

UK OFFICE

August 2018 REPORT

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UK Director

Tour Operators

- **American Sky** - We met with Kathryn Glover, Head of Product, who advised that July and August had been slow months, largely due to the good weather and World Cup. Of the calls they are receiving, quite a few of the enquiries are for late availability for beach destinations. These months are typically quiet because of the school holidays so they weren't concerned with their booking pace.
- **British Airways Holidays** – We had a call with Caroline Smith regarding marketing opportunities for our next fiscal year. She advised that their marketing teams are currently devising a strategy as the airline will be celebrating its 100th year anniversary, so their efforts will be focusing on this key message. It was suggested that the USA would be promoted over a longer period time with various activity as opposed to a specific campaign with a short booking window. Details to be confirmed and will be shared in due course.
- **British Airways Holidays** – We had a call with Keri Mulqueen, Destination Executive who advised that they have launched their September sale and will be targeting 2019 as well as late bookings. She advised that overall July and August had been a soft period due to World Cup, good weather in the UK and families typically being away on holiday, but was confident that the sale would generate demand.

Meetings/Training/Events

- **Boardmasters Festival** – Visit St. Pete/Clearwater were delighted to be the first ever destination sponsor at Boardmasters this year and it proved to be a great success. Typically, the event receives approx. 150k visitors over the 5 days across the Fistral Beach and Watergate Bay sites. Our stand was positioned in a prime location on the Headlands at Fistral Beach attracting a huge number of families, who were very engaged in the brand. We had various activations including VR goggles, street artist, regular live street performers, games, giveaways, as well as an opportunity to win a family holiday to St. Pete/Clearwater courtesy of Ocean Holidays. We received a high level of interest from consumers wanting to visit the destination and we were very happy with the data captured for our holiday competition. During the event, we also attended their dedicated partner's lunch where we were able to network with the whole Boardmasters/Vision 9 teams. We have a follow up meeting with Vision 9 next month to discuss the overall stats and performance of the event and possible future opportunities to partner with them again.

- **American Sky** – We visited their office to provide dedicated to their sales agents, whilst the homeworkers dialed into the presentation. Some of the agents had received training before, so we provided a brief overview but focused on the new attractions and hotels in the destination. We also provided them with brochures, maps and giveaways.
- **Visit Florida** – A meeting was held with Rachel Houston to discuss Visit Florida initiatives for the remainder of this fiscal and moving forward into 2018/2019. We were provided with a guide and overview to possible marketing activity with tour operator partners, as well as discussing possible training and event opportunities. We reviewed activity that has already taken place and been completed this year. We provided Rachel with general updates on our area and supplied her with our most up to date literature and the recent New & Now newsletter.

TRADE LIAISON

- **Funway Holidays** – We have now received the final results for the activity we ran from January to July;
 - My American Holiday website – 1459 clicks
 - Destination landing page – 1413 clicks
 - Homepage banner – 39,807 impressions, 342 clicks
 - My American Holiday email – 54,273 impressions, 317 clicks
 - Social media – 170,758 impressions, 749 likes, 24 shares, 47 comments.
 - PPC – 44,220 impressions, 564 clicks.
 - Funway brochure – 20,000 copies in circulation.
 - Room nights booking during the campaign - +1.5%. Year to date +2%
- **Thomas Cook** – We have now received the final results for the activity we ran from in partnership with Brand USA and Thomas Cook during March – May 2018.
 - Online display – 2,000,094 impressions delivered, 1083 clicks, CTR 0.5%, CTR industry benchmark 0.06% - 0.07%. The best performing placement was the 300x250 on the Search Results page with a CTR of 0.07% (Mar-Apr)
 - Audience display (offsite) - generated 1,470,006 impressions, 962 clicks, CTR 0.07%, CTR industry benchmark 0.02%. The best performing creative size was the 336x280, with a CTR of 0.12%. (Apr-May)
 - Facebook Social (paid and organic) – 300k impressions. 138,137 total number of viewers, 192 reactions, 1412 link clicks, CTR 0.47%. Social media encouraged 8 bookings (Apr)
 - In-store screens featured across 200 Thomas Cook store locations
 - Room nights booking during the campaign – 330 +32%. This is based on departures anytime booked through all Thomas Cook channels
 - Passengers booked during the campaign - 192 +37%.

