

World Travel Market®

2014 Industry Report

Discover key findings from the **WTM®** Exhibition Floor



Findings from



1,000 UK
holidaymakers



The latest
travel
trends



Opinions from the

travel
industry



world
travel
market

3 - 6 November 2014 • London

The Leading Global Event for the Travel Industry

World Travel Market 2014 Industry Report

FOREWORD

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

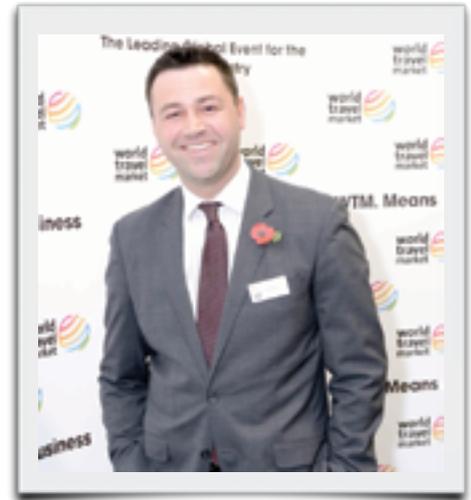
WTM 2014 will facilitate deals worth around £2.5 billion in travel industry contracts between exhibitors and buyers from the WTM Buyers' Club. The WTM Portfolio – which also includes Arabian Travel Market, WTM Latin America and WTM Africa – is the catalyst for deals worth almost £4 billion.

Despite this clear desire to conduct business, the industry faces many hurdles, but I am pleased to see the report finds a high level of industry optimism for 2015.

World Travel Market has surveyed its key exhibitors and senior WTM Buyers' Club members to discover the central issues for the industry and the topics of conversations on the exhibition floor across the four days of WTM 2014 (3 – 6 November).

The findings form the backbone for the **World Travel Market 2014 Industry Report**. They cover a range of issues from industry optimism, aviation, airport capacity, taxes and the future holiday experience.

These results are put into context by comparison with a survey of more than 1,000 UK 2014 holidaymakers (all of whom took a seven-day summer holiday overseas or in the UK in 2013) revealing their booking and holidaying habits.



Simon Press
Senior Exhibition Director
World Travel Market

World Travel Market 2014 Industry Report

Report Research Background

The World Travel Market 2014 Industry Report is based on the findings of two independently conducted surveys in September 2014.

The first is a poll of 1,229 World Travel Market stakeholders comprised of exhibitors (tourist boards and private sector travel industry organisations) and the industry's senior buyers from the WTM Buyers' Club.

The second piece of research is a survey of 1,011 British holidaymakers (all of whom took a minimum seven-day summer holiday overseas or in the UK in 2014). A full cross section of the UK public in all regions and income brackets was surveyed according to Market Research Society's guidelines.

World Travel Market 2014 Industry Report

Contents

1. Introduction

- Industry Optimism

2. Peer-to-Peer Travel

3. Responsible Tourism

4. Aviation

- UK Airport Expansion
- Ryanair
- Air Passenger Duty

5. Sports Tourism

6. UK

- Term-time Fines for Parents
- 2015 General Election
- Staycations
- Technology

7. The Future of Travel



1. Introduction

**MOST POPULAR DESTINATIONS
FOR UK HOLIDAYMAKERS ARE:**



UK



America



Spain



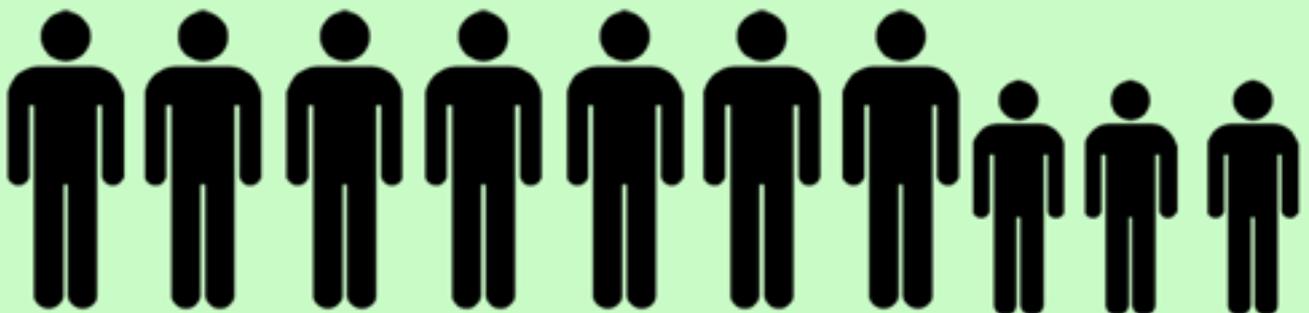
France

**Australia, New Zealand, China,
Japan, Mexico, Canada and
Thailand also cited**



**of WTM exhibitors
and buyers expect
to conduct **more
business** of a
greater value **at
WTM 2014** than
WTM 2013**

7 OUT OF 10 UK PEOPLE



TOOK A **HOLIDAY IN 2014**

World Travel Market 2014 Industry Report

1. Introduction. Has consumer confidence returned following the financial downturn?

The UK Office of National Statistics says unemployment is at its lowest level since 2008, when the global financial downturn began. Unemployment in the UK stands at just under two million people (1.97), while those people claiming Job Seekers Allowance (JSA) fell below one million for the first time in six years, with the largest annual fall in those claiming JSA (468,000) since 1988.

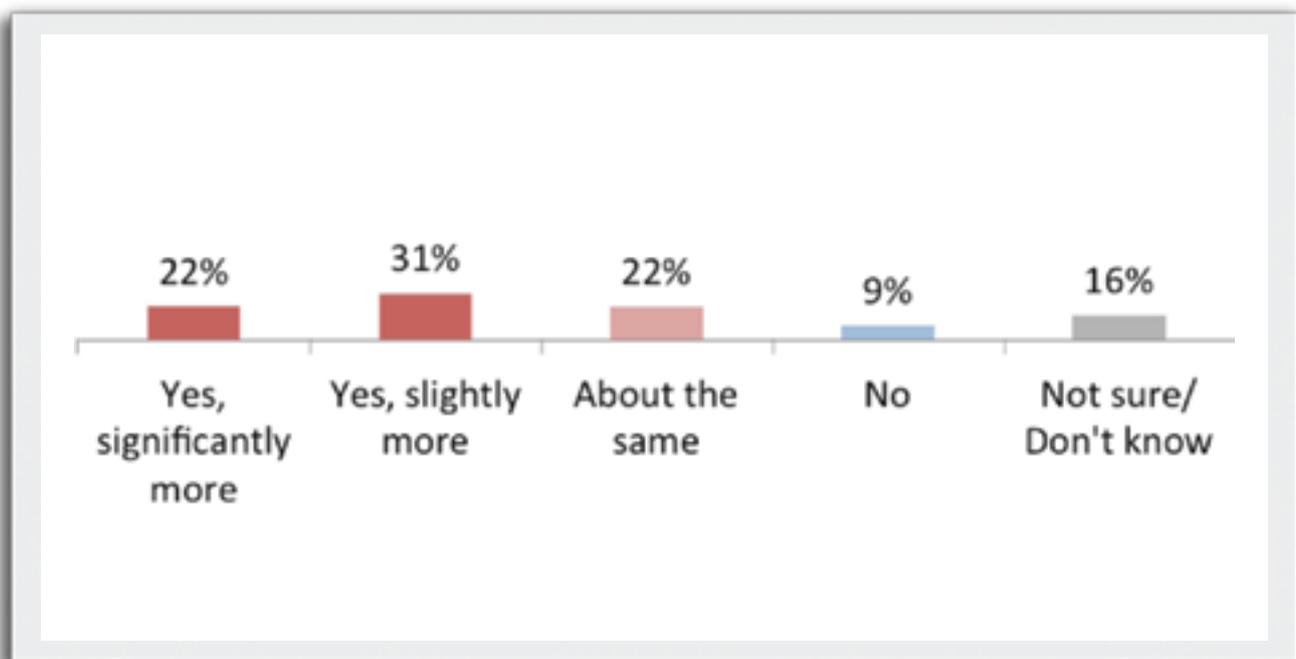
This increase in employment may have led to more people going on holiday in 2014 than the peak of the crisis in 2011.

