

CENTRAL EUROPEAN OFFICE

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Prepared by: Marion S. Wolf
Director Central Europe

MARKET INTELLIGENCE / TRENDS

Hard Brexit Could Hit Travel and Tourism Across Europe

TUI, Thomas Cook, international airlines and European destinations could all be impacted, if the UK leaves the EU next March without an agreement covering key issues for the travel and tourism industry. What kind of Brexit will there be? Hard, soft or something in between? This question remains unclear despite an agreement between London and Brussels, which requires political approval by the British Parliament and EU states in the coming weeks.

Fears remain that the UK's exit from the European Union on March 29, 2019 will have major economic consequences across many industries. These could include the aviation industry and pan-European tourism groups such as TUI and Thomas Cook in particular. Many vital questions remain open, according to an article in the latest issue of *fw*.

What about tourism group employees working abroad?

"We are preparing for all imaginable scenarios, including a hard Brexit," says TUI CEO Fritz Jousen. Europe's largest tourism group has had a Brexit working group since summer 2016 tasked with planning measures to keep business going normally. Both TUI and Thomas Cook will be directly impacted by Brexit due to their corporate ownership structures, according to experts. TUI is a German company, but is listed on the London Stock Exchange and does not have a majority of EU shareholders. It has a significant number of UK-based shareholders who, along with Russian billionaire Alexey Mordashov (with a 24.9% stake), own a combined majority of shares. Thomas Cook, a British company, but with many senior managers from Germany or other European countries, is listed on the London Stock Exchange and with a majority of UK-based shareholders.

One vital question is what happens to citizens of EU states working for the two groups in the UK, if their status is not clarified by a Brexit deal. Similarly, what about the hundreds of British nationals who work as tour guides for TUI and Thomas Cook (or other British tour operators) in EU destinations such as Spain and Greece, or who have jobs in other EU countries?

Fewer British tourists on European beaches?

Another issue is the impact of Brexit on TUI's and Thomas Cook's UK businesses. Neither group wants to put any figures on the potential cost of Brexit on business. But the falling pound has already made foreign holidays more expensive for British citizens this year. Fewer bookings next year could easily result in lower revenues and margins in the UK for the two market leaders.

Moreover, TUI has already warned about the potential impact of Brexit on EU destinations in view of the importance of British tourist numbers. “Britons take five out of six foreign holidays in EU countries. In Spain or Portugal, nearly every fourth holidaymaker comes from the UK,” the group wrote in the October issue of its ‘Policy Agenda’. Southern European countries are the top destinations from the UK, led by Spain (14.3 million arrivals last year), followed by France (7.2m), Italy (3.1m), Portugal (2.4m), Netherlands (2.2m), Germany (2.1m) and Greece (2.1m), according to the UK Office for National Statistics. In other words, fewer British tourists could leave sizeable gaps in hotel occupancy levels and lead to lower tourism receipts in long-haul destinations as well as countries such as Spain, Portugal and Greece, which are still struggling to recover from the financial crisis.

Chaos for airlines next March?

The biggest immediate risk, however, surrounds aviation. Little over four months before Brexit, issues such as UK – EU traffic rights and airline ownership rules remain unresolved. Airlines are particularly worried as they are already selling tickets for flights between the UK and EU states in summer 2019 despite this legal uncertainty. Some experts have warned that flights between the UK and the EU might even be halted in the immediate aftermath of the March 29 withdrawal date.

For example, Christoph Debus, CEO of Thomas Cook Group Airlines, recently cautioned: “It cannot be excluded that flights will stop for a day or a week.” Gerd Pontius, CEO of airline consultancy Prologis, says: “Even if Brussels and London still agree to a political deal, everything has to be legally regulated in detail. It won’t be possible to settle the contractual formalities overnight.” Similarly, IATA chief Alexandre de Juniac points out: “Not only permitted flight connections but also licenses and safety rules will have to be agreed upon.” Mutual acceptance of existing standards could be the simplest solution, but would need to be legally watertight, which could take time, he added. Both Debus and Pontius want to see a transitional period of one or two years to gain sufficient time for these issues. “If that doesn’t come, then the complaints will be very, very loud,” predicts the experienced consultant. Other executives are more optimistic, however. Stefanie Berk, head of Thomas Cook Germany, says: “We expect there will be a solution and that our guests will not have to suffer any adverse effects.”