- **USAirtours/TravelPlanners** – We have received the ‘Visit the USA’ email for approval which forms part of our marketing agreement. This has been approved and will be distributed to their database.
- **Visit Florida/Gold Medal** – We have received a proposal from Harriet Hudders for a campaign in partnership with Visit Florida. The activity will run from September to November and will include; dedicated poster, E-shot, A4 Destination newsletter, Social, Trade press (print and online) and instore promotion. We have provided Harriet with the assets and will await the creative for approval.
- **SeaWorld/VSPC Mega Fam** – We have continued working on filling the places for our fam trip, and will liaise with the selected operators for the participants’ details next month ahead of the trip in October. Reka Sznyida has provided us with the final version of the fam trip brochure which will be sent to the participants prior to their arrival. We will work with Michelle next month to finalise the itinerary.
- **VSPC UK/Ireland Product Manager FAM** – Due to low numbers signing up for the proposed Product Managers fam in September and after discussing this with both the US office and British Airways, we have decided to postpone this trip to a later date. Discussions will take place with British Airways in the near future to see when this can possibly be re-scheduled
- **Visit St. Pete/Clearwater/ SeaWorld Parks & Entertainment VIP Event** – Work continues finalising the details of the VIP event being held on September 20th in London at Oriole Bar. Invitations have been sent and further arrangements with the venue and entertainment have been agreed. The event will host around 70 travel trade partners including tour operators, airline partners and attraction ticket suppliers.
- **Travelbiz** – We confirmed our participation in their 2019 Travelbiz directory which consists of a full page dedicated to St. Pete/Clearwater. We have provided Don Shearer with copy, images and logos. The final proof has now been approved and will go to print at the end of this month for distribution in December.
- **Thomas Cook, Scandinavia** – As part of our marketing agreement, an email is due to be sent this month to their database. This has been received and approved.
- **Visit Florida** - We have confirmed our participation in their winter campaign which includes; print and digital insert, Google display adverts, Facebook, Expedia activation, video content, partner page on Visittheusa.com, dedicated Visit Florida magazine and Expedia media campaign. We have provided them with our key messages, attractions and activities, logos and images.
- **Tour America** – We have received a proposal from Kathleen Maher which we are happy to go ahead with as we enter our new fiscal year. This campaign will launch in February and will be in partnership with Kissimmee. We are awaiting feedback from Jo at Kissimmee before we confirm our participation.
- **Thomas Cook** – We have confirmed our participation in their Visit Florida and Florida Beaches campaigns, which will form part of our 18/19 marketing agreement with them.

The first campaign is due to launch in October and will include; digital placements on their website, digital re-targeting advertising, in-store screen coverage, inclusion in a Florida email and dedicated landing page. We will wait to hear from them next month with regards to next steps in designing the creative.

- **Visit Florida** – We provided Rachel Houston with our destination updates including details of the new Norwegian flight from Gatwick to Tampa. We also provided her with our destination images.
- **Annual VSPC UK, Ireland & Scandinavian Plan/Budget** – Work has started internally on our co-op marketing/advertising and sales plans for the 2018/2019 fiscal budget year.
- **Albatros, Denmark** – Following on from his trip to St. Pete/Clearwater, we provided Philip Stack, Product Manager, copy and images to update their website. During his very short trip, he was able to visit The Dali Museum and the beaches.
- **Elegant Resorts** – We provided Elegant Resorts with the requested information for a couple of hotels in our area; Sandpearl, Opal Sands and Don Cesar, as they are looking to add these properties to their programme.
- **Virgin Holidays** – Holly Moreton contacted us following their fam trip to St. Pete/Clearwater to ask for some promo t-shirts after having spoken with Rosemarie and Michelle. We have liaised with Michelle to get these sent direct to Holly for use in store to promote the destination. Following her trip to St. Pete/Clearwater, Rachel Johnston provided us with her complimentary feedback on The Dali Museum, Clearwater Marine Aquarium and the beaches. We have shared this with the US office.
- **Visit USA, UK and Ireland** – We have updated our page on both websites to include details of the new Norwegian flight to Tampa.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

