A study into Dynamic Packaging

Prepared for MEK 2005

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Foreword

In this study we explain what dynamic packaging is, the reasons for its development and its success, and look at the benefits dynamic packaging offers the consumer.

We look into the different software options available when choosing a supplier for your booking engine and introduce some of the main companies behind the travel websites.

We try to unravel the existing dynamic packaging market, by investigating which companies are linked to each other through ownership and by researching who their suppliers are. We compare the main players, what products and consumer protection they offer, and look at the growth and diversity potential of the travel companies.

Lastly, we look at how Finland and Finnish companies can become future suppliers and how to proceed in the changing UK travel market.

Attempting to unravel the UK on-line travel market has been thoroughly challenging and intriguing. The whole market is very intertwined and insular, with only a few independent travel companies emerging in the main player category. At times, we found it difficult to discover more information about company ownership and it was especially hard to trace some of the suppliers, some of which seemingly did not want their involvement to be detected.
**What is Dynamic Packaging?**

Dynamic packaging is the hot topic in UK, but what is it and how does it work? To put it simply, it is booking your holiday with one click.

Whilst we have been able to book our holidays on-line for some time, this is different. You choose your flight out of a vast range of options, you find a hotel that appeals to you and you might be able to book some extras like airport transfers and excursions. And then, by following some simple instructions on-line, going through a few easy steps, you have created your own perfect holiday. Then when you are happy with everything, you book it with **one** click in one go.

The advantage is huge, as up until now, you have had to visit several websites, book a flight on one website and then hope that the accommodation and the extras you saw on other websites earlier are still available. With dynamic packaging, the web sorts out availability for you and then allows you to buy the whole package with **one** payment to **one** fully bonded tour operator.

And last but not least, the prices of the holidays are cheap. The companies are passing on their discounts they’ve gained from using IT airfares and low wholesale hotel rates guaranteeing you the best deal.

To put it in a nutshell, you have become your own travel agent using the newest technology and booking engines.

**Changes in the travel market**

Why is dynamic packaging on everyone’s lips today? Because the concept is growing fast, with some companies claiming bookings are doubling every month. This has to be seen against the fact that the UK holiday market is growing at a slightly slower pace and the market is going through some changes. What are these changes that are making such an impact in the UK today and shifting us to book our holidays in a different way?

**Attitudes**

Today’s people travel aboard more often, taking a wider range of holidays to more diverse places. Independent travel is on the increase as people’s attitudes towards travel and life in general are changing. More people are buying property abroad. We are now seeking more enjoyment out of life, we like to share our experiences and when we travel we do not want to be treated like one of the masses. The desire to do-it-yourself has grown and we are looking for added value.
Internet revolution

UK is the largest on-line travel market in Europe with a forecast to grow an overwhelming 231% to 7.3bn by 2007.

Flights are the most popular purchase today, but knowing that 44% of holiday makers research their travel on-line shows the huge potential there is to convert the info seekers into holiday bookers. The number of people researching the Internet for travel ideas is rapidly growing together with Internet penetration.

What are the benefits of Dynamic Packaging to the consumer?

The consumer is now in control of its own travel. No longer are you told when you can travel somewhere and where you should stay. Compare this to the traditional packages with some charter flights only operating certain dates and with tour operators only offering a choice of a few hotels in a resort. Now the consumer has a vast choice of products from flights, accommodation, car rental and other extras. The consumer can choose between several airlines, scheduled, low-cost and charters and choose between hundreds of hotels. On top of that, they can add their excursions and transfers according to their likes and dislikes.

One of the other main benefits to the consumer must undoubtedly be the ability to book with a fully bonded tour operator. Before dynamic packaging, the consumer faced an uncertain situation if something went wrong, having booked all travel elements separately with different suppliers. If your flight was cancelled or delayed, you might previously have had to pay for a hotel night that was never used, where as everything is now sold as a package from a fully bonded operator and you are covered in case one part of the travel should go wrong.

To conclude it all, the consumers choices are now endless. Consumers can decide on a package holiday or independent travel. They can choose between all-inclusive deals or no frills. The consumer has all this choice and does not even need to waste any of his/her time by visiting several travel agents or going through loads of websites. Dynamic packaging is there for the consumer, easy access and at very competitive prices.

Who will become a successful retailer or supplier?

Whilst the industry is hailing dynamic packaging as the travel agents saviour, it is the tour operators who may be the big winners. They are the people who go and get the best product at the best prices, meaning they can make a better margin than agents even when dynamically packaging with zero commission products. Those agents that adopt a tour operator business model will succeed in the future as the role between tour operators and travel agents become more blurred and they both become travel providers.
To be a successful dynamic packaging retailer, a unique packaging capability needs to be developed. You need to team up with leading operators, airlines, accommodation providers, excursion suppliers and car rental companies.

You need to be one step ahead of competition, launching your product first and you will need to have the ability to quickly add new products.

And lastly, you need to select the best possible technical partner. Without a well functioning and highly reliable booking engine, your product will fail.

**Booking engines – the technology required**

Dynamic packaging is only profitable if you have got the correct technology in place. You need to get the search process right, as well as the prices at the initial search stage not to mention real time availability. The servers must be able to handle thousands of requests, every day, any time of the day, 24/7.

The most powerful and successful booking engines also offer request switching, response aggregation, filtering, pricing, currency conversion, mark ups & fees, discounts and commission calculation.

**Software suppliers**

There are several web and IT solutions companies on the market providing travel companies with a vast array of components. Some solutions offered include brand building, site traffic, positioning of search engines as well as web design, where as other solutions concentrate solely on dynamic packaging.

**Open Jaw Technologies** ([www.openjawtech.com](http://www.openjawtech.com)) who specialise in travel, offer a comprehensive solution designed for extreme reliability 24/7, with connectivity to all inventory sources, as well as all the extras such as response aggregation, request switching, filtering, pricing and currency conversions. Open Jaw Technologies supply Galileo, Opodo, gohop.com., American Airlines Vacations and Budget Travel amongst others.