British or EU airline?

In terms of future traffic rights for flights between the UK and other EU countries, either there needs to be a new multilateral UK – EU air agreement or bilateral agreements between the UK and the other 27 EU states. Another question is whether EU travelers will be allowed to fly with British airlines to the UK and then onwards to overseas destinations (such as the USA) under the so-called ‘6th freedom’.

The ownership question is perhaps the trickiest of all. Under existing rules, an airline must be at least 50% owned by EU shareholders in order to benefit from full single market traffic rights. Irish carrier Ryanair aims to reduce its current 54% British shareholder structure down to 49% to legally remain an EU carrier. Yet it also wants a British AOC that would allow it to continue domestic flights within the UK and could potentially be used for UK-EU flights in future as well. Easyjet has already set up a separate Vienna-based European subsidiary with an Austrian AOC so that it can continue to fly between EU states. IAG, the holding company of British Airways and EU carriers Iberia, Vueling and Aer Lingus, faces the particularly complex problem of how to structure the ownership of the different operational airlines.

However, German airlines Condor and TUIfly are also affected as subsidiaries of British-owned companies. Neither carrier wanted to disclose details of their ‘worst case scenario’ planning to fvw, but both are working intensively on potential solutions. Ideas apparently include relocating company head offices and staff, as well as partial sales to ensure EU

ownership. One model could be to cooperate with German-based foundations, in a similar way as Lufthansa did when acquiring non-EU carrier Swiss several years ago. Regardless of political developments over the next few weeks, observers believe that many of these questions may not be resolved for quite some time, leaving the European travel and tourism industry in 'emergency planning' mode right up to next March.

German Aviation Industry Chief Calls for EU Passenger Compensation Reform

High airline passenger compensation payments for delayed and cancelled flights in the EU need to be reformed after contributing to recent airline insolvencies, according to a top German aviation industry leader. The European aviation industry is undergoing a consolidation phase at present, with the insolvency of various smaller airlines such as Small Planet, VLM, Primera and Skywork, Klaus-Dieter Scheurle, president of the Germany aviation industry association BDL, told fvw in an interview. However, with the top five airlines having a combined market share of 66%, it is still a long way from the U.S. situation where the top five account for 85% of the market. "We expect consolidation to continue in Europe," he said.

With several insolvent airlines blaming high costs for flight compensation payments for their financial collapse, Scheurle said the EU urgently needs to update the regulation, which dates back to 2004. Under this legislation, passengers are entitled to compensation of between €250 and €600 per flight for delays of over three hours or cancellations. These sums are often significantly more than the original flight price, especially for European short-haul routes. "The way companies in the EU are obliged to make compensation payments goes far beyond the rules in the rest of the worldwide air transport sector," Scheurle complained. "The current European approach thus has a one-sided effect on European companies who handle the bulk of their flight operations at European locations." This is not only bad for airlines and their market share, but also for consumer protection, according to the head of the German air traffic control authority DFS. "That is why the EU must urgently update the airline passenger rights regulation," he said.

Scheurle welcomed a proposal from the European Commission to achieve this. "It is logical and suitable to balance out the interests of consumers and business." In particular, he welcomed the proposal to change the length of flight delay liability for compensation from three to five hours. "The European Parliament already sets this factor at three hours. The Commission's proposal would realistically enable the airline to obtain a replacement plane in the case of a delay," he argued. The definition of exceptional circumstances also needs to be clarified, he added.

However, the Commission's proposal has been held up since June 2015 since the 28 EU governments have not been able to come to an agreement. The key measures to be agreed upon include reorganization of airport security controls to cut down on queues with a greater role for airports, airlines flying at lower heights to ease flight congestion at higher heights, and reorganization of air traffic controller working times to increase capacity. Airlines will monitor time-critical flights more closely, make flight schedules more flexible and improve passenger information and communications. "You cannot exclude waiting queues, delays and cancelled flights. But what passengers had to experience this year cannot be allowed to happen again," he declared. "We are working at top speed to implement the agreed measures so we can offer our customers the quality that they expect from us."

German Airports Enjoy a Golden October

Airports in Germany are sunning themselves in the strongest growth yet this year, but there are clear winners and losers around the country. The country's 22 international airports increased passenger numbers by 7.5% to 23.8 million in total during this year's 'golden October'. This was the highest growth rate of 2018 so far, outpacing a 5.9% rise recorded in March.