1 August 2018, Source Travelbiz

Travel agents hope for late surge in overseas bookings

There was a significant fall-off in Irish holidaymakers booking sunshine getaways during the summer as the good weather and threat of European strikes kept many at home, according to the boss of the Irish Travel Agents Association. Chief executive Pat Dawson said there is renewed hope of a late summer surge into August and September as the unseasonably warm weather begins to return to normal and consumers seek last-minute deals for the likes of Spain and Portugal. “There is no doubt we saw a slowdown because of the good weather because people put off booking and stayed at home,” he said. “While that is great for the local economy, it has a far-reaching effect on the overall economy, not just travel agents. “It

means there is less spend in the airports, newsagents, and city centre shops where people will spend significant sums preparing for their holidays. It all adds up to millions of euro across many industries. “As well as the good weather, business travel gets very quiet in August, while air traffic control and other strikes in Europe have taken their toll. Many people didn’t book like they normally would. “However it has begun to pick up again and we are seeing a resurgence for the next few weeks as consumers look for good deals.” British travel company Thomas Cook said the summer heatwave kept holidaymakers from booking last-minute trips overseas and warned that annual profit would come in at the lower end of expectations. The heatwave has affected the company’s ability to extract higher margins from late bookings. Chief executive Peter Fankhauser said: “Because of the weather, we have now in the market more capacity to sell for the late business.” Thomas Cook said that as a result, full-year underlying operating profit would now be at the lower end of market expectations, in a range of £323m to £355m (€361m to €398m). In its last financial year, the 12 months to September 2017, it made £330m. Shares in Thomas Cook fell around 1% and are down more than 20% over the last three months due to worries about the warm weather, compared with the mid-cap index FTMC which has risen 3% in the period. Thomas Cook’s bigger rival, TUI Group, is due to report its third-quarter results on August 9.

1 August 2018, Source Travolution

Thomas Cook-Expedia hotel booking platform launches

Thomas Cook’s new city break and hotel-only booking platform in partnership with Expedia has gone live. The online travel giant is now the preferred provider of hotels for Cook’s city and domestic holiday business. Expedia also provides the booking platform for all city break and hotel-only sales across Thomas Cook distribution channels in Europe. The tie-up will provide Cook customers with access to more than 100,000 hotels, all of which meet standards for quality and health and safety, according to the operator. The properties supplement Cook’s own-brand hotels and a portfolio of selected partner hotels in sun and beach destinations. Cook said Expedia’s “superior technology” would increase online bookings which have grown 37% in the year to date. It follows a hotel sourcing deal with Webjet which launched this year, which covers the bulk of the operator’s complementary sun and beach hotel offering. Peter Fankhauser, chief executive of Thomas Cook Group said: “The launch of the Expedia Group alliance is an important step forward in our strategy for profitable growth. Plugging in the Expedia Group technology will transform our city break and hotel-only business, offering more choice for our customers and unlocking efficiencies across our organisation. “The collaborative approach we’re taking to improve our complementary business for customers is already showing real benefits, and we look forward to harnessing the growth potential that Expedia Group brings.” Ariane Gorin, president, Expedia Partner Solutions said: “We are happy to team up with Thomas Cook to bring their customers a broader travel selection, aligning perfectly with our strategy to power industry partners. Expedia Group’s platform technology provides partners with optimized tools to help travellers search from the widest range of options when booking their holidays.”

3 August 2018, Source TravelMole

One in five Brits happy to pay travel agents an annual fee

Just over one in five Brits are willing to pay a travel professional an annual fee to help plan and book all their holidays, according to Mintel research. The figure rises to more than half (55%) of Brits earning £75,000 or above, who see holiday planning as a hassle. Mintel's survey of 2,000 British adults in April 2018 found men are less patient with the holiday

