

UK OFFICE

October 2012 REPORT

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Trade Shows

Attended the Tour America show in Dublin as part of the Florida's Beaches co-op. This year for the first time we also had Visit Orlando brochures on the booth as they are now paying for brochure distribution. The show was busy with mostly families along with children. The lines at the Tour America booking stations were long throughout the day.

People coming by Florida's Beaches were mostly inquiring about Orlando and/or the closest beach to Orlando. A great many of them had already set their mind on St Pete/Clearwater to combine with an Orlando stay. The interest in Fort Lauderdale and Miami was rather limited which was attributed to the fact that the Florida-inclined audience was made up mostly of families with small(er) children looking mainly for vacationing around the themeparks of Orlando including reasonable accommodation.

Meetings

Norwegian Cruise Lines – We sponsored a dinner/training event for the regional Sales Team at Norwegian Cruise Lines in London this month. As previously reported, the regional Sales team (a group of 8 staff based up and down the UK) visit travel agents around the country and promote their product as well as talk about local areas as part of a pre or post cruise stay. We also hosted and trained the in-house reservations/sales team at the dinner and provided them with literature and giveaways.

TRADE LIAISON

- Undertook site inspections, conducted meetings and presented UK, Ireland and Scandinavian recap at the October TDC meeting
- World Travel Market – Finalised meetings with tour operators, airlines and other partners for the forthcoming World Travel Market at the London Excel Centre from 5th – 8th November. A total of 27 meetings have been scheduled.
- Visit USA Fam Trip – The Visit USA Association Fam trip from Ireland took place this month. A total of nine travel agents from Ireland and two Irish Visit USA Association hosts attended the Fam. We received some great feedback from the Association staff and some of the agents too.
- VSPC / Tampa Bay & Company / United Airlines Fam – Preparations have now been finalised for the forthcoming co-hosted Fam trip in conjunction with United Airlines and Tampa Bay & Company which will be taking place next Month. Nine travel agents will be in attendance with Pat Reede from United Airlines who will be escorting the group.
- Finalised the itinerary for the American Holidays fam which will visit SPC in late November. The fam is escorted by Dee Burdock, Product Manager and is for their in-house reservations staff.

- USAirtours – Last month we reported that we had received a request for assistance from USAirtours for an in-house fam trip that they are organising in December 2012. Preparations are at the moment on-going but most of the itinerary has been finalised.
- TUI Specialist – Finalised itinerary for TUI fam visiting SPC in early November. The group is made up of 4 in-house staff and they will spend 3 nights in our area, having previously visited Orlando and Tampa.
- Funway Holidays – Work has commenced on part of the agreed marketing proposal for the ‘Discover Florida’ project, in conjunction with Funway Holidays. We have already signed off the Selling Long-haul Magazine World Travel Market edition advertisement.
- Scandinavian Sales Mission – extensive liaison with Chris Ellis at Visit Orlando re the itinerary for the mission as well as liaison with operators in Stockholm re possible meetings. Confirmed co-sponsorship with Virgin Atlantic.
- Hits from UK visitors to www.visitstpeteclearwater.com have risen from 15,161 between Jan- Sep 2011 to 20013 for the same period in 2012
- Snappy Snaps Consumer Promotion – Work has commenced on approving some of the artwork for the consumer promotion with Snappy Snaps (in partnership with Cosmos Holidays).
- Confirmed an advert in the Visit USA Travel Planner
- Extensive liaison with Rooster re the October press fam, the joint SeaWorld press fam and the PR plan.
- TUI – Provided Tui Specialist with details of our video footage and how to download this to their website as part of our joint promotion with Visit Orlando. The video will be uploaded soon and available for consumers to view for the period of 6 months.
- Cosmos Holidays - Confirmed training at the Cosmos Holidays call centre in Stockport, which will take place in November. A total of 22 agents will be trained.
- Flexible Trips – Confirmed training at the Flexible Trips (part of the Thomas Cook Group) call centre in Peterborough for next month. Call centre staff and the sales team will be trained on our area.
- SeaWorld Parks & Entertainment – A meeting has been scheduled with Simon Parry and Ruth Roseweir to discuss moving forward in partnership together again this year with both UK Tour Operator Partners and Retail Travel Agencies. We have also been invited to attend a training seminar for SeaWorld Experts in conjunction with Virgin Holidays.
- Freedom Travel – Provided brochures and giveaways to a travel agent in Co Kildare, Ireland for a forthcoming Florida weekend promotion.

