

# **UK OFFICE**

## **August 2012 REPORT**

**Prepared by: Venessa Alexander**  
**UK Director**

### **Tour Operators**

#### **Lotus Group**

Update discussions held with Sarah Wilson of the Lotus Group. We were told about their 'Wish You Were Here' mini-mag which goes out to 300,000 consumers monthly and their 'Price Alert' e-mail which goes out weekly to 100,000 consumers and that there are opportunities to market within these publications at a cost. Their Facebook page fans now stand at 45,000 (up from 8,000 a short while ago). We were advised that pre-Olympics they were up 3% overall but expect this to be flat by the end of the year. Their flight sales to Tampa are doing very well and are up 9.5% (YTD).

#### **Funway Holidays**

A meeting was held with Funway Holidays at the request of Melissa Tilling. Funway Holidays are planning to embark on a major Florida campaign in the New Year and wanted to discuss the possibility of VSPC participating along with other key Florida destinations. The campaign is in the planning stages at present and we have advised Funway to forward the details once these have been finalised. Melissa advised that their main competitors are Virgin Holidays, Travel 2, Gold Medal and US Airtours. 90% of business is via the travel trade but they have lost their reputation as a specialist by focusing on mainstream destinations like NYC, West Coast and Orlando. Melissa wants to regain their specialist status. 10% of their business comes from direct consumers and they will be more catered for with the launch of a new website this year called [tratterra.co.uk](http://tratterra.co.uk). This will be a new concept for Mark Travel and will be a high end, experience led, 'Audley' style consumer facing site. It will have a product expert team and a call centre staff who will arrange to speak with clients by phone at a time convenient to them.

### **TRADE LIAISON**

- Barrhead Travel/Visit Orlando – The final element to our joint campaign in conjunction with Visit Orlando, the 8 page full colour direct mail brochure to 3000 of their customers, has now been distributed. Campaign results to follow.
- TUI Specialist (Hayes & Jarvis/Thomson Tailormade) – Finalised one additional weekly direct e-newsletter to the Hayes & Jarvis consumer database as well as the dedicated direct mailer to the Thomson Tailormade consumer database. Preparations continuing for the final elements of the campaign.
- Premier Holidays – Confirmed participation in a co-op marketing opportunity called 'Holiday In The States Campaign' that Premier Holidays will be launching in the next few weeks. They will be launching an exciting campaign to promote autumn, winter and early 2013 holidays in America. The campaign will consist of the following activity;

- Dedicated full colour, A2 poster to be used in-store throughout agencies across the UK,
  - dedicated trade e-newsletter will be sent to 5000 agents featuring a range of special offers to America
  - a dedicated consumer e-newsletter will be sent to 26,000 previous bookers/enquirers of Premier Holidays featuring a range of special offers to America
  - a trade flyer for agents to personalise with their own contact details to use in-store, for mailings, at shows etc,
  - a USA feature on both their consumer and trade websites,
  - PR for consumer and trade
  - Agent Booking Incentive (each agent who books a holiday to the States during the campaign will receive shopping vouchers as follows: £50 when booking 2 adults, flights & 7 nights or more accommodation, £25 for 3 to 6 nights' accommodation & flights).
  - They will also be running a competition for the best themed shop. Agents will be asked to send in photos of their windows/branch showing their USA theme. The winning branch will win a meal out for their team.
- Confirmed a national consumer campaign to run with Snappy Snaps throughout the UK in January. The campaign will take the following format
    - In-store POS in 121 shops in the form of an A1 window poster for each store and wallet stuffers to be handed out to all customers in their shopping bags
    - Exposure on Snappy Snaps home page via a banner ad throughout the promotional period. Direct link to landing page.
    - Dedicated landing page – featuring copy & images about the destination, URL links and logos (for both destination, tour operator partners & Brand USA)
    - To enter the competition, consumers will be directed to Snappy Snaps facebook page – where they will be requested to first ‘like’ the Snappy Snap’s Facebook page, before entering their details
    - Competition entry form to include an opt-in box for further information from St. Pete’s and their (tour operator) partners
    - Email Marketing to entire database (85K) two emails to be sent out throughout the time the competition is running.
    - Competition promoted to 1884 face book fans and 519 twitter followers
    - Competition entry form to include an opt-in box for further destination information.
  - Conference call with Chris Ellis at Visit Orlando, Sea World Parks and Entertainment and Universal Resorts regarding the forthcoming Scandinavian Sales Mission.
  - Chased Expedia for final results of the recent campaign
  - Submitted forms to Brand USA to request in-kind funding post the Facebook and White Stuff national consumer campaigns
  - Confirmed final space for WTM at 24 square metres and provided Visit Florida with final contact details for all co-exhibitors on the booth

