



1. Project Title
Thomson Holidays

2. Category
7 Interiors

3. Subcategory
7.2 Interiors

4. Client Company
TUI Travel PLC

5. Design Consultancy
20.20 Ltd

6. Current Date
27 June 2014

Thomson Holidays

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2. Executive summary

Travel agents were one of the first retailers to feel the impact of the advent of the Internet and have had to be quick to innovate in order to thrive. Now omni-channel retailing is becoming crucial to consumers, Thomson Holidays decided they needed to stand out against their competitors by creating a truly memorable experience.

The Holiday Design Store concept represents a completely new format for travel agents, breaking the tradition of paper brochures and sales associates behind desks. We collaborated to create a connected environment that suits both the client and their customers.

We removed desks and promoted travel advisors to Holiday Designers who serve customers in a variety of settings. Large interactive touch screen maps on the wall and a feature table at the entrance of the store entice customers in and provide an opportunity to browse the Thomson Holidays range, as well as access additional travel products and services, such as foreign exchange.

The opening of the Holiday Design Store coincided with the closure of Thomson's existing shop at Bluewater. Their target was to retain 100% of the business following the closure. Latest figures show that the number of passengers has increased to 274% year on year, between October - June compared to the old store.

Customers experience this store as a true revolution in travel. The new environment, the helpfulness of the Holiday Designers and the use of intuitive, functional technology make the experience simple and extraordinary. The store puts the customer in charge again.

Headline Achievements:

Compared to the old Bluewater store the Holiday design store has:

- Increased turnover to 272%
- Increased travel sales margins to 276%
- Increased passenger numbers to 274%
- Increased sales per sq ft to 132%

Additionally:

- ROI will be achieved 3 years ahead of target.

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3. Project overview

3.1 OUTLINE OF PROJECT BRIEF

Thomson wanted to achieve a seamless experience across all channels that offered customers:

- More service orientation, with a less overtly sales led experience that puts the customer in charge.
- More technology driven, to encourage increased interaction, allow for self service and better deliver Thomson's rich content.
- More community orientated, with the store being a destination in its own right, rather than just a means to a sale.
- More experiential, to bring Thomson's key brands and diverse product range to life.

3.2 DESCRIPTION

The Holiday Design store replaced Thomson's existing retail outlet at Bluewater shopping centre. The interior of the store was typical of the 'traditional' format of holiday retailing. That being, an office style layout where sales associates served customers from behind fixed desks.

The old format exists separately from the businesses online channel and fails to inspire customers about their holiday purchase, something that is crucial when a trip abroad often represents the largest annual financial outlay for a household.

3.3 OVERVIEW OF MARKET

After weathering the storm of economic uncertainty since the financial crisis towards the end of the last decade, the travel and tourism market has started to show signs of recovery.

Latest market figures show that across 2013 there was a 3%¹ rise in individuals taking holidays abroad. Market forecasts show strong expectations of recovery for the market at the wider scale, driven mainly by online channels, as bricks-and-mortar sales are forecast either to remain consistent or contract after decreasing by 12.7%² between 2008 and 2013.

¹ Mintel, Holiday Planning and Booking Process Report, November 2013.

² Mintel, Travel Agents Report, December 2013.

Holiday bookings fell by over a fifth in the period between 2008 and 2012, with average expenditure increasing by 7.5%. This was significantly below the retail price index inflation rate of 13%³.

4. PROJECT LAUNCH DATE

The Holiday Design Store was officially opened in October 2013.

5. SIZE OF DESIGN BUDGET

£350,000

³Mintel, Holiday Planning and Booking Process Report, November 2013.

Words: 307

Old branch concept



Thomson's old store at Bluewater



Image representative of the interior of old Bluewater store



Image representative of the interior of old Bluewater store

New branch concept







4. Design solution

OUTLINE OF DESIGN SOLUTION

This is a radically different store. It is extraordinarily sensory and feels completely right for its customers. The anticipation is exciting, customers find themselves smiling as they enter. The space is light, with a golden glow about it. It conjures up the feeling of holidays, from the sound of the sea lapping the shore to the scent of sun cream. The store is noticeably different from other travel agents. Desks have been replaced with customer booths. If you need assistance, someone is there for you, but you feel equally comfortable walking straight into the store and immersing yourself in its wonders.

Our ambition was to create a store that allows shoppers to re-think their perceptions of holiday retailing. We wanted to break conventions and modernise the way holidays are sold.