The German airports association ADV said that the dynamic growth achieved in October has given a real boost to the year as a whole. For example, travel to and from European destinations "which has been increasing constantly throughout the year anyway" was pushed up by 0.3 percentage points thanks to a 7.8% rise last month. Intercontinental travel grew by 6.2% in October, increasing the year-to-date cumulative growth rate by 0.6%.

Over the first ten months of this year, German airports handled nearly 209 million passengers, which was a 3.3% increase on the same period last year. Travel within Europe grew by 5.5% to 113.8 million passengers while **long-haul travel** from and to Germany was up by 2.3% to 35.8 million passengers. The drop in domestic travel was reduced to a 2.8% decline to 39.2 million passengers in total.

"The first summer schedule following the exit of Air Berlin clearly shows the continuing high demand for air travel," the ADV experts wrote in an analysis. "Airlines are responding with a strong expansion of capacity. The Air Berlin capacity gap has been more than compensated by competitors, and today's flight schedule is more comprehensive than a year ago."

In terms of individual airports in Germany, there are clear winners and losers in the period from January to October 2018. The two Lufthansa hubs of Frankfurt (59.3m passengers, +8%) and Munich (39.4m, +3.3%) are performing strongly along with Cologne/Bonn (11.3m, +6.1%), while Berlin-Tegel is back on the growth path (18.2m, +1.4%). Among the mid-sized regional airports, Hanover (5.6m, +8.9%) has the highest growth of any German airport this year, while Stuttgart (10.2, +7%) and Nuremberg (3.9m, +6.9%) are also growing healthily. In contrast, there are two big losers. Düsseldorf (20.6m, -4.5%) is still recovering from the loss of 'home carrier' Air Berlin, while Hamburg (14.7m, -2.7%) has seen airlines downsize their operations at the northern German airport. Berlin-Schönefeld (10.9m, -0.3%) is also weaker this year.

German Consumer Climate Ends Year with Losses

In November, the consumer climate in Germany has, by and large, been moderate. Whilst the propensity to buy has in fact been able to improve its already very good position, economic and income expectations have had to take slight hits. Since the propensity to save increased significantly, GfK Data Research is predicting a slight downward trend of 0.2 points in the German consumer climate for December to 10.4 points.

Economic expectations decline for the second time in a row: The slightly weaker development of the German economy in the third quarter also had an impact on the economic expectations of consumers. The indicator dropped 1.6 points to 17.4 points. This marks the second decline in a row. This is a decrease of nearly 27 points in comparison to the same period last year.

Global economic turbulence, such as the trade conflict between the USA and China and the EU, or Brexit is increasingly concerning German consumers. They see weakening economic momentum and the first dark clouds on the economic horizon. This perception has since become visible in real figures. For example, according to preliminary calculations, gross domestic product (GDP) fell in the third quarter by 0.2 percent compared to the previous period. Compared to the same period last year, this is an increase of 1.1 percent (source: German Office for Statistics, Press Release No. 440 of November 14, 2018, www.destatis.de). According to the statistics authority, this slight decrease is due to a downward trend in exports. Moreover, the trade conflict between the EU and USA has not yet been fully resolved. Higher customs duties on important exports to the USA continue to pose a threat here. Finally, the impending Brexit is also creating uncertainty since it is still not clear whether Great Britain will leave the EU with or without a deal.

Income expectations in the maelstrom of a weaker economic outlook: Lowered economic expectations also caused income expectations to decrease in November. The income indicator fell by 4.2 points to 50.2 points. This is the lowest value this year, though still two points more than in November 2017. With around 50 points, however, income expectations continue to look largely positive. Increasing employment and therefore increasing income are the main reasons for the very good level of the indicator. However, increasing prices, above all for energy, are darkening the positive picture. Gasoline and heating have recently become noticeably more expensive and have fueled inflation in Germany. As a result, the price increase in October compared to the same period in the previous year was 2.5 percent, the highest value for more than ten years. This is eating away at the purchasing power of consumers. If people have to spend more money at the pumps, there's less money for other purchases.

