



## United Kingdom & German Speaking Europe

Jillian Simpson, ATIA

Jacqi Todd, UK Representative

Edeltraud Sommer, GSE Representative

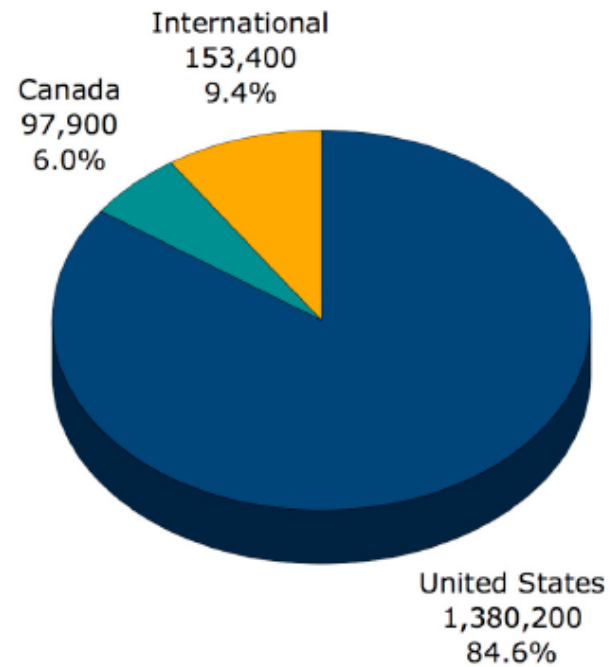
# ATIA's International Program

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- Representation in 5 key markets
  - United Kingdom
  - German Speaking Europe
  - Japan
  - Australia
  - Korea
- Developing Markets
  - Taiwan
  - China
  - Mexico

