

CENTRAL EUROPEAN OFFICE

F E B R U A R Y 2014

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MARKET INTELLIGENCE / TRENDS

Operators and Agents Hail Bookings Boom

Tour operators and travel agents in Germany saw strong bookings in January as consumers flocked to secure their holidays, but various challenges still remain. January 2014 was a record month, according to several industry managers, even though the same month last year also saw good demand. One factor among consumers could be the very short school holiday period this summer, with the 16 German federal states having holidays during a 71-day period, meaning that demand is concentrated more than usual.

“The agencies are full,” commented Hasso von Düring, head of the Lufthansa City Center chain. The largest agency chain RTK has double-digit sales growth at present, according to managing director Thomas Bösl. “I’m getting fewer calls from agents than ever at the moment. They’re all busy making bookings,” said the sales manager of a major tour operator. Among tour operators, DER Touristik managing director Michael Frese said: “In 2013 we had the strongest January in our company’s history. At the moment it looks as though we will top even that result.”

In terms of destinations, Turkey, Spain and Greece are all seeing good demand. “Turkey is booming, Majorca remains a top destination and Greece is continuing its successful path,” commented Thomas Cook. However, FTI said Turkey was seeing “moderate growth at a high level” at present.

But there are still diverse challenges facing the industry, including over-capacity to the Canary Islands and ongoing conflicts in Egypt and Thailand. Tour operators, especially Schauinsland, Alltours and FTI, expanded flight capacity to the Canary Islands substantially for winter 2013/14, but are short of hotel capacity. As a result, flight prices are under pressure and FTI has already given back four of its six weekly full charters to Lanzarote and La Palma to carrier Sun Express. Political unrest in Egypt and Thailand is also impacting on business at present. Prices for Egypt are still rock-bottom although demand is gradually recovering from last year’s slump thanks to this stimulus.

Germans Are Booking Earlier and Booking More Expensive Travel

According to consumer research conducted by GfK, German travelers are booking their travel further out. 50% of all international vacations trips are booked four months or longer in advance. Only 16% of all international trips are last-minute trips, which according to definition is less than 4 weeks prior to departure.

A further trend that can be clearly noted is the growing popularity of luxury vacations. Travel agencies report an increase of 16% for vacation trips that are priced over EUR 3,000. On average Germans will be spending 7% more on their summer vacation in 2014 than they did in 2013, and they are booking 4- and 5-star hotels more frequently.

DER Touristik: New eCommerce Portal Launched

Major German tourism group DER Touristik has launched a new e-commerce portal to catch up in the online travel sales race. The group, with its two separate package holidays and individual holidays business units, has trailed behind rivals such as TUI, Thomas Cook and FTI in terms of online sales in recent years. DER Touristik has now set up a dedicated eCommerce unit, DER Touristik Online GmbH, under the management of Jomique de Vries, a former TUI and Accenture manager and previously head of corporate development at DER Touristik. "Our top issue is speed," he said, stressing the need to catch up on rivals. In just two months, the unit relaunched the DER.com website, now offering a wide range of package holidays and individual travel offers (including offers for St. Pete/Clearwater). It also integrates information about the group's 500 DER travel agencies across Germany. Customers can book online or through one of the DER travel agencies.

The portal, which is positioned as an online travel agency, also features destination and product tips from "travel experts", comprising a selection of DER travel agents shown with their personal profiles. This is designed to create a cross-channel sales effect, enabling customers to inform themselves online, but book offline through a physical travel agency.

Germans: Increased Travel Anticipated

Germans plan to travel more this year than in 2013, promising another strong season for many destinations, according to a major new survey of consumer travel demand. About 45% of Germans will definitely take a holiday this year, 2% more than at the same time last year, according to the long-running Tourism Analysis from the BAT Foundation for Future Topics. Although one third are still unsure if they will travel, experience shows that at least 10% of this group normally opts for a trip. "Overall, we can expect a further rise in travel intensity," said the organization's head of research Ulrich Reinhardt.

In 2013, 57% of the German population went on a vacation of five days or more, the representative survey of 4,000 consumers aged 14 or more conducted last month found. This was the fifth consecutive year of steady growth.

