

# **UK OFFICE**

## **November 2012 REPORT**

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

### **World Travel Market**

The following meetings were held at World Travel Market

### **Trailfinders**

Meeting with Jane Poyser, Product Manager. USA is up for them by 7% in 2012 and Florida is up 4%. They have booked 1179 room nights to SPC to end of October 2012 which is a 1% increase over 2011. They advised that forward bookings to the area for 2013 are showing 144% up over the same period last year! Provide a general update.

### **American Holidays**

Met with Dee Burdock, Product Manager. Business is steady and Florida has been flat for this year. Room nights to our area stand at just under 1000 to end of October 2012. Discussed possible co-op marketing and currently awaiting a proposal.

### **Virgin Holidays**

Met with Andrea Noble, Product Manager and Andy Reekie and Jo Peskett from Marketing. Orlando is tracking down 9% for this year but St Pete/Clearwater is 1% up. Discussed the new "Beyond Orlando" campaign in which we will feature heavily, in addition to general co-op marketing ideas for 2013. Confirmed participation in their January Peaks campaign and awaiting a co-op proposal for the remainder of the year.

### **TUI**

Met with Suzanne Harvey, Product Manager and Jessica Jackson, Marketing Manager. Confirmed they had booked 1715 room nights to SPC to end of August which is flat year on year but Florida and Orlando are also flat. Discussed the fact that their Hayes & Jarvis brand will be the focus for 2013 and requested a proposal from them for co-op. Tampa Bay & Co will also participate in a joint co-op effort.

### **Gold Medal Travel**

Met with Mark White, Product Manager and Harriet Moon, Marketing Executive. Gold Medal/Thomas Cook have booked a total of 1543 room nights to end of October and there is definitely potential to grow this business especially as forward bookings are showing 20% up for 2013. Discussed possible co-op with Harriet and a proposal has now been received. Just awaiting confirmation from SeaWorld Parks as to whether they will also participate with us on this co-op.

### **Tour America**

Meeting held with Veronica Aherne to discuss forward planning for both Tour America (Ireland) and Tour America Direct (UK). Discussed the possibility of a joint promotion in partnership with SeaWorld Parks & Entertainment in April 2013 with Tour America Ireland (awaiting a marketing proposal and room night stats), training opportunities for in house staff in Q1 of 2013, staff incentives as well as discussing link up's on our UK Facebook page and providing them with updated video links to add footage to their website and imagery.

### **Norwegian Cruise Lines**

Meeting held with Nick Wilkinson and Jill Tracey to discuss partnership opportunities moving forward into 2013 after our recent Staff Managers Training & Dinner Event in October. We discussed the inaugural launch of their new ship and the training opportunity that will be taking place as part of this in April 2013 at Southampton. The opportunity to partner on this means that we could potentially train between 2,500 – 3,000 UK travel agents. We also discussed the possibility of participating in their UK Roadshow which normally takes place in the autumn and which visits a total of 3 key UK cities to meet and train UK based travel agents.

### **Cosmos Holidays**

A meeting took place with Neil Garner in which we discussed the final plans for our joint consumer promotion with Snappy Snaps as well as a joint co-op marketing campaign in 2013 possibly in partnership with SeaWorld Parks & Entertainment. Neil advised us that Cosmos will be installing new systems in the 2<sup>nd</sup> quarter of 2013 which would allow a much greater inventory in our area and as such any joint plans for 2013 would be to post this system installation.

### **British Airways/British Airways Holidays**

A joint meeting was held with British Airways, British Airways Holidays and Tampa Bay & Company to discuss partnerships in 2013. We were advised that British Airways will be offering 6 direct flights per week into Tampa International Airport from London Gatwick over the winter months of 2012/2013 and that this will increase back up to 7 direct flights over the summer months of 2013 (as per this year), which is great news for our destinations. We also discussed the following promotions in 2013:

- British Airways/Visit Florida & Area Partners Promotion will again take place and is due to commence in April 2013, in which both ourselves and Tampa are keen to participate.
- Fam Trip seats - BA have already advised and confirmed 10 free seats have been secured for a joint Fam Trip in 2013.
- BA/Visit St. Pete/Clearwater/SeaWorld Parks & Entertainment landing page on BA.Com. We have now been advised that this will be given to us free of charge.
- Training for both the Newcastle call centre and the Gold Card Centre in Manchester and all details are to follow in due course

