LATEST INDUSTRY TRENDS

World Travel Market 2011

Industry Report

world travel market

07-10 Nov 2011 ExCeL London

The Premier Global Event for the Travel Industry

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Foreword

World Travel Market, the leading global event for the travel industry, will – as it has done since 1980 – host the global travel and tourism industry as it looks to agree business deals and discuss the current issues facing the sector.

Research of the industry's senior buyers reveals more business is poised to be contracted at WTM 2011 than ever before, beating last year's record of £1,425 million.

Despite this clear desire to conduct business the industry faces many hurdles and challenges as major global economies continue to struggle with crippling debts and the threat of double dip recessions.

World Travel Market has surveyed its key exhibitors and senior buyers (members of its Meridian Club) to discover the central issues for the industry and what will be discussed on the exhibition floor for the four days of WTM 2011 (7–10 November).

The findings form the backbone of the ***World Travel Market 2011 Industry Report***. These findings are on a range of issues from sports tourism and the 2012 Olympics, taxation, supply and demand, pressures on selling prices and margins, social media and the emerging role of mobile phones.

These results are supported by industry case studies and are put into context by comparison with a survey of more than 1,000 UK 2011 holidaymakers revealing their booking and holidaying habits.

Fiona Jeffery

Fiona Jeffery
Chairman
World Travel Market

Report Research Background

The World Travel Market 2011 Industry Report is based on the findings of two independently conducted surveys in September 2011.

The first is poll of 1,029 World Travel Market stakeholders comprising of exhibitors (tourist boards and private sector travel industry organisations) and the industry's senior buyers from the WTM Meridian Club.

The second piece of research is a survey of 1,006 British holidaymakers (all of whom took a minimum seven-day summer holiday overseas or in the UK in 2011). A full cross section of the UK public in all regions and income brackets were surveyed according to Market Research Society's guidelines.

Contents

1 **Introduction**

2 **2012 Olympics**
- VisitKent
- Euromonitor International
- Brazil
- Greece

3 **Taxation**
- UKinbound
- The Balearics
- The Maldives

4 **BRICS**
- WTM Vision – Moscow/ WTM Vision - Shanghai
- Indonesia

5 **Social Media**
- Fiesta Hotels
- Tunisia
- On Holiday Group

6 **Mobile**
- TripAdvisor
- TravelSim
- Appi Holidays
- Ecocarrier

1 Introduction

2011 has seen the major global economies continue to struggle, putting pressure on the demand for travel and tourism products.

The World Travel Market survey of UK consumers reveals a massive 38% didn't take a holiday – seven nights away either overseas or in the UK - in 2011. WTM had to ask 1,611 people to find 1,006 holidaymakers to answer its survey. Of those UK consumers that did holiday in 2011 almost six out of ten (59%) only took one holiday.

The squeeze in household budgets in the UK has also seen those people that can afford to holiday set themselves strict budgets. This has meant the all-inclusive holiday has increased in popularity as well as staycations – holidaying in the UK.

Furthermore, last year's increase in Air Passenger Duty has also had an impact. More than a quarter of holidaymakers (26%) said the increase in costs of travelling due to taxes is a major issue, although they will still travel on a budget. A further three out of ten (31%) will travel less often, while for 5% 2011 was the first year they didn't travel abroad because of the increase in the cost of holidaying overseas because of taxes.

These findings may paint a worrying picture for the travel and tourism industry.

However, there is still room for optimism. The World Travel Market 2011 Industry Report also highlights opportunities such as the London 2012 Olympics, the wider growing role of sports tourism and the emerging tourism potential of the BRICS – Brazil, Russia, India, China and South Africa.

The report highlights China as the most important of the BRICS markets from an inbound tourism perspective. It also reveals the five countries hot-on-the heels of the BRICS as the next markets the industry should focus its attention on.

2 2012 Olympics

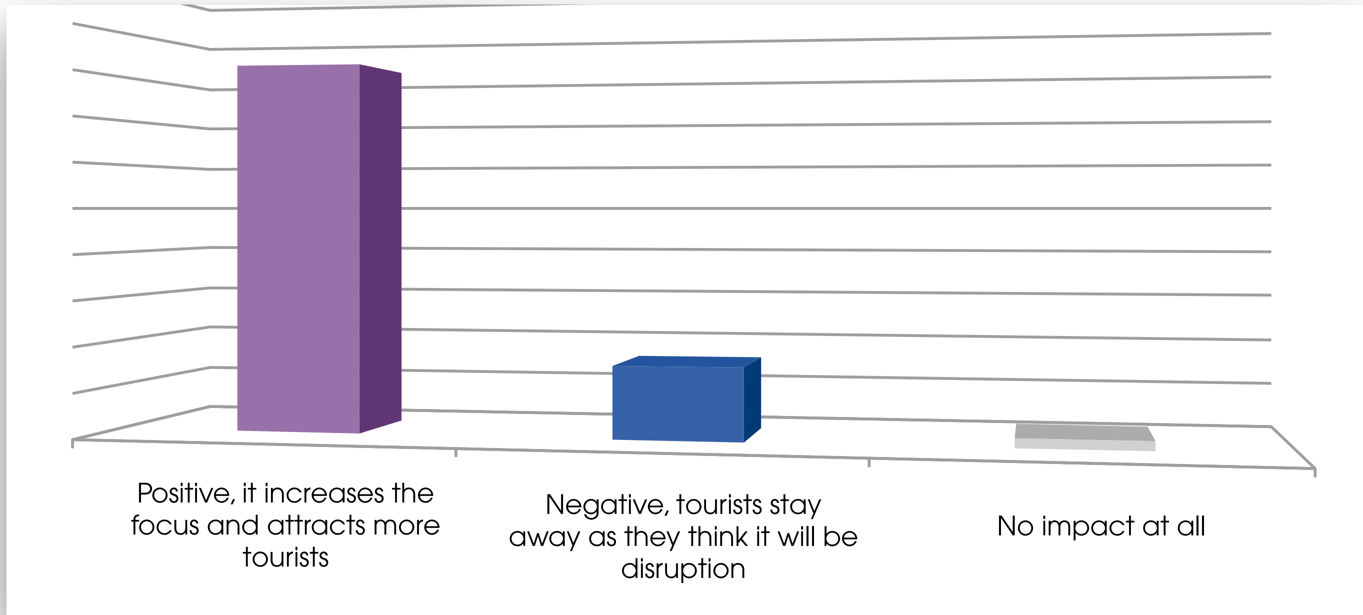
The 2012 London Olympics is being heralded as a major opportunity for the UK travel and tourism industry, which already contributes £115 billion each year to the economy. The government is looking to use the event to attract an extra four million visitors to Britain and generate an extra £1 billion over time.

More than eight out of ten (82%) senior industry executives believe major sporting events – such as the 2012 Olympics – will have a positive impact on the host country and attract more tourists.

Only 16% believe the impact is negative with tourists staying away due to the disruption caused by such large events, while 2% believe there is no impact at all.

What impact do you believe the Olympics (or similar major sporting events) has on the tourism industry of the host country?

Industry Survey



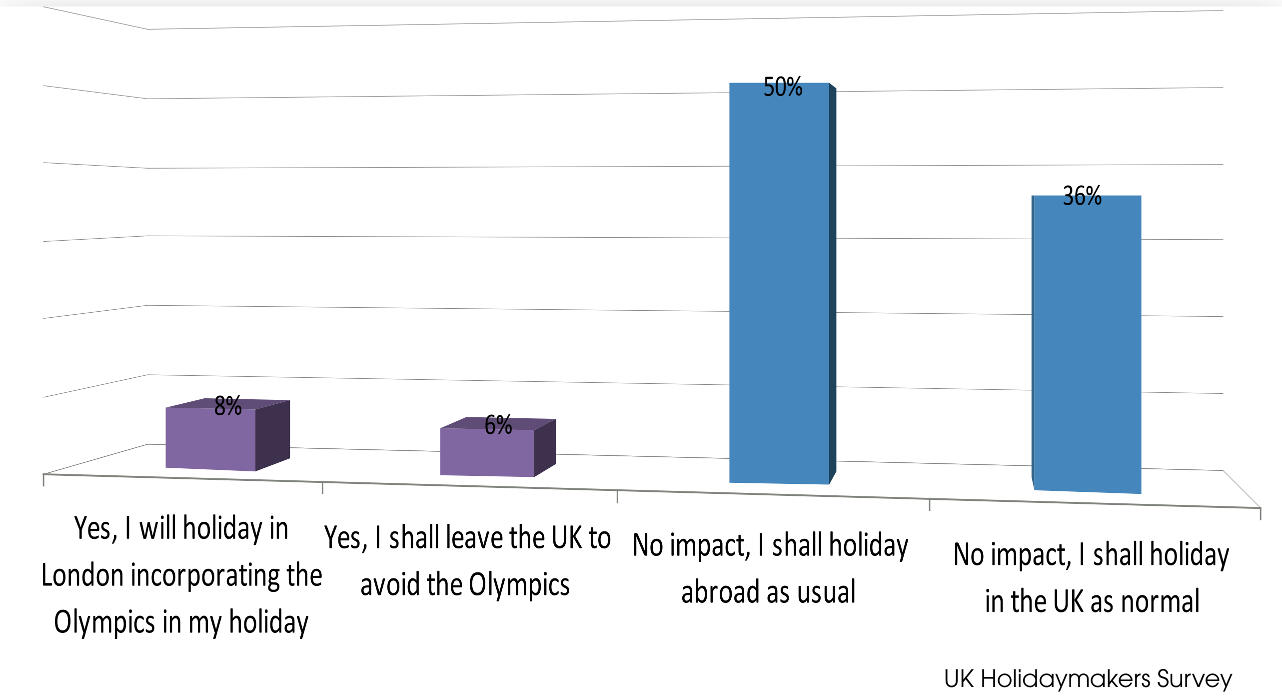
The industry expects both London and the UK to benefit from the 2012 games with 86% and 84% respectively seeing a positive impact. However, only 33% believe the Olympics will have a positive impact on their business, with 49% saying there will be no impact and 17% think there will be a negative impact. Furthermore, only three out of ten (31%) believe it will have a positive impact on their businesses turnover, with 69% expecting no impact at all.

