

## UK OFFICE

### September 2016 REPORT

**Prepared by: Venessa Alexander  
UK Director**

#### Tour Operators

- **Tour America** – Met with Veronica Flood, Marketing Manager and Liz Wright, Product Manager at Tour America to discuss our area in general including new hotels and area updates. We were advised that the new Tour America brochure launched at the beginning of September. September is a strong booking month so they have invested heavily (30% more than in 2015) in marketing initiatives to ensure they get the bookings now, rather than relying on January. Their new Florida brochure is tracking at +18% for 2016, USA is + 12% and for 2017 the USA is up +40%. Strong airfares at present for Florida are assisting the bookings and their current lead in price per adult is €499 to Orlando. Their annual Red Cow show is in October and the show has around 5000/6000 consumers attend this one-day show and 82% of the revenue generated from this show is for bookings for the following year (€3.4m in sales). Tour America are currently working on a new app, which will contain destination information, travel documents, and will use push notifications for customers in resort.
- **Ocean Florida** – A meeting was held with John Tatum, Destination Manager and Muna Abanour, Destination Executive. We were advised that overall their business at the moment is good and that September is a very strong booking month for them. Our destination remains their top selling beach destination in Florida well ahead of others. They reported that they will be launching a new website at the end of October and that they will be moving offices in November to expand their sales staff that they will be recruiting in January 2017. John advised that following Brexit, the summer sales did drop slightly, but they are seeing some good airfares in the market, which had assisted with sales/bookings. Ocean Florida recently launched the new Ocean California brand. Discussed new hotels and provided area updates.
- **Expedia** – Met with Keri Appleford, Senior Business Development Manager. Keri advised that room nights to our area were down -3% based on sales from September 2015 – August 2016 and so recommended we look to run a campaign from November – January to push sales for March-April when we normally run our campaigns. Advised Keri that the 2016/2017 budgets had not yet been set but that we would revisit this at World Travel Market in November when we next meet. Hotels.com is seeing the majority of growth to our destination so we will look to include this brand in more depth in a campaign should we decide to proceed. Provided Keri with an update on the new area hotels and our area in general.

- **Lotus Travel Group** – A meeting was held with Sarah Wilson, Hotel Product Director. Discussed our area in general and provided updates on new hotels. Sarah advised that they were currently very busy as they were in the final stages of their end of annual sales competition for their sales staff, who have the chance to win an all expenses paid trip to that year's nominated destination (This year the destination is Bangkok). The prize is for their top selling 30 sales agents. Sarah advised that their sales in general to the US were down YOY due to the exchange rate being quite low following the Brexit announcement. Our area is currently down slightly year on year but they expect this to pick up in the coming months. August was a really touch selling month due to Low Cost Beds ceasing to trade and also terrorism events worldwide also reflected on people booking.
- **Best At Travel** – Met with Mark Meredith, Product Manager at Best At Travel. Best at Travel are a small tour operator who started off as a traditional 'bucket shop' selling air tickets only. They then progressed to offering full tailor-made holidays to their clients and currently run a luxury travel business. Best At Travel currently sends around 2,000 passengers to Florida annually. Their biggest selling destination worldwide is Dubai with around 40,000 passengers booking through them for this destination. They currently work with receptives' including Bonotel, Tourico, Mark International and Hotelbeds. They have a dedicated USA team of four sales staff and have no plans to expand at this time. Mark advised that post Brexit, they saw a lull in bookings and also the poor exchange rate did not help but they are slowing seeing business pick up again. Their customer retention is around 70% and they feel this is due to their targeted marketing plans. Discussed our area in general and provided updates of area hotels etc.
- **TUI Specialist** - A general update meeting was held with Nicola Holliehead, Destination Manager USA. Nicola advised that an announcement would be made in January regarding the selling of the Specialist brands including Jetsave and Hayes & Jarvis but it was very much business as usual. We were told that the Travelmood brand (Trade only) was performing very well for them and as such this year they supported this with a manager's road show in July. They also currently work with Thomson Travel Agents (650 branches) and over 800 independent travel agents in the UK. Their 2017/2018 brochures will launch in April of next year and product would be reviewed nearer the time. Nicola advised that they would be planning an in house FAM trip possibly in March next year (dates to be advised) and will contact our office once the plans have been worked on. Discussed training for their sales staff in March 2017 and discussions will take place nearer the time.
- **British Airways Holidays** – Met with Mark Tanner at British Airways Holidays in Crawley for a general update. Mark advised that 2016 has been a challenging year due to Brexit and the lower exchange rate especially as their live pricing meant they saw the immediate effect of both these reasons. However, generally the dip in sales was for a relatively short period and it has improved since. Mark advised their biggest challenges were with inventory in resort, black out dates being a major issue and not having enough offers from our hotel partners which they get from some of our competitors especially as they are contracting directly. We were advised that Naples and Sarasota were actually taking market share from our destination due to these reasons. The launch of their multi-

