UK OFFICE

December 2012 REPORT

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UK Director

Meetings

Visit Orlando

A meeting was held with Pegi Amarteifio and Catherine Hamou to discuss joint trainings at tour operator call centres and our forthcoming joint event at Bounce in London on the 31st January 2013.

In terms of trainings they are very keen to join us in trainings for call centre staff and are also keen to visit tour operators in Ireland as part of a joint initiative. Joint training has already been confirmed at Infinity Holidays/Flightcentre in March 2013 and discussions taking place to arrange further trainings and a joint trip to Ireland in the 1st or 2nd quarter of next year.

A save the date email has now been distributed to our tour operator partners to join us for the event at Bounce in London and we have already received over 25 confirmations form our tour operator partners to say they will be able to join us.

Florida Partners Meeting

Attended the meeting for a market update and Visit Florida update including marketing plans for 2013.

Virgin Holidays Training

Attended training at Virgin Atlantic's headquarters 'The Base' in Crawley by invitation from SeaWorld Parks & Entertainment to train their SeaWorld Parks Virgin Travel Agent and call centre specialists. A total of 5 of their in house specialists were given a presentation on our area and we also provided them with up to date literature and giveaways.

TRADE LIAISON

- Preparations on-going with Funway Holidays as part of our joint co-op marketing activity that started in December and which is continuing into the first quarter of 2013. This month we have already approved the Travel Bulletin ¼ and full page advertisements as well as the Travel Bulletin Banner Ad and dedicated landing page. We have also signed off the solus trade email that will be sent to over 5,000 independent travel agents, the trade banner ad and landing page on the Funway Travel agent website. A meeting has also been secured for February 2013 with Nick Talbot, Marketing Manager to discuss the campaign etc. Preparations on-going.

- WTM follow up now finalised.

- Scandinavia sales mission - Finalised schedule, flights and hotels for the Sales Mission taking place week of 11th February

- Expedia promo – Provided copy and images for the Expedia promotion that is due to launch in early January and last for 6 weeks.

- Virgin Holidays co-op – finalised the advert which will appear in the Virgin Holidays national promotion starting late December

- Ferie – Final travel arrangements made to attend Ferie in Denmark as part of the Florida's Beaches co-op.

- Snappy Snaps national consumer promotion has now launched and will last for 2 months

- British Airways and British Airways Holidays – Updates being made to the joint dedicated landing page that we have on the BA.Com website in partnership with SeaWorld Parks & Entertainment. Preparations are on-going and will be finalised by the end of January 2013. As part of our negotiations, this page will be free of charge in 2013, a saving of nearly $10,000. Confirmed participation in the annual campaign with Visit Florida and have requested an additional proposal for solus activity. BA have confirmed 10 fam seats for a product fam to take place in the Fall of 2013.

- American Holidays Fam Trip – The American Holidays fam trip has now taken place and Dee Burdock, Product Manager advised us that all went extremely well and that the agents had a fantastic time in our area. The group stayed at the Sandpearl Resort and the new Guy Harvey Outpost and visited local area attractions including the Clearwater Marine Aquarium, The Dali Museum and The Morean Arts Centre (visiting the Chihuly Collection). They also visited area hotels for site inspections.

- USAirtours Fam Trip – Feedback from USAirtours on their recent in-house fam trip that visited our area at the beginning of December was excellent. The group were very complimentary about the destination and we will be following up with the agents in due course. The group consisted of a total of 14 agents/sales staff from USAirtours and stayed at the Guy Harvey Outpost Resort for the duration of their visit. The itinerary included site inspections and hosted meals at area hotels, visits to area attractions including the Clearwater Marine Aquarium, Busch Gardens at Tampa Bay etc.

- Florida Beaches Consortia – Work has commenced on finalising details for brochure stock deliveries to the forthcoming trade show Reiseliv which will be taking place in Oslo in January 2013.

- USAirtours – Provided USAirtours with images to utilise on the Travel Agents Desk Top Calendar as part of our agreed co-op marketing activity which will be starting in January 2013. Preparations for other confirmed activity is on-going.

- Visit USA December Newsletter (Ireland) – Provided 50 words of general copy and an image of our area to the Visit USA Committee in Ireland for their December e-newsletter that is distributed to their database of Irish travel agents and consumers.

- Visit USA Ireland General Meeting – Confirmed our attendance at the scheduled Visit USA Ireland general meeting in Dublin in March 2013.

