

CENTRAL EUROPEAN OFFICE

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MARKET INTELLIGENCE / TRENDS

Eurocontrol Predicts Another Summer of Flight Chaos

Airlines, airports and passengers are likely to suffer a second successive summer of flight chaos in Europe because of more flights, according to a senior Eurocontrol manager. The European aviation industry is flying towards another chaotic summer following widespread problems last summer, Joe Sultana, director of network management for the European air traffic control organization, told the European Aviation Symposium held at Munich Airport the end of this month. The number of flights in Europe is expected to increase by about 3.3% this summer, he explained. However, fewer controllers are available in France and Germany to manage this growth, Sultana said. At the same time, the option for planes to fly lower to take full advantage of airspace capacity has been used up, he pointed out.

Looking back to summer 2018, Sultana said the latest statistics showed that delayed planes had landed at their destination 49 minutes late on average between the end of March and the end of October. The worst offender, according to Eurocontrol figures, was *Eurowings* (which operated 734 flights per day on average), while parent company *Lufthansa* (1,529 flights/day) accounted for 23% of all delays. Low-cost carriers *Easyjet* and *Ryanair* were also among the leaders for unpunctual flights last summer with the highest total figures. At *Ryanair*, 30.9% of its average 2,302 daily flights were delayed. *Easyjet* performed even worse, with 31.8% of its 1,791 daily flights arriving late.

Looking ahead, Sultana said that growth in flights in Europe is expected to slow down over the coming decades. The latest studies predict the total number of flights per year will increase from 11 million in 2018 to 16.2 million in 2040. This would be an average annual rise of about 1.9% compared to earlier predictions of 3% annual growth. But even so, flight delays are likely to remain on the agenda in the years ahead.

Summer Bookings Drop in December

There was little seasonal cheer for German travel agents last month as their holiday bookings dropped below the previous year's levels according to the latest monthly GfK figures. The good news in December came from winter holiday bookings which increased by 4% and left cumulative bookings up by 6% to date. This is one percentage point lower than in November, but still indicates a solid winter season overall, the market researchers' analysis of sales by 2,000 representative travel agencies, OTAs and tour operator websites showed.

More important for travel agents is the coming summer season, which made up 60% of total sales revenues in December. Demand is proving weak, however, with a slight 1% fall in summer 2019 bookings last month following on from a 2% drop in November.

However, it is still fairly early in the booking season, with only one quarter of last year's total summer revenues generated to date. A clearer picture of demand trends will come with the January and February figures, which will be challenged by strong growth rates of early 2018.

NDC Will Revolutionize Airline Sales

The potential of the new IATA standard NDC to transform sales for airlines, GDS providers, travel agents and OTAs along with the challenges facing its implementation were hot topics at the inaugural European Aviation Symposium in Munich on January 29-30.

IATA developed the XML-based data transmission standard New Distribution Capability (NDC) to improve how airline prices are made available for sale to customers, in particular by overcoming current limitations on product differentiation. Instead of the usual PNR, bookings using NDC will create a One Order data record. "The entire ordering process with PNR, EMD and ticketing will be replaced by One Order - for the airline itself, but also in cooperation with its partners," explains Alexander von Bernstorff, Director of Airline Solutions at Interes, who has been involved in NDC development at IATA for years. The aim of the airlines is to become faster and more agile in sales. "The NDC data standard is an important prerequisite for dynamic pricing and opens up many new sales opportunities for airlines," says Mark Friesen, consultant at Quinta Consulting. In addition, the airlines want to further differentiate their offerings in order to make comparison with other airlines more difficult and to reduce pure price-based competition. For this reason, network carriers have an interest in having indirect sales supplied by NDC.

Massive impact on GDS providers

The planned NDC transformation will have a massive impact on GDS providers, who still process the bulk of airline bookings through their reservation systems, but are under threat from other distribution channels, including airline direct sales, OTAs and flight portals. They are now joining the revolution to avoid losing business. The first NDC booking via a GDS was made only in October 2018. In the next few months, all three leading GDS operators (Amadeus, Sabre, Travelport) will activate NDC bookings in their respective user interfaces. In addition, they will provide access via web services and interfaces (API). On the one hand, this is intended to give travel agencies access to the many additional services with which airlines want to generate ancillary revenues. On the other hand, counter staff will also have access to the preferential conditions that the Lufthansa Group, for example, only provides via NDC.