The World Travel Market 2014 Industry Report reveals seven out of 10 (70%) UK people took at least one holiday, a minimum of seven nights either overseas or in the UK, this year. 1,450 people were asked if they had had a holiday this year to get 1,011 positive answers. Back in 2011 the World Travel Market Industry Report had to ask 1,611 people to get 1,006 to say they had had a holiday that year – meaning 38% of UK people did not take a holiday in 2011.

Furthermore, the industry expects more people to go on holiday in 2014 and beyond with more than one in two WTM exhibitors and buyers expecting to conclude business deals of a total greater value than at WTM 2013 (£2.2 billion). Also, more than a fifth (22%) anticipate conducting around the same amount of business.

Q. Do you expect to sign more business deals at WTM 2014 than you did at WTM 2013?

(Industry Survey)



World Travel Market 2014 Industry Report

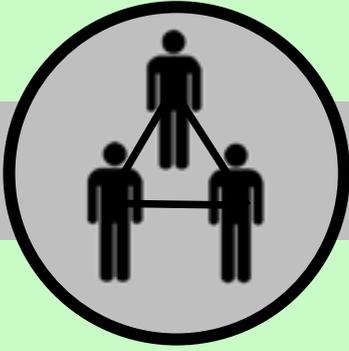
There is more good news as it appears budgets are increasing, with holidaymakers looking to go further afield in 2015. Almost two out of 10 (18%) of UK holidaymakers are looking to go to the USA in 2015. Florida was highlighted, which might be linked to the biggest increase in



the region's theme park history, which has seen Universal, Disney, Busch Gardens, Legoland and SeaWorld all launch new rides or expanding.

Other long-haul countries cited include Australia, New Zealand, China, Japan, Mexico, Canada and Thailand. This increase in long-haul holidays could be linked to next year's scrapping of the top

two bands of Air Passenger Duty which will save £44 per person. Almost seven out of 10 senior industry professionals believe the scrapping of APD's two most expensive bands will lead to more UK holidaymakers flying to long-haul destinations.



2. The rise of Peer-to-Peer Travel



of US travellers book holidays through peer-to-peer sites

 **20%**

OF THE TRAVEL INDUSTRY HAS BEEN AFFECTED BY THE GROWTH OF P2P TRAVEL

ALMOST

1/10

OF UK HOLIDAYMAKERS HAVE BOOKED THROUGH A PEER-TO-PEER SITE, WITH 86% OF THEM LIKELY TO DO SO AGAIN

2. The Rise of Peer-to-Peer Travel

Peer-to-peer travel – holidaymakers staying in people’s homes booked through sites such as Airbnb, Housetrip and HomeAway – has grown incredibly fast over the past five years.



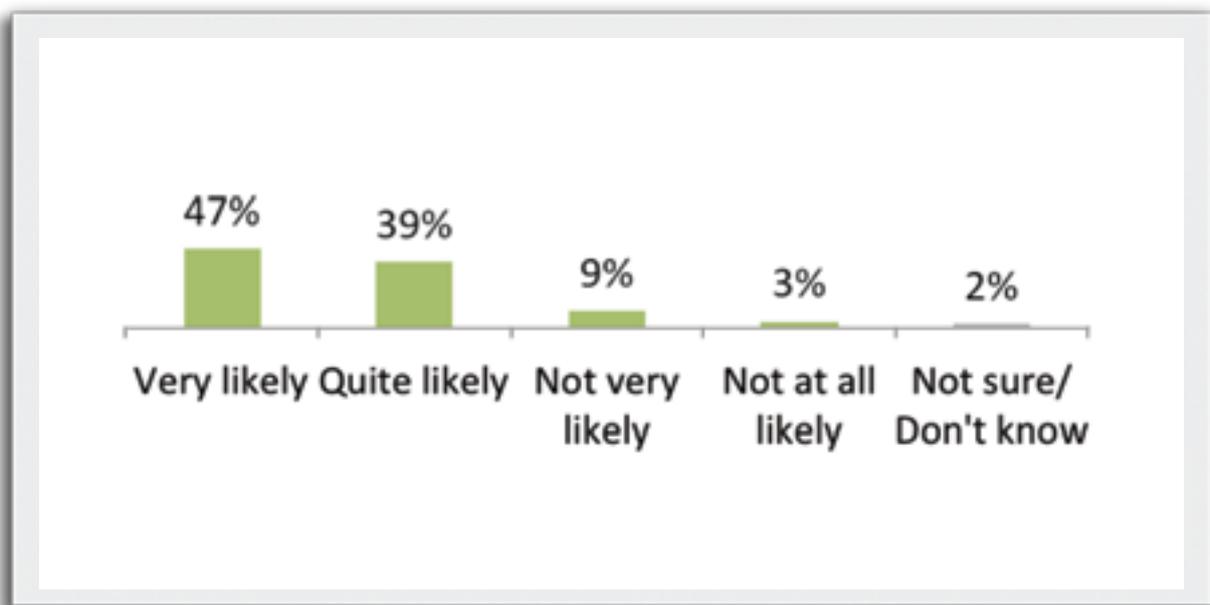
PhoCusWright says 14% of US travellers book a private home, room or apartment through peer-to-peer sites, up from 10% in 2010. HomeAway, which has more than one million listings in 190 countries, saw revenues increase in 2013 by 24% to \$346.5 million. Furthermore, Airbnb – which is valued at around \$10 billion after securing \$450m in funding – offers properties in 34,000 towns and cities around the world. Only Cuba, Iran, North Korea and Syria are not represented. More than one million Britons have booked accommodation via the service and 35,000 UK properties are listed.

The World Travel Market 2014 Industry Report reveals almost one in 10 (9%) of UK holidaymakers have booked a holiday through a peer-to-peer site. Furthermore, a massive 86% of UK holidaymakers that have used peer-to-peer sites would likely do so again (47% very likely and 39% quite likely), illustrating its popularity.

This growth of peer-to-peer travel is posing a threat to the traditional travel industry, with companies losing bookings to these sites.

Q. How likely would you be to use peer-to-peer travel booking sites again?

(UK Holidaymakers’ Survey)



World Travel Market 2014 Industry Report

UK travel industry body Abta Chairman Noel Josephides said at the association's annual conference in September that the industry is facing its second online revolution that would not leave any business model unchanged. He described it as a "black economy", assuming that most people letting their properties or rooms through the sites do not pay tax.

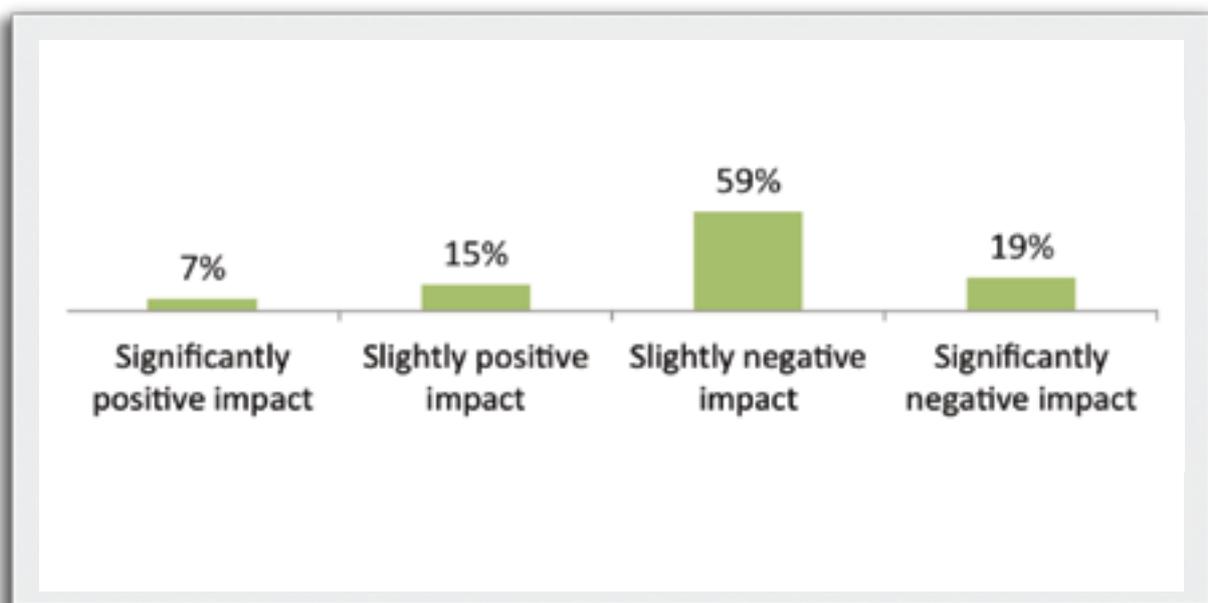
Airbnb founder Brian Chesky said: "I think people are using Airbnb for the simple reason that we are fulfilling a need that wasn't being fulfilled before, because there wasn't the technology to do it.

