MARKET INTELLIGENCE / TRENDS

Tourism Hits a New High

Records have been broken again, but the rising visitor numbers also highlight what is perceived as an “overtourism problem.” Global tourism is booming like never before as unprecedented numbers of international travelers propel the industry to new heights. Its phenomenal success has been reflected in the German market, which is on course for another record-breaking year in 2018 following a strong performance in 2017.

“Around the world, there is a growing desire for travel and globally we are on course for a record year in tourism again,” said Norbert Fiebig, president of German travel association DRV. He cited increased demand among German holidaymakers for Greece, Turkey, Egypt, Tunisia and Morocco, all of which are enjoying a comeback this year. “Germans are the world champions of travel,” said German Tourism Industry Federation president Michael Frenzel.

However, one problem threatening to take the shine off the travel success story is growing concern about over-tourism. “As an industry, we must take care that mass tourism does not strain people’s goodwill,” said Fiebig. “It is mainly up to destinations to exert a controlling influence ... and many are already pointing the way.”

Germans Want To Travel and Spend More This Year

Consumers in Germany are ready to travel more than last year and increase their spending as well, according to the annual Reiseanalyse market survey. Nearly 70% of Germans say they will definitely go on holiday this year. As many as 30% are ready to spend more on travel this year, and only 13% plan to cut back.

“This should delight the travel industry, as there is barely any growth to be gained in terms of volumes, but certainly in terms of revenues,” commented study leader Prof. Martin Lohmann. One reason is the general trend towards higher quality holidays and more expensive long-haul trips. These currently comprise about 8% of all outbound trips taken by Germans, which is an all-time high.

There are no big surprises among the top foreign holiday destinations which barely change year after year, the representative survey of more than 7,500 Germans found. The top ten in 2017 were Spain, Italy, Turkey, Austria, Greece, Croatia, Poland, France, Netherlands and...
Portugal. One of the few surprises in this year’s study was in the short breaks market segment. Both Bavaria and Austria were more popular for short holidays in the Alps than in 2016.

However, long-haul trips are also becoming a stronger competitor to traditional snow destinations in the winter months. “Similar target groups are addressed (by both types of holiday), in other words, active, open, interested travelers,” Lohmann explained. The difference in costs was often only marginal.

Another trend, according to the travel expert, is in the area of ‘over-tourism’ where the market appears to be fragmenting. “One third likes bustle, while another third prefers destinations without too many other tourists,” he said. More important for a positive holiday experience, however, are weather, landscape, regional food and drinks, as well as the overall atmosphere at the destination, he pointed out. His recommendation to tourism officials was clear: “Strengthen your basic offering rather than investing in yet another indoor hall.”

**Summer 2018 Trends: Greece Overtakes Balearics as German Bookings Surge**

Kalimera! Bookings for Greece are growing faster than for Majorca at present as German summer holiday sales soar by 18% in January alone. Double-digit growth for summer holiday bookings with strong increases for Greece and Turkey, good figures for North Africa, moderate growth for Spain and a 20% sales slump for the USA. Those are the key trends for summer 2018 on the German market, according to researchers and experts. The strong economy, low unemployment and rising consumption spending are the key factors driving this market growth.

Figures presented by the German Travel Industry Association DRV this month made clear: Germans are in the mood for holidays. Travel agency bookings increased by 16% in January with average prices up by 2%, generating an 18% rise in summer 2018 revenues, the latest monthly sales analysis by market researcher GfK found. “The trend to early bookings continued in the first weeks of this year,” confirmed DRV president Norbert Fiebig. “Holiday bookings so far make us confident that holiday demand will be particularly high in 2018 and that we can expect further sales growth for the whole tourism year.”

**Greece** is once again playing a major role in this trend and is heading for another record year. Sales revenues are up by 40% on the already strong previous year and are currently even higher than for the Balearic Islands. With a 30% rise in sales revenues last year, Greece overtook Turkey to become the second-largest destination for German holidaymakers.

In contrast, **Spain** is only seeing moderate sales revenue growth of 4.5% this year as higher prices affect demand. Sales for Majorca and the other Balearic Islands are only 3% ahead of last year while the Canary Islands have a 7% increase.

