

CENTRAL EUROPEAN OFFICE

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MARKET INTELLIGENCE / TRENDS

German Cruise Bookings Soar 19% in September

The vital role of cruise holidays in driving German tourism market growth has been underlined with new figures showing a 19% surge in bookings last month and a surge in German cruise passengers in Dubai. IT services provider TATS is now publishing figures for cruise revenues in its monthly review of sales in 2,400 travel agencies, which measures revenues generated by holidays taken (as opposed to bookings for future departures).

According to the September figures, revenues from cruise holidays increased by 19.4%, boosting the segment's share of the overall German outbound tourism market to 16.8%. Over the first nine months of 2015, cruise revenues have grown by 15.4%. In comparison, overall tourism revenues grew by only 2.5% last month compared to 12 months ago, while air ticket sales dropped 2.5% and sales of other products (such as rail tickets and insurance) declined by 5.7%. Tourism revenues were up by 3.5% from January to September, while airline ticket revenues had a low 1.5% increase.

Looking ahead, advance bookings of cruise holidays for the coming business year from November onwards are up by 14.4% while overall tourism sales are showing a 7.8% rise in bookings, according to the TATS figures.

Online Buyers Book More Long-haul Holidays

Germans are booking more long-haul holidays online and staying true to mainstream short-haul destinations, according to a new trend analysis. Antalya and Palma de Mallorca remain by far the most popular short-haul destinations for Germans who booked a summer 2015 package or last-minute holiday through the internet, analysis by the Internet Travel Sales Association (VIR) and reservations company Traveltainment found.

Hurghada overtook Heraklion as the third most popular destination airport, while other top ten destinations included Kos, which entered the ranking, Gran Canaria, Fuerteventura and Tenerife. Surprisingly, Dubai and the three Dominican Republic airports of Punta Cana, Puerto Plata and Santo Domingo were also in the top ten ranking for this summer.

Several other long-haul destinations also generated strong growth compared to summer 2014. These included Bangkok (+43%) and Mauritius (+23%). In addition, Sharm el-Sheikh made a strong comeback this summer, with 110% growth, while La Palma saw a 100% rise in

online bookings. The figures are based on analysis of all internet bookings of package holidays made from May 2014 until the start of September 2015 for departures between May 1 and October 31 this year. This two-season review enabled a comparison with last year's booking figures.

TUI Germany: New Strategy

The German market leader wants to grow faster again with a new strategy aimed at revenue growth, a higher market share and slightly better profits, instead of the former focus on financial results above all. This did not always pay off and TUI Germany's new chief Sebastian Ebel admitted that half-year results were "fairly unsatisfactory".

Outlining the aims of the five-year program, Ebel admitted that TUI had lost market share. "In the last five years it was more than five percentage points in the core segment of tour operator trips and we now lie at about 20% according to our calculations," he said. "Others were more agile and better. We want to win back these five percentage points."

Ebel stressed that the German market "works differently than in Great Britain, where we have high margins. There are two large tour operators there who convince their customers with their hotel brands. In Germany there are many more competitors. If you give up the hotels in order to focus, then they are quickly occupied by other tour operators. If the aircraft seats of these missing customers cannot be sold elsewhere, then that leads to utilization problems."

Ebel explained that TUI still wants to expand its own brand hotels, such as Robinson, Magic Life and Sensimar, which generate "a good profit contribution and high customer satisfaction". Under TUI Group's strategy, Robinson's resorts in long-haul destinations would be opened up to more international guests, but would remain 'a German product' in short and medium-haul destinations. "A few European guests in the club, for example from Scandinavia, will not change this character." However, Ebel added: "This isn't enough for us, though. We want to grow with our non-exclusive hotels as well to increase our turnover and achieve economies of scale." TUI would price the non-exclusive hotels 'in line with the market' in order to manage yields and achieve additional profit contributions. These hotels would be selected very carefully based on customer evaluations, with properties added not only from bed-banks but also through more own contracting again. This approach would be done by merging product and yield management. "Whoever grows, can contract at good rates in view of the over-capacity in flights and partly in hotels," he commented. "It's not a question of destroying our margins. We want to differentiate more by flight days, departure airports, flight times, product and destination."

