

CENTRAL EUROPEAN OFFICE

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MARKET INTELLIGENCE / TRENDS

Strong Booking Surge in March

Customers are flocking to travel agents as the 2017 summer holiday season is picking up speed. German travel agents celebrated double-digit revenue growth last month, the latest TATS market trends survey showed. In its monthly sales review of 2,500 travel agencies, IT services company TATS registered positive March business. Still, cumulated sales are behind compared to the same month in 2016, which correlates with the popular Easter holidays falling on March last year, and not April.

Bookings rose by 12.8% last month, leaving a cumulative increase of 7.1% for advance bookings through to October 2017. There was a 21.3% rise in sales of cruises, which are showing a 16.0% rise for 2016/17 as a whole. The strong cruise holiday sales compensate for a recent slump in flight-based package holidays and other trips.

Lazy Days with a Smartphone

Relaxing at a pool or beach – with a smartphone – outscores active holidays taking in nature and culture for Germans and many other nationalities. Most Germans (57%) prefer to “relax and laze” on holiday, while only one in three (32%) are more interested in active holidays or sightseeing, a GfK survey of 22,000 consumers in 17 different countries found.

One exception to this trend is among families with teenage children (aged 13-19) who tend to go on more active holidays. This also reflects the fact that a majority of 15-19 year-old Germans prefer undertaking different activities while on holiday rather than just lying around on a beach. But Germans are not alone in this overall preference for lazy holidays, the GfK survey found. A clear majority (59%) of international consumers puts relaxation ahead of activity while on holiday, with just over one third expressing a contrasting opinion. However, there are some striking national differences: Active holidays are more important to Italian (45%), French (45%) and Spanish (43%) travelers, while Brazilians (71%), South Koreans and Japanese (both 66%) are strong believers in a relaxing holiday.

Meanwhile, an overwhelming majority of Germans cannot imagine going on holiday without their smartphones, according to a separate GfK survey. Nearly all Germans (93%) use their mobile phone on holiday, with a high 28% spending between one and two hours a day with their devices, the representative survey of 1,000 people aged between 14 and 60 found.

Unsurprisingly, smartphones are overwhelmingly used for private purposes, including communications (76%), taking photos or videos (68%) and following the news (56%).

However, as many as 44% also use their smartphones for travel planning while in the destination. Only 9% use a mobile device for working while on holiday.

SALES ACTIVITIES

TUI Experience Tour (April 27th – 28th, 2017):

The “TUI Experience Tour” is among the most important events TUI Germany orchestrates annually for its top travel agents. Former long-haul destinations have included California and South Africa. For the 2017 event, participants are required to complete an eLearning program (with a minimum test score of 80%) in order to be eligible to attend the tour. VSPC has been included in the eLearning as well as several other communication channels (as part of our FY 2016/17 marketing initiatives with the tour operator). TUI’s aim is to increase sales to the destination by a minimum of 10% as a result of bringing this program to VSPC.

We finalized all logistics concerning this event this month. The Fam tour comprised 145 participants (120 travel professionals + 25 TUI executives and staff). The event was a big success, whereby we received accolades from TUI executives and staff for the exceptional hospitality and the perfect organization. Based on the enthusiastic feedback received from the participants, TUI is confident that an increase in bookings to our area will be forthcoming.

We are hugely grateful to our industry partners for their fabulous support in bringing this important program to life and for making it such a success!

Touristik Aktuell ExpiProfi Fam (May 10th – 12th, 2017):

In conjunction with an eLearning program we are conducting in cooperation with Touristik Aktuell (German trade pub) and Visit Florida, a familiarization tour is being planned for a select group of travel agents (all of which must complete the entire Florida eLearning program to be eligible to participate). The tour will begin in Orlando, move on to Sarasota, continue to St. Pete/Clearwater and end in Miami. Turkish Airlines is the co-sponsoring carrier providing 12 seats (10 agents + 2 escorts – Visit Florida and Turkish Airlines).

We liaised closely with our Leisure Travel department providing input for itinerary planning and submitted the applicable rooming list.

