

UK OFFICE
May 2015 REPORT
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UK Director

Meetings/Training/Events

THG Holidays – Visited THG office in Swansea to train their team and Travel House agency retail staff in the agency below. Provided an area update and distributed new destination guides and maps. Also conducted Travel House drop-ins at three nearby shops including Mumbles and Llanelli highlighting the area to the retail staff and leaving them with brochures and maps.

Travel 2 – Attended a Florida supplier day at the Travel 2 office in Glasgow on 13th May. Conducted eleven sessions with small groups from their reservations team providing area training and distributing brochures and maps.

Virgin Atlantic Airlines – Joined Raymond McErlaine, Business Development Executive, on a joint call to Glen Travel office in Glasgow. Provided an area overview and distributed brochures to the retail team as well as two call centre agents. Also visited Kenneth Macleod Travel in Giffnock outside of Glasgow to provide an area update and leave destination guides with the consultants on duty.

TUI – Attended two Regional training events in Crawley with Visit Tampa as part of joint coop marketing plan. In total 72 retail agents received training across eight sessions over the two days and all were given destination guides and maps for reference and to take back to their branches. Also confirmed participation at a third Regional event to be held in Peterborough on 29th July.

TRADE LIAISON

- Submitted a number of different advertising proposals for possible launch in September including substantial Out of Home elements such as interactive screens.
- British Airways/Visit Tampa/VSPC FAM Trip – The joint fam hosted by James Litston, Visit Tampa, took place between 7-12th May with time split between our area and Tampa Bay. James reported a very successful fam with great feedback and engagement from all participants.
- Confirmed a national consumer campaign to run in Jan and Feb 2016 in conjunction with national grocery retailer, Morrison's. Promotion will include print, digital and social elements with an estimated reach of 5 million UK consumers.
- Premier Holidays/VSPC/SWP&E/Visit Tampa co-op marketing campaign – Coordinated the approval of a joint coop marketing plan with partners. Campaign is due to commence in June and end in July and will include a newsletter to over 4,500 agents, instore flyers

and window posters in both Premier Travel/Travel Centre branches and in over 50 key accounts. There will also be a trade booking incentive and consumer advertising in the local press.

- Finalised the itinerary for the post IPW tour operator fam being held in conjunction with SeaWorld Parks and Entertainment.
- Visit USA newsletters/websites – Provided information on the Craft Beer Trail for inclusion in the next Ireland and Denmark e-newsletters to both trade and consumer databases. The UK Visit USA website was also updated with copy and image.
- Finalised and submitted the sales budget for FY15-16
- Signed off artwork for the BA campaign launching beginning of June.
- Ocean Holidays – The Coop marketing plan finalised last month was implemented in the month of May. Performance results are expected in June and will be reported next month.
- All Leisure Holidays – Provided information to Emily Leggett, Product & Purchasing Manager – USA, with details regarding Dolphin Cruise options in our area as part of her stay after attending IPW.
- USATours – Work continues on finalising an itinerary for this fam scheduled for 26-28Sep. Discussions have been held with Visit Orlando who will be hosting prior to their arrival in our area to coordinate arrival times on Saturday 26th Sep. Have confirmed breakfast event with Hotel Indigo and dinner event with Loews Don CeSar Hotel.
- Global Travel Group – Confirmed our participation in two Global Travel Group Travel Agent Road Shows that will take place in Bolton on the 10th June and Milton Keynes on the 9th July. The events will see a total of 120 travel agents attend a tourist board training day in the speed dating style which will give us 10 minutes with each group to train them on our destination.
- Gold Medal Travel – Discussed a possible In-Store Retail Promotion with Gold Medal and their independent travel agent partners. A proposal has been received and confirmed. The promotion will include collateral including a third of an A5 page in the tactical brochure with a reach of 45,000, targeted sales calls with the opportunity to supply brochures & goodie bags to 300 travel agencies (we will be training the staff conducting the training prior to commencement), B2B email communications on a weekly basis with a reach of 3,750 travel agents as well in-store posters (long-drop) in their 21 top selling travel agencies in central England. The campaign will run in June & July.
- Gold Medal Travel – More elements of the ‘Ride & Unwind’ / ‘Play and Pause’ campaigns have been reviewed and approved this month including two agent communications and a Netflights consumer website landing page.
- Gold Medal – The recent retail campaign with Gold Medal has ended. It included the placement of dedicated weekly A3 posters promoting area offers in top selling UK