Ebel emphasized that this strategy would mean much more fixed flight times for TUIfly. "If we want to manage prices by flight times, then we need a stable flight schedule. I think there wasn't any other leisure airline that made more changes to flight times than us in the past." In terms of departure airports, TUIfly will continue to station planes at Hanover, its home base, Frankfurt, Stuttgart, Munich and Basel, and is currently deciding whether Düsseldorf or Cologne/Bonn should be the basis for North Rhine Westphalia.

On the long-haul cooperation with Lufthansa's new budget airline Eurowings, which includes operating one TUIfly plane under the Eurowings brand this winter, Ebel said: "We are an important customer, but we have other partners of equal value such as Condor, Air Berlin and airlines from the Gulf States such as Emirates."

The TUI Germany chief stressed there are no plans for closer cooperation between TUIfly and Eurowings, which Lufthansa sees as an 'open' platform for other carriers to use. "It's not a strategy for us to come under the Eurowings roof with our airlines and then grow there. We would have to reduce our costs, for example to the level of Sun Express. We want to win customers for short and medium-haul routes and transport them to the destination with TUIfly."

Thomas Cook: Price Cuts, Better Service and Another Hotel Brand

Thomas Cook is launching another new hotel brand for summer 2016 and aiming to win back German market share with a new customer satisfaction promise and lower prices for many major destinations.

The new 'Casa Cook' concept hotel brand, the group's sixth such brand, is a niche lifestyle brand targeted at "the growing group of young modern travelers from urban centers who have an affinity for fashion and design and are searching for a healthy work/life balance". The properties will be flexibly and individually designed like homes in a "bohemian-chic" style with artwork, vintage furniture and local features, while the restaurants will be open throughout the day for meals at any time. The first Casa Cook hotel - the re-branded and renovated 90-room Sunprime Resort White Pearl in Kolymia - will open on Rhodes next summer. A further two or three properties will follow by summer 2017.

Meanwhile, Thomas Cook Germany has unveiled a "24-hour satisfaction promise" for Neckermann Reisen customers in certain hotels as its main product innovation for next summer. Any customer complaint in those hotels should be resolved within 24 hours, otherwise the customer will receive a voucher worth 25% of the package price. Alternatively, the customer can decide to return home and have the full package price refunded.

On the price front, Cook is cutting long-haul package prices, mostly due to flight over-capacity. The Dominican Republic and Mexico, for example, will be 3% cheaper, Mauritius will fall by 8% while Thailand and Kenya will have stable prices. Among short and medium-haul destinations, there are price reductions for Egypt and Turkey (both -3%) and Bulgaria (-2%). Spain will remain stable while Greece go up by 2%.

Long-haul holidays, which grew at a double-digit rate this summer, will again be in focus next year. Capacity has been expanded for Thailand, Cuba and Mauritius thanks to flights with Eurowings, while Condor will add services from Munich to Cancun, Havana, Windhoek, Mombasa and Zanzibar. Cook has added more hotels in the two latter destinations in response.

Among short-haul destinations, Neckermann Reisen will offer more family holidays in Bulgaria following improvements in the destination's product offering. Capacity has been expanded on Majorca, the Canary Islands and the Spanish mainland as well as in Greece, and kept stable in Turkey.

The portfolio of own brand hotels will be extended to 192 hotels, mostly marketed under the Sentido and Smartline labels and including the new Casa Cook brand.

DER Touristik Group: Synergies and Higher Profits

The new DER Touristik Group will remain decentral and focus on operational synergies to achieve higher profits in two years' time. The German group is focusing on integration of the former Kuoni European tour operator businesses following their acquisition for about €110 million. Following the acquisition of Kuoni's European tour operators, DER Touristik is the clear number three in the European tourism industry with revenues of some €7 billion a year. TUI Group with annual revenues of €18 billion and Thomas Cook Group with about €1.5 billion in turnover remain the two largest tourism groups.