"It (Airbnb) gives people the freedom to produce and make a living the way a company would."

Almost one in five travel businesses polled by the World Travel Market 2014 Industry Report say they have been affected by the growth of the peer-to-peer sector, with more than two thirds (68%) saying they have been negatively impacted.

Q. To what extent have these websites had a positive or negative impact on your business?

(Industry Survey)



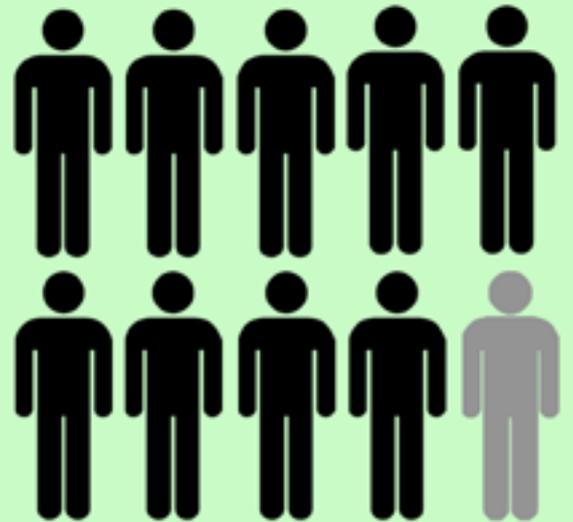


3. Responsible Tourism

MORE THAN
60%

OF THE TRADE SAY
THE IMPORTANCE
OF **RESPONSIBLE
TOURISM WILL
INCREASE** OVER THE
NEXT THREE YEARS

**ALMOST
NINE IN TEN**



**SAY RESPONSIBLE
TOURISM IS
IMPORTANT TO
THEIR BUSINESS**



1/3

OF **UK HOLIDAYMAKERS** SAY
THEY **CONSIDER RESPONSIBLE
TOURISM** WHEN BOOKING

3. Responsible Tourism



World Travel Market has been a strong supporter of Responsible Tourism through its World Responsible Tourism Day and Programmes, which have been a key part of WTM for the past decade.



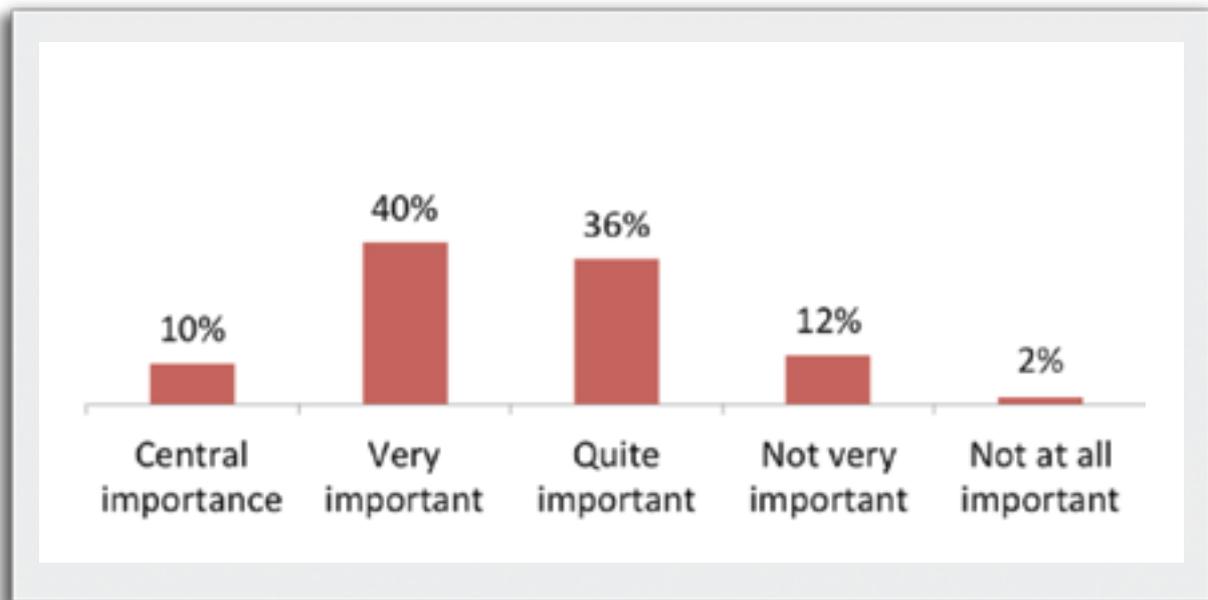
World Responsible Tourism Day (WRTD) (pictured) is the largest day of responsible tourism action in the world, as the industry comes together to both act and discuss the issues within responsible tourism.

The travel industry brings great benefits to local economies, but there is a flip side that the industry must be aware of, making sure it is taking its responsibility to local environments and communities seriously.

Almost nine out of 10 (86%) industry executives polled say sustainability is important to their businesses; with one in two (50%) stating it is either 'central' or 'very important'.

Q. How important is sustainability to your company?

(Industry Survey)



World Travel Market 2014 Industry Report

Furthermore, more than two thirds of the industry say the importance of sustainability will increase over the next three years. Three out of 10 state this importance will increase significantly, with 41% saying there will be a slight increase.



A great example of the focus the industry has on responsible tourism is TUI Travel, one of the largest travel companies in the world, which has been placed fourth of all the UK's FTSE 100 companies for its green credentials by carbon management organisation Carbon Clear.

An example of TUI Travel's responsible tourism work includes an implemented target for 400 litres of water per guest and 24kwh of energy per guest per night by 2015. Average use of

energy in TUI's mainstream hotels is now 24.3kwh, down from 26kwh in 2012. Water use is at 470 litres, down from 494 litres in 2012 and more than 500 litres in 2011 – industry-wide, water use can be as high as 1,000 litres per guest per night.

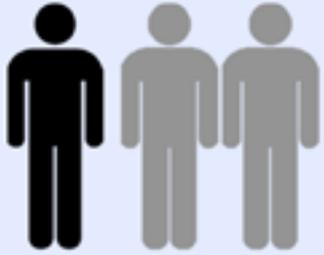
TUI, Group Director of Sustainable Tourism, Jane Ashton – a regular speaker at WRTDs – said: "A number of holiday islands are among the places that will suffer water stress in the coming years. Most hotels can save 20% on water and 10% on energy without much upfront investment."

She cited Cyprus and Malta as two islands under "a high level of stress".

The industry's increased focus on responsible tourism should have an impact on bookings with more than one third (36%) of UK holidaymakers saying they consider the environment and sustainability when they book a holiday.



4. Aviation



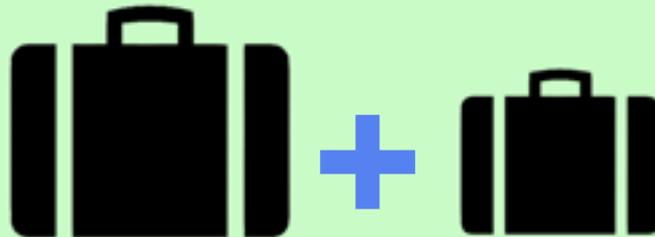
1 IN 3

**OF THE
TRADE
SUPPORT UK
REGIONAL
AIRPORT
EXPANSION**



**ONE IN FOUR
SAY FLYING RYANAIR
IS BETTER SINCE ITS
FOCUS ON IMPROVED
CUSTOMER SERVICE**

WITH SECOND CARRY ON BAG



**BEING THE MOST POPULAR
IMPROVEMENT**

68%

**OF THE INDUSTRY SAY
THE DITCHING OF MOST
EXPENSIVE APD BANDS WILL SEE
HOLIDAYMAKERS FLY LONG HAUL IN 2015**



4. Aviation

Airport Expansion in the United Kingdom

UK airport capacity, especially serving London and the South East of England, has long been debated and is currently one of the hottest political topics as the country gears up for the 2015 General Election.

The current UK Coalition launched a commission into airport capacity – The Davies Commission, chaired by ex-Financial Services Authority boss Howard Davies – which will not report its recommendation until after the 2015 election.

