK turnover of £3.2 billion for the year to the end of September. Ian Ailles, chief executive of Cook's mainstream UK and Ireland division, said the UK business was "too complex, did not have focus and was heavily volume driven". He added: "The solution is already under way. We have to get back to doing the basics well. That applies to the mainstream as well as the growing independent sector." But Ailles insisted that the "mainstream model remains valid" as it offered holidays for "middle Britain" – especially all-inclusive breaks. Cook said it wanted to concentrate on consolidating its hotel portfolio and build up the range of exclusive and "differentiated" resorts such as MyStyle, Aquamania and SunStar. It is cutting 500 "under-performing" hotels for summer 2012 while also adding another 90 resorts – half of which are either exclusive in the UK or offer differentiated elements. Ailles said that Cook was committed to continuing as a "multi-channel retailer" and would continue to sell product from rivals such as Thomson and Kuoni. "Customers see us as offering range and choice," he added. Phil Aird-Mash, chief executive of Cook's independent business, said that the Cook brand had become "synonymous with delivering package holidays". "We have moved away from the retail heritage – many customers are not aware of Thomas Cook providing independent travel such as city breaks, hotel-only, flight-only or tailor-made travel," he said. Aird-Mash added that the Cook brand could still be leveraged to grow the independent sector because it was trusted by UK holidaymakers.

19 December 2011- Source TTG

#### **ABTA to continue push to become Approved Body**

Abta has vowed to continue discussions with the CAA in a bid to become an Atol Approved Body. It comes after the organisation raised concerns in its response to the CAA's Information Paper that it was unlikely to become an Approved Body under the current model proposed by the CAA. In its response, Abta said: "The proposed regime is extremely unlikely to be attractive to consortia or associations, other than perhaps in relation to some existing commercial arrangements, with very limited product lines." However, John de Vial, head of financial protection at Abta, told TTG that talks with the CAA were continuing, and that he was hopeful the organisation could still achieve Approved Body status. "We would still like to offer this service to members, as long as we can do it in a way that will work for members. We are continuing to have discussions with the CAA about it, which are going very positively; we are happy with how the talks are going," he said. "We do really want to achieve this if possible." De Vial said the biggest issue with the current model was that if a company failed, the Approved Body would be the organisation that contacts the customers. "They will become like a parent company, and will be responsible for its member companies, but because Abta is not a commercial organisation, we don't want to do that," he said. He added that an announcement would be made by the end of January on whether Abta would be able to become an Approved Body. Meanwhile, an Atol expert has warned that only two travel groups are likely to apply for Approved Body status under the CAA's current Atol reform proposals. Alan Bowen, legal advisor for the Association of Atol Companies said under the current proposals only the Travel Trust Association and Travel Counsellors were likely to apply, because they were the only bodies that had sufficient insurance to cover them should one of their members goes bust. "I think there are only two organisations in the UK that can become Approved Bodies; the Travel Trust Association could if they wanted, and Travel Counsellors, who operate under an account system which is monitored 24 hours a day by Barclays," he said. Bowen added that unless some form of indemnity protection was put in place then no other operator, including Abta, would currently be prepared to "take the risk" of applying for Approved Body status. Managing director of Travel Counsellors Steve Byrne

said Travel Counsellors was “all set and ready to go” to become an Approved Body. “There are still some issues that we want further clarity on, such as the cost of becoming an Approved Body and what it will require us to do, but we have been visited by the CAA and we are ready to go,” he said.

20 December 2011- Source TTG

### **APD campaign to continue in 2012**

The Axe the Tax campaign has vowed to continue with its fight against Air Passenger Duty (APD) in 2012. “We firmly believe we can turn it around and the challenge is to get government to scrap it as a duty,” said Hugh Aitken, EasyJet commercial manager, one of the carriers involved in the campaign. The campaign is made up of four of the UK’s biggest airlines – EasyJet, British Airways, Virgin Atlantic and Ryanair, who have taken the unprecedented step to lobby the government together on the controversial tax, which is set to rise next year. According to EasyJet, its passengers alone pay £5 million a week in APD to the treasury. “We absolutely believe that it is costing the country money in terms of economic development,” said Aitken. “The Northern Ireland example shows that the government knows that the tax doesn’t work.” He was, referring to the government’s decision to reduce long-haul APD to the short-haul amount in the Northern Ireland market. This will apply to Northern Ireland’s one long-haul flight to the USA. Aitken was speaking at EasyJet’s inaugural flight from Luton to Salzburg, where he also highlighted the low-cost carrier’s expansion plan at Luton. “We are expanding at Luton and are looking at successful routes at Gatwick that can be replicated for the North London market,” he said. “There is clear potential to grow more from Luton but there is a need to improve infrastructure, including accessibility to the airport,” he said. New routes from Luton for 2012 include Reykjavík in Iceland, which is a new country destination for EasyJet, and Heraklion and Corfu. Aitken added that EasyJet is speaking with the airport operator to improve the terminal experience and is lobbying to get more fast trains from St Pancras to Luton.