CEO Sören Hartmann stressed that DER Touristik has set up a 'very lean' central management structure for the new group and will leave local brands responsible for their own markets. "I see sales and brand responsibility fundamentally as local. We will not make the mistake of stretching a brand and a sales network across all the markets," he declared. Instead, the group will focus on synergies through central management of destination activities, a single IT platform and volume-based economies of scale in contracting. "Our new reservations system Phoenix Unlimited already operates in Frankfurt and we will install it rapidly in Cologne and Switzerland. The other European countries will then follow," he said.

On the new subsidiaries' financial performances, Hartmann admitted that Kuoni Switzerland's results would be "massively impacted" this year by the stronger Swiss Franc which forced it, along with all Swiss tour operators, to cut prices heavily at the start of the year. Swiss revenues are showing a double-digit decline, but this is a "one-off effect" and business is now picking up again, he said.

He confirmed that Scandinavia would again make a loss this year but claimed business is "climbing sharply" following the return of Leif Vase Larsen to run operations. "Since Leif is back and has been making the right adjustments with his team we have been growing again," he explained. In the UK, Kuoni has "a very high-value business that is developing excellently through its own sales channels". Hartmann praised the "high competence" of Kuoni's British and Swiss travel agencies for high-value holidays, adding "I've seen completely new visions of travel there".

Overall, the DER Touristik Group CEO predicted the new subsidiaries would contribute to profits within the next two years. "Our aim is to increase (group) profits every year. We are setting realistic targets for the different business units. In the next two years we want to get so far with the new acquisitions that they fully contribute to our results."

Lufthansa's Low-Cost Strategy

Eurowings should become one of the pillars of the Lufthansa Group. This is a difficult task and a big risk, but is probably the group's only chance to succeed in the long run. The new Eurowings will start in November with several disadvantages. Ryanair has more than 320 jets and ordered 380 more. Easyjet has 230 planes and is adding one a month. Eurowings will start with only 86 aircraft. Another problem: many markets are already occupied, for example by Vueling, Wizzair and Norwegian. Eurowings will have to fly in a price-driven market.

But the carrier isn't without a chance. LH chief Carsten Spohr wants to expand the fleet to 240 planes by the end of 2017 through franchises, holdings or takeovers. But, can it really

develop independently of its sister airlines? Many of its managers are from network airlines. Can they really do low-cost? The previous attempts of BA (with Go) and KLM (with Buzz) ended in sell-offs to Ryanair and Easyjet.

So it's going to be a tough job for Lufthansa's Karl-Ulrich Garnadt. But if he fails to make Eurowings into a relevant player, it would have serious consequences for Lufthansa. The group would not only be weakened in Europe, but it would be open to attack in Germany as well.

More Flights and Airport Expansion

Airlines are adding more flights to serve the German market while Frankfurt Airport is expanding capacity ready for future growth.

Emirates will launch a third daily service between Munich and Dubai next February, with a B777 flight added to the existing A380 services. This means the Arabian carrier will offer about 1,350 seats daily from Munich (about the same as from Frankfurt) to its hub in Dubai.

Delta Air Lines is also expanding in Munich with the start of six weekly B767-400 flights to Detroit launching next May. The US carrier already flies to Atlanta from Germany's second-largest airport (MUC) and will offer up to 6,400 seats weekly from Munich to the USA next summer. In addition, Delta will add flights from Zurich to Detroit starting next May.

Lufthansa's new budget carrier Eurowings will launch weekly A330 flights to Mauritius next May following its start of long-haul flights from Cologne/Bonn airport in the next few weeks. The airline will initially fly to Puerto Plata, Punta Cana, Varadero, Bangkok, Phuket and Dubai this winter, using two A330-200s. Eurowings will gradually absorb the Germanwings brand over the coming months under Lufthansa's strategy of expanding the budget airline as one of its three divisions in future.