Propensity to buy despite tough environment: Despite the generally tougher environment, the propensity to buy has held its ground in November. In fact, it has increased slightly. The indicator rose by 1.6 points to 57.5 points. This marks the second increase in a row. A higher value was last measured in April of this year at 60 points. The propensity to consume is therefore continues despite difficult global economic conditions. Trade conflicts and Brexit do not seem to have damaged the desire to buy so far. And higher inflation does not seem to have had any effect so far either. The excellent domestic conditions are clearly dominating. Increasing employment figures have allayed fears of job losses and ensured considerable increases in income. The coupling of pensions to general wage developments will also benefit people drawing their statutory old-age pensions.

Consumer climate falls: As a result of the overall moderate development in mood and the increase in propensity to save, the consumer climate is expected to fall from 10.6 points in November to 10.4 by year-end. Primarily higher inflation rates, as well as global economic uncertainty, are currently weighing down the consumer climate. Despite the risks, GfK confirms its consumer forecast that real private consumer spending will increase by around 1.5 percent this year. Domestic economic activity in 2018 will therefore make an important contribution to growth in Germany.

Winter 2018/19 and Summer 2019 Status and Outlook

Germans booked fewer holidays this month than the strong levels seen 12 months ago, but both the current winter season and next summer still have healthy growth figures, according to the latest monthly GfK figures. Sales by German travel agencies in November could not

keep up with the previous year's figures given that November 2017 was an "extremely strong" sales month, GfK pointed out. One year ago, travel agency revenues from sales of winter holidays increased by 12% while summer bookings were up by as much as 24%. Last month, overall sales for winter 2018/19 dropped by 1% and for next summer by 2% compared to last year's volumes.

Nevertheless, the current winter season and next summer are still showing solid growth of 7% and 5% respectively after good early bookings over the last few months. For example, German consumers have already spent about €3.8 billion on winter holidays, mostly for trips in November and December, GfK pointed out. Moreover, over half (57%) of the November sales revenues were for summer 2019 holidays. June is so far proving a very strong month, with revenues up by nearly 18%, but all months apart from May are currently showing growth compared to the same time last year.

The good outlook for 2019 has been reinforced by new figures from the German Tourism Industry Association (BTW). Germans travelled for leisure purposes on 1.7 billion days this year, which was 1.8% more than 2017, according to the organization, whose calculations are based on GfK consumer spending surveys. The total number of days spent on beach holidays increased by 10% to more than 355 million thanks to the long hot summer, both in Germany and other European countries. Against this background and with stable macro-economic conditions, the BTW predicted another good year for German leisure travel in 2019 with a similar growth rate of about 1.7% in terms of the number of days spent on leisure travel, ranging from day-trips and short breaks to long holidays. "We are very happy with consumers' continuing desire to go on day-trips and on holiday as well as the continuing growth. We are looking ahead very confidently to the 2019 travel year," commented BTW President Michael Frenzel.

SALES ACTIVITIES

Consumer Shows (2018/19):

Our area will be presented at several important consumer shows in Germany, the Netherlands and Belgium in cooperation with the Visit USA Committees as well as a selection of tour operator partners. Registrations have been completed for the following tourism fairs attracting 675,000 consumers cumulatively:

- Reiselust Bremen (DE) November 9-11, 2018
- T&C Leipzig (DE) November 21-25, 2018
- Vakantiebeurs (NL) January 9-13, 2019
- CMT Stuttgart (DE) January 12-20, 2019
- Boot! (DE) January 19-27, 2019
- Reisemarkt Dresden (DE) January 25-27, 2019
- ABF Hannover (DE) January 30-February 3, 2019
- Brussels Holiday Fair (BE) February 7-11, 2019
- f.r.e.e Munich (DE) February 20-24, 2019

USA-Canada Experience Netherlands (November 1st – 2nd, 2018):

The Dutch travel trade event "*USA-Canada Experience*" is a two-day event providing supplier partners with an exceptional opportunity to inform and educate the Dutch travel trade and conduct one-on-one sales meetings directly with product managers. A full-day workshop saw us holding comprehensive training sessions for over 100 agents from all over The

Netherlands. Culminating in an exciting contest and travel prize raffle, this year's event was a great success once again.