The space needed to feel open and accessible, with a layout that offers the opportunity both for shoppers to explore independently or seek advice from an advisor. By removing desks at the front of the store we were able to create clear sight lines, and increase the flexibility of our Holiday Designers. The store is efficient at quiet times, and is still able to meet the needs of customers when it gets busy. Two Holiday Designers can operate the new concept during quiet periods, and up to sixteen can be present on busier weekends.

We designed the technology to be seamlessly integrated into the store experience, it delivers rich content and provides an intuitive way to create your perfect holiday in store. All while offering continuity of experience across channels.

The immersive screen beside the entrance displays inspirational films and weather information. It can be tactically changed to reflect local weather conditions, e.g. Referencing when it rains, adding messages such as, "wouldn't you rather be in Mexico?"

Within the open entrance of the store an 84" interactive map can be used on the wall to explore holiday destinations further. An additional two screens incorporated into a table within the same area offer a similar experience, letting the customer shop the range on offer without needing to ask for help. The process is intuitive, allowing customers the ability to book there and then without the assistance of a Holiday Designer, if

they wish. We designed the user journey so that shoppers could use the screens to either widen or narrow their choice. These also act as a useful point of conversation for the Holiday Designers, helping them improve their sales conversion rates.

The experience in store has been designed to cater for the broad demographic of shoppers that use it. Whether it be a couple seeking the privacy of a booth to discuss their romantic break, Mum and Dad bringing their children to the swimming pool area to talk about a family holiday, or a group of friends gathering around the bar to book together, the space caters to the needs of everyone. These different areas allow the store to deliver on its promise of offering a tailored experience for each shopper.

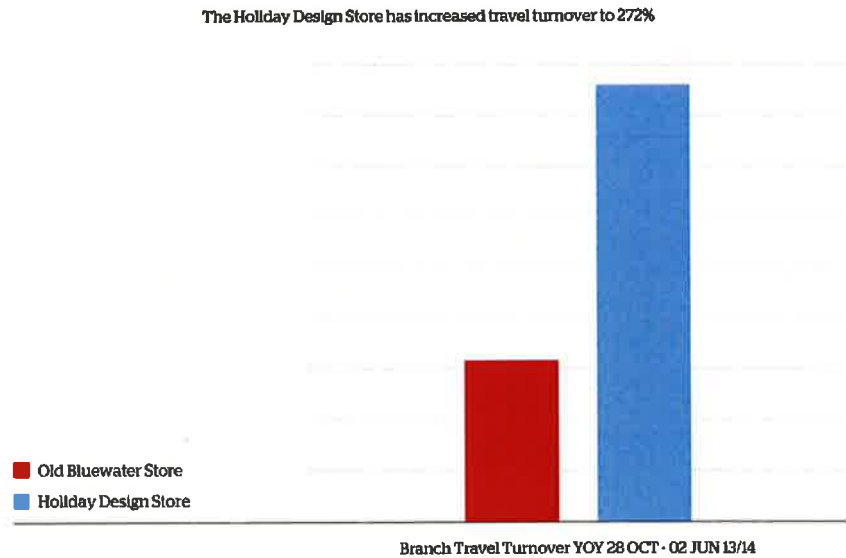
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5. Summary of results

5.1 INCREASE IN SALES AND MARGIN

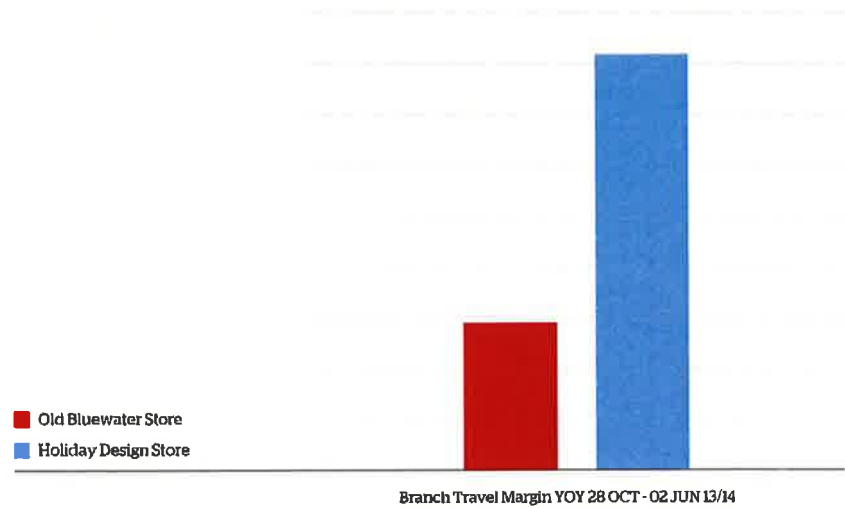
The Holiday Design Store has almost tripled its travel turnover to 272% compared to the previous Thomson store at Bluewater. Turnover has increased from xxx to xxx (Confidential).



