

CENTRAL EUROPEAN OFFICE

M A R C H 2017

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MARKET INTELLIGENCE / TRENDS

Tourism Chiefs Fight for Travel Freedom

Industry leaders slam travel bans and restrictions as ITB opens. Security fears and increasing barriers to freedom of travel are casting shadows over the global tourism landscape for 2017. But top travel industry bosses are speaking out in favor of travel freedoms.

UNWTO chief Taleb Rifai slammed President Trump's latest short-term travel ban on visitors from six Muslim countries to the USA. "We cannot live in a world where walls are built and people are prevented from travelling freely," he told the fvw ITB Daily. The ban will hit incoming tourism for the USA and make visitors feel unwelcome, he predicted.

At the ITB opening ceremony, Rifai declared: "We live in the worst of times and the best of times. Times when we wake up every other day with the threat of terrorism at our doorstep and the glooming numbers of unemployment. Times of isolationism and ill-conceived actions like travel bans, which do not lead to increased security but just to growing tension. Despite all these complex and interlinked challenges, despite acts against the freedom of travel, the power of tourism continues to shine through the darkness. "In a world that seems increasingly short of tolerance and generosity, we should cherish tourism as a precious pillar of peace amongst communities and nations." he said.

German Tourism Industry Federation president Michael Frenzel is confident the market will continue to grow this year, but he urged the tourism sector to fight against the worrying rise in travel bans and visa restrictions. "We have to make sure our customers can travel without restriction, no matter where they come from or whatever their religion," he said. "This is what our industry stands for and it is what we have fought for."

Top executives insisted that the appetite for travel among German consumers remains strong. Norbert Fiebig, president of the German Travel Association (DRV), said that while bookings for the USA dipped slightly in 2016, this was mainly exchange rate driven (strength of the US Dollar). Demand this year has fluctuated, with some weeks showing growth and others a decline. Mr Fiebig said it was too difficult to gauge whether this was for political reasons. However, with President Trump announcing details of a new travel ban this month, the situation could change. "So far, there has been no significant sign of a Trump effect, but I cannot speak for the future," he said.

Booking Pattern: Germans are Booking Early

Germans are booking their summer holidays very early this year. The German tourism industry is optimistic about prospects for 2017 as consumers remain in the mood to travel more than last year. Travel agency revenues for summer 2017 are 6% higher as of the end of January, according to figures from market researcher GfK.

“Many Germans have booked their main holiday even earlier than usual, partly as far back as last November and December,” said Norbert Fiebig, president of the German Travel Association (DRV). “Many customers have concluded from last year’s capacity bottlenecks for popular destinations that they need to book even earlier in order to get their preferred destination and hotels as well as to travel cheaply.”

Tour operators and travel agents are benefiting from this trend, he underlined. “We meet the need of Germans for more security. Tour operator holidays score with better protection and strong crisis management. That’s a major added value combined with the personal and individual advice and information from travel agents,” he explained.

In 2016, the German outbound travel market grew to total spending of €6 billion for leisure and private trips (of one night or more), according to GfK figures. Advance bookings in Germany accounted for the bulk of this sum, with €9.8 billion. More than half of this spending was on tour operator holidays.

However, German tour operators saw their combined revenues drop slightly by 1.9% to €30.2 billion in 2016, according to GfK figures. This was due to the impact of the slump in Turkey bookings which outweighed growth to other destinations. Travel agency revenues declined by 1.3% to €24.5 billion due to lower consumer spending. Presenting the main destination trends of last year, Fiebig declared: “Germans travelled more but differently.” Crises and political developments in countries such as Turkey, Egypt and Tunisia impacted travel flows, with many people switching to alternative destinations such as Spain, Portugal, Greece and Bulgaria instead. Car-based holidays in Germany and neighboring countries were also in strong demand along with cruise holidays, he explained.

USA: Still Open for Business

Tourism bosses assure holidaymakers they will face a warm welcome in the United States. Despite record-breaking performances in 2016, some of the USA’s most popular tourist spots are reporting a more mixed outlook this year as the strong dollar and “Trump effect” take their toll. At best, some areas are hoping arrivals will match last year’s healthy showing, but New York, for example, has cut its visitor forecast by 300,000 after early flight search data showed declines from some of the city’s main source markets.

“Due to the political rhetoric and the travel ban, there is a bit of a challenge in terms of perception,” said NYC & Company senior global communications vice-president Christopher Heywood. “Words matter and what people are hearing affects their travel decisions.” NYC & Company unveiled an advertising campaign at ITB to “remind the world it is open for business and welcoming visitors.”

