

# CENTRAL EUROPEAN OFFICE

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## MARKET INTELLIGENCE / TRENDS

### Airlines Expand Leisure Routes from Germany

Sun Express, Condor and Germania are all adding new routes from Germany to top holiday destinations throughout the Mediterranean next summer.

Sun Express, the joint Lufthansa and Turkish Airlines subsidiary, will increase its overall capacity by as much as 15% in summer 2019, flying with a fleet of 80 planes from 18 airports in Germany, Austria and Switzerland along with 37 other airports in Europe to a total of 90 destinations in 30 countries. The airline will offer a new record of 3.5 million seats to Antalya, its biggest destination, from the three German-speaking countries, including more flights from Basel, Zurich and Vienna. Capacity to Izmir will rise by a third to 1.6 million seats, with more flights from Düsseldorf, Hanover, Munich and Stuttgart, and there will also be more services to Dalaman and Bodrum. In addition, the airline will cooperate more closely with Lufthansa next summer through a new code-share agreement that initially covers its Munich – Ankara and Munich – Izmir flights. Sun Express will also offer more flights to Hurghada from Düsseldorf, Frankfurt, Hannover, Cologne/Bonn, Leipzig/Halle and Stuttgart, launch flights to Enfidha-Hammamet in Tunisia from Cologne-Bonn, Leipzig/Halle and Stuttgart, and add Beirut as a new destination with flights from Stuttgart and Düsseldorf. In addition, the airline will continue to expand flights to Turkey from other European cities, with Oslo, Gothenburg, Eindhoven and Prague as new departure airports to Antalya.

For its part, Condor will add new routes from Düsseldorf, Hamburg and Hanover to Italy, Greece and Morocco next summer. From Düsseldorf, there are new flights to Cagliari, Naples and Palermo in Italy and Kefalonia and Volos in Greece, adding to 32 existing destinations from the biggest airport in North Rhine-Westphalia. Thomas Cook Group's German airline will add Kalamata in Greece, Olbia in Italy and Agadir in Morocco to its existing destinations from Hamburg and will fly from Hanover to the new destinations of Kavala, Preveza and Samos in Greece as well as Lamezia Terme in Italy and Zadar in Croatia. Overall, Condor will focus strongly on stable flight operations in summer 2019. "A special focus next summer will be on the quality promise to our guests, which we want to live up to even better during the high season through careful flight planning and additional operational reserve aircraft," said Christoph Debus, Chief Airline Officer of the Thomas Cook Group.

Germania, which mostly flies from smaller regional airports, is also adding several new destinations next summer. From its home airport of Berlin-Tegel, it will launch six new routes, to Antalya, Djerba, Ibiza, Mykonos, Sharm el Sheikh and Varna. There are also new flights from Munich to Djerba and Varna, from Bremen to Ibiza, Corsica, Zadar and Larnaca,

from Münster/Osnabrück to Ibiza and Larnaca, from Friedrichshafen to Ibiza and Olbia on Sardinia, from Dresden to Dalaman and Larnaca, and from Nuremberg to Bodrum.

### **German Consumer Climate – Stable Start to the New Year**

The attitudes of German consumers do not portray a uniform picture at the end of 2018. While income expectations are increasing slightly, both propensity to buy and economic expectations have had to suffer losses. Since propensity to save is also decreasing slightly, GfK is predicting an unchanged value of 10.4 points for January 2019.

**Economic optimism continues to fall:** With the third decrease in a row, economic expectations are continuing their downward trend at the end of 2018. After a fall of 3.3 points, the indicator has slipped to 14.1 points. This is the lowest value since February 2017, when a score of 9.7 points was recorded. Compared to the same time last year, therefore, this score has fallen by more than 30 points. The persistent trade conflict between the USA, China, and the EU, as well as uncertainty caused by Brexit, is causing economic optimism among consumers to decline. German citizens see risks for their nation of exports predominantly in impending trade restrictions, such as higher customs duties. In light of global economic turbulence, in particular, experts recently withdrew their economic predictions for the coming year. At present, the vast majority are assuming that GDP for 2019 will fall by roughly a further 1.5 percent.