**Turkey** is making a spectacular comeback at present. Bookings have doubled compared to last year, according to GfK, although they are still well below the peak levels of 2015. Elsewhere, North Africa is also making a good recovery with high double-digit growth rates. **Egypt** (+64%) is continuing last year’s strong comeback while demand is much better for **Tunisia** and **Morocco**. The **UAE** is performing well with a 33% rise.
Among long-haul destinations, the current winners with good growth rates include Mauritius, Kenya, the Seychelles, South Africa and Thailand. In contrast, the biggest long-haul destination, the USA, is plummeting with a 20% slump in revenues on top of last year’s 17% decline, according to GfK figures. Demand is also lower for the Caribbean, especially Cuba.

Make America Great Again

US tourism chiefs remain optimistic for 2018 in the face of gloomy German booking figures. The USA is bullish about 2018 in spite of figures suggesting a dramatic drop in demand from the German market. Bookings have plummeted 20 per cent, according to market research company GfK, but some of the country’s most popular tourist destinations are confident 2018 business will hold up after performing better than expected in 2017.

International visitors to New York are projected to have fallen by 100,000 this year, but the city, which originally forecast losing 300,000 visitors, sees better times ahead. “I think there will be a recovery this year,” said NYC & Company senior vice-president global communications Christopher Heywood. “The politics is something we are concerned about, but as time goes on people are becoming de-sensitized about it.” California is optimistic after German arrivals grew in 2017 and has launched a new marketing campaign to win more visitors this year. Florida is also looking at the positives. “So far the luxury and budget markets are doing well and it is the middle market that is suffering, but while visits are down, spending has increased,” said Alfredo Gonzalez, founding partner of Florida-based consultancy AG Hospitality Group.

SALES ACTIVITIES

ITB (March 7th – 11th, 2018):
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 186 countries and regions met with 110,000 trade visitors and over 60,000 vacation hungry consumers in the 26 exhibition halls which were fully booked.
The St. Pete/Clearwater stand of 16m² was located within the Visit Florida Pavilion in the North American hall. Over 40 appointments were conducted with tour operators, airline partners as well as other prominent and influential tourism providers from Germany, Austria, Switzerland and the Netherlands.

Many tour operators reported 2018 was off to a poor start with business to the U.S. for the summer being down by up to 20% in the first quarter. However, during the last 10 days, a recovery is apparent, i.e. bookings for the summer are on the rise strongly with +20%-30% up on the same period last year. 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 and most operators are anticipating a wave of bookings during April, May and even into June for the summer 2018 season. The outlook for the coming months is therefore quite positive.

Of note: Market researchers GfK conducted an analysis of 2,000 representative travel agencies, OTAs and tour operator websites and found that while online sales channels are gaining usage popularity, travel agencies still account for about five times more summer revenues than online channels.
Swiss Tour Operator Appreciation Event (March 12th, 2018):
In keeping with what has become an annual tradition since 2013, we again orchestrated an upscale appreciation event for Switzerland’s most influential and productive tour operators. Visit Tampa Bay was our co-host again this year. In attendance were:
- Dertour Suisse: Carmen Frei, Beatrice Honegger
- FTI: Fabio Negro, Tobias Pflantz
- Hotelplan Suisse: Fabio Di Canio
- Knecht Reisen: Christoph Huckle
- TUI Suisse: Rahel Seiler
- Visit USA Committee: Werner Wiedmer
In addition, representatives from the trade media participated:
- Travel Inside (Angelo Heuberger, Sandro Paschini)
- Travelnews (Jean-Claude Raemy)
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 expect to continue the tradition of an annual event in the Swiss market in 2019.

Thomas Cook Roundtable Workshop (April 17th – 19th, 2018):
We are pleased to have secured one of the coveted presentation slots at Thomas Cook’s North America workshop program. A series of roundtable training sessions will be held in three German cities (Freiburg, Frankfurt and Dortmund). Close to 100 qualified agents are expected cumulatively. Other participating product partners include Visit Orlando, SeaWorld Parks & Entertainment, Naples, Florida Keys, Fort Lauderdale, Visit California, Palm Springs, Texas Tourism, Houston CVB and Ontario. Shipping orders and travel logistics were completed this month.