- Provided Visit USA Denmark with information on the new Pier 60 Hotel in Clearwater
- Confirmed attendance at meeting in Frankfurt with DT and Think! to discuss social media and Facebook UK page
- Started collating market information for the forthcoming Leisure Travel Forum being held in SPC in October
- Liaison with Marion Wolf in Germany with regards the forthcoming presentation to TDC as well as the itinerary for our forthcoming trip
- Finalised all invoices due to BVK. Fiscal year 2011-12 has now been closed out with regards the ad budget
- VSPC / Tampa Bay & Company / United Airlines Fam – Fam trip requests have now been sent to Irish Travel Agents/Tour Operators inviting them to join us on the fam trip due to take place in November. Agents/operators that have been invited include American Holidays, Tour America, Trailfinders, Tully's Travel, Travel Counsellors amongst others. A total of nine agents and a host from United Airlines will be in attendance. The fam will spend one night in Tampa on arrival and then transfer to our area for the remaining three nights. Preparations on-going.
- Virgin Holidays – Beyond Orlando Retail Mini Brochure – Confirmed participation in partnership with Virgin Holidays for VSPC to be included in a 16 page mini brochure which will be distributed across all 100 Virgin Retail stores (1000 copies per store) showcasing destinations that fall into the Beyond Orlando category (including St Petes/Clearwater, Miami, Naples etc). VSPC will have a double page spread within the brochure. This activity will help to support their late sales and also early bookings for 2013. The brochure will be distributed during September.
- Virgin Retail/SeaWorld Parks & Entertainment Promo Results – We have now received the results from the recent retail campaign and can confirm that a total of 210 room nights (88 passengers) had been booked within a two week period back in June. 29 agents also qualified for the staff incentive of £10 Love to Shop vouchers.
- G for Go Diary 2012/2013 – The Irish Directory Diary which is widely considered as the Bible of the trade in Ireland is now going into its 12th year of publication and we will be again taking a one page ad promoting our area. A FREE copy of the Directory Diary is delivered by hand to every person that works in every travel agency, tour operator and airline in both the Republic of Ireland and Northern Ireland (over 6,000 copies) It also goes to tourist boards and airlines in Ireland, the UK, Europe and the USA. They also publish TravelBiz ([www.travelbiz.ie](http://www.travelbiz.ie)) which is an e-zine that is sent directly to 6,000 Irish travel staff. It is read by over 80% of the 6,000 as it's full of pictures, details of trade functions, news items as well as launches of new products/destinations. TravelBiz is now the most read trade publication in Ireland. The e-zine is published a few times a week. The combination of marketing through both the Directory Diary and TravelBiz guarantees that we access 100% of the trade.

- Travel Uni – Travel Uni have updated our online travel agent training programme and this month has seen this launched in Travel Weekly (1 page in the weekly trade paper) as well as being promoted to the Travel Uni database via an e-newsletter. We are offering 10 goodie bags as prizes for agents that complete all four of the training modules with the winners being picked at random at the end of September.
- Facebook Competition Winner – Liaising with Virgin Holidays to book the Facebook competition winner's holiday which will be taking place in May 2013.
- Primary Times Competition Winner – Finalised all details of the holiday prize for the Primary Times competition winner. The group will be travelling to St. Pete/Clearwater in October 2012.
- Visit USA Ireland – Liaising with the Visit USA Association in Ireland regarding our online training webinar for Irish Travel Agents. The webinar will be taking place in September.
- Norwegian Cruise Lines – A meeting has been scheduled with Nick Wilkinson, UK Director of Sales at Norwegian Cruise Lines to discuss their cruises out of Tampa and to see if there are any opportunities to work together in the future.
- Visit USA Association UK – Confirmed our attendance at the forthcoming Visit USA General Meeting which will be taking place in London on the 27<sup>th</sup> September.
- Infinity Holidays/Flight Centre – Provided giveaways to L'chelle Garland of Infinity Holidays to utilise for an in house staff incentive for the month of September to encourage sales to our area. L'chelle was on our recent BA/Tampa Bay & Company Fam trip which took place earlier this year in May.
- Virgin Retail Agency (Croydon) - Provided the Virgin Retail (Croydon Branch) with a goody bag to use as part of a raffle prize they are holding in store next month to raise money for their chosen charity. Also provided the branch with Visitor's Guides and area maps to distribute on the day.
- Visit USA Association Ireland – Provided the VUSA Association in Ireland with details of the new hotel Pier House 60 to include in their monthly e-newsletter to both their trade and consumer databases.
- Brand USA – Provided Cat Salt from the UK office of Brand USA with photographs from recent fam trips to our area to include online as part of a Fam Trip Photo competition they will be launching in the next few weeks.
- British Airways – BA have promoted their flights to Tampa International from London Gatwick in their monthly e-newsletter to their Executive Club Members.
- Virgin Holidays/Travel City Direct – As reported a few months back, we will be conducting training at the Virgin Holidays/TCD call centre in Crawley next month. Approximately 20 – 30 call centre staff will be trained.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