German Sales Mission (May 14th – 19th, 2017):

Visit St. Pete/Clearwater and Visit Orlando will be joining forces to organize and expedite a German Sales Mission to five German cities (Hanover, Bochum, Oberursel, Frankfurt and Munich). The program will comprise holding both product management meetings as well as comprehensive in-house reservations agent training sessions at top German tour operator offices and service centers, for example: America Unlimited, TUI Germany, Thomas Cook, DER Touristik and FTI. In addition, product directors and managers will be invited to appreciation lunches/dinners in each city. We are very pleased to be joined by our local industry partner Diane Dove of Ocean Properties.

This month saw us continuing to expedite organizational logistics such as identifying and securing venues for appreciation lunches and dinners, confirming accommodations, securing group ground transportation, finalizing training schedules with our tour operator partners, making applicable shipping arrangements, etc.

Visit USA Germany Bowling Workshop (May 27th, 2017):

The Visit USA Committee and Brand USA will join forces in staging an educational and interactive forum for travel agents in Düsseldorf next month. Up to 80 travel agents can participate in the evening event and will be divided into 8 groups of up to 10 persons upon

registration. Each partner will hold 10-minute workshops to each of the 8 travel agent groups followed by the fun part: a 60-minute bowling tournament along with American buffet. With only 8 presenting partner slots, we promptly submitted our registration this month. In addition, we developed our presentation, secured travel arrangements and handled all shipping logistics.

IPW (June 3rd – 7th, 2017):

Preparations are underway for our attendance at this year's IPW to be held in Washington D.C. The online appointment scheduling opened last month with our being quick to pre-select appropriate buyers with whom we would like to meet. The online appointment scheduling closed on 4/24. IPW will distribute the computer-generated appointment schedules next month

We continued to liaise with HQ providing further input and reviewing invitation lists for our "Twice the Party" event to be held during IPW on June 6th in cooperation with The Beaches of Fort Myers & Sanibel.

DER Touristik Campus LIVE 2017 (December 5th – 8th, 2017):

The "Campus LIVE" tour is among the most important events DER Touristik orchestrates annually for its top travel agents. While the main event will be held in Orlando from December 8th-12th, 2017 for 90 top-selling German travel agents, DER Touristik is keen to give agents the opportunity to experience different regions of Florida during 5 Pre-Tours consisting of 18-20 persons each. These are intended to convey additional product knowledge on each region's attractions and unique selling points.

Accommodations were secured for the pre-tour to St. Pete/Clearwater this month. We shall proceed with liaising closely with our Leisure Travel department regarding itinerary development and further program arrangements during the coming months.

Additional Activity:

- We assisted our Media & Interactive department with our **German VSPC website** by reviewing all articles and providing several pages of suggestions for updates, corrections, new translations as well as recommendations for additional content in German.
- We assisted Mr. Peitz of **Lufthansa City Center Lückertz in Warendorf** with his own travel plans to our area, providing comprehensive destination information and insider tips.

MARKETING INITIATIVES

Our efforts continued this month in conducting marketing initiatives and advertising programs, which included ...

Airlines:

- British Airways (Germany)
 - **B2B Speedbird Club Promotion** – May 9 -June 6, 2017
- Together with British Airways, Germany we have developed a unique travel agent promotion for their "Speedbird Club" communications channel. Designed as an informative online platform specifically for the travel trade, British Airways'

Speedbird Club Germany currently boasts 8,700 travel agent members. Members are kept up-to-date on the latest developments and promotions by means of regular eNews blasts.

Messaging on VSPC (including content, imagery and logo) will be combined with twin-center destination Visit Orlando and will include a sweepstakes element. Again, we are most grateful to our industry for the generous accommodations sponsorship.

BA was provided with all elements, i.e. VSPC content, imagery, logo and the hotel sponsor information this month.