But the GDS operators still face diverse challenges:

** Getting travel agencies on board*

Travel agents will have to get involved and learn new things. They, and the GDS operators, will only be valuable for airlines if they sell the additional services. Previous experiences are not very positive, as Rainer Klee, head of German airline ticket specialist Aerticket, criticizes. Aerticket already offers various additional services through the Cockpit system. Counter staff will also have to re-learn how to use the GDS. Offers called up in the system using NDC are specially marked, because work processes, for example on rebookings, will function differently than usual.

** NDC and GDS parallel operations*

The background for the changed workflows is that bookings via NDC do not end up in a GDS booking data record (PNR), but in a One Order data record. One Order is not based on any flight tariffs, but only on prices and does not even provide for ticketing. "In the transition phase, airlines still need a PNR for NDC bookings because many processes, especially airport processes such as check-in are based on it," reports von Bernstorff. The GDS operators are therefore developing a back channel from the NDC booking into the traditional GDS system. "Many airline managers consider pure NDC booking engines to be the right solution, but do not yet consider their companies to be ready for it, especially in organizational terms," says von Bernstorff. However, IATA CEO Alexandre de Juniac has already demanded that airports and service providers who are active there should also introduce IT systems for NDC communications. Such a change is likely to take several years, though.

** Contracts with airlines*

53 airlines are certified by IATA for Offer and Order Management (NDC Level 3), and almost 30 of them are particularly active in pushing the new data standard. But the GDS operators have only been able to name a few so far. Insiders suspect that there is a struggle for business models with the airlines. The airlines have declared their intention to significantly reduce their distribution costs and are using NDC direct sales as a means of exerting pressure. On the other hand, NDC lacks functions such as ticketing and interlining, so GDS tools still have to be used. GDS managers suggest that the NDC interfaces will only gradually be released for distribution because of the contracts.

** Loss of technical intelligence*

Due to historical developments, airlines have not launched their product range directly onto the market. They distributed fares, their restrictions and flight plan data through various companies such as APTCO and AOG and only provided seat availability at the time of the booking request via a Passenger Service System (PSS). In future, these and numerous other functions are to be fully controlled by the airlines in the One Order data record. GDS operators could thus be downgraded to pure data carriers. However, Gianni Pisanello, head of the NDC-X program at Amadeus, denies this: "The range of flights, the additional services, their combinations and prices are being brought into the market in an increasingly fragmented manner. So the role of the GDS as a re-integrator will become much bigger and more important." The use of NDC in travel companies via the GDS providers will have to overcome some hurdles, however, and is unlikely to go smoothly, observers believe.

Preferential conditions attract OTAs and flight portals

Online travel agencies (OTAs) and flight portals are already further ahead than GDS providers. The first OTA flight booking based on the NDC data standard took place in September 2016 through Kayak, and both Kayak and Skyscanner now use the new format. Both airlines and portals have good reasons to push ahead with the new data standard. Commercially, airlines such as the Lufthansa Group exerted enormous pressure because they lowered prices for flights and services such as seat reservations in NDC sales. Lufthansa recently removed its Light fares from GDS sales. For the internet travel portals, however, even the smallest price differences are important because the web offers customers a high degree of transparency and just a few Euros can influence buying decisions. In addition, the portals work on the basis that the prices delivered directly by an airline are reliable. This is not always the case in the complex world of reservation systems with different data suppliers and price calculations.

But the business model of OTA portals is also different from that of travel agencies or travel management companies in customer relationships. The portals concentrate on pure sales: they

make offers, take bookings and receive the payment. They leave the remaining services that customers may need to the airlines or other travel providers. This includes rebooking, assistance in the case of travel problems and other services.

Tour Operators Report Strong Turkey Bookings

German tour operators are enjoying strong increases in Turkey bookings as the destination hopes for a record year in 2019 after last year's comeback. Turkish tourism officials are hoping for new records this year following a strong recovery in 2018 as German holidaymakers regained confidence in the destination. Hüseyin Gazi Cosan, Berlin-based representative of the Turkish culture and tourism ministry, said: "I expect that we can beat the record year of 2015 with 5.6 million German visitors." Last year, about 4.4 million German arrivals were registered by the end of November, and about 4.5 million were expected for the year as a whole. This was a clear improvement on 2017, with 3.6 million German visitors, and 2016, with 3.9 million arrivals.