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## **MARKET INTELLIGENCE:**

01 August 2012 – Source Travel Daily

### **US Senate approve bid to block ETS**

The US Senate Committee has approved a bill that could prohibit American carriers from participating in the EU's Emissions Trading Scheme (ETS). The bill, which is similar to a bill already passed by the House of Representatives, gives the US transport secretary Ray LaHood discretion to order airlines not to comply with the EU. LaHood has already stated his opposition to the ETS. US airline representative body, Airlines for America (A4A), said it welcomed the move. "This important legislation and the committee's approval sends a strong message to the... EU that Congress objects to this unilateral taxation scheme that will not benefit the environment," said A4A's president & CEO, Nicholas Calio. "Diplomacy is not working, and we encourage the administration to file a legal challenge, forcing the EU to work toward a global sectorised approach through the International Civil Aviation Organization (ICAO)." The bill passed by the US Senate would still need presidential approval, and while President Obama has said he disapproves of the ETS, it remains to be seen whether he would pass a bill that would place the US in direct conflict with the EU, risking a potential trade war.

01 August 2012 – Source Travelmole

### **Thomas Cook airline sale finalised**

Thomas Cook has completed the sale and lease back of 19 aircraft raising more than \$294million - £187million - to strengthen its financial position. The move was first announced on 11 May 2012 and will be used to increase liquidity. The operator announced the sale and leaseback of 11 Boeing 757 aircraft and 8 Boeing 767 aircraft is now complete following delivery of the final group of aircraft.

01 August 2012 – Source Travelmole

### **Online agent welcomes OFT probe into 'bullying' global giants**

Online travel agent Travel Republic has welcomed the Office of Fair Trading's probe into claims travel giants' 'infringed competition law'. Competition watchdog, OFT has issued a 'Statement of Objections' alleging Booking.com and Expedia struck deals with Intercontinental Hotels Group (IHG) which were anti-competitive. It said they were restricting smaller agents' ability to offer discounted hotel rooms, following a two year investigation. Online agent Travel Republic fully supports the OFT investigation. Chief executive Kane Pirie said: "We refuse to single-source product. "Our prices are known to be the best in the market and as a result we have been targeted by some of the global online travel agents who put pressure on hotels not to work with us or offer us those prices. "They sometimes even email print-outs of our website to the hotels to complain about our better prices. "The clear interest of the OFT in this area might give them pause for thought and cut down on their attempts to dictate the market and bully the customer." Booking.com, Expedia and IHG have denied any wrongdoing and are 'co-operating' with the investigation. Expedia told the Financial Times that the OFT's Statement of Objections did

not establish any laws had been broken while Booking.com said it disagreed with the allegations and intends to contest them vigorously. IHG previously said in a statement that it considered its arrangements with the online booking agents to be compliant with competition laws and "consistent with the long-standing approach of the global hotel industry".