21 December 2011 – Source Travelmole

### **TripAdvisor goes on sale today**

Travel review site TripAdvisor will launch on the Nasdaq stock exchange today with an expected value of around \$4bn. TripAdvisor shares, being traded under the name TRIP, will go on sale at 09:00hrs in New York. The company, which has websites in 30 countries, is being spun off by parent Expedia. Expedia has been the largest buyer of advertising on the TripAdvisor website, accounting for as much as 35% of its total revenue, according to a report in today's Financial Times. However, the company expects to attract more business from Expedia's rivals following the sale. After the spin-off, Expedia will no longer have any ownership interest in TripAdvisor.

21 December 2011 – Source Travelmole

### **Virgin Holidays launches campaign with agent incentives**

Virgin Holidays is allowing agents to earn extra cash, plus iPads as part of its turn of season campaign that once-again features the ‘Danke Schöns’. The Danke Schöns is a fictional group that will highlight Virgin Holidays’ rock star service in key destinations of Florida, the Caribbean and Dubai through a multi-channel campaign until the end of January. The peak sale launches tomorrow and agents can earn £10 per passenger for online and sales centre bookings when claimed at [www.vhols4agents.com](http://www.vhols4agents.com). This doubles to £20 per passenger for Walt Disney World hotels, Almond hotels and Virgin Holiday Exclusive hotels (the Sea Breeze, Savannah and Waves hotels in Barbados, and the Hilton Ras Al Khaimah in Dubai). Agents can also win an iPad a week through the Virgin Holidays agent website from January

2. Virgin Holidays' marketing director Andrew Shelton said: "We wanted to deliver a campaign that plays to the strengths of what differentiates us in the market and really reminds the travelling public of all of the stuff only we can do – our Rockstar Service commitment. Equally, though, we know they want a great deal at this time of year. So this campaign is geared towards demonstrating that you can have the best of both worlds – rockstar treatment without a rockstar price tag! He added that the TV adverts will be supported by disruptive display and classified press advertising, digital escalator panel spots in key London Underground stations, and email and direct mail activity.

22 December 2011 – Source Travelmole

### **IAG secures BMI deal**

British Airways owner IAG has reached a binding agreement with Lufthansa to buy troubled airline bmi for £172.5 million. But the airline group, which also owns Iberia, has warned that the deal could mean job losses. BA chief executive Willie Walsh said: "Given the scale of bmi's losses, there is an urgent need to restructure the business. 'Unfortunately, this will mean some job losses but we will secure a significant number of high quality jobs here in the UK and create similar new jobs in the future.'" The acquisition, which is due to completed in the first quarter of 2012, will see IAG gain an additional 56 daily slot pairs at Heathrow. IAG said Lufthansa has the option to sell bmi regional and bmibaby before completion. There will be a significant price reduction if Lufthansa does not opt to sell bmibaby before completion. The takeover is still subject to clearance by competition authorities. Lufthansa had also been in talks with Virgin. Virgin Atlantic today confirmed it was no longer in talks with Lufthansa and vowed to fight the IAG deal all the way. "The offer we have made for the business is a fair one in view of bmi's financial difficulties and doesn't account for any premium that BA might pay to cement its monopoly position," it said. "We have a strong business that will continue to grow successfully and we will not overpay for bmi. "If the acquisition is completed, it will tilt the competitive landscape dangerously towards BA and cast a shadow over the British travelling public. "We will be asking the competition authorities to stop this deal and to protect the many millions of passengers on routes where BA and bmi currently compete. With Heathrow sewn up BA can use its monopoly power to force up prices at the expense of the consumer." But Walsh insisted the deal was good news for the UK and for consumers. 'Buying bmi's mainline business gives IAG a unique opportunity to grow at Heathrow, one of our key hub airports,' he said. 'Using the slot portfolio more efficiently provides the option to launch new long haul routes to key trading nations while supporting our broad domestic and short haul network. 'This deal is good news for the UK as we will maintain a comprehensive domestic schedule including Belfast. Our plans to expand our long haul network would guarantee growth by making Britain better able to compete on a global scale. It will also help maximise Heathrow's position as a world class hub airport. 'Customers will benefit from access to new destinations, more convenient schedules, enhanced frequent flyer benefits and greater investment than had been possible for loss-making bmi.' IAG said it intends to finance the purchase from its own funds, with £60 million of the purchase price paid in four instalments to Lufthansa pre-completion. This amount will be secured by Heathrow slots.