### **Infinity Holidays**

Met with Emma Lenanton, USA Product Manager. We were advised that the USA is now outselling other worldwide regions and that our room night stats are increasing. This is seemingly as a result of the training we had conducted training earlier on in the year and having one of their staff members on the UK Fam trip we hosted in May with British Airways. Room night stats for the year 2011 totalled fewer than 100 and have now increased this year to over 250. We discussed training their call centre staff again in the first quarter of 2013 and this has now been secured for March. Also discussed the possibility of joining Infinity Holidays at one of their Florida Training sessions that they hold for their Flight Centre Travel Agents and discussions are taking place regarding this although this will not be until the summer of 2013.

### **Premier Holidays**

Meeting held with Heidi Blades, Product Manager. Premier Holidays are having a great year with the US up 34% on last year, Orlando up 5% and St Pete/Clearwater up 20%. Heidi confirmed we are far out-performing the other beach destinations and maintains this is due to

the regular co-op we do with Premier Holidays. Confirmed we will move ahead with co-op in 2013 and awaiting a decision from Busch Gardens as to whether they will also buy in to this.

### **Barrhead Travel**

Meeting held with Caroline Donaldson and Kirsty Smith to discuss co-op in 2013 including an in-store promotion throughout their 41 travel agencies in Scotland, as well as training, fam trips and staff incentives. A proposal has already been received for co-op marketing (which we will be discussing with SeaWorld Parks & Entertainment - SWPE) and we are just awaiting a proposal for the retail in-store promotion.

### **Sunway Holidays Ireland**

Met with Claire Doherty, the new USA Product Manager at Sunway Holidays in Ireland. Sunway Holidays have just finalised their 2013 USA Brochure and currently feature the Barefoot Beach Hotel, Marriott Suites Sand Key, The Sandpearl and the Tradewinds Resorts and have this year booked just over 100 room nights. We discussed training for their in-house staff to see if we can assist in increasing these stats for next year and are currently in discussions about securing this for the first quarter of 2013.

### **Flexibletrips**

A meeting was held with Claire Burdall, Product Manager and Kevin Gaddes Training and Sales Development Manager to discuss promotional, training and incentive opportunities into 2013. We have actually already conducted training at the end of this month for 50 of their call centre staff after our WTM discussions and are currently awaiting a proposal for joint co-op marketing to include a staff incentive.

### **THG Holidays**

Met with John Bowden to discuss working together in 2013 as we have done in previous years – discussed joint ads in local regional press newspapers and training with their in house staff and Travel House Travel Agents in the Swansea area. Dates for training have already been secured for May 2013 and we will also look to host a dinner at the same time for their in-house staff. John will be forwarding suggestions of the joint press ads in the coming weeks with a view to placing these ads in the first 3 months of 2013 to encourage advance bookings to our area. John advised that they are just working on their new Florida brochure and will be adding the Holiday Inn Harbourside and the Barefoot Beach Resort to their product pages which already include The Sirata Beach Resort, The Tradewinds Resorts and the Hilton Clearwater Beach.

### **Visit USA Ireland**

An update meeting was held with Clodagh Oxley and Beverleigh Fly who advised us that the recent joint Travel Agent Fam Trip that we co-hosted for Irish Travel Agents was a huge success and thanked us for hosting the group. Discussed providing details of new video footage (which has already been forwarded) co-sponsorship of their annual 4<sup>th</sup> July event that will be taking place in Dublin as well as their media marketplace which will be taking place in January 2013 as part of the Holiday World Consumer Show in Dublin.

### **Selling Long-Haul**

A meeting was held with Sally Parker and Matt Bonner of Selling Long-Haul Magazine to discuss the possibility of us again placing advertisements in the coming months. Sally & Matt to revert back with a proposal to include some new ideas that they feel would work well for our destination.

### **Visit Orlando**

Met with Chris Ellis and Zoe Ward-Waring to discuss possible joint opportunities in 2013 after our successful partnership of the past few years. Visit Orlando have advised us that they are concentrating on their core tour operators, namely Virgin Holidays, British Airways, Thomas Cook, Thomson and Cosmos and as such may not have any additional funds to co-sponsor smaller co-op marketing opportunities. They have agreed to hosting a joint UK Tour Operator Event in January 2013, co-hosting on Fam Trips in 2013 where possible and looking at joint partnership training opportunities for both destinations. A meeting has already been confirmed to meet with Catherine Hamou and Pegi Amarteifio to discuss the training opportunities further and a venue and date has also been confirmed to host the joint UK Tour Operator event, which will be taking place on the 31<sup>st</sup> January in London at the Venue 'Bounce'.

