

## Combating Seasonality:

### *The Algarve Case Study...*

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**Gavin Eccles**

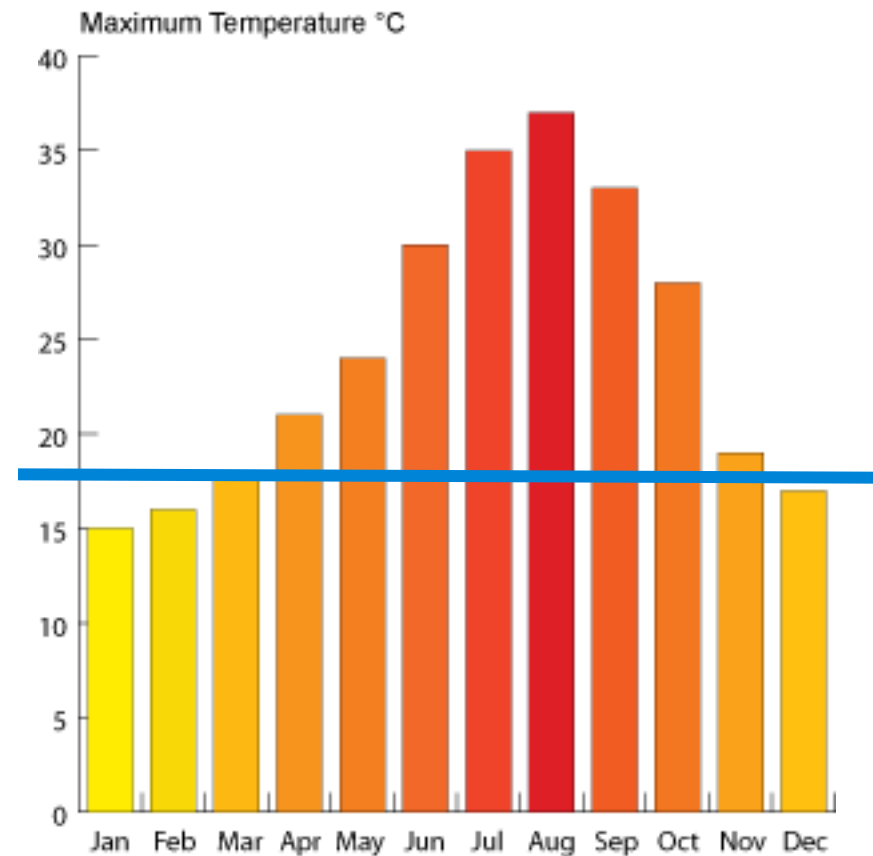
**October 2014**

# Understanding Algarve:

## *Where are We...? What we Offer?*

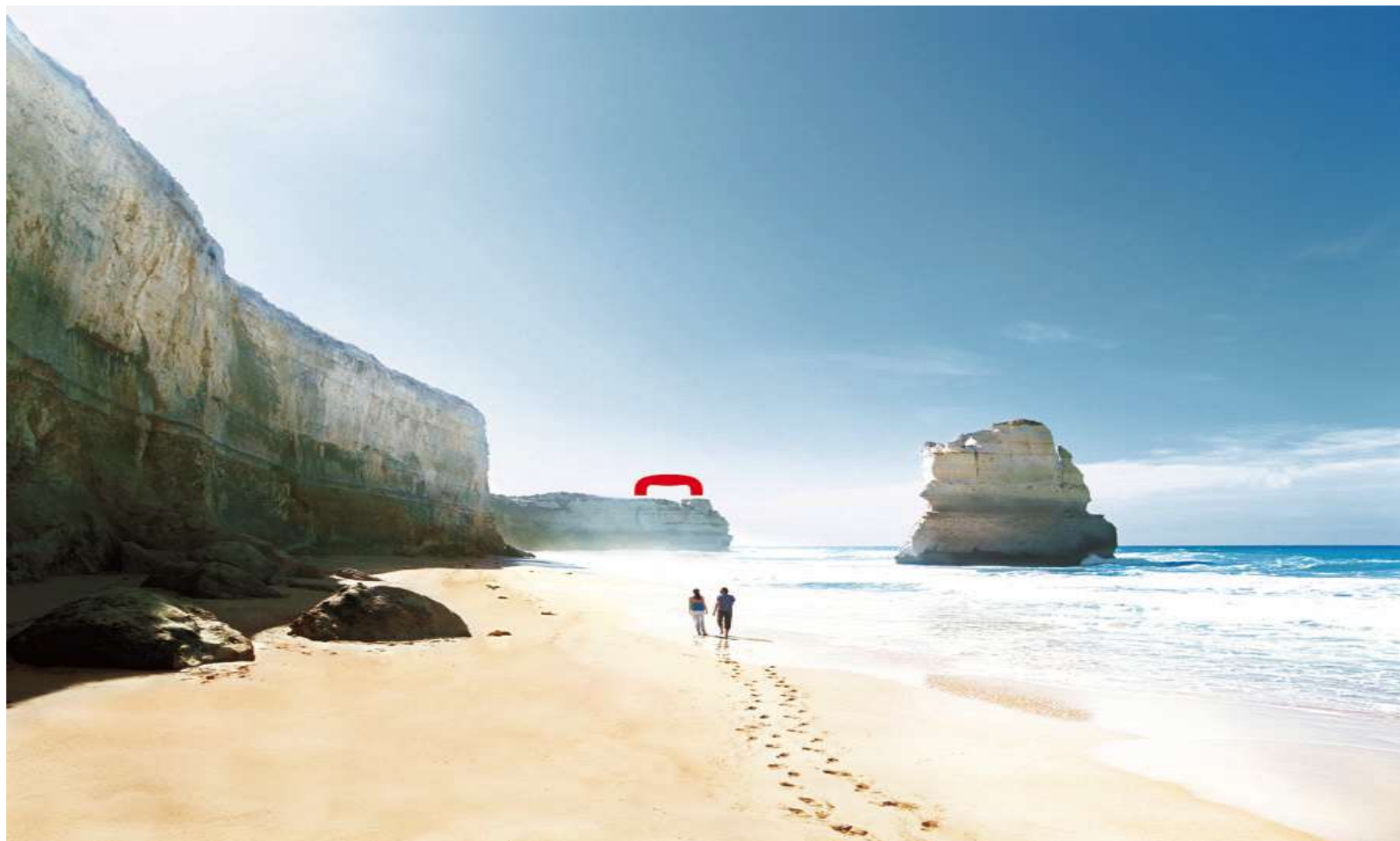


## However – In the Winter: *What we don't Offer...*



## Algarve in the Winter:

*'all about Winter-Warmth, not Winter-Sun...'*

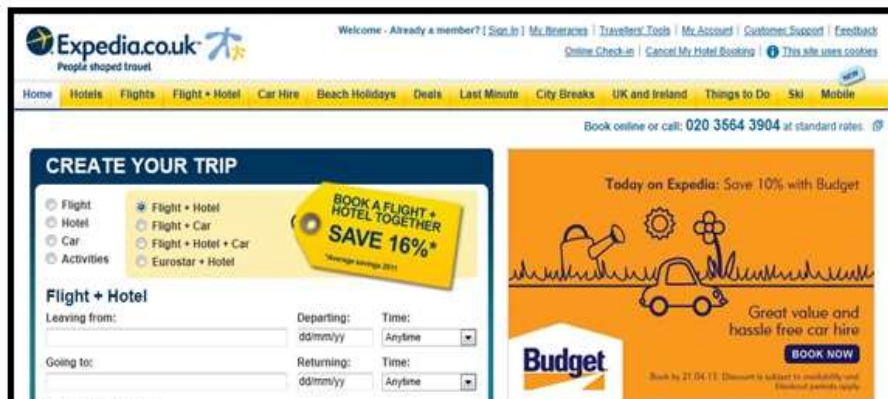




# What has Happened: *The Changing Landscape of Algarve...*

Reduction in tour operators  
and the Package-Holiday =

***Winter represents less than  
20% of bednight demand***



Low-cost carriers and  
'dynamic-packaging' =

***Shorter average stays***

## The OVERALL Challenge: *Seasonality Problem for the Algarve*

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**During the last 5  
years...Less 40,000  
visitors**