23 December 2011 – Source Travelmole

### **Government bans excessive card fees**

The Government will ban excessive debit and credit card surcharges from the end of 2012. The move comes after complaints that airlines and booking agencies were ramping up prices by adding excessive charges for using a card, often at the last minute. Under the new law, businesses will no longer be able to charge excessive fees and must limit credit card charges to the borne costs incurred by the retailer. The move has been hailed by consumer rights magazine Which? as a huge victory for consumers. It claims airline passengers alone pay more than £265,000 a day in debit and credit card fees. Which? submitted a super-complaint to the Office of Fair Trading in March. Speaking on Radio 4's Today Programme, Financial Secretary to the Treasury Mark Hoban said: "It's important that consumers know up front what charges they pay. "What we have announced today will give consumers the transparency they need. "I think consumers do feel ripped off and we want them to be able to shop around." Which? executive director, Richard Lloyd, added: 'The Government's decision to ban 'rip-off' debit and credit card surcharges is a huge victory for consumers. "This announcement goes further than the Office of Fair Trading's proposals, finally putting an end to these unfair and excessive charges. 'Given that airline passengers alone pay more than £265,000 a day in card surcharges, businesses shouldn't drag their feet over this. While the law will come into force at the end of 2012, we want companies to be upfront and fair over card charges today.'

28 December 2011 – Source Travelmole

### **24 travel companies collapsed in 2011**

Research commissioned by Kelkoo Travel has found that 24 holiday companies collapsed in the last 12 months, leading to 74,000 holidaymakers reclaiming £26 million. The figure was a slight improvement on 2010, when 29 companies failed, impacting 189,000 travellers and resulting in £47 million worth of compensation claims. The research, produced by the Centre for Economics and Business Research, found the average traveller waits up to four months for a refund. Despite the significant amount of money that can be reclaimed, more than 6,000 travellers (8%) have missed out completely on compensation payments to which they are entitled. The research highlights that the largest failures over the past 12 months have occurred in the peak season when customer bookings and deposits are at their highest. Kelkoo Travel managing director Chris Nixon said: "Economic conditions in the holiday market have been incredibly challenging in 2011 with travel companies having to contend with factors such as rising fuel costs and the impact of air passenger duty. "But it is reassuring that significantly less holidaymakers were affected by travel company collapses this year compared to 2010. "Since 2007, when APD was introduced, package holiday prices have increased by 20%. On top of this, there has also been the backdrop of weak consumer spending and income growth that have dampened demand. All of these factors have had a direct negative impact on travel companies. "Unfortunately, 2012 will see other holiday companies go to the wall, so travellers booking their summer holidays over the next few weeks should check that they book with an ATOL-protected company, so they can be sure that if their travel company does collapse, then they will be compensated."

29 December 2011 – Source Travelmole

### No post-Christmas booking surge despite claims

Agents are not seeing a post-Christmas booking surge despite claims that yesterday would be the busiest day of the year for holiday bookings. Website Hotels.com predicted internet traffic would reach its peak last night, based on trends from previous years, as many returned from their first day back at work since Christmas. A spokesman said: 'We've found that traffic to our website peaks between Christmas and New Year. It's a time when people get bored of playing with their new presents and their thoughts move to a 2012 getaway to beat the post-Christmas blues.' But travel agents argue that although customers may be looking, they do not expect the peak booking period to come until the second week of January. John Sullivan, head of commercial at Advantage Travel Centres said: "There is a lot of advertising which gets people looking and researching but the days of most bookings happening on 26th and 27th December have long gone. "A lot will depend on who's working in between Christmas and New Year which is fairly mixed from our membership. "We see it being similar to last year with our turn of year being the back end of the second week in January." TUI, First Choice and Thomas Cook all said that it was too early to see how bookings had gone but that they would not expect a surge until the New Year. Online searches and bookings are on the up due to multi-channel marketing where big companies use TV, radio and the internet to drive transaction volumes. But although online purchases are breaking records in many retail sectors they are also pushing the prices down through aggressive discounting, according to independent retail experts.