Davies has confirmed the need for extra capacity, ruling out London Mayor Boris Johnson's idea for a new airport east of London in the Thames Estuary as too risky and expensive. That leaves the expansion race between London's two major airports – Heathrow (pictured below) and Gatwick – with both the Conservative and Labour parties hinting a decision will be made soon after the election.



However, the travel industry – which has previously been a firm supporter of expansion at Heathrow Airport – appears to be wavering. Furthermore, UK holidaymakers agree.

The World Travel Market 2012 Industry Report had Heathrow expansion as the most popular solution on 34%. Last year's report saw increased support with four out of 10 supporting Heathrow.

The World Travel Market 2014 Industry Report still has Heathrow as the most popular solution with 31%, but expand 'existing regional airports' is hot on its heels with 30%.

World Travel Market 2014 Industry Report

Furthermore, the expansion of regional airports is by far the most popular option for UK holidaymakers with almost four out of 10 (39%) in favour. Support for the expansion of Heathrow from UK holidaymakers has continued to wane. The World Travel Market 2012 Industry Report saw more than a third (34%) support it. In last year's report it dropped to only 19%, while this year it is in second place on only 16%.

However, airport capacity appears to be a problem for mainland Europe as well as the UK. Tony Tyler, Director-General and CEO of aviation industry association IATA, (pictured) claims Europe has 93 slot-constrained airports. He highlights Germany as having "several airport issues, including the continuing problems in Berlin and the decision to prevent expansion at Munich".



"Every flight which cannot happen because of limited capacity is full of lost economic opportunities," he added. "Finding a political and social consensus for the expansion of aviation is absolutely essential for our industry and the economic development of the world."

Ryanair

Ryanair is arguably the most successful and the most controversial of all the no-frills airlines. CEO Michael O'Leary's brash nature is replicated in Ryanair's culture as the airline looks to strip out any unnecessary costs to increase profits and offer cheaper fares to customers.

However, this culture has given the airline a poor reputation among customers, with barely a week going by without stories hitting the press regarding poor treatment of its customers as it looks to penny-pinch.



O'Leary (pictured) has been quoted stating customers who forget their boarding passes should be fined €60 for being "stupid" and: "People say the customer is always right, but you know what – they're not. Sometimes they are wrong and they need to be told so."

He also said: "One thing we have looked at is maybe putting a coin slot on the toilet door, so that people might actually have to spend a pound to spend a penny in the future."

This reputation and the CEO's comments about its customers and customer service started to have an impact on Ryanair's financial results. It led to a change of heart by O'Leary and the company, with the launch of its Always Getting Better campaign – which includes allocated seating, free second carry-on bags and a better, more user-friendly website.

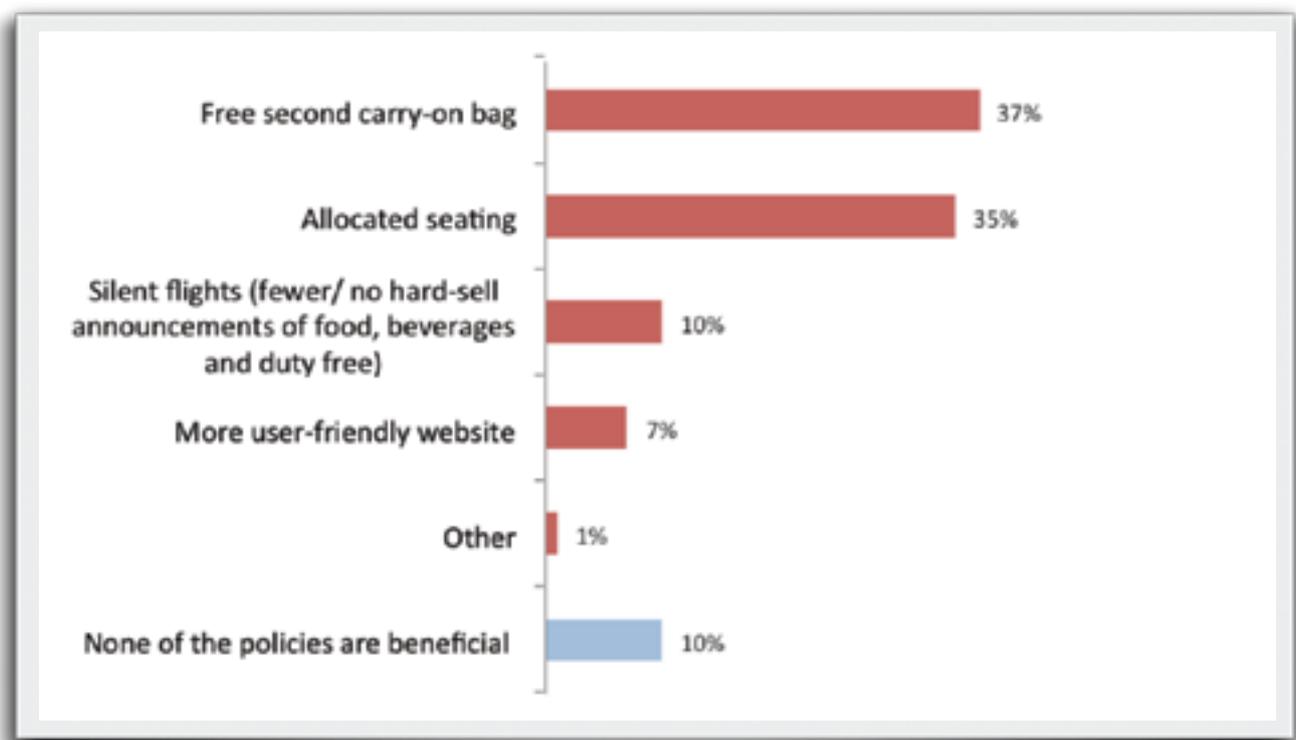
Overall, customers have responded favourably to the changes. More than half of the UK holidaymakers polled have flown with Ryanair, with more than one in five (21%) having flown with the company since the introduction of Always Getting Better campaign. More than one in four (44%) say the experience is better, including 14% that feel it is 'much better'. Free second carry-on bags and allocated seating are the most popular changes on 37% and 35% respectively.

World Travel Market 2014 Industry Report

“Our customers have responded favourably to our improving customer service,” O’Leary said when announcing in September that 87 million passengers would fly with Ryanair in 2014, with profits as high as €650 million.

Q. Which of Ryanair’s new customer-focused policies is most beneficial?

(UK Holidaymakers’ Survey)



Air Passenger Duty

Aviation taxes, and in particular the UK's controversial Air Passenger Duty, have been a constant theme in all five of the World Travel Market Industry Reports since its launch in 2010.

Air Passenger Duty was introduced in 1994 on outbound flights from the UK, with a £5 rate for UK/EU flights and £10 for everywhere else. Since then it has had several increases. In 2009, four geographical bands were introduced (see below), based on the distance from London to the capital city of the country flying to (except Russia, which is split east and west of the Ural Mountains).

	2007	2008	2009	2010	2012	2013	2014	2015
Band A (0-2000 miles)	£20	£40	£44	£48	£52	£52	£52	£52
Band B (2001-4000)	£40	£80	£180	£240	£260	£268	£276	£284
Band C (4001-6000)	£40	£80	£200	£300	£324	£332	£340	£284
Band D (6001+)	£40	£80	£220	£340	£368	£376	£388	£284

APD was increased again in 2010, 2012, 2013 and 2014, giving the UK the highest rate of air tax in the world – a massive 400% more than other EU countries, with the highest APD for a flight of more than 6,000 miles in first class up to £388.

The World Travel Market 2013 Industry Report reported that less than three in ten UK holidaymakers would consider a long-haul holiday in 2014 due to the increase in APD, while two thirds of industry executives feared the increase would see fewer tourists come to the UK.

However, the UK travel industry's long-standing campaign against the tax tasted a surprise success in the 2014 budget, with Chancellor George Osborne announcing the scrapping of the two most expensive bands in 2015. This is expected to save UK holidaymakers £200million a year.

World Travel Market 2014 Industry Report

This appears to have seen holidaymakers set their sights further afield for 2015 holiday destinations. When asked where they thought they'd go on holiday next year, America was the second most popular destination, with 184 people.

