

# **UK OFFICE**

## **August 2014 REPORT**

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

### **Tour Operators**

#### **Travel Junction**

A meeting was held with Andy Facer, Florida Product Director at Traveljunction.com a relatively new online travel agency who are currently branching out into the USA market.

Discussed our area in general with Andy (who is ex Thomas Cook Signature, so knows our area well) with all that is new Also provided Andy with area imagery, area copy, video footage as well as logos for them to add to their website in the coming months.

#### **Wexas International**

Met with Katrin Rummer, Regional Product Manager for The Americas to discuss our area in general as Wexas do not currently feature our destination on their website although they have rates available via their receptives including Bonotel and Travelcube. Provided Katrin with an overview of our destination she has advised she will be in touch if they decide to expand their current Florida Product. They currently offer self-drive tours in Tampa, Orlando, Miami, Sarasota, Naples and the Keys.

### **TRADE LIAISON**

- Provided input to BVK on the TV VO script for the TV ads running in February 2015. Also discussed and confirmed the call to action URL will be youneedsun.com
- VSPC/Visit Tampa Bay & British Airways Fam Trip – Final preparations have been made for the joint Reservations/Sales Agent Fam trip taking place from the 4th – 9th September 2014. A total of 8 agents have been confirmed to join us on our annual agent's familiarisation trip including staff from American Sky, Infinity Holidays/Flight Center, Funway Holidays, Gold Medal Travel, Jetline Cruises, Ocean Holidays, Thomas Cook Signature and TUI Specialist. The itinerary encompasses a 2 night stay in the Tampa Bay area at The Epicurean Hotel and a 3 night stay at The Hilton Clearwater Beach.
- Visit Orlando – Continued working on the joint training & sales call 2-day trip to Ireland in conjunction with Visit Orlando. The visit will also include attendance at the next Visit USA Association Members Meeting in Dublin on 19th November.
- Discussions taking place with Universal Parks & Resorts regarding a twin centre fam targeting tour operator Product Managers. Twin centre forms part of their new strategy and we are delighted to partner with them.
- Stella Travel Services – Final campaign results have now been received and details are as follows.
  - Point of sale (2 x A2) posters were distributed to 500 independent travel agencies for them to utilise in store
  - 4 x campaign e-shots were distributed throughout the campaign

- 2 x Travelmole E-shots were sent out
- the homepage banners on Travel2.com were live throughout the month of June
- 1 x newsletter article was also sent out in June, social media on Twitter was posted for a week during the campaign and press activity also took place.

We have been advised that room nights compared to the same period last year increased by 500% and went from 8 room nights to 48 room nights being booked. Airline results showed that they had booked 3255 passengers to Orlando during May & June 2014 and 546 into Tampa. Of these 2945 (+123.78%) were return tickets to Orlando and 419 (+66.27%) return tickets to Tampa. Of these stats, 310 passengers included a stopover in Orlando for more than 24hours and 127 passengers included a stopover in Tampa as part of a larger itinerary. The 1st Travelmole e-shot on June 7th generated 1,424 clicks and 10,895 opens. The 2nd Travelmole e-shot on June 16th generated 915 clicks with 7,312 opens. The campaign e-shots had an open rate of 20% (9,792) and the online banners generated a total number of 560 clicks.

- TUI Specialist – Continued sign off on our solo and the joint campaign with Visit Tampa. The last of our activity in their e-brochure ‘Footprints’ has now been approved and will be sent out in September.
- TUI Specialist – Assisting Rachel McAneny with a programme of events including site visits to area hotels, visits to area beaches and a guided tour at the Clearwater Marine Aquarium for a Travel Agent Fam trip they are hosting in September for 10 of their top selling agents. The group will be in our area for a period of 2 days at the end of next month.
- Confirmed attendance at the Swanson’s Holiday show in Sweden on behalf of the Florida’s Beaches co-op.
- Cosmos/Monarch – Finalised all elements of our joint marketing agreement with Cosmos Holidays and Monarch Holidays. The campaign will launch in September and will include a mini social media campaign as well as e-newsletters.
- Assisted Russ Kimball and the Sheraton Sand Key with contacts in Scotland to work as call to action on a promotion they were running.
- Finalised the itinerary for the VIA Tours Norway fam which will be in County in mid-October.
- American Holidays – Confirmed our partnership on a September co-op marketing campaign in partnership with Visit Tampa Bay and activity confirmed includes website activity as well as social media elements, e-newsletters and press advertisements. Provided American Holidays with imagery and copy.
- Liaison with Icelandair in Finland regarding our visit to Helsinki during the forthcoming Scandinavian Sales Mission.
- Visit USA Ireland – The recent VUSA.IE e-newsletter included information on the Craft Beer Trail and was distributed to both their trade and consumer database.