Another US tourism official, speaking anonymously, put it more forcefully: “I don’t think this disruptive type of politics is sustainable long-term for the world or the USA. It cannot go on

for the next four years.” Visit California said the continuing strength of the dollar poses a greater potential barrier to visitors, though it is crafting marketing messages to appear more welcoming. Visit Florida said it is confident of maintaining a strong performance this year.

Condor: Confidence in Standalone Business Model

Condor remains distant from the ongoing consolidation of the German aviation sector, but chief Ralf Teckentrup is optimistic about the carrier’s prospects. The German aviation sector is going through a dramatic transformation at present. The planned merger of TUIfly with Niki, which is taking over many of Air Berlin’s beach holiday routes, the rapid expansion of Eurowings, and Ryanair’s launch of many new routes to holiday destinations are all putting pressure on established carriers.

Thomas Cook’s German airline Condor is absent from this consolidation and is focusing instead on closer cooperation with the group’s other airlines as it seeks to turn last year’s small loss into a profit again this year with various cost saving measures. Managing director Ralf Teckentrup remains confident about the airline’s prospects. “Consolidation fundamentally helps the remaining companies,” he told fvw. Condor’s business model remains solid, he underlined. “It’s worked for 50 years on a low-cost basis with high productivity.” He rejected suggestions that Condor, with 45 planes, is too small to compete with Niki/TUIfly, which would have 62 planes, and Eurowings, which will operate 90 jets this year. “Condor is part of Thomas Cook Airlines. With about 100 planes we belong to the major players in the industry,” he declared.

Condor’s sales mix, with a strong basis in tour operator sales, is at an advantage compared to low-cost airlines, the long-serving manager emphasized. “We can see that tour operators are once again relying on contracted allotments and full charters. A re-thinking process seems to be taking place.” Moreover, Condor’s long-haul flights are another competitive advantage compared to low-cost carriers as “they reduce our seasonal fluctuations”, Teckentrup explained. This is why the airline wants to seal more partnerships with destination-based carriers.

DER Touristik Group: Reorganization of All Businesses into One Group

All DER Touristik businesses will be combined into a single international group in the future, with the two separate German subsidiaries integrated into one company, to streamline activities and speed up decisions. Europe’s third-largest tourism group has expanded rapidly in recent years, notably with the acquisition of Kuoni’s European tour operators in 2015, leaving it with a complex organization of 131 different companies in 14 source markets and 56 destinations. In 2016, DER Touristik’s revenues increased by 16.5% to €6.3 billion, mostly due to full-year consolidation of the former Kuoni subsidiaries.

Group CEO Sören Hartmann is now taking the next step in the group’s internationalization by creating a better structured organization covering its different regions while also streamlining the complex organization in Germany. In particular, various subsidiaries directly owned by parent group Rewe will be transferred to the new tourism holding company.

“We’ve become a leading European travel company through many acquisitions and new businesses. As part of the Rewe Group we’re now focusing on clear structures, close cooperation and rapid decisions,” Hartmann stated. “We’re creating the right structure for our seven million customers, staff and business partners.”

In the future, the new DER Touristik Group will comprise four divisions: Central Europe, Eastern Europe, Northern Europe along with Destination Management Companies & Hotels. The largest division is Central Europe (Germany, Austria, Switzerland), headed by CEO René Herzog. In Germany, the group’s largest market, the former subsidiaries in Frankfurt and Cologne will be merged into a new company *DER Touristik Deutschland* with six tour operator brands ITS, Jahn Reisen, Travelix, Dertour, Meier’s Weltreisen and ADAC Reisen along with travel agency activities and other businesses. However, the locations in Cologne, Frankfurt, Zürich, Vienna and Salzburg, with their brands and teams of experts, will remain in place.

DER Touristik’s other main tour operators in Central Europe are Kuoni and Helvetic Tours in Switzerland, and ITS Billa in Austria. In Northern Europe, the main businesses are Kuoni in the UK and Apollo in Scandinavia, which includes airline subsidiary Novair. In Eastern Europe, the group has a majority stake in Exim Holding (Exim Tours, Kartago Tours). In addition, the group has about 2,400 travel agencies in Europe, including 2,100 in Germany where it is the market leader. Moreover, it has 78 hotels operating under the brands Club Calimera, PrimaSol, Iti hotels, Coeee and Playitas (the sports resort on Fuerteventura). The new DER Touristik Group structure is due to be implemented by April 2018.