**Resulting in...  
Less 400,000 bednights**

## Turismo de Portugal Approach: *Two-Pronged Attack to a Winter Recovery Plan...*

### Winning Back Operators (increasing bednights)



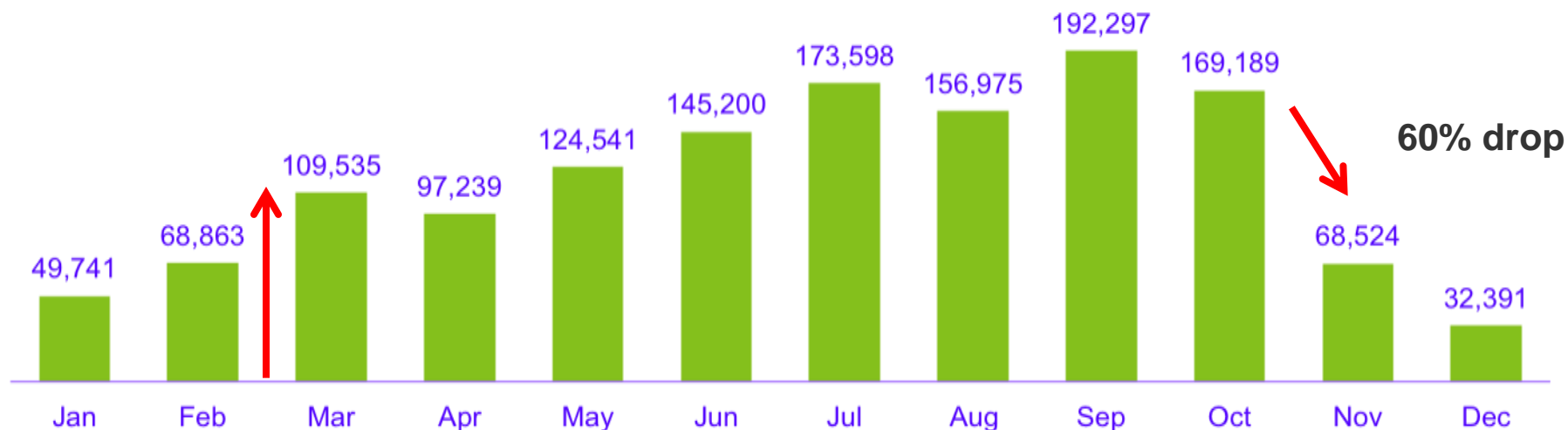
### Gaining Seats (increasing disembarking pax)