- Gold Medal Travel – The results from the recent Gold Medal Travel Group co-op marketing campaign have now been received and showed fantastic results. Overall stats show that room nights increased by 97% YOY and passengers by were up 19%. They did experience a lull in flight bookings in April and June but the room nights for those months indicate that Gold Medal Travel were still able to provide St. Pete/Clearwater with paid stays that were an increase on the previous year. Room night stats booked during the months of March 2014 – July 2014 totalled 1184 compared to 726 during the same period last year.
- North American Highways – Provided Jo Morris at North American Highways with an up to date image library for her to utilise in forthcoming e-blasts to their UK database.
- Audley Travel – Provided James Butler, North American Product Manager, with up to date imagery and copy as they are adding Florida as a new destination to their product portfolio on their website.
- Visit USA Ireland – Liaising with Clodagh Oxley at VUSA.IE regarding a website banner ad that we will be available to provide and have on the website free of charge for a period of 2 months.
- Visit USA Annual Travel Planner – Finalised our contact information and listing in the 2015 edition of Visit USA, the Visit USA UK Association’s consumer & trade brochure.
- Aer Lingus – Ivan Beacom, Business Manager Europe – Leisure Sales has confirmed that Aer Lingus will increase scheduled operations from the current 3 flights per week from Dublin Ireland to Orlando to 4 flights per week for the 2015 summer period from 01 May 2015 – 24 October 2015. This means that the Aer Lingus schedule all year round operates on Tuesday, Thursday and Saturday but for the period mentioned above there will be an extra service on Wednesday. In terms of capacity, there will be an additional 6,675 seats available to Orlando, Florida direct from Dublin as a consequence of this increased direct scheduled service.
- Discover America Sweden & Nordic – Confirmed our contact details with Goran von Arbin at Discover America for their website.

## **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

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## **MARKET INTELLIGENCE:**

### **Spend up a third as online brands break into UK’s top travel advertisers on TV**

Official industry data on travel television advertising in the UK has shown how online players have made a significant impact on the market in the first six months of 2014.

According to data compiled by Neilson and seen by Travolution, overall spend is by up a third (33%) with the likes of Skyscanner, booking.com and Lowcost Holidays featuring as significant players. The figures cover the January to May period in 2014 compared to the same six months in 2013 and reflect a considerable uplift in travel brand advertising on UK television from online firms. Booking.com’s first ever above the line brand campaign in the UK saw it take a 10% share of voice ahead of another debutantes Skyscanner, with 4%, and

Lowcost Holidays' on 7%. The rise of these pure play online advertisers came at the expense of more established names like Thomson, on 18% down from 20%, although sister brand First Choice was up from 7% to 10% and Virgin Holidays, 12% in 2013 compared to 5% in 2014. Thomas Cook's share also fell from 8% to 6%, although its accommodation only brand was among the top spenders in 2014 with 3%, and Trivago was down from 22% to 17%. Other notable absentees from the top spenders list this year included KAYAK, and ebookers, while On The Beach appeared with a 1% share of voice. Expedia increased its share of voice from 7% to 11% while sister brand hotels.com remained static on 4% (5% 2013), as did lastminute.com and Travelsupermarket, both on 3% in 2014.