Easyjet is expanding in Stuttgart with new flights to Edinburgh in November and Venice next March. Condor has added a new weekly flight from Hanover to La Palma, but will stop flights from the regional airport of Paderborn in December. Routes are likely to be operated mostly by Air Berlin instead. TUIfly could lease planes to Iran to enable flights to be launched between Hanover and Teheran under plans discussed between the Lower Saxony regional government and Iranian officials.

Frankfurt Airport has started construction work on a third terminal which will increase capacity at Germany's largest airport by 14 million to 78 million passengers once it goes into operation in 2022. At present, Frankfurt has some 60 million passengers a year. Terminal 3, which will cost €2.5 to 3 billion, will be roughly the size of Hamburg Airport and will help Frankfurt to compete with other airports in Europe as well as the likes of fast-growing Dubai and Istanbul, where the world's largest airport is planned.

SALES ACTIVITIES

Lufthansa “360 Degree” Training Events (May – October 2015):

Between May 20th and October 20th we will present VSPC in several cities throughout Germany in cooperation with Lufthansa. The carrier’s 360° concept entails presentations of several LH products to top travel agents (Premium Economy, Business and First Class, Traveling with Children, the new Sun Destinations, Austrian Airlines and Swiss). The product presentation stations are set up in a circular fashion whereby attendees are seated in the middle of the room rotating their attention to each station in sequence. Of particular note is that for the new “Sun Destinations” product station, WE are the only destination given the privilege of making a special presentation ... other sun destinations receive mention only by a LH representative.

This month the series of training events concluded.

October 19th in Nuremberg:

- The evening in Nuremberg was the final one of this exciting training session series. Agents loved our amplified presentation as well as our innovative dice game. The evening culminated in a raffle during which VSPC was highlighted again as the grand prize consisting of a 3-night hotel stay in our area plus two dinner cruises for two. Attendance: 40 agents.

Lufthansa Familiarization Tours (October & November 2015):

With Lufthansa’s new service to Tampa launched on September 25th, our area is in hot demand among Lufthansa’s HQ and regional account managers in terms of showcasing our many features and benefits to key travel agents and tour operators. Familiarization tours on the books this month and next:

- 10/04-06: Cruise Tour Operator Fam – 10 tour operators + 1 LH staff
- 10/09-11: Travel Agent Directors Fam – 7 travel agency directors + 1 LH staff
- 10/26-28: Lufthansa City Center Fam – 9 travel agents + 1 LH staff
- 11/06-08: Travel Experts Fam – 12 travel agents + 1 LH staff

We liaised closely with both our Leisure Sales Department and the carrier on the development of itineraries. Our Leisure Sales Department was been provided with input as related to LH’s rather strict compliance criteria, meaning once initial itineraries are available, they are subject to approval by LH’s compliance department. We also provided HQ with details as to LH’s flight schedule (FRA-TPA) including departure and arrival times, frequency and information on the winter flight schedule, which went into effect starting October 24th.

This month saw us coordinating final details for the above Fams from itinerary approval by LH to logistics related to the arrival procedure in Tampa. Signed Release & Waiver Forms were collected and forwarded to HQ accordingly. In addition, planning continued for the Fam scheduled next month.

RPR1 Radio Promotion with Lufthansa (October 2015):

In conjunction with the new Lufthansa service from Frankfurt to Tampa, we’re excited about yet another opportunity to ‘amp up our awesome’! This time, it’s about a radio promotion/sweepstakes with Lufthansa in cooperation with the radio station RPR1. RPR1 is a private national radio station and brand leader in the German State of Rhineland-Palatinate:

- 135,000 listeners / hour
- 746,000 listeners / day
- 1.3 million listeners / day in the extended catchment area
- 290,000 visitors to the website / month
- Estimated media penetration: 1.8 million

Starting the last week of this month, RPR1 aired sweepstakes 'game rounds' twice daily between 10am and 2pm. In order to be eligible to participate, listeners were pointed to a specially created microsite on rpr1.de and were required to complete an online registration form. Winners will then be drawn with great fanfare on a Saturday in November.