Germany itself remained among the most popular destinations with about 37% of holiday trips last year. Spain was the clear leader among foreign destinations, with a slight rise to 13.2% of all trips by Germans, according to the survey. Second-placed Italy lost market share slightly while Turkey, in third place, saw stable demand. Austria, France, Croatia, Benelux, Greece, Scandinavia and Poland were the other top destinations in Europe. Both Spain and Italy can expect further growth this year, but prospects for Turkey are less clear following the recent unrest in the country, according to Reinhardt.

Among overseas destinations, North Africa suffered from political turbulence but Asia proved more popular and North America staged a slight comeback.

Spending dropped back slightly last year to €1,063 on average per person per trip. In addition, the average length of the main annual holiday dropped to 12.1 days last year from 14.8 days in 2000, partly due to the growth of short trips in recent years.

SALES ACTIVITIES

Visit USA Seminar Switzerland (February 5th, 2014):

This program is Switzerland's premier travel agent training seminar held in Zurich annually. The seminar's main goal is to provide the local trade with more insider knowledge as well as the needed contacts and sources of information. A record 416 travel agents attended this important Swiss event.

Florida was presented as this year's 'featured destination' which entailed a concentrated presentation on the many features and benefits of the Sunshine State. We participated under the Visit Florida umbrella to promote our area during both workshops and a comprehensive training session.

The day ended with fanfare as well as a travel prize drawing to Florida including flights to Tampa sponsored by Edelweiss Air. We were proud to present a three-night stay to our area and are again most grateful to our industry for the generous support!

Visit USA Seminar Austria (February 6th-7th, 2014):

Known as Austria's leading travel trade event, the Visit USA Seminar Austria was held in Linz and Graz this year and exceeded the attendance expectations (150) at 161 agents cumulatively. The format comprised an afternoon seminar with an ensuing evening event in each city. The program included a table top marketplace and an on-stage "interview" session with each exhibitor in Linz. In Graz, a daytime "speed dating" session was the method of choice to convey our product. This concept was very well-received by agents who soaked up the concisely presented information.

The Visit USA Committee Austria organized a post-seminar "evaluation breakfast" during which we had the opportunity to provide feedback and discuss planning for the 2015 seminar series.

ITB (March 5th – 9th, 2014):

Known as the "world's largest tourism fair" held annually in Berlin, Germany, we will exhibit within the Visit Florida Pavilion. This month has been focused on further organizational items, i.e. individualized appointment scheduling, responding to several evening function invitations on behalf of our delegation, ongoing communication with Visit Florida regarding several show logistics, ongoing information exchange with our co-exhibiting companies Visit Tampa Bay and SeaWorld Parks & Entertainment taking their wishes, preferences and requirements into consideration, fine-tuning of booth configuration with the stand builder, preparation of show materials, on-stand audio visual components, shipping logistics, etc.

With one accommodations partner joining us this year, general show details and an exhibitor update has been conveyed accordingly. Updates to be forthcoming.

Swiss Business Development (March 10th, 2014):

After our successful tour operator appreciation event following ITB in 2013, we will again conduct this event in 2014 with a view toward making the event an annual tradition. The venue has already been selected for 2014 and applicable paperwork processed. Visit Tampa Bay has agreed to co-host this event.

A “Save the Date” notice was deployed to our guest list in November. Last month, official invitations were distributed. The Rsvp list now comprises 18 persons including two staff from Tampa International Airport.

Further logistics were fine-tuned this month, e.g. function room décor, guest seating arrangements, hotel room confirmations for all relevant parties, transfer arrangements as applicable, etc.

Thomas Cook Partner Group College (March 26th, 2014):

We are pleased to report securing a presentation slot during the upcoming Thomas Cook Partner Group College to be held at the tour operator’s headquarters office in Germany next month. The one-week event comprises comprehensive travel agent training relative to the tour operator’s worldwide products. With the North American slot in hot demand, we will join forces with Visit Orlando to be among the only Florida destinations privileged to participate. During the course of an afternoon, we will present our destination to 90 VIP hand-picked, top selling Thomas Cook travel agents and agency owners.

This month we began development of our presentation strategy in concert with Visit Orlando. Updates to be forthcoming.

