

UK OFFICE

March 2014 REPORT

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UK Director

General Meetings and Events

Scandinavian Sales Mission – The annual sales mission took place in mid-March in conjunction with Visit Orlando, SeaWorld Parks, Universal Resorts and Norwegian Airlines. We visited tour operators and held travel agent events in Copenhagen, Stockholm and Oslo as well as training Swanson's Travel in Osby, Sweden. Norwegian are reporting forward bookings on their Fort Lauderdale and Orlando services are running at 90% and the local reps felt that it was only a matter of time before additional service to Orlando was added from Stockholm and Copenhagen. At the moment the service only operates from Oslo. Business from these three countries seems extremely positive with all but one operator reporting significant increases in their Florida business. Feedback from the agents at the three events was also excellent with a great deal of interest in our product. Overall an extremely successful trip.

Thomas Cook Signature – Training was held at the Thomas Cook Signature head office in Peterborough. A total of 30 in-house staff and home workers were trained on the area and we also provided the staff members with up to date literature. A brief meeting was also held with Jill Townsin, Product Manager for Thomas Cook Signature, Flexible Trips and Hotels4u. Jill advised us that Florida and our area in general are performing well for the start of 2014 and that they continue to work with major receptives as well as with direct contracts for booking hotels in our area, they are however looking to contract more hotels directly to better their net rate in the coming months.

Funway Holidays – Training was held at Funway Holidays for their in – house reservations team as well as training the Funway Area Sales Managers and hosting their sponsored lunch. We trained a total of 8 reservations agents and provided them with up to date area information, literature and giveaways. We then trained a total of 5 Area Sales Managers, again providing them with area information, brochures and key selling points for their use on the road when they visit their independent partner travel agencies up and down the UK. A sponsored lunch was then hosted for the Area Sales Managers at a local restaurant.

Sunway, Ireland – The joint lunches with Sunway took part this month. Lunches were held in Dundalk, Limerick and Cork. Hosting lunches around Ireland, outside of Dublin enable us to see agents that would not typically attend events in Dublin. There was a brilliant turn out at each lunch with agents that had been recommended by Sunway. A brief overview of St Pete/Clearwater was given before each lunch to promote and raise awareness of our area to the agents. Literature and giveaways were also given to each agency. The co-op activity was also signed off including the banner ad, dedicated newsletter and trade e-blast. Some stats from the campaign have already been collected and Sunway's website has gone from having an average of 25 visits a day on the St Pete/Clearwater page to getting 400 on the day the co-op launched and 583 the day following the newsletter and the banner ad on their homepage. Further results to follow after the campaign has ended.

American Holidays, Ireland – American Holidays held their first in store Florida Fun Event. The event was to target their customers who have always dreamed of heading to the sunshine state. An ezine was sent out to their database to customers who have booked a holiday to Florida and those who sign up to their newsletters. They also had a Florida focus week on Facebook/Twitter as well as off line advertisements before the event took place. Customers that had responded to attend the event came along to the evening of presentations from various suppliers with the chance to win on the spot prizes, goody bags as well as having the chance to ask questions and book holidays to Florida. A PowerPoint presentation on plasma screens was presented for St. Pete/Clearwater. Approximately 55-60 people attended the event which was a great success for their first year. The customers were able to gain more information and knowledge about Florida.

Ocean Florida – We were again asked to conduct training for more new res staff at Ocean Holidays. We trained a total of an additional 12 new reservations agents and provided them with literature and giveaways.

Flight Centre/Infinity Holidays – Training was conducted at the Infinity Holidays call centre in New Malden to coincide with our Flight Centre/Infinity Holidays retail promotion. A total of 8 reservations agents were trained and provided with up to date literature and key selling points.

Complete North America – A total of six agents were trained at their Nottingham call centre. Complete North America are looking to feature more of Florida this year and St Pete/Clearwater will hopefully be added to their itineraries as part of the Florida break. We also provided them with video footage to add to their website.