- Blue Sky Holidays – Provided literature and giveaways to a travel agent in Cardiff as they will be featuring the USA as destination of the month for November.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

01 October 2012 – Source Travelmole

TUI to rebrand superstores

TUI is to rebrand its superstores to bring them in line with its high street stores. Over the next few months, superstores in Stoke, Peterborough, Birmingham, Basildon, Liverpool, Bradford, Newport and Cheshire Oaks will change their name to "Thomson... featuring First Choice". The group announced in October 2011 that it was rebranding its high street shops and has so far rebranded 111 of its stores. "Given the success of the rebrand so far we have revisited our previous decision to not rebrand our superstores and have decided to mirror the high street presence across the country using Thomson as our lead brand. "I believe this will present great opportunities for both our customers and our staff," said Kathryn Ward, retail director. The refurbishment and rebranding of the entire TUI UK & Ireland retail estate is due to be completed by October 2013 with priority given to the popular superstores which are expected to be complete by the end of October 2012.

02 October 2012 – Source Travelmole

New UK chief for Thomas Cook

Thomas Cook has drafted in a new UK chief as part of a major management reshuffle. It is believed this is only the first phase of a shake-up of the business under new group CEO Harriet Green. From November 1, Ian Ailles and Phil Aird-Mash will report into Peter Fankhauser. Fankhauser, who is already responsible for the group's German-speaking Continental divisions, will take responsibility for the UK & Ireland business. He is a Swiss national based in Germany, but when he takes on the UK role he will spend 80% of his time in the UK. He has been briefed to simplify the UK's operating structure and accelerate its ongoing turnaround plan. Green said: "Transforming the performance of our UK & Ireland business will, in essence, transform the Thomas Cook Group's performance overall. "Peter has extensive experience and proven track record of successfully leading and transforming businesses and I'm confident that by bringing our UK and Continental European operations together we will achieve far greater synergies for the group and significantly improve operational efficiency, the sharing of best practice and driving out siloed behaviour." Meanwhile, Pete Constanti will take up the new role of chief people officer with immediate effect. Reporting to Green, he will oversee HR and learning and development functions in each region, and will continue to lead group destination management. Other changes announced today include:

- Joint chief information officers (CIOs), Reinhard Eschbach (currently CIO TC Germany) and Mariano Albera (currently CIO TC OTA) will align the group's traditional IT systems with a web-enabled focus for the future.
- Michael Tenzer will now lead the German speaking markets as managing director Germany.
- Reto Wilhelm has been appointed managing director, East & West, responsible for The Netherlands, Belgium and Eastern Europe, including the Russian business. Wilhelm previous held international, executive level roles at Kuoni and the airline, Swiss.
- Jenny Peters has joined the company and will report directly to Harriet Green as group head

of communications. She worked with Green at Premier Farnell. Peters will be responsible for internal communications and external public relations across all segments.

- James Sandford, currently integration director in the UK's retail joint venture, has been appointed as programme management director, reporting directly to Green.