planning process, with 26% finding it an irritation compared with 16% of women. "The majority of holidaymakers enjoy the process of researching and planning their trips, but a significant minority find it tiresome," said Mintel senior travel analyst John Worthington. "They are most likely to be high earners. This group of time-poor, cash-rich, information-overloaded travellers is likely to respond to a variety of approaches which help to simplify the holiday planning and booking process, including apps and online tools that help streamline the process. "This could be the trigger for travel companies to revisit the idea of a high-quality, fully-independent, fee-paying service at the premium end of the holiday market that would take care of the annual planning and booking needs of this group of well-off, time-pressed consumers. Attaching a price to a service, provided it is of proven quality and expertise, could be an effective way of raising consumer perceptions of its value." In more good news for travel agents, the research also identified a return to more traditional booking methods, with telephone and in-store bookings up from 14% in 2015 to 19% in 2018. However, there has been a huge jump in the number of younger travellers using their smartphones to book their trips. Mintel found 39% Millennial holidaymakers used a smartphone to book their last holiday online, up from 17% in 2017. Usage peaks in the younger Millennial group (aged 19-28) where 43% used a smartphone, falling to 36% amongst older Millennials (aged 29-38). Only 2% of those over age 45 booked their last holiday online via a smartphone, the same as in 2017. Overall, the majority of British holidaymakers booked their last holiday on a laptop/desktop computer (64%), down from 70% in 2017. Overall, 18% Brits booked online on a smartphone and 15% online on a tablet. "The rapid acceleration of mobile booking has taken place exclusively amongst younger travellers," added Worthington. "After a long period of gradual uptake, mobile holiday distribution now appears to have reached a tipping-point amongst younger generations. Brands have steadily optimised their mobile sites and many have launched mobile apps. "The trend towards larger, full-screen smartphone display is also helping to drive usage. In an effort to reach older consumers, brands need to ensure their mobile channels are fast, decluttered and easy to navigate. Consumers will quickly lose patience with sites that are seen to be lagging behind."

3 August 2018, Source TravelMole

Florida suffers worst red tide in over a decade

Holidaymakers in Florida are being warned to take care as the worst outbreak of red tide in over a decade is affecting its beaches. Officials fear the toxic algae bloom, which is affecting at least 120 miles of beaches on the Gulf of Mexico, could last until 2019. It has already killed hundreds of sea turtles, thousands of fish, pelicans, and manatees. It also poses health risks to beachgoers, particularly those with severe or chronic respiratory conditions, such as emphysema or asthma. The algae can cause rashes and eye irritation, nausea, vomiting and allergy-like symptoms in humans, while drinking water with the toxins can cause long-term liver disease. Last month, Governor Rick Scott declared a state of emergency for seven counties after the algae blooms tainted the water in the wake of discharges from Lake Okeechobee. This gave state environmental and tourism agencies more resources to respond to problems caused by the algae. The red tide, which usually goes away in the spring, has persisted for nine months. According to US reports, the worst bloom in 2006 lasted 17 months.

6 August 2018, Source Travel Weekly

Brexit could put '25,000 travel industry jobs at risk'

The impact of Brexit on the outbound travel sector could put 25,000 jobs at risk and see a hike in holiday prices of almost a third, a new report warns today. The threat of job cuts comes as British companies face having to pay into overseas state social insurance schemes, so escalating staff costs. A survey of more than 130 firms highlights fears that British holiday companies will no longer be able to employ their UK staff on the continent on UK terms – for instance paying tax and National Insurance in the UK for the NHS – and will instead have to pay into much more expensive continental state social insurance schemes. Such changes could mean: Holiday companies facing a 58% increase in costs, Holiday companies employing less staff from Britain – reducing job and training opportunities at home, especially for younger Britons and negatively impacting holiday experiences for millions of British tourists, The closure or merger of smaller family-owned holiday businesses. The cost increases of the scale predicted will just not be feasible for many companies and they are not set up to be able to employ EU nationals. This means they will be forced to close or sell, putting in jeopardy the £16.5 billion the sector contributes to the UK economy and £1 billion it delivers directly to the UK Exchequer. There are an estimated 25,000 UK nationals working in the EU supporting the seasonal holiday industry whose jobs are at risk with any of the Brexit scenarios currently in prospect, the report warns. The companies – with a combined turnover of more than £470 million – were polled by independent research consultants LHM Conseil on behalf of Seasonal Businesses in Travel, an organisation representing over 200 UK outbound travel companies. The majority – 87% – of respondents are CEOs, managing directors or owners. They have already been affected by Brexit uncertainty as they are posting 7% fewer British staff overseas this season. The loss of jobs will be predominantly amongst the young aged 18 to 24 who are the bulk of those employed in the sector. More than half (60%) of the companies surveyed run apprenticeships or training in the UK or the EU for their workers. A contraction of the sector will mean a loss of training as well as job opportunities for young people. The study also points to a loss of both competitiveness and possibly market share to European-based multi-nationals. Two thirds of those in the survey have shortened their accommodation leases, reduced their programmes and introduced break clauses around Brexit into their contracts. This is on top of reductions in programme size reported by SBIT in December. Holiday companies plan 12-18 months in advance, which is why Brexit has already hit these businesses. SBIT is calling on the government to: Give travel businesses much needed operational certainty by continuing the freedom of labour movement for seasonal workers currently guaranteed by Single Market membership after March 2019. Establish a longer-term practicable, “fast-tracked” work permit/visa process which will permit UK citizens to be able to work in Europe on a temporary basis to meet the seasonal demands of the tourism industry post-Brexit. Retain the ability of workers posted abroad temporarily to remain in the social security system of their home nation. Follow Abta’s calls for the protection of holidaymakers’ rights – EHIC and consumer rights – to maintain visa free travel in Europe for UK citizens and to protect the UK aviation industry.