Thanks to the generosity of our industry partners, VSPC was able to present a fabulous travel prize package consisting of accommodations, attraction tickets and beachfront dining. Lufthansa contributed two FRA-TPA tickets to the sweepstakes.

In addition, we conducted an interview with the radio station promoting the many features and benefits of our area.

FTI North America Road Show (October 8th – 16th, 2015):

With FTI Touristik being one of Germany's most influential tour operators with a vested interest in the USA, we are very pleased to have secured one of the coveted presentation spots for this year's FTI North America Road Show! From October 8th – 16th we presented St. Pete/Clearwater in Zurich, Munich, Salzburg, Nuremberg, Leipzig, Dresden and Berlin.

Workshops and training sessions including an interactive travel fair culminated in evening events in each city with an on-stage interview/destination presentation program and exciting travel prize raffles. Thanks to the generosity of our industry partners, we were able to present a travel prize in four of the seven cities! A total of 586 agents were trained, i.e. over 80 agents per city.

VSPC Sales Visit (October 19th – 23rd, 2015):

Planning for our visit to the county was finalized early this month. Correspondence with several industry partners regarding appointment requests and confirmations was completed; travel and accommodations arrangements were finalized; our TDC PowerPoint presentation and itinerary were transmitted to HQ. Once again, our visit to the county was most productive serving to familiarize ourselves with new product, reconnect with industry partners, engage in productive market information exchanges and learn about future developments.

TravelExpo Consumer Fair, Lucerne (October 23rd – 25th, 2015):

Held annually in Lucerne, Switzerland, this is the first important consumer fair of the 2015/16 tourism season. Over 20,000 travel-hungry visitors attended the show. VSPC garnered exposure within the North American stand.

Visit USA Germany Halloween Event 2015 (October 30th – November 1st, 2015):

For the sixth consecutive year, we participated in the annual Visit USA Germany Halloween Event. This year's seminar weekend took place at the Hilton Frankfurt Airport with 97 participants.

VSPC shared a seminar training session with Visit Orlando and SeaWorld Parks & Entertainment, jointly conducting ten intensive as well as engaging training sessions throughout the course of a full day. An evening Halloween extravaganza was the highlight of the weekend during which VSPC was presented once again with a great travel prize as part of the main prize package.

Netherlands Sales Visit (November 4th – 5th, 2015):

Arrangements have been made to call on several Dutch tour operators to update them on VSPC news and hold training sessions for in-house reservations agents next month, just prior to the commencement of the 2016 booking season. We will visit key tour operators American Vacations, Jan Doets, Tenzing Travel (formerly known as Kuoni Netherlands) and Travel Trend.

“DERTOUR Academy” Pre-Event Fam Tours (Nov. 17th - 19th & 21st - 23rd, 2015):

Background:

DERTOUR, one of Germany’s leading tour operators, stages an annual event known as the DERTOUR Academy. Over and above intensive training providing agents with the skills they need to operate effectively at the counter, this event serves as a platform for the presentation of the new DERTOUR summer programs and catalog products.

Past DERTOUR Academy destinations have included Canada, Dubai, Egypt, Malaysia and Scandinavia. This year, the DERTOUR Academy’s main event will be held in Las Vegas (November 19-27). 576 top-selling retail travel agents associated with DER Touristik are selected from over 10,000 travel agencies in Germany, Austria and neighboring countries to attend this event in two, back-to-back waves of 288 agents each (11/19-23 and 11/23-27).

As an augmentation to the Academy, DERTOUR offers agents participation in familiarization tours before and/or after the main event. Due to our excellent relationship with the tour operator, VSPC has been offered the invaluable opportunity to showcase the region to these high-quality agents prior to the main event. This will comprise two, back-to-back groups of 24 agents (12 dbl occupancy rooms) + 1 DERTOUR escort (1 sgl occupancy room) for two nights each, i.e. 11/17-19 and 11/21-23.

We have secured accommodations for the two groups – a big ‘thank you’ here as well for our industry’s generosity! Our Leisure Travel Department is in receipt of preliminary program information including the flight schedule. Our Release & Waiver forms have been forwarded to the tour operator for distribution to participants. Rooming lists have been received and forwarded to HQ. Itinerary development is in the finalization process.