03 October 2012 – Source Travelmole

High profile MP's hit with anti APD messages

High profile MPs Vince Cable and Michael Gove are in the top 10 of MPs emailed about reviewing Air Passenger Duty. Cabinet member Cable has been sent 1171 emails by constituents while Gove has received 1224. Prime Minister David Cameron has been sent 460 while opposition leader Ed Miliband has received just 148, according to campaign organisers, A Fair Tax on Flying. Most of the MPs receiving record numbers of emails serve constituents in London and greater London. Conservative MPs have received 116,071 emails, Labour MPs 55,701 and Lib Dems 17,507. Overall, more than 200,000 people have emailed their MP, and a further 80,000 non-UK residents have emailed the Treasury in what the organisers claim is one of the biggest social media campaigns ever co-ordinated. Darren Caplan, chief executive of the Airport Operators Association, said: "It's simply incredible that so many constituents have decided to express to MPs their concern about the UK having the highest levels of Air Passenger Duty in the world. "The Prime Minister's in-tray now contains nearly 500 messages about the 'A Fair Tax on Flying' initiative, and many Cabinet Ministers and MPs have received over 1,000 emails each." Luke Pollard, head of Public Affairs at the Association of British Travel Agents, said: "The Government is searching for ways of stimulating the economy - reviewing APD is one of those ways. "A review into the economic impacts of APD costs little and could bring in big benefits not just to aviation but to every industry that uses aviation to sell their goods and services if the policy changes."

03 October 2012 – Source Travolution

Channel blurring at TUI as online package sales fly

Europe's largest travel group, Tui Travel, has revealed it no longer breaks down its trading by channel as a more diverse range of its product is sold over the web. Speaking exclusively to *Travolution* sister publication *Travel Weekly*, the firm's two main bosses, Peter Long, chief executive, and his deputy Johan Lundgren, indicated they are seeing a growing blurring of channels. Lundgren said: "It used to be that online was viewed as good for simple bookings. That's not true anymore. "People are booking higher-price, differentiated products online. In the past there were generally higher sales of seat-only online, but there has been a big increase in package sales. "We are getting better at showing all the content online and that drives conversion. Our share of seat-only is coming down [anyway]. "We used to break down [the proportion sold online by type booking], but now we don't." Tui's trading this year has prompted it to increase capacity next year for the first time in five years. The firm has cut UK mainstream capacity this year by 7% although revenue was up 5% this summer despite it carrying 4% fewer customers. Average selling prices rose 10% and Long said Tui has had a good start to 2013 trading. "We're at a point where we are positioned for growth. We plan, in a measured way, to increase the numbers we take on holiday. "It is not a question of how we compete [in this market]; it's a question of how quickly we grow. We are not managing decline. In this market the strong will get stronger." Lundgren said that Tui would not follow rival Thomas Cook in bulk-buying seats from EasyJet saying it was investing in its own airline including being UK launch partner for the Boeing 787 Dreamliner.

05 October 2012 – Source Travolution

Travel Republic hits 500k verified reviews milestone

More than 500,000 verified hotel reviews now feature on the Travel Republic website. The number of reviews is increasing exponentially, with more than 120,000 reviews added since the start of the year. This comes as the online agency claims two million customers are now booking each year from the UK, Ireland, Germany, Spain and Italy. As well as hotel reviews, customers have submitted more than 300,000 ‘top tips’, with advice for other holidaymakers on how to make the most of their breaks. The hotel with the highest number of perfect ‘10-out-of-10’ ratings is the Costa Adeje Gran Hotel in Tenerife. The property has an overall average of 8.6 out of 10. The most-reviewed hotel is the Sol Pelicanos Ocas in Costa Blanca - setting for the TV series Benidorm - which has attracted more than 1,250 reviews. The hotel is rated 7.8 out of 10. Only reviews from verified customers are accepted. They are provided with a secure login to submit a review after returning from their hotel. “This means that only 100% authentic, independent ratings are included, in contrast to other well-known hotel review sites,” Travel Republic claims. Chief executive Kane Pirie said: “We pride ourselves on putting our customers at the heart of everything we do and featuring reviews you can trust from fellow travellers is a great example of that. “With more than half of our bookings coming from repeat customers or recommendations, we aim to ensure that holidaymakers have a great time, every time.”