02 August 2012 – Source Travelmole

### **Thomas Cook predicts challenging end to 2012**

Thomas Cook admits the rest of the year looks 'challenging' despite strong summer sales in recent weeks. The beleaguered tour operator reports an operating loss of £26.5 million for the third quarter, compared to a profit of £20.1 million for the same quarter in 2011, which it says reflects the difficult trading conditions across all markets. However new group chief executive Harriet Green, who joined on 30 July, says she intends to present a new recovery plan in Spring 2013. In her first statement she said: "My initial focus is to review our businesses, quickly establish priorities and develop a clear plan to reinvigorate Thomas Cook, which I expect to be able to present to you next spring. "The Group has been through a difficult period, but much has been achieved which has strengthened the balance sheet and improved liquidity. "The strength of the Group's brands and the quality of its businesses and people provides a foundation from which to bring the business back to full strength." Cumulative UK bookings were down 1% compared to 2011 although the operator claims the UK turnaround plan remains on track. Mainstream bookings have shown a significant improvement in recent weeks and there is now 33% less left to sell. However, it described sales of Olympic and Paralympics packages to corporate customers as "challenging". Exceptional costs of £33.2m were recognised in the quarter, compared to £35.3m in the same quarter of 2011. Thomas Cook says these were mainly due to the reorganisation costs in the UK, North America and West Europe segments and professional fees relating to the Group's financing. Net debt at 30 June 2012 was £1,099.3m compared to £902.5m in 2011. Cook said it remains committed to reducing the net debt of the Group through operational improvement and continues to review other non-core assets for potential disposal. Thomas Cook said: "The outlook for this year remains challenging. "However, recent booking trends are encouraging and the UK turnaround plan is delivering against its objectives. We expect that in the fourth quarter the variance will narrow delivering a full year result broadly in line with expectations."

02 August 2012 – Source Travel Daily

### **Brits value holidays for health – study (Survey by Kuoni and Nuffield Health benefits tourism**

The vast majority of Brits believe that holidays are worth more to them in terms of health and wellbeing than the money they spend on them. According to a new survey undertaken by Kuoni Travel and Nuffield Health, 84% of British holidaymakers value the effects a holiday has on their body. Quantifying this assertion further, almost a third (32%) of Britons said that every pound they spend on a holiday is worth 2-4 times more to them in terms of wellbeing, while more than a quarter (27%) said that its worth 8-10 times more. The benefits of a break clearly aren't immediate however; of those surveyed 67% of people said it took up to four days to stop worrying about work. Younger adults (16-24) were most likely to worry the longest. Chris Jones, head of physiology at Nuffield Health, said; "On a day-to-day basis, our bodies give us subtle physical signals for stress or tiredness that may be caused by our busy modern lives and we all intuitively know that a holiday can help us recharge our batteries. The fact that two-thirds of people are taking up to four days to switch off maybe an important indicator of how we manage stress from our everyday lives." Kuoni's managing director

Derek Jones said the study “highlights the health benefits of a significant 10- day to two-week holiday”. The study polled 2,845 British adults between April and June this year. The report cited four key ways in which holidays can improve people’s lives: enabling people to break a routine, offering the chance to reconnect with loved ones, putting a fresh perspective on people's lives, and enables people to relax and recharge their batteries.

02 August 2012 – Source Travel Daily

### **Southend officially becomes London’s sixth airport**

Southend Airport has been officially recognised as a hub serving London. Whilst the UK Civil Aviation Authority (CAA) has always classed the Essex airport as serving the capital, the International Air Transport Association (IATA) has not. But that has all changed now, with IATA having included London Southend Airport within its classification of the Metropolitan Area of London. The change means that London now officially has six airports - Gatwick, Heathrow, City, Stansted, Luton and Southend. “Offering London Southend alongside all the other London airports... gives us further chances to demonstrate the big benefits we can offer people over and above the other London airports,” said London Southend's managing director, Alastair Welch. According to the airport, these benefits include the shortest arrival processing time of any London hub.

06 August 2012 – Source Travelmole

### **IAG looks at stake in American Airlines**

British Airways' owner IAG is considering buying a minority stake in American Airlines to protect its Oneworld partnership. International Airlines Group chief executive, Willie Walsh, told the Financial Times that buying a small stake would help cement the airline's membership in the airline alliance. He also spoke of support for a merger between American Airlines - the fourth largest US airline and US Airways - the fifth largest. Mr Walsh said the idea of IAG investing in American "is something we are going to look at". Through Oneworld, British Airways has a joint venture with American that operates long-haul flights over the North Atlantic - which is seen as one of the world's most lucrative air travel markets. If Delta Air Lines bids for American, it could see the airline leaving OneWorld for SkyTeam - another airline alliance that Delta is a member of. But Mr Walsh said regulators would almost certainly block a combination between Delta and American.