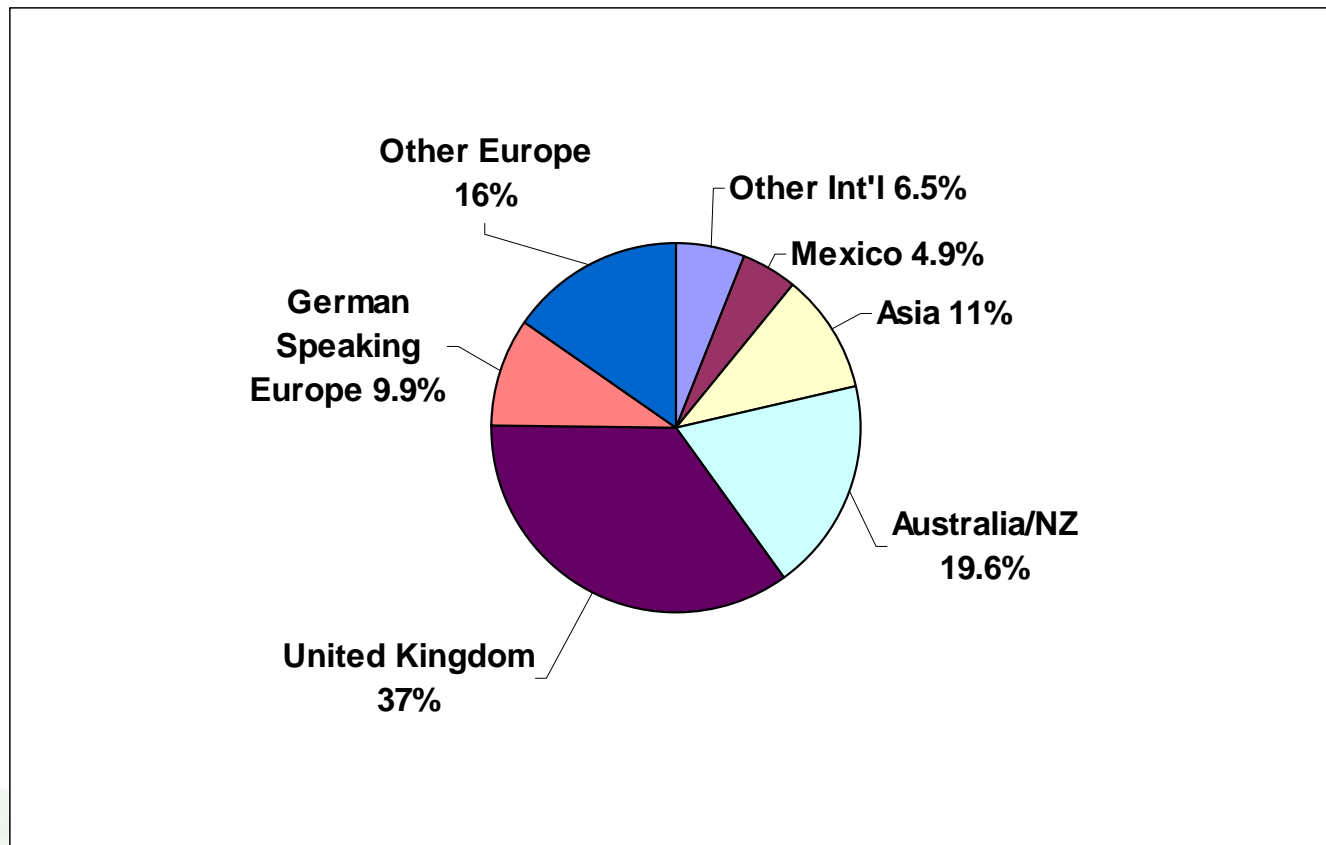
# International Research

*Visitor Volume, Summer 2006  
By Origin*



# International Research

## *International Visitor Volume By Region*



# Internet & Travel Agent Usage

	All	Int'l	UK	GSE
Research Online	26%	35%	37%	25%
Research and book	42%	29%	32%	28%
Travel Agent	52%	72%	77%	66%

# UK Market

Jacqi Todd

MGA Communications Ltd.

ATIA UK

## Economic Outlook

Economically, the UK has been dramatically affected by the sub-prime debacle.

The fallout has had a enormous impact across all sectors.

## Political Outlook

2007 saw a change of leadership at the helm of the government in the UK.

Tony Blair was replaced by Gordon Brown, previously the longest serving Chancellor of the Exchequer.

## NET EFFECT

A huge tightening of credit impacting business lending and more importantly the housing market, where in the UK, so much of an individual's assets are invested.

The knock on effect is the slow down in retail in general .

# UK Travel Market

Over the past 5 years, the biggest travel companies have been snapping up rivals, niche operators, airlines and travel agents

a practice known as:

“ vertical integration”

# TUI

German owned TUI have around 100 brands including:

- Thomson
- Exodus
- Jetsave
- Sovereign
- Crystal
- Sunsail
- First Choice
- Citalia
- Hayes & Jarvis

# Thomas Cook

Thomas Cook's own brands include:

- Airtours
- Cresta
- Neilson
- Sunset
- Elegant Resorts
- Signature
- Trade Winds

# Cosmos

Cosmos owns :

- Monarch Flights
- Monarch Hotels
- Monarch Holidays
- Archers Direct

# How does this affect the consumer?

Consumers will be more cautious how they buy and will go to affiliate agents and bonded tour operators to ensure their purchases are protected.

# British return to package holidays

- Holidaymakers are switching back to buying packages because they want security when traveling abroad.
- Anyone buying a package holiday has financial protection in the event of a failure.

## Flights only

- Clients who book a flight only and make independent ground arrangements are not protected as highlighted after the recent collapse of Zoom and XL airlines.

# AITO

## *Association of Independent Operators*

Members of this association attract membership from small independent operators and agents.

These companies tend to be specialists in their field and carry all necessary bonding

# What next?

Fortunately, the British mentality is such that their annual holiday is an intrinsic part of their lifestyle and almost an essential budget item.

However, not too many people will be rushing to book their 2009 holiday prior to Christmas.

# How do operators market destinations

- They still produce brochures
  - major operators produce large brochures and send out 100,000's of copies to trade and consumer.
  - niche operators may produce image brochures or simply focus on their website.

# How UK operators market their programs

The internet is becoming the key marketing tool for UK operators.

The majority will still produce paper brochures but they may only reflect a portion of their available product.

# Should you be working with the Travel Trade?

- It's up to you
  - if you have the ability to market your product through the internet or through your own channels and you have all the sales that you need – then you don't need to pay anyone commission.

# How the Tour operator earns commission

- Extensive planning and product development
- Internet development
  - Google marketing
  - optimised searches
- Paper brochures
  - Postage and mailing costs
- Consumer / trade advertising campaigns
- Promotions / Sales events

## Why is commission tiered?

- Tour Operators reach a wider audience
- Tour operators market their product
- Tour operators distribute their product
- Many travel agents may book through a tour operator

# Booking Seasons

- The UK books early (or used to!)
- Some brochures are launched late August
- Most brochures are launched mid-September
- A few launch in October
- Web brochures can be launched at any time and therefore offer greater flexibility.