centre booking engine on their website has been very well received by agents and the system in place is working very well for them. 28% of their complex itineraries booked for 2017 has been via the new booking engine. Mark showed interest in partnering again on our out of home UK advertising campaign in 2017 but advised they would like to be able to link through to their website first and then on to the competition page

### Meetings/Training/Events

- **Cuckoo Club** – Ahead of our event, we have confirmed the final number of attendees and have finalised the food and drinks with Jin Nilsson, Events Manager. The event was held in conjunction with SeaWorld Parks & Entertainment and took part during our UK & Ireland Sales Mission. The event was a fantastic success with over 80 of our top trade partners in attendance.
- **Bookabed** – We provided dedicated training to 12 of the Bookabed reservations team as part of our sales mission. All agents received an information pack and giveaways.
- **Travel 2** – We trained 18 Stella Travel sales agents as part of our UK & Ireland Sales Mission. All agents received an information pack and giveaways.
- **Barrhead Travel** – We provided a dedicated training session to 14 Barrhead travel agents from head office and local travel agency branches as part of our September Sales Mission. All agents received an information pack and giveaways.
- **Kenwood Travel** – We trained a total of 5 Kenwood Travel reservations agents and provided them with giveaways and area brochures and maps.
- **American Sky** – A total of 12 American Sky agents were trained during the UK & Ireland Sales Mission at their offices in East Grinstead. All sales staff received a bag of giveaways and brochures on our area.

### TRADE LIAISON

- **FY** - Finalised all 2015/16 billing
- **St Pete/Clearwater Visit** – Started work on presentation for TDC in October and itinerary for our visit.
- **TUI Specialist** – We have received the artwork for the video Facebook post from Isla King, Destination Executive, which was offered to us as complimentary, forming part of our marketing agreement. We have approved this, and it will go live this month. This completes all of the marketing activity for this year and results will be sent in due course.

- **Scandinavian Sales Mission, November** – We have continued finalising appointments for the sales mission and have begun working with John at Icelandair to confirm TGI Fridays in Copenhagen for our Trade event on the Monday night.
- **UK & Ireland September Sales Mission** – The UK & Ireland September Sales Mission took place this month and in attendance on this 5 day trip were members of staff from the US & UK office as well as local area hotel & condominium partners. The sales mission covered meetings and trainings with both travel agencies and tour operators and also hosted two trade events in both London & Dublin.
- **Travel Counsellors** – Andrea Lovatt, Sales agent, contacted us as she had booked a holiday for her clients to St. Pete/Clearwater and she wanted a brochure and some giveaways to send to the customer.
- **Kuoni Travel** – We contacted Tom Waite, Senior Product Executive to offer our support to grow the business into St. Pete/Clearwater and to arrange training with their call centre. He advised that he couldn't confirm training until next year, however we will follow up with him to get this arranged towards the end of this year.
- **World Travel Market** – We have begun confirming appointments with tour operators ahead of the trade show in November, and will continue working on this during the coming months. Confirmed go ahead of a wrapped taxi for the duration of the show and liaised with Visit Florida re badges, stand graphics and sponsorship of the Monday night Visit Florida event.
- **Virgin Holidays** – We have received the Observer DPS artwork for sign off, which has now been approved and will be in market during October. We have also received the email, which has also been signed off, and again will be distributed in October.
- **Kissimmee & St Pete/Clearwater Fam trip** – Ahead of our trip, we finalised the itinerary and distributed this to all 8 agents from key operators in the UK and Ireland. The joint Fam trip with Kissimmee was a great success as it allowed agents to experience both destinations, which is very popular with UK customers travelling to Florida. We were kindly hosted by Sunset Vistas, so the agents had some time to enjoy the facilities there as well as a short visit to John's Pass Boardwalk in the evening. The trip included a visit to Busch Gardens, Tampa Bay, a dinner cruise on the StarLite Sapphire, time to enjoy the beach and pool during a site inspection at Sirata, dinner at Palm Pavilion, breakfast at Skidders Restaurant, a Trolley tour of downtown St. Petersburg to see the area and art murals, and the Dali museum. We also had site inspections of the Treasure Island Beach Resort and Opal Sands during the trip. Overall, this particular trip worked very well, and we would look to partner with Kissimmee in the future. We have scheduled a meeting at WTM with Jo Piani, UK Representative to follow up on this.
- **Check Point Travel, Denmark** – Anne-Sofie Andersen, Online Manager, contacted us for up to date images as they feature St. Pete/Clearwater in their programme. We have introduced ourselves and offered our support for future queries.
- **Discover America Denmark** – We provide Ieva Zelca with information about the new Frida Kahlo exhibit which will open this year at the Dali museum, and will be included in their next newsletter.