06 August 2012 – Source Travel Daily

### **Virgin Atlantic posts £80m loss**

Virgin Atlantic has posted a pre-tax group operating loss of £80.2 million in its annual results ending 29 February. The airline blamed the economy, high fuel prices and the increase in APD on the result, which saw passenger numbers increase 2% to 5.4 million and load factor at 78%. It now expects passenger numbers to increase to 1.3 million in Q1 (up 2.3%), with revenue up 5.8% to £481.9 million. The carrier has already launched new flights to Cancun, Mumbai and Vancouver, as well as a sixth daily service between Heathrow and JFK and six Airbus A330s to be delivered this year. “We have had an encouraging start to the year, continuing to grow our passenger numbers and our revenue. Our new route launches to Vancouver and Cancun will strengthen our position as the number one UK long haul leisure airline,” said Steve Ridgway, chief executive of Virgin Atlantic.

06 August 2012 – Source Travel Daily

### **Funway marks Florida success**

Andy Travis, business sales manager at Funway Holidays has been visiting travel agencies dressed as Spiderman to mark the tour operator’s 32% increase in sales to Florida. The rise in

bookings follows its new 2013 brochure and the release of 'The Amazing Spiderman' in cinemas.

08 August 2012 – Source Travelmole

### **Virgin diverts trade calls back to UK**

Virgin Holidays is switching trade support calls back to the UK from India to improve efficiency. The tour operator says it wants to equip agents with a range of agent tools to capitalise on a predicted post-Olympic holiday boom in August and September. But the move is indefinite with all trade support calls now diverting to the UK Customer Service Centre while consumer calls will still be dealt with by a call centre in India. Agents will also be able to speak to the UK customer service via a 'webchat' using the vhol4agents website. As part of the website redesign in late August, it will include a new Agent Service Hub replicating the user-friendly style recently introduced on virginholidays.com. Mark Burns, head of sales operations at Virgin Holidays said: "These latest initiatives, particularly being able to speak to our UK team, have been put in to place to ensure agents are best equipped to sell our holidays, and are able to deal with any customer enquiries quickly and efficiently.

"Our next Peak sale period will capitalise on what we expect to be a post-Olympic bounce - so it was vital to get these functions up and running by then."

08 August 2012 – Source Travolution

### **Global economic uncertainty hits Orbitz outlook, ebookers and mobile see growth**

Second quarter growth of 28% in room nights achieved by ebookers bolstered parent company Orbitz as it reported flat revenues but declining profits for the period Net income for the three months to the end of June stood at \$4.6 million compared to \$8.8 million in the same period in 2011. Year to date net revenue is up 2% at \$6,113 million while net revenue is up 1% at £390 million. Adjusted EBITDA (a measure of profitability after costs) stands at £53 million, down 6% year on year. Barney Harford, chief executive of Orbitz Worldwide said: "Despite a challenging economic environment in Europe in particular, we grew room nights 3%, consistent with the first quarter, led by 28% growth at ebookers. "Our US distribution business grew room nights 19%, ahead of the planned launch of our American Express Consumer Travel Network partnership in the third quarter. "Our outlook for the third quarter and balance of the year is impacted by the global economic uncertainty that intensified during the second quarter and has continued into the third quarter. "We continue to see very strong growth in mobile as we deliver new mobile apps and services across our global brands. Mobile, defined broadly to include smartphones and tablets, now represents 20% of Orbitz.com standalone hotel transactions." To date this year Orbitz has seen growth in both its standalone hotel and package bookings while its standalone air bookings have fallen 3% on the second quarter and 2% for the year to date due to lower domestic air volume. New Department of Transport rules meaning travel insurance cannot be pre-selected on domestic US websites contributed to a further 13% decline in a grouping of other revenue streams including cruise, car rental, destinations services and airline hosting. The value of domestic business for the Chicago-based travel firm has increased 2% but international business is declining, by 7% in the second quarter and 2% in the six month period. Looking ahead Orbitz said it expects net revenue in the third quarter to be between \$197 million and \$203 million and adjusted EBITDA of between \$32 million and \$38 million. For the full year it has forecast net revenue to be between 2% and 4% up and EBITDA to be between flat or up 5% year on year.