CMT Stuttgart Super Sweepstakes (January 16th – 24th, 2016):

Known as one of Germany’s largest and most important consumer shows, CMT Stuttgart attracted over 241,000 vacation hungry visitors this year. In addition to our joining forces with the Visit USA Committee Germany in promoting our product via brochure distribution to consumers, we will again co-sponsor the popular CMT Super Sweepstakes.

The sweepstakes will be published in a 12-page, 4-color visitor brochure (circulation 350,000) which will be distributed at 1,800 outlets throughout the State of Baden Württemberg prior to the show and among consumers visiting the fair. The sweepstakes will also be advertised in the fair catalog (circulation 10,000) and promoted to the media. Active promotion of the CMT Super Sweepstakes will start in November 2015 when the official sweepstakes website goes live.

Two travel stays in St. Petersburg/Clearwater will be included. We are again most grateful for the generous support of our industry partners! Sponsors’ images and logos have been forwarded to the organizer and the collateral material publisher. We also successfully secured co-sponsorship by Lufthansa for 2 flight tickets to Tampa as well as a one-week car rental from Alamo. Layout proofs for printed material to be forthcoming next month.

Visit USA Seminar Austria (January 27th – 29th, 2016):

Known as Austria’s premier travel trade event, the Visit USA Seminar Austria will be held in Graz and Linz next year and is expected to attract up to 150 agents cumulatively. The format will comprise an afternoon seminar with an ensuing evening event in each city. The seminar program will include a table top marketplace and an on-stage “interview” session with each exhibitor. The Visit USA Committee Austria will again organize a post-seminar “evaluation breakfast” during which we will have the opportunity to provide feedback and discuss future planning. Our ‘early-bird’ registration has been submitted thereby securing a discounted participation fee.

Visit USA Seminar Switzerland (February 3rd, 2016):

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. An estimated 400 travel agents are expected to attend this important Swiss event. Our 'early-bird' registration has been submitted thereby securing a discounted participation fee.

Per the organizer's request, we have delivered several items including destination-oriented questions for an online knowledge test scheduled to go live in November, query contributions to a questionnaire to be distributed during the event, imagery for development of new stand backdrops, etc.

Additional Activity:

- Travel agency **Reise-Insel-Saal** celebrated its 10th anniversary with a big USA event, for which we provided our Gulf to Bay destination magazines, area maps and a selection of small giveaway items.
- We provided travel agency **Reisebüro Merseburg Süd** with our 'live amplified' destination video for display in their storefront window in conjunction with a Florida customer promotion scheduled for next month.
- **Kerstin Würkert, Director Marketing Cooperations and Media Management at Lufthansa** headquarters in Frankfurt, excitedly announced to us she intends to explore our area on her personal time next month. We gladly assisted her with securing accommodations and provided comprehensive destination information and tips.

MARKETING INITIATIVES

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

Tour Operators:

- CANUSA Touristik (Germany)
 - **B2C Out-of-Home Campaign** – January & February
Focused on reaching consumers no matter what their media consumption habits are, this out-of-home campaign will serve to surround and immerse customers on the go, i.e. where they spend 70% of their waking hours. In cooperation with German tour operator Canusa, we will advertise in the most frequented metro lines in Hamburg and Munich. VSPC will be presented with a key visual and travel teaser with a tour operator call-to-action. 25 posters will be placed in metro trains for 2 full months in each city. This initiative will be augmented by online marketing activities. The major metro lines are frequented by an estimated 100,000 passengers daily.
We've provided the tour operator with all elements necessary for production of the creative. Layouts are expected next month.
- DERTOUR (Germany)
 - **B2C Mailing** – November
A 4-page consumer mailing containing VSPC imagery, logo and travel teasers will be distributed to 15,000 Dertour customers. Coop partner is SeaWorld Parks & Entertainment with Busch Gardens. The tour operator has been provided with all necessary elements for layout design. The proof has been received, corrected and approved.