Despite 60% of holidaymakers believing the Games will encourage tourists to London and 56% seeing it as a great marketing opportunity for the UK capital, it would appear this is the case for marketing London overseas as there is a lack of interest in UK people holidaying around the Games.

A mere 8% of UK holidaymakers say they will incorporate the London Olympics in to their holiday, with 6% looking to avoid the Olympics all together by leaving the UK.

Half say the games will have no impact with them holidaying abroad as usual, while 36% will continue to holiday in the UK but not incorporate the London Olympics.

Impact London Games will have on 2012 Holiday Choices



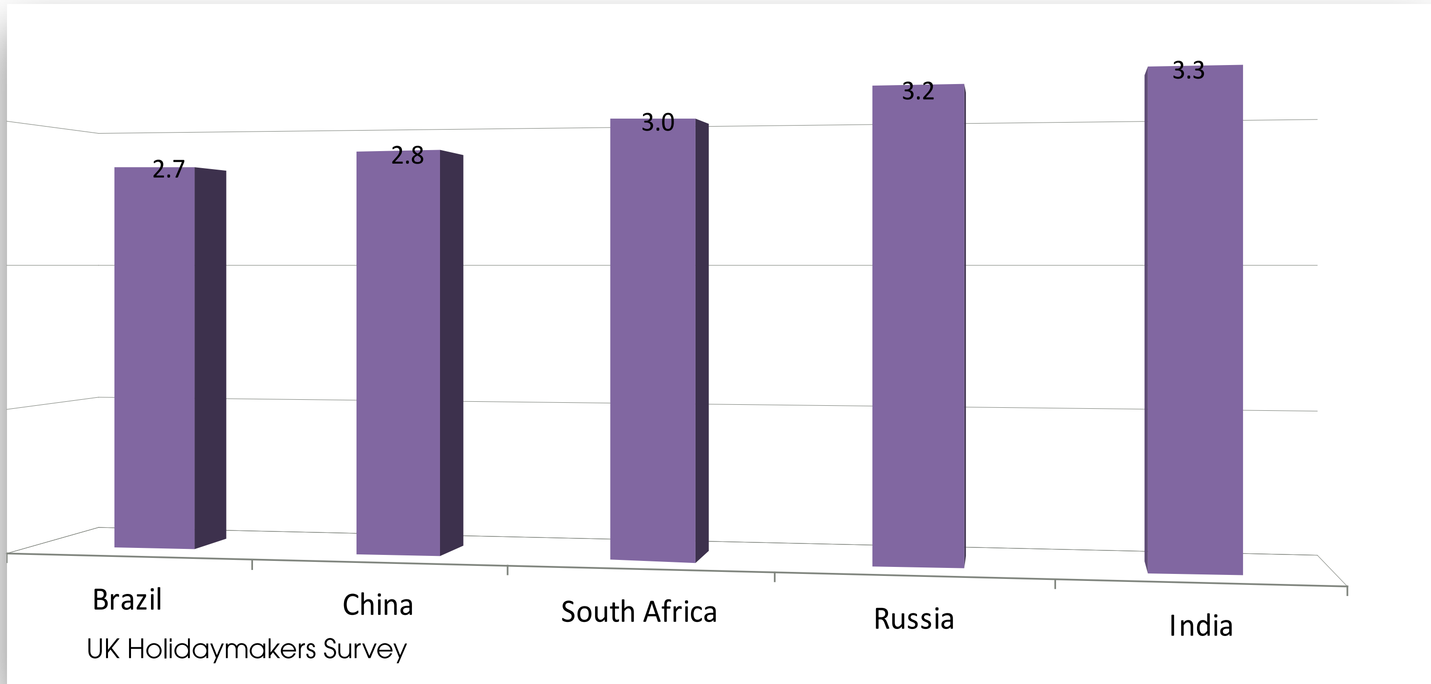
The industry believes the 2016 Olympic Games will have a similarly positive impact on both host city Rio de Janeiro (86%) and the wider Brazilian travel industry (85%).

However, the Games and Brazil's hosting of the 2016 football World Cup appears to have little impact on UK holidaymakers looking to visit the country with 81% saying the two major events have not increased their desire to go to Brazil.

Furthermore, of the BRICS countries – Brazil, Russia, India, China and South Africa – Brazil is the country UK holidaymakers are least likely to have visited with only 4% having been there already compared to 10% for both South Africa and India.

However, of the BRICS countries Brazil is the most popular destination if money was no object.

In order of preference, which of the BRICS countries would you visit if money was no object?
(one being the most popular and five the least)



CASE STUDY: VISIT KENT (STAND: 1600)

VisitKent aims to generate £2.7bn-worth of additional tourism business into the county as a result of being "on the doorstep" of London 2012.

One in eight (13%) of all overseas visitors to the Games will enter via the port of Dover. The county has more accredited Olympic training camps than any other part of the UK. The Ukraine and Belarus judo squads will train in Tonbridge; the Barbados Paralympic team will prepare in Medway. Teams from Australia, Slovenia, Papua New Guinea, Nepal, Senegal and Portugal will also get ready for the Games in Kent.

In September, the public-private body created a 2012 Tourism Toolkit for businesses who are looking to prepare themselves for next year. In the run-up to the Games, a number of online training courses will run under the Celebrating Kent banner, aimed at helping those involved in local tourism businesses to promote a consistent message to visitors.

VisitKent is working with VisitBritain on a fair pricing and practice charter. A similar scheme was used during the 2011 Open Golf Championship in Sandwich, Kent. The charter found favour with the 200,000 spectators, with the benefit to the East Kent economy as a result to hosting the championship estimated at £80m-£100m.

Kent has also been officially designated as the host county of the Paralympic Games, with Brands Hatch hosting the road cycling events.

As part of the overall vision for Kent, a number of targets have been set for 2012. The aims are;

- Tourism to generate an economic impact, both directly and indirectly, of £2.7bn
- The number of jobs supported by the tourism industry to reach 55,000

The strategy also considers legacy issues and expects the impact of 2012 to generate a 2% annual growth in the overall tourism business. The group and tours sector is a key post-2012 target market, with a new destination management website launching in 2012 to help this market and tour operators generally.

CASE STUDY: EUROMONITOR INTERNATIONAL (STAND: UKI236)

The UK is forecast to experience a 4% boom in overseas arrivals in 2012 thanks to the London 2012 Olympics – although a dip is expected in 2013.
UK arrivals in 2012 will increase to 29.4 million with additional tourists from the key markets of Spain, US, Italy, France, Netherlands, Germany, Australia and Poland.

However, all these markets are expected to send fewer tourists to the UK 2013 than in 2011.
Domestic trips to London will also increase for 2012 to just below 13 million trips. London will continue to see an increase in domestic visitors for 2013 and 2014 with trips topping 13 million. However, trips will start to decline in 2015 as the UK outbound market recovers.

EUROMONITOR INTERNATIONAL

CASE STUDY: BRAZIL (STAND: LA2000)

Hosting the 2014 FIFA World Cup and 2016 Olympic and Paralympic Games gives Brazil a rare opportunity to generate a long-term economic and tourism legacy.

It is the first time in the modern age that two of the world's biggest spectator and media events have taken place in the same country within two years of each other.

The economic benefit of the 2014 Football World Cup between 2010 and 2014 will be more than R$140bn ($80bn) – R$30bn ($17bn) direct and R$110bn ($63bn) indirect, according to research group Executive Analysis. Of this, nearly R$6bn ($3.4bn) of the direct benefits will be tourism-related. The gross economic impact of the 2016 Olympic Games in Rio, on the Brazilian economy, will be more than R$80bn (US$50bn). Embratur, the Brazilian tourist board, says 1.4 million tourists visit Rio every year and this is expected to more than double, increasing to 3.3 million in 2016. According to its *Plano Aquarela 2020,* the government's tourism ministry wants 11.1m foreign inbound visitors by 2020, a 113% increase on when the strategy was released in 2009.

There are a dozen World Cup cities for 2014, each of which will benefit from public and private investment. The Brazilian government has earmarked some US$3 billion to expand and renovate sixteen airports, with US$400 million related to the country's seaports. All major airports will have improved electronic passport control and plans are in place to ensure that all Brazilian passports are electronic. Public transport, within the cities and between them, is also geared up for significant investment and improvement.

Furthermore, a senior Embratur director recently said 8,000 new tourism jobs will be created specifically for the World Cup, and that 80,000 existing workers – from hotel staff to taxi drivers – will be taught English and Spanish ahead of the arrivals. This knowledge can be used for 2016 and beyond, reinforcing tourism as an industry which can help grow not only economies but also individuals.

CASE STUDY: GREECE (STAND: EM1000)

The current financial difficulties facing Greece do not invalidate the positive impact that hosting the 2004 Olympic Games had on Athens in the four years following the event, before the global economic crisis headwind of 2009 and beyond.

From 2004 to 2008, all tourism metrics for Athens showed the benefits of the Games. The number of overnight hotel stays in Athens jumped from 4m in 2004 to 4.8m in 2008, peaking the previous year at more than 5m.