DERTOUR Destination Special Mega Fam (May 10th-13th, 2014):

Secured in September 2012, we are very pleased to have the opportunity to host this year’s DERTOUR Destination Special Mega Fam in our area in combination with Orlando. We will showcase our area to 100 of DERTOUR’s top travel agents, which promises to generate additional visitation increases to St. Petersburg/Clearwater in the future. The group will arrive in Orlando on May 6th and proceed to our area on May 10th. The co-sponsoring carrier will be United Airlines.

In recent months, we have connected with several industry partners regarding sponsorship of accommodations, evening events, attractions visits and site inspection opportunities. Accommodations have been secured. The tour operator has advised flight pattern details which have been forwarded to HQ. Initial itinerary development is underway giving consideration to input from the tour operator in terms of desired highlights. Updates to be forthcoming.

Additional Activity:

Joëlle Dessard (Marketing & Communications Director for the Visit USA Committee Belgium) will visit our area March 31-April 5th. We assisted her with securing accommodations, providing comprehensive destination information and per her special request, ticket arrangements for a visit to the Clearwater Marine Aquarium.

MARKETING INITIATIVES

Our efforts continued again this month in developing and completing marketing initiatives and advertising programs, which included:

Tour Operators:

- AMERICAN VACATIONS (Netherlands)
 - **B2C Homepage Banners** – January-December
- VSPC featured on homepage banner ads in the Netherlands, Belgium and Germany on the tour operator’s three websites:
americanvacations.nl, americanvacations.be and americanvacations.de.

- CANUSA Touristik (Germany)
 - **B2C Online “MoodPage” Campaign – 2nd Quarter 2014**

Following last year’s successful “Florida Vacation Builder ” campaign, this year’s “MoodPage” campaign will combine a collage of photos and videos presenting our destination. Images become the story tellers. These will link to an adapted landing page on the tour operator’s website and will link to an optimized booking engine. In addition, an eNews blast to Canusa’s database of over 500,000 subscribers and continuous Facebook posts will be included (Facebook fans currently stand at over 40,000).

Co-op Partners: Visit Florida + several Florida destinations

We have delivered all imagery and relevant destination copy. Layouts are expected in March/April.

- DERTOUR (Germany)
 - **“Best Places to Be” Campaign – January-March**

Focused on promoting summer 2014, this campaign will consist of multi-channel communication targeting both B2C and B2B platforms.

Print:

 - Postcard Mailing:** 5,000 postcards will be produced containing our imagery, logo and text which travel agents can order free of charge for use in their own mailings to clients. Planned execution: January 6th.
 - Flyer:** 2,600 top travel agencies will each be sent 10 specially developed flyers containing general destination information, imagery, logos and travel offers for use at counter point-of-sale. Planned execution: January 24th.
 - Poster:** A window display poster featuring VSPC imagery, logo and travel teaser will be distributed to 8,900 travel agencies. Planned execution January 24th.
 - Newspaper:** Two coop advertisements will be placed in “Die Welt”, a German national daily and “Welt am Sonntag”, the market leader in quality Sunday newspapers. Total circ. 420,000. The ads will include a brief destination description and travel offer. Planned execution: February

Online:

 - Teaser:** A VSPC teaser will be placed on the tour operator’s homepage for two weeks containing our imagery, logo, brief destination description and travel offer with direct link to a landing page and booking engine. Planned execution: March 14th-28th.

In addition, Dertour will support the promotion of the “Best Places To Be” campaign in the following manner:

 - Description in Dertour “News & Facts”
 - Press release, communication via Dertour press office (to consumer and retail trade media)
 - Advertisements in travel trade magazines (FVW, Travel One, Travel Talk, Touristik Aktuell)
 - Special counter mail to all travel agencies

- EXPLORER FERNREISEN (Germany)
 - **B2C “Reisetrends 2014” special brochure – January-March**

The Explorer Fernreisen special brochure “Reisetrends 2014” (Travel Trends 2014) will be produced and distributed at eight different consumer trade fairs across Germany. VSPC will be featured on a full page comprised of copy, imagery, logo and several travel teasers developed by the operator. In addition, the brochure will be inserted into the December/January issues of four travel magazines: Clever Reisen, Geo Saison, Lonely Planet Traveller and Reise & Preise.

Total print run will be 350,000.

The tour operator has been provided with all elements necessary for creative development, layouts received and approved.