agencies throughout April as well as attendance at a travel agent training day in their Preston office that was reported on last month. We also benefitted from complimentary activity including the distribution of e-shots in later February and early March. The campaign generated great interest in the area and this resulted in a 9.9% increase in room night bookings made in February followed by a 24.1% increase seen in March. April room night bookings for our area were some 44.9% higher than the same month last year. For the mid-May year to date period combined Gold Medal have reported some 1,083 room night bookings – a 13.8% increase versus 2014.

- BA Holidays – Assisted with coordination of activities for BA’s dedicated Florida team fam visiting the area on 13-15 June. Activities are limited to 14th June and but will include visits to Chihuly Collection, Dali Museum and a Dinner downtown hosted by VSPC office.
- Visit Florida – Attended the Visit Florida Travel Advisory Lunch held at Balthazar Restaurant in London. The event was attended by 17 tour operators and airlines.
- Visit Florida – Attended the Visit Florida Travel Trade Advisory Luncheon which was held at Chapter One Restaurant in Dublin, Ireland. The event was very well attended by tour operators, airline personnel and the Irish travel trade media. A total of 40 guests & Visit Florida partners attended this annual event.
- Flight Centre/Infinity Holidays – Training has been scheduled at the Flight Centre/Infinity Holidays call centre in New Malden and will take place on the 1st July. A total of 10 agents will be trained and updated on our area.
- Tour America – The May in-house staff incentive has now taken place and the winner’s prize of an iPad Mini 3 has been delivered to Tour America. We are currently awaiting confirmation of the winner and results.
- American Sky – Confirmed attendance at the American Sky 10th Anniversary Party that will be taking place on the 18th June at Surrey National Golf Course.
- American Holidays (Ireland) – Results of the marketing campaign that ran from February through to early May were recently received. The campaign featured various offline, outdoor and online elements. Offline included three dedicated adverts in Sunday newspapers. The outdoor campaign featured column ads at 4 strategic Luas (light rail) stations in Dublin city centre and an extensive cinema advertising programme that saw an adapted version of the UK TV advert screened to nearly 213,000 viewers in 17 Dublin cinemas and 6 Cork cinemas over a 2 week period. Online elements included a homepage slider on the American Holidays website that typically receives 500,000 visitors a month and a boosted, targeted Facebook post to attract some of their 80,000 fans. A targeted e-zine was also sent to 54,000 of their customer base and achieved an impressive open rate of 18%. As a result of this campaign American Holidays reported 834 room nights - a 12% increase booked compared to 2014.

ENQUIRIES:

MARKET INTELLIGENCE:

May 06 2015 – Source Travolution

European OTA scene primed for consolidation, says eDreams Odigeo founder

The European OTA scene is poised for consolidation similar to that seen in the US, according to the founder of Europe's biggest OTA eDreams Odigeo. Javier Perez-Tenessa told the Travel Distribution Summit in London that there was still scope for consolidation among generalist travel retailers. He said in the US Expedia had "closed the game" with its recent acquisitions including of rival Orbitz. Perez-Tenessa led one of the biggest consolidations to date in Europe bringing eDreams and its then two biggest rivals Opodo and GoVoyage together in 2010. The most recent consolidation seen in Europe recently has been Travelocity's sale of lastminute.com to Bravofly Rumbo. Asked about the future of OTA model, he said: "You have to change constantly no matter where you are. Nobody can stay the same, it has to be constantly tweaked. If you are just doing the same as before in this world it's difficult because we have new entrants that can get global access very very quickly to resources and people. "Everyone needs suppliers and distributors and it's just who is going to be your most efficient supplier or distributor. If people are using you it means they are getting value for what they pay." He added: "We see different models working fine. The only criteria is people and that's businessmen and women and consumers will only pay when they feel they get value."

May 11 2015 – Source Travel Weekly

Tui tipped to outline 'masterbrand' strategy

The *Times* today follows up Travel Weekly's exclusive disclosure made last month that Tui Group is considering a rebrand under the Tui name. A new branding strategy for its tour operations - including Thomson and First Choice in the UK - as part of a capital markets day presentation accompanying half-year results is to be outlined by Europe's largest travel group on Wednesday, the newspaper reported. Most of the company's brands, including Thomson, already use the same logo, introduced in 2001 under the World of Tui umbrella as part of an attempt to harmonise the service and type of experience customers of the different brands could expect. However, the group is expected to take the process a step further by indicating its intention, probably over the next two or three years, to deploy the Tui brand it already trades under in Germany across most of its other European source markets, including the UK. A source close to the company emphasised last night that the review was a continuing process and that any changes would be introduced only very gradually "over time, not immediately," according to the *Times*. The move to a single Tui brand will also extend to the group's five airlines, which have about 140 aircraft. After last year's merger between Tui Travel and Germany majority shareholder, Tui AG, the company has kicked off plans to bring all five carriers - Thomson Airways, Tuifly, Tuifly Nordic, Jetairfly and Arkefly - under a single operation based in the UK as part of a move to cut costs by at least €100 million. Tui is also expected to outline plans to bring its Thomson Cruise and Hapag-Lloyd Kreuzfahrten operations into its joint venture with Royal Caribbean to improve cross-selling

and operational synergies, according to a research note from Morgan Stanley. The capital markets day, where joint chief executives, Fritz Jousen and Peter Long, will outline the merged group's future growth strategy, is also expected to allude to possible disposals, which analysts predict could raise up to €1 billion, including its 14% stake in the Hapag Lloyd container shipping group, on its own valued at €470 million. Other assets that could be sold include OTA LateRooms, worth between €50 million and €100 million, while the group is also expected to review the €1.7 billion of capital it has tied up in hotels. Tui is forecast by Morgan Stanley to report underlying seasonal winter losses of €306 million in the first half, a 12% improvement. A trading update in March indicated solid trading amid slightly better summer booking trends. Tui declined to comment on the *Times* report.

May 11 2015 – Source Travel Weekly

Botterill to head up dnata's European trade operations

Travel giant dnata has finally announced its travel executive team with Stella Travel Services UK chief executive Andrew Botterill taking the top trade job in the UK and Europe. Botterill becomes chief executive of dnata travel B2B Europe, taking responsibility for all of the company's UK trade-facing brands, including Travel2 (including Simply Luxury), Gold Medal (including Pure Luxury), and The Global Travel Group, with immediate effect. He will also be responsible for all airline relationships and commercial negotiations across all dnata UK brands, and for Netflights retail, the Thomas Cook relationship. The news allays fears in the trade that one of the Travel 2 or Gold Medal brands might be ditched. Gold Medal managing director Steve Barrass will take on a new role looking after all supplier relations, believed to be Dubai-based. Barrass will leave the Preston-based operator to head up the supplier relations function for dnata and will be responsible for tours, hotel and accommodation, DMCs, public sector relationships, event management and the Mice market. Responsibility for the B2C brands in the UK, namely Netflights, Travelbag and Sunmaster, will go to Ian Simmonds and Neale Chinery, joint bosses of Travel Republic. Simmonds becomes chief executive of dnata travel B2C Europe (commercial) and will lead the e-commerce and marketing functions of all B2C brands. Chinery now widens his role overseeing Travel Republic operations to heading operations for all of dnata Travel's B2C interests. Adam Gill will meanwhile extend his current role as chief technology officer at Travel Republic to become IT director of dnata Travel. Stella Travel finance director Jens Penny expands his current responsibilities to lead the finance function for all dnata Travel businesses in Europe, while Stella's HR director Mary Wilson is promoted to oversee dnata Travel's global people strategy. The rest of the executive team remains unchanged and consists of Paul Gale in charge of dnata's global contact centres, Geoff Wood responsible for business information & corporate development, including dnata's global mergers and acquisitions activity, and other executives looking after the Middle East & India. Announcing the changes, dnata Travel divisional senior vice president Iain Andrew, said: "Since 2012, we have followed an ambitious, but focused acquisition strategy, which has seen us welcome Travel Republic, Gold Medal Group, Stella Travel Services and Imagine Cruising in the UK, and Emirates Holidays and Arabian Adventures in the UAE. "We now have some of the world's greatest travel brands within the dnata family, and I believe, on the brink of a new era – one where we become a truly global force in travel." Dnata Travel has grown by 278% in

the past year, according to Andrew. The new leadership structure takes effect from today May 11, 2015. All brands under the dnata Travel portfolio will continue to operate under their current trade names.

May 14 2015 – Source Travel Weekly

Tui aims for 50% increase in long-haul passengers over five years

Tui aims for a 50% increase in long-haul passengers in the next five years, up on the more than one million a year it carries already. Peter Long (pictured), Tui Group joint chief executive, revealed the target in a presentation to investors and analysts yesterday. Long said: We start from a huge position of strength compared with our competitors. We have scale, access to over 20 million customers, one of the most efficient airlines in the world and the largest fleet of Boeing 787s in Europe. “No one else operates 787s on leisure routes. “We have the aircraft, the hotels and the infrastructure. We have the scale and ability to grow our hotel portfolio. We can go into a destination and own it.” Long said: “We’re in a unique position in that we control the end-to-end customer experience. “We plan to grow long-haul 50% over the next five years.” He talked of “conquering destinations” and said: “Our traditional travel competitors don’t compete with our offer. Virgin or British Airways can’t compete with our offer.” Citing the example of Jamaica, Long said: “We’re now market leader in Jamaica where we were number three. “We’re not constrained by lack of bed availability. We can get a brand new hotel built for us. Our tour operators will fill it. Others can’t replicate that. “There are big opportunities east and west. Customers want to fly direct [and] we have the aircraft to fly east to Thailand and Mauritius. “We’re in a unique position, and it’s a sustainable position rather than taking advantage of a market situation.”

May 27 2015 – Source Travel Weekly

IAG reaches agreement for purchase of Aer Lingus

The board of BA parent company IAG and the independent directors of the Aer Lingus Group have reached a cash agreement for the takeover of the Irish carrier. The €1.4 billion deal would see Aer Lingus shareholders receive €2.55 per share. A statement from IAG said the airline giant believes the acquisition of Aer Lingus has “a compelling strategic and financial rationale for the IAG Group at an attractive price for Aer Lingus Shareholders”. As part of the deal, IAG has confirmed that Aer Lingus would continue to have its existing slots at Heathrow and will operate its current daily winter and summer schedule between Heathrow and Dublin, Cork and Shannon for at least seven years post-acquisition. All routes will continue to operate under the Aer Lingus brand and keep Aer Lingus as its registered name. Customers will get access to a larger network, particularly to the US, using Dublin as a hub for transatlantic routes. In a statement IAG said the independent Aer Lingus Directors, who have been advised by Goldman Sachs International, consider the offer to be “fair and reasonable” and they unanimously intend to recommend the deal is accepted. The government of Ireland has also backed the deal and the minister for finance for Ireland has confirmed he will look to dispose of his shares. Willie Walsh, chief executive of IAG said: “Aer Lingus, Ireland and IAG would all benefit from this deal. “Aer Lingus would maintain

control of its brand and operation while gaining strength as part of a profitable and sustainable airline group in an industry that's consolidating. "Ireland's vital air links to Europe and North America would be enhanced, creating new jobs, with cast-iron guarantees on ownership of Aer Lingus' Heathrow slots and their use on flights to Dublin, Cork and Shannon. "Acquiring Aer Lingus would add a fourth competitive, cost effective airline to IAG, enabling us to develop our network using Dublin as a hub between the UK, continental Europe and North America, generating additional financial value for our shareholders." Colm Barrington, chairman of Aer Lingus said: "This is a compelling transaction for Aer Lingus, its shareholders, its employees, its customers and for Ireland. "Shareholders will realise an attractive return through the premium that the IAG offer provides over the level of our share price immediately prior to the announcement of IAG's offer. "The company will reap the commercial and strategic benefits of being part of the much larger and globally diverse IAG Group and as a member of the oneworld alliance of 17 airlines that together carry over 500 million passengers. "This access to greater global scale will accelerate growth across our network, enhance Ireland's position as a natural gateway connecting Europe and North America, give Irish tourism access to major traffic flows and customer loyalty programmes and provide better access for business interests and to cargo flows."