**CSI Media** ([www.csimedia.net](http://www.csimedia.net)) offers a very comprehensive range of web services including dynamic packaging, search engine marketing and web development. They consider travel technology their strength and have helped in devising travel solutions for Lastminute.com and Expedia. Other clients include bookatrip.com, skybargains.co.uk and Travelcare.

**Blue Sky** ([www.blueskyts.co.uk](http://www.blueskyts.co.uk)) provides tour operators with open enterprise-wide reservations and distribution. Blue Sky systems are based on Oracle and customers supplied include Cosmos and First Choice.

**Xyka** ([www.xyka.com](http://www.xyka.com)) provides web portals including integration of web booking engines (air, hotel, cars) with a shopping cart system, content
management system and 3rd party supplier system such as tour and hotel vendors. Xyka list **STA Travel** as one of their clients.

Other software suppliers offering similar solutions are **Pro Web Group** ([www.prowebgroup.co.uk](http://www.prowebgroup.co.uk)) who advertise **Short Breaks Ltd** as their customer and **Travology Limited** ([www.travology.ltd.uk](http://www.travology.ltd.uk)) who have helped **Thomas Cook** and **Club 18-30** move to dynamic packaging.

**Billian It Solutions** ([www.billian.co.uk](http://www.billian.co.uk)) developers of Fares Assist, used by over a 100 sites in the UK, Scandinavia and USA, offer a product called Package-it using all the latest XML messaging and browser technology needed.

Other software companies of interest offering travel solutions include **EzRez Software** ([www.ezrez.com](http://www.ezrez.com)), who supply over 40 companies (mainly in USA) including **Starwood Hotels & Resorts** and **OctopusTravel.com**.

It might also be worth mentioning **HS Technologies** ([www.hstec.co.uk](http://www.hstec.co.uk)) who list **Phileas Fogg Travel** and **DialABreak** as their customers and **GuestClick** ([www.guestclick.com](http://www.guestclick.com)), who have provided companies such as **Best Western**, **Scandic**, **Thistle** and **TravelClick** with solutions.

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**The requirements of the web platform**

Source: [www.openjawtech.com](http://www.openjawtech.com)
**Consortias – another option**

IT is expensive and complex, with systems suppliers falling over themselves offering different dynamic package solutions. For a travel provider, joining a consortium might be the answer.

For a small amount of £35 per month, members of the consortium **Travel Trust Association**, can receive the newest and fastest technology on the market, booking management system **Profit 2**. The System offers Viewdata, ATOL receipts, marketing, invoicing and can generate e-mail outs and send invoices by e-mail.

**Global Travel Group** offer Globalrooms with access to 32,000 units in 64 countries with stock also available from **lowcostbeds.com**, **Holiday Brokers** and **hotelbeds.com** together with Globalairfares which gives members access to over 75 airlines. These two are brought together in a virtual tour operator system **Global DP**. In addition there is GlobalTravelWeb which allows agents to individually tailor their own sites for a monthly fee.

**Worldchoice** offer their own portal called **Getitquick.net** and for its dynamic packaging solution teams up with **Thomas Cook** and **Flexible Trips**.

**Freedom Travel Group** offer their own product called **TASK** with similar components and benefits as Profit 2.

**Travelsavers** have launched their product catering for business travel agents called **CorpXpress**.

**Advantage** are launching their intranet site tailored for members, teaming up with **Lowcostbeds**, a fulfilment call centre and technology supplier Top Dog Solutions.

**Who are the main players and what do they each offer?**

In today’s UK market, there are many travel companies already offering or starting to develop their dynamic packages. The market moves very quickly with new players arriving on the scene and older players like tour operators, diversifying their products. Many of the companies are also interlinked, either owned by the same companies or being supplied by the same people.

We have chosen to look into the main players, their ownership and suppliers, what components of dynamic packaging they offer, how the bookings can be made and what consumer protection they offer.

Lastly, we look at the overall potential of the companies and their website, what potential there is for a Finnish product and how to become a supplier.
**Lastminute.com**

**www.lastminute.com**

**Ownership:** Lastminute.com owns the following companies: travel4less.com, travelselect.com, holidayautos.com, medhotels.com, holidayhotels.com, onlinetravel.com, ifyouski.com, exhilarion.co.uk. and travelstore.com. Lastminute.com has very recently been purchased by travelocity.co.uk

**Dynamic Package components offered:** Flights, accommodation, car rental, attractions & insurance

**Excursions:** Several excursions per destination that can be booked by ticking a box.

**Finland or Scandinavia:** City breaks to Helsinki are offered with several scheduled airlines and a vast choice of hotels. Also 3 and 4-night packages to Levi in December 2005 are offered from Gatwick or Birmingham, using Monarch Airlines. Several Santa Claus packages to Kittilä (Ylläs) and Kuusamo are on offer, with stays varying from 2 nights to 5 nights in December 2005. The airline used for these two destinations are only described as charter flights on the website. No extras or excursions could be added to existing packages to Helsinki or Lapland.

**Main suppliers:** Lastminute.com deal with most major travel providers, scheduled airlines such as BA, Lufthansa, KLM, Virgin and all the others as well as with charter airlines such as Monarch. All big hotel chains are on offer as well as all major car rental companies. Lastminute.com do not always actively advertise who their partners, making it difficult to dissolve the components of their Dynamic Packages. As an example, with the Lapland packages offered, only the accommodation was named but not the airline or the overall tour operator! We managed to trace the tour operator to Nortours, who confirmed the packages were theirs. They consider Lastminute.com just another selling tool in their sales campaigns.

**Bookings:** Online bookings are promoted but bookings can also be made by phone.

**Consumer protection:** As lastminute.com acts as an agent for most major and well known tour operators and hotels, these suppliers are normally well bonded and covers the customers by ATOL, ABTA or other similar organisations.

**Verdict:** Lastminute.com is one of the first companies offering dynamic packaging. The company has always been innovative and a market leader with huge site traffic.

Helsinki and Lapland are already on offer on the site, but there is still more potential for Finnish suppliers, possibly adding other destinations and skiing holidays, but especially within the excursions. For instance, city breaks to
Helsinki could offer day trips to Lapland or Tallinn, marketing and selling these products as an extra ‘click’ option already at the initial booking stage.