Magic Holidays/Travel Up – Training was held at the call centre in Blackpool. A total of 7 agents were trained over two sessions. We provided the staff with general information on our area, updated them on what was new to see as well as distributing brochures, maps and giveaways. We also provided Magic Holidays with additional images, video footage and copy to update their webpage.

North America Travel Service – Joint training with SeaWorld Parks & Entertainment was held at the NATS retail store in Barnsley. A total of 4 agents were given a refresher of our area and brochures, area maps and giveaways were handed out.

North America Travel Service – Training was held at the Manchester store for 3 front line sales agents. An update on our area was given and literature and giveaways were provided. A booking to Clearwater had recently been made so the agent was able to pass on a few more insights to their customer.

North America Travel Services – Training was held at the NATS store in Nottingham to update the agents on St Pete/Clearwater. Literature and giveaways were provided.

Trade Shows

TUR, Gothenburg - Visit St. Pete/Clearwater participated at TUR in Gothenburg as part of the Florida's Beaches consortia. The show took place from 20th – 23rd March to both trade and consumers. The show this year again saw a keen interest in Florida with both families

and couples and we received many requests about fly-drives starting in Miami and then heading over to the West Coast, stopping in Fort Myers & Sanibel and St. Pete/Clearwater. This year it seemed that golf trips, trips to the Everglades and Shopping Outlets seemed to be very popular as well as a good number of people either interested or already booked to take a cruise from Fort Lauderdale. Stand representatives also attended the main social evening at TUR "Flight Club". All key industry people attend this event.

TRADE LIAISON

- American Sky – Signed off some of the various elements of the joint marketing campaign with American Sky and the promotion was launched earlier this month.
- Received and signed off the media plan for the Visit Florida/BA Holidays co-op taking place late April. Signed off the advertorial which will appear in BA Highlife Magazine off the back of this campaign.
- Ocean Florida – Work has started on our joint co-op marketing campaign with Ocean Florida which is due to launch on the 17th April. The campaign includes a banner ad leading to a dedicated landing page, 3 x e-newsletters and social media activity.
- Confirmed co-op campaign with Gold Medal to include consumer and trade activity.
- Sign off have started on activity for the consumer promotion in conjunction with Land's End which is due to launch in May 2014 and will run for a period of 6 weeks. The bound in voucher on the adult and children's catalogues has now been finalised as these will be going to print and distributed to their database in time for the online launch.
- Solicited hotel rates for a flyer to be distributed at IPW to UK and Irish buyers for a post IPW 2015 visit to St Pete/Clearwater.
- Flight Centre/Infinity Retail Promotion – Finalised all of the co-op marketing activity with Flight Centre/Infinity Holidays as part of our retail in - store promotion. The campaign will launch on the 1st April and will continue in - store for a period of 2 weeks.
- Finalised the advert to appear in the March edition of Selling Long Haul Magazine.
- We have now received a revised co-op marketing proposal from TUI Specialist. Part of the campaign will be in partnership with Visit Tampa promoting twin-centre holidays. The joint promotion will include email blasts and a direct mail piece for their Hayes & Jarvis Brand. We will also be doing some solus activity with TUI Specialist and their Hayes & Jarvis brand which again will include email blasts, direct mail and digital marketing.
- The consumer promotion in partnership with Waitrose and Travel Planners (USAirtours direct tour operating arm) has now ended and we are currently awaiting the campaign results which will follow in due course.