- **Barrhead Travel** –Following on from last month, we have provided Lyndsay Donaldson, Business Development Executive, with giveaways. These will be used for an incentive during their Florida focus month, and will be given to the top selling retail agent each week for bookings made to Florida during a 6 week period.
- **Elegant Resorts** – Caroline Beckett, Senior Sales and Product Manager contacted us to advise that they were planning a Fam trip to St. Pete/Clearwater for their Senior Sales agent Vicky Arrowsmith and Product Executive Jennifer Barlow, and if we could assist them with their itinerary. We arranged site inspections/meetings with Opal Sands, Hyatt Regency Clearwater, and Don Cesar, and offered some recommendations for dinner and areas to visit whilst in our destination.
- **Visit Florida** – Following on from last month, Sue Marshall advised that Sally Evans has also joined Visit Florida, based in the UK working alongside Sue and Gill. Sue also provided an update on marketing activity and events for the rest of this year, as well as plans for Q1 of 2017.
- **Travelbiz.ie** – Our event in Dublin at The Morgan Hotel including details and photographs from the night were communicated to the Irish Travel Trade in the Travelbiz.ie newsletter.
- **Irish Travel Trade News** – Details and photographs from our Dublin trade evening event during the sales mission was publicised in the daily Irish Travel Trade news.
- **Funway Holidays** – A co-op Florida Beach marketing proposal for 2016/2017 has been received for Funway Holidays and My America Holiday and is currently being reviewed.
- **Clearwater Marine Aquarium** – We provided our UK & Ireland trade database with the updated expansion details from the Clearwater Marine Aquarium.
- **Thomas Cook Holidays** – We have been advised that Chloe White has moved to another section of the Thomas Cook Group business and that Audrey Jones will be the new Florida Product Assistant.

### **ENQUIRIES:**

Telephone/website enquiries for information and/or literature

119

### **MARKET INTELLIGENCE:**

2 September 2016, Source TravelMole

**Florida, Bahamas and Cuba braced for tropical storm**

Florida, the Bahamas and Cuba are braced for heavy downpours and gusty thunderstorms today as a developing tropical storm swirls around the region. Tropical Depression Nine is currently near the Florida Keys, the southern part of the Florida Peninsula, the western Bahamas and central and western Cuba, where there is a risk it could trigger mudslides. The UK Foreign Office said visitors should 'check weather reports and follow the advice of local authorities, including if ordered to evacuate'. Accuweather said drenching thunderstorms would gradually spread northward across the Florida Peninsula during the middle and latter part of the week, threatening to cause localised flash flooding. The heaviest storms could bring damaging wind gusts, power cuts and rough seas, as well as the potential for a couple of tornadoes.