Early bookings for summer 2019 are extremely strong at present, including a 60% rise in December, according to reservations company Traveltainment. Bookings to Antalya, the main airport for the Turkish Riviera, were up by 48% last month following similar high double-digit increases in November and October, according to Traveltainment figures.

Tour operators have confirmed these trends. TUI recently said that Turkey is "in the fast lane" and the largest German tour operator has a triple-digit surge in bookings for the country, which has grown to its third most-popular destination. Similarly, Thomas Cook said it has "significant growth" for Turkey, FTI and Schauinsland referred to "a strong performance", and Alltours' bookings are "above expectations".

Turkey specialist Bentour has an 81% overall increase in bookings at present, driven by "extremely good demand for Turkey holidays", even though average prices are 15% higher than last year, CEO Deniz Ugur said. He explained: "Customers who avoided the destination for two years are now booking again." In particular, these are families who are attracted by all-inclusive hotels with features such as large family rooms, children's clubs and aqua parks full of slides.

Cook Launches Expedia Hotel Partnership in Germany

Thomas Cook Germany is expanding its portfolio of bookable hotels by 20,000 for 2019, including the first 1,500 properties through the group's partnership with Expedia. Tour operator brands Neckermann Reisen, Thomas Cook Signature and Öger Tours are offering more than 3,000 additional hotels in Spain, 1,500 in Italy, 1,000 in Greece and 1,000 in Germany along with numerous new properties in the USA, France, Portugal, Poland and the Netherlands. Through Öger Tours a further 1,000 hotels can be booked in Turkey, Morocco, Tunisia and Egypt.

The massive expansion of bookable hotels has been enabled through agreements with various bed-bank suppliers. A Thomas Cook Germany spokeswoman emphasized that the company checks quality and safety standards of the properties before offering them for bookings. About 1,500 hotels have been supplied by Expedia under the strategic partnership between the two groups for city-break and hotel-only offers. This partnership was launched last July in

Britain, followed by the Nordics (Sweden, Denmark, Norway, Finland) and Western Europe (France, Belgium, Netherlands), and has now gone live in Germany on a trial basis.

Thomas Cook Group said the launch of the alliance in Germany, its biggest market, will give customers and travel agency partners a wider choice of city break and hotel-only holiday options. In addition, Thomas Cook Germany will provide holiday offers to Expedia for sale through its distribution channels. CEO Peter Fankhauser commented: "The introduction of our Expedia Group product in Germany, our biggest market for city and domestic holidays, is another sign of positive strategic progress. In addition, the option to distribute our holidays via Expedia Group's brands where we have excess capacity reduces risk and puts us in a better place to deliver against our strategy." Europe's second-largest holiday group said the Expedia alliance has proven successful so far, with increased bookings, a much higher booking conversion rate and significant savings. Together with the strategic hotel sourcing partnership with Webjet, overall bed-bank bookings increased 58% in 2018 compared to the previous year.

Consumer Climate in Germany is on the Rise

According to the GfK (Gesellschaft für Konsumforschung / "Society for Consumer Research"), the consumer mood in Germany indicates positive development for consumer climate at the start of the year. Income expectations and propensity to buy have once more exceeded their already high level. Conversely, general prospects of economic growth were assessed less optimistically for the fourth time in a row. For February, GfK is predicting a consumer climate value of 10.8 points, following January's revised figure of 10.5 points. Based on the good start to the year, GfK is predicting an increase in private consumption in Germany of 1.5 percent for 2019.

Downturn in economic optimism persists: In January, the indicator fell to 10.7 points following a loss of 3.4 points. This marks the fourth decline in a row. The last time a lower value was recorded was almost two years ago in February 2017, when it stood at 9.7 points. Consumers assume that the German economy is continuing to lose momentum. The still smoldering trade conflict between the USA, China, and the EU, as well as the Brexit deadlock are ensuring dwindling optimism with respect to continued overall economic development in Germany. This is mainly affecting export performance. Consumers' fears were confirmed by the gross domestic product (GDP) figures for last year recently published by the German Federal Office for Statistics. According to these figures, the German economy grew by just 1.5% in 2018. Growth in each of the preceding years was 2.2%. And the outlook for this year is similarly cautious. For example, the International Monetary Fund is assuming that GDP in Germany will grow by 1.3% in 2019.