- Aer Lingus/Tampa/St. Pete/Clearwater Fam – Work continues on the preparation for the joint fam trip taking place in May 2014. Itinerary has now been finalised.
- Brand USA fam – continued liaison on this fam including the final event in conjunction with Fort Myers, Naples and Sarasota CVBs.
- Final itinerary for the Funway Holidays fam on 1st May has been received and distributed.
- Confirmation of the 2015 Florida brochure launch date has been announced. We will be attending the day at their offices in Crawley on April 8th. Their in-house res staff will be dropping by for an update of St Pete/Clearwater. We will also be launching our incentive with the staff that day. Also confirmed are 3 days on the road with their Sales Manager. We will be visiting various stores over the 3 days in April and May to raise awareness for St Pete/Clearwater. Copy, images and our logo have all been provided.
- Visit USA Ireland – For this month’s newsletter that was sent out to their trade and consumer database, we provided Visit USA Ireland with information of the results from the recent ‘Best of’ survey.
- Just America – We provided Just America with accommodation recommendations in the St Pete/Clearwater area.
- American Holidays/Visit Tampa Bay/VSPC – Visit St. Pete/Clearwater and Visit Tampa Bay UK offices have received a joint proposal from American Holidays to partner them on a radio broadcast on ‘The Dermot & Dave Radio Show’ that is aired in Ireland and which a live broadcast will be taking place at Busch Gardens in May. The radio promotion will offer us and Tampa Bay the opportunity to be part of the radio broadcast and promote both areas on the show. They disc jockey’s will be spending one night in Tampa and two nights in St. Pete/Clearwater to experience all that the areas have to offer and will then continue to promote their trip on their return to Ireland for additional exposure. Discussions taking place and work has commenced with our UK PR Agency to secure hotel accommodation.
- Visit Florida – Confirmed participation at the annual Visit Florida Irish Travel Trade Luncheon in Dublin, which will take place at the Chapter One Restaurant on the 7th May.
- VIP event in conjunction with Busch Gardens – finalised attendee list and all aspects of this event to be held on 8th May. 15 tour operators and partners will attend.
- Finalised all details with Virgin Holidays and Barrhead Travel for their forthcoming Florida Fam Trip that will be staying in our area at the end of April. The group will be staying at The Postcard Inn on the Beach for 2 nights and will be visiting various hotels and attractions throughout the whole county over a period of 2 days.
- Provided Ana Metha at Western & Oriental Travel with a listing of 4 star properties that we have throughout the county.

- British Airways have again sponsored 10 airline seats to host our annual joint fam trip for travel agents/reservations staff in partnership with Visit Tampa Bay and we are now confirmed to host this trip from the 4th – 9th September 2014. Information has been supplied to our office and a solicitation for assistance from our hotel and attraction partners has already been sent.
- USA Homes – Assisted Stella Phillips of USA Homes with arranging hotel site visits in our area when she will be in Florida. Also sent out our most up to date literature.
- Provided Discover America Nordics with up to date contact information for the new membership year.
- Premier Holidays/Visit St. Pete/Clearwater & SeaWorld Parks & Entertainment – Submitted imagery, copy and logos for the forthcoming campaign that will start in May.
- Norwegian Cruise Lines – NCL have invited ourselves to join them for a ship tour luncheon to be held in Dover on board one of their ships and also advised us that we can invite 3 of our tour operator partners to join us. The event will take place in May.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

40

MARKET INTELLIGENCE:

03 March 2014 – Source TTG Digital

Virgin to launch cruise operation?

Virgin could soon launch into the cruise market with an initial fund of \$1 billion. Sky News has reported that the money would be used to buy ships in a bid to rival some of the cruise industry's biggest names including Carnival and Royal Caribbean. The Virgin Group has already appointed the US-based corporate advisory firm Allen & Co to oversee the development of the venture which is expected to be named Virgin Cruises. While the project is still in its early days the company has already had detailed talks with the banks about raising the cash to buy the first vessels. A further \$700m of equity would be raised by selling stakes in Virgin Cruises to outside investors. Virgin boss Sir Richard Branson is believed to have been eyeing the cruise market for some time. The headquarters for Virgin Cruises would be based in the US to take advantage of the country's thriving cruise market. Sky News added Virgin has also been in discussion with Allen & Co regarding setting up a new chain of four-star city-centre hotels. The first will open in Chicago this autumn with others to follow in US cities served by the Virgin flights.