- **B2C eNews Blast** – December-February
Special VSPC travel packages and destination information will be included in three eNews blasts to Explorer’s database of 38,000 customers for three consecutive months.
- **B2C Online Dedicated Landing Page** (one year starting November):
A VSPC dedicated landing page will be placed on a subsite of the tour operator’s homepage containing comprehensive destination information, imagery and logo along with a link to VSPC travel offers. Content, imagery and logo have been approved.
- **FTI TOURISTIK (Germany)**
 - **B2C Websale “Ab In den Urlaub”** – February
Ab-in-den-Urlaub.de is among Germany’s leading online travel portals boasting 4.8 million unique users, 62.5 million page impressions and 8.8 million unique visits monthly. VSPC will be featured in a special ‘our recommendations’ teaser box with image and travel offer for four weeks and in the ‘top hotels’ segment of a monthly eNews blast to over 840,000 subscribers.
 - **B2C Out of Home Info Screens** – February
Innovative and designed to attract attention, digital info screens in highly frequented train stations will feature VSPC imagery, logo and a travel offer selected by FTI. A total of 135 info screens will depict VSPC 18x/day for 7 seconds each in Berlin, Frankfurt, Hamburg and Munich for six consecutive days. Cumulatively, these train stations represent a footfall of over 2.5 million.
 - **B2C Out of Home Billboards** – February
Attention getters in prominent downtown locations, these billboards will feature VSPC imagery, logo, unique selling points and a travel offer selected by FTI. A total of 260 billboards will be placed in Berlin, Frankfurt, Hamburg and Munich for eleven consecutive days.
 - **B2B2C Dispenser/Flyer** – March
500 top USA-selling agencies will each receive a high quality desktop dispenser containing thirty VSPC flyers featuring our logo, imagery, destination description and travel offers selected by FTI.

We have provided the tour operator with all elements necessary for creative development of this comprehensive campaign and have approved all layouts accordingly.
- **KNECHT REISEN (Switzerland)**
 - **B2B2C Catalog 2014/15** – December
The catalog was launched in December and is valid April 2014 to March 2015. Catalog circ. approx. 55,000. Several placements are planned including:
 - ✓ Banderole around the catalog with ‘St. Pete/Clearwater Top Beaches’ slogan
 - ✓ VSPC logo placement on inside cover with ‘Top Beaches’ slogan
 - ✓ Two editorial pages and two product pages
 - **B2C “Top Beaches” Flyer** – November & January
Two-sided, full color flyer distributed at the tour operator’s annual “Travel Day” event in November(800 pcs.) and at consumer travel fairs in Bern, St. Gallen and Zurich (2,000 pcs.). VSPC imagery, logo, destination text and travel offers were included.
 - **B2C eNewsletter** – February
The “Top Beaches” piece will be distributed to the tour operator’s database of 30,000 customers promoting special travel packages to VSPC.
 - **B2C “Top Beaches” Online Sweepstakes** – April
For two weeks, customers will see a pop-up on the homepage announcing a sweepstakes. The prize will consist of one week’s accommodations in St.

- Pete/Clearwater including flights for two sponsored by Edelweiss Air. The pop-up will link to a landing page containing sponsors' imagery, logo and product text. Sweepstakes questions will follow in the next depth level. Currently the tour operator's homepage enjoys 42,000 unique visitors monthly.
- **B2C Website "Top Beaches" Promotion** – April-June

Three months placement of VSPC imagery with travel teaser on the North America page of the knecht-reisen.ch website with link to a VSPC dedicated landing page. Focus on pushing business for fall and winter.
 - KUONI (Netherlands)
 - **B2C eNews** – January

VSPC was highlighted as a top item in this eNews blast going to the tour operator's database of approx. 85,000 customers. VSPC was incorporated with logo linking to a dedicated St. Petersburg/Clearwater destination page with packages, general information and tips on the area.
 - **B2B eNews Blast** – January

The Kuoni retail newsletter is sent every other week to 1,200 travel agencies. The layout is similar to the B2C newsletter. One main article was dedicated to St. Petersburg/Clearwater.
 - **B2C2B Window Flyers and POS Material for Travel Shops** – January

Kuoni had A4-sized flyers with special VSPC offers placed in the windows of their travel shops in Amsterdam and The Hague. Shops are located in highly frequented center city locations drawing several thousand passersby daily.