10 October 2012 – Source Travolution

Expedia ‘traveller preference’ programme seeing results

Hotels participating in an Expedia ‘traveller preference’ programme are seeing “significant revenue” increases, the online travel giant claims. Preliminary results from more than 1,400 of the 13,000 signed up to the scheme show increased booking volumes and values. The programme is designed to better serve travellers by offering them the choice to pay either at the time of booking (called Expedia Collect) or when checking out at the hotel directly (called Hotel Collect). Early testing shows improvement in two areas: More bookings: Participating hotels are receiving more bookings when a traveller is offered a choice of how they would like to pay compared to being given a single option. Bookings with longer length of stays: Offering a choice to travellers of how they would like to pay is improving the value of the bookings with average length of stay increases of around 5%. Participating hotels are also seeing improved placement in hotel search results giving them greater potential exposure to more than 50 million unique visitors that shop for and book travel on Expedia and subsidiary Hotels.com each month. Search result placement is driven in part by conversion rates as well as booking volumes. Participating properties are not only getting a greater share of bookings from travellers exposed to their hotels but they are moving up in search results, providing them with exposure to even more travellers, which in turn leads to even more bookings, Expedia claims. Senior vice president Melissa Maher said: “Our research showed that travellers prefer to have a choice of whether they pay for their reservation up front or pay at the hotel at the time of stay, which is why we developed the Expedia Traveller Preference programme. “In addition to better serving our travellers, early test results indicate that the hotels in the programme receive more bookings at greater value, which ultimately leads to more revenue.”

14 October 2012 – Source Travelmole

Gatwick considers second runway

Gatwick Airport is considering building a second runway to transform it into an international hub to rival Heathrow. Despite its long-standing agreement not to construct another runway until 2019, the airport's chief executive Stewart Wingate said it is looking at options to

increase passenger numbers. He reportedly told news agency Reuters that a second runway at Gatwick would have a lower environmental impact than a third runway at Heathrow and it would add significantly more capacity. Global Infrastructure Partners, which bought Gatwick from BAA, owners of Heathrow, will evaluate the environmental, surface access and economic impacts of various runway options, according to Reuters. Its findings will be submitted to the Airports Commission but no work on a new runway will begin before 2019. In a statement issued today, the airport said it remained committed to the 1979 legal agreement with West Sussex County Council that prohibits it from building a second runway for the next seven years. Gatwick currently handles 34m passengers a year but the airport is expecting numbers to rise 30% over the next 20 years. It saw a 2.4% increase last month when it handled an additional 80,000 passengers, however it still has 25% spare capacity. Although traditionally seen as an airport for holiday flights, Gatwick has been increasing its scheduled traffic. Numbers last month were up by more than 7% on flights to Europe, and the airport has recently attracted new Asian carriers flying to Beijing, Seoul and Vietnam. A commission chaired by former Financial Services Authority head Howard Davies to analyse ways to expand airport capacity in southeast England will report in the summer of 2015 after releasing an interim report next year. Other options mooted so far include a third runway at Heathrow or a totally new airport in the Thames Estuary.

17 October 2012 – Source Travolution

Thomas cook web boss to leave the business

Thomas Cook's chief executive for e-commerce Thomas Doering is to leave the business, the company has confirmed ahead of its business update in November.

Doering will be replaced by Susan Duinhoven, former chief executive of western Europe, who will continue to develop the group's web activities. She has previously worked with brands including McKinsey and Unilever. A spokeswoman for Thomas Cook Group said: "Susan's background and experience will be critical as we strengthen our online presence which is an important additional channel for our future in every part of the business."

Doering, who has been with the company for 11 years, was charged in 2010 with leading Cook's plans to become a leading online travel agency. He has now decided to "pursue a new opportunity outside of travel" and will be leaving the group at the end of this month. A company spokesperson added: "We wish Thomas well in the future."