TUI Group: Germany Sales up by 6%

TUI looks to be extending its German market leadership on a 6% revenue rise for summer 2017. Both TUI and Thomas Cook have announced good growth for summer sales in Germany, indicating that they are gaining market share. The German package holiday market is showing low single-digit growth so far this year, with summer 2017 sales up by 4.5% as of end-February and winter 2016/17 sales down by 3%, according to researchers GfK.

TUI Germany, which aims to increase its claimed 22.5% market share to 25% within the next few years, has a 6% increase in summer 2017 revenues. Second-placed Thomas Cook, with a German market share of about 13% according to fvw’s annual market dossier, has a high single-digit increase in summer bookings.

In Germany, TUI Deutschland had a 3% rise in bookings and also a 3% increase in average selling prices for summer 2017, as of March 19th. Excluding Turkey, which is continuing to see falling sales, the company has a high 8% rise in German bookings. About 47% of its program has been sold, which is similar to the same time last year.

Overall, the TUI Group has a 9% increase in revenues for summer 2017, with a 4% rise in bookings and 5% improvement in average selling prices. The UK is leading the way with an 11% sales increase while the Nordics are up by 5% and Benelux by 4%.

In terms of destinations, lower demand for North Africa and Turkey is being offset by higher demand for other destinations such as the Western Mediterranean and Caribbean. Trading reflects growth in demand for destinations such as Greece, the Canaries and long haul, with a further shift away from Turkey, the group said.

Higher Inflation Dampens Consumer Climate Slightly

Findings of the GfK Consumer Climate Study for Germany for March 2017

Consumer sentiment in Germany sends mixed signals in March. While economic expectation and the propensity to buy picked up again after a decline in the previous month, income expectations fell slightly. Because propensity to save also rose again in March, the consumer climate prognosis in April is 9.8 points, and thus slightly lower than the 10.0 points in March.

- **Economic expectation:** Economic expectation recovers from the significant drop in the previous month and can make up for a large part of the losses incurred. The indicator rose 8.4 points and now stands at 18.1 points. In comparison to last year, the indicator is up by almost 18 points.

Obviously, the decline of the economic indicator for February was only a temporary setback. Uncertainty amongst many consumers with regards to the policies of the new US president has given way to a greater level of economic optimism again. After a very strong economic year in 2016 with an economic growth of 1.9%, consumers generally have positive expectations concerning economic development this year.

According to forecasts, the German economy is set to grow by around 1.5% this year and employment is also expected to continue its uptrend in 2017.

- **Price push dampens income prospects:** In contrast to the economic expectations, income expectations did not pick up in March and declined for the second time in a row. At 4.7 points, the decline was, however, moderate. The indicator still reports a high level at 43.4 points.

In particular, the recent blatant price increases strongly affected consumers. Experience shows that Germans react sensitively to changes in certain signal prices, e.g. petrol, diesel or heating oil. In particular, they see the purchasing power of their income impaired by rising energy prices.

The inflation rate in Germany rose to 2.2% in February after a recent level of 1.9% in January this year. Whether the upward price trend can hold its ground above the two% mark, is, however, questionable. Against the backdrop of the current crude oil price trend (the price for crude oil fell by around 10% in the first half of March), it is suspected that inflation will fall below 2% again in the coming months.

- **Propensity to buy on the rise:** German consumers cannot be stopped in their spending mood due to the somewhat less optimistic income prospects. Propensity to buy gained 3.9 points, thus largely compensating for losses from the previous month amounting to six points. The indicator is currently at 55.5 points.

Therefore, the recent price increases have had no impact on the rising propensity to buy. For consumers, the stable employment market trend is obviously of greater importance, since it reduces the fear of job losses, thus providing for a higher level of planning security, especially when it comes to larger purchases.

- **Consumer climate:** Following a level of 10.0 points in March, GfK forecasts a slight drop in the consumer climate in April to 9.8 points. Despite this decline, consumers remain on a shopping spree. In comparison to the past, consumer sentiment is still high.

GfK forecasts that there is light at the end of the tunnel for the current minor blip in the consumer climate, if the inflation rate is to fall again due to the current decline in crude oil prices. Because the USA has significantly expanded its shale oil production, the restriction in producing crude oil agreed by OPEC is being sidelined. Moreover, restrictions on oil

quantities are not being completely adhered to. This consequently puts additional pressure on oil prices.

Additional risks persist for the consumer climate, such as the uncertainty with regards to the economic direction of the USA, the imminent Brexit negotiations, as well as the open outcome of the elections in France, Germany and potentially in Italy. Nevertheless, private consumption will remain an important tower of strength for the overall economic development this year. Therefore, GfK confirms its prognosis from the start of the year, which forecasts that private consumption will rise by 1.5%.