2 September 2016, Source TTG

### **Grade one hurricane hits Florida**

A hurricane has hit Florida for the first time in 11 years, triggering a state of emergency. Tropical storm Hermine hit the Florida Gulf Coast early this morning as a category one hurricane, bringing with it a heavy storm surge, BBC News reports. The Foreign & Commonwealth Office says tourists should "monitor the progress of approaching storms and follow the instructions issued by the local authorities, including any evacuation orders." Governor Rick Scott declared a state of emergency for 51 counties as residents were braced for the dangerous storm, describing it as a "life threatening situation". Wind gusts reached 80mph but two hours after hitting the coast Hermine was downgraded to a tropical storm. Police in Taylor County said the storm had inflicted "severe damage". City officials in the state capital Tallahassee said at least 70,000 homes were now without power. The town of Cedar Key saw a 6.6ft storm surge, raising high tide to almost 10ft and causing significant flooding. A total of 8,000 members of the Florida National Guard were prepared to be deployed after the storm.

5 September 2016, Source Travelbiz

### **Plunging pound forces holidaying Brits into debt**

The drop in the value of the pound since the Brexit vote has led to many Brits blowing their 2016 summer holiday budget, with nearly three-fifths sinking into debt, according to uSwitch. Families overspent by an average of £491.78 this summer, uSwitch research reveals, with nearly half (45%) who blew the budget blaming the poor exchange rate for their extra spend. A quarter said their final accommodation bill was more than expected. One in three put the extra cost on a credit card, while one in 10 put it on their overdraft. Those who overspent on holiday say it will take an average of four and a half months to clear the debt. Holiday overspending has taken its toll, with nearly half (46%) in a worse financial situation than before their holidays and a quarter (26%) saying they'll have to reduce their spending this Christmas as a result. Those who didn't blow their budget said they curbed their spending while on holiday, putting a dampener on their getaway, with nearly a fifth (19%) dining out less, and another one in five (19%) buying fewer gifts for friends and family. If the pound stays low, fewer holidaymakers will book next year as nearly half (49%) say they will delay

going on holiday again until it becomes cheaper to buy foreign currency. Tashema Jackson, money expert at uSwitch.com, said: "Many British consumers have been caught out by the weaker pound when travelling abroad this summer."

8 September 2016, Source Travelbiz

### **Virgin Holidays braves live TV adverts**

Virgin Holidays will launch live television adverts during the X Factor this Saturday. The tour operator described the campaign as its 'most ambitious' yet and said it was part of its ethos of challenging rules and convention. "We challenge ourselves daily to be brave, to try new things and most importantly to have fun while doing it. This attitude is core to our DNA," said Virgin Holidays head of brand, consumer marketing and reputation Jay Kossifos. Claire Cronin, vice-president of customer and marketing, added: "If you're spending your Saturday night on the couch, or trudging to work on the Underground, and we're able to show you the wonderful adventures thousands of other people are enjoying with us at that very moment, we're confident it will strike a chord." The 60-second ads will see 90 production crew film simultaneous scenes of holidaymakers in 18 different destinations, from surfing in Hawaii to snorkelling in Barbados. The ads will be shot and edited live, and production crew can flick to other locations if anything goes wrong. The ads are part of a six-week campaign titled 'Seize the Holiday', replacing the company's 'Unleash your mojo' campaign. The campaign will also make use of Facebook Live and YouTube and other social media.

10 September 2016, Source Travelbiz

### **Low-cost airline will fly from Dublin to Florida from €139**

Icelandic budget carrier WOW air has announced low-cost fares from Dublin to Miami from €139 each way. Its latest transatlantic route will have one stop (a layover in Reykjavik), and will operate three times a week from April 5th, 2017. Flights from Dublin to Miami will be on Airbus A321 aircraft, while the Reykjavik to Miami legs will be serviced by wide-bodied Airbus A330-300s. Layovers will be 2 hours and 15 minutes (outbound) and 4.5 hours (return). Miami International Airport is the eighth North American destination the disruptor airline has connected to Ireland via its Icelandic hub, with one-stop services already in operation to Boston, Washington D.C., Montreal, Toronto, San Francisco and LA. A one-stop service from Dublin to New York will launch this November. Miami has been at the centre of Florida's battle against the zika virus in recent weeks, with planes having just completed an aerial spraying campaign. As of today, there have been 56 local transmissions of the virus. WOW air began flying direct from Dublin to Iceland in June 2015. It now flies to Reykjavik five times a week, with advertised fares from €69 each-way. Its baggage fees are among the highest in Europe, however. Checked 20kg bags cost from €54.99 each-way, whereas Aer Lingus and other carriers flying direct to North America typically offer passengers a free check-in bag. WOW says it will carry 1.8 million passengers in 2016. "Having lived in Miami myself, I understand the appeal for many Irish travellers, so I am thrilled to add this global and energetic city to our ever growing list of North-American destinations," said Skúli Mogensen, its founder and CEO.