09 August 2012 – Source Travelmole

### **Controlled distribution helps TUI outperform the UK market**

Controlled distribution and online sales are helping TUI to "significantly" outperform the UK market, according to its chief executive Peter Long. Unveiling its third quarter results today, the travel giant said it was pleased with its performance, driven by its differentiated and exclusive product with a focus on online distribution. For summer 2012, TUI said volumes are trending above the capacity reduction of 6% so it has 12% less left to sell versus last year. To date it has sold 88% of the programme. "We continue to be pleased with our price performance, especially during the lates period, with average selling prices up by 9% and improved load factors," said the trading statement. "In the UK, our strategy of focusing on differentiated and exclusive product distributed increasingly online is delivering superior performance. Differentiated products now account for 63% of holidays sold to date, up seven percentage points on the prior year. "All inclusive products make up 52% of all holidays sold so far for summer, an increase of six percentage points on the prior year. "Online sales continue to grow, accounting for 45% of summer 2012 holidays booked, up by five percentage points on the prior year. As a result, 90% of holidays booked so far this summer have been through controlled channels, up six percentage points on prior year." For winter 2012/13, TUI said UK bookings are flat in line with capacity. "So far we have sold 22% of our winter programme in the UK. Average selling price is up 3% and sales of differentiated product are up 9% compared with this time last year." For the third quarter, TUI blamed the timing of Easter for a 16% drop in operating profit to £74 million and a 2% fall in revenues. Long added: "We are confident of exceeding our full year expectations based on like for like exchange rates, however, the impact of retranslation of fourth quarter Eurozone profits at current exchange rates leaves us to believe we will perform in line with our expectations for the full-year."

09 August 2012 – Source Travelmole

### **APD campaign nears goal of 100,000 supporters**

The campaign against Air Passenger Duty is close to its goal of 100,000 supporters. Last week the Fair Tax on Flying group said 85,000 had backed the cause, emailing their MPs. Today six new organisations announced their support and the campaign organisers, who want to remain tight-lipped about exact numbers, say they are 'very close' to the 100,000 target. The Greater Manchester Chamber of Commerce, Wales Air Forum, Birmingham Chamber of Commerce, Definite Caribbean, Multicom and Newmont Travel have all joined the campaign asking the treasury to review the impact of APD levels. Jerry Blackett, CEO of the Birmingham Chamber of Commerce Group, said: "Perversely the markets that we need to be exporting to: China, India, Brazil and Mexico for example, incur some of the highest levels of APD. "If we are serious about an export-led recovery then we need to ensure our aviation taxes are competitive and fair." Lindsay Ingram, general manager of Newmont Travel Ltd, said: "If the Government wants to use travel to bring in more taxation, they need to encourage more travel rather than stifle it."

10 August 2012 – Source Travel Daily

### **Holiday booking surge expected post – Olympics**

Travel companies are expected to see a wave of holiday enquiries in the coming days as the Olympics comes to a close. Operators such as Superbreak and Mark Warner have already seen interest grow post-games, with the latter benefitting from holidaymakers keen to be active. Tim Locke, head of marketing at Mark Warner said agents have been enquiring about its sailing, tennis and windsurfing holidays following the success of Team GB. Bookings for its LTA-approved tennis courses and windsurfing courses are up 17% and 20% year-on-year

respectively. Domestic operator Superbreak has already seen post-Olympic sales through travel agents increase 10% and expects demand to boost after both the Olympics and Paralympics, with The Original Tour receiving 28 more buses to meet expected demand (see below). Some operators including Families Worldwide, have also seen families hold out on summer altogether and book holidays in October half term.

17 August 2012 – Source Travel Daily

### **Fifth of Brits 'opt for luxury'**

Britons are more likely to choose luxury accommodation over other nations, a new report has found. According to a study by ITB Berlin and IPK International, Brits join the Russians in preferring high-end accommodation with 22% choosing five-star properties, while Germans are now favouring middle-class properties. Brits are the most likeliest European nation to choose hotels over other accommodation types, with 60% opting for a hotel. Of the total 413 million trips abroad taken by Europeans, 234m of these are said to be spent in hotels. Dr. Martin Buck, director of the Competence Center Travel & Logistics, Messe Berlin, suggested the rise in five-star stays is a result of the added extras that customers receive, as well as loyalty schemes and tour operators' offering. "At many destinations these categories have been offering more and more in recent years," he explained. "Increasingly, rooms at four-star hotels can now be booked for the price of middleclass accommodation. Luxury hotel overnights are also being offered at reduced rates." Rented or purchased holiday homes are said to make up 20% of the European market, while staying with friends and relatives was at 10% and campsites at 3%.