- Selling Long- Haul – We have now received some ideas for new advertisements in 2013 with Selling Long-Haul.

- Sirata Beach Resort – Assisted Stephanie Alexander with tour operator contacts for her trip to the UK

ENQUIRIES:

Telephone/website enquiries for information and/or literature 20

MARKET INTELLIGENCE:

04 December 2012 – Source Travel Daily

Delta moves for Virgin Atlant6ic Shares
Delta Air Lines has moved to buy all or part of Singapore Airlines 49% stake in Virgin Atlantic. Bloomberg reports that talks are still in a very early stage and could yet fall through, but if the deal goes through, it could improve the US carrier's access to Europe's busiest hub and its ability to capture lucrative trans- Atlantic business traffic. The move comes as Delta, the world's second largest airline, looks to increase its stake in international business travel.

04 December 2012 – Source Travelmole

Could VAT ruling spell disaster for online travel agents?

Online travel agencies face multi-million pound tax demands after HM Revenue & Customs yesterday won a long-running legal battle with Secret Hotels, formerly Med Hotels, to force it to pay £7.5m in VAT. A travel industry source said the tax office was now expected to go after other online travel agents, such as Travel Republic, On the Beach and the On Holiday Group for VAT. It could also chase any travel agent that sells dynamic packages for unpaid VAT on their profit margins on the sale of hotel accommodation, unless they have clear proof they are acting as an intermediary and not as a wholesaler. The source suggested the demands could sink some bed banks unless they have been putting the VAT aside in expectation of yesterday's ruling in HMRC's favour. "This ruling threatens the very business model of online travel agents," he said. "I doubt they'll be able to afford to pay the sort of bills they might get now." The Court of Appeal yesterday ruled that Secret Hotels was liable to pay VAT under the Tour Operators Margin Scheme (TOMS) on the grounds that it operated as a principal and not as an agent from the end of 2004 to 2007, when it was owned by lastminute.com. Med Hotels had argued that it was a retailer rather than an operator and therefore it was exempt from paying VAT on its profits from the sale of hotel accommodation. However, the Court of Appeal overturned an earlier High Court decision in

Secret Hotels' favour. It said that regardless of the type of contract Secret Hotels and similar online travel agencies and bed banks have with hoteliers, if they are seen to be acting as principals rather than intermediaries they will have to pay VAT on the profit they make on the sale of accommodation. "I imagine other online travel agencies and bed banks are urgently seeking legal advice to clarify their own position to avoid paying 20% VAT on their profit margins," said our source. "If they have an arrangement with hotels where the hotel fixes the rate, I think they will be okay, but if they are in control of what the customer pays for accommodation I reckon they'll be liable for VAT." Lastminute.com has until December 17 to appeal against the decision to the Supreme Court. It said yesterday it was considering its options. Med Hotels has since been sold to Thomas Cook, which also owns Hotels4U, which could face a similar tax demand. However a spokesman said Cook had been very careful when it set up Hotels4U to ensure that it was a retailer rather than a wholesaler.

04 December 2012 – Source Travelmole

Tui announces record UK profit

TUI Travel has announced a record annual operating profit in the UK of £197 million, up from £149 million last year, and announced it is outperforming the market for summer 2013 with a 12% increase in bookings. Its operating profit margin for the year to the end of September was 5.4%, up from 4.2% in the previous 12 months. Overall, Europe's largest tour operator saw operating profits rise 4% to £490m, even though revenue fell 2% to £14.46 billion. Profit before tax was up 8% to £360 million. Chief executive Peter Long said: "The year has been one of many successes. "We have delivered record Group profits while the UK achieved outstanding results both in terms of profit and margin all against a backdrop of continued economic uncertainty. "Our proven strategy continues to evolve and drive strong trading momentum throughout the Group. Overall, with the exception of France, trading for both Winter 2012/13 and Summer 2013 is very encouraging." Winter bookings in the UK are up 1% with no increase in capacity year on year, and the average selling price is up 4%. Sales of unique holidays are up 5% and account for 78% of all sales. In total, TUI has sold 49% of its winter holidays so far, with 44% of sales coming online. For next summer, UK bookings are up 12% against a 3% increase in capacity, and 20% of total capacity has been sold to date. "We are significantly outperforming a flat market," it said. Average selling prices are up 3% and sales of unique holidays are up 18% and now account for 83% of holidays sold. TUI said overall trading remains positive in all major markets, with the exception of France. "Strong trading momentum from summer 2012 has continued into winter 2012/13, particularly in the UK and the Nordics, where our unique holidays are selling well and growth in our direct distribution channels continues to have a positive effect on margins," it said. "While still early in the booking cycle, the summer 2013 programme in the UK, Nordics and Germany is showing signs of growth with additional capacity in the UK and Nordics. "Our strategy of increasing our unique holiday offering, selling through direct distribution channels with a focus on online and driving continued operational efficiency throughout the business is paying dividends." The company said it had the ability to deliver an underlying operating profit of between 7% and 10% over the next five years by growing customer numbers while enhancing the margin within the mainstream business, growth in its Specialist & Activity portfolio, as well as positive contributions from its online accommodation business. It announced at the start of the financial year plans to cut costs by £107 million over a three year period and today it revealed it had made £42 million of operational efficiency savings in the last 12 months.