To become a Lastminute.com supplier, you need to pitch your idea to them electronically through their website. There are no phone numbers, no personal e-mail addresses to the sales & marketing department, and you will only be contacted if they are interested in your product.

**Travelocity**

[www.travelocity.co.uk](http://www.travelocity.co.uk)

**Ownership:** Travelocity has recently purchased the Lastminute.com group. Travelocity has over 44million members.

**Dynamic Package components offered:** Flights, hotels, car rental, city breaks, holidays & cruise.

**Excursions:** Not on offer.

**Finland or Scandinavia:** Helsinki was offered as a city break destination with a good selection of named hotels. SAS was offered as airline but both BA and Finnair could be chosen for only £6 more. Sweden and Norway were offered as skiing destinations.

**Main suppliers:** Travelocity displays Lufthansa, British Airways and Lonely Planet as their partners, but offer a massive range of airlines and hotels. Airlines and hotels are always named. When enquiring about a skiing holiday, the web page switched to Page & Moy.

**Bookings:** On-line or by telephone.

**Consumer protection:** ABTA, ATOL and IATA protected.

**Verdict:** Travelocity is one of the best-known travel websites, heavily advertised in the UK both on television and radio.

With the strengths of the company and the purchase of Lastminute.com, we can only predict growth for this company. For Finnish suppliers, there is potential to offer ski destinations and Santa Holidays. Likewise, if the company decide to start offering excursions as extras, this would be a great opportunity for Finnish suppliers. Again, there are no specific contact details on the website for sales & marketing, but an e-mail address and a phone number to Travelocity sales can be found on the website. It might also be productive to contact Page & Moy UK ([www.page-moy.co.uk](http://www.page-moy.co.uk)) to determine whether there is an opportunity for Finnish suppliers to become affiliated with them.
Expedia
www.expedia.co.uk

Ownership: Expedia were launched in 1998. No ownership details available on their website.

Dynamic Package components offered: Flights, hotels, holidays, car rental, insurance and attractions.

Excursions: Can be booked by clicking on attractions & services, but are not offered as a one click option together with your holiday booking. The customer needs to book his dynamic package first, then visit another web window.

Finland or Scandinavia: Helsinki is offered as a package, with a few selected hotels as partners. Both airline and accommodation are named. A wider selection of hotels appear if booked separately. No ability to book extras or excursions on-line with just one click, but excursions and Helsinki Card can be booked by clicking on attractions & services.

Main suppliers: Expedia list Lufthansa, BA and AVIS as their preferred partners but display a wide selection of other suppliers. All major airlines and hotel chains feature.

Bookings: On-line bookings promoted, but certain holidays can be booked on the phone.

Consumer protection: Expedia are ATOL protected and advertise IATA connection.

Verdict: Expedia is a very well known site in the UK with massive site traffic. There is potential for Finnish suppliers to introduce new products, such as skiing holidays and Lapland, but also a possibility to expand the existing excursions selection on offer.

New suppliers can contact Expedia through their website, by first clicking About us and then Sell your hotel rooms. The subsequent pages then explain very clearly how to become a supplier, either selling accommodation, excursions or airline seats. Once again, suppliers will have to pitch their ideas to Expedia electronically, and will only be contacted if successful.

Bookatrip.com
www.bookatrip.com

Ownership: Bookatrip.com is the trading name of Holidaybrokers Ltd, an independent company based in Maidstone, Kent. The company is specialising in dynamic packaging and pride themselves of their innovative web products. The company trebled its turnover in the financial year 2004 and are expecting strong growth in 2005.
**Dynamic Package components offered:** Flights, hotels, package holidays, ski holidays, cars & insurance

**Excursions:** No excursions on offer.

**Finland or Scandinavia:** Helsinki offered as a package, with 11 choices of hotels. Airline and hotel both named, although the only airline offered was CSA via Prague. By clicking choose a different flight, both Finnair and BA were found at a more expensive cost. Levi, Ruka and Ylläs were listed as resorts under Ski Holidays, but no travel details were available.

**Main suppliers:** Bookatrip.com list their main holiday suppliers as First Choice, My Travel, Cosmos, Thomson and JMC

**Bookings:** On-line bookings and a free phone number advertised.

**Consumer protection:** Bookatrip.com are ATOL protected and display an ABTA license.

**Verdict:** The company is growing very fast and the fact that it is specialising in dynamic packaging should indicate further growth and expansion of products. Should Bookatrip.com start offering excursions, this would again be a good opportunity for Finnish suppliers to introduce their products. There is also potential to offer skiing and Santa holidays although, we presume the skiing holidays are provided by Cosmos, but are not able to confirm this.

Should Finnish suppliers like to contact bookatrip.com to pitch their products, the website offers future suppliers the name and e-mail address of the Managing Director as well as a contact detail for the sales department.

**Ifyouski.com**
[www.ifyouski.com](http://www.ifyouski.com)

**Ownership:** Part of the lastminute.com group, run by onlinetravel.com

**Dynamic Package components offered:** Ski holidays and ski short breaks, also accommodation only

**Excursions:** Not available

**Finland or Scandinavia:** No destinations in Finland or Scandinavia offered at the present.

**Main suppliers:** Ski Solutions, Ski Horizon and ABC Holiday extras

**Bookings:** On-line or by phone (hotline)

**Consumer protection:** The website advertise their partners as fully bonded and Ski Solutions advertise their ATOL and ABTA license.
Verdict: With the demand for skiing holidays increasing rapidly in the UK, this website offers considerable opportunities for future suppliers. With the backing of its owner, Lastminute.com and their reliable technology, this company will surely only grow.

Skiing holidays and ski short breaks to Finland are not represented at all, and could be of great interest to the site. Future suppliers can contact the company through the website and the company address in London is also available on the website. For advertising purposes, the name of the commercial manager of OTC (onlinetravelcompany) together with his contact details, are displayed.