**Income expectations show slight increase:** The income prospects of Germans continue to defy falling economic expectations. The income indicator gained 3.6 points in December, climbing to 53.8 points. It is therefore back to its previous-year level. The high level of income optimism among Germans with regard to the downward economic trend is only surprising at first glance. The primary cause is the consistently excellent health of the job market. Employment continues to grow, while unemployment falls, currently approaching the two-million mark. This high level of employment also opens up space for income to grow, which gives both workers and pensioners real income growth - despite slightly higher inflation recently. The prospects for the job market in 2019 should remain favorable. The high expectations regarding financial development are therefore thoroughly well-grounded as a result.

**Propensity to buy:** After two increases in a row, propensity to buy had to take further losses in December. The indicator dropped 4.4 points to 53.1. Given its consistently high level, however, consumer mood among Germans remains intact. However, there was a loss here of four points compared to the previous year. Despite current losses, propensity to consume is very good. The excellent domestic conditions already mentioned, such as high levels of employment and increases in real income, ensure that consumers continue to spend. This is made easier by that fact that the alternative to spending - saving - continues to be an unattractive option. The European Central Bank (ECB) intends to continue its low-interest policy of previous years. The current decision to end the bond-buying program that has so far pumped around €2.6 trillion into the markets, does not change anything in this respect.

**Consumer climate off to a stable start in 2019:** Due to the differing development of income expectations and propensity to buy, and the fact that propensity to save once more fell slightly in December, the consumer climate for 2019 is unchanged compared to the previous month. GfK confirms its prognosis that real private consumer spending will rise by around 1.5 percent this year. Prospects for 2019 remain favorable in terms of consumption. However,

this requires that the job market continues its stable development in the coming year. The current state of affairs indicates that this will be the case. However, this is not without risk: A further escalation in the trade conflict with the USA, or a no-deal exit of Britain from the EU would certainly also put a strain on the consumer climate. Moreover, the domestic policies of Italy and France are currently creating further potential areas of conflict.

## **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
- Reiseumarkt 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

### **Visit USA Seminar Switzerland (January 29<sup>th</sup> – 30<sup>th</sup>, 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 was submitted thereby securing a discounted participation fee. Final preparations for our participation were completed this month.

### **ITB (March 6<sup>th</sup> – 10<sup>th</sup>, 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. Appointment scheduling will commence next month.

#### *Additional Activity:*

- We provided the **U.S. Consulate** in Frankfurt with VSPC brochures to be placed in their Consular Information Unit free of charge.

## MARKETING INITIATIVES

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

### Brand USA 'Affinity' Co-Ops:

- **EXPEDIA AFFINITY PROGRAM** (January 15<sup>th</sup> - March 31<sup>st</sup>, 2019)  
Expedia's network of sites attracts a monthly audience of tens of millions of unique visitors. With Expedia being our activation partner for this campaign, we will focus on an integrated marketing approach to engage consumers with the right messaging at the right time with a view toward driving activation.  
The campaign comprised of **banner placements** linking to a **dedicated landing page** (containing destination content, video and travel offers) will run in three countries across the Expedia Brands Portfolio. Based on market intelligence related to booking behavior, portal will be allocated as follows: Germany - 75% Expedia / 25% on Hotels.com, Switzerland - 100% on Hotels.com, The Netherlands - 100% on Expedia.  
We worked closely with Linda Zimmerman of Expedia this month to finalize the plan and have delivered all assets required for creative development of banners and landing page.

### Brand USA 'Originals' Co-Ops:

- **DIGITAL TOUR OPERATOR CAMPAIGN** (Q1 2019)  
The objective of this campaign is to inspire travel to VSPC and drive sales through a key tour operator partner. A content hub in lightbox digital format featuring rich text and imagery will serve to drive engagement, capture customer data and direct traffic to the call-to-action tour operator partner, who will deliver bookable itineraries and attractive travel offers focused on driving customers to turn inspiration into direct bookings.  
German tour operator FTI Touristik has been selected as the call-to-action tour operator partner for this program.  
We provided Miles Partnership with the requested content brief covering topics such as beaches, culture, urban adventures and events & festivals. Awaiting creative layouts for review.

