



Fly-Drive Carbon Offset Program

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1. Overview

For over 50 years, AlliedTPRO has been a leader in the U.S. inbound market, serving over 600 of the most successful tour and travel providers in more than 50 countries around the world. As a full-service receptive tour operator, AlliedTPRO offers a comprehensive US product line for both the international leisure traveler as well as for group MICE (Meeting, Incentive, Congress and Event) business. Among the products AlliedTPRO offers are FIT hotel accommodations, multi-lingual escorted tours, fly-drive (self-guided) tours, transportation, meals and attractions.

As a member of the Kuoni Group since 1999, AlliedTPRO participates in the Kuoni Corporate Responsibility Strategy by including carbon offsets in all of its fly-drive tour programs. As a result, all of the approximately 4.25 million lbs of greenhouse gas emissions created by AlliedTPRO fly-drive passengers since April 2008 have been offset by projects designed to replace or prevent an equivalent amount of emissions from escaping into the atmosphere.

The initial motivation behind the offset program came from the employees of the Fly-Drive department. Although their primary motivation was environmental, it was soon clear that the offset program also makes good business sense in light of the changing demands and expectations of the international traveler.

2. Program Establishment

The offset program was first proposed to management by AlliedTPRO fly-drive employees during the 2008 product development cycle. The idea was taken up immediately, not only because the inclusion of carbon offsets dovetailed smoothly with the new Corporate Responsibility Strategy, but also because the cost of adding offsets were relatively low, especially when compared to the real and perceived value added for the typical fly-drive passenger (generally younger to baby-boomer Europeans).



3. Goals and Benchmarking

AlliedTPro publishes a wholesalers' brochure for tour operators overseas, who decide which of AlliedTPro's products will work best in their respective markets. The overseas tour operator then publishes their selection in the glossy brochures found at retail travel agencies. This distribution model allows AlliedTPro to focus on operations and the overseas tour operator to focus on sales and marketing. AlliedTPro does not market directly to the end consumer, but encourages its clients to feature the carbon offset program when promoting fly-drives.

By offering the carbon offset program, AlliedTPro could be characterized as an "enabler" with a multiplier effect. With the program, AlliedTPro automatically enables hundreds of tour operators overseas to present and position themselves as environmentally responsible in their product offerings, and to market their products that way to the end consumer.

The first and most important measure of success has already been achieved: all current and future greenhouse gas emissions created by AlliedTPro fly-drives are being neutralized through the program. A second measure would be to see how many of AlliedTPro's clients choose to promote the carbon offset program as a selling point in their retail brochures. Because the program is only in its second season and brochures are currently in production, it is too early to draw any conclusions on this point, and success would have to be measured over another 2- to 3-year period. A final measure of success would be to ask the fly-drive passenger if the inclusion of carbon offsets influenced their decision when selecting a tour. This final measure would, however, have to be initiated by the tour operator overseas and is therefore somewhat impractical to implement; AlliedTPro is satisfied to assume that although the carbon offset program is probably not a deal-breaker in the passenger's decision, it will almost certainly be positively received and could never be detrimental.

4. Outcomes and Environmental Benefit

As mentioned above, the carbon offset program has neutralized approximately 4.25 million lbs of greenhouse gas emissions since its launch in April 2008. Although AlliedTPro will probably be unable to quantify the response of the fly-drive passenger, the initial feedback from AlliedTPro's tour operator clients has been positive overall. And because carbon offsets are easily available through a number of providers at a relatively low cost, the program can easily be replicated for any type of tour, as well as for air travel or car rentals.



5. Relevance to Traveler or Travel Industry

Taken by itself, the fly-drive carbon offset program is a small contribution, but taken as part of the Kuoni Group's Corporate Responsibility Strategy, it reflects a larger paradigm shift in the industry towards recognizing the importance of protecting natural resources and adapting to changing consumer habits in order to preserve the long-term sustainability of both the travel industry and the planet.

6. Real-World Example

If you are a tour operator selecting products for your brochure, your first consideration should be to know your brand and how you want to be perceived by potential passengers. Are you a budget tour operator appealing to the deal-seeker? Or are you an adventure tour operator appealing to the adrenaline-addled? An arts & entertainment tour operator looking for culture vultures? Your choice of travel services will depend on your target market, but increasingly common to all markets and marketing strategies will be an appeal to socially and environmentally responsible tourism. In some cases, such as eco-tourism, it's the main appeal, in others, it will be more discrete.

AlliedTPro partners with TerraPass (www.terrapass.com) for its carbon offset program, and highly recommends them to anyone interested in initiating a program of their own!

A copy of the Kuoni Group Sustainability Report may be found at http://www.kuoni-group.com/NR/rdonlyres/C3A45E34-E90D-434B-8776-C0697961C54F/0/CR_Report_e_2007.pdf

The Kuoni Group website also makes its Corporate Responsibility policies available at <http://www.kuoni-group.com/Corporate+Responsibility>