20 August 2012 – Source Travelmole

### **Virgin to launch first UK domestic service**

Virgin Atlantic will launch London to Manchester flights from March 2013 in its first foray into the UK domestic market. The airline will operate three daily flights to Manchester using Airbus A319 aircraft from March 31. The airline says the move signals the start of a new network, providing regional feed to its long haul service and a key point to point service. Virgin will use some of its existing slots to service the Manchester to London route. Chief executive Steve Ridgway said: "Flying between Heathrow and Manchester is just the start for Virgin Atlantic's new short haul operation. "We have the means to connect thousands of passengers to our long haul network as well as to destinations served by other carriers. "Our new service will provide strong competition to omnipresent BA; keep fares low and give consumers a genuine choice of airline to fly to Heathrow and beyond." Manchester is a key regional airport with over 65% of passengers to London connecting onwards to other destinations. "Operating a London to Manchester route will provide an invaluable feed to our existing long haul network for both business and leisure passengers," added Ridgway. Virgin is expected to launch more new services on the back of its application for all of the remedy slots being awarded by the European Commission following the IAG takeover of bmi.

21 August 2012 – Source Travelmole

### **Travel industry targeted by new rules on online sales**

Airlines, agents and other travel-related companies will be forced to modify the way they sell online in light of new rules published today. The measures, outlined in a consultation on the Consumer Rights Directive, are designed to

give greater clarity and transparency on consumer rights. They seek to ban opt-out tick boxes, which automatically add ancillary services to purchases, and to stop companies using premium rate numbers for consumer queries. Consumer Affairs Minister Norman Lamb said: "Many people will have been ripped off at some point by hidden online charges while booking a holiday, premium rate helplines when returning a purchase or disproportionate and often unexpected charges for paying with credit or debit cards. "The Consumer Rights Directive will put an end to certain bad business practices and help consumers make well-informed decisions when buying products or services. It will also boost business confidence, setting out clearer rules and responsibilities and cutting red tape by reducing compliance costs." But the laws have been criticised by some customer campaign groups for failing to tackle credit card surcharges and other payment fees. Following OFT recommendations last year, the Government has announced plans to bring forward legislation to ban excessive debit and credit card surcharges across the economy. Today the Government said this would be the subject of a separate consultation, to be published shortly. In a half-way step, a dozen airlines were forced to change their pricing policy by the Office of Fair Trading at the start of this month. Ryanair, Thomas Cook, Thomson, Aer Lingus, Eastern Airways, EasyJet, Flybe, German Wings, Jet2, Lufthansa, BMI Baby, and Wizz Air all agreed to include debit card surcharges in the headline price following a 'super-complaint' from consumer rights magazine Which?.

22 August 2012 – Source Travel Daily

#### **Brand USA hails first phase a success**

Tourism marketing firm Brand USA has hailed its first UK campaign as a success after analysis showed a growing number of interest. Its initial three-month phase is said to have boosted consumer sentiment and the intention to visit the USA up 14% (through Google Analytics and a brand tracker). "We are extremely pleased how the campaign has run to date, and with the results so far," said Jay Gray, vice president of business development at Brand USA. Florida and New York have remained as family favourites this summer, while many tour operators have boosted their product across the states to meet with niche markets or new traveller expectations.

24 August 2012 – Source Travolution

#### **Travel sector among worst at email marketing, finds survey**

Travel is one of the worst performing sectors when it comes to email marketing, according to a survey. Silverpop, a digital marketing technology provider, has released its 2012 Email Marketing Metrics Benchmark Study. The company examined email messages sent in 2011 and the first quarter of 2012 by 1,124 participating customers. The survey found that travel has the third worst open rates globally (13.2%) and the worst click-through rates globally (2.3%). The sectors with the best open rates were financial services (55.6%) and charities (52.2%). Sectors with the best click-through rates globally were consumer software (8.6%) and media and publishing (8.9%) "These findings confirm that response rates vary widely based on the approach that is taken and the content that is delivered," said Loren McDonald, vice president of industry relations for Silverpop. "Companies that focus on helping recipients by providing behaviour-based content that is meaningful, personal and relevant rather than just firing off one-size-fits-all promotions are far more likely to find themselves in the top 25%."