# When do operators need 2009 information

- Product is usually decided in June/July and brochure pagination takes place in July/ August.
- Anyone with a web brochure can add content at any time.

# What do you need to provide

- Net rates or commissionable rates
- Brochures or product copy
- Visuals – JPG or PDF file
- High Resolution visuals for brochure artwork

## ATIA UK Activities

- The UK will celebrate Alaska's 50th with a prestigious workshop at the Royal Geographical Society on 12 February 2009 with a trade and media reception.

# ATIA UK Activities

- ATIA is a member of the Visit USA Association in the UK and will take part in a number of trade and media activities.

# ATIA UK Activities

- ATIA will be joining AITO for better access to UK trade and media specialists.

## ATIA UK Activities

- ATIA UK will participate in a selection of regional consumer shows
- Brochure enquiries
- Media enquiries
- Trade training
- Assist trade with product planning
- Market / Travel trade analysis

A comment in a Sunday Times survey  
about travel in 2009.

“ Forget glitz, crowds and over-  
development; the key to holiday  
destinations for 2009 will be those  
that offer comfort, solitude and  
authenticity.”

# Alaska and the UK

## A Perfect Partnership

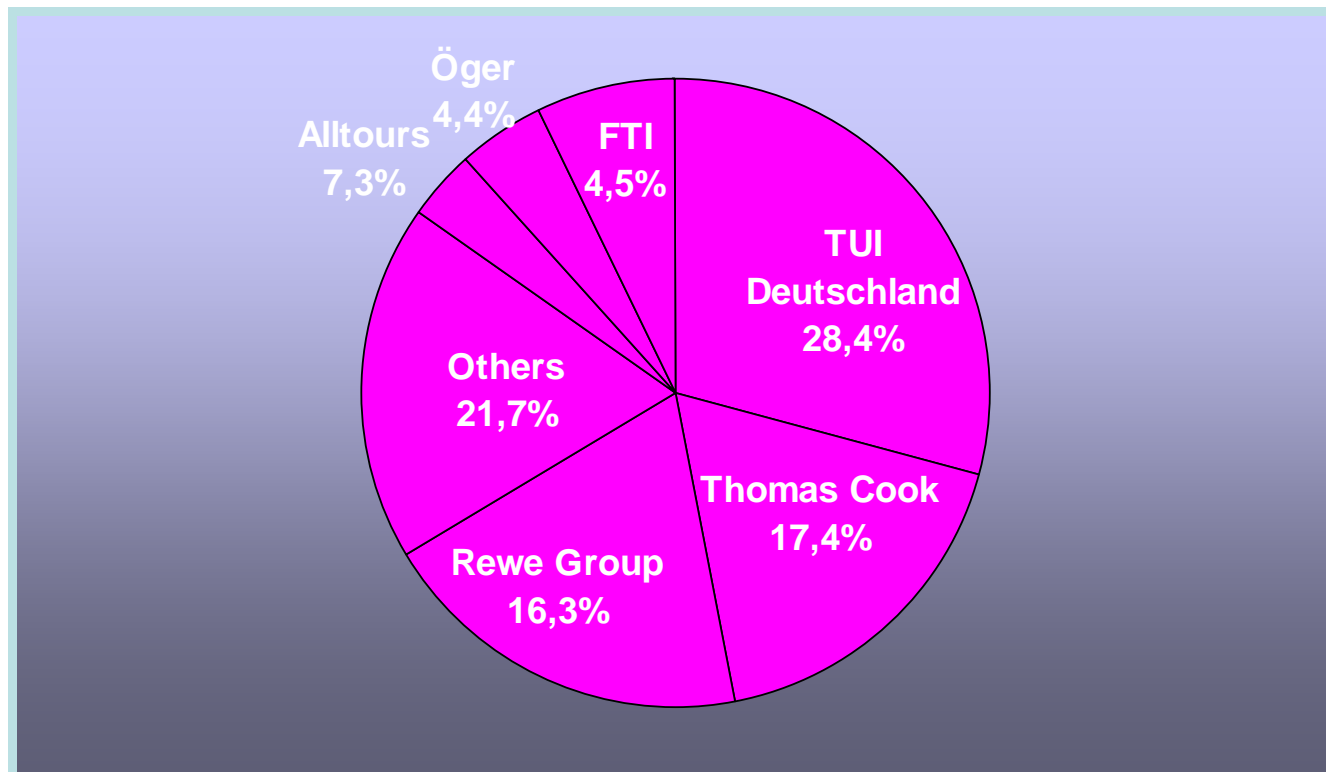
# GERMAN SPEAKING EUROPE MARKET OVERVIEW

presented  
by Edeltraud Sommer  
ATIA representative German-Speaking Europe

## MARKETPLACE GERMANY

- Who are the leading tour operators in Germany?
- How is the German Travel Trade structured?