10 September 2016, Source Travel Weekly

### **Boss of Virgin Holidays says results justify direct-sell move**

The boss of Virgin Holidays has said the operator's business performance, brand awareness and customer feedback has fully justified the "difficult decision" to go direct-sell last October. However, he did not rule out working with third parties in the future if there was a fundamental shift in travel agents' business models. Managing director Mark Anderson reiterated that Virgin Holidays took the decision to go direct-sell in October last year as it was not able to offer a consistent customer experience with third parties retaining clients' data and remaining their points of contact. Speaking as the company prepared for the launch of a new marketing campaign this weekend, he said: "It was a difficult decision to make but it was the right decision. The decision was never about saying that people in the trade didn't give great customer service or add value, it was about how we operate in a way that is totally consistent and with the consumer at the heart." He added: "Customers booking through the trade were getting a totally different experience and those booking direct were getting benefits the others couldn't, so it (switching off third-party distribution) was the right decision." Anderson said discussions had been held with partners before the decision to explore ways of providing a consistent experience for customers, but they were unsuccessful as they invariably focused on commission payments. Asked if he would ever consider resuming third-party partnerships, he said: "If we were able to work in a true spirit of collaboration, where it wasn't all about commission and it was completely customer-centric, then you would never say never." He added: "It is theoretical if models change and we were convinced the customer was getting the same experience whichever way they booked, but that's not the position we are in at the moment." Anderson said the operator had "grown significantly" and was on track for a "phenomenal year" since adopting a direct-sell model. He also pointed to research carried out by Hall & Partners, which indicated 28% of consumers who travelled long-haul had a preference for Virgin Holidays, an 11 percentage point increase on the previous year, and a 12 percentage point lead on its nearest competitor.

11 September 2016, Source Travelbiz

### **A fiver to come home! Every UK airport will charge passengers to skip lengthy queues at passport control**

Every British airport will introduce a new premium service for passengers. Tourists will have to pay at least £5 to get their passport checked quicker. The new move has been described as being 'ridiculous' by the PCS union. Every airport in the UK will begin charging passengers at least £5 to skip lengthy queues at passport control. It was revealed last month that Edinburgh Airport was planning on introducing the fee in a bid to cut long queues during busy periods. But there are now plans for the new scheme to be used by every British airport - a move which has been described as 'ridiculous'. It could mean that those who do not fork out the £5 for the premium service could wait even longer in the regular queue as staff are diverted to the new section, reports The Sunday People. Officials claim that the initiative, which has been planned in conjunction with the UK Border Force, is aimed at easing congestion at airports. Edinburgh Airport already offers a £4.99 fast track service at

Departures for those wanting to skip queues at security. Following the announcement at the Scottish airport, Twitter user John E Penman wrote: 'So £50 a day to park your car, £5 to jump the queue. What next? £1 to use toilet hand dryers?' Others claimed that it went against the very notion of orderly queuing that Brits are so famous for, like Kenny Farquharson, who said: 'This simply isn't British. Wrong, wrong, wrong.' But workers have criticised the plan to use the new queuing system in every airport in the UK. They say that the low staff levels and large queues highlight the current issues surrounding the UK's borders. A spokesman for the Public and Commercial Services Union told the newspaper: 'This is a ridiculous idea that exposes just how understaffed our borders are. What happens if everyone opts to pay £5? We're back to square one. Instead of gimmicks like this the Government needs to properly invest in staff to work at ports and airports because the shortages are there for all to see.' Gatwick Airport began advertising a Premium Passport Control service last year to skip queues which is available to buy online for £12.50. Passengers can also pay an extra £5 for a faster security clearance. The new plan comes after Mark Gribbin, leader of the union for borders, immigration and customs, said there 'simply is not enough staff'. He said: 'Managers are under severe pressure to contain queues, creating still more pressure for frontline staff. It's only a matter of time before serious public disorder and, who knows, even mass breach of the border.' A Home Office official said 27million people used e-Passport Gates in the last year.