### **USAirtours**

A meeting was held with Linda Dixey and Richard Trasler of USAirtours. We discussed the confirmation again of our partnership in their 'Destination of the Month Campaign'. This includes promotion on their desk top calendar to all of their independent travel agents, a dedicated landing page for our destination and in-store posters displaying holiday offers to our area. We have now confirmed that we will be their destination of the month for September 2013 and further details will follow in due course. We have also since our meeting with them at WTM provided them with our Power Point Presentation to use on their travel agents training site and discussed in house training which is being planned for April 2013.

### **Letsgo2**

Meeting held with Casey Hurford who has just been appointed Product Manager to set up their US programme. At the moment the company only features New York, DC, Orlando and Vegas but this will be greatly expanded over the next few months and will include SPC. Offered assistance.

### **Expedia**

Met with new Account Handler Afsheen Quershi to discuss partnerships going forward. A proposal has now been received and the promotion with Expedia will go live on 7<sup>th</sup> January 2013.

## **TRADE LIAISON**

- Trailfinders – Per discussions at WTM about training, we have now received details of their stores and are looking to work with them on training in the first 2 quarters of 2013.
- Snappy Snaps – Finalised details for the forthcoming Snappy Snaps promotion in partnership with Cosmos Holidays. All artwork has now been signed off and the promotion is due to launch at the end of December 2012.
- SeaWorld / Busch Gardens training – Trained Virgin Holidays specialist reservations staff on our area
- Cosmos Holidays – The scheduled training at Cosmos Holidays call centre in Stockport has now taken place. A total of 22 sales staff were trained and we also provided them with up to date literature and giveaways.

- Nordic ad – Finalised and signed off the ad which is being placed in the Discover America Nordic Guide.
- Ongoing liaison with Visit Orlando regarding the Scandinavian Sales Mission.
- Funway Holidays – On-going preparations being made for our joint co-op marketing activity that is due to start next month and continue into January 2013. Approved the Travel Bulletin microsite content and in-store/window poster content that will be distributed to their 5000+ independent travel agencies.
- United Airlines/Tampa Bay & Company/Visit St. Pete/Clearwater Fam Trip – This fam trip took place in early November in partnership with United Airlines and Tampa Bay & Company. We have been advised by Pat Reede, the United Airlines host who escorted the trip that this was a fantastic success and we have already forwarded an email to the agents to provide us with feedback from their visit which we will be sharing with the leisure sales team in St. Pete/Clearwater.
- American Holidays Fam Trip – We received a request from Dee Burdock, Product Manager of American Holidays in Ireland asking for assistance in our area for an in-house fam trip that would be visiting St. Pete/Clearwater in December 2012. We liaised with the team in resort and the fam trip itinerary has now been finalised. The group will be staying at the Sandpearl Resort and the new Guy Harvey Outpost and will be visiting attractions in the area including the Clearwater Marine Aquarium, The Dali Museum and The Morean Arts Centre (visiting the Chihuly Collection). They will also be visiting area hotels for site inspections. The group consists of 9 agents/sales/product staff of American Holidays.
- USAirtours Fam Trip – A request was received from Linda Dixey at USAirtours for assistance with an upcoming in-house staff incentive that will be visiting Orlando and our area in December 2012. The group will consist of 14 agents/sales staff from USAirtours and will be staying for the duration at the Guy Harvey Outpost Resort. The itinerary that has been now been finalised includes site inspections at area hotels, visits to area attractions including the Clearwater Marine Aquarium, Busch Gardens at Tampa Bay, hosted dinners.
- THG Holidays – Assisted John Bowden at THG Holidays in Swansea with contact details of the Holiday Inn Harbourside Resort after a request for this information was received at World Travel Market. As mentioned in our WTM meeting follow-up, THG Holidays will now be adding this property to the brochure portfolio for their 2013 Florida Brochure.
- Tour America Direct UK – We have been approached by Tour America Direct UK to see if we would be interested in participating in a Facebook Promotion they will be running in December by providing small giveaways such as beach towels. We have confirmed our participation and preparations are on-going.
- Rooster PR – Sent Visitor's Guides to our PR agency for them to utilise in their forthcoming media meetings in the UK & Ireland.