## Leading Travel Corporations by Marketshare



***Over 2/3 of the market is in the hands of the 3 leading ones:***

***TUI (incl. TUI and Airtours), Thomas Cook (incl. Thomas Cook Reisen, Neckermann) and Rewe (incl. Dertour, Meiers, ADAC)***

# Tour Operators to North America



- Rewe group : Dertour, Meiers, ADAC
- TUI group: TUI, Airtours
- FTI
- Thomas Cook group: Neckermann, Th.Cook Reisen
- Alltours (new in 2008, FLA only)
- Others:

Many medium-sized and small tour operators (often specialized in US-destinations and activities/ broader portfolio / more flexible / fewer overhead costs)

# Travel Trade Structure



## TOUR OPERATORS (1)

- Most travel purchased in travel agencies is based on programs published by tour operators (wholesalers)
- Several hundred tour operators in Germany
- 120 package the USA (core group of only 30 and others with occasional business)
- They usually buy products through **receptive agencies** and expect 20%+ commission  
Exceptions: rental cars, motor homes, cruises and partly hotels

# Travel Trade Structure

## TOUR OPERATORS (2)

### Wholesalers

- sell through retail agents who earn 10%+ commission which are own agencies and/or licensed ones (maintain app 10,000)
- May have separate brands selling to endconsumer directly
- Internet mainly for presence w/minimal direct sales

# Travel Trade Structure

## TOUR OPERATORS (3)

**Medium-sized and smaller tour operators**  
work directly with the end consumer

- partly through retail agents
- are usually specialized or more diversified (niche markets)
- Internet presence important

## Travel Trade Structure

### TOUR OPERATORS (4)

Brochure: 2 x annually

*Summer:* April – Oktober

(planning in May/June - production September)

*Winter:* November – April

(planning in Jan/Feb – production May)

Limited additional inventory in the system outside their brochure

Brochure contribution often expected

# Travel Trade Structure

## TRAVEL AGENCIES (1)

- 11,404 travel agencies (vs 15,700 four years ago)
- Partly organized in associations for more barter power w/tour operators
- 10 % commission based on minimum volume + over-ride commission
- No longer commission on air tickets

## Travel Trade Structure

### TRAVEL AGENCIES (2)

- Threats: Internet and tour operator/airlines addressing consumer directly (Internet, own brands)
- Often customize programs for special groups (clubs, associations, readership trips) either buying from wholesaler or making own arrangements (ad hoc tour operating)

## Where do Germans travel to most?

- Spain
- Austria
- Italy
- France
- Turkey
- USA still most popular *long haul destination*

## German Visitor Statistics to USA

- 1,522 mill visitors in 2007 (+10%), 5th place
- Average length of stay: 16-20 days  
(Alaska: car 14-16 / RV 20-24)
- In favour: strong Euro, lower destination costs, pent-up desire for USA. Consensus amongst t.o. is a double-digit growth rate for 2008
- Negative factors: high fuel costs and price increase for flights; immigration; global economic environment

## German visitors to CANADA

Total: 298,000 (-0.5 %)

Preferred areas:

- Ontario
- British Columbia
- Yukon gained most popularity in 2007

## GERMANY:

- Market environment
- Traveller Profile
- Travel Trends
- Perception of Alaska

## **GERMANY:**      **Market environment**

- 82 mill population
- 7,6 % unemployment
- 6 weeks paid vacation
  
- Economy impacted by  
Reunification / energy costs / set-back through global  
environment
  
- Dollar /Euro favourable for travelling
- Positive mood for travelling

## GERMANY: Traveller Profile (1)

- World's no.1 traveller per expenditure
- Not willing to abstain from vacation
- 70+ % independent travellers (FIT)
- Experienced traveller, esp. overseas travellers
- Likes to be active
- Rental car most frequently used (in Ak also RV)

## **GERMANY:**      **Traveller Profile (2)**

- High expectations as to cleanliness and value for money
- Sophisticated traveller, likes to prepare long ahead of time. Information should be available in German
- High expectations as to quantity and quality of destination information available

## **GERMANY: Travellers to Alaska**

**Alaska is highly valued for**

- Great scenery, glaciers, mountains, open spaces
- Wildlife in natural setting
- National Parks