13 September 2016, Source Travelbiz

### **TUI completes bed bank sale**

TUI Group has concluded the sale of accommodation-only division Hotelbeds. The sale, to British investor Cinven Capital Management and Canada Pension Plan Investment Board for €1.19 billion, frees up TUI to concentrate on its hotel and cruise businesses. CEO Fritz Joussem said: "With the successful completion of the disposal, we are consistently continuing our strategy. "TUI covers the whole tourism value chain, however, our investments focus on our own products that differentiate us from our competition. "These are primarily hotel and cruise businesses. We will use the proceeds to continue our growth roadmap for our hotel and cruise portfolio and further strengthen our balance sheet." TUI will provide a strategy update, including details regarding the reinvestment of proceeds from the disposal, at the presentation of its results for financial year 2015/16 on December 8 2016.

21 September 2016, Source Skift

### **Marriott-Starwood Merger Receives Final**

Approval after an elongated review, Chinese regulators granted antitrust approval to Marriott's acquisition of Starwood, the last remaining hurdle to closing the merger. The chains said they expect the deal to close before the market opens in New York on Friday. The approval follows Chinese authorities' decision, which the companies announced Aug. 8, to take an extended look at the merger for up to 60 more days. The regulators made their decision before the Oct. 8 deadline expired. There was some suspicion that the extension may have been motivated by the Chinese government and/or regulators' desires to extract divestitures or other assets from either Marriott or Starwood during the approval process.

However, a Marriott spokesperson told Skift, “The transaction was approved without any conditions.” Marriott and Starwood had said all along that they expected the \$12.2 billion deal to go through even as it had sailed through all other regulatory approvals. The deal, when it closes later this week, will create the largest hotel chain in the world with 1.1 million rooms, spread out over nearly 30 brands. As Skift previously reported, the road to closing this transaction, which Marriott and Starwood initially announced in November 2015, has taken numerous twists and turns, including an unexpected bidding war with China’s Anbang Insurance Group and its consortium in March 2016. Anbang eventually dropped out. The extended antitrust review by the Ministry of Commerce of the People’s Republic of China was the latest — and last — hurdle. Regulators in dozens of other countries and jurisdictions around the world, including the U.S., the European Union, Saudi Arabia and Mexico, had previously decided not to stand in the way of the mega merger.

22 September 2016, Source TTG

### **Tui launches sale of specialist division Travelopia**

Tui has chosen Citigroup to find a buyer for specialist holidays division Travelopia. The deal is potentially worth €500-600 million, Reuters reports. Travelopia comprises more than 50 brands focused on specialist luxury, adventure and education holidays. Tui confirmed the development, while Citi declined to comment, Reuters reports. The business will reportedly be marketed to private equity groups as well as some other specialist travel groups. The unit has annual revenue of €1.5 billion and earnings before interest, tax and amortization of €48 million. Travelopia contains brands such as Hayes & Jarvis, Exodus and Quark. However, Tui will keep hold of the Crystal Ski and Thomson Lakes & Mountains brands.

26 September 2016, Source Travelmole

### **Zika blamed for drop in Miami room rates**

The effects of the mosquito-borne Zika virus is starting to sting South Florida's tourism industry with hotel demand down. Hotel industry analyst STR said the number of room nights sold dropped 2.3% year-over-year in the Miami Beach area. It comes just a week after the Miami Beach Zika transmission zone was expanded to cover most of the city. Other stats released by STR paint a worrying picture for the Miami Beach hotel market. STR said room revenue is down 6.1% and revenue per available room fell 11.1% compared to the same period in 2015. The US Centers for Disease Control and Prevention has so far recorded 41 cases of locally transmitted Zika. According to the Miami Herald, the iconic Fontainebleau said it had just experienced the worst three weeks since 9/11 and the 150-room Carillon, located outside the Zika zone, and suffered cancellations totalling \$100,000. "I've heard that there are rates as low as \$59 a night, which is like what I would call similar to after 9/11 for several hotels," Mitch Novick, owner of the 20-room Sherbrooke Hotel told the Herald. However hotel supply was up 5.7% in mid-September, making the task of pinning down the exact impact attributed to Zika more difficult.