- USAirtours – Assisted Linda Dixey with contact details of the following properties after a request was received for this information as they wish to look at contracting these hotels directly for 2013. The Sandpearl Resort, The Barefoot Beach Resorts, The Tradewinds Resorts and the Hyatt Regency Clearwater Beach. The information was duly sent.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

35

## **MARKET INTELLIGENCE:**

02 November 2012 – Source Travelmole

### **Airlines see growth in demand fall away**

Airlines in Europe are experiencing "profitless growth" as they struggle to manage high fixed costs and taxes, the international airline association IATA today. While airlines in China, Latin America and the Middle East are seeing strong growth, demand in Europe weakened in the second quarter of the year. Global traffic results for September show passenger demand in September was 4.1% up on September 2011, but this was down on the 6% growth rate seen throughout the first half of the year. Capacity in September increased by 3.1% over the same period of last year and the average load factor was 80%, slightly up on September 2011. "A two-speed recovery is emerging into a multi-speed reality," said IATA director general Tony Tyler. "Carriers in China, Latin America and the Middle East are growing strongly. Europe's airlines are experiencing profitless growth in a strategy to manage high fixed costs and taxes. "The fact that airlines are making any money at all with weak markets and high fuel prices is a tribute to their strong business performance, as evidenced by maintaining global load factors close to 80% since the start of 2012. "Even with that, airlines are expected to eke out a global net profit margin of only 0.6%. It's a tough year."

05 November 2012 – Source Travel Daily

### **MPs vote in favour of APD review**

Backbench MPs from across several political parties backed a review into the impact of Air Passenger Duty (APD) on the economy in a three-hour House of Commons debate yesterday. Politicians shared stories from travel agents, business travellers, inbound tourism, the leisure market and the VFR market during the debate, with all the speakers agreeing that a review was needed. The majority of MPs voted in favour of a review into its economic impact.

06 November 2012 – Source Travelmole

### **Industry divided over 'importance' of WTM**

As World Travel Market opens this morning, the industry is divided over its importance. According to TravelMole's Mole Poll asking, 'Is World Travel Market still an important event in the calendar?', 50% voted yes and 50% voted no. However, the industry trade show claims attendance is up 5% and there are 157 new exhibitors.

06 November 2012 – Source Travel Weekly

### **WTM 2012; Delegates urged to stimulate US Tourism after UK Visitor's drop**

UK visitor numbers to the USA are down 16% from 2008 to 2011, with delegates at the Visit USA briefing on Tuesday hearing that more needs to be done to stimulate tourism to the States. Julie Heizer, acting director of the Office of Travel & Tourism Industries (OTTI), said that there was a 28% drop in UK visitor spending in the US from 2008 compared with 2011, with \$12bn spent last year, although it was up from \$11.3bn in 2010. "We need to do

more," said Heizer, adding that the travel trade needs to show consumers that just because they have visited the USA once before, that doesn't mean they have seen all it has to offer. Heizer said there has been a shift towards travellers visiting just one destination when they go to the USA, and this was being reflected by tourists being more likely to go to concerts or plays to fill their time while they stayed in a single place, as well as a dip in car rentals. Bob Schumacher, United Airlines' managing director of sales for the UK and Ireland, said that while carriers continued to battle with government taxation such as the air passenger duty, together with increasingly small profit margins, United was "cautiously optimistic about where we are headed for 2013" Guy Novik, founder and chief executive of USAirtours, urged tourism boards and suppliers to continue working with them by providing them with incentives to continue pushing their products. "You are going to have to incentivise us to keep your business," he said. "Don't assume that the business coming in will keep coming in, as your competitors keep banging on our door to sell their products too."

07 November 2012 – Source Travolution

### **Barrhead to pioneer new social sharing tech**

Agency chain Barrhead Travel is to pioneer new social sharing technology on its website developed by a local Scottish start-up and officially launched this week. Make it Social is the brainchild of managing director Eddie Robb who came up with the idea after organising rugby trips to Edinburgh while at university. The technology allows travel partners to add a small line of code to their site which places a Make it Social button available at a strategic place in the booking process which allows customers to fire up the widget which then shares the trip details among friends on their social networks. The technology allows each member of the group to comment and the travel agent to answer questions, and it allows individual payments so the organiser is not left out of pocket. Robb revealed at last night's Small Fish Big Ocean WTM Pitch Night that the firm had officially launched that day and that Barrhead Travel was one of its first industry partners. Make it Social was due to go live on the agent's site yesterday. "We are looking to take this into other sectors like ticketing and cinemas," said Robb. "Make it Social will become known as something where you can make your products available to your customers' friends. It makes financial sense of social media and will increase conversions and sales and you can have it now very quickly with just a simple piece of Java script." Make it Social does not deal with payments or operate a commission model; instead it charges a monthly fee based on a sliding scale dependent on the size of the business.