05 December 2012 – Source Travel Daily

British Airways to cut 400 jobs

British Airways has confirmed that 400 jobs are to go on the line's short haul routes. The positions, which are all thought to be senior cabin crew, will be given a period of consultation, with the line confirming that all redundancies would be voluntary. The consultation process will be 90-days with the final decision expected to be made in March. Iberia, the sister company to British Airways, is also going to be making redundancies – approximately 4,500 according to a report by the BBC.

05 December 2012 – Source Travelmole

Further air tax hike expected today

ABTA is convinced Chancellor George Osborne will announce a further hike in Air Passenger Duty during his Autumn Statement today. Chief executive Mark Tanzer said his meeting this week with Sajid Javid, the minister responsible for the tax, led him to believe another rise of the unpopular tax was on the cards. "Despite the clear calls from the public and businesses, the Government is still refusing to commission an independent review into APD," said Tanzer. "It is evident that the Treasury is still to be convinced of the merits of this approach. With another rise in APD expected to be announced it's vital that businesses and consumers continue to maintain the pressure on the Government to freeze APD until they have conducted a proper, independent analysis on the impacts of this tax on the economy." His comments came as the latest ABTA survey into public opinion around APD revealed that almost two thirds think it is already too high. Only one in five thinks that current levels are right and 4% think that UK flyers do not pay enough tax. Almost half the public (47%) believe that APD puts the UK economy at a disadvantage and only one in 10 of the 2008 questioned said they didn't believe that was the case. Almost a third (31%) said they would consider travelling to an airport outside the UK to take a flight to avoid APD. Pensioners are most opposed to the level of tax with 70% of over 65 years old saying it's too high, compared with just 47% of 15 to 24 year olds. ABTA is one of the leading members of the Fair Tax on Flying campaign (www.afairtaxonflying.org), which is calling on the Government to commission an independent report into the economic impact of APD on the UK economy. This has been supported by over 200,000 e-mail letters sent to MPs by UK residents and a further 100,000 emails from overseas visitors to the UK. The Chancellor will deliver his Autumn Statement in the House of Commons at 12.30 today.

06 December 2012 – Source Travel Daily

Chancellor confirms APD rise

George Osborne has confirmed that Air Passenger Duty is to rise by 2.5% in April 2013. The decision, which was made in today's Autumn statement, was met with a fierce backlash from across the travel industry and claims that the government is "disregarding the will of the people" by not commissioning an economic impact assessment. Darren Caplan, chief executive of the Airport Operators Association, said: "It defies belief that the Treasury continues to ignore the calls of 200,000 constituents regarding the UK's eye-wateringly high levels of Air Passenger Duty (APD). It is also ignoring 100 MPs who signed a parliamentary petition (EDM 174), and 34 cross-party MPs who spoke at the recent House of Commons