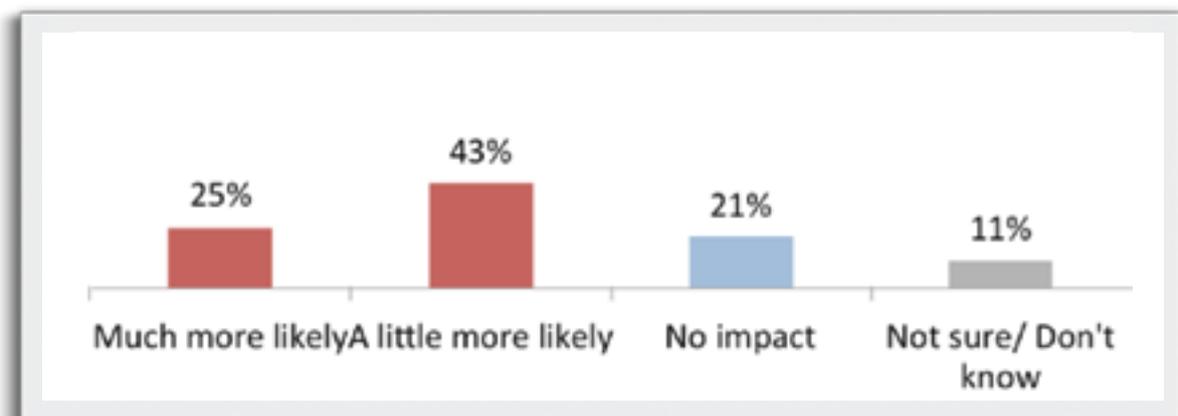
APD charges to the US do not change in 2015 as the country is in Band B, but the publicity surrounding the scrapping of the APD may have had an impact on holidaymakers' thoughts regarding the US as a destination. Only the UK was more popular with 307 holidaymakers saying they would have a staycation. Australia, Canada, Japan, Vietnam, China, India and New Zealand were also mentioned.



Furthermore, when asked if they could visit only one destination in 2015 Australia (pictured), New Zealand and USA were the top three destinations. The industry also expects UK holidaymakers to take more long-haul holidays with almost three in 10 (68%) seeing the scrapping of the two long-haul bands as a

catalyst – including a quarter that say it is 'much more likely'.

Q. To what extent do you think removing APD Bands C and D will influence your customer's decisions to travel to long-haul destinations? (Industry Survey)



Mark Tanzer, Abta Chief Executive, said the scrapping of the top two APD bands would save flyers £200million a year and “should boost travel and tourism as well as promote greater UK connectivity”.

However, despite the overhaul of APD, Iata Director-General and CEO Tony Tyler still described the tax as “the most egregious example of excessive taxation”.



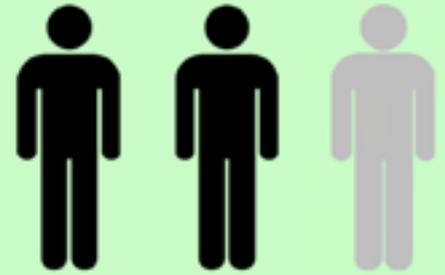
5. Sports Tourism

69%



INCREASE IN BOOKINGS FOR RIO SAY THE TRADE

ALMOST TWO IN THREE



WILL STILL TRAVEL TO RUSSIA AND QATAR FOR WORLD CUPS SAYS TRADE

MORE THAN

1/2

OF THE TRADE BELIEVE YORKSHIRE WILL BENEFIT FROM HOSTING FIRST LEG OF TOUR DE FRANCE

MORE THAN

66%



BELIEVE SOUTH EAST ENGLAND TOURISM WILL BENEFIT FROM HOSTING TOUR DE FRANCE

UK HOLIDAYMAKERS:



15%

SAY THEY ARE MORE LIKELY TO VISIT RIO FOLLOWING THE WORLD CUP

5. Sports Tourism

There is a big debate in the travel industry regarding the impact of hosting a major sporting event – such as the Olympics and the football World Cup – on the tourism industry of that destination.

Some argue it is the best ‘shop window’ for a city or country to show off its culture and tourism attractions, which boosts the tourism industry for years to come.

Others feel it has a detrimental effect on tourism numbers: instead of encouraging, it can put tourists off visiting before, during and after the sporting event.

The European Tour Operators’ Association is among those dubious about the tourism benefits of hosting a major sporting event. It claims Australia suffered a dip in tourism for three years after the 2000 Sydney Olympics, while inbound tourist numbers to New Zealand grew during the same period. Furthermore, arrivals into Greece lagged behind fellow eastern Mediterranean countries Turkey and Croatia after the 2004 Athens Olympic Games.

However, the London Olympics demonstrated how a country’s tourism industry can benefit from hosting a major sporting event. In 2013, the UK welcomed almost 33 million (32.8 million) overseas visitors, compared to just over 31 million in 2012 – the year of the London Olympics, and 30.8 million in 2011.



London’s Olympic Stadium

This debate will be the topic of this year’s UNWTO and WTM Ministers’ Summit titled ‘Tourism and Mega-Events: Building a Lasting Legacy’. Furthermore WTM is hosting a comprehensive sports programme, with two sessions; the first focusing on the 2015 Rugby World Cup in England and the second looking at Future Trends in Sports Tourism.

World Travel Market 2014 Industry Report

The travel industry is confident that recent high-profile sporting events will see an increase in bookings to those host destinations. Almost seven out of 10 industry executives believe Rio, as one of the host cities of the 2014 Football World Cup and also where the 2016 Olympics will take place, will see an increase in bookings. And 15% of UK holidaymakers agreed, saying they were more likely to visit Rio following the World Cup.

More than two-thirds (67%) of industry executives believe South East England (including London) will see an increase in bookings following the Tour De France (pictured). Yorkshire, which hosted the first leg of the world's most famous bike race, is also poised to benefit with 57% of the industry expecting to see an increase in bookings. Almost two in ten UK holidaymakers say they are more likely to visit both Yorkshire and London following this year's Tour De France.



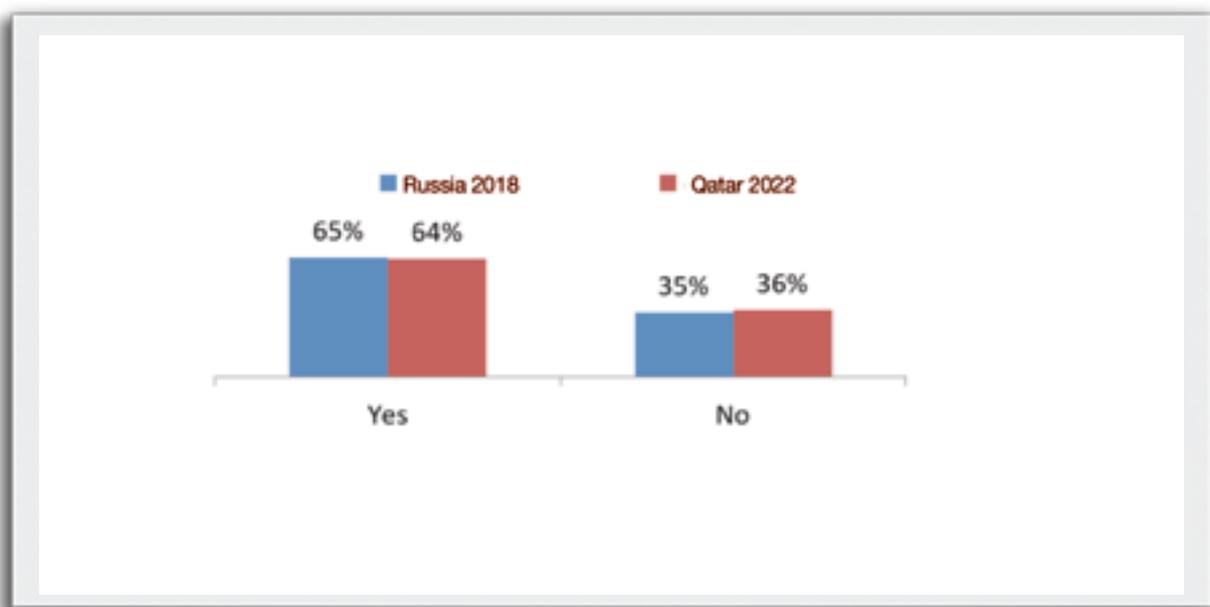
The only city the industry was unsure would benefit from hosting a major sporting event was Sochi, which hosted the 2014 Winter Olympics (pictured). Almost two thirds of industry executives said there would be no change in bookings to the Russian city following the event, with only 9% believing there would be a significant increase.

Qatar controversially won the right to host the 2022 football World Cup, despite concerns over the heat and fears it might have to be switched to the winter, disrupting the traditional football season of the major European leagues.