7 August 2018, Source Travelbiz

Norwegian passenger numbers soar to record for July

Scandinavian airline Norwegian has reported record passenger numbers for July. During the month the airline carried almost 3.8 million people. The total number of passengers increased by 13pc compared to the same month last year, the airline said yesterday. "We have been through a long period of strong growth and going forward we will reap what we have sown for the benefit of our customers, staff and shareholders," said Norwegian CEO Bjorn Kjos. The airline's load factor for the month was 93pc. Last week, IAG boss Willie Walsh gave the

airline a maximum of a year to agree to a takeover deal. IAG - which owns Aer Lingus, British Airways, Iberia, Vueling and Level - snapped up a 4.6pc stake in Norwegian earlier this year. Mr Walsh said at the time that IAG would be interested in making an outright bid for the airline but he stressed that the window for thrashing out a deal was finite. "There's no immediate hurry. But this time next year, if we haven't acquired Norwegian, we won't be holding those shares," he told the Irish Independent. "If we're not acquiring it, we're not interested in being a shareholder. We'll wait and see what happens, but it's not a big issue on our agenda." In July, the airline reported a net profit of NOK 300m (€31.7m) for the second quarter of 2018, compared to a 691m krone (€73m) loss in the second quarter last year. It was helped by a 19pc fall in non-fuel costs. Shares in Norwegian were up 0.25pc in trading yesterday.

7 August 2018, Source Travelbiz

Holiday prices forecast to rise by 31% due to Brexit

European holiday prices are set to rise by 31 per cent as a result of Brexit and as many as 25,000 UK jobs in the sector may be at risk, warns a survey published on 6 August. Low unemployment and increased consumer spending in the US, coupled with a lack of clarity around Brexit, has meant that sterling's value in relation to both the dollar and the euro is on the decline. Today the pound sank to an 11-month low against the dollar to £1 to \$1.294. It also fell against the euro to £1 to €1.119. With the prospect of no agreement being reached on Brexit estimated at 60:40 by British trade minister Liam Fox this weekend, the future for UK holidaymakers is looking uncertain. A spokesperson for compareholidaymoney.com confirmed to The Independent that the pound's fate is not looking positive right now: "The falling value of the pound is affecting all the major currency rates. A few such as the Swedish krona are largely flat. The pound is seen as a poor investment regardless of where you are in the world." Derek Taylor, director at Travel Money Club, told The Independent that holiday prices will be more expensive next year as the exchange rate costs are passed on, particularly on holidays to the US. "Many tour operators' costs are in dollars, especially aviation fuel, and these costs will go up," he said. Ian Strafford Taylor, CEO of travel currency experts FairFX, told The Independent: "With Brexit negotiations ongoing and economic changes such as the increased interest rate which we saw last week, it's now more important than ever that holidaymakers stay alert to the pound's performance as ultimately it impacts how much travel money they will get for their hard-earned cash. "Today, the pound is down a massive 10 per cent against the US dollar compared to the peak it enjoyed in April earlier this year. This means holidaymakers get \$141 fewer US dollars for every £1,000 they exchange, equivalent to £109. "The pound is also down 3 per cent against the euro compared to the peak rates it saw in April this year. This difference means that holidaymakers will get the equivalent of £34 fewer euros for every £1,000 they exchange compared to April. "One of the simplest things people can do to ensure they get the most for the money is to keep an eye on exchange rates and buy travel money when the pound is having a good day." Research conducted last month revealed that UK holidaymakers are forking out £490m in fees if they opt to pay for goods and services in sterling rather than local currency. This is due to the imposition of a Dynamic Currency Conversion (DCC) fee on payments made using a card.