## Germany: End of October witnesses a dramatic drop in bednights as operators close down the operation...

### Winning Back Operators...

Germany – Seasonality of Accommodation – No. of Bednights 2012

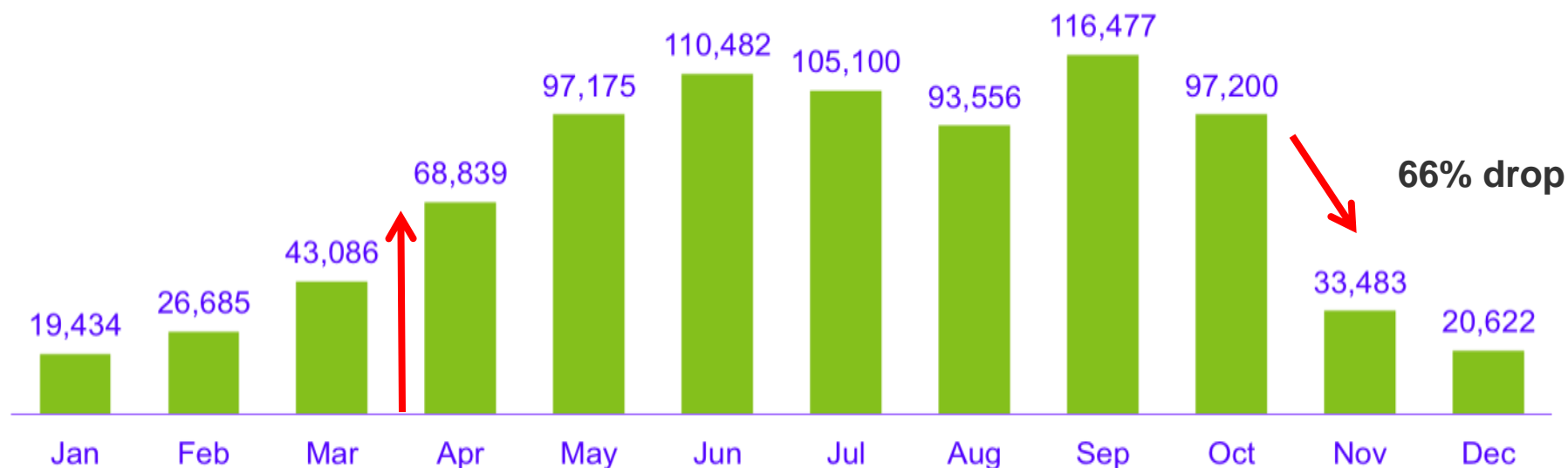




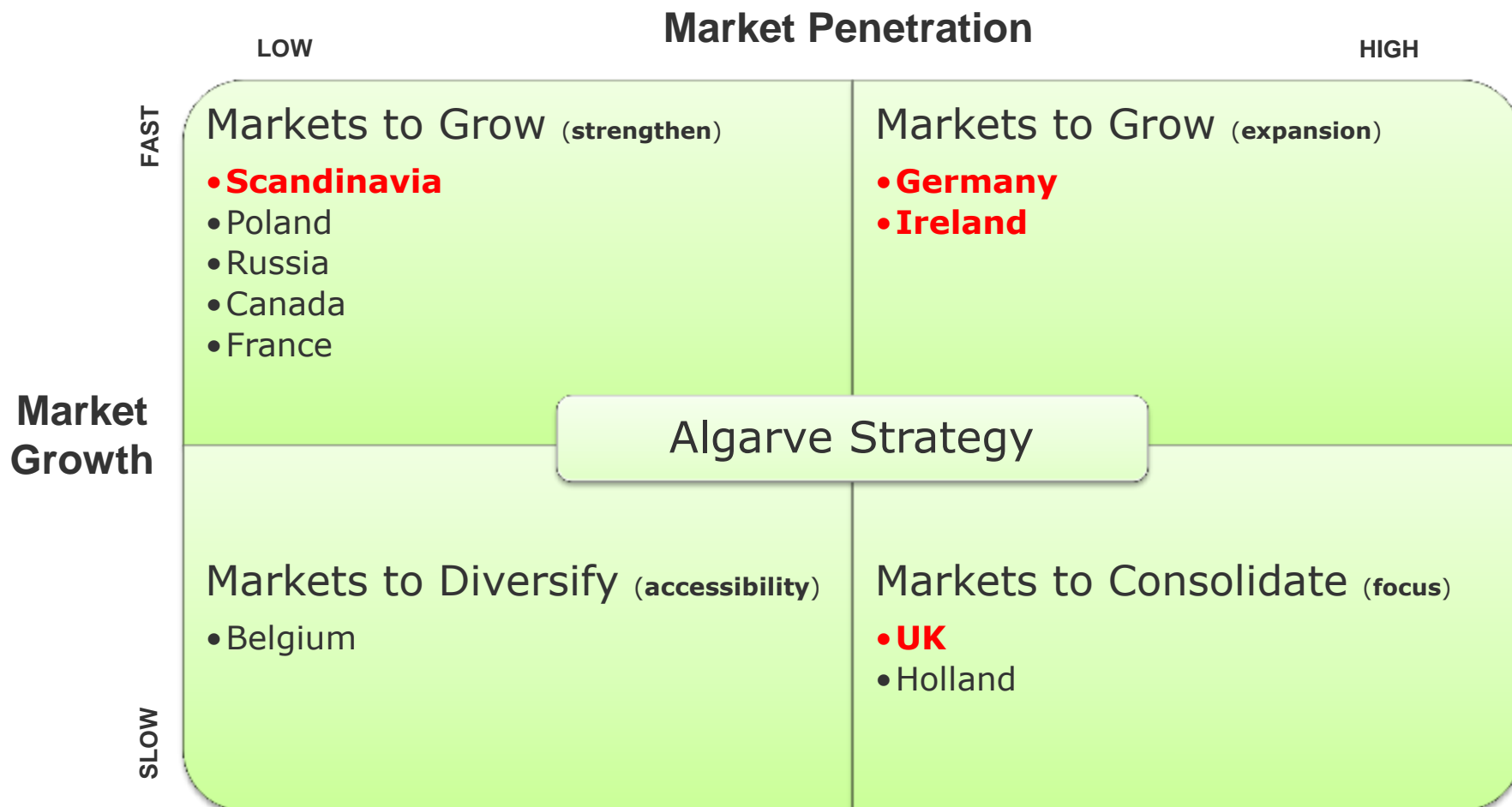
## UK: End of October witnesses a dramatic drop in passengers as airlines change flight schedules...