World Travel Market 2014 Industry Report

The Qatari Minister is speaking at the UNWTO and WTM Ministers' Summit and he will be pleased that almost two thirds (64%) of the industry believe football fans will still travel to the Qatar World Cup despite the concerns. Equally, 65% believe football fans will still visit the Russian World Cup in 2018, despite the mixed success of the Sochi Winter Olympics and the current fragile political situation surrounding Russia.

Q. Do you think your tourists will travel to the next two football World Cups? (Industry Report)

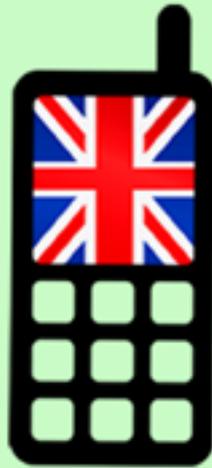




6. The UK

81%

**SAY WEATHER
AND 91%
AFFORDABILITY
IS IMPORTANT
FOR UK
HOLIDAYS**



**19% OF UK
HOLIDAYMAKERS
USE THEIR PHONES
WHEN ABOARD**



**MORE
THAN**

4/10

**SAY ACCESS TO WIFI
IMPACTS BOOKING
DECISION**

HOW UK HOLIDAYMAKERS WILL VOTE IN 2015 ELECTION

28%

26%

15%

5%

CONSERVATIVE

LABOUR

UKIP

LIB DEMS

6. UK Trends

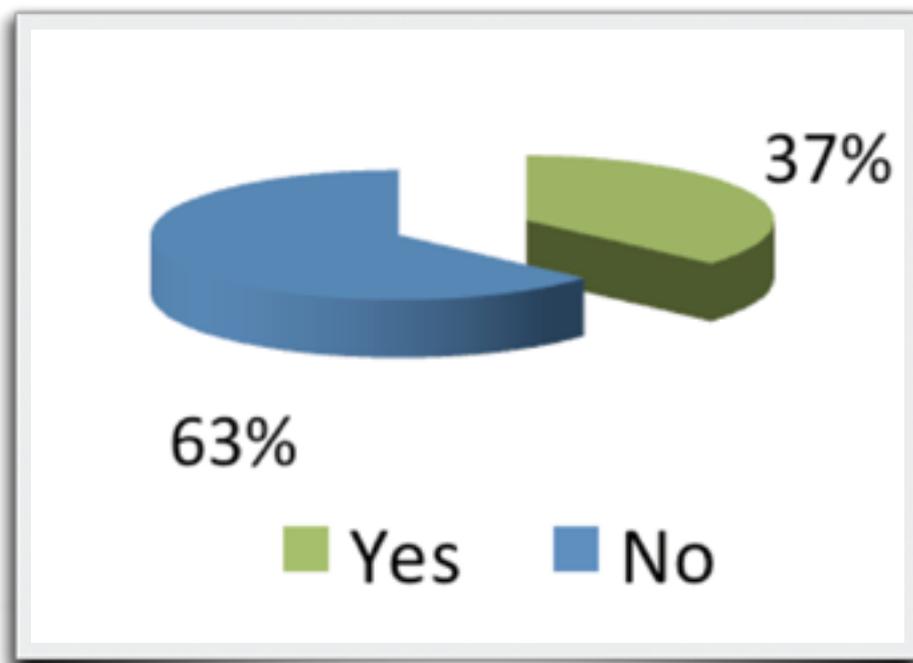
Fining Parents for Taking Children Out of School During Term Time

This summer of 2014 was the first peak time the UK Government's fines for taking children out of school during term time were tested. Many examples hit the headlines of parents being fined £60 per child and even taken to court for refusing to pay the fine.

Despite this, almost four in 10 parents (37%) still took their children out of school during term time. A BBC report found 64,000 fines had been imposed in the first few months of the policy being introduced last September.

Q. Have you taken your child(ren) out of school during term time despite the introduction of a £60 fine?

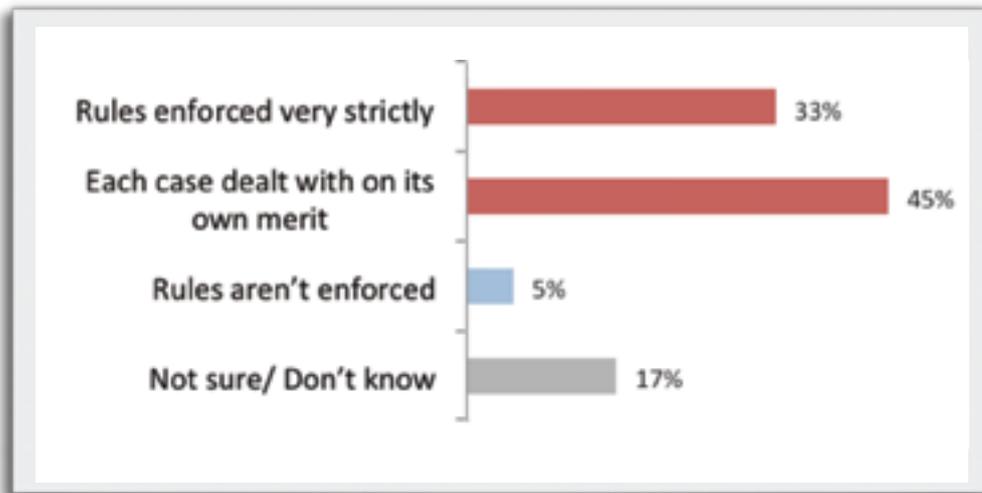
(UK Holidaymakers' Survey)



Furthermore, 33% say their children's school enforces the rules very strictly. This could be due to the increased cost of holidaying during the traditional school holiday break. Almost half (45%) of schools view each case on its individual merits.

Q. What is your school's policy on taking your child(ren) out of school during term time?

(UK Holidaymakers' Survey)



Almost half (46%) of parents disagree they should be fined for taking their children out of school during term time, with a quarter strongly disagreeing, stating that holidays are important family time and also offer a learning and development opportunity for children. However, 38% agree parents should be fined.



Interestingly, almost two out of 10 UK holidaymakers would vote for a political party in next year's General Election if it included scrapping the policy in its manifesto.

Liberal Democrat MP John Hemming supports reform of the policy. "The Government's reforms to the term-time family holiday rules are adversely affecting families across the UK and are reducing the amount of quality time they spend together," he said.

"Many families can't afford a holiday during school holidays and many businesses cannot let all their employees with children take their time off during the school holiday period. Therefore we have a situation where families either take a holiday during term-time or not have one."

2015 UK General Election

The 2015 UK General Election is poised to be one of the most competitive and keenly fought in modern history, even more so than 2010's hung parliament which led to a coalition of the Conservative and Liberal Democrat parties.

Many experts again predict another hung parliament and the need for a second coalition government. All the talk around the 2010 General Election was Lib Dem leader Nick Clegg being the 'Kingmaker', the man who had to decide which party to go into government with (if at all).

However, the past five years has seen the rise of UKIP – United Kingdom Independence Party – which has campaigned on the premise of pulling the UK out of the European Union and the UK having control of its immigration from EU countries.

Last month, the party gained its first member of the UK Parliament when it won the Clacton By-Election, caused by Douglas Carswell resigning as a Conservative MP to represent UKIP.



According to UK holidaymakers, its leader Nigel Farage (pictured) could be the 'Kingmaker' of 2015. When asked, which political party they thought they would vote for UK holidaymakers were split between the Conservatives (28%) and Labour (26%).

However, UKIP is third with 15% of the vote. This could mean if next year's general election is to see similar percentage votes then UKIP could have enough MPs for Farage to have to decide if the party goes into government with either the Conservatives or Labour.