We provided the tour operator with our respective input and approved their layouts.
 - MEIER'S WELTREISEN (Germany)
 - **B2C Online Promotion** – February

A four-week campaign including homepage image teaser placement linking to dedicated destination page featuring several travel teasers and placement in eNews blast to 11,000 customers – including VSPC logo, imagery and destination text.
 - **B2C Out of Home Train Station Staircase Promotion** – March

During this exciting four-week campaign VSPC will be featured with imagery, logo and slogans affixed to Frankfurt's main train station's prime location staircases (leading to the metro transit system). Frankfurt's main train station boasts a daily footfall of 350,000 customers.
 - **B2C Out of Home Train Station Big Banner Promotion** – March

In addition to the staircase promotion we will also have a big banner near the staircase hanging from the ceiling in Frankfurt's main train station's prime location. This will show a VSPC image, our logo and a special offer from Meier's Weltreisen to the area.

Layouts for the above initiatives have been received and approved accordingly.
 - THOMAS COOK / NECKERMANN REISEN (Germany)
 - **RollAd Truck Campaign** – March

With 12,550 kilometers of motorway, Germany boasts one of the densest motorway networks in the world. 34.4 million automobile drivers spend 3-5 hours traveling the German "Autobahn" daily. This "rolling" consumer campaign entailed placement of an enticing VSPC image, logo, text hook and travel teaser on large canvases affixed to the rear of two 18-wheeler trucks for a duration of four weeks. Estimated sightings for consumers aged 18 and over: 58 million/100 trucks. Cumulatively, our four trucks traveled 57,293 kilometers in Germany over the campaign period.

The initiative will be tied into the tour operator's Facebook page in announcing a sweepstakes relevant to truck sightings (posted photographs). Layouts for the truck canvases were received and approved this month.

- THOMAS COOK / THOMAS COOK REISEN (Germany)
 - **B2B2C Point-of-Sale Pamphlet** – February
Consisting of VSPC imagery, logo and travel teasers, this four-page, A4-sized pamphlet will be distributed to 11,000 travel agencies in Germany and Austria for counter point-of-sale use.
 - **B2C Online Teaser Boxes** – February
An offers teaser box with VSPC imagery and text hook will be depicted on the homepage for one week; a promotions teaser box with VSPC imagery and text hook will be placed on the hotels door page for three weeks. Both will contain a dynamic link to a dedicated booking page.
Layouts were developed, approved and launched this month. In addition, we updated the VSPC landing page on the Thomas Cook Reisen website.

- TUI SUISSE / FLEX TRAVEL (Switzerland)
 - **B2B TUI Newsnet Placement** – February
Newsnet is TUI Suisse's extranet for travel agencies, 850 of which access the platform on a regular basis. Counter info and flyers are uploaded to the Newsnet and are continuously updated. Opening click rate within the first 24 hours is 90%. VSPC will be featured with comprehensive VSPC content including imagery, logo and a travel package.
 - **B2B2C Flyer** – February
The above initiative will be supported by a flyer sent to 850 agencies featuring VSPC destination text, logo, imagery and special travel offers.
 - **B2C Online Teaser Window** – February
VSPC will be featured in a teaser window on tui.ch for four weeks. The teaser box will link to a dedicated landing page with comprehensive destination content, imagery and logo.
 - **B2C Out-Of-Home Street Car Promotion** – May
An innovative and eye-catching campaign involving transparency advertising on street car windows of several tram lines in Zurich. VSPC will be featured with imagery, logo and text hook for four weeks starting May 2nd, 2014. The transparencies cover the entire window of a tram car. A total of 200 transparencies are being produced.
This initiative will be conducted in cooperation with Edelweiss Air.
The tour operator was provided with all elements necessary for creative development.

Travel Trade/Consumer Publications:

- America Journal (Germany) – circ. 42,000, readership 140,000 *Consumer*
 - **½ page, 4c Advertorial** – 2/13 issue (Feb/Mar ITB Special)
We provided the publisher with our logo, destination text and a selection of images. Final layout was received and approved.
This German high-gloss consumer publication is dedicated exclusively to the USA providing in-depth coverage on American travel, culture and customs as well as insider tips and helpful hints.
Pub frequency: 6x/yr

- Blu Media Network (Germany) – circ. 120,000 *Consumer*
 - **1 page, 4c Ad in Mate Magazine** – 4/13 issue (Dec-Feb)
VSPC is featured with a full-page GLBT-focused ad in this winter edition following the comprehensive advertorial feature of the area in the previous autumn edition. The publisher was provided with all elements necessary for creative production, layout was received and approved.