The number of overseas visitors arriving at Athens International Airport in 2004 was 3.1m, peaking again in 2007 at 3.9m before falling back to 3.5m in 2008. The Greek authorities are convinced the 2004 Olympics had a major impact on the tourism industry in the city of Athens. The Athens International Airport, the new metro system, the upgrading of all public transport, the unification of archaeological sites and the New Acropolis Museum are all tangible benefits of having hosted the Games.
To prove this point, Athens has hosted a number of events since the Olympics; Euroleague Basketball Final Four in 2007, IAAF World Cup in 2006, the UNDP Global Summit against Poverty, the International Children Games 2009, and this year the World Games Special Olympics.

The legacy of the 2004 Olympics should ensure that tourism is at the heart of Greece's economic revival.

3 TAXATION

Taxation remains high on the agenda of the travel and tourism industry as governments globally look to raise much needed funds by hitting business and visitors with increased and new taxation measures.

Last year the inaugural World Travel Market Industry Report highlighted that four of ten (41.5%) senior executives in the industry saw increased taxation as one of the biggest issues facing the industry over the next five years, with one in ten seeing it as the single biggest issues.

In the wake of the UK government increasing Air Passenger Duty, 8% of holidaymakers said they would stop flying while a further 37% would reduce the number of flights they take.

The issue of the taxation of the travel industry has increased even further throughout 2011. A number of the most popular city break destinations – including New York, Florence, Venice and Rome – have introduced in-resort tourism taxes to raise extra revenue.

Furthermore, the UK travel industry is bracing itself for the UK government to raise APD further in its Autumn Forecast Statement on November 29. Forecasts suggest the government would have to raise APD by 25% to reach its 2015 target of generating £3.6 billion.

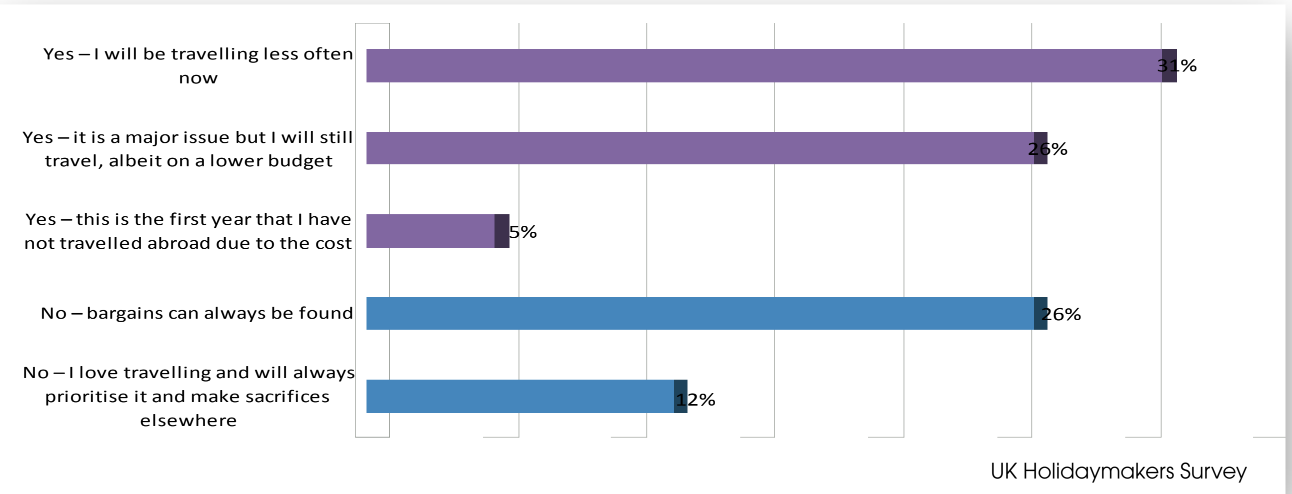
Both holidaymakers and the industry are concerned by the impact of all these taxes.

Three out of ten holidaymakers say they will travel less in light of these taxes

a further 26% will still travel but on a budget

5% said 2011 was the first year they hadn't travelled abroad due to the increase in taxes

Has the increased cost of holidaying due to taxes been a deterrent to travelling abroad?



Furthermore, two thirds of holidaymakers said an in-resort tourism tax – such as those introduced by New York, Florence, Venice and Rome – would make them re-evaluate their holiday choice.

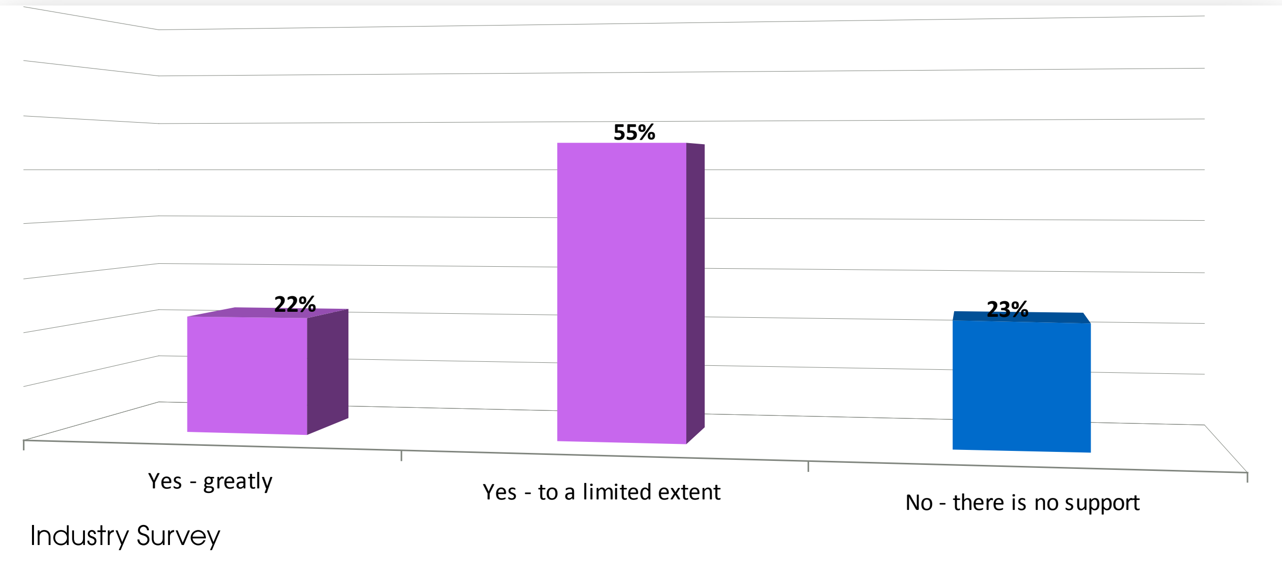
The industry overwhelmingly supports holidaymakers' concerns with almost eight of out ten (79%) expressing a concern of the widespread introduction of in-resort tourism taxes.

Seven out of ten (72%) senior industry professionals believe such tourism taxes will have an impact on the number of tourists visiting the cities that have introduced them.

The industry's perception that the travel and tourism industry is undervalued by the world's governments - despite being responsible for 258 million jobs and generating 9.1% of global GDP - appears to be reflected when asked about support given by governments.

The introduction of in-resort tourism taxes alongside increases in flying taxes such as the UK government's APD sees the industry sit on the fence concerning government support with only 22% expressing strong support from government. No support at all was the feeling of 23% of the industry, while 55% believe there is limited support for the industry.

Does your government support your tourism industry?



CASE STUDY: UKINBOUND (STAND: UK1600)

UKinbound has written to UK Tourism Ministers John Penrose requesting support against the Treasury's plan for a double-inflation APD rise in its Autumn Statement later this month.


Mary Rance, CEO UKinbound

Dear Mr Penrose,

We are writing to you to express our concern following your recent comments about Air Passenger Duty. At a domestic tourism seminar you stated: "My task is to make sure the overall value of visiting Britain is good…APD is an annoyance but it is not making a critical difference." We contest the assertion that APD is merely an 'annoyance' – it is having a damaging impact on UK tourism.

Air Passenger Duty

As you know, the UK's Air Passenger Duty (APD) top or 'Standard' rate is some 8.5 times the average of other countries in Europe which still levy a charge. Since 2007, APD for short-haul routes has increased by 140% to EU countries, and for long-haul routes by 325%. Many European countries – including Belgium, Holland and Denmark – have abandoned their aviation taxes, due to the negative effects on their economies. Indeed, in the longer-term, analysis shows that the UK economy will forego £750m of wealth and 18,000 jobs due to the recent rises in APD (November 2010).

Inbound Tourism

The evidential base demonstrating the recent fall in inbound tourism is substantial. The International Passenger Survey (Office for national Statistics 2011) shows that visitor numbers to the UK have fallen from 32.7 million in 2006 to 29.6m in 2010. We know that France and Germany attracted six times more visitors from China last year than did the UK. France outperforms the UK in terms of attracting visitors from India by a factor of more than 50%. The World Economic Forum's 2011 study on international competitiveness shows that the UK now ranks 134th out of 138 countries in terms of taxation on tourists (the Travel and Tourism Competitiveness Report, WEF, 2011).

With all this in mind it is inconceivable that the exceptionally high levels of aviation taxes that UK tourists are forced to pay have not contributed to a this reduction in UK inbound tourism – with the direct impact this has on the UK's tourism industry and the wider economy. A report by Oxera for the Airport Operators Association found that the APD increases in 2009 and 2010 could by 2020 result in job losses to the wider economy of 1,400 in terms of connectivity, 7,700 in terms of trade, and 22,300 in terms of investment.