Finnish suppliers might also find it productive to contact Ski Solutions and Ski Horizons, as we can presume most of the products currently available are from these two suppliers to the website.

**Bargainholidays.com**

**www.bargainholidays.com**

Ownership: Owned by Lastminute.com

Dynamic Package components offered: Flights, hotels, car rental, holidays, city breaks and ski breaks.

Excursions: Not available.

Finland or Scandinavia: Helsinki was on offer with a fairly wide selection of hotels to choose from. The airline suggested based on price was SAS, but other flights were available for an additional cost, with Czech Airlines, BA, KLM, Finnair or Air France. Levi appeared as a ski holiday resort, but the only trip on offer was a Santa trip. Carrier was named as Monarch and the hotel was also named.

Main suppliers: Package holidays suppliers are listed as Peltours, Fleetway Travel, Apollo Holidays, Travelbargains and Inghams

Bookings: On-line bookings promoted. Possibility to do a phone booking but not actively promoted.

Consumer protection: ABTA, ATOL and IATA protected.

Verdict: Part of the Lastminute.com group, the site is very professional and reliable with potential to diversify into excursions and grow.

As Nortours supply Lastminute.com, we presume the Santa trips on offer are their products. We also suspect the skiing holidays to be either Nortours or Inghams packages. Contact details to become suppliers are as for ifyouski.com with links how to either e-mail the commercial manager of OTC or Lastminute.com. We would suggest contacting the two suppliers, Nortours and Inghams as well.
Short Breaks Ltd
www.short-breaks.com
www.short-breaksbyair.com


Dynamic Package components offered: Eurostar packages and short break packages by air. All packages 2 nights or 3 nights only.

Excursions: No excursions available.

Finland or Scandinavia: Two nights in Helsinki available with Hotel Helka on offer, no other options. Airline not named.

Main suppliers: Independent tour operator. Eurostar and some well-known hotel chains could be found as well as smaller independent suppliers. Airlines not mentioned, but IATA badge displayed.

Bookings: On-line or by telephone, brochure request available. Bookings on shortbreaksbyair could only be made over the telephone or by filling in a request form and by e-mailing it back to the company.

Consumer protection: Fully bonded with ABTA and ATOL licences.

Verdict: This site is very dynamic and the company has huge potential to grow especially in the shortbreaksbyair division. For Finnish suppliers there is great potential to expand Finnish products on offer as there is only one hotel option currently on sale. Also, should the company decide to diversify into excursions, this would develop into another opportunity for Finnish providers.

Should future suppliers like to contact the company, they are based in Bromley, Kent, and display all their contact details on their website.

ebookers.com
www.ebookers.com

Ownership: Ebookers are owned by the Cendant Corporation, who also is the owner of Travelbag, Flightbookers and Bridge the World.

Dynamic Package components offered: Flights, hotels, holidays, car rental, insurance & cruises.

Excursions: Not available

Finland or Scandinavia: No destination in Scandinavia or Finland was on offer as a city break. Separate flights to Finland could be purchased as well as hotels.
**Main suppliers:** Independent, main airlines and hotel chains.

**Bookings:** On-line bookings promoted.

**Consumer protection:** ABTA, ATOL and IATA protected.

**Verdict:** Ebookers is a very well known and established company in the UK. The company is of high profile calibre and advertises heavily in the newspapers.

We were surprised not to find any Scandinavian or Finnish city breaks available and would recommend Finnish suppliers to contact the company to pitch their products. As with some previous companies, ebookers promote only contacting them only through e-mail.

**Travelbag.co.uk**  
[www.travelbag.co.uk](http://www.travelbag.co.uk)

**Ownership:** Part of ebookers.com. Travelbag advertise extensively in the Saturday newspapers.

**Dynamic Package components offered:** Flights, hotels, car hire, insurance & cruises.

**Excursions:** Not available

**Finland or Scandinavia:** No Scandinavia featured in dynamic packaging, only flights to Helsinki.

**Main suppliers:** Independent travel specialists, suppliers not named.

**Bookings:** On-line or free phone. Also possibility to visit a branch or request a brochure.

**Consumer protection:** ABTA, ATOL and IATA protected.

**Verdict:** The Travelbag website is almost identical to the ebookers website with the same products on offer.

Should Finnish suppliers wish to contact Travelbag, the contact details for potential new suppliers are the same as for ebookers. We presume a contract with ebookers would guarantee your product to be available to Travelbag customers as well.
**Superbreak.com**  
**www.superbreak.com**

**Ownership:** Superbreak.com is part of holidaybreak plc. Superbreak are specialising in short breaks and have been on the market for 18 years.

**Dynamic Package components offered:** London hotels, airport hotels, theatre breaks, events and European cities.

**Excursions:** Not available separately, only as part of an Event booking

**Finland or Scandinavia:** Only option on offer was Hotel Helka in Helsinki, airline not named.

**Main suppliers:** Over 3,500 hotels in Britain and Europe. No other suppliers mentioned.

**Bookings:** On–line bookings promoted, telephone bookings available.

**Consumer protection:** Superbreak do not display an ATOL or any other badge on their website but are presumably covered by licences held by Holidaybreaks.

**Verdict:** As Superbreak have been specialising in short breaks for 18 years and how now embraced dynamic packaging, we presume them to grow further.

For Finnish suppliers, there is an opportunity to expand existing hotel selection in Helsinki. Likewise, the Events section should be considered, as this section already offers concert tickets and rounds of golf! Finnish excursion and event providers should consider pitching their products.

The company is based in York; the website displays their address as well telephone numbers and an e-mail address to a named account manager.

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**Explore Worldwide Limited**  
**www.explore.co.uk**

**Ownership:** Explore Adventure Holidays were founded in 1981 and have been a part of the holidaybreak plc group since 2000.

**Dynamic Package components offered:** Walking, trekking, cycling, short breaks and adventure holidays. Anything from vulcano trips in Iceland to trips on the Nile can be booked in one click.

**Excursions:** Most are included in package. Some can be purchased extra on website.
**Finland or Scandinavia:** Two Finland packages offered, 15 nights Tsar to Treasures package and a 15-day Above the Arctic package. Both packages were fully inclusive. Suppliers not named.