02 August 2014 – Source Intermedia

### **International Tourism: Strong Peak season anticipated**

Demand for international tourism remained strong in the first four months of 2014 according to the latest UNWTO World Tourism Barometer. International tourist arrivals worldwide grew by 5%, the same rate as during the full year 2013. Prospects for the current peak tourism season remain very positive with over 460 million tourists expected to travel abroad in the May-August 2014 period. Destinations worldwide received some 317 million international tourists (overnight visitors) between January and April 2014, 14 million more than in the same period of 2013. This 5% growth consolidates the already strong increase registered in 2013 (+5%) and is well above the long-term trend projected by UNWTO for the period 2010-2020 (+3.8%). Growth has been widely spread with nearly all subregions recording increases in international arrivals of 4% or higher. By region, the strongest growth was registered in Asia and the Pacific and the Americas (both +6%), followed closely by Europe and Africa (both at +5%). By subregion, Northern Europe, Southern and Mediterranean Europe, North Africa and South Asia, (all +8%) were the star performers. "The encouraging start to 2014 and the overall positive sentiment in the sector raise high expectations for the current peak tourism season, benefiting destinations from both advanced and emerging economies," said UNWTO Secretary-General, Taleb Rifai. "The 5% growth in the number of international tourists crossing borders in the first months of 2014 further reflects the impact of the increase in public support to the sector as well as the immense capacity of tourism companies to adapt to changing markets," he added. Most destinations share in growth Asia and the Pacific (+6%) consolidated its growth of recent years, with South Asia (+8%) and North-East Asia (+7%) in the lead. Growth picked up in the Americas (+6%), with all four subregions showing significant improvement compared to 2013. Europe, the most visited region in the world, maintained the strength it showed in 2013 with international tourist arrivals growing by 5% through April. Northern Europe and Southern Mediterranean Europe (+8% each) led growth. Africa's international tourist numbers grew by 5% as the recovery was consolidated further in North Africa (+8%). International tourist arrivals in the Middle East are estimated to be down by 4%, though this figure should be taken with caution as it is based on limited available data for the region. With regard to source markets, international tourism expenditure data for the first part of 2014 indicates that the growth in demand continues to be strong out of emerging markets, in particular from China, the Russian Federation, Saudi Arabia and India. Moreover, demand from advanced markets is strengthening as the economic situation improves gradually, with encouraging growth registered in expenditure from Italy, Australia, the Republic of Korea, the Netherlands, Norway and Sweden.

02 August 2014 – Source Intermedia

### **WTM 14 SECURES CONTENT MARKETING AND SOCIAL MEDIA GIANTS FOR KEYNOTE SESSIONS**

Two of the biggest social media brands - BuzzFeed and Twitter - are already confirmed as keynote speakers at World Travel Market 2014, the leading global event for the travel industry. Both companies are presenting as part of WTM Travel Perspective programme, which will concentrate on social media and digital content as part of the standalone Travel Tech Show at WTM's event programme. BuzzFeed launched in 2006 and describes itself as 'the media company for the social age'. It is at the vanguard of new business models for online publishing, combining news reporting, produced by in-house journalists, with entertainment and celebrity content sourced from its community of readers. It is also leading the way in 'social advertising' generating revenues from advertising, which is intended to be shared, disrupting traditional online advertising models. BuzzFeed will be represented by Will Hayward, Vice President of Advertising (Europe). He oversees its business operations, social advertising partnerships, growth strategy and expansion in Europe. Since Will joined BuzzFeed last September, the site's UK traffic has increased by 400%. His background includes The Wall Street Journal and The Economist. The presentation - 27 things you really need to know about BuzzFeed and content marketing - will look at a number of successful social advertising campaigns it has run with travel companies and destinations. The keynote takes place on Tuesday 4 November at 10.35 am in South Gallery Rooms 23 - 26. Furthermore, Twitter has confirmed that it will be presenting the keynote the following day. Twitter will concentrate specifically on examples of how its UK and Ireland team is working with the travel and tourism sector. The keynote will delve into the concept of 'second screening' - the phenomenon of people watching TV at the same time as using Twitter on a separate device - and how travel companies can increase awareness and bookings as a result.

04 August 2014 – Source Travel Weekly

#### **Travel Counsellors reports lates surge**

Travel Counsellors has claimed an 8% year-on-year rise in late summer bookings made in July for summer departures. The increased sales follow analyst GfK reporting a 7% fall in sales in June – a third consecutive month of decline. However, Travel Counsellors reported a consistently strong pattern in late bookings, with June bookings for summer departures up 6% and overall bookings made in May to July up 8%. Spain, Italy and Greece are the top three destinations booked for the summer, with the favourable exchange rate due to the weak euro increasing the appeal of overseas holidays in Europe for late bookers. Sales director Malcolm Hingley said: "Despite reports of a slow summer lates market we have seen a strong booking trend over the summer months, and additionally our future bookings for winter 2014 are also performing well, up 11% on last year. "As our Travel Counsellors are not restricted to third party product and are able to re-package and tailor-make for their customers, they are not affected by reduced capacity. "Plus, our sales are not as heavily reliant on traditional summer Med packages." He added: "We are also seeing more and more customers recognising the value of booking with a trusted and knowledgeable travel agent, with our focus on customer service resulting in a repeat booking rate of over 70%." The company also reported a boost in late bookings from a summer marketing campaign, launched in May, which enabled agents to target the lates booking market based on customers' previous booking patterns and destinations. Travel Counsellors has been hosting a daily 'summer lates' show, broadcast from its in-house TV studio to agents across the UK, offering daily summer offers, plus advice and tips on connecting with customers, and how to make the most of the lates market. Hingley said: "Over the past few months we've invested further in the marketing support offered to our agents, and we're currently seeing the direct benefits, particularly from our summer lates marketing campaign. "Our focus is about making it more personal for our customers and their specific needs. Through targeted marketing, our agents have been able to connect with their customers on a personal level, helping to strengthen