Income expectations rise noticeably: Contrary to economic expectations, income expectations rose noticeably at the start of 2019. The indicator rose by 6.1 points to 59.9 points. The last time a higher value was recorded was in August 2017 at 61.4 points. The income indicator is therefore continuing to move away from the economic outlook. This may appear surprising at first glance. However, if the consistently favorable situation on the labor market is taken into account, this trend is easy to understand. The high and ever-increasing level of employment, coupled with the lack of skilled workers in a number of industries, is strengthening the negotiating position of workers in wage negotiations. And pensioners are also benefiting from rising wages, as their pensions are linked to wage developments.

Furthermore, the positive trend on the labor market is set to continue this year, even if somewhat less aggressively.

Propensity to buy on the rise: In the wake of increasing income expectations, propensity to buy is also currently on the rise as well. The indicator rose by 4.5 points to 57.6 points. This fully compensates for losses from the previous month after a loss of 4.4 points in December 2018. Consumer confidence in Germany continues to be excellent and they have not yet allowed the economic slowdown to dampen their propensity to buy. The consistently good employment situation, coupled with increasing income, is ensuring that consumers are willing to continue spending money, especially as the alternative to spending, i.e. saving, continues to look unappealing. If anything, given the economic slowdown it is quite possible that the European Central Bank will once more increase the supply of money. This would increase pressure on interest rates.

Consumer climate improving: Rising income prospects and an increasing propensity to buy mean that the consumer climate is improving once more. This is further reinforced by a decrease in propensity to save in January. GfK is predicting a consumer climate indicator value of 10.8 points in February, following January's revised figure of 10.5 points. The year 2019 has started off well in terms of consumer climate.

SALES ACTIVITIES

Consumer Shows (January & February 2019):

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 911,800 consumers cumulatively:

• Vakantiebeurs (NL)	January 9-13, 2019	103,300 visitors
• CMT Stuttgart (DE)	January 12-20, 2019	260,000 visitors
• Boot! (DE)	January 19-27, 2019	250,000 visitors
• Reisemarkt Dresden (DE)	January 25-27, 2019	33,500 visitors
• ABF Hannover (DE)	January 30-February 3, 2019	90,000 visitors
• Brussels Holiday Fair (BE)	February 7-11, 2019	35,000 visitors
• f.r.e.e Munich (DE)	February 20-24, 2019	140,000 visitors

We supplied all necessary collateral for consumer shows taking place this month.

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 local trade with more insider knowledge as well as the needed contacts and sources of information. A total of 383 travel agents attended this year's seminar and were educated on our area's many features, benefits, unique selling points as well as the latest news items. Meetings were also conducted with several key Swiss tour operators and other industry partners. Partners reported bookings to the U.S. being off to a moderate start the first month of the year and it being too early to estimate at what pace bookings will develop during Q1. Special guest speaker was the United States Ambassador to Switzerland and Liechtenstein, Mr. Edward McMullen, who emphasized the importance of the very strong relations between the USA and Switzerland.

ITB (March 6th – 10th, 2019):

Known as the “world’s largest tourism fair” held annually in Berlin, Germany, we will again exhibit within the Visit Florida Pavilion. Strategic planning and logistics management are underway. Appointment scheduling commenced this month.

VISIT FLORIDA Road Show (April 1st-5th, 2019):

For the seventh consecutive year, we will participate in the Visit Florida Road Show which is being co-sponsored by German tour operator FTI Touristik. Four German cities are targeted (Berlin, Leipzig, Mainz and Düsseldorf), where we expect to train up to 200 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.

Registration has been completed. The following Florida partners will also participate: Fort Myers, Naples and SeaWorld Parks & Entertainment.

Visit USA Germany Webinar (April 25th, 2019):

We will join forces with Visit Orlando for a Visit USA Germany webinar. During a 45-minute product presentation we will provide comprehensive destination information, highlights and insider tips. The Webinar will be recorded and placed online in the travel agents’ section of www.vusa.travel.

Registration has been completed and initial planning arrangements were made this month.

Additional Activity:

- We assisted Digital Producer, Amelia Johnson, with the German translation for the new **Besties Video**.
- The German VSPC ad in the **German Edition** of Brand USA’s **2019 Inspiration Program** was proofread and corrected by us.
- We provided a consumer, **Mr. Steuerwald**, with comprehensive destination information and responded to his query on