**Main suppliers:** Not named.

**Bookings:** On-line or by telephone. Brochure request available.

**Consumer protection:** ATOL, ABTA and AITO badges displayed on website

**Verdict:** The website is not maybe a conventional dynamic packaging site, but bookings can be made online through a request form and as traffic to this site is directed from Superbreak, we decided to include the company in our presentation.

The Explore website is very diverse with numerous different holidays on offer. The holidays that are already on offer or are being currently developed, should be of interest to Finnish suppliers. Accommodation and excursion providers could be sitting on products of great interest to this travel company.

Unfortunately we were unable to dissolve the components of the existing Finland tours to be able to determine who the current providers of Finnish products are.

The company is based in Aldershot and can be contacted by telephone or e-mail. Address and other contact details are displayed on the website under Contact Us.

**Cheepweekends.co.uk**  
www.cheepweekends.co.uk

**Ownership:** Cheepweekends.co.uk (Cheeptravel) is part of 34point2 Limited.

**Dynamic Package components offered:** Flights, hotels, car hire, breaks and insurance.

**Excursions:** Not on offer.

**Finland or Scandinavia:** After many clicks we finally found Helsinki, which was not listed as one of their `normal` destinations. Helsinki was on offer with a choice of 10 named hotels. SAS was again named as carrier, but it was possible to customise your trip and choose another airline at an extra cost.

**Main suppliers:** The site offers 12,000 discounted rate hotels in 410 destinations worldwide.

**Bookings:** On-line bookings promoted.

**Consumer protection:** Fully ATOL bonded.
**Verdict**: As its site name suggests, the website is slightly cheap & cheerful. The emphasis is on inexpensive dynamic packages.

However, the site offers a wide selection of suppliers and could potentially grow and diversify. Should any Finnish suppliers wish to sell their products on this website, the company’s address can be found under Contact Us, as well as an e-mail form. No named contacts available.

**Cosmos**  
[www.cosmos.co.uk](http://www.cosmos.co.uk)

**Ownership**: Independent tour operator, part of the Globus group of companies, which encompasses Cosmos Tourama, Avro, Monarch Airlines and Archers Direct.

**Dynamic Package components offered**: Flights, hotels, holidays, Lapland holidays and cruises.

**Excursions**: No additional excursions available to book on-line.

**Finland or Scandinavia**: An entire well-presented Lapland section, advertised on the home page and available in one click. Several night trips to Levi and Ylläs on offer. No other short breaks or city breaks available to Finland or Scandinavia.

**Main suppliers**: Independent, with a good choice of hotels.

**Bookings**: On-line or by telephone. Brochure request available.

**Consumer protection**: ABTA, ATOL and FTO.

**Verdict**: The Cosmos website was very colourful and professional with Lapland products very well displayed with a straight link from the home page.

We are not entirely convinced how much potential there is to expand the Lapland products, but suggest to look into city breaks and short breaks. At present, Helsinki is not on offer as a city break and with the good reputation of Cosmos, and the company supplying other websites, we feel that Finnish suppliers should investigate this.

Details of how to find and contact Cosmos are displayed on their website.

**Thomascook.com**  
[www.thomascook.co.uk](http://www.thomascook.co.uk)

**Ownership**: Part of the Thomas Cook portfolio are Club 18-30, flexibletrips.com, JMC, Neilson (Active Holiday Experts), Style Holidays, Sunset Holidays, flythomascook.com, Thomas Cook Signature and Latitude (only 5* products & scheduled airlines). The company also sells its products on its own TV channel, Thomas Cook TV.
Dynamic Package components offered: Flights, hotels and holidays.

Excursions: No, but by clicking extras you can book attraction tickets, transfers, car rental etc.

Finland or Scandinavia: Several hotels offered in Helsinki for a short break with a choice of airlines quoted according to price. Snow holidays on offer to Sweden, with Neilson as tour operator. Airline not named.

Main suppliers: Companies in the Thomas Cook portfolio, as well as over 500 airlines and 22,000 hotels.

Bookings: On-line but also telephone bookings taken.

Consumer protection: ABTA, ATOL and IATA bonded.

Verdict: Thomas Cook is a well-known company with guaranteed site traffic. Possibility for Finnish suppliers to investigate providing skiing holidays and possibly Santa trips.

Contact details were scarcely provided on the website, but e-mailing the company was possible. We also presume the ski holidays to be provided by Neilson and suggest contacting them as well.

First Choice
www.firstchoice.co.uk

Ownership: The following companies are part of the First Choice group: Unijet, 2wentys, Sunstart, Sovereign, Falcon and JWT Holidays.

Dynamic Package components offered: Holidays and flights.

Excursions: Not available

Finland or Scandinavia: Ski packages on offer, but none of them to Finland or Scandinavia. No city or short breaks on offer either as mostly ‘sunny’ destinations offered.

Main suppliers: The main suppliers are from within the group. Limited other options.

Bookings: On-line or on the telephone.

Consumer protection: Holidays are fully protected, ATOL, ABTA and FTO.

Verdict: First Choice is one of the main players in the UK market. However, at the moment, the company is still concentrating on ‘sunnier’ destinations but should the company start diversifying their products in this changing climate, they should be kept an eye on. Finnish providers should be ready to pitch their city break products.
Ski break providers could also be of interest to this huge travel group as Finland and Lapland are not yet on offer.

How to contact First Choice is well displayed on their website, with postal addresses, telephone numbers and e-mail addresses for the different travel sections.

**Holidayhypermarket.co.uk**  
[www.holidayhypermarket.co.uk](http://www.holidayhypermarket.co.uk)

**Ownership:** Holidayhypermarket is one of the UK’s leading Internet travel agencies specialising in good value holidays. The company is part of the First Choice Group of companies.

**Dynamic Package components offered:** Flights, ski breaks, holidays and cruises.

**Excursions:** Not available.

**Finland or Scandinavia:** No flights or city breaks were on offer to Finland or Scandinavia.

Ski breaks to Sweden were on offer through Neilson. Norway was also listed as a ski destination but no further information was available.