relationships and get those last-minute bookings in.”

06 August 2014 – Source Travolution

### **Expedia surges ahead in travel social media benchmark results**

Expedia has surged ahead in the latest travel social media benchmark results from eDigitalResearch, topping the Google+ league table and gaining almost 2.5 million new followers on Facebook in just six months. Now with more than 4 million likes on Facebook, Expedia has moved three places up the league table to second place behind KLM - the first travel brand to break the 1 million mark on Twitter. Expedia runs a global Facebook page with content targeted depending on a follower's country or region. This allows the online travel giant to engage with audiences on a local level and seamlessly integrate regional marketing messages while maintaining a global brand presence. Ryanair makes its first appearance in the benchmark, moving 19 places up the Twitter league table thanks to a gain of almost 65,000 followers. This follows the budget carrier's revamped marketing campaign – including a new customer service strategy, website and social media presence – at the end of last year. The airline's Twitter account encourages people to engage with the brand – for perhaps the first time ever – posting pictures of their Ryanair experience, as well as using the account as a means of contacting customer services. Airlines dominate league tables across the benchmark, with American Airlines, Delta, British Airways and Virgin Atlantic completing the Twitter top five behind KLM due to their global customer reach. Derek Eccleston, commercial director at eDigitalResearch, said: “Social media platforms are the perfect way to reach out to a global audience and engage with your customers. “As Expedia has shown, using targeted, local accounts within a wider, global social media strategy means that you'll be able to speak to customers on their terms and in their language whilst retaining your global brand presence. “The customer experience really is key these days, and that includes social media platforms. “People increasingly see social media channels as a means of getting in touch with companies and engaging with their favourite brands. “Therefore brands, especially travel brands, need to have a clear and robust social media strategy that allows them to listen to their followers and connect with them.”

04 August 2014 – Source Travel Weekly

### **Monarch confirms strategic review**

All parts of Monarch Group's operations are subject to a sweeping strategic review, which is expected to lead to significant changes in the ownership structure. The company confirmed that it is reviewing “all areas of the business from operations to ownership and financing”.

The statement came after *The Sunday Telegraph* revealed that a number of investors, including venture capitalist Jon Moulton's Better Capital, HIG Europe, Towerbrook and Indigo Capital, are considering injecting cash into the company, which is controlled by the Swiss billionaire Mantegazza family. Monarch is understood to need as much as £60 million of fresh capital, despite the Mantegazzas pumping £120 million into the group since 2009.

Dean Street Advisers is leading the search for an external investor but the Mantegazzas have also appointed restructuring specialists from PwC, who are working on a rescue plan in case Monarch is unable to strike a deal to bring in fresh capital, the newspaper reported. Monarch said in a statement: “The group confirms it is undergoing a strategic review under the leadership of new non-executive chairman Sir Roy McNulty and chief executive Andrew Swaffield. “The review covers all areas of the business from operations to ownership and financing, with the objective of determining the optimum structure to realise the significant opportunity to build on the respected Monarch brand and distinctive offer to its customers in the budget airline market.” A spokesman for Emerald Investments said the company, which is controlled by the Mantegazza family was “fully supportive” of the new management

team's plans for Monarch, which include introducing "a new investor and the provision of new capital," according to *The Times*. Monarch needs funding to support an order for 30 new Boeing 737 aircraft worth \$3.1 billion and its ambition to outdo easyJet and Ryanair on customer service. Recently departed executive chairman Iain Rawlinson turned the airline from mostly a charter carrier into an operator of scheduled flights. The airline carries seven million passengers a year to 38 destinations, mainly in the Mediterranean. Monarch, which operates mainly from Gatwick, Luton, Manchester and Birmingham airports, said in December last year that it was back in the black but competition in the European airline industry has since intensified. The group made a profit of £5.9 million on sales of £957 million last year.