SALES ACTIVITIES

ITB (March 8th – 12th, 2017):

Known as the “world’s largest tourism fair” held annually in Berlin, Germany, ITB was a successful travel fair again this year. Some 10,000 exhibiting companies from 184 countries and regions met with 109,000 trade visitors and over 60,000 vacation hungry consumers in the 26 exhibition halls which were fully booked.

The St. Pete/Clearwater stand of 24m² was located within the Visit Florida Pavilion in the North American hall. Over 35 appointments were conducted with tour operators, airline partners as well as other prominent and influential tourism providers from Germany, Austria, Switzerland and the Netherlands.

Several tour operators reported single digit percentage increases to Florida to date, whereby St. Pete/Clearwater is tracking ahead of other Florida destinations. Other operators reported a slow start to the summer booking season, but noted that in recent weeks a slight recovery was becoming apparent. Generally, there is a “wait and see” attitude among consumers relative to booking summer vacations, which is largely driven by geopolitical uncertainties. The booking window has decreased notably and most operators are anticipating a wave of last-minute bookings for the summer 2017 season.

Edelweiss Air Appreciation Luncheon (March 13th, 2017):

We were pleased to have had the opportunity to host Edelweiss Air’s executive management for an appreciation luncheon in Zurich. In attendance were: Bernd Bauer - CEO, Alain Chisari - CCO and Michael Trestl - Head of Corporate Development. We utilized this opportunity to express our gratitude for the partnership we’ve enjoyed with the carrier since 2012, when the Zurich-Tampa route commenced. At the same time, the gentlemen alerted us to the current bookings status on the Zurich-Tampa route between November 2017 and March 2018, as it appears to be behind the same period of last year. Several ideas for traditional as well as innovative initiatives were discussed. Edelweiss Air will produce a proposal for presentation by May 2017.

Swiss Tour Operator Appreciation Event (March 13th, 2017):

In keeping with what has become an annual tradition since 2013, we again conducted an appreciation event for Switzerland’s most influential tour operators. Visit Tampa Bay was our co-host again this year. In attendance were:

- FTI: Fabio Negro, Tobias Pflantz, Nadine Mirbach
- Hotelplan Suisse: Sandra Räber, Fabio Di Canio
- Knecht Reisen: Robin Engel, Michael Bötschi
- TUI Suisse: Rahel Seiler
- Visit USA Committee: Werner Wiedmer

Hosts took the opportunity to express their sincere appreciation for the tour operators' continued cooperation and support in promoting our areas and products. Equally, the hosts were complimented by attendees on their strong dedication and continued strategic marketing efforts in Switzerland. We shall continue the tradition of this annual event in 2018.

Thomas Cook Partner Group College (March 22nd, 2017):

We participated in the Thomas Cook Partner Group College held at the tour operator's headquarters office in Oberursel, Germany this month. The Partner Group College is a one-week event comprised of comprehensive travel agent trainings relative to the tour operator's worldwide products. With the North American slot in hot demand, we joined forces with Visit Orlando to be among the only Florida destinations privileged to participate. During the course of an afternoon, we presented our destination to 90 VIP handpicked, top-selling Thomas Cook travel agents and agency owners. We successfully generated yet more exposure for VSPC by presenting a fabulous travel prize in combination with Visit Orlando for a special two-center holiday experience.

Visit Florida Road Show (March 27th – 30th, 2017):

For the fifth consecutive year, we participated in the Visit Florida Road Show which was co-sponsored by German tour operator DER Touristik again this year. Three German cities were targeted (Hamburg, Kassel, Augsburg) as well as Salzburg in Austria, where we trained 215 agents cumulatively. Training sessions and workshops were held ensuring an active and engaging dialog with all agents. These culminated in evening events in each city.

The following Florida partners also participated: Florida Keys, Fort Myers, Kennedy Space Center, Naples, Orlando and SeaWorld Parks & Entertainment.

As the evening events concluded with a travel prize raffle, we put out an applicable opportunity blast to our industry last month and are grateful, once again, for the generous support!! The VSPC travel prize was combined with a sojourn in Orlando – together we represented the 'grand' prize in each city which gave us yet more valuable exposure.

With this year's road show having been another success, Visit Florida is planning to continue this program in 2018 – pending the status of its international tourism promotion funding.

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 will be required to complete an eLearning program (with a minimum test score of 80%) in order to be eligible to attend the tour. VSPC will be 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 continued to liaise closely with our Leisure Sales Department and all other parties involved (on both sides of the Atlantic) on the various action items and itinerary logistics. The Fam tour will comprise 145 participants (120 travel professionals + 25 TUI executives and staff). We are most grateful to our industry partners for the fabulous support in bringing this important program to life!