debate about the unfairness of this stealth tax. The Government is disregarding the will of the people by continuing to increase APD, and ignoring widespread calls by MPs for a simple review into what is the highest air passenger tax in the world by far." Luke Pollard, head of public affairs at ABTA – The Travel Association, said: "The Chancellor is right to prioritise growth in his Autumn Statement, but that intent looks hollow whilst he yet again hikes UK air taxes. To further increase the world's highest aviation tax whilst at the same time refusing to invest in proper modelling of the economic impacts of this tax is very concerning. This year, nearly 300,000 people have backed the industry's call for a review that would show what effects this tax is having on the UK economy's ability to grow. Without such an analysis, the Government will only continue to put off foreign tourists, make holidays abroad more expensive and further make UK goods and services less competitive." Simon Buck, chief executive of the
British Air Transport Association, said: "There is strong evidence to suggest that the imposition of the highest taxes on flying in the world costs the UK economy over 90,000 jobs and over £4 billion in lost business in 2012 alone. With APD raising £2.6 billion last year, we believe the Treasury is failing to exercise proper diligence in its management of the taxation system – effectively killing the goose that lays the golden egg." Dale Keller, chief executive of the Board of Airline Representatives in the UK (BAR UK), said: "Our airline members are frustrated that the UK Government continues to act unilaterally in taxing a global business, with scant regard to international visitors who also have to pay this extortionate tax. With Amsterdam and Frankfurt expanding their airport capacity, as well as imposing considerably reduced or zero-rated air passenger tax, these European airports are becoming more attractive as business hubs for connecting flights, as well as tourist destinations. The Chancellor's decision to go ahead with increases from April 2013, will further damage the UK's competitiveness and drive more business away from the UK."

10 December 2012 – Source Travelmole

Virgin uses Aer Lingus for domestic flights

Virgin Atlantic is to use Aer Lingus planes and staff, branded as Virgin, to operate its flights between Heathrow and Scotland. A deal was agreed between the two airlines after Virgin took over key Heathrow takeoff and landing slots from British Airways which had to relinquish them to meet competition concerns when it merged with bmi. A spokesman for Virgin said: "Sir Richard Branson's airline will provide a bespoke Virgin Atlantic product and service on all of its short haul flights and has signed a letter of intent with Aer Lingus as a wet lease partner to supply the crew and Airbus narrow body aircraft required, which will be fully Virgin branded. "Virgin's decision was taken after hard fought competition from two carriers with two excellent business cases being presented to the airline." Virgin will operate nine daily services to Scotland, starting on March 31 2013, which will include six round-trips daily from London to Edinburgh and three from London to Aberdeen. But the airline has only taken up nine of the 12 slots on offer, with the other three being returned to BA parent company International Airlines Group (IAG). While welcoming the new services, Scotland's deputy First Minister, Nicola Sturgeon, said she was still concerned about the absence of competition on the Glasgow-Heathrow route. The planes will be branded with Virgin's red livery, and passengers will be served food by crew in Virgin uniform, but the 174-seat Airbus 320s will be leased from Aer Lingus and operated by the Irish airline's employees. Virgin said its domestic services, which includes three daily round trips from Manchester to London, will create more than 150 new jobs in the UK. Tickets for the domestic routes will go on sale December 19. At the same time reports suggest Sir Richard Branson could give up control of

Virgin Atlantic any day if talks over the future go well. The Sunday Times reports that three way talks between Delta Air Lines, Singapore airlines and Virgin are getting close to a deal. The American airline has already approached Singapore Airlines to buy its 49% stake in Virgin with Air France-KLM to buy part of Branson's 51% holding to comply with regulations. Sources close to the talks told the Sunday Times that a possible deal would be concluded early this week but cautioned it could still fall apart. "It is a three-way situation between Delta, Singapore and Virgin, so it is difficult to confidently to predict the outcome," one insider said.

10 December 2012 – Source Travelmole

Fair tax campaigners find more evidence of APD damage

Campaigners against rising Air Passenger Duty have discovered figures buried in this week's Budget statement that show just how much the tax is damaging passenger numbers. It says the small print shows the Government has admitted it will collect nearly £1bn less from APD than first expected over the next five years. Not only that, projected passenger numbers through UK airports between now and 2016/17 have been revised down by over 10 million. The Government originally forecast that passenger numbers would reach 628.4 million, but this has now been reduced to 618.3 million. In the year 2016/17 alone, passenger numbers have been revised down by 3.6 million. "These recent forecasts are evidence of the growing damage APD is having on passenger demand," said Darren Caplan, chief executive of the Airport Operators Association. He said although the Government partly blamed the revised figures on lower inflation and weaker GDP forecasts, it's evident that the fundamental driver is "lower actual and predicted passenger numbers, as a result of having the highest air passenger tax in the world". He added: "The Government needs to finally undertake an economic impact-assessment to assess the wider effects the UK's eye-wateringly high levels of APD are having on our economy." ABTA head of public affairs Luke Pollard said: "If the Treasury is needing to revise down its figures it is only reasonable to ask why. "The problem is the Treasury is still refusing to commission a proper study into the wider impacts of this tax. "If the Treasury is serious about creating growth in the economy it has got to review this damaging tax that is putting the brakes on the UK economy and the Treasury's own tax projections." Dale Keller, chief executive of the Board of Airline Representatives in the UK (BAR UK), said: "The Chancellor said this week that he wants to reaffirm the message that 'Britain is open for business'. "The Government needs to recognise the damaging impact APD is having on attracting tourists and investment, instead they are bringing the shutters down on UK competitiveness." The industry has joined forces to launch A Fair Tax on Flying (www.afairtaxonflying.org) campaign, which has been urging travellers and businesses to contact MPs about the levels of APD. Last month, campaigners announced that 100 MPs had backed calls for an assessment by the Treasury on the impact of the rising tax. At a debate in the House of Commons a motion was passed, unopposed, also supporting a review.