**Main suppliers:** The company lists several suppliers from the First Choice group, but also advertise the fact that they will sell any ABTA bonded tour operator products, accommodation and extras. Suppliers listed on hypermarket.com’s website are First Choice, Airtours, Argo Holidays, Balkan Holidays, Club 2000 Travel, Cosmos, Crystal Holidays, Hayes & Jarvis, JMC, Kuoni, Manos, Panorama, Sunset Holidays, Sunstart, Sovereign Premium Holidays, Thomas Cook, Thomson and Virgin Holidays.

**Bookings:** On-line or by telephone.

**Consumer protection:** ABTA bonded.

**Verdict:** A cheerful website, advertising on teletext and selling products from within the group but also from independent suppliers.

We consider this site of having great potential and think a Finnish presence should be contemplated by Finnish suppliers.

The company can be contacted by e-mail through the website, but we suspect most of the packages being provided by other suppliers as listed above.
**Thomson**  
[www.thomson.co.uk](http://www.thomson.co.uk)

**Ownership:** Thomson are owned by TUI UK Ltd, part of World of TUI, one of the world’s largest tourism services in the world, employing 80,000 people in 500 companies. TUI owns over 780 Lunn Poly holiday shops in the UK, currently being renamed to Thomson. TUI also own Britannia Airways, recently renamed Thomsonfly.

**Dynamic Package components offered:** Holidays, ski holidays, flights and accommodation. Extras include insurance, airport parking, transfers and attractions.

**Excursions:** Certain excursions and sightseeing are available by clicking attractions. When choosing attractions, your web page goes to Keith Prowse. Finland or Scandinavia not on offer.

**Finland or Scandinavia:** Posio and Ruka are introduced as new ski destinations for 2005/2006. Accommodation is named, but no information about airline or prices yet. By clicking Ski Packs, information and prices for lift passes, ski, snowboard and boot hire in Ruka will appear.

Helsinki was on offer as a city break destination with the choice of either Hotel Helka or Hotel Hilton Helsinki Strand. The airline was not named, but we recognised the options as Finnair and BA.

The lakes & mountains holidays section offered Norway as the only Scandinavian destination.

By clicking on Special Holidays, we were redirected to other sites in the Thomson Group like Crystal Holidays, Jetsave, Simply Travel and Magic Travel Group

**Main suppliers:** TUI owned Specialist Holidays Group including American Holidays, Jetsave & Jersey Travel, Tropical Places, Something Special, OSL, Simply Travel, Headwater Holidays, Magic Travel Group, Crystal International Travel Group, Villadeal, Spanish Harbour Holidays, Thomson Breakaway and Thomson Ski and Snowboarding / Lakes and Mountains.

In addition to this, other main suppliers are named as, Skytours, Kuoni, Cosmos, First Choice, My Travel, Thomas Cook, Virgin Holidays, Butlins, just, P&O Cruises and superbreak.com.

**Bookings:** Online bookings are promoted, but also possibility to book by phone. Thomson also own their own TV travel channel and promote their holidays actively on teletext.

**Consumer protection:** Thomson holidays are ATOL and ABTA protected.
Verdict: The choice of hotels for Helsinki was very sparse considering Thomson is a huge company. We can see potential in supplying more accommodation for Helsinki as well as excursions.

Thomson Ski offers further possibilities for Finnish suppliers, including hotels and excursion providers. Likewise, we can see a new opening for Finnish supplier in the Thomson Lakes & Mountains travel product. The very comprehensive Thomson website includes some details of how to contact the company, although none of the e-mail addresses are to the sales & marketing department.

Crystal Holidays
www.crystalholidays.co.uk

Ownership: Part of Specialist Holidays Group. UK’s number one Ski Specialist offering 154 resorts in 14 countries.

Dynamic Package components offered: City breaks, ski breaks, lakes & mountains breaks, family holidays and activity breaks.

Excursions: By clicking Extras, you could find out about Learn to Ski and Learn to Board packages available at different ski destinations. None of the Finnish destinations were listed as offering this service.

Finland or Scandinavia: Iso-Syöte, Pyhä and Ruka are offered as ski destinations with named accommodation. Price and airline information not available on-line.

No Finnish destinations offered for the active holidays, which included activities such as white water rafting, mountain biking, horse riding and hiking. Neither were there any Finnish destinations on offer in the Lakes & Mountains section, offering a variety of holidays including health & spa holidays, golf holidays, music & opera holidays as well as Christmas market holidays. Bergen in Norway and Reykjavik in Iceland were offered as the only Scandinavian and Nordic destinations.

The Family holiday web pages were still being developed, but promised to offer all the activities above but ‘family friendly’.

City breaks on offer were only to a limited amount of destinations, not featuring any Nordic ones.

Main suppliers: Independent.

Bookings: Possible to book on-line, by telephone or to request a brochure.

Consumer protection: ATOL, ABTA, IATA and FTO.
**Verdict:** When clicking on the different Crystal Holiday products, you get directed onto their relevant own web page. By clicking ski, we ended up on crystalski.com, a web page with a very similar look to ifyouski.com.

We feel that Crystal Holidays offers a wide variety of holidays well suited to Finnish suppliers. We feel that not only should the skiing holidays and city breaks be targeted, but also the activity holidays, as well as the Lakes & Mountains holidays.

Crystal Holidays are based in Kingston-Upon-Thames, Surrey and their website displays a postal address as well as an e-mail address.

**Statravel.co.uk**  
[www.statravel.co.uk](http://www.statravel.co.uk)

**Ownership:** No ownership details available on website. The company advertises itself as the world’s largest student & youth organisation.

**Dynamic Package components offered:** Flights, accommodation, weekend trips, package holidays, tours and bus & rail tickets.

**Excursions:** Not available.

**Finland or Scandinavia:** Helsinki was not available as one of the recommended readily packaged weekend trips. Flights to Finland were available with choices between SAS, BA and Finnair. A very comprehensive list of hotels in Helsinki was shown on the website.