28 August 2012 – Source Travelmole

### **Flight Centre announces further expansion**

Flight Centre announced that it is planning to grow its global shop network and sales force by between six and eight percent over the next 12 months as it posted full year net profits of A\$200m, (£131m) up 43% on last year. It will open its 2,500<sup>th</sup> shop during the current financial year and take on 1,000 extra staff, said managing director Graham Turner. The Australian-based company operates in 10 countries in both the corporate and retail travel sectors. Turner said: "Both sectors grew during 2011/12, but corporate growth was stronger as we consolidated our position as Australia's largest corporate travel manager and won market-share globally," Mr Turner said in a statement. "We are also generating more income from overseas." He projected annual pre-tax profits for 2012/13 of between \$305m and \$315m (£200m-£207m), which compare to a pre-tax profit in 2011/12 of \$290.4m. "If achieved, growth of this magnitude will represent a solid achievement for a business of our size and given the economic uncertainty," he added.

29 August 2012 – Source Travelmole

### **MPs call for inquiry into air passenger duty**

Airlines today urged the Government to act on the dire warnings of a cross-party group of MPs that air taxes and a lack of airport capacity are damaging Britain's economy. The All Party Parliamentary Group for Aviation said air passenger duty was "a barrier to inward investment" and called on the Government to undertake an economic analysis of the impact of the tax on growth and employment. The Group, which brings together MPs from across the parties with an interest in aviation but has no formal parliamentary role, also said the UK was being left behind on aviation capacity. All efforts should be made to ensure the UK retains and grows hub capacity at Heathrow or a new purpose-built hub airport, it said. Simon Buck, chief executive of the British Air Transport Association, immediately welcomed the report, saying: "Having listened to the evidence from all comers, the MPs have come to the very sound conclusion that high taxes on flying damage inward investment and tourism. It's time we had some joined up Government thinking on this. "When will this Government accept that a vigorous aviation industry is essential for the economy and for jobs and that we need to compete with our international rivals for business by growing our trading links with the rest of the world rather than taxing them out of existence or allowing them to wither away through a lack of airport capacity?" The Group took evidence from 60 organisations, including the Fair Tax on Flying Campaign. Chairman Brian Donohoe MP said: "Our findings advocate a new direction for UK aviation and call upon all those with an involvement in the sector to look again at how aviation can be part of the solution to the UK's economic problems in a sustainable way. "In order to achieve the greatest possible economic and social contribution from aviation, we need two things from government: a forward-looking aviation policy that allows for aviation growth; and a new approach to the taxation of aviation. "Combined, a new approach could not only energise the sector but also provide a firm foundation for the UK's economic recovery." He said the Group supported the EU Emissions Trading Scheme but said the Government needed to look again at how it taxed aviation.

Flybe UK managing director Andrew Strong said the report was "a breath of fresh air". He added: "Flybe particularly welcomes the call for government to undertake a detailed economic analysis of the true impact of APD. "At a time when regional economies in particular need all the help they can get, such a move is crucial starting point. We also applaud their conclusion that, in the development of its Aviation Policy, the needs of regional access to UK hubs are protected. Flybe have served the UK's regions for three decades and it

is heartening to hear a cross-party group like the APG stick up for the millions of passengers who don't live in London but still need leisure and business access to the rest of the world."

29 August 2012 – Source Travolution

### **Two thirds of holidays this summer booked wholly online**

More than two out of three overseas bookings this summer were made online, exclusive research for Travel Weekly suggests. A survey of 500 holidaymakers by Explore Research found 68% said they booked their main overseas holiday "wholly online". Just 11% said they booked wholly face to face with a travel agent, 10% did so online and by phone, and 4% wholly over the phone. The remaining bookings were split between phone and face to face; online and face to face; and a mix of all three. Two per cent of respondents were unclear. Explore also asked what sort of booking people made. Two out of five (40%) said they booked a package holiday, 32% booked separate flights and accommodation from different sources, 10% separate flights and accommodation from a single source (a Flight-Plus booking) and 11% flight-only. A further 6% of bookings involved rail or ferry bookings and 1% were unclear. The survey did not ask consumers what kind of company they made an online booking with and it assumed consumers could identify a package holiday. John McEwan, chief executive of Advantage Travel Centres and chairman of Abta, said: "Online is the biggest single channel so the results are not a big surprise. "There are major online travel retailers, and Tui Travel and Thomas Cook are taking a significant proportion of bookings online." However, he said 68% "does seem high", adding: "At Advantage we see a lot of evidence of people instigating transactions online, then doing more on the phone. There is a mix in the middle." McEwan added: "Our research shows agents consistently around 28%-29% of the total holiday market."