USA-Canada Reisbeurs Netherlands (November 3rd – 4th, 2018):

Following the Dutch travel trade event “USA-Canada Experience” the “USA-Canada Reisbeurs” – the largest North America focused travel fair for consumers in The Netherlands – was held in Zeist. The timing of this fair was ideal in terms of planting inspirational travel seeds for vacation planning into the winter and summer seasons. Supplier organizations and tour operators reached out to consumers with a view toward stimulating, motivating, informing and providing tips. We joined forces with Dutch tour operator American Vacations to promote our area.

Visit USA Austria Seminar (November 14th-15th, 2018):

Known as Austria's premier travel trade event, the Visit USA Seminar Austria was held in Salzburg and attracted over 100 agents. The format comprised an afternoon seminar with an ensuing evening training event. During a daytime table top marketplace and an evening on-stage “interview” session, we had the opportunity to draw particular attention to our area educating and inspiring participants. The Visit USA Committee Austria again organized a post-seminar “evaluation breakfast” during which we provided feedback and discussed future planning. Suppliers were in agreement that this year's seminar was among the most successful yet.

Visit USA Seminar Switzerland (January 29th – 30th, 2019):

This program is Switzerland's premier travel agent training seminar held annually in Zurich. The seminar platform provides the local travel trade with 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.

Delivery of several requested assets including destination-oriented questions for an online knowledge test, query contributions to a questionnaire to be distributed during the event, imagery for development of new stand backdrops, etc. has been completed.

ITB (March 6th – 10th, 2019):

Known as the “world's largest tourism fair” held annually in Berlin, Germany, we again plan to exhibit within the Visit Florida Pavilion. We have submitted applicable registration documentation and have made payment accordingly. Further strategic planning elements and logistics management are underway.

Additional Activity:

- Travel agency **Tauchen und Reisen Kriz** in Ingolstadt, Germany was supported by us with giveaways and collateral material for an agency open house event in December which will include a prize raffle. 80 clients have been invited to attend.
- **Lufthansa City Center Travel Agency Kopp** in Steinbach requested giveaways for tombola prizes at the Steinbach Christmas market, where they will have a booth. We provided them with a selection of small items as well as our destination magazines.
- We provided the German translation for the annual VSPC ad in the **Visit Florida International Travel Guide**, which is published in English, German and French.
- We assisted Mrs. Fabienne van Iperen of **Reisbureau Tourpoint** in the **Netherlands**, whom we met at the USA/Canada Experience this month, with helpful information for her own trip to our area where she and her husband will renew their marriage vows.

MARKETING INITIATIVES

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

Brand USA 'Originals' Co-Ops:

- **FALL GERMAN MULTI-CHANNEL CAMPAIGN** (November/December)
Germany is one of the top volume markets to the US and Brand USA continues to provide partners with innovative international marketing opportunities. This multi-channel campaign is designed to reach consumers at the right time, with the right message and in the right place. The new digital media channels provide an integrated marketing approach to engage consumers and ultimately drive activation. The activation partner for the multi-channel campaign is Expedia.
 - **Travel USA Digital & Print Insert**
This stunning, content-rich travel magazine includes destination-specific messaging and targeted distribution.
 - Digital version available on VisitTheUSA.de
 - Print insert is distributed via German lifestyle & travel magazines:
Bunte on 11/29/2018 / circ. 200,000 & Geo Saison December issue / circ. 100,000
 - **Content Traffic Generation**
Six week campaign on Google Display Network reaching a broad and qualified audience. 2,500 to 7,000 guaranteed clicks.
 - **Facebook Storytelling & Website Traffic**
Three week campaign during which our message will be aligned with Brand USA's Facebook consumer campaign, using newly introduced image-based carousel ad units, which offer a new way to tell our story and maximize results.
All required assets have been delivered, layouts approved.

VISIT FLORIDA Co-Ops:

- **GREAT OUTDOOR ADVENTURES & BEACHES** (April/May)
This is Brand USA's Florida-focused multi-channel co-op program for Germany. It consists of content thematically built around the many fabulous outdoor experiences available to travelers in Florida with rich storytelling and a targeted distribution strategy.
 - **Multi-Channel Program**
Consisting of digital and print insert, Google Display Network (5,750 guaranteed clicks), Facebook carousel ad unit (1 dedicated tile), Expedia activation (highlighted in custom Florida Expedia campaign).
 - **Content Creation & Distribution**
Consisting of video content (2-minute video), media iQ (195,000 video teaser views), dedicated destination experience page (in German) on visittheusa.com, outbrain (4,000 guaranteed clicks to experience page). On site video shoot was scheduled this month, i.e. is slated for January 9th and 10th, 2019.
 - **Digital Magazine**
Inclusion in dedicated Visit Florida edition with content featured across all modules (itinerary, travel spotlight, what's new).
 - **Expedia Media Engagement**
Estimated 9 million impressions driving to Florida content and booking opportunities across Expedia passport ads, banners and travel emails.