27 September 2016, Source TTG

### **US Travel Association to lobby government ‘if Trump elected’**

The US Travel Association is preparing to lobby its government hard should Trump win the upcoming presidency. The Republican candidate has made a number of controversial statements, from banning Muslims from entering the US to building a wall along the border with Mexico. However, while refusing to say the word 'Trump', US Travel Association senior director of domestic policy Erik Hansen said they would continue to work hard to ensure the destination remains open for business. Speaking at a World Routes 2016 Tourism Summit panel session addressing tourism in Chengdu, China, he added: "I'm not going to name names but there is a presidential candidate that is talking about building walls or keeping people out. That's not going to happen. "We've got to always be on the look out for that type of negative reaction. It is a real threat. Our job is to lobby Congress, our job is to lobby the industry. We need to help policy makers understand the realities (of the situation). "We're going to make sure government puts in smart policies and we'll help them." He said in particular the government needs to preserve the visa waiver programme which remains secure, adding: "Everything we do is built on security. I don't think policy makers truly grasp that." World Travel & Tourism Council president and chief executive David Scowsill argued countries can go even further than simply employing visa waiver systems and instead focus on digitalising the visa process on arrival. He said 61% of the 1.2 billion global travellers are still required to "fill out a paper form, stand in line and get a stamp". Scowsill added just as the industry no longer uses paper air ticketing, so it should abandon this practice too. In doing so, he said countries could improve their customer focus, get better security against terrorists. He also urged governments not to "overreact" to terrorist attacks by threatening to stop visa waiver programmes, as the US recently did. CBN Travel & MICE and World Travel Online chief executive Dr Adam Wu agreed the visa waiver programme was important, citing China's own experience after introducing it to 35 countries and seeing a resultant growth. He also said a new initiative to introduce a 72-hour transit visa for Shanghai and Beijing was already beginning to bear fruit. Wu added: "It is a matter of control... a conflict between the tourism promotion authority and the security ministry to make sure undesirables aren't coming in. It is a challenge but moving in the right direction." He also said visa waiver programmes were also an excellent way of attracting the Chinese market, citing the example of Morocco, which has seen an increase in visitor numbers following its recent decision to make the change. Jamaica minister of tourism Edmund Bartlett said most Caribbean countries also employed minimal visa restrictions and had reaped the benefits of increased visitor numbers as a result.

28 September 2016, Source Travelmole

### **Tui shares jump as group announces 'excellent' result**

TUI Group is expecting profits this year to top its earlier forecast, it revealed today. It said it was confident of delivering 'between 12% and 13% growth' in earnings before tax and interest for the year to the end of September. It had previously said profits would be 'at least 10%' up. As a result of the announcement, TUI's share price jumped 2.5% in early trading. RIU and the Cruises division, together with 'very positive development' of the UK tour operator business, has contributed to what the group described as an 'excellent' result. "TUI has held on to its market lead despite the severe geo-political challenges in some of its eastern Mediterranean and North African markets, proving itself to have strong resilience in what has been a challenging year for the industry," it said in a statement. CEO Fritz Jousen said: "We're driving growth and consistently pushing ahead with our transformation into an integrated tourism group focusing on our hotel and cruise business. "The 2016 summer season, which was a particularly challenging time for tourism companies and airlines, proved

that we have made the right strategic choices. "Investments in new hotels and additional cruise ships have allowed us to strengthen our own products and brands over recent months. "Reflecting on our positive outlook, we are also currently seeing good growth in revenue of 11% in the upcoming winter season. "Growth in bookings for our long haul destinations is driving this positive development. "We're very strong in the Mediterranean region, we're currently investing in the Caribbean and South-East Asia, and in the expansion of our current 14-strong cruise ship fleet. This diversity optimises our business and make our risks manageable." For this coming winter, its long-haul bookings are up 26%, with strong growth to Mexico and the Dominican Republic. The group is also seeing growth in bookings to Cuba and Sri Lanka. The TUI Group will publish its full-year results for 2015/16 on 8 December. 28 September 2016, Source TTG