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 selection of and reservations at appreciation meal venues, confirming accommodations, securing group ground transportation, finalizing training schedules with our tour operator partners, making applicable shipping arrangements, etc.

IPW (June 3rd – 7th, 2017):

Preparations are underway for our attendance at this year's IPW to be held in Washington D.C. New Orleans. The online appointment scheduling opened this month with our being quick to pre-select appropriate appointments with buyers with whom we would like to meet. The online appointment scheduling will close on 4/24.

We also liaised closely with HQ this month in 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.

Additional Activity:

- Dutch tour operator **American Vacations** is in the process of updated and expanding their St. Pete/Clearwater product offering. We supplied comprehensive destination information, new imagery as well as special info about weddings in our area.
- We assisted Mr. Geisler, owner of **Geisler Touristik in Schwalmstadt**, whom we had met at a Lufthansa function two years ago, with his own travel plans to our area.
- After having met Ms. Kahr of **RT-Reisen in Mühlendorf** at ITB this year, we responded to her request for assistance in making personal travel plans to our area.
- Also Ms. Vagner of **Derpart Reisebüro Gaggenau** will visit our area in June. She was provided with comprehensive destination information and several insider tips.

MARKETING INITIATIVES

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

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 will develop 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.

This month final layouts for the Newsletters and other B2C advertising material were created and approved.
- Hotelplan Suisse (Switzerland)
 - **B2C Migros "Glücksgriff" Sweepstakes Promotion – February**

Migros is Switzerland's largest retail company, its largest supermarket chain and largest employer. The company produces the Migros Magazine including a "Glücksgriff" section, the magazine's dedicated sweepstakes platform (circ. 1.5 million / readership 2.3 million weekly).

With Hotelplan being our partner in providing a one-week stay to our area, VSPC was featured within the sweepstakes platform with a full page advertorial insertion including imagery, destination content, sweepstakes description and (url) call-to-action. The magazine was also adapted to the Migros website with identical content and (url) call-to-action, which linked to a dedicated VSPC landing page on the tour operator's site with travel offers, further destination content and imagery.

The sweepstakes promotion launched on Feb. 6th with overwhelming results: 16,233 sweepstakes participants with an online conversion rate of 39.4 %!

- 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.

- TUI (Switzerland)
 - **B2B eNewsletter** – March

This news blast will be sent to 700 subscribers with prominent placement of VSPC logo, imagery and destination content.
 - **B2C eNewsletter** – March

VSPC will be featured in this eNewsletter to 160,000 consumers with prominent placement of logo, imagery and destination content linking to a dedicated VSPC landing page.
Both newsletters were deployed this month.

Travel Trade/Consumer Publications & Portals:

- Diversity Tourism (Germany)
 - **“Shopping USA” Guide** – March (circ. 30,000) *Consumer*

Now in its second year, this 48-page guidebook provides tips and definitions related to the U.S. shopping experience, e.g. ‘black Friday’ sales, interpretation of merchandise labeling, sizing information, guidelines on customs allowances, etc. The guide will be distributed through travel agencies, at VUSA consumer shows, at VUSA seminars, etc. The guide was also distributed during the ITB tourism fair this month.
VSPC was featured on two pages with image, logo, destination content and shopping highlights.
Pub frequency: 1x/yr

- 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 .

We provided the publisher with respective input.

- Tom On Tour USA Guide (Germany) – circ. 60,000 *Consumer*
 - **1/1 page, 4c advertorial** – March

Published annually, the "Tom on Tour USA Guide" is a 36-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 LGBT locations, events and consumer shows and can also be ordered online.

VSPC was featured on a full page with logo, key visuals and applicable content.

Pub frequency: 1x/yr

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. VSPC travel offers, banners and landing pages were developed and went online this month.

Last FY's 50-day campaign produced 1.3 million views, 1,996 clicks, 0.15% click rate, 1,109 room nights booked during campaign period (+ 23.4% year- on-year), \$ 1170k in sales (+ 29.4% year-on-year). Results for this year's campaign to be forthcoming.
- 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.

All creative elements were delivered to Travelzoo and layouts have been designed, corrected and approved. We received a very positive interim report for the first two weeks of the promotion already:

Travelzoo start page: 54,003 impressions

Website placements within appropriate areas: 14,067 impressions

Public Relations:

Kaus Media Services - VSPC’s German PR Agency

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

- **Press Release March:** Proofread and corrected.
- **Newsletter March:** Proofread and corrected.

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