Due to the way we designed the store the Holiday Designers are able to better sell Thomson's 'in-house' products. Sales of these products have increased by two percentage points to 87%, securing a healthier travel margin for the Bluewater site.

In comparison to the old store at Bluewater the Holiday Design Store has increased its travel margin to 276%.

The Holiday Design Store has increased travel margin to 276%



This increase means that the Holiday Design Store at Bluewater is now the largest store for sales Thomson operates globally.

Thomson typically achieve return on investment on their store design over a period of five years, however at the current rate of sales they expect to achieve this in just two years.

5.2 IMPROVEMENTS IN MORALE

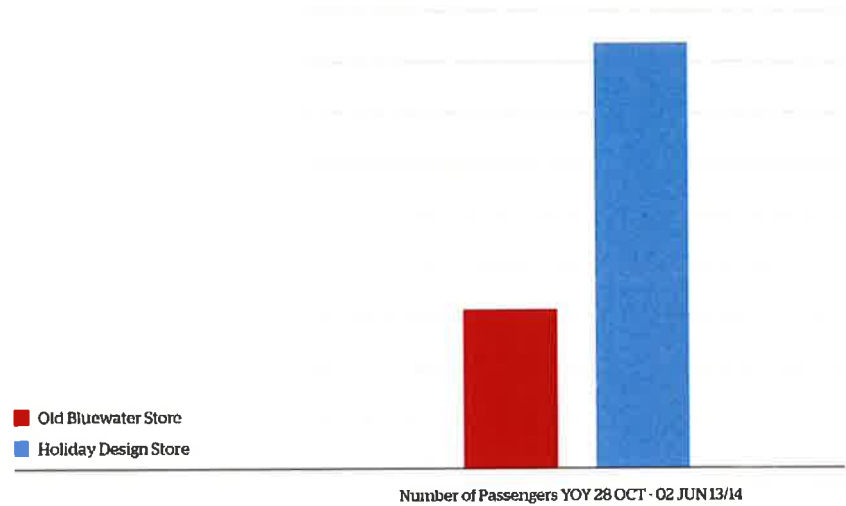
The reaction of the team to the new store has been more than enthusiastic, describing it as a fun, exciting, and pleasant environment in which to work. Holiday Designers were trained to present to customers using the new technology, which provides helpful conversation points and insights.

Holiday Designers see their roles as an important one within the store, providing customers with the personal touch, by offering advice based on their own experiences. The title of Holiday Designer was changed from Holiday Advisor for the opening of the store, this was done to reflect the personalisation theme Thomson will focus on in these new shops.

5.3 INCREASE IN PASSENGER NUMBERS

Since opening the Holiday Design Store, Thomson have increased the number of shoppers they are converting. Compared to the old store passenger numbers have increased from xxx to xxx (Confidential) year on year for the period of October to June.

The Holiday Design Store has increased passenger numbers to 238%



Customer feedback from the new store has been overwhelmingly positive, with a significant majority talking about how the new store feels exciting, and fun. The quotes below represent a sample of what customers have been saying about the new store:

"I have always been scared of travel agencies and booked everything myself online. You have completely changed my perception of booking a holiday. I am now walking out so excited for my holiday and no one has ever made me feel like that before."

Customer, Holiday Design Store, Bluewater.

"The map has brought to life exactly what I pictured my holiday to be like. It's amazing how I have seen all around the hotel before I have even travelled."

Customer, Holiday Design Store, Bluewater.

6. Other influencing factors

Thomson spent a total of £xxx (Confidential) advertising the opening of the Bluewater store within the centre. This comprised of:

- 30 x A1 posters throughout the mall from 17th - 30th October.
- 20 hanging banners across Upper Thames Walk (an upper walkway section of the mall) from 28th Oct - 3rd Nov, reducing to 10 from 3rd - 17th Nov.
- 18 digital screens throughout the mall from 28th Oct - 10th Nov.
- Bluewater website homepage banner 4th Nov - ongoing
- E-newsletter feature (c. 150k database) in November.

At the same time as the old Thomson store closed at Bluewater, First Choice closed a store at Bluewater. There was an expectation that a number of First Choice customers, who usually purchase cheaper holidays, would migrate to the Holiday Design Store.

The Holiday Design Store is 107% larger than the old Thomson store at Bluewater.

Research resources

Sales and Marketing information supplied by TUI Travel PLC.

Market Information supplied by Mintel.

- Holiday Planning and Booking Process, November 2013.
- Travel Agents, December 2013.