Visit Florida Road Show (June 4th – 8th, 2018):
For the sixth consecutive year, we will participate in the Visit Florida Road Show which is being co-sponsored by German tour operator TUI Deutschland. Four German cities are targeted (Munich, Würzburg, Aachen and Bonn), where we expect to train approx. 250 agents cumulatively. Training sessions and workshops will be held ensuring an active and engaging dialog with all agents. These will culminate in evening events in each city which will include a prize raffle. A training tool ‘workshop booklet’ will be produced by Visit Florida for which we will again provide applicable material (content, imagery, logo).
The following Florida partners will also participate: Fort Myers, Naples, Sarasota and SeaWorld Parks & Entertainment

Additional Activity:
- HQ was supported with German-language proofing and correction of the VSPC banners for the Brand USA Multi-channel campaign.
- Patricia Baten of TUI Netherlands, whom we met during the USA-Canada Experience trade show in Zeist, was provided with additional comprehensive information and insider tips on our area in preparation for her own visit to our area with her family next month.
- Liaised with the Visit USA Committee France and HQ in facilitating membership invoice processing.
MARKETING INITIATIVES

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

Tour Operators:

- Aeroplan Reise (Germany)
  - **B2B2C Travel Agent Flyer Mailing** – January-March
    A digital tactical offers flyer with a special 10% supersaver discount for VSPC hotel bookings between 1/31-6/30 and 9/01-10/31/2018 will be deployed in three eNews blasts to Aeroplan’s database of 20,000+ German travel agents each for use in point-of-sale. These blasts will be executed on January 30th, February 28th and March 30th. In addition, the flyer will be positioned on Aeroplan’s website for 9 months starting end of January. Layouts have been received and approved with the second eNews blast being deployed this month. Results to be forthcoming.

- AMERICA UNLIMITED (Germany)
  - **B2C Video Promotion with German TV Celebrity** – February-March
    Targeting a broad audience from millennials to best agers, this campaign is focused on increasing brand awareness, driving traffic, boosting sales and media coverage. An exclusive St. Pete/Clearwater destination video was produced featuring German TV celebrity Fernanda Brandao with a German-version Angelina Jolie voiceover. The video to play YouTube (including placement of ‘beside video’ ads) and is expected to attract up to 350,000 views. Simultaneous placement on the tour operator’s social media platforms is expected to generate up to 150,000 impressions as well as considerable engagement activity. A Facebook boost of the video will add to the anticipated reach. In addition, a public video viewing and autograph event will be staged with Fernanda Brandao, which is expected to generate significant media coverage.
    Thanks to our Film Commissioner’s kind support, several key destination locations were secured for a German film crew to include during a video shoot conducted on location in November with Fernanda Brandao. Our office provided German-language content in preparation for development of the voiceover. A preview of the stunning video was received and forwarded to HQ. The video went live on social media the beginning of this month and generated a whopping 163,196 views within the first week.

- Canusa Touristik (Germany)
  - **B2C Content Package “Scenic Routes”** – mid-May 2018 - open ended
    We will join forces with Canusa Touristik on an innovative online promotion package initiative focused on attracting new customers and raising awareness for VSPC.
    Two travel route itineraries of different durations (14 nights & 22 nights) and will be developed giving potential customers an inspiration for their next journey. The ‘scenic routes’ will include maps, destination content and a “Top X Section” highlighting exciting area attractions. The ‘scenic routes’ will link to VSPC search engine optimized content on the tour operator’s website and point customers to the booking engine platform. Canusa.de boasts 1.2 million unique website visitors yearly. We provided tour operator with the relevant content and are awaiting layouts for approval.
• DERTOUR (Germany)
  ➢ **B2C Landing Page** – March 9\(^{th}\) - May 4\(^{th}\), 2018
    Dertour created a dedicated landing page to promote our area. In addition to general
destination information and imagery, it features six travel teasers. The landing page is
located on the North America platform on the dertour.de website with an expected
8,000 visits.
  ➢ **B2C eNewsletter** – March 11\(^{th}\), 2018
    VSPC was featured in a one-off dedicated eNewsletter including 4 tactical travel
offers and enticing travel tips. The newsletter was deployed to 53,000 subscribers and
will link to the landing page.
  ➢ **B2B2C Homepage Teaser Boxes** – March 29\(^{th}\) - April 6\(^{th}\), 2018
    Three teaser boxes are prime positioned under recommendations / tip of the week.
Boxes contain VSPC logo and key visual and link to the landing page. 125,000 page
impressions per week.
  ➢ **B2C eNewsletter Teaser** – April 29\(^{th}\), 2018
    A VSPC teaser with logo and travel offer will be placed in Dertour’s eNewsletter and
will link to the respective landing page. The newsletter will be deployed to 53,000
subscribers.
  ➢ **B2C Facebook posts** – April 16\(^{th}\) & 25\(^{th}\), 2018
    Two Facebook posts dedicated to VSPC will be placed in April linking to the St.
Pete/Clearwater landing page. Dertour’s Facebook page has 85,000 fans/followers
with approx. 2,5 million ad impressions.
We provided Dertour with respective input, corrected and approved the layouts this
month.