07 November 2012 – Source Travolution

### **APD Abolished – but only on long-haul flights from Northern Ireland**

The tax on long haul flights out of Northern Ireland has been abolished. The Stormont assembly passed the final stage of the Air Passenger Duty Bill yesterday, reducing the duty on long-haul flights from Northern Ireland airports to zero from January. The abolition of the tax was welcomed by finance minister Sammy Wilson as a boost to the Northern Ireland economy. "Direct air links facilitate local firms in doing business with customers outside the region," he said. "They are also vital for the local tourism industry and in attracting foreign direct investment to Northern Ireland, both key to growing and rebalancing our economy, he said. "Abolishing air passenger duty on long haul flights will help to protect and improve our international air access and ensure the competitiveness of our airports." At the moment, passengers based in Northern Ireland are crossing the border to fly from the Republic of Ireland to avoid the tax. Belfast International Airport's managing director John Doran said: "Given the increasing differential with regard to direct long-haul air passenger duty levels between the UK and Republic of Ireland, and the very specific problems which this caused for Northern Ireland connectivity, we are grateful to the Northern Ireland Executive and HM

Treasury that decisive action has been taken. "We now look forward with renewed vigour to building upon the success of our direct US air links, as well as reaching out into key additional long-haul markets in Canada and the eastern hemisphere, in partnership with the investment and tourism authorities."

09 November 2012 – Source Travel Daily

### **Obama victory great for travel industry**

World Travel Market has revealed that Barack Obama's victory in the US Presidential election is a positive result for the travel industry. In the event's 'Global Trends Report 2012' it was reported that a change of administration could seriously alter the current trajectory of relationships with nations such as Cuba, with which the US currently has a widely discussed trade embargo. Any cruise ship which currently visits Cuba is not allowed to dock in the US for six months. The report – which was published in partnership with Euromonitor International – outlined that there is a growing interest in outbound tourism to places like North Korea, Cuba and Myanmar – the last of which recently had its diplomatic relations with the US restored.

13 November 2012 – Source Travelmole

### **Scottish agents back Virgin's bid for BA slots**

Scottish travel agents believe a single airline should be awarded the slots British Airways has been forced to give up following its takeover of bmi in order to provide strong competition on key Scottish routes to London. A survey by the Scottish Passenger Agents' Association found that 97% of agents felt this would be "the best deal" for Scottish air passengers. This new research published today finds overwhelming support for a single airline to compete with British Airways on routes between Aberdeen and Edinburgh to Heathrow. The survey of travel agents follows a recent EU decision forcing BA to relinquish 12 of its 'slot-pairs' (daily return flights) as part of its acquisition of bmi earlier this year. Seven of these slot-pairs are reserved for the flights between Aberdeen and Edinburgh to Heathrow. Airlines interested in operating these available slot-pairs have submitted business applications to the EU and Scottish passengers will find out in early December which airline(s) has been awarded the routes. So far, only Virgin Atlantic and Aer Lingus are believed to have submitted bids. The survey also found that an overwhelming majority (93%) of respondents would be "very concerned" that fares could rise if no airline was selected to operate the 'slot-pairs' on either route. 80% of travel agents said that airlines that cannot demonstrate the "ability to offer convenient connecting flights from Heathrow to popular long-haul destinations" should not be offered the slot-pairs. The survey is based on responses from over 30 Scottish travel agent companies polled in October. SPAA president Kevin Thom said "Of course, as leisure and business travel providers we work closely with British Airways and other existing Anglo Scottish carriers, but we also recognise that Scotland and its travellers really need this additional capacity. "We are confident that Virgin Atlantic's plans are well-conceived and their commitment long-term and we support their view that the slot-pairs must be allocated en bloc - to make the services both viable and sustainable. Above all, we firmly believe Virgin Atlantic's presence on the Anglo-Scottish routes would strengthen, stimulate and expand the market for all airlines operating here and encourage Scots to travel more and further. "Virgin Atlantic has already lodged a bid to take over the daily slot-pairs at Heathrow. The SPAA is very supportive of this bid by Virgin Atlantic to operate services between Heathrow, Aberdeen and Edinburgh, which would result in it having the ability to target both point-to-point UK domestic passengers, as well as connecting opportunities to key global destinations." Today's new research follows the publication of a letter signed by five MSPs, sent earlier this month to EU decision-makers, highlighting their own concerns about the decision. In the letter, organised by Brian Adam, the MSPs say that "in a worst-case-