The UK's level of Air Passenger Duty is unsustainable – a fact that must be acknowledged by the Government in advance of the Autumn Statement at which an announcement on APD is expected. The UK's tourism industry is already being damaged because some business visitors and holiday-makers are opting to avoid the UK. We urge you as Minister for Tourism to help make our case to the Treasury, so that the Government re-considers its plans for a double-inflation rise in APD next year.

Yours sincerely.

M Rance

Mary Rance, CEO UKinbound

CASE STUDY: BALEARICS (STAND: EM1650)

The Balearic Islands became the first high-profile holiday destination to tax tourists at a local level by adding a nightly charge to hotel bills.

The tax was intended to raise funds for environmental projects. In spite of concerns from major tour operators and hotel chains, as well as local independent B&B, campsites and farmstay operators, the tax was introduced in 2002.

Initially, the plan was for a sliding scale of taxes, with guests in five-star hotels charged more than guests in cheaper options. However, when the tax became law it was a flat rate of €1 per night.

But a change of government on the Islands resulted in the tax being dropped in time for the winter 2003/4 season. The tax had failed on all levels, including its primary function of raising money – against expectations of generating €60m, the total raised was only €35m, of which €5m was spent on admin and advertising costs.

Figures form the Spanish government Ministry for Economic Affairs also revealed that the tax had hit tourism - 9.5m tourists visited the Balearics in 2002 when the tax was active, 7.9% fewer than in the previous year before its introduction. Over the next few years, visitor numbers continued to increase, reaching 11.6m in 2005.

"As the official government body we would advise against the introduction of tourist taxes to prevent price sensitive consumers and operators, seeking out alternative travel options," said Ignacio Vasallo, Director, Spanish Tourist Office in London.

Ignacio Vasallo, Director, Spanish Tourist Office in London

CASE STUDY: THE MALDIVES (STAND: AS300)

The Maldives introduced an in-resort tax on all tourism of 3.5% last month – which it is increasing to 8% in 2013.

The Tourism Goods and Services Tax Law came into force on October 2 and is a tax on all good and services supplied to tourists.

The tax increases to 6% on 1 January 2012 and then again to 8% on January 1 2013.

The Maldives Bed Tax of $8 a night will be abolished at the end of 2013.

4 BRICS

In last year's inaugural World Travel Market Industry Report almost half (47%) of the industry saw the BRIC Nations – Brazil, Russia, India, and China – as one of the biggest growth opportunities over the next five years, with almost three out of ten (28.6%) seeing these emerging economies as the single biggest opportunity over the same time period – the largest percentage response to the question.

Following WTM 2010, South Africa was admitted to the BRIC countries creating the BRICS, after being formally invited by China.

This move has been backed by the industry with 65% of senior travel and tourism executives saying South Africa is as important a market as the other BRIC countries.

Increased security, wildlife, the positive impact of 2010 football World Cup and representing value for money in resort were all reasons cited for South Africa's importance.

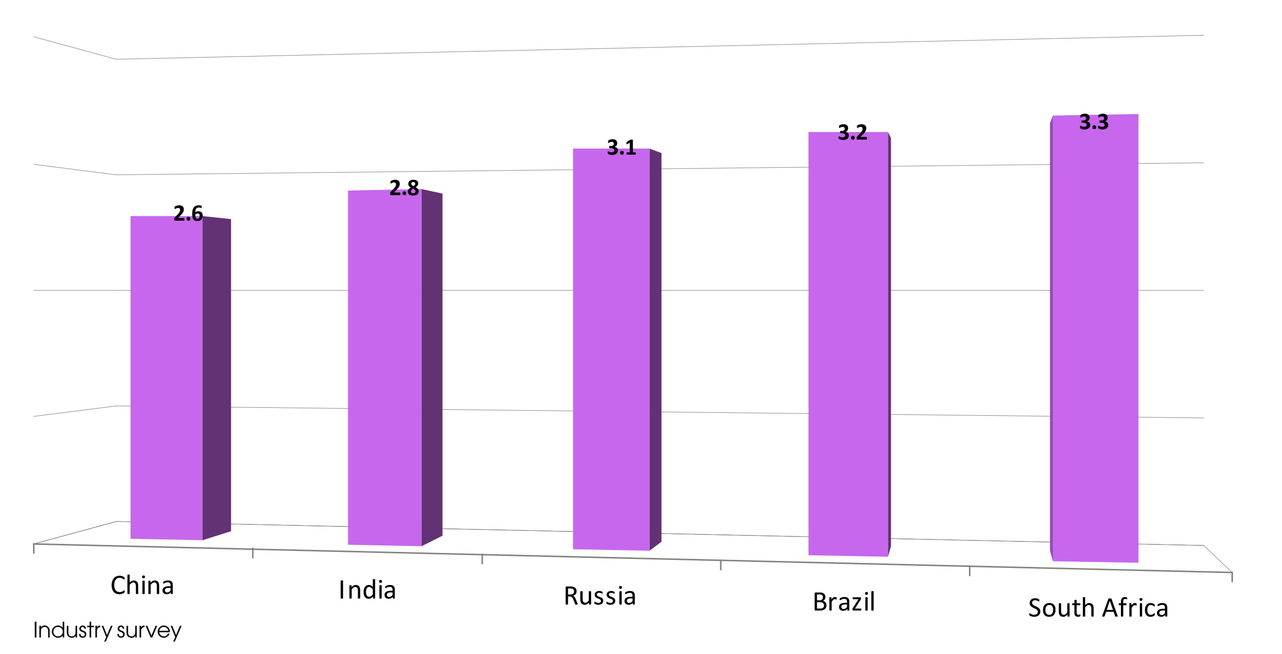
(South Africa is)The most important country in the region; cricket tourism, rich culture and most importantly a tourist friendly nation.

For the quite affluent and adventurous travellers South Africa is a must-see destination.

Quotes from industry survey

However, South Africa is the least important market to the senior executives' businesses with China being the most important, followed by India, Russia and Brazil.

BRICS – Importance to your business
(One being the most important and five the least)



Reasons cited include:

China
High appeal
Natural beauty
Growing economy
Direct flights

India
Large tourism Industry
Large population
English speaking
Evolving business centre

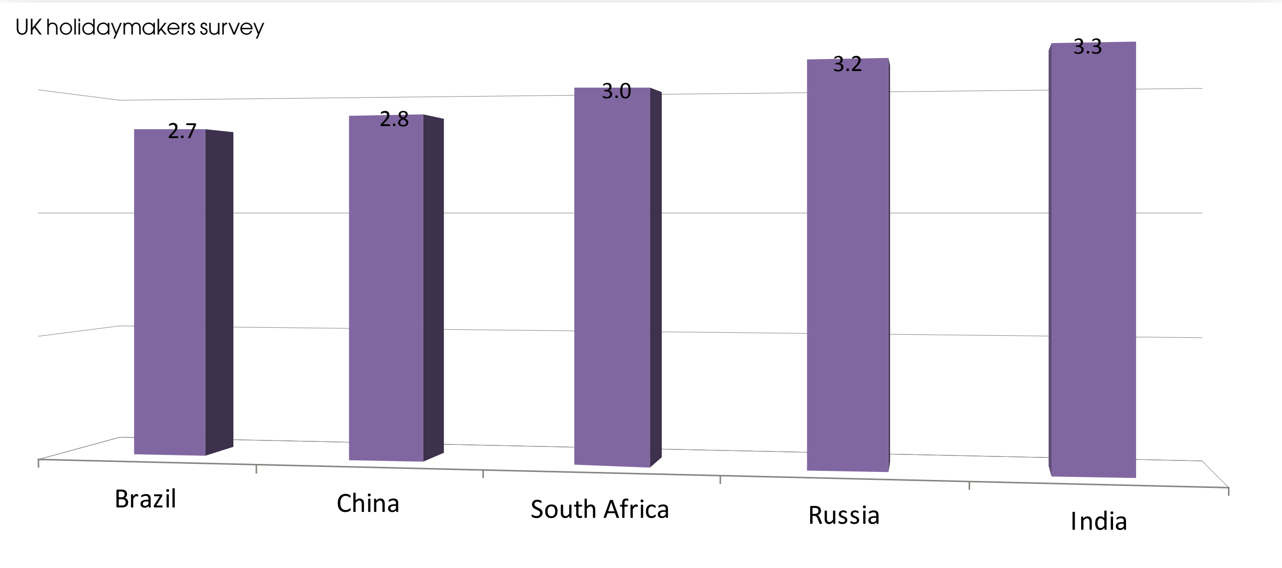
Russia
Proximity to Europe
Appeal to high-end clients
Cultural heritage

Brazil
Popular destination market
Hosting large sporting events
Strength of currency
Tourism opportunities

South Africa
Ease of working with
Range of tourism-focused facilities
English speaking