23 October 2012 – Source Travelmole

TUI, BA and Easyjet face flood of compensation claims

TUI Travel, British Airways and EasyJet could be forced to pay passengers millions of pounds after losing a two year legal battle to overthrow a European law that states they must pay passengers for long delays. As expected, the European Court of Justice today upheld the law in a ruling which will open the floodgates to claims that have been on hold for years.

The ruling by the ECJ, which is the highest court in Europe, confirms that air passengers are entitled to up to €600 (£480) compensation if they arrive at their destination three hours or longer after the scheduled arrival time. It dismissed an application by the airlines to limit claims for delays that occurred prior to today's hearing, which means passengers can now claim compensation retrospectively. Flight-delayed.co.uk, a website that assists passengers making claims, estimated claims worth up to €90m were outstanding. However, the ruling confirmed that airlines don't have to compensate passengers if they can prove the delay was caused by extraordinary circumstances which couldn't have been avoided even if all reasonable measures had been taken. This includes wild-cat strikes and bad weather. The two airlines and TUI, backed by airline association IATA, had argued that the Civil Aviation Authority in the UK was wrong to force them to pay passengers on delayed flights the same

compensation as passengers whose flights had been cancelled. The CAA referred the matter to the High Court which sought clarification from the ECJ. The ECJ said that as passengers whose flights are cancelled are entitled to compensation where their loss of time is equal to or in excess of three hours, passengers whose flights are delayed may also rely on that right where, on account of a delay to their flight, they suffer the same loss of time. The Court also found that the requirement to compensate passengers for long delays was compatible with the Montreal Convention and that the obligation was compatible with the principle of legal certainty according to which passengers and airlines must know precisely the respective scope of their rights and obligations. Finally, it ruled that the compensation laid down by the EU was not excessive as it only applies to long delays and airlines don't have to pay for delays caused by matters beyond their control. Flight-delayed.co.uk said it did not expect the ruling would make it any easier for passengers to get money from the airlines when their flights are delayed.. "European judges decide over and over again in favour of air passengers. Nonetheless, receiving compensation remains a hassle," it said. "This probably will not change even after the verdict."

25 October 2012 – Source Travelmole

High street agents are back in favour

Consumers are turning back to the safe hands of high street travel agents, according to the latest figures from ABTA. Its 2012 Consumer Travel Trends Survey has found a significant jump in bookings through agents over the last three years. At the same time, it has recorded a dramatic drop in consumers booking DIY holidays direct with airlines and hotels. The shift has been put down to confusion about the sheer extent of choice on the internet, coupled with increasing concerns among consumers about being properly protected when travelling. The percentage of people booking a foreign holiday through a high street travel agent has grown from 17% in 2010, to 25% in 2011 and 27% in 2012. Meanwhile, the number of consumers booking DIY holidays has fallen from 43% in 2011 to 27% in 2012. Furthermore, the percentage of people booking a domestic holiday through a high street travel agent has almost doubled in a year, although the numbers are smaller. Some 8% of people booked their UK domestic holiday through a high street agent in 2011, but this jumped to 13% in 2012. The percentage of consumers booking DIY domestic holidays, meanwhile, has dropped from 51% in 2011 to 29% this year. According to the survey, there has also been a surge of sentiment in favour of agents over the past 12 months. The number of consumers that value their services climbed from 30% to 40%. Surprisingly, the younger generation of consumer seem to be the biggest fans, with 45% of 15-24 year olds value the services of a travel agent, up from 30% in 2011. More than half (52%) of this age group also believe that travel agents are good at finding what customers need, up from 36% in 2011. Victoria Bacon, ABTA head of communications, said: "It is increasingly apparent that people are realising the benefits of what a travel agent can offer. "The Internet has been fantastic in opening up choice but the survey shows that consumers value the help of a human being and the reassurance of dealing with someone face to face." An ABTA spokesman said the shift was also down to increasing awareness of protection issues, prompted by the ash cloud disruption in 2010 followed by a series of travel company failures. "Either through personal experience or watching it through the media, consumers are more aware of the reassurance and protection that comes from booking with an agent or a tour operator," he said.