11 December 2012 – Source Travelmole

Delta confirms stake in Virgin

Delta Air Lines has confirmed it wants to take a 49% stake in Virgin Atlantic for $360 million. The stake is currently owned by Singapore Airlines, which says it expects its commercial arrangements with Virgin to continue after a divestment. Virgin Group and Sir

Richard Branson will retain the majority 51% stake and say Virgin Atlantic will retain its brand and operating certificate. Under the proposed deal, the two airlines will share the costs and revenues from all joint venture flights. The airlines claim the move is also good news for corporate and travel agency customers because they "will benefit from an aligned sales effort on both sides of the Atlantic". The airlines will file an application with the U.S. Department of Transportation for antitrust immunity. The transaction will have to get approval from the U.S. Department of Justice, the European Union's competition regulator and other relevant authorities. The share purchase and the joint venture are expected to be implemented by the end of 2013. Virgin Atlantic's chief executive Steve Ridgway, who is due to retire in spring 2013, said both airlines are confident that the Department of Transportation will approve the deal. "The trans-Atlantic market is Virgin Atlantic's heartland - it's where we started. By aligning with Delta we can continue to grow our North American network and offer greatly enhanced connectivity across the USA," he said. President Sir Richard Branson added: "This signals the start of a new era of expansion, financial growth and many opportunities for our customers and our business. I truly look forward to the possibilities our partnership with Delta will offer. "We have always been known for our innovation and service and have punched above our weight for 28 years. That is why our customers love us so much. We will retain that independent spirit but move forward in a strengthened partnership with Delta." The partnership allows both carriers to overcome slot constraints, which have limited the growth and competitive capability of both airlines. The two carriers will operate a total of 31 peak-day round-trip flights between the UK and North America, 23 of which operate at London Heathrow.

13 December 2012 – Source Travelmole

Thomas Cook outperforms Thomson online

Thomas Cook outperformed rival Thomson on search engine Google in November, during which there were 2.9 million searches for holidays online. Thomascook.com reached 63% of these users in natural search, ranking highest for 85 keywords, including "late deal holidays". Thomson.co.uk reached 58%. However, the latest Greenlight Sector Report shows that Travelsupermarket.com outperformed both holiday giants, reaching 64% of the market and ranking highest for 70 keywords, including "cheap all inclusive holidays". The most searched for term was "holidays", which was used 550,000 times on Google in November. The next was "cheap holidays" - 450,000 times - and "last minute holidays" - 246,000 times. Other popular terms were "direct holidays" and "all inclusive holidays". Only 33,100 used the term "package holidays" in November when looking for deals on Google. The same number - just 1% of the market - typed in "ski holidays". For generic holiday keywords, including "cheap holidays" Thomas Cook came out top, reaching 71% of users. Thomson came fourth with 62% and First Choice fifth with 59%. For searches for long-haul destinations, of which there were 592,000 in November, Travelsupermarket.com came out top, reaching 53% of the audience, Kuoni came second with a 46% share and Virgin Holidays was third with 45%. The most popular destinations were New York, Dubai and Egypt, closely followed by Las Vegas, Thailand, Cuba and Mexico. There were 415,000 searches for short-haul destinations, the most popular being Turkey, followed by Cyprus and then Malta. Lanzarote and Mediterranean destinations attracted only half as many as Malta. Thomascook.com came out top for short-haul destinations, reaching 71% of the audience, followed by Thomson.co.uk with 70%.