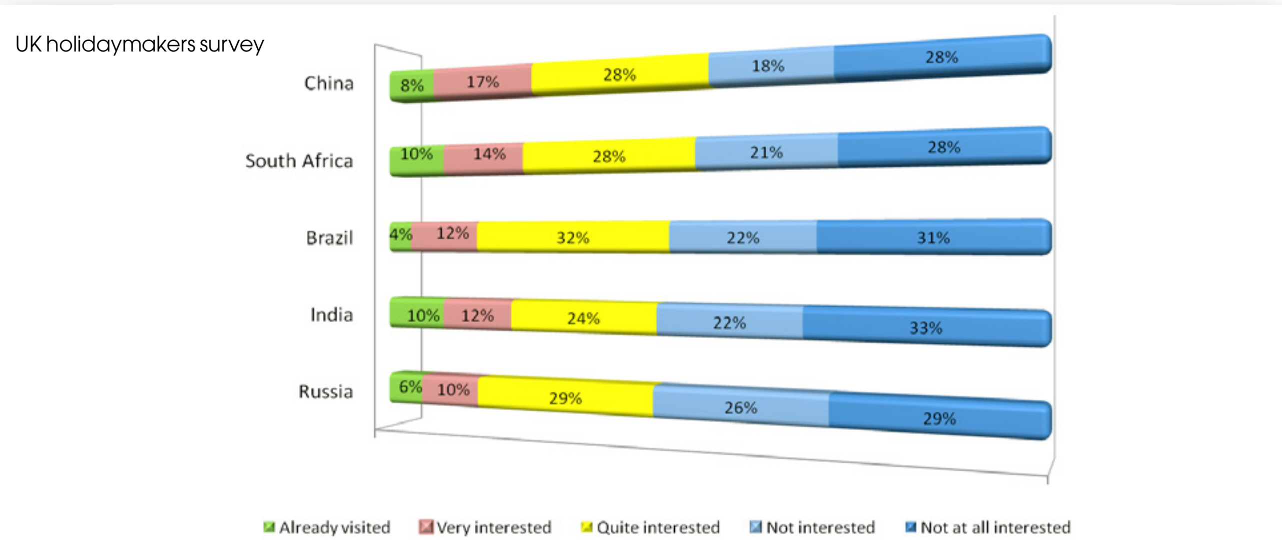
However, UK holidaymakers' visiting preferences differ greatly with Brazil, the most popular followed by China, South Africa, Russia and finally India

In order of preference, which of the BRICS countries would you visit if money was no object?
(One being the most important and five the least)



On average around three out of ten UK holidaymakers are "not at all interested" in visiting any of the BRICS nations. China is the most popular country with 17% wanting to visit it, followed by South Africa (14%), Brazil and India (12%) and Russia (10%).

BRICS – interest in visiting destinations



SLIMMA – THE NEW BRICS?

The travel and tourism industry has highlighted Sri Lanka, Indonesia, Malaysia, Mexico and Argentina as the five emerging counties behind the BRICS.

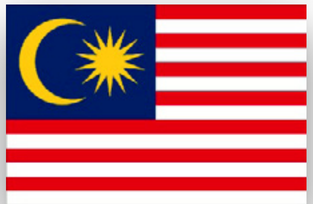
Sri Lanka

- Re-emerging after the civil war
- Investing in infrastructure
- Beauty of destination

Indonesia

- Diversity of country
- Growing population
- High disposable income

Malaysia



- Asian country but with more freedom than others
- Developing tourism Industry
- Aggressive marketing

Mexico

- Improved infrastructure
- Low taxes
- High disposable income

Argentina

- Up and coming destination
- Positive economic growth
- Cost effective holiday destination

CASE STUDY: WTM VISION – MOSCOW/ WTM VISION - SHANGHAI

World Travel Market is expanding its successful WTM Vision Conference series into Russia and China with WTM Vision – Moscow and WTM Vision - Shanghai.

WTM Vision launched in London in 2009 as a half-day mid-year conference offering senior delegates the latest information, research and opinion to help them run their travel businesses.

The successful London event was repeated in 2010. This year the London Vision conference was part of an expanded programme which took in Europe, with WTM Vision – Milan, and the Middle East, with WTM Vision – Dubai, at fellow Reed Travel Exhibitions event Arabian Travel Market.

2012 will see the WTM Vision series expand into Russia and China, two of the most important travel and tourism markets.

WTM Vision – Moscow, organised with Travel Media publisher *of TTG* Russia and TTG Luxury (to be launched in March 2012), will take place in the Russian capital on 19 March in The Ritz Carlton, Moscow.

WTM Vision – Moscow will focus on the growing sector of luxury tourism for the Russian travel market.

According to the UNWTO, Russia has the 9th largest outbound tourism market in terms of expenditure and it is increasing annually by 14%, which is why Europe's largest travel companies including – TUI and Thomas Cook – have entered the market in the past 18 months.

WTM Vision - Shanghai, organised in association with CBN Travel & MICE and World Travel Online, will take place on 10 May at the World Travel Fair in the Shanghai Exhibition Centre.
World Travel & Tourism Council figures show China is the world's third largest market for outbound tourists spending around US$55 billion in 2010. China also received 56 million international tourists in 2010 generating US$46 billion.

In September, Chinese Vice-Premier Wang Qishan said the Chinese Government would "double its effort in tourism" because of the industry's link to social economic development.

Reed Travel Exhibitions Chairman World Travel Market Fiona Jeffery said: "The WTM Vision Conference series has been a great success since it was launched in London in 2009.

"The industry has shown a great demand for mid-year information, research, analysis and opinion to help shape business strategies.

"Russia is an obvious country for further expansion as its travel and tourism is one of the fastest growing in the world with a number of Europe's biggest players starting to take an interest in the market.

"China is another obvious destination for the WTM Vision series, it is already one of the most important outbound and inbound tourism markets. The government has recently reaffirmed its 2009 commitment to tourism being a 'strategic pillar' of its policy. This policy and commitment to tourism was lauded at last year's UNWTO and WTM Ministers' Summit."

CASE STUDY: INDONESIA (STAND: AS700)

Indonesia is to launch a new tourism campaign slogan at World Travel Market 2011 - *Wonderful Indonesia*.

The slogan *Wonderful Indonesia* will be used to promote the country's tourism industry for two years.

Indonesian tourism authorities have also announced 2012 to be the official *South Sulawesi Visit Year*. In January 2012, Indonesia will host the ASEAN Tourism Forum.

Details of the brand campaign are being announced by Indonesia Tourism Minister Jero Wacik and Director General of Marketing Sapta Nirwandar at a WTM Press Conference on Tuesday 8 November at 2pm in South Gallery Room 17.

A stand reception will also take place on Tuesday 8th November on AS700 between 4pm - 5pm.

5 SOCIAL MEDIA

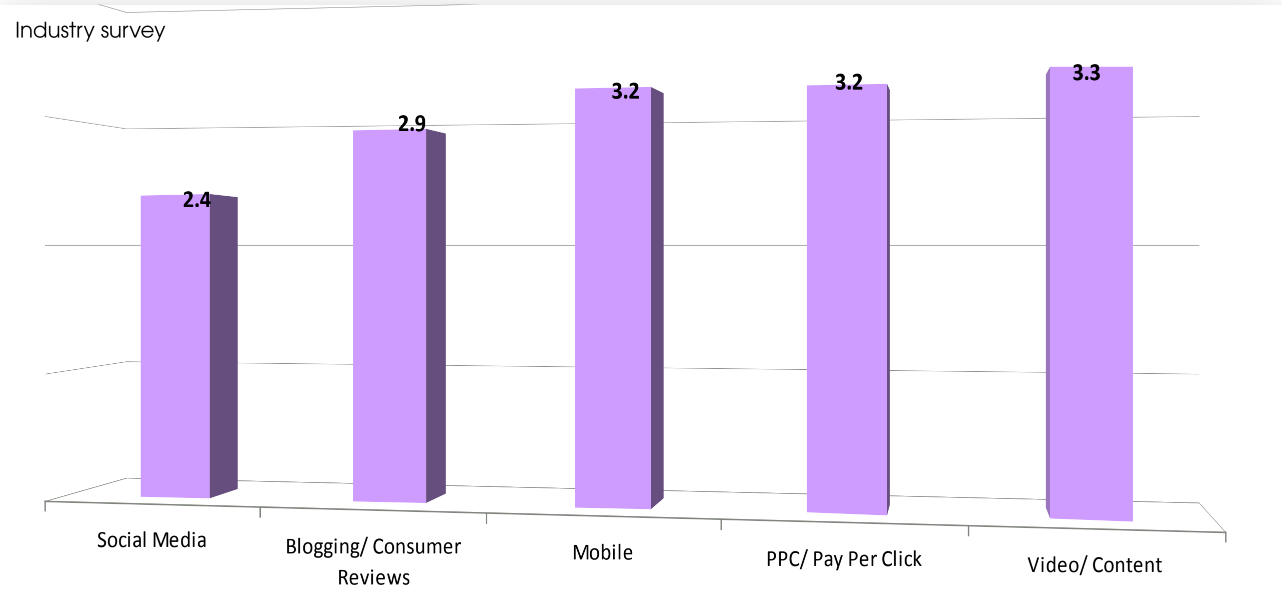
Social Media has emerged over the past few years and according to the findings is the most important marketing channel for the travel industry.

Ever since the internet emerged as a major distribution channel for the industry, search engines such as Google have been central for generating interest and bookings through both natural search and pay per click advertising (PPC).

However, social media has pushed PPC into fourth place in marketing vehicle importance, with PPC also behind blogging/consumer reviews and mobile. A few years ago this would have been unheard of as the travel industry focused on natural search and PPC strategies to generate bookings and revenue.

Current importance of Marketing Vehicles?