### 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 9<sup>th</sup> and 10<sup>th</sup>, 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.  
Several assets have been delivered. Awaiting layouts for review.
- **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; layout for the January initiative was proofed and approved this month.
- **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 is included in the winter issue of Spartacus Traveler. VSPC is 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 is being placed on the supplement cover!  
Beyond being available at kiosks, additional distribution was deployed via several travel agencies, i.e. 150 Dertour agencies (Germany), 100 Ruefa agencies (Austria) and 100 Hotelplan agencies (Switzerland).  
A digital version was placed on blu.fm and mate-magazin.de throughout the 2018/19 winter season (140,000 visitors/mth).  
Pub frequency: Quarterly  
All required assets were 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 have been delivered with proofs having been received and approved this month

### Tour Operator Co-Ops:

- **CANUSA TOURISTIK PROMOTION PACKAGE** (January-April)  
We have joined forces with Canusa Touristik on an innovative digital promotion focused on attracting new customers and raising awareness for VSPC on several platforms:
  - **Content Package 96h in St. Pete/Clearwater** – Jan. 15, 2019 – open ended  
A 3-day/96-hour itinerary has been developed giving potential customers an inspiration for their next trip to VSCP. The package will include maps, destination content, daily suggestions highlighting exciting area attractions, insider tips, special offers, images and videos. Canusa.de boasts 1.3 million unique website visitors yearly.
  - **Promotion Package Content** – Jan. 16 – Mar. 16, 2019  
The goal of this element is to reach new customers with an enticing content campaign. Existing content on the CANUSA website will be combined with attractive, representative travel packages in individual recommendation ads.  
Approx. 1.5 million ad impressions on premium websites.
  - **Exclusive Newsletter**– Apr. 16, 2019  
An exclusive VSPC newsletter will be deployed to 50k targeted readers and will include 3 newly created travel packages.  
All required assets were delivered
  
- **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](http://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. Layouts for Holiday Check and Ab-in-den-Urlaub were received, proofed and approved this month.

- **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 popular 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** have been affixed to chairlift towers progressively telling our VSPC story with several enticing images and logo inclusion. Furthermore, a sweepstakes has been integrated with commensurate call-to-action. Edelweiss Airlines is co-sponsoring the sweepstakes with a ZRH-TPA flight for two.
- 2) **Chairlift Security Bars** depict VSPC imagery and logo calling attention to the sweepstakes. A vanity URL has been created for the sweepstakes enter-to-win: [Sonnenhunrig.ch](http://Sonnenhunrig.ch) ("sunhungry.ch") which links to a dedicated VSPC landing page including travel offers.
- 3) A **"Selfie Point"** is being 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 and approved. The campaign was launched this month.

➤ **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](http://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](http://www.knecht-reisen.ch) (2 weeks 01/07-20), on their USA page [www.knecht-reisen.ch/usa](http://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](http://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. Layouts for the landing page and teaser boxes were received and approved this month.

- **TRAVELHOUSE** (Switzerland)

Together with Travelhouse – one of Switzerland’s top tour operators – and Brand USA, we have developed a trade press and social media campaign:

- **TRAVELNEWS.CH WEBSITE** – Jan. 14<sup>th</sup> – 28<sup>th</sup>, 2019

Travelnews is one of the leading Swiss news portals for travel and tourism. Average visits amount to 167,000 per month.

- **Advertorial for two weeks on the travelnews.ch website** (incl. teaser text in the daily newsletter for the 1<sup>st</sup> week including text, images and logos as well as links to internal landing pages. Subscribers newsletter: 3'800

- **TRAVELHOUSE PLATFORMS** – January to February, 2019

Within the Travelhouse online structure VSPC will be featured on several platforms:

- **Email Signature (January 2019):** VSPC call-to-action text and a link to a dedicated landing page will be included in the signature lines of every eMail deployed by branch. 14 Travelhouse branch offices are located throughout German, French and Italian-speaking regions of Switzerland generating deployment of approx. 500 eMails per day.
- **Social Media Campaign (January 11<sup>th</sup> – February 10<sup>th</sup>, 2019):** Facebook ad campaign with 3 VSPC offers in German and French linked to a dedicated landing page and a Facebook header movie on the homepage. Fans: 14,000. Average monthly reach: 46,000. Average interacting fans: 3,500.
- **Newsletter Banner (February 9<sup>th</sup>, 2019):** An eye-catching banner will be integrated in an eNews blast deployed to 56,000 subscribers including short text, image, logos and link to a dedicated product landing page. Enews blasts are deployed every three weeks in German and French.

All required assets have been delivered. Layouts have been received and approved.

*Public Relations:*

**Kaus Media Services - VSPC’s German PR Agency**

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

- **Press Release December** Proofread and corrected.

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