• FTI Touristik (Germany)
  ➢ **B2B2C Traveling Trailer / Multi-Channel Campaign** – February-March
    We successfully secured an exciting campaign with FTI comprised of a highly-coveted
out-of-home element, i.e. a ‘mobile travel agency’ trailer, which was staged at inner
city locations as well as several important consumer shows throughout Germany
(including ITB) for a period of two months. Total consumer show reach alone is
approx. 600,000. Several digital initiatives were included in the campaign with FTI’s
franchise of 300 TVG travel agencies being tied into the sales distribution chain.
A subsidiary of FTI Touristik, TVG (Touristik Vertriebsgesellschaft GmbH) unites
various travel agency franchise models under its roof with the brands sonnenklar.TV
travel agency, Flugbörse and 5vorFlug. Secondary partners on this campaign are the
Florida Keys & Key West, AF/KL/DL and Brand USA.

The Trailer:
The interior design of the oversized trailer – with a supersized glass slideout and stair
step access point – mirrors the look and feel of the TVG travel agencies, known for
their lounge-style atmosphere, LCD product walls and storefront window display
components. The trailer was manned by travel agents who are technologically
equipped to process bookings on the spot. VSPC’s trailer real estate included exterior
and interior branding, such as:
1) **Oversized Posters** (150 x 265 cm / 60 x 104 inches)
amffixed to the exterior trailer walls depicting our imagery and logo.
2) **Beach Chairs**
depicting our logo placed outside the trailer next to the slideout.
3) **Interior 43” LCD (Product Wall) Screens & “Storefront” Window Display**
featured continuous loop VSPC accommodations product teasers along with VSPC imagery, logo and destination video – 75-100 repetitions for 10 hours/day. Same ran in the static TVG travel agencies throughout Germany.

In addition …
- **Tactical Offer Flyers** including VSPC imagery, logo and destination information were produced for distribution from the trailer.
- **Post Cards** were produced for a sweepstakes raffle depicting VSPC imagery, logo and prize description (5 nights in our area + 2 nights in the Keys and flights for 2 with AF/KL/DL).
- **VR Glasses** were available to showcase **VSPC 360° video footage**.

**Digital Integration:**
A comprehensive package of online initiatives will run throughout the campaign period including:
1) **Dedicated Landing Page** with imagery, logo, destination content and travel offers within the fti.de website
2) **Blog Article** including imagery and inspirational destination video on ferienwelten.de
3) **B2B & B2C eNews Blasts** including imagery, logo, USP content and video to over 80,000 recipients
4) **Social Media Placements** by TVG agencies focused on announcements and postings directly from the trailer tour

All materials were provided, layouts received and approved. We are awaiting final results of the campaign.

- **Knecht Reisen (Switzerland)**
  - **B2C Highlight Box** – March 20th - April 17th, 2018
    VSPC will be featured in a highlight box on 3 of the most traffic generating landing pages of Knecht Reisen, i.e. homepage, USA main page and Florida main page. The highlight boxes will link to the VSPC landing page. Estimated page views per month: 100,000.
  - **B2C Landing Page**
    Knecht Reisen will create a VSPC “plus” landing page including key visuals, logo, text, specialist tips, video and highlight tip boxes. Estimated page views during the campaign: 5,000/month.
  - **B2C Banners** – March 20th - April 17th, 2018
    VSPC will be part of a big Knecht Reisen online banner ad-campaign and will benefit from a more powerful buy-in with better performance (40% more ad impressions, more clicks, better visibility) and a full distribution over several Swiss online media channels with Switzerland’s biggest ad-networks publishing the banners on most of the biggest online news, lifestyle and search platforms. Min. 300,000 ad impressions.
  - **B2C eNewsletter** – April 3rd, 2018
    VSPC will be featured in Knecht Reisen’s April eNewsletter with an article including imagery and content. This will link to the landing page. The newsletter will be deployed to 40,000 customers.