14 December 2012 – Source Travelmole

Airlines re-shape to help ride out the economic storm

Alliances, joint ventures and restructures are helping airlines keep their heads above the clouds, according to the latest report from IATA. The International Air Transport Association said airlines are managing to cut costs and improve yields despite the tough business climate. "Recent alliances and joint ventures have enabled economies of scale as well as offering more choice for passengers," it said in its latest industry financial update. "A sharp fall in the number of new entrants, due to the lack of funding for start-ups, and a number of airline bankruptcies have also contributed to an improved industry structure which has allowed airlines to share efficiency gains between improved service for passengers and better returns for investors." For 2012 airlines are expected to return a profit of $6.7 billion, up from the $4.1 billion forecast in October. This figure is expected to improve slightly to $8.4 billion in 2013, marginally better than the $7.5 billion forecast in October. Industry net post-tax margin, however, will remain weak at 1% in 2012 and 1.3% in 2013. The report said despite high fuel prices and a slowing world economy, airline profits and cash flows held up at levels similar to 2006 when oil prices were about $45 a barrel lower and world economic growth was 4%. "With GDP growth close to the 'stall speed' of 2% and oil at $109.5 a barrel we expected much weaker performance," said Tony Tyler, IATA director general and CEO. "But airlines have adjusted to this difficult environment through improving efficiency and restructuring. That is protecting cash flows against weak economic growth and high fuel prices." He said larger airlines were doing better than their smaller rivals. "It's a diverging picture. Economies of scale are helping larger airlines to cope much better with the difficult environment than small and medium-sized carriers which continue to struggle," said Tyler. But while airlines in other regions are forecast to post a profit, European carriers are expected to only breakeven in 2012, and again in 2013.

14 December 2012 – Source Travolution

Half of online bookings to be made on mobile by 2017, IATA predicts

Major trends that are transforming the travel distribution landscape have been identified in an independent study commissioned by Iata. It predicts that half of online direct bookings will be made on mobile devices by 2017 - with even more ancillary purchases made by people on the move, given the devices' portability and ease of use. Airline passengers are more likely than the general population to own smart phones and tablet devices, with substantial growth expected due to these devices' growing capabilities. Passengers also show strong interest in using mobile devices to plan and book flights. The typical travel shopper visits 22 websites in "multiple shopping sessions" before booking a trip. But "travellers relying solely on third party websites would not receive all the information needed to make a fully informed purchase decision," according to the research. The Atmosphere Research Group study found that travel is the largest e-commerce category, led by airline ticket sales. It is estimated that business and leisure travellers will spend $85.7 billion online for airlines in the US alone this year. The study says: "Airlines have morphed into retailers - true merchants of the skies. As merchants, airlines need systems that can help them not just distribute their flights, but merchandise their products and value across the channels that make sense - online and offline, direct and indirect - at sensible costs. "What airlines don't want are distribution channels that present all airlines as equally substitutable commodities. Airlines want, and expect, their distribution partners to offer passengers helpful contextual information to make

well-informed purchase decisions, reducing the number of reservations made based primarily or exclusively on price." Meanwhile, customers believe that "control is as important in booking flights as in buying a cup of coffee". "Passengers may accept that airlines can't be the first to offer customisation tools like buttons, sliders, and other similar controls that make flight shopping easier," but as they see these tools deployed on other websites, "they will expect airlines to offer comparable functionality," according to the report. The study adds: "Airlines also want commerce platforms that can support extensive fare and product transparency, dynamic pricing, rich basic and ancillary product merchandising and retailing, and the ability to reliably and securely process the massive volume of shopping sessions. Importantly, airlines are also eager to see new providers enter the airline distribution/commerce space." The reports says that "distribution is no longer an adequate way to think about how airlines must sell their products" because it implies process "when airline executives instead are increasingly focused on results. "That's why, by 2017, what airlines currently call 'distribution' will be replaced by a focus on channel-based, value-creating commerce." Atmosphere believes this new approach will be supported by the emergence of "value creation hubs" (VCH). VCHs will represent an evolutionary "pivot" from the current GDS approach.