scenario, close to 2m passengers each year on the Edinburgh and Aberdeen - Heathrow routes would be left with absolutely no passenger choice." In the letter to Commissioner Joaquin Almunia the MSPs added that the decision, which rests with the EU, should "offer Scottish passengers a strong alternative to British Airways" on the Aberdeen and Edinburgh to Heathrow routes, which currently carry 1.8m passengers each year. They say just one airline should be awarded the available slots to ensure robust competition to BA - "we'd counsel ... a single airline that will operate services across both the Edinburgh and Aberdeen - Heathrow routes, enabling it to build a competitive pan-Scotland air network." From April 2013 BA will retain eight daily return flights between Aberdeen-Heathrow and 12 between Edinburgh-Heathrow. So even if one airline is awarded all 12 slot-pairs and then splits them, say, 50/50 between the Aberdeen and Edinburgh routes they will still face a significant competitive disadvantage. "This would then be further exacerbated if the available slot pairs were split between a number of new entrants" according to the MSPs.

16 November 2012 – Source Travelmole

### **Haemorrhage of Thomas Cook directors continues**

Thomas Cook product and aviation director for scheduled business David Robinson is the latest senior executive to announce he is leaving the company. Robinson was product and commercial director of Gold Medal, which was acquired by Thomas Cook in 2008. He had been with the company for more than 20 years, having established its Airline Network brand in 1991. At Thomas Cook, he is responsible for the purchasing of over £500m of product including aviation, car, hotel and ancillary products for Thomas Cook Signature and Gold Medal, reporting to deputy managing director of scheduled business Steve Barrass. Among his key achievements listed on the social networking site Linked In, Robinson includes restructuring Thomas Cook's product department to increase efficiencies, cutting costs by 10%, and re-negotiating all major airline commercial deals increasing the revenue delivered from these deals by 10%. He is also credited with introducing preferred hotel partner policies, which delivered new revenue streams.

He states he "maintained the required margin through difficult trading" and "introduced new commercial reporting tools to increase visibility of margins and profit to the business". A Thomas Cook spokesman said Robinson had decided to leave the business but would stay until Christmas. Robinson is the sixth senior executive to leave since new chief executive Harriet Green joined Thomas Cook at the end of July but the spokesman said, unlike some of the other departures, Robinson's was nothing to do with any company restructure. "David has decided to leave, it's mutual and amicable," he said. Barrass said: "Thomas Cook Scheduled Business has come a long way since we merged with Gold Medal back in 2008, and David has played a big part in developing the product strategy. We'd like to thank David for his contribution and we wish him well in the future." Thomas Cook UK and Ireland chief executive Ian Ailles and independent business chief executive Phil Aird-Mash announced last week they would be leaving the company end of the year. Chief commercial officer Neil Morris, chief financial officer Michelle MacMahon and Thomas Cook Sport managing director Danny Talbot all resigned in October. Talbot will join Kempster, a sponsorship activation agency, at the end of the year.

19 November 2012 – Source Travel Daily

### **Virgin Atlantic wins Scotland Heathrow slots**

Virgin Atlantic has won the bid for slot pairings between Scotland and Heathrow left behind from IAG's acquisition of bmi. The airline confirmed it has been offered the slots and is due to confirm a timetable in the next two weeks. Flights will start at the end of March with an Airbus A320 to provide feeder flights into Heathrow from Aberdeen and Edinburgh similar to its Manchester route. Last week the Scottish Passenger Agents Association (SPAA) backed

Virgin Atlantic to compete against British Airways on the services. "We have fought hard for the right to fly short haul and take a strong challenge to British Airways within these shores," said Steve Ridgway, chief executive of Virgin Atlantic.