Blu media network (www.blu.fm; www.matemediagroup.com) is a publishing house, event & marketing agency for the gay community within Germany, as well as the international market. Mate magazine is their high-end product with a diverse range of content features including the hottest trends in restaurants, architecture, wellness and travel.

- Spartacus Traveler (Germany) – circ. 42,000, readership 140,000 *Consumer*
 - **1 page, 4c Advertorial** – Spartacus International Gay Guide 2014
 - **1 page, 4c Advertorial** – Spartacus International Hotel Guide 2014
 - **1 page, 4c Advertorial** – Spartacus Traveler Magazine (issue 2/14)
 - **Banner** – for 8 weeks on
spartacusworld.com, spartacustraveler.com, spartacushotelguide.com
(Cumulatively 100,000 visitors/month)
We provided the publisher with all elements necessary for layout development, layouts were received and approved.

- TIP – Travel Industry Professional (Austria) – circ. 10,500 *Trade*
 - **½ page 4c advertorial** in the USA Supplement Issue 2/03/2014
The publisher will again produce a special USA supplement for distribution in conjunction with the Visit USA Seminar to be held on February 6th with an overrun of 16,000 copies for additional distribution at travel trade outlets. Austrian travel agencies may also order additional issues free of charge to utilize in POS and mailings to their customers.
We provided the publisher with all materials needed for layout development. Our area is featured with logo, images and insider information. Final layout was received and approved.
Profi Reisen is the publisher of Austria's leading travel trade and tourism industry publication TIP, which targets travel agency decision makers and counter staff alike and is known for its precise reporting of current events, insider tips and background information.
Pub frequency: Weekly

- Tom On Tour USA Guide (Germany) – circ. 120,000
 - **1/1 page, 4c advertorial** – March

Published annually, the “Tom on Tour USA Guide” is a 64-page publication highlighting gay friendly destinations throughout the USA including gay hot spots, web links, events and tourism information. The publication is distributed free of charge at selected European gay locations, events and consumer shows and can also be ordered online. As Brand USA will support the guide this year again, the publisher is enabled to double the circulation from 60,000 to 120,000.

Pub frequency: 1x/yr

After having provided the publisher with all pertinent elements, the final layout was received and approved. The guide was published in time for ITB in Berlin.

Online Aggregators:

- ASNM New Media AG Newsletter (Germany) – 740,000 German subscribers *Trade*
 - **Florida Newsletter Campaign** – Nov. 28, 2013 and February 6, 2014

St. Petersburg/Clearwater is part of a Florida eNewsletter campaign consisting of eNews blasts via up to 12 online travel portals with a total of 740,000 subscribers. In addition, the news will be integrated repeatedly into the search engine optimized news portals of flugprofis.de as well as being posted on Facebook sites with approx. 20,000 “Likes”. This initiative is being conducted in cooperation with Panama City Beach, SeaWorld Parks & Entertainment, Visit Florida, Visit Tampa Bay and Alamo.
- Expedia (Germany) – 1.4 million German subscribers *Consumer*
 - **Placement Campaign** – Jan 13- Feb 28, 2014

With 2.09 million monthly unique visitors and more than 5 million impressions, Expedia Germany is the leading online travel provider in the country. VSPC will be featured on the Expedia Germany website and partner websites in different ways: core offers on the Expedia home page, teaser boxes on run of site as well as skyscrapers and teaser boxes on the flight+hotel and click&mix sites. This initiative is being conducted in cooperation with Brand USA.

Public Relations:

Kaus Media Services - VSPC’s German PR Agency

This month saw us assisting the agency with the following projects:

- **Press Release February:** Discussed featured subject, proofread and corrected.
- **Newsletter February:** Provided content ideas, proofread and corrected.
- **ITB USB Stick Material:** We proofread and provided comprehensive feedback on press material intended for upload to USB sticks in preparation for ITB.

All activities, projects and programs described herein have been duly completed as described.