Tour Operators:

- **Aeroplan (Germany)**
 - **B2B2C Travel Agent Flyer Mailing – March**

Positioned as a tactical early bird initiative to push summer 2017 business, a double-sided flyer depicting VSPC logo and key visuals, accommodations teasers along with flight and car rental offers was deployed to 13,000 travel agencies for use at the counter in point-of-sale.
 - **B2B Early Bird Tactical Offer eNews Blast – March**

Above flyer was included in an eNews blast to 28,000 travel agents as a downloadable PDF.

- **FTI Touristik (Germany)**
 - **B2C & B2B Multi-Channel Memory Card Game – April-June**

Together with FTI, we have developed an innovative sweepstakes initiative involving a digital Memory Card Game. The platform will serve to solicit engagement and provide information on VSPC and our area's offers by FTI. The initiative concludes with a sweepstakes question which must be answered in order to become eligible to win a trip for two to St. Pete/Clearwater as well as one of 1,000 memory card games, which will be specially designed, high-quality boxes of 24 card pairs showing our logos on the back and enticing imagery on the front to be matched. Focused on raising awareness, generating buzz and boosting bookings to St. Pete/Clearwater, the campaign will run for several months (April thru June). Campaign elements include a number of distribution channels, such as:

 - a) **B2C FTI Standalone Newsletter – April**

VSPC will be featured within FTI's eNewsletter to 140,000 clients. It includes logo, imagery, text, travel offers and a link to a dedicated VSPC landing page with jump to the sweepstakes.
 - b) **B2C Offpage Package Premium – April-June**

VSPC and the Memory Card Game Sweepstakes will be featured in a high performance-oriented marketing mix with smart placement of advertising material and content in a relevant environment with a guaranteed number of ad impressions and clicks: Advertising material (AdBundle) with VSPCs offers and products will be placed on external networks as well as on channels such as Google adwords, Facebook, etc.

In addition, a special landing page will be created for VSPC on www.fti.de.
Guaranteed ad impressions of 3 million are targeted along with 10,000 guaranteed clicks.
 - c) **B2C FTI Newsletter Premium Teaser – April**

The sweepstakes banner will also be placed in an eNews blast to 140,000 clients to push the online Memory Card Game. The banner will directly link to the sweepstakes.

The Memory Card Game went online this month supported by B2C newsletters and Facebook posts and has generated 3,970 participants in the sweepstakes and over 850 requests for more information on our area!

- Knecht Reisen (Switzerland)
 - **B2C Out-of-Home Streetcar Campaign** – February-April
We are very pleased to have secured a great opportunity for public transport advertising: 200 posters will be placed in the windows of Zurich's main streetcar lines for three months starting in February. Beyond an enticing VSPC image, messaging will include a sweepstakes promo comprised of a week's stay in our area, one-week car rental and flights for two donated by Edelweiss Air, whom we were successful in attracting as a co-sponsor. A curiosity generating vanity URL was created as the call-to-action, i.e. www.SonnenHungrig.ch (SunHungry.ch). Here customers are presented with a VSPC video and enticing destination description before being led to a new page where they are asked to vote for their favorite VSPC beach and answer the all-important sweepstakes question in order to become eligible to participate in the sweepstakes drawing. The campaign will also be promoted on the tour operator's electronic channels, i.e. via eNewsletters and social media. Results to be forthcoming next month.

- Thomas Cook – Neckermann Reisen (Germany)
 - **B2B2C Storefront Digital Travel Screens** – May 15th – June 25th, 2017
Placed in shop windows of retail travel agencies located in high-traffic pedestrian areas, these storefront travel screens are a very successful marketing tool. Digital content is presented vibrantly with moving imagery and video, which speak to the customer emotionally, motivating the desire to travel. We eagerly secured exposure for VSPC, as placement spots are highly coveted and fill up quickly. Distribution is to 226 Neckermann retail travel agencies; duration is five weeks; spot length is 40 seconds repeated in 10 minute intervals. Estimated reach is 2,780,000 contacts.
This month our 40-second spot was developed which includes our 'Live Amplified' destination video and an attractive Neckermann Reisen travel teaser to VSPC.