21 November 2012 – Source Travel Daily

### **MPs back airline ATOL inclusion**

Eight in 10 MPs believe holidays sold by airlines should be included in ATOL regulations, new ABTA research has revealed. Ahead of a House of Commons' debate tomorrow, the association released its ComRes results which showed 81% of MPs from all political parties agreed that airlines should be included. Tomorrow's debate will see MPs discuss ATOL regulations and changes to the Transport Select Committee's report which was launched in April. Despite adding Flight Plus and new reforms, ABTA has estimated 38% of holidays are still unprotected by the scheme.

21 November 2012 – Source Travel Daily

### **Report sheds light on aviation worth – 6.7 million jobs rely on airlinks....**

A new report on the importance of air links has been launched today by a non-profit organisation made of UK airlines and airports. The Aviation Foundation group, which consists of British Airways, Virgin Atlantic, Heathrow Airport and Manchester Airport Group, used government statistics found 6.7 million people are employed by the UK as a result of flight connections. Three million work in tourism, while 3.7m are employed through foreign-owned companies that rely on routes. The analysis is part of a campaign from the group to show the government the importance of aviation to the UK economy as it continues to increase taxes and remain undecided over airport expansion. Under a new campaign, named 'Great British Flying', a film will be made in the town furthest away from a major airport to show how it affects all. "Britain has been a proud pioneer in aviation but we are in danger of taking this for granted and falling behind our better-connected competitors," said Willie Walsh of IAG; Colin Matthews of Heathrow; Charlie Cornish from MAG and Steve Ridgway from Virgin Atlantic in a joint statement.

23 November 2012 – Source Travelmole

### **Thomas Cook shake-up doesn't end here**

Simon Robinson is to leave Thomas Cook in the latest phase of the company's management shake-up, but new UK boss Peter Fankhauser says there are more changes to come. Robinson, who is currently the CEO of Thomas Cook Co-operative Travel, will leave at the end of the month as part of the ongoing plans to "simplify" the business. Announcing Robinson's departure yesterday, Thomas Cook UK CEO Peter Fankhauser signalled there were more changes planned, saying the "full management structure" will be announced shortly. Robinson's role will be taken on by Joanna Wild, who was originally going to leave Thomas Cook but will now remain with the company. She will expand her responsibilities to include the wider Thomas Cook Co-operative Travel business. Thomas Cook said it has been in discussions with Wild since June to find her a role within the group. She has been with the company for 16 years and most recently led its retail business. The group said her decision to stay was "a strong endorsement of the pace of change and direction which will strengthen our business for the future". Thomas Cook UK CEO Peter Fankhauser said: "As we shape our future with a new structure for the UK, I'm delighted to announce that Joanna Wild, who has led our retail business since 2010 and played a vital role in the creation of the retail joint venture, will expand her responsibilities to include the wider TCCT business from next month." Commenting on Robinson, Fankhauser added: "I've been working closely with Simon to understand how we can align TCCT more closely with the wider UK business and simplify the UK's management structure. "I would like to thank Simon for his leadership in

laying the strong foundations for what is now the largest travel retail operation in the UK. We wish him all the best for the future."

26 November 2012 – Source Travelmole

### **More retail and office cuts expected at Thomas Cook**

Analysts predict chief executive Harriet Green will announce further cutbacks as she highlights her recovery strategy to investors at the annual results on Wednesday. Senior and middle management are expected to be targeted in the latest restructuring while analysts believe more high street agents and some back office operations will be cut in the long term, reports the Sunday Telegraph. However Ms Green's presentation is likely to concentrate on 'themes' - cost cutting, technology and customer services with the 'hard details' not given until the Spring. Improved full year results are predicted to show a profit but exceptional items are expected to push the underlying profits into a pre-tax loss. Last week, Thomas Cook announced the departure of Simon Robinson, CEO of Thomas Cook Co-operative Travel as part of plans to "simplify" the business. Thomas Cook UK CEO Peter Fankhauser said at the time that more changes were planned and a "full management structure" would be announced shortly. This is expected to happen in the next couple of weeks but should not unearth many 'new' changes. The tour operator has seen the departure of several senior executives in the last two months. These include Simon Robinson, head of retail joint venture with Co-operative Travel, David Robinson, product and aviation director for scheduled business, UK and Ireland chief executive Ian Ailles, independent business chief executive Phil Aird-Mash, chief commercial officer Neil Morris, chief financial officer Michelle MacMahon and Thomas Cook Sport managing director Danny Talbot.