**Main suppliers:** A selection of 25,000 hotels to choose from as well as a vast choice of the world’s leading airlines.

**Bookings:** On-line promoted but a telephone number was also displayed.

**Consumer protection:** ABTA, ATOL and IATA protected.

**Verdict:** STA Travel is one of the main youth and student travel companies. The website is clear and reliable with a good choice of products. Although flights and accommodation in Helsinki was offered as separate bookings, no packages were on offer at all. Other cities were on offer as ‘recommended’ dynamic packages, including information not only about the city but also about trendy bars and nightlife.

Helsinki, with its long summer nights and bars and nightclubs open until dawn, could be a product suitable for STA. We also see an opening in the market for some wacky excursions aimed at this younger market.

STA travel has 65 branches in the UK, which are listed on their website, but it was almost impossible to find out any information about how to become a supplier. Options are to e-mail customer services or to contact the office in Finland for further details.
Airline Network  
www.airline-network.co.uk

**Ownership:** Independent travel company with over 450 specialist consultants working in their call centre. Part of the Gold Medal Group plc.

**Dynamic Package components offered:** Flights, hotels, car hire, holiday wizard, holidays and insurance.

**Excursions:** No excursions offered as extras.

**Finland or Scandinavia:** Helsinki was on offer using the Holiday Wizard option, which allows you to create your own Dynamic Package. Finnair and several named hotels offered. Insurance was available as an extra option on the same page by ticking a box.

**Main suppliers:** Access to 130 of the world’s leading airlines and 6,000 hotels worldwide.

**Bookings:** Either on-line or by telephone

**Consumer protection:** ABTA and ATOL protected.

**Verdict:** Airlinenetwork.co.uk advertise aggressively in the UK newspapers, with an emphasis mostly on long-haul but also offering a selection of short breaks within Europe.

For aggressive marketing and coverage of your product, we find this website a good contender for main player. We predict growth and possible expansion of products offered. Insurance is already available in the initial booking and one-click set up and should the company decide on excursions, they could probably be added to the initial booking.

This website is worth keeping in mind for Finnish suppliers, whether it is trying to pitch new destinations or products, or broaden the existing selection.

Disappointingly, it seems that the only way the company can be contacted is through a reservations phone number for Airline Network, or by writing or e-mailing Gold Medal.

Skybargains.co.uk  
www.skybargains.co.uk

**Ownership:** Skybargains.co.uk is the trading name of Travel Worldwide Ltd, a leading independent travel company based in Bournemouth, Dorset.

**Dynamic Package components offered:** Flights, hotels, cars, package holidays and extras (transfers & parking).

**Excursions:** Not currently available.
Finland or Scandinavia: We could not find Helsinki as a readily packaged city break, but were able to find flights to Helsinki and a choice of 12 hotels. There were no package holidays on offer to Scandinavia or Finland.

Main suppliers: Independent company claiming to use all UK tour operators, advertising 3000 destinations worldwide.

Bookings: Online or by telephone.

Consumer protection: ATOL and IATA.

Verdict: The site has only recently been developed by CSI Media and is very attractive and varied. We feel that there is potential for the site to grow and diversify and believe this is the way forward for the company. There is potential to include Helsinki more prominently as a city break and even include Lapland in the package tours. Also, should the company expand their extras into excursions, this opportunity should be taken.

Suppliers can contact the company in Dorset by postal address, telephone or e-mail. No named contacts in sales & marketing offered on the website.

Opodo.co.uk
www.opodo.co.uk

Ownership: Opodo is owned by Aer Lingus, Air France, Alitalia, Austrian Airlines, British Airways, Finnair, Iberia, KLM, Lufthansa and Amadeus.

Dynamic Package components offered: Flights, hotels, city breaks, tailor-made holidays, package holidays and car rentals.

Excursions: Not available.

Finland or Scandinavia: Several short breaks to Helsinki available with nine named hotels. Flights recommended were with KLM, although flights could be booked with another carrier at an extra cost.

Main suppliers: A fairly wide selection of hotels offered with the eight owner airlines being the major carriers. Trips with Eurostar were also on offer.

Bookings: On-line promoted.

Consumer protection: ATOL and IATA.

Verdict: A fairly non-inspiring website with fewer pictures and less colour usage than other sites. With Finnair as one of the owners, we were surprised Finland was not on offer more prominently. We were also surprised that KLM was part of the dynamic package to Helsinki.
Unless this site adds new products and diversifies in the near future, we fear that it will fall behind other more varied sites. Should OPODO decide to include ski holidays and other destinations in Finland, it would naturally be a great opportunity for Finnish suppliers to promote their products.

The website displays very clearly how to contact OPODO with e-mail addresses to the relevant departments should future suppliers wish to promote their products.

Octopustravel.co.uk
www.octopustravel.com

Ownership: Independently owned on-line travel agency.

Dynamic Package components offered: Hotels, apartments, transfers & sightseeing.

Excursions: A wide choice of sightseeing and excursions can be booked by clicking sightseeing. The excursions can be tailor made.

Finland or Scandinavia: A wide selection of hotels was on offer in Helsinki as well as a good choice of excursions.

Main suppliers: Offering hotels in 112 countries. Guild Travel uses octopus.com as their main supplier for hotels.

Bookings: On-line or by telephone.

Consumer protection: ABTA number displayed.

Verdict: Although octopustravel.com do not offer flights at this moment, we decided to include them in our presentation, based on the volume of traffic to the site as well as the knowledge that some travel agents use them as suppliers.

The website is very colourful and diverse, offering several elements of dynamic packaging except the flights! Should the company decide to start selling flights, there would be even more potential for the site. Octopustravel.com are pledging to find new partners and introduce new products. We see this as an opportunity for Finnish suppliers of new destinations, travel & excursions to keep their finger on the pulse. To contact the company in London, there are no phone numbers or e-mail addresses to sales & marketing displayed on the site, but we presume you can write to their postal address or e-mail the address given on the affiliate programme web page. The website also exists in Finnish.
Who else are on the market?