Knecht Reisen received respective input from us this month. Layouts were received, corrected and approved.
• TUI (Germany)
  ➢ **B2C eNewsletter** – April 2\(^{nd}\), 2018
  VSPC will be featured in TUI’s weekly eNewsletter with imagery, logo and tactical travel offers. The eNewsletter will be deployed to 600,000 subscribers. Respective imagery, text and logo materials were provided; layouts have been received and approved.

  VSPC will be featured on in-store digital screens with imagery, video, logo and flash animation travel offers for 10 hours/day in 270 retail travel agencies throughout Germany. The transmission loop will be 6 minutes in length with 10 repetitions per hour. Respective imagery, video and logo materials were provided; layouts have been received and approved.

• TUI (Switzerland)
  ➢ **B2B2C Digital Screens** – April 2018
  For two weeks, VSPC will be featured on in-store digital screens with imagery, video, logo and flash animation travel offers in 66 TUI ReiseCenter agencies throughout Switzerland. The transmission loop will be 20 seconds in length every 4 minutes 200 times/day or 2,400 times during the 2-week period. Respective imagery, video and logo materials were provided.

  ➢ **B2C TUI Hero Header on TUI.ch** – April 2018
  VSPC will be featured with a hero header directly on the TUI.ch home page (depicting imagery, logo and call-to-action). Clicking the header will link to TUI’s dedicated VSPC landing page.

  ➢ **B2C VSPC Landing page on TUI.ch** – April 2018
  TUI Swiss will create an exclusive landing page for VSPC including images, logo, content and tactical travel offers.

  ➢ **B2C Facebook Posts** – April 2018
  Together with the hero header on the webpage and the digital screens in the travel agencies TUI will also feature VSPC in branded Facebook ads during 2 weeks. Reach of these ads are minimum 20,000.
  We provided the necessary input, corrected and approved the layouts.

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**Travel Trade/Consumer Publications & Portals:**

• Blu Media Network (Germany) – circ. 101,000
  ➢ **1/1 page, 4c Advertorial** – 3/18 Issue
  Blu Media Network produces metropolitan ‘city’ magazines monthly with a cumulative circulation of 101,000. These are: *blu* distributed in Berlin, *hinnerk* distributed in Hamburg, *rik* distributed in Cologne, *gab* distributed in Frankfurt and *leo* distributed in Munich. VSPC was featured in all magazines with a full page of destination content, imagery and hot insider tips. The article also contained an announcement of a digital sweepstakes promotion on blu.fm/reise (see below).

  ➢ **Travel Sunday Online Sweepstakes Promotion** – March 4-25
  The ‘Travel Sunday’ digital promotion comprises placement on the blu.fm website (100,000 unique visitors and 200,000 pageviews/mth), banners on blu.fm and other German LGBT sites (e.g. PlanetRomeo) as well as deployment of an eNews blast to 20,000 subscribers. VSPC featured in all of the aforementioned platforms as well as on blu.fm/reise for three weeks with extensive destination content including special...
mention of our St. Pete Pride Festival in June along with an enter to win option for a 3-night stay + airfare sponsored by Icelandair. Sweepstakes entries: 646
Total reach (web, banner, social media, newsletter): 370,000

• Gayfriendly USA Guide (Germany) – circ. 40,000
  ➢ 1/1 page, 4c Advertorial – March
  Published annually, the “Gayfriendly USA Guide” is a 48-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

• Travelution (Netherlands) – circ. 7,500; readership 10,000
  ➢ 6-page Destination Feature/Infotorial – March
  As the exclusive U.S. destination, VSPC was featured in the favored March edition with extensive destination content and imagery. In addition, the infotorial was presented on Travelution’s website including a VSPC banner ad.
  Travelution is the Netherlands’ leading travel industry publication with a readership of 10,000. With a personalized cover letter, issues are mailed to all business and leisure travel agents. The magazine is also distributed to all tour operators (product managers, buyers, sales managers and board members), incentive organisers, airlines, tourist boards and NATM members – in short, Travelution reaches close to 100% of the Dutch travel industry. The publication enjoys a long shelf life and research shows travel professionals utilize it as a reference piece due to the up-to-date and high quality information provided. In addition, Travelution has his own website giving a weekly overview of most important news items in the travel industry with cross links to complete press releases. The website boasts approximately 31,407 unique users, 370,684 page views and 1.2 million page impressions monthly.
  Pub frequency: 1x/mth

Public Relations:

Kaus Media Services - VSPC’s German PR Agency
This month saw us assisting the agency with the following projects:
  ➢ Newsletter March: Provided content ideas, proofread and corrected.

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