05 March 2014 – Source TTG Digital

Travel Foundation aims to clean up world's beaches

The Travel Foundation will be looking to clean up beaches for this year's Make Holidays Greener month in July with the support of TTG. Members of the travel industry around the world are being urged to get involved in the clean-up and highlight travel's green credentials. Not only will the clean-up help benefit local tourism but it will also improve the lot of local communities and wildlife. The foundation is working in partnership with the Marine

Conservation Society to provide a range of resources to help including toolkits and top tips for customer and children's activities. To ensure the month is a success an event on March 25 will be open to PR professionals where they can get tips from guest speakers from TTG, The Sun, National Geographic Traveller and Futerra. Travel Foundation acting chief executive Salli Felton said: "Make Holidays Greener month is for everyone in the travel industry. "This July we want everyone our come together and achieve something really big. "With your help, we'll clean up many tonnes of rubbish from the environment that can be harmful to wildlife, and use tourism's considerable influence to help stop further littering. "We'll also raise awareness of the importance of healthy beaches not just for tourism but for local communities and biodiversity."

06 March 2014 – Source Travel Daily

Wills to leave Virgin Holidays

Amanda Wills has announced she will leave Virgin Holidays in September to pursue some independent commercial and charitable interests. Wills will leave the tour operator on 1 September after 13 years as managing director, under which the company has doubled its turnover and profits four-fold and bookings have grown to half a million passengers a year. She joined Virgin Holidays from Airtours days after the 9/11 attacks and has since expanded its programme into Travel City Direct, Bales Worldwide, Virgin Holidays Cruises and Virgin Holidays+HIP Hotels. "This was obviously a very tough decision to make, but after 13 fantastic years in the best job in travel it feels like the right time to hand the reins to someone else. I shall miss my amazing team around the world, but I leave a very talented leadership group who will continue growing our business and changing the game for good in our area of the travel industry," said Wills. "I'm very proud of everything we've achieved together in this unique and ever-changing industry, and will look back on my years at Virgin Holidays as amongst the happiest of my life." Sir Richard Branson, founder of the Virgin Group added: "It's no exaggeration to say that AW is a legend within the industry. Virgin Holidays would not be the strong, innovative company it is today without her leadership."

09 March 2014 – Source Travel Daily

British taking 17m wellness trips a year

Britons are taking more than 17 million spa and wellness trips a year, spending more than US\$12m to do so. Researched released by the Global Wellness Tourism Congress (GWTC) found 14.2 million of the trips were taken domestically, while 3.6m were taken overseas. The UK is the fourth largest wellness tourism market in Europe and seventh globally, with the entire European region said to be driving growth in the sector. Europeans take 39% of the 524m wellness trips taken each year and spends 36% of global expenditures in the sector. Tourists from countries like Russia, Turkey, Poland and Switzerland are now seeing the largest increases in spend and number of trips taken. "Europeans are the most sophisticated, experienced wellness- and prevention-focused focused travellers on the planet," said Susie Ellis, chairman & CEO of the GWTC. "They not only take frequent trips within their own countries and across Europe, they're also pegged as the largest source market for international wellness travel. And with so many European tourism boards – from Austria to Slovenia – now smartly promoting their unique offerings, the region will only continue to attract more health-minded travellers from all over the world." Ellis said more people are also turning to Europe to take wellness trips, as "Europe has known the very best, and the very longest, the true value of healthy travel experience that restore and rejuvenate." Wellness tourism is thought to be responsible for 2.4 million direct jobs in Europe and generate EUR328.4 billion to the region's economy.