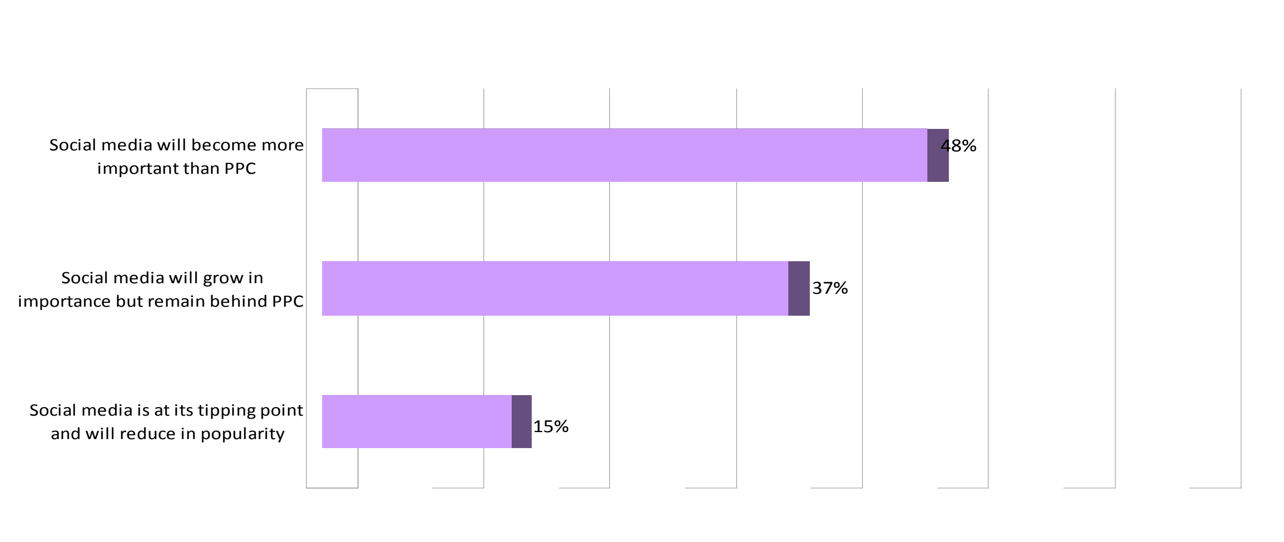
(One being the most important and five the least)



Almost half of the industry (48%) believes social media will be more important than PPC in 2016, while 37% say it will continue to grow in importance but remain behind PPC. Only 15% feel social media is at a tipping point and will reduce in popularity.

How important do you think social media will be in five years' time?

Industry survey



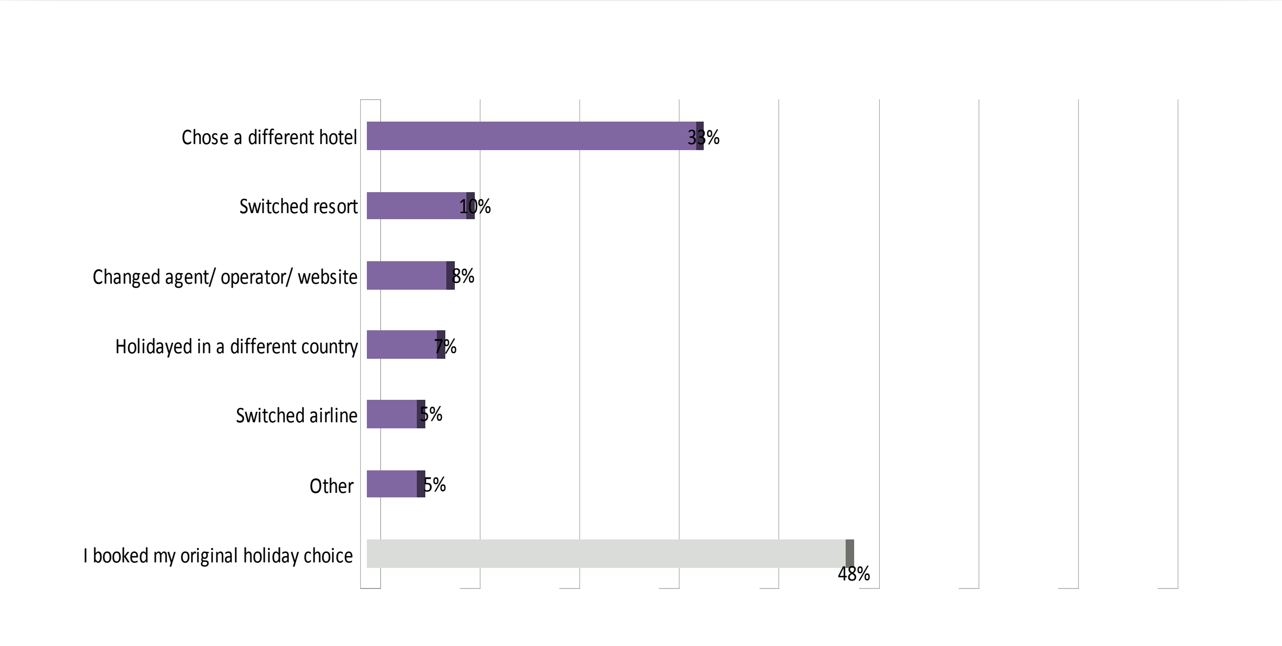
Interestingly, two out of ten organisations using social media have reduced their PPC spend as a result, however half of those do not invest in PPC.

Half of the industry is using social media as a revenue stream or are looking to do so, at 22% and 27% respectively.
Despite the industry's focus on social media only 40% of UK holidaymakers use it to help them when researching holidays. However, of those that do almost nine out of ten (89%) see social media as a positive experience, with 23% using it more often in 2011 than in 2010.

Interestingly, usage is poised to reduce in 2012 to 36%.

Those holidaymakers that do use social media find it has a significant influence on their eventual booking. A third change their hotel choice after consulting social media, one in ten switched resort.

The Impact Social Media has on Holiday Choices



UK holidaymakers survey

CASE STUDY: FIESTA HOTEL GROUP (STAND: EM1400)

Ushuaïa Ibiza Beach Hotel, part of Fiesta Hotel Group, has launched a pioneering Facebook sharing initiative – a first for the world's hotel industry.

Guests to the new innovative hotel and music venue are now given the option of wearing a wristband, which is synchronised to their Facebook profile.

Throughout the hotel there are various points where guests can check in, take pictures or post a status, simply by swiping their wristband across a sensor.

Irene Cano, sales director of Facebook Spain said: "We are delighted that the Ushuaïa Ibiza Beach Hotel is the first hotel to launch this Facebook initiative.

"At Facebook, we are constantly developing our services to find synergies between the virtual and real worlds and we are excited to be collaborating with the holiday experience for the first time."

CASE STUDY: TUNISIAN NATIONAL TOURIST OFFICE (STAND: AF340)

Tunisian National Tourist Office (TNTO) has launched its first-ever social media campaign to promote the country

The official Facebook and Twitter pages will showcase Tunisia's white sandy beaches, excellent golf courses and thalassotherapy centres to inspire new and returning holidaymakers to the country.

Social media users are being encouraged to 'like' the Come to Tunisia Facebook page or 'follow' @ cometotunisia on Twitter.

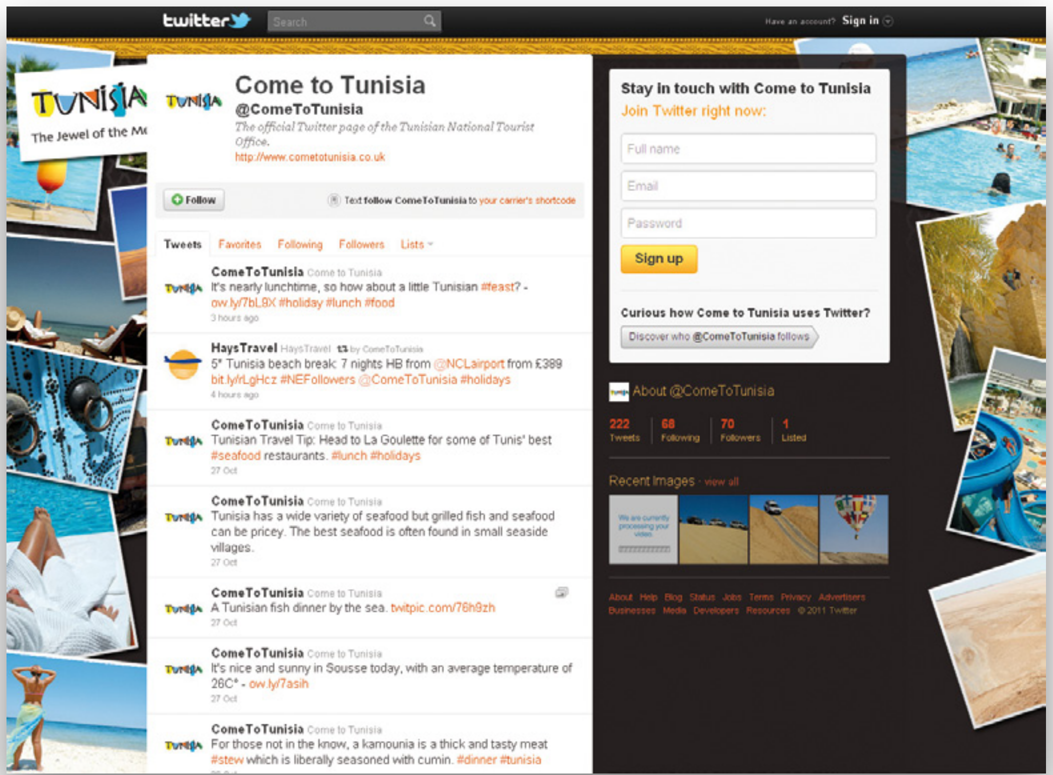
Visitors can upload videos, post images, tweet travel tips, and connect with fellow travellers before, during and after their holiday to Tunisia.

TNTO UK & Ireland Director Anissa Ramoundi said the social media campaign is an approach it would not have been able to adopt before the 2010 – 2011 Tunisian Revolution which saw President Zine El Abidine Ben Ali forced out of power and led to this year's Arab Spring wave of protests.