9 August 2018, Source TravelMole

Holidays become more costly as pound slips to nine-month low

The pound has hit a nine-month low against the euro, increasing the cost of holidaying in some of the most popular destinations. Sterling has also slipped against the US dollar, falling to below \$1.29 for the first time in almost a year. Analysts said the slide was due to fears that Britain will exit the EU without a trade deal with its European partners. It follows comments by Bank of England governor Mark Carney that the chances of a no-deal Brexit were 'uncomfortably high'. Experts have warned that the pound could dip further unless Britain's Brexit negotiations with the EU take a more positive turn, and unless there are further increases in interest rates in the UK following the quarter point rise last week.

13 August 2018, Source Travel Weekly

Virgin Holidays concessions to close despite House of Fraser rescue deal

The six Virgin Holidays concessions in House of Fraser are still scheduled to close despite a deal to save the department store chain. Earlier today it was announced that Mike Ashley, owner of discount sports shop Sports Direct, has agreed to buy House of Fraser for £90 million. The department store had been placed into administration before the deal was announced. But following Mr Ashley's deal, all 59 stores were set to open at 11am on Friday, August 10. Before the chain had gone into administration, it had said it needed to close 31 of its 59 stores – putting up to 6,000 jobs at risk. Within the stores set for closure were six Virgin Holidays travel agency concessions, which Virgin said would close but stay open as long as the House of Fraser stores did. Reacting to the news of Ashley's rescue deal, a Virgin Holidays spokesman said: "Our planned concession closures within House of Fraser will go ahead regardless of its change in ownership." Since the House of Fraser closures were announced, Virgin Holidays revealed plans to open 20 concessions in fashion retailer Next.

14 August 2018, Source TravelMole

Florida declares state of emergency over toxic Red Tide

Florida's governor Rick Scott has declared a state of emergency over the Red Tide algae bloom, freeing up money to help safeguard wildlife and give relief to hard-hit tourism operators. The state of emergency covers Collier, Lee, Charlotte, Sarasota, Manatee, Hillsborough and Pinellas Counties. Hillsborough and Pinellas Counties have not yet been impacted but are included as they are 'at risk.' The toxic bloom is the longest for a decade and now covers about 120 miles of Southern Gulf Coast coastline. Nearly 300 tons of dead fish and sea mammals, including manatees and turtles have washed up on now increasingly-deserted beaches. Scott's order will also free up \$500,000 for state tourism agency Visit Florida for a new marketing campaign to lure travellers to some of the worst hit areas and 'continue to bring in the visitors'. The Florida Wildlife Research Institute says the number of dead or stranded sea turtles is almost three times higher than normal and estimates as many as 300 have died from Red Tide toxins. What causes a Red Tide bloom is still a mystery and \$100,000 will also go to Mote Marine Laboratory in Sarasota to 'deploy additional scientists to assist local efforts to save animals affected,' Gov. Scott's office said.

20 August 2018, Source TravelMole

Families priced out by high attraction prices

Nine in 10 British families feel they are being priced out of visitor attractions both at home and overseas, according to new research. A survey of 1,000 British families by MyVoucherCodes found a day out for a family of four costs an average of £222.21 at ticketed attractions. Nearly half (46%) of families said they will be having only one day out at a paid

attraction this summer, 20% will go to two, and 6% to three, but 23% will visit no attractions at all. On top of the ticket price, families expect to spend an average of £36.80 on petrol and parking, £46 on lunch in the attraction and £32 on snacks and drinks. In Orlando, meanwhile, the cost of a family ticket for Universal Studios has risen by 129% compared to 60% at the Magic Kingdom at Walt Disney World.