World Travel Market 2014 Industry Report

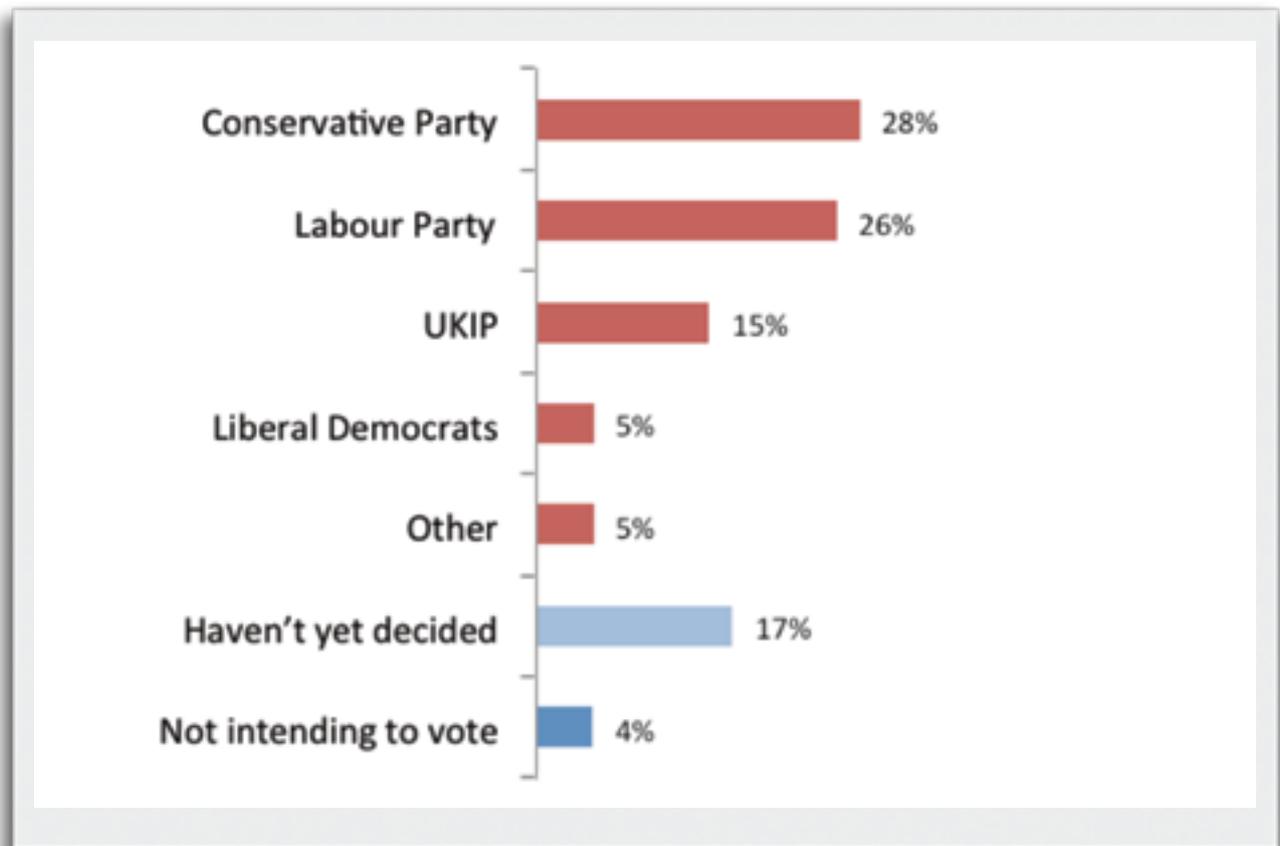
Farage agrees: "We've got a chance here in a General Election next year that is likely to be very tight, in an election which no one party is likely to have a majority.

"If UKIP can keep this momentum going, we could find ourselves next May in position where we hold the balance of power."

However, he may decide he doesn't want to form a coalition government as the Lib Dems - the junior partner in the current government - appear to have suffered from their time in government, polling only 5% of UK holidaymakers' votes.

Q. At this point in time, which political party do you think you'll vote for in next year's general election?

(UK Holidaymakers' Survey)



Staycations

Since the global financial downturn hit the UK in 2008 much has been made in the UK about the rise of staycation – people holidaying in the UK because it is cheaper than going overseas.

This year's report seems to indicate that the trend will continue into 2015. More than one third (307 people of 1,011) of those holidaymakers polled say they will holiday in the UK next year. Interestingly, the USA was the second most popular destination cited (184 people), and this may be because of the increases in Florida's theme park offerings. Spain was the third most popular destination with 130 holidaymakers planning to visit it in 2015, followed by France, cited by 78 people.

These figures almost mirror those of last year's Industry Report. UK was the most popular destination, with more than twice as many entries than Spain, followed by France and then the USA.

Affordability was the key factor for holidaymakers looking to holiday in the UK in 2015 with almost six out of 10 (59%) people citing it as 'very important' and 32% saying it is 'quite important'.

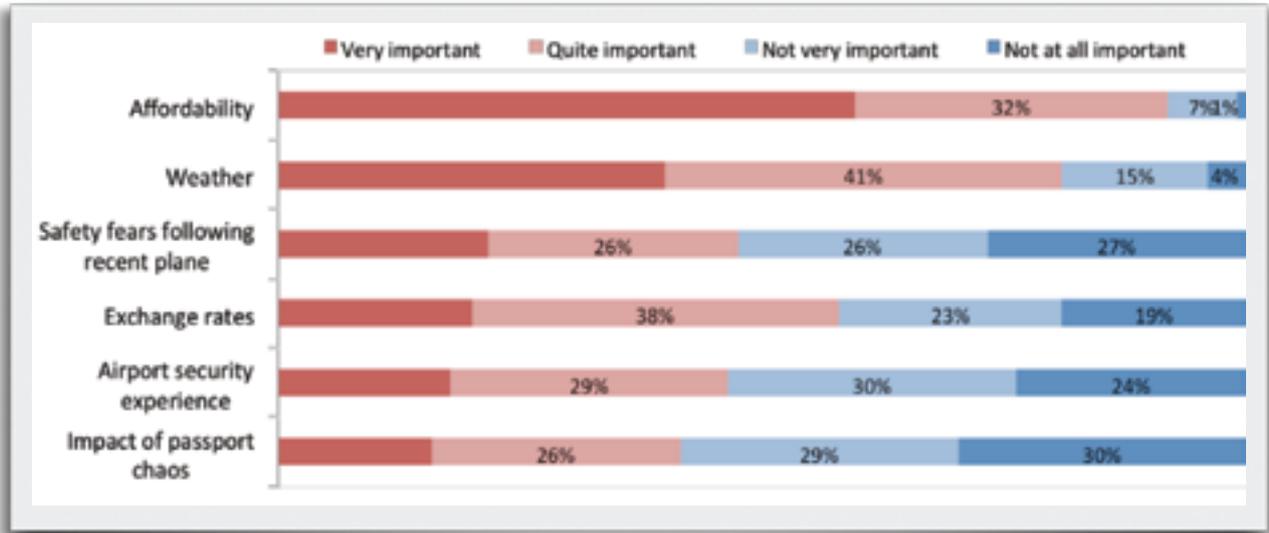


Weather was cited by 81% of holidaymakers (40% say it is very important and 41% quite important). The stringent and long-winded airport security experience polls 47%, while this year's delays in issuing passports is highlighted by 44%.

World Travel Market 2014 Industry Report

Q. How important are the following factors when deciding whether to holiday in the UK?

(UK Holidaymakers' Survey)

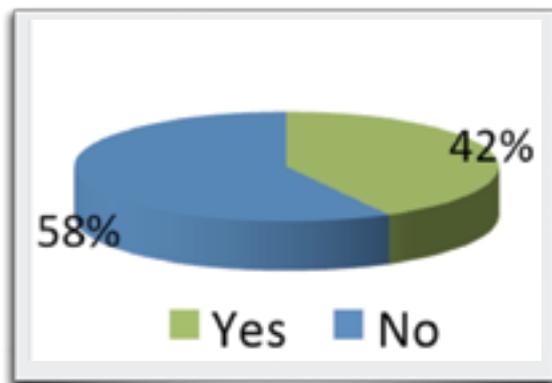


Technology

Holidays were once essential for people to relax and switch off from the stresses and strains of their lives and recharge their batteries. However, it would appear this is changing with more and more people wanting to keep in touch with friends and family back home.

This keenness to remain in contact with people back home has seen free Wi-Fi in hotels and resorts become an increasingly important factor when booking a holiday.

More than four out of 10 (42%) holidaymakers say access to free Wi-Fi has a direct impact on their booking decision, despite roaming charges in the EU being significantly reduced.

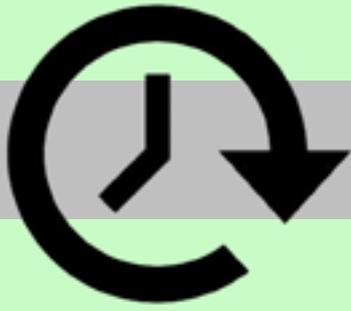


Q. Does having access to free Wi-Fi have an impact on your holiday booking decisions?

(UK Holidaymakers' Survey)

The reduction in EU roaming charges has seen almost two in 10 (19%) holidaymakers use their phone more when abroad. Interestingly, almost one third (32%) of holidaymakers do not use their phone while overseas.