A selection of travel companies

There is a wide selection of travel companies on the UK market, offering dynamic packaging in one way or another. We researched many more websites and companies, but found many of them being owned by parent companies and being very identical, such as www.onlinetravel.com and www.deckchair.com, both owned by Lastminute.com or www.flightbookers.com owned by ebookers.com.

There was also a vast array of websites offering very cheap products that we discarded because of no potential or relevance to Finland.

Accommodation providers

There is an abundance of websites such as www.lowcostbeds.com, www.hotelbeds.com and www.holidaybrokers.co.uk on the market offering accommodation only. We realise that some of these companies might diversify into dynamic packaging at some stage in the future, but chose not to investigate them in this study.

Budget and other airlines

Budget airlines or low-cost airlines have been on the UK market successfully for many years. Names like Ryanair, Easyjet, FlyBe and BMIbaby are well established in the eyes of the UK consumer. However, in this changing market, realising that customers want to shop in one go with the added bonus of consumer protection, airlines such as British Midland and British Airways have decided to join in the race for the customers.

The BA website www.ba.com is set to start offering dynamic packages within the next few months (as per press release 05/04/2005). The question is, will companies like Ryanair and Easyjet who already advertise accommodation on their websites, follow suit and start offering dynamic packages? Knowing that low-cost airlines offer harsh consumer protection, this would leave them in a very vulnerable situation, likely to add to future passenger costs.

Travel advisers

A new form of websites worth mentioning are appearing on the UK market, the so called travel advising websites such as www.tripadvisor.com and www.travelsupermarket.com.

Tripadvisor.com is a website based on traveller’s reviews of destinations and hotels. You enter your destination and a selection of hotels appears on your page as well as website addresses and adverts for travel companies offering trips to this destination. Unbiased reviews from real consumers rating the destination and hotel appear at the bottom of your page, assisting you in your decision making. There is also the possibility to have a look at a selection of
attractions, all neatly listed at the bottom of your page. When entering Helsinki, we found over 160 reviews and a huge selection of hotels on offer. Lapland had 88 reviews and a good choice of hotels on offer with several sponsored links to companies offering Santa holidays. This is the modern way of ‘word of mouth’, reaching thousands of people through the internet.

Travelsupermarket offers consumers a complete view of what is on the market in one search. For instance, by entering your flight destination, a selection based on price appears on your screen. When entering Helsinki, the website suggested fares with British Airways from the BA website, fares with SAS from OPODO or visiting Travelbag, ebookers or airfares basement for the best prices. You make your choice and get transferred to the relevant website. Sponsored links to other travel companies offering flights or packages to Finland appeared on your right hand side.

The advantage with Travelsupermarket is the time saved by the consumer, offering the laziest customer a possibility to get an overview of what is on the market in just one search.

Conclusions

The market

The UK travel market is changing. With the new consumer attitudes and rising Internet penetration, consumers are seeking to become their own travel agents. However, with limited time on their hands, more are opting for dynamic packages, allowing them to shop for every travel component in one click and obtain consumer protection.

The dynamic package is here to stay and the way forward in the travel industry. A great number of travel companies in the UK have already altered their products to suit the new requirements of the market and a whole new selection of companies specialising in dynamic packaging have appeared.

All travel companies offering dynamic package know that to be successful in the market, the price of your product needs to be right, the products need to be adaptable and the tools of supplying new products on short notice must to be in place. And needless to say, the travel companies know that they should launch ahead of their competitors. Then it’s just a question of choosing the correct technology and booking engine, and deciding whether to use a software company or join a consortium.

Price

The dynamic packaging market is extremely price sensitive. The value chain is now controlled by the consumer opposed to the tour operator, and the consumer can now easily compare prices and products. Old-fashioned consumer loyalty is on its decline.
Travel providers have realised that to be competitive they need to pass on their negotiated discounts directly to the customer. To obtain the best possible deals, travel companies have to adopt a tour operator business model, actively negotiating with leading suppliers.

Most of the existing main players on the dynamic packaging market have already done so.

**The existing players and suppliers**

We have attempted to include in this study a variety of travel companies offering dynamic packaging, and have chosen to concentrate on those that are reliable, fast growing or showing great potential to grow, and that are of relevance to Finland and Finnish suppliers.

We found the existing players on the market very intertwined and at times secretive. Only a handful of companies were independent, whereas quite a few of the other companies were owned by each other or belonged to the same group.

Although we found a variety of products on offer from city breaks and short breaks to skiing holidays and Santa trips, some of the products offered were very similar to each other, creating doubt in our mind that the products supplied were by the same tour operator. However, although some companies proudly displayed their suppliers on their websites, it seemed almost impossible to find out who the suppliers were for other travel companies.

We decided to contact some tour operators in an attempt to confirm suppliership and found that some tour operators were not willing to disclose any information at all. One tour operator bluntly told us that they “did not want to take the conversation any further” when questioned if they supply companies like Lastminute.com. Whilst some tour operators like Nortours, were quite happy to confirm that they use Lastminute.com as another selling tool as well as selling their products to other travel agents, we felt that many other suppliers did not want to be detected.

**How do you join dynamic packaging?**

Dynamic packaging is advertised by aggressive marketing. Whether it is advertising through your own TV-channel, TV- and radio adverts, Teletext, newspapers or on-line adverts and sponsored links, the companies want to be noticed and get the traffic on their websites.

With most travel companies investigated not offering details and named people to contact in sales and marketing departments, how do future suppliers join dynamic packaging? Answer: By equally aggressive marketing of your product.
Most of the main players already have a good selection of products and are looking for that **special deal** or **extra value** product. As several companies such as Lastminute.com only want to be contacted by e-mail, stating that they will not reply to you if your idea has not been successful, your product must be marketed equally aggressively and professionally to them as they market their products to their potential consumers.

This is very much the way business is conducted in the UK. “You have five minutes to explain your product and convince me” Ken Livingstone, the Mayor of London, told some visitors in his office a few years ago. The visitors managed to convince him of their product in their allocated five minutes and the London 2012 Olympic bid got the backing of Ken Livingstone.

Finnish suppliers should keep this in mind when approaching UK travel companies and prepare well with their “bid”.