17 December 2012 – Source Travel Daily

Global tourism hits one billion milestone

The global travel industry reached an historic milestone last week, recording one billion tourists since 1 January, hitting nine digits for the first time in a single year. The figure cements tourism's position as one of the world's largest economic sectors, accounting for 9% of global GDP (direct, indirect and induced impact), one in every 12 jobs, and up to 8% of the total exports of the world's Least Developed Countries (LDCs). It also highlights the resilience of the sector which has continued to grow through 2012 despite global economic uncertainty. As it is impossible to know exactly where the one-billionth tourist arrived, many countries are celebrating the occasion by welcoming tourists arriving on 13 December. The UNWTO is also taking the opportunity to launch the 'One Billion Tourists: One Billion Opportunities' campaign which highlights the positive impact even the smallest action can have if multiplied by one billion.

17 December 2012 – Source Travelmole

IAG and Ryanair agree deal over Aer Lingus slots

IAG has agreed to buy some of Aer Lingus' slots at Heathrow from Ryanair if the low-cost airline's takeover bid for its Irish rival gets approval from Brussels. The British Airways parent has confirmed it has signed a non-binding memorandum of understanding with Ryanair which is subject to the go-ahead from the European Commission. IAG has agreed BA would operate the routes between the UK and Ireland for three to five years and would then have the option of switching the slots to other routes. The deal is part of a series of actions promised by Ryanair in its efforts to persuade the EC that it should be allowed to take control of Aer Lingus. Last month the EC indicated it would deny the €694 million bid when it referred it for detailed examination. It rejected Ryanair's previous bid for Aer Lingus in 2007 claiming it would harm competition.

19 December 2012 – Source Travelmole

Thomas Cook stops online discounting
Thomas Cook is claiming it has 'changed travel retailing forever' by stopping online discounting. The operator is now offering the same price for its holidays whether booked online at thomascook.com, in one of its 1100 stores across the UK or through its UK based call centres. As a result of a recent trial in its stores and online, Thomas Cook has been aligning all its prices so customers can expect the same availability and price regardless of how they book, ahead of a huge turn-of-year marketing campaign. But the operator would not comment on how it would affect pricing and commissions with travel agents. A spokesperson added "We don't discuss individual commercial agreements that we have with our partners - the launch of Price Parity is to ensure that our customers can get the best price for their Thomas Cook holiday, wherever they book." Mike Hoban, marketing, sales and ecommerce director at Thomas Cook, said, "The travel industry is crying out for true multi-channel retailing, with more products, more channels and more markets than many other sectors. "Following extensive trials in our stores and online, we're revolutionising travel retail by bringing clear pricing to customers so they get the best price available at the time of booking, whether they do this online, in-store or on the phone." It fits in with Thomas Cook's plan to unveil a brand new concept store in Leeds White Rose shopping centre before the end of the year where customers can book online using in-store tablets or with one of the store's 'Travel Experts'.

19 December 2012 – Source Travolution
Kuoni reveals new-look website
Kuoni has re-launched its website this week in time for the busy January booking period, offering revamped and uncluttered pages with clear navigation, as well as a micro-site for the company's New Year campaign. Kuoni.co.uk has been refreshed and now boasts hundreds of Kuoni Insider comments from experts around the company, sharing their personal travel experiences and recommendations. Among the new features are an enhanced holiday search facility, where customers can search by holiday type, such as all-inclusive, sustainability or spa, destination and also browse special offers. To tailor the search criteria further, Kuoni has identified nine customer needs which include 'go beyond', highlighting holidays for experienced travellers, 'mind, body and soul' for stylish wellbeing retreats and 'time together' for special occasion holidays and secluded hideaways. Matt Rooke, Kuoni UK ebusiness and publishing vice president, said: "After more than a year in planning and development, it's really exciting to see a site that reflects our brand values. The website has a more contemporary feel in a simple and intuitive manner, as well as reinforcing our other brand communications and our strategy to deliver an exceptional experience to our customers. "This project has really highlighted the passion, commitment and collaborative spirit across the company." Special occasion holidays such as honeymoons, birthdays and anniversaries are a prominent feature on the new website and have a dedicated micro-site to complement the launch of Kuoni's January marketing campaign. In response to customer feedback, region, country and hotel pages have also been given a facelift, providing users with comprehensive, content-rich travel guides and research tools for their holiday plans. On each hotel page is a live and dynamic pricing calendar showing the current special offers, availability and prices. This calendar is available for 25 million Kuoni holidays to over 30 countries, which can be booked directly through the website. The website also directs customers to call or email Kuoni for more complex holiday itineraries whereby the website can be used as a research tool before talking to a personal travel expert, to add the finishing touches Along with Kuoni's other customer touch points, the website will play a big role in Kuoni's January marketing campaign.