"The first social media campaign will encourage holidaymakers to continue to return to Tunisia and share their experiences with us," she said.

"By investing in our online presence, we will be able to reach out to travellers in a very modern and open way, an approach that would not have been possible before the Revolution."

"Our Facebook and Twitter pages will be both a useful and an enjoyable way to discover more about our wonderful country and remind visitors that Tunisia is a safe and a welcoming holiday destination."



CASE STUDY: ON HOLIDAY GROUP

On Holiday Group has introduced a social media recommendation initiative to help it reduce its search engine PPC spend.

The dynamic packaging specialist operates a scheme called *Share and Earn* which is already generating revenues directly from social media.

Share and Earn harnesses the power of social media by allowing its customers to promote On Holiday Group deals to their friends and earn a fee if the recommendation leads to a booking.

The scheme launched around a year ago, and already the original model has been updated. Originally On Holiday Group paid customers a flat fee of £20 for every booking. Now, the fee varies in line with the margins and revenue earned by On Holiday Group.

CEO Steve Endacott, who is speaking as part of the ATOL Reform at Fever Pitch session at WTM 2011 on Thursday 10 November, said: "Social media is complicated and you will not get it right first time. You have to have a plan which can evolve with customer trends, technology and your own business goals."

Share and Earn begins for customers via email, Facebook or Twitter, with email the most effective.

He added more than 80% of the recommendations are based around the best reviewed rather than the cheapest, a change from stage one where the deals suggested were all based on price.

"PPC is still important for our business," he admitted, "and Share and Earn is not a replacement for PPC because it doesn't have the scale."

On Holiday Group carries around 600,000 passengers a year – the number of bookings through *Share and Earn* is well into four figures.

"But over time we think it will help us reduce our PPC spend significantly," he added, "or at least make our PPC spend work better."

Share and Earn is the cheapest distribution channel On Holiday Group has. The costs include: partnership with RateGain, whose Rumbido product is the basis for the payment mechanism; integrating Rumbido into its own system; plus the payment to the customer who provides the lead.

6 MOBILE

Last year's World Travel Market Industry Report revealed almost two thirds of the senior executives within the travel and tourism industry saw booking holidays over new technologies – including mobile phones – as the consumer trend over the five years until 2016.

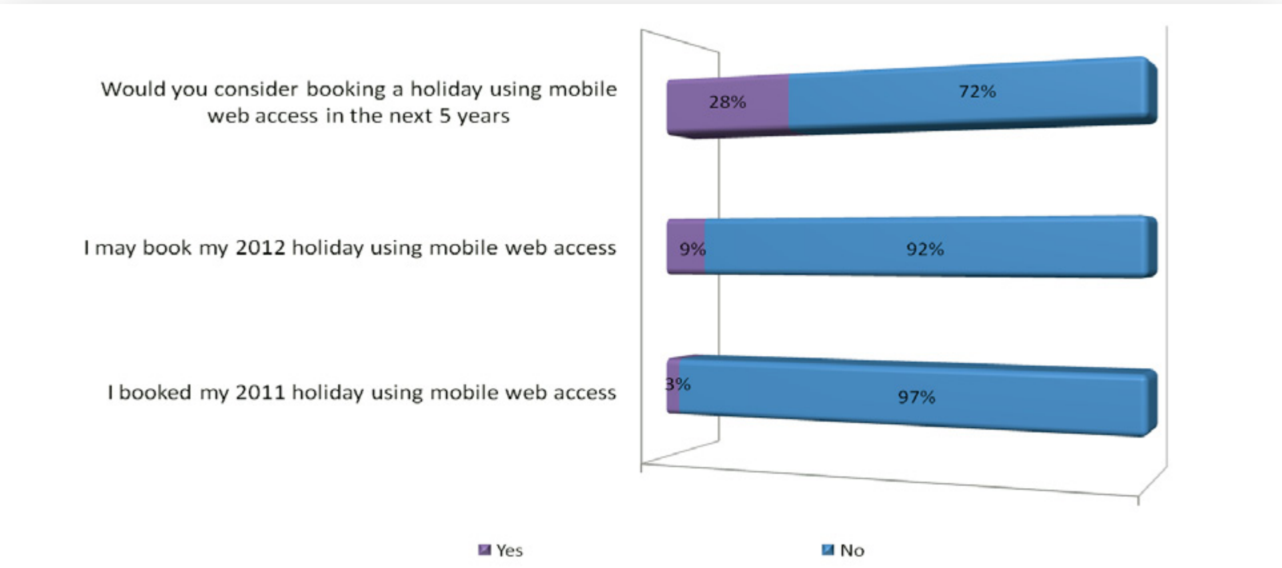
However, findings from this year's survey would indicate mobile phones may not have as big an influence over the future of the sector with holidaymakers seemingly reluctant to use their phones when researching, booking or when in resort.

A massive two thirds of consumers (66%) say they did not access any websites via their mobile when researching their holiday.

Two out of ten say their phone does not even have internet access.

Less than three out of ten holidaymakers would consider booking a holiday on their mobile phone in the next five years. Furthermore, only 9% may book their holiday using mobile web access in 2012. Although, this is three times the percentage (3%) of holidaymakers that booked their holiday on a mobile this year.

Use of mobiles when booking holidays



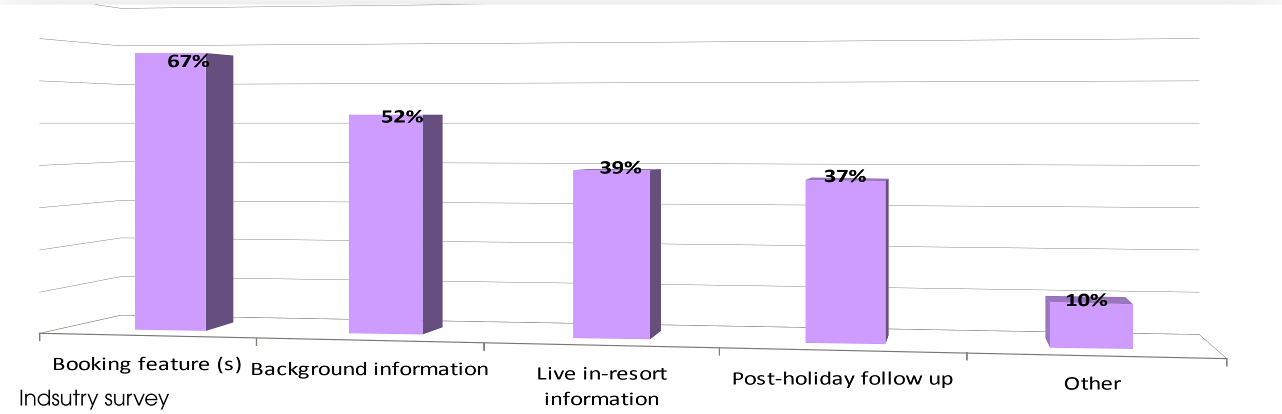
UK holidaymakers survey

However, more than two thirds of senior industry respondents said their mobile app has a booking function.

More than half of holidaymakers do not use their phone when they are on holiday, of those that do four out ten (42%) send and receive text messages.

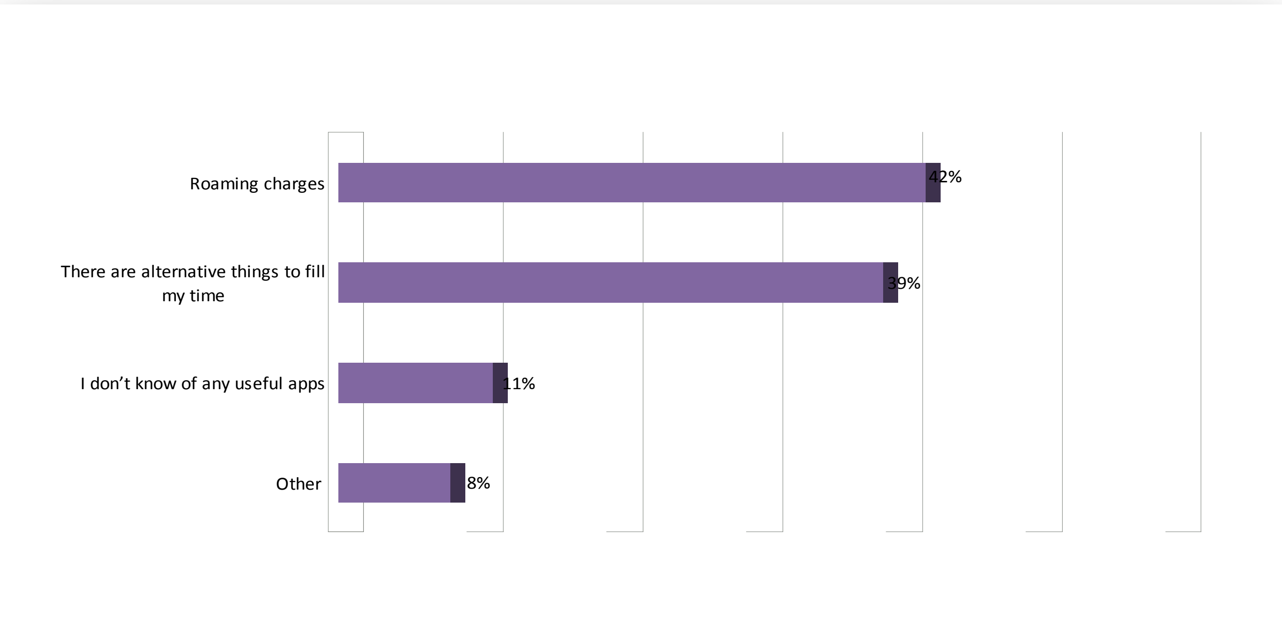
More than four out of ten say they do not use phones on holiday because of the high roaming charges, yet almost four out of ten (39%) apps include live in-resort information.