### Gaining Seats...

UK – Seasonality of Visitors – No. of Guests 2012



# Focus of Attention: *Markets to Grow, Consolidate & Diversify...*



# Strategy 1 – Understand

## *Where are we now... Where we need to be...?*

**Air-Lift:**

TURISMO DE  
PORTUGAL



Source Market	'Winter Algarve'	
	Start Position	What we Needed?
<b>UK</b>		
<b>Germany</b>		
<b>Scandinavia</b>		
<b>Ireland</b>		



Limited  
Connections



Some  
Connections



Develop  
Frequencies



Needs New  
Routes

## Strategy 2 – Who to Work With:

*All about getting out and talking with partners...*



## Strategy 3 – Determine the Product Offer:

### *Why Visit Algarve in the Winter...?*

Tourism Products	Established	Develop & Grow	Consideration
Sun & Beach	✓		
Retired / Seniors: (wellness)			✓
Touring			✓
Gastronomy & Wine			✓
Nature Tourism: (biking/walking/bird-watching)		✓	
Golf	✓		
Nautical Tourism: (sailing)		✓	
Business / MICE		✓	
Residential Tourism		✓	



**For Winter 13/14, the circled products are key differentiators for Algarve,  
...and our being developed by our local Tourism teams...**



## Strategy 4 – Power of Partnership Marketing: *Working with the Trade... Strong Call-to-Action...*

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# Algarve

## Bike Holidays









algarve convention bureau



be successful  
business



# A BETTER APPROACH TO THE GREEN



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ABTA

PORTUGAL  algarve

**The Algarve**

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FLIGHTS  
FROM ONLY  
**£27**  
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Friendly low fares



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Now**



**Algarve**  
**WINTER SUN FLIGHTS**

from

**£27**

**Jet2.com**  
Friendly low fares

one way inc. taxes



## Campaign Creatives



DISCOVER  
THE  
ALGARVE  
THIS SPRING  
WITH  
THOMSON

Wander the  
picturesque  
old town of  
Albufeira



DISCOVER  
THE  
ALGARVE  
THIS SPRING  
WITH  
THOMSON

Unwind on  
golden,  
sandy  
shores



DISCOVER  
THE  
ALGARVE  
THIS SPRING  
WITH  
THOMSON

Dine  
al fresco  
on local  
delicacies

TURISMO DE PORTUGAL **algarve**

Discover:  
the  
Algarve  
this spring  
with  
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Book now ▶





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## Summary – What we Wanted to Achieve:

*Gaining Seats to Gain Beds and Visitors alike...*

### Winter 13/14 – What Can we Expect from the Recovery Plan

Market	Increased Flights	Increased Seats
Germany	120	20,000
Scandinavia	20	4,000
Ireland	40	7,000
UK	60	10,000
<b>TOTAL</b>	<b>240</b>	<b>41,000</b>



# Algarve Recovery Plan – Combating Seasonality:

## Results Achieved Y1...

### ...Algarve Winter Picture... Between 2007 and 2012



### Recovery Plan: W13/14

Outcome

Focus on:  
United Kingdom

Guests:  
↑ 7,800  
↑ 5% on W12

Focus on:  
Germany/Scandinavia/Ireland

Bednights:  
↑ 28,600  
↑ 6% on W12



Context

$\frac{1}{5}$  (21%) of **Guests**  
back in Algarve

7% of **Bednights**  
back in Algarve

# Algarve Recovery Plan – Combating Seasonality: All Markets – Contextual Overview...

## All International Guests and Bednights: Last 5 Winters vs. Recovery Plan Year 13/14

Winter Periods (Nov-Mar)	Guests		Bednights
W07/08	435,500		2,475,000
			
W12/13	395,500		2,075,000
	<i>Less 40,000</i>		<i>Less 400,000</i>
<b>W13/14 Y1 Recovery Plan</b>	<b>433,500</b>		<b>2,101,400</b>

...visitor levels back  
to Golden Years...

...bednight losses  
stopped...

# Moving Forward... Year 2 of the Recovery Plan

## *In Essence, More of the Same...*

**UK:  
‘From Seats to Beds’**

### **Supporting Marketing Activities...**

- Looking to convert existing winter seats to beds... through package holiday promotions...

**Germany:  
‘Growth through Connections’**

### **Supporting Marketing Activities...**

- New flight offer from key cities... and then operator campaigns to push Algarve’s winter offer...

## Key Takeout's: *What have we learnt...*

Don't complicate the process...

Think small to gain big...

Be Different... One size does not fit all...

Don't throw money at the problem...



In essence, it is all about **Continuous Improvement**.....

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