28 November 2012 – Source Travelmole

### **Thomas Cook reveals further heavy losses**

Thomas Cook lost a further £590m in the year ended September 30, during which time it has sold assets worth a total of £103m. It made a gross profit of £2.1bn but underlying profit from operations was 49% down to £156m, which it said was in line with expectations but made worse by a £110m higher fuel bill. The £590m loss included previously disclosed goodwill and other write-downs of £369m and business repositioning costs of £81m. It revealed it lost £17m on the sale of packages for the Olympic Games, for which it was preferred partner. Even though it sold these at a profit of £9m, it lost money on the deal due to upfront licensing and marketing costs. The head of the operator's London 2012 partnership, Stephen Vaughan, has since left the business. However, Cook said current trading was good, with summer 2012 ending strongly and winter off to a good start in major markets, with forward bookings and improvements in pricing. "Our capacity strategy will reduce operating risk in an uncertain consumer environment as the Group implements its Business Transformation," it said in a statement released to the London Stock Exchange this morning. The transformation includes changes to the key management team, which is said would "break down historic silos, energise our people and implement cultural change". Already six senior members of staff have announced they are leaving the operator following the appointment of new group chief executive Harriet Green. Other changes, said Thomas Cook, include driving efficiency through global procurement, centralised hotel purchasing and consolidation to reduce fixed and overhead costs; over £100m of annual cost benefits and £50m of incremental working capital improvements have already been identified. It said it was also developing "an online centre of excellence" with channels tailored to local markets. Green said: "In 2012 over 23m customers enjoyed their holidays with us, 50% of whom went on an independent or flexible holiday. Through building on our core product strengths to further improve our proposition with new and different products, we have a significant opportunity to unlock the full potential of our brands and attract more customers. "As we

develop our Business Transformation plans we will continue to place our customers and employees at the very centre of our business. Through leveraging existing best practice and by focusing on efficiency, harnessing the power of technology and delivering on our commitments we are addressing the most immediate challenges facing the Group and creating a platform for future growth. "These results reflect the major issues that Thomas Cook faced last year, but they mask the material improvement that we made in the fourth quarter. Our brand has demonstrated its strength by recovering all the ground lost during last year's difficulties and we have identified significant further efficiency improvements. The year ahead is the initial stage in this recovery and as we embark upon our first year of Business Transformation, we are optimistic about the future and look forward to updating you on our full plans and additional financial benefits in the spring of 2013."

28 November 2012 – Source Travelmole

### **Harriet Green; Thomas Cook is not broken**

Thomas Cook will strip at least £100m of costs out of the business over the next three years as it transforms into a leaner, more customer-focused business, new group chief executive Harriet Green announced today. Speaking at the announcement of Thomas Cook's end of year results, in which it revealed it had made a loss of £590m, Green said already two-thirds of the management team had been changed since she joined 17 weeks ago. A third of the "leaders" have left, she said, a third have been promoted and another third have been recruited from outside the business. One of the latest to leave was Stephen Vaughan, former head of Thomas Cook's London 2012 partnership. Green acknowledged that the company's costs were still too high, that there were too many duplicated activities and that it needed to be more streamlined. She said would be looking to introduce Nordic best practices to create a news shape for the UK business. Each area of the business has now been instructed to look at its costs and identify savings, she said, while further cuts would be made horizontally across the whole organisation. Already from Thomas Cook's flying costs have been reduced by £40m and Green said a further £35m of savings had been made by simplifying the business and stripping away layers of duplication between her and the customer. "We will be taking a further £100m out of the business over the next three years, but this is just after 17 weeks. This isn't it," she said. Green said she was encouraged by results in the fourth quarter, which showed efficiency measures already put in place were beginning to work, and she said "quite satisfied" with trading in the current year. "The operating business is actually profitable," she said. But Green added: "Fixing the UK business performance is key." She said the company delivered £60m of turnaround benefits this year and was on track to achieve a further £140m in the next year. "My commitment to shareholders now is that last year's results represented a trough from which we can only improve," she said. "Thomas Cook is not broken. It is viable and working. It is an iconic, world-class brand." The operator's net debt has been reduced by £103m to £788m, achieved through the sale of assets. Chief financial officer Michael Healy said this would be reduced by at least £50m this year. Green today bought 500,000 ordinary shares in Thomas Cook, priced at 23p each.