12 March 2014 – Source TTG Digital

Funway plans record number of fam trips

Funway Holidays is planning to host a record number of fam trips in 2014 as it increases its investment in the trade. The US specialist has doubled its number of trips over the last two years and has teamed up with three airlines to offer a variety of destinations. “We are dedicated to offering fam trips to our UK agents and are delighted to be able to dramatically increase the level of investment for 2014. “We are very aware of the need to demonstrate our product offerings to our travel agent partners and feel that fam trips are by far the best learning tool”, said Nick Talbot, marketing manager for Funway Holidays. Funway has teamed up with Virgin Atlantic, United Airlines and British Airways to offer the following destinations within their 2014 fam trip portfolio:

- Orlando x 2 (March and April)
- California x 2 (March and April)
- New York (March)
- Mexico (May)
- Barbados x 4 (June)

Kicking off on the March 16, the first fam is taking place in Orlando for a week.

13 March 2014 – Source TTG Digital

Barrhead mulls more luxury stores after bookings soar

Barrhead Travel’s new luxury-themed store has helped the Scottish agency attract new clientele and more than trebled average booking value. The “luxury lifestyle store”, where customers are welcomed into tropical cabanas and offered champagne, opened in central Glasgow in December. Chief executive Sharon Munro said its location in the financial district, close to companies such as KPMG and Ernst & Young, was proving good for business. She revealed the average selling at the new store was £8,720, with the Indian Ocean and the Far East top sellers. In comparison, Barrhead’s nearby Oswald Street concept store, open for 12 years, sees an average selling price of £2,395. Barrhead spent more than £200,000 fitting out the store, but Munro said the investment had been “well worth it” and hinted there are “a handful” of other locations in Scotland which would work for additional luxury-focused stores. Munro said she expects the agency’s 55 stores to have increased to 60 by the end of this year, and hinted movement into England could happen within 12-18 months. She attributed Barrhead’s positive start to 2014 to the group’s increasingly specialised approach, including separate teams for Canada and cruise. “The fact that we specialise means that if one area dips, we can concentrate on another,” she explained. Working with tourist boards is also beginning to bear fruit: “We do enough volume that we’re important to tourist boards now; it takes time to build up those relationships but they can see we deliver the results.” The new premises also house Barrhead’s flights department, and its corporate travel division.

19 March 2014 – Source Travel Daily

New APD bands ‘a step in the right direction’

Travel companies only partially accepted news of a change in the Air Passenger Duty (APD) banding announced today by George Osborne. In his annual Budget update Osborne made the surprise announcement that all long-haul flights will be banded under one cost, meaning particularly good news for the Caribbean tourism industry. It means from April next year the region will see a reduction of APD on flights which is currently higher than other destinations, while routes to countries such as China and India will also benefit from a reduction in the tax. In the new system, which will take effect in April 2015, Band A will cover flights less than 2,000 miles from London and Band B will cover long-haul flights of

more than 2,000 miles from London. The reduction is expected to save customers more than GBP200 million a year and is expected to help both inbound and outbound travel. Echoing many of the comments made from the industry, a statement from Virgin Atlantic said: “A two-band APD rate is a very welcome simplification to remove some of the biggest distortions of the current system, which the Chancellor himself admitted is crazy and unjust. The government has rightly recognised the damage APD is having on exporters and the travelling public alike. A tax system which penalised high growth emerging economies such as China and India was always contrary to the government’s stated policy on trade and exports, so this is a positive step that recognises the impact of this economically damaging tax.” Yet many comments then involved a ‘but’ encouraging the government to take the measures further by scrapping the tax altogether or switching to other methods. Virgin’s statement added: “There is a growing body of evidence demonstrating the huge economic benefits to the UK of reducing or abolishing APD and we hope that the Government will continue to go further in the long run.” While Naren Shaam, CEO of comparison website GoEuro suggested: “If the Government was to adopt a more nuanced approach to taxing air travel, perhaps by capping the amount charged per flight, it would boost the economy even more and help alleviate some of the squeeze on family budgets.”