- **VISIT FLORIDA / FTI TOURISTIK: STEIFF CROSS PROMOTION** (November-February)

VSPC will participate in an exciting integrated marketing promotion based on the theme of adventure and nature in the German market. The idea of this campaign is to use a non-traditional media partner in the travel space to stand out from the clutter. The marketing promotion is in partnership with Steiff, a leading German brand in the toy industry with a loyal following, and FTI one of the top tour operators in Germany. The campaign will physically highlight the natural side of Florida as Steiff will be creating 2,000 limited edition Florida manatee stuffed animals plus one life-size toy manatee. With this opportunity being open to a maximum of 4 Florida partners, we were quick to secure our participation!

Together with the 3 other Florida destination partners, VSPC will be featured as follows:

 - **B2B Landing Page (November)**
 - **B2B eNewsletter Teaser (November)**
 - **B2C Standalone Florida eNewsletter (January)**
 - **B2C Landing Page (January-February)**
 - **Skyscraper Teaser (January-February)**
 - **FTI POS Campaign Folder (January – June)**

All required assets have been delivered; layouts for first two above initiatives were received and approved.

- **SPARTACUS TRAVELER** (Germany) – circ. 25,000 *Consumer*

 - **16 page, 4c Supplement** in Winter 2018 Issue

Spartacus Traveler is the largest travel publication targeting LGBTQ audience in European German speaking markets. A special 16-page advertorial supplement in cut-out style will be included in the winter issue of Spartacus Traveler. VSPC will be among six Florida destination partners contributing - with a 2-page spread each. Due to our excellent relationship with the publisher, a VSPC image with photo credit will be placed on the supplement cover!

Beyond being available a kiosks, additional distribution will be deployed via several travel agencies, i.e. 150 Dertour agencies (Germany), 100 Ruefa agencies (Austria) and 100 Hotelplan agencies (Switzerland).

A digital version will be placed on blu.fm and mate-magazin.de throughout the 2018/19 winter season (140,000 visitors/mth).

Pub frequency: Quarterly

All required assets have been delivered and layouts approved.

- **ABENTEUER & REISEN** (Germany) – circ. 78,850 *Consumer*

 - **10 page, 4c Insert** in March 2019 Issue – In-market on January 29th

Focus of this insert is to promote outdoor and adventure experiences in Florida. VSPC will be featured on a double page.

“abenteuer und reisen” is among Germany’s most renowned, long shelf-life travel magazines and focuses specifically on long-haul travel, city breaks, lifestyle and outdoor adventures. The magazine comes out ten times a year and contains travel reports from all over the world. Readership: 470,000.

All required assets were delivered this month in preparation for creative development.

Tour Operator Co-Ops:

- **FTI TOURISTIK MULTI-CHANNEL CAMPAIGN** (December-March)
In cooperation with FTI (among Germany's top tour operators) and Brand USA, we have designed a campaign for deployment on several digital platforms:
 - **HOLIDAY CHECK** – Dec. 31- Jan. 14, 2018/2019
HolidayCheck AG in Munich is a leading German digital company for holidaymakers operating portals for hotel reviews/ratings and travel bookings. The platform enjoys a very active community: over 8.7 million valuations, 9 million user photos and videos of more than 700,000 hotels in their database and cooperates with over 100 tour operator partners and tourist attractions. Up to 2.3 million visitors/month.
Our promotion includes the following activation elements:
 - **Landing Page:** Comprised of dedicated destination content, imagery, videos and travel offer section linking to the FTI site booking engine for 4 weeks.
 - **Skyscraper:** The landing page will be promoted through a special skyscraper with image, logo and link to the landing page. Ad impressions: 200,000.
 - **AB-IN-DEN-URLAUB** – Jan. 14- 27, 2019
Ab-in-den-Urlaub is one of the largest German online travel agencies. This platform reaches up to 2.52 million unique users, 20 million page impressions and about 3.8 million visits per month.
Our promotion includes the following activation elements:
 - **Newsletter Banner:** An eye-catching banner will be integrated in their newsletter including short text, image and logos. It will be deployed to 200,000 subscribers and has an average opening rate of 18-20 %.
 - **Skyscraper:** A special skyscraper will be placed depicting image and logos. Ad impressions: 150,000.
 - **FTI ONLINE** – Feb. 10- Mar. 10, 2019
Directly with FTI Touristik we will place:
 - **WhatsApp Teaser:** Post of an offer in multi-topic FTI WhatsApp newsletter including image and text linking to a special VSPC landing page. Average users: 4,297 with 19% click rate.
 - **Landing Page:** Dedicated landing page on www.fti.de with detailed information, images, logos, video and 6 attractive travel offers (linked to internet booking engine).