Services incorporated within travel apps



Indsutry survey

Reasons for not using mobiles on holiday



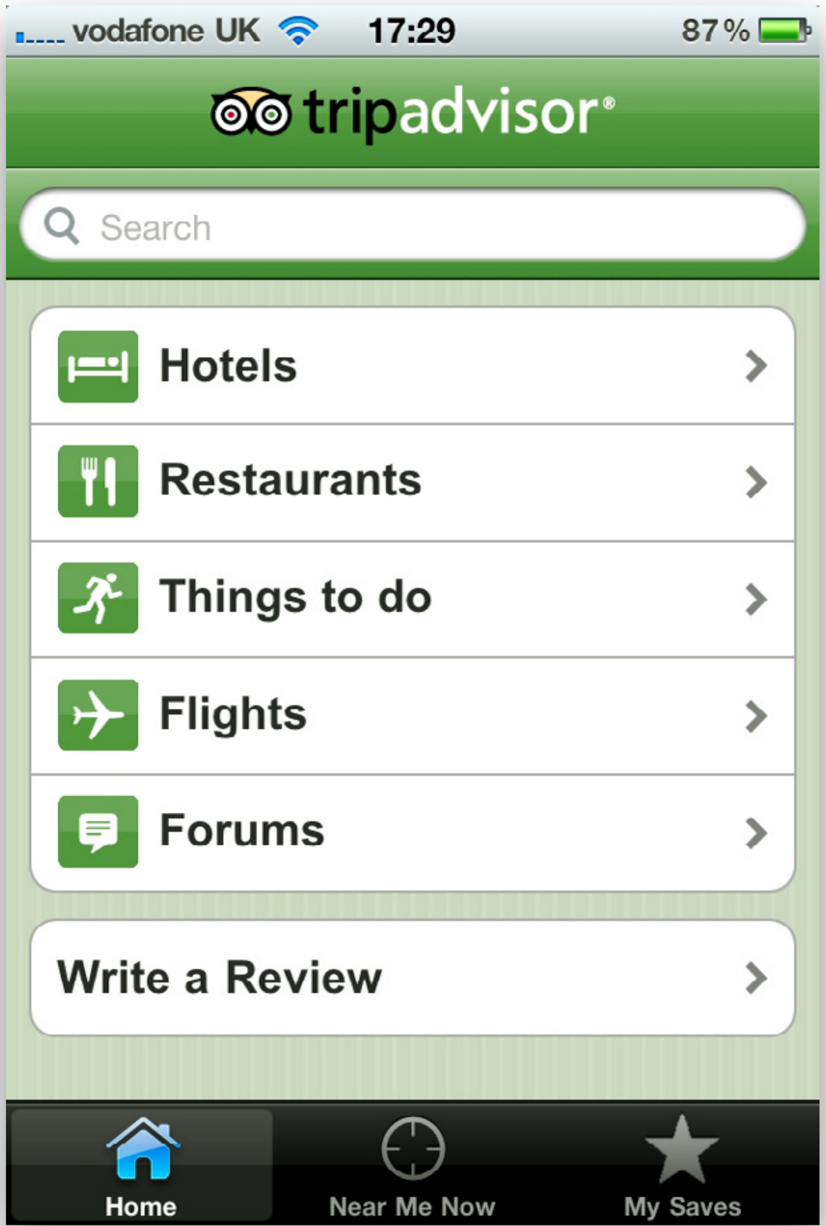
UK holidaymakers survey

CASE STUDY: TRIPADVISOR (STAND: GV585)

TripAdvisor has launched a free in-resort mobile app on the Andriod network which can avoid expensive roaming charges.

The mobile city guides include latest traveller reviews on hotels, restaurants and attractions for 20 cities including Amsterdam, Barcelona, Chicago, Hong Kong, Las Vegas, London New York City, Sydney and Tokyo.

The guides include walking tours insider tips, and in-depth information on neighbourhoods, history, architecture, weather and transportation, which can be accessed without a data connection if the app is downloaded before departure, thus, avoiding expensive overseas roaming charges.



CASE STUDY: TRAVELSIM (STAND: TT109)

TravelSim, a prepaid mobile service, claims to save travellers up to 85% on international calls while abroad and is offering the service as a white label opportunity for travel companies.

The service is available in more than 190 countries worldwide, on more than 330 networks.

Incoming calls to users of TravelSim are free in more than 80 countries and the list is growing.

More than 2.5m people already use TravelSim and the company is looking to sign up travel companies that are interested in taking a white-label version of the system that they can offer to their own clients.

A spokesman said: "TravelSim is available as a white label product for tourism companies.

"It allows you to extend your brand onto a universally necessary product, earning additional revenue along the way.

"This will increase your brand presence in the mind of your customer through a genuinely value-added offer."

CASE STUDY: APPI HOLIDAYS (STAND: TT080)

A new travel app and website is being unveiled to the global market at WTM 2011, which claims to allow more detailed searches than those already available.

Appi Holidays is available as a free app, and allows detailed searches by several criteria to be keyed in at the same time.

For example, users can look for a 'villa' holiday with 'beaches', 'air conditioning' and 'private pool' no more than 'three hours' away from 'Heathrow'.

Alternatively, they can search using criteria such as 'disabled accessible', 'skiing', 'scuba' or 'snow-shoeing'.

Once Appi Holidays has narrowed the search listings, users are given the option of either saving to a wish-list, emailing to a friend or requesting a call back.

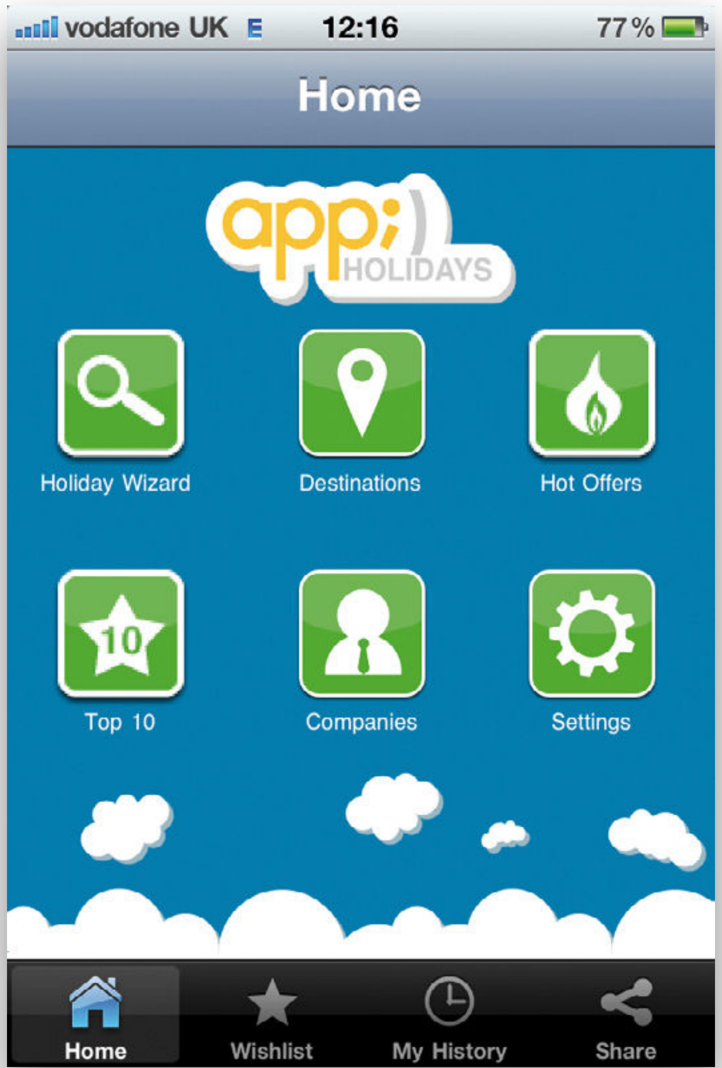
When a call-back is requested, the current search is sent to a tour operator that can offer a suitable holiday.

So far, 25 operators have signed up to Appi Holidays and the company is looking at signing up more at WTM.

Alan Kersley, managing director of Appi Holidays, said: "Appi Holidays is a revolutionary new mobile app and sales platform for selling holidays to the consumer via Smartphone and mobile devices.

"It is a mobile-based travel portal, for a complete range of holiday types – always switched on, always to hand, featuring many brands.

"With Appi Holidays the entire search engine is bespoke to the customer's needs at the moment of searching and produces results based on quality and appropriateness, rather than price."



CASE STUDY: ECOCARRIER (STAND: TT080)

An affordable mobile roaming service for smartphones is being demonstrated at WTM.

Ecocarrier, based in Canada, offers a range of solutions for 3G mobile devices, which it claims can cut costs by up to 90%.

Users have several options, including using ecocarrier's service as a standalone SIM, as a pre-installed dongle or as a device called MiWiFiLAN.

MiWiFiLAN enables users to create their own WiFi LAN with broadband service through a 3G network anywhere for use with their 3G mobile handset without the need to replace the SIM card.

The total cost of a one minute call from the European Union to the US would be less than US$0.08 per minute, the company claims.

Ecocarrier is also using WTM to introduce its One-Account-for-ALL WiFi Hotspot Service that works in more than 250,000 hotspots in130 countries.