It is no surprise that those holidaymakers' most popular reason to use their phone while overseas is to use Facebook, with more than one in two people looking to upload holiday snaps and update their status. General internet browsing and responding to personal email is done by four out of 10 holidaymakers. Twitter is only used by two out of 10 holidaymakers.



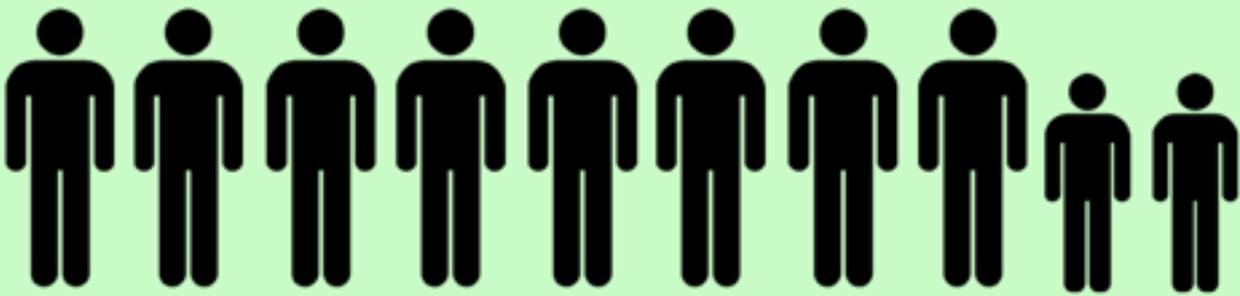
7. Future of Holidaying

MORE THAN

1/2

OF HOLIDAYMAKERS
EXPECT **HOLOGRAPHIC**
REPS IN RESORT BY 2049

8 OUT OF 10 INDUSTRY EXECUTIVES



**AND TWO THIRDS OF UK HOLIDAYMAKERS SAY
FINGERPRINT PASSPORTS WILL EXIST BY 2049**

34%

OF INDUSTRY EXECUTIVES
SAY **SPACE TOURISM** WILL
BE IN PLACE **BY 2049**



7. The future of travel



World Travel Market 2014 is the 35th WTM. The event launched in 1980 (pictured), when everybody booked holidays from a high street travel agent. It is doubtful that anyone in 1980 could imagine that a network such as the internet would revolutionise how travel products are sold, let alone the advent of mobile phones and apps – especially as the most sophisticated sales selling system of the time was the Teletext-like Viewdata system.

World Travel Market has experienced first-hand all this change in the travel industry. WTM 2014 will host more than 50,000 senior executives, who will agree business contracts worth around £2.5 billion. A key part of WTM and the growth of the event is the technology region of WTM (now called the Travel Tech Show at WTM) which has doubled in size over the past four events.

The World Travel Market 2014 Industry Report asked both the industry and UK holidaymakers the key changes that they predicted could happen with the holidaying experience in another 35 years.

Interestingly, both groups envisage the end of physical passports, which will instead be replaced by the use of fingerprint technology at customs and visa controls. Nine out of 10 (89%) senior industry executives said this was likely by 2049, as did almost two-thirds (64%) of UK holidaymakers.



World Travel Market 2014 Industry Report

Ian Yeomans, Futurologist, shares his thoughts on where he sees the travel industry going: "The concept of biometrics has been around since the 19th century when Alphonse Bertillon developed the concept for French police and today it is the central concept for securing personal identity. Biometrics goes beyond passports, it is the central feature of facial recognition systems that will appear on Google Glass.

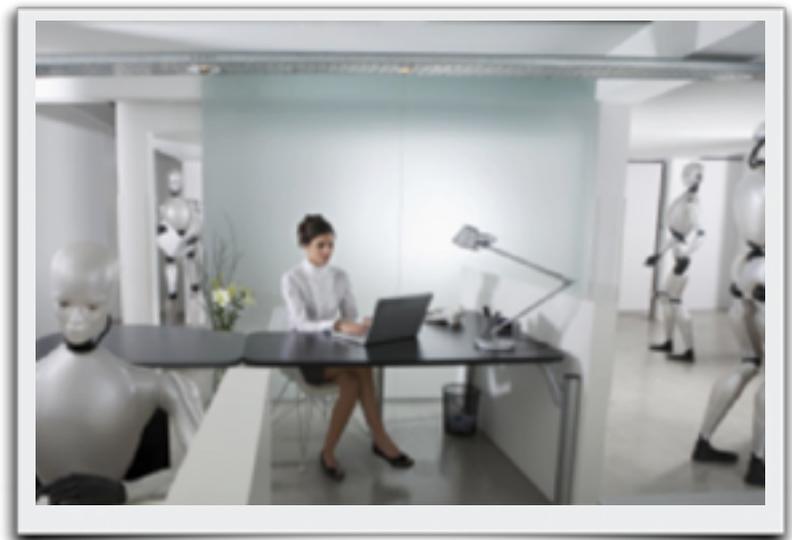
"Disney is already using fingerprint scanning to fight against forged resort passes."

Space tourism is highlighted by more than one third (34%) of consumers and two-thirds of industry executives. Virgin Galactic believes it will be able to offer space travel next year, which will see people go up into orbit and coming back down again. However, Skyscanner believes that by 2024 space travel will involve being able to stay up in orbit long enough to savour the experience.

The number of in-resort reps has decreased over the 35 years of WTM, with many tour operators now offering phone and mobile app support to holidaymakers instead.

Thomason and First Choice are using iPads to reduce reps' paperwork and offer the opportunity for guests to view welcome meetings on YouTube.

Interestingly, the industry believes this trend will continue with android/holographic staff in-resort replacing call centres and apps. More than one in 10 holidaymakers (13%) also expected to be served by holographic staff when they are on holiday.

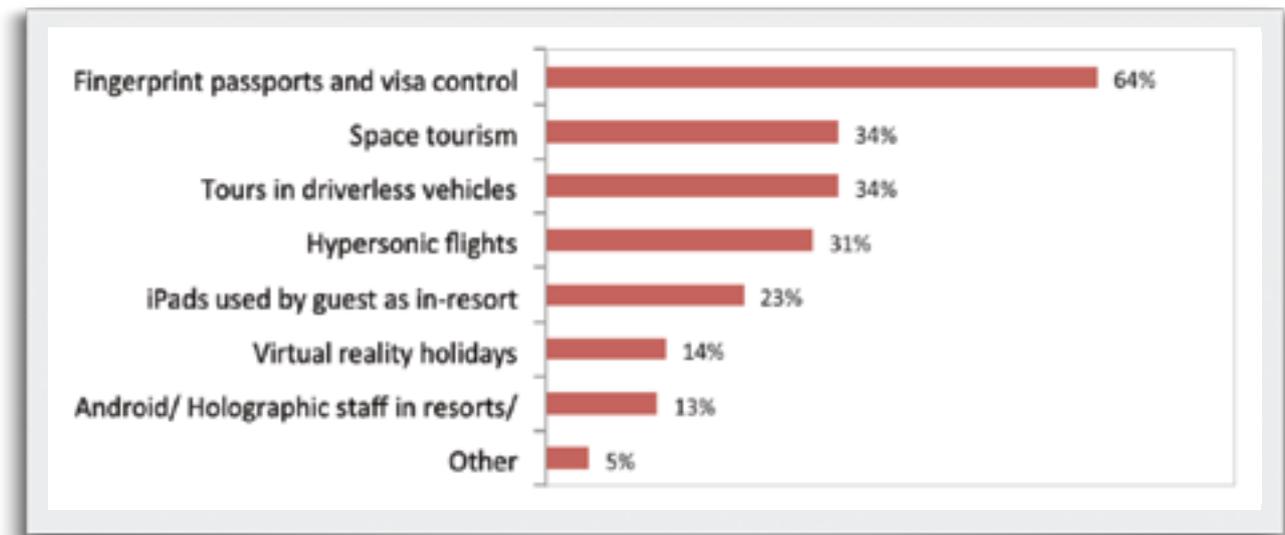


World Travel Market 2014 Industry Report

This September an artificially intelligent computer system called Amelia, developed by IPsoft, was launched, which can understand text and solve problems and could replace humans in a wide range of low-level jobs. This could be the first stage in the evolution of holographic holiday reps.

Q. What do you think holidaying in 2049 will involve?

(UK Holidaymakers' Survey)



Q. What do you think holidaying in 2049 will involve?

(Industry survey)