All required assets have been delivered.
- **KNECHT REISEN** (Switzerland)
 - **Out-of-Home Ski Resort Campaign** – December-April
Switzerland is a nation of enthusiastic skiers. As skiing is an expensive leisure activity, the Swiss ski resorts are frequented by holidaymakers with high buying power. Due to our excellent relationship with Knecht Reisen, we have developed an exciting out-of-home initiative in a renowned ski area of Switzerland.
On site:
In the renowned and high class ski resort Davos, we will play with the winter cold snow extremes versus the warmth of America's award-winning beaches, telling the VSPC story on a series of posters affixed to the towers of the highly frequented Jakobshorn mountain Clavadeler chairlift for the entire winter ski season! A few stats: This chairlift ascends 487 meters at a speed of 5 meters/second, transit time of 6:50 minutes, transporting 2,800 skiers/hr, 775,000 skiers/season. Expected poster impacts = over 5 million.

- 1) **10 Posters** will be affixed to chairlift towers progressively telling our VSPC story with several enticing images and logo inclusion. Furthermore, a sweepstakes will be integrated with commensurate call-to-action. Edelweiss Airlines will co-sponsor the sweepstakes with a ZRH-TPA flight for two.
- 2) **Chairlift Security Bars** will depict VSPC imagery and logo calling attention to the sweepstakes. A vanity URL will be created for the sweepstakes enter-to-win: Sonnenhunrig.ch (“sunhungry.ch”) which will link to a dedicated VSPC landing page including travel offers. Millions of impacts are expected.



- 3) A “**Selfie Point**” will be staged upon exiting the chairlift with a huge poster where skiers can gather to take snapshots and post on the enter-to-win sweepstakes site “Sonnenhunrig.ch”.



This “Selfie Point” initiative is an exclusive free-of-charge bonus provided by the tour operator due to our excellent relationship!

All required assets have been delivered.

- **Digital Integration in Conjunction with Out-of-Home Initiative** – December-April
A comprehensive package of online initiatives will run throughout the campaign period including:

- 1) Dedicated Landing Page (www.sonnenhunrig.ch) with specialist tips, video-content, image gallery, introduction text, highlight tip boxes and the sweepstakes drawing in connection with the chairlift tower campaign.
- 2) Recommendation Teaser Boxes on homepage www.knecht-reisen.ch (2 weeks 01/07-20), on their USA page www.knecht-reisen.ch/usa (4 weeks 01/07-02/03) and all winter season 18/19 (thru 04/28/19) on their Florida main page www.knecht-reisen.ch/usa/florida.
- 3) Social Media Placements: 3 sponsored Facebook posts
- 4) Banners on two eNews Blasts to 45,000 subscribers

All required assets have been delivered.

Co-Ops with Consumer Publication Partners:

- **AMERICA JOURNAL** (Germany) – circ. 36,500 *Consumer*
 - **State Parks in Florida, 4c Advertorial** in Issue 01/19 – December - February
Due to our excellent relationship with the publisher of America Journal, our area will be included in this advertorial with a feature on Caladesi Island free of charge! We provided comprehensive input and imagery this month.
This German high-gloss travel magazine publication is dedicated exclusively to the USA providing in-depth coverage on American travel, culture and customs as well as insider tips and helpful hints. Pub frequency: 6x/yr / Readership: 145,000

Public Relations:

Kaus Media Services - VSPC's German PR Agency

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

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

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