13 August 2014 – Source Travolution

### **TUI hails 'industry leading' system as it launches Connect**

TUI Travel announced the launch of a multimillion-pound system linking its digital, retail and call centre-booking businesses across the UK. The company said the state-of-the-art system, called Connect, would see it "deliver industry-leading standards of customer satisfaction". Earlier, TUI UK managing director Dave Burling told Travolution sister publication *Travel Weekly*: "Over half our UK summer 2014 bookings have been made online. "We are at a high level but growing the web business at a faster rate and investing in technology in services. "We've got the product, we've got the hotels and we've got the technology." Connect will allow customer information to be shared across booking platforms, meaning online or call-centre bookings can be followed up in shops. The system will make customer data available from the point of booking onwards, allowing frontline staff to offer a more personalised service and, Tui said, "to recognise and reward loyal customers more effectively". Connect will be rolled out across the company over the next nine months. TUI said the launch marked the first of a series of technology enhancements, in line with the company's TUInnovate programme. This has already seen the introduction of free Wi-Fi in key hotels this summer and the re-launch of the Thomson and First Choice websites. The Connect system is supported by a customer-engagement platform developed by technology firm Pegasystems. TUI UK and Ireland customer operations director Fraser Ellacott said: "TUI strives to put the customer at the heart of everything it does and this new system will make it much easier to do. "By connecting frontline staff here and overseas we'll be able to offer customers a much more personalised service. "It will also help us share even more information across the business so we can answer anything customers want to know." Ellacott added: "This is just the beginning."

15 August 2014 – Source Travolution

### **Missed online sales cost OTAs millions**

Travel companies are losing out on millions of pounds in online sales by failing to follow up on customers who abandon orders during the booking process, according to a specialist conversion company. Optilead surveyed a number of businesses working in the online channel. It found only 17% made any effort to follow up on bookings valued in excess of £2,500 that were abandoned before the payment process was complete. The quickest responded in 54 minutes. The slowest took more than two days. "It's unbelievable that companies are ignoring what are obviously hot leads," said Optilead director Steve Lawton. "Travel agents don't let visitors walk into their High Street shop without an agent acknowledging them, so why do they allow it to happen online?" Whilst the 'abandoned cart' email is a popular way to target these prospects, Optilead believes companies are ignoring the power of the phone. "We identify more than £15 million worth of abandoned web bookings a month for one of our travel clients and they successfully recover over £1m

through a targeted outbound campaign,” said Lawton. “Scale that up across the whole industry and the opportunity is massive.” Lawton said a recent survey of online travel agents showed an average click rate of 15.6% from abandoned cart emails, with a conversion rate of 22.6%. He said the value of conversions from timely phone calls was more than double that of an email campaign. “The most effective strategy is to use both channels,” he said. “Outbound calls to target higher value leads, using email as a fallback. And emailing lower value leads that don’t warrant a call.”

18 August 2014 – Source Travel Weekly

### **Monarch Airlines to lose 1,000 jobs as company restructures**

Monarch Airlines could shed up to 1,000 jobs as the result of a strategic review now underway. New Monarch Group chief executive Andrew Swaffield confirmed the review of the business last week in an exclusive interview with Travel Weekly. Swaffield said the review would focus on Monarch Airlines and made clear he had already decided to end charter flying and was likely to ditch long-haul operation. The airline would be transformed into “a low-cost scheduled European carrier”, he said. Monarch also announced last week it would cease operating from East Midlands airport next April. The Sunday Times reported yesterday that more than 1,000 jobs are at risk at the airline, about one third of the total workforce. The newspaper also suggested the airline was likely to lose £60 million this year. Monarch declined to comment on the story. In a statement, the Monarch Group said: “The Company has previously stated that the new management team is conducting a strategic review of the group's businesses, including in relation to their operations, ownership and financing. “That review is on-going and further announcements will be made upon its conclusion or as otherwise appropriate.” Travel Weekly understands decisions have yet to be taken on the number of jobs likely to be affected. US firm Seabury Capital is advising Monarch in the search for new investors and accountancy giant PwC is also involved. The Sunday Times suggested the group and its owners the Mantegazza family are keen to find new investors by the end of the year. The Monarch group comprises tour operating and aircraft engineering businesses as well as the airline and both have been reported as profitable. Monarch has stressed that tour operator Cosmos would continue operating as now, selling seats on third-party carriers including to long-haul destinations.