27 March 2014 – Source TTG Digital

Thomas Cook takes heart from rise in summer bookings

Thomas Cook’s plans for profitable growth remain on track with trading described as “encouraging”. The tour operator’s comments echo those of arch-rival Tui Travel, which issued its own trading update yesterday. Chief executive Harriet Green is battling to transform the once-beleaguered firm, using a mixture of cost cuts and new products. “Delivery of our strategy of sustained profitable growth remains on track and our trading, with increased summer bookings, is encouraging,” said Green. “Winter trading has been satisfactory, despite the significant market disruption caused by continued unrest in Egypt, as our businesses have worked successfully together to offer our customers a wider choice of destinations.” Like many other travel firms, Cook’s winter bookings have been hit by political upheaval in Egypt. In the UK, bookings are down 2% and average selling price (ASP) was down 3%, which Cook said had been mitigated by taking certain costs out of the business. The total tour operating was down 4% but if you strip out Egypt it actually grew by 1%. Across Europe this summer’s season is already 50% sold, 1% more than this time last year with overall bookings 2% higher than last year. However, ASP is again lower because more customers are taking shorter holidays. In the UK, bookings are 3% up. Capacity has been cut by 1% and ASP is down 2%. Cook said that its new product development was “going well”. Bookings at its higher margin concept hotels have increased 49%.

27 March 2014 – Source Travel Weekly

Google’s Dan Robb to join TUI Travel mainstream division

Tui Travel has appointed Google’s industry head of travel Dan Robb as the first digital marketing director for its mainstream sector. Robb will join Tui on July 1 and will target driving the mainstream division’s digital marketing and “growing the group’s position as a leading digital business”. Nick Longman, managing director of distribution and online for Tui’s mainstream sector, said: “Digital marketing is core to our digital and online modernisation strategy. It is therefore important that we have the very best people in the business to make sure we capitalise on the opportunities available to us. “Dan brings with him a wealth of experience and is uniquely placed to ensure we get the most out of our relationship both with Google and other leading digital companies.” Robb said: “I am delighted to be joining Tui Travel. The group is at an exciting point in its digital journey and

I look forward to bringing my experience to the team and helping to further drive its digital growth. “While I will miss Google and the great team we have in Google Travel, this is a fantastic opportunity and I look forward to joining in July.” Robb has worked at Google for the last nine years, leading the development and growth of the search engine giant’s travel team. Before that, he worked at Associated News for seven years. Robin Frewer, director of travel and finance at Google, said: “Dan has made a fantastic contribution and has played an important role in educating the industry over the past nine years. This is an opportunity for him and also reflects Tui’s understanding that digital will become ever more important for their business. “Dan will challenge the Tui business and encourage it to move at a greater pace.” Frewer said that he had previously hosted Tui Travel chief executive Peter Long and mainstream managing director Johan Lundgren at Google’s head office in San Francisco, as the travel giant looked to develop its digital strategy. And he confirmed that Ru Roberts had been appointed internally as Robb’s replacement: “There are always succession plans in place at Google, and Ru will be heading up our ‘holidays team’ and leading our relationships with the tour operators. Dan is a senior member of the team, but we have some excellent people in place and some new faces coming in to ensure there is a seamless transition.”

28 March 2014 – Source TTG Digital

Midcounties reports sales boost

The Midcounties Co-operative Travel has seen sales grow 61% to £276 million on the back of branch acquisitions and homeworker recruitment. Gross sales in the wider organisation increased by 24% to £1.2 billion and operating profit (excluding significant items) was up 21% to £22 million. As a result, the Warwickshire-headquartered society has announced plans to make over £6m in share-of-profit payments to its members and colleagues. Ben Reid, chief executive of The Midcounties Co-operative, said: “These excellent trading results demonstrate that the Co-operative business model really works. “As part of our co-operative approach we will be returning a share of our profits to the members and colleagues who have directly contributed to the success of the Society.”