### **Traveller**

- is also interested in native culture
- is lesser interested in shows, museums, city life
- likes to move around
- likes utmost flexibility (motor home + rental car)

## GERMANY: Trends

### Overseas travel

- at the top of popularity scale
- Almost 64 % of all Germans ready to spend more money on long haul trips
- 2 weeks (almost 50 %) and 3 weeks (28.5 %) duration during main longhaul vacation trip
- Long planning period: 6-12 months ahead
- 51.2 % of overseas travel are fully booked in travel agencies, 24 % partly booked (in contrast: more than 50 % of vacation trips within Europe are organized without travel agents involved)

## GERMANY:

## INTERNET

62.7 % = 40.8 million users  
(from 6.5 % within 10 years)

- 72 % for gathering *information* incl. *travel* (39%)
- Over the past two years also more established as *booking tool*
- Depends on how complex the product and destination
- **But: Overseas travel and cruises still a core component of travel agencies**

## Switzerland: Market environment

- Population 7,6 million
- Unemployment 2.6 %
- 4-6 weeks paid vacation
- One of the world's highest per capita income: US\$ 58.000
- 297,000 to USA in 2007 (place 21)

### Major tour operators

- Kuoni
- Hotelplan
- Flextravel/TUI Suisse
- Skytours

**No. of travel agencies: 2,400**

## **Austria:**                      **Market environment**

- Population 8,3 million
- Unemployment 5,1 %
- 5-6 weeks paid vacation
- 124,000 to US in 2007 (place 40)

### **Tour operators:**

- The Austrian market is dominated by German tour operators with some Austrian niche tour operators left

**Travel agencies:** 2,000

## *Alaska programs featured in...*

### GERMANY

64 brochures by 49 tour operators

### SWITZERLAND

11 brochures by 7 tour operators

### AUSTRIA

8 brochures by 7 tour operators

Not counting Internet-only presence / ad-hoc groups / flyers

Not counting cruise line catalogs (Celebrity, HAL, NCL,  
Princess,RCCL)

# How to tap into the Market

Are you prepared?

**SUPPLIER**

Receptive Agency  
in Alaska / Canada / USA

Tour operator

BROCHURE

Travel agency

**CONSUMER**

INTERNET

## How to .....

### Do your homework:

- Critical look at inventory: USPs?
- Who/what are you competing with?  
(International / National / Canada / Alaska)
- Who are the receptives in Alaska, Canada, USA selling to Germany and usually other European countries?
- Who are the tour operators carrying Alaska product?  
What do they offer and how would your product fit in?

## How to.....

### Place your product in the Internet...

- Add information in **German** to your own website
- Join other websites with contents in German referring to your business
- Advertise on [www.Alaska-Travel.de](http://www.Alaska-Travel.de)

## How to.....

### Place your product information at.....

- Hotels
- Car rental stations
- Motorhome rental stations in Alaska and Yukon
- Airports Alaska and Yukon
- Visitor Centers Alaska and Yukon
- Non-competitive businesses throughout

*Information ideally in German (handouts)*

*Offer booking incentives*

## How to ....

### Partner with:

- Non-competitive businesses to pool inventory and create a package, share marketing costs
- Your local CVB or Marketing Organization
- ATIA

## *OUTLOOK: Seasonal Condor Flights in 2009*

### **Tuesdays**

**May 5 – Oct 6 FRA-YXY-ANC-FRA**

FRA 11.20 - 11.40 YXY 13.00 - 13.35 ANC 15.35 - 11.05 FRA

### **Thursdays**

**May 21 – Sept 24 FRA-YXY-FAI-FRA**

FRA 11.25 - 11.35 YXY 12.50 - 13.25 FAI 15.25 - 10.20 FRA

### **Saturdays**

**May 30 – Sept 26 FRA-ANC-FRA**

FRA 11.40 - 11.25 ANC 13.50 - 09.25 FRA

### **Sundays**

**June 14 – Sept 6 FRA-ANC-FRA**

FRA 11.15 - 11.00 ANC 13.20 - 08.55 FRA

**THANK YOU**  
**for your attention**

# How you can partner with ATIA

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- Europe Sales Mission February 4-12
  - Zurich, Munich, Hamburg, Dusseldorf, Frankfurt, London
- ITB, Berlin March 11-15
- [www.Alaska-Travel.de](http://www.Alaska-Travel.de)
- German Travel Planner
- Familiarization Tours
- Press Trips



**THANK YOU!**