20 August 2014 – Source Intermedia

### **IATA releases world air transport statistics for 2013**

IATA has published the 58th edition of the World Air Transport Statistics (WATS), a yearbook of the airline industry’s annual performance containing extensive statistical information and analysis. ‘Commercial aviation began 100 years ago with a single airplane, a single passenger and a single route. Last year, as recorded in the WATS, the industry carried more than 3 billion passengers and nearly 48 million tonnes of cargo on nearly 100,000 flights per day, while the real price of air travel fell by 7.4%. Aviation’s annual contribution exceeds even these impressive figures. Its global economic impact is estimated at \$2.4 trillion and it supports 3.4% of global GDP. By value, over a third of goods traded internationally are delivered by air and some 58.1 million jobs are supported by aviation,’ said Tony Tyler, IATA’s Director General and CEO. Snapshot of 2013 Industry Performance: Passenger System-wide, airlines carried 3.129 billion passengers on scheduled services, an increase of 5.1% over 2012. Airlines in the Asia Pacific region carried the largest number of passengers of any region. The regional ranking (based on total passengers carried on scheduled services by airlines registered in that region) is:

1. Asia Pacific (1.012 billion passengers, an increase of 9.3%)
2. Europe (825.9 million passengers, up 3.4% over 2012)

3. North America (818.9 million, up 0.7% over 2012)
4. Latin America and the Caribbean (240.5 million, up 7.6%)
5. Middle East (157.9 million, an increase of 8.8%)
6. Africa (73.8 million, 5.6% up over 2012).

The top countries by region based on passengers carried (total both-ways, international and domestic) were:

1. Africa: South Africa (20.4 million, a decline of 0.1% compared to 2012)
2. Asia Pacific: People's Republic of China (404.2 million, an increase of 11.8%)
3. Europe: United Kingdom (177.9 million, up 3.7% over 2012)
4. Latin America and Caribbean: Brazil (92.9 million, an increase of 4.5% over 2012)
5. Middle East: United Arab Emirates (45.3 million, an increase of 11.7%),
6. North America: United States (618.1 million, an increase of 3.3% over 2012).

The United States is still the largest single air market in the world, in terms of total two-way traffic, international and domestic.

The top five airlines ranked by total scheduled passengers carried were:

1. Delta Air Lines (120.6 million)
2. Southwest Airlines (115.3 million)
3. China Southern Airlines (91.5 million)
4. United Airlines (90.2 million)
5. American Airlines (86.8 million)

The top three city-pairs based on passengers carried on international routes were:

1. Hong Kong-Chinese Taipei (4.9 million, down 11.5%)
2. Dublin-London (3.6 million, up 6.9%)
3. Jakarta-Singapore (3.4 million, up 8.6%)

The top three city-pairs based on passengers carried on domestic routes were:

1. Jeju-Seoul (9.58 million, up 1.4% over 2012)
2. Sapporo-Tokyo (9.17 million, up 4.7%)
3. Fukuoka-Tokyo (8.34 million, up 9.3%)

Snapshot of 2013 Industry Performance: Cargo

Globally, cargo experienced weak growth with freight tonne kilometers up only 1.8% compared to 2012. However, this represents a reversal of the 1.1% shrinkage over 2011.

The top five airlines ranked by total scheduled freight tonnes carried were:

1. Federal Express (7.1 million)
2. UPS Airlines (4.1 million)
3. Emirates (2.1 million)
4. Korean Air (1.4 million)
5. Cathay Pacific Airways (1.3 million)

Consumer and Business

Airlines added over 1,100 direct airport-pair services and 600,000 frequencies in 2013, for a new total of 50,000 direct airport-pair services and 31.5 million frequencies. The price of air travel in real terms fell by 7.4% compared to 2012. The cost of shipping goods by air in real terms fell 7.1%. Fuel consumption represents about 2% of all fossil fuels burned worldwide for all purposes, or about 12% of the total amount of fossil fuels consumed by all transportation. The average price of jet fuel in 2013 decreased by 3.9% compared to 2012.

Total estimated cost of fuel was \$210 billion or 31% of airline operating costs. Between 2005 and 2013, fuel efficiency improved by 11%. Star Alliance maintained its position as the largest airline alliance in 2013 with 26.6% of total scheduled traffic (in revenue passenger kilometers), followed by SkyTeam (20.1%) and oneworld (15.4%).