- **B2B2C Travel Agency Storefront Window Display** – November

Pursuant to our excellent relationship with the tour operator, we were given the opportunity to launch a travel agency storefront window display campaign in November – one of the most coveted promotional months, as it coincides with the launch of the tour operator’s summer catalog. 1,000 travel agencies – all located in highly-frequented traffic areas – will be committed to prominently present the oversized poster for four weeks. Content will include VSPC travel teasers, promotion of the new Lufthansa service to Tampa as well as travel teasers for coop partners Visit Tampa Bay and SeaWorld Parks & Entertainment with Busch Gardens. We have provided the tour operator with respective materials (logo & imagery) for layout development. The proof has been received, corrected and approved.
- Explorer Fernreisen (Germany)
 - **B2C “Out of Home” Tram Car Display** – October

We conducted an exciting out-of-home initiative with Explorer Fernreisen this month entailing placement of A3 posters in the tram cars of Dresden’s DVB (Dresden Traffic Enterprise). VSPC key visual, logo, travel teaser and call-to-action will be included. Print run is 100 posters. Duration: 4 weeks, the entire month of October. Estimated reach is 12.7 million passengers. The tour operator was provided with all elements for layout development. The proof was received, adjusted as needed and approved.
- Fairflight Touristik (Germany)
 - **B2C Florida Pamphlet** – October

VSPC is featured on one full page of an 8-page pamphlet entitled “Holiday Trips to Florida”. Initial print run will be 3,000 pieces to be distributed at trade shows attended by the tour operator and as a fulfillment piece for Florida travel inquiries. VSPC will be featured with logo, key visual and destination copy. Input was provided, layout corrected and approved.
- FTI TOURISTIK (Germany)

Florida has been selected as FTI’s “Highlight of the Year” destination for 2014/15. The “Highlight of the Year” campaign runs for 12 months and gives the featured destination enhanced exposure by means of increased product placement, development of special travel packages with value-added elements, several B2B and B2C initiatives, media coverage and generally, a familiarization tour. In conjunction with Visit Florida being the featured destination next year, we will have the opportunity to participate in several marketing initiatives:

 - **B2B Florida Online Academy** – January-October

FTI’s online academy is an eLearning platform providing 14,000 registered travel agents with innovative training modules. These include interactive elements such as virtual maps and quizzes. The platform is promoted to agents via the “Academy Newsletter” and in the tour operator’s “Start Up” sales program, in which agents are required to participate. Agents successfully completing the Florida Online Academy will receive a “Florida Specialist” certification. VSPC is featured with a dedicated page presenting comprehensive destination information and unique selling points with logo and imagery integration. The eLearning ran through October 31st. Final reporting is expected in November/December.

Travel Trade/Consumer Publications & Portals:

- TIP – Travel Industry Professional (Austria) – circ. 16,000 *Trade*
 - ½ **page 4c advertorial** in the USA Supplement Issue 2016 – January

The publisher will again produce a special USA supplement for distribution in conjunction with the Visit USA Seminars to be held on January 27th and 28th in Linz and Graz 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, imagery and insider information.

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

Online Aggregators:

- eBookers (Germany) *Consumer*
 - **Online Promotion** – May 15th - November 29th, 2015

Consisting of banner placements and a dedicated landing page, core campaign elements include:

 - A soft launch in May and June to run 50% of the media impressions
 - The campaign will be dark in July and August (because of German holiday periods)
 - It will have a stronger share of voice in September-November and run 50% of media impressions and the takeovers

Layouts were received and approved with the campaign launching on 5/15.

Reporting shows over 1.36 million ad server impressions through 10/14.

We have kept abreast of disseminating applicable billing instructions to our marketing initiative partners/vendors as well as following up on the status of invoices with the required proof of performance documentation. We are also continuing the process of collecting proposals for next FY’s marketing initiatives in preparation for compiling advertising budget suggestions.

Public Relations:

Kaus Media Services - VSPC’s German PR Agency

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

- **Press Release October:** Proofread and corrected.

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