Travel Trade/Consumer Publications & Portals:

- National Geographic (Germany)
 - **2/1 page, 4c advertorial in “Das Erbe unserer Welt”** – May (circ. 100k) *Consumer*
“Das Erbe unserer Welt” (Heritage of our World) magazine is a special collector's edition produced twice/year by Nat'l Geographic Germany (May & Nov). This high-end magazine is distributed exclusively to Germany's 100,000 Nat'l Geographic subscribers, a demographic of highly educated, affluent and well-traveled customers. The publication focuses on the world's history and heritage with arts, culture and travel being the main topics. Readers are interested in visiting places exuding these attributes, hence the reason for the special edition. An iconic person who represents these elements in one way or another adorns the cover of each special edition and is covered in the magazine's main feature. Past special editions have featured Nelson Mandela, Mother Teresa, Albert Einstein, Beethoven and Salvador Dalí to name a few.

This year's May edition will feature Elvis Presley, paying tribute to the legacy of this American and global idol. With a related feature on blues and jazz music throughout the USA, special editorial will focus on three Elvis concerts held in St. Pete, including his final one in 1977. VSPC will be featured in this context on two full-color pages. In addition, there will be an online replication of the magazine throughout May on NationalGeographic.de giving us the opportunity to place an extra advertorial including imagery and hyperlink to our website on the "Mehr Info" (more info) tab.

- Vista Point Travel Guide Book "Florida" (Germany, Austria, Switzerland) *Consumer*
 - **Front Cover and 1/1 page, 4c advertorial** – 2017/18

The Vista Point publishing house produces several travel guide books, with a Florida dedicated edition being among them. The guide books are utilized by tour operators for distribution to customers and are available for purchase in supermarkets and book stores.

VSPC will be featured on the front cover of the newly adapted Florida book with an enticing image and map reference. In addition, our area will highlighted on a full page within the book, will be included within the route log and will be shown as a side trip from the day route on the map. The publisher was provided with several imagery choices for the front cover this month.

Pub frequency: 1x/yr, circ. 25,000

Online Aggregators:

- Expedia.de & Hotels.com (Germany & Switzerland) – 5.2 million visitors/mth *Consumer*
 - **Placement Campaign** – January 16th – March 6th, 2017

This year, VSPC will again be featured on the expedia.de and hotels.com websites in Germany and Switzerland with core offers on both home pages, teaser boxes on run-of-site as well as skyscrapers and teaser boxes on the flight+hotel and click&mix sites. The 50-day campaign produced 3.19 million impressions, 2,613 clicks on banners, 0.08% click thru rate,

Last FY's 50-day campaign produced 1.3 million views, 1,996 clicks, 0.15% click rate, 1,300 room nights booked during campaign period with \$ 230k in sales revenue.
- Travelzoo Europe (Germany) – 2 million German subscribers *Consumer*
 - **Online Promotion** – March/April

After a very successful campaign with Travelzoo last year we initiated with them this time a special package with the following elements:

 - **Destination profile with travel offers:** An exclusive page will be created for VSPC to endorse the destination containing editorial write-ups, videos, images, branding opportunities, links to the VSPC website and travel deals.
 - **"Destination of the Week" within TOP 20:** This will reach up to 2 million Travelzoo readers and will directly link to the destination profile.
 - **Alternating weekly website placements on Travelzoo:** Duration will be 4 weeks with 1.3 million unique visitors per month including picture, text & direct link.
 - **Alternating weekly social media posts:** Duration will also be 4 weeks and posts will show on Facebook, Instagram, Pinterest and Twitter with more than 600.000 Pan-European social media fans.
 - **"Special Website Collection":** VSPC will be featured for 4 weeks with large website placements of researched travel offers to the area on the Travelzoo start

page to highlight the destination, increase traffic & direct bookings to more than 1.3 million unique visitors per month.
The campaign generated 1,798 room night booking and €156,520 in sales revenue to our area.

Public Relations:

Kaus Media Services - VSPC's German PR Agency

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

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

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