### **TTG Debate: 'Don't blame Brexit'**

Last week saw the latest TTG Debate take place, entitled 'The High Cost of the Lowcostholidays Collapse', exploring the implications of the failure in July. *Jennifer Morris* reports. The aftermath of the Lowcosttravelgroup's collapse proves the current Atol protection scheme "is not fit for purpose". That was the sentiment of a panel gathered by TTG to debate "The High Cost of the Lowcostholidays Collapse" – the failure of Lowcosttravelgroup on July 15 – in London last week. A panel of industry heavyweights, including accountant Chris Photi who worked closely with Lowcost until about a year before its collapse, took part in a heated discussion on the issue and answered questions from the audience. "I can't say there's no point in Atol, I'm just saying the scheme is not fit for purpose; it hasn't been since they changed to a levy [the Atol Protection Contribution (APC)]," said Photi, White Hart Associates' head of travel and leisure. "It was fit for purpose for many years until that time." Photi continued: "The real risk is in the top few Atol companies. "Before 2008 the top two Atol companies had huge bonds of around £500-600 million each and there are no bonds now. "There is a pot of £150 million plus an insurance and overdraft facility, but once that's gone what happens the day after Armageddon [the failure of one of the top two]? "What about the other firms that want to consumer-protect? There isn't any money left. "The £1 [which later became £2.50] APC levy wasn't thought through. It's hugely expensive and doesn't work." Photi admitted he himself had avoided buying Atol-protected holidays for the past 20 years, unless he was going somewhere "unusual and difficult to get home from". Photi said it had not been the CAA but the OTAs and trade players that have had to bail out people in-resort and which paid in advance. "The CAA has taken a whole wedge of cash with very little risk," he said. "The real consumer protection risk is in the traditional tour operator model". Other panellists agreed that the existing Atol-protection scheme needed to be re-examined. Advantage Travel Partnership managing director Julia Lo Bue-Said said: "Do we need regulation and consumer protection? Yes, of course we do. Do we have clarity? No. Does Atol achieve that? No it doesn't. "With Lowcost, consumers genuinely thought they were going on to a website that was a UK website, and that they would be protected, and they weren't." Feefo chief commercial officer Matt Eames also admitted consumers were confused by protection. Asked whether companies being able to regulate abroad was satisfactory, he said: "Consumers are either confident about things they understand, or things they think they understand. When you see a trust mark like Atol, consumers will be driven by that regardless of what we know about how it operates. "As a consumer I'm not satisfied, but I understand much more than the average consumer." TTG news editor Sophie Griffiths quizzed the panel on whether there was "any point" in Atol when credit and debit card issuers have footed so much of the Lowcost bill. Lo Bue-Said said: "Yes the credit card companies paid out and repatriated, but someone pays that bill down the line. She said that the costs incurred by credit card companies will

ultimately “come back to business”. JacTravel chief executive Terry Williamson highlighted that credit cards didn’t cover holidaymakers elsewhere in Europe. “All those consumers that would have bought from those markets weren’t protected,” he said. “The [Atol] scheme does bring other benefits. It looks after repatriation and I’m not sure the credit card companies do that very well necessarily.” He said he thought it unlikely that card companies would stop paying out in the event of collapses such as that of Lowcost. “I don’t think Lowcost is big enough for them to get too worried about,” he added. “I think card companies will continue to look carefully at the companies they allow merchant agreements with and things might get stricter.” “It could have been the final thing to tip the business over, in terms of the sudden impact on currency if you hadn’t hedged your currency properly, when you’re selling in sterling and buying in other currencies.” Photi said: “I don’t think Brexit could possibly be the cause of Lowcost’s demise, but it wouldn’t have helped if you were trying to raise funding or sell off parts of your business.” Asked whether Lowcost’s collapse represented a good opportunity for the UK government to “take a look at the protection schemes in the UK”, Eames said: “This is a great time to start talking about whether protection is good enough, but they haven’t, which is a sad state of affairs. “Do they not understand it or not know what could be coming? A company could technically emulate Lowcost’s model and move out.” Lo Bue-Said added: “There doesn’t seem to be anyone looking out for the consumer in that respect.” Photi observed that it was “unlikely” companies would “copy” Lowcost following the Brexit vote. “In two years they’ll no longer have a licence they can sell to the UK market,” he said. He finished by suggesting that the UK government could decide to claim the money in the Air Travel Trust Fund. “The government might come along and say ‘that £150-200 million in cash is a tax, let’s have it’,” he said. “They could say ‘you’ve had consumer protection out of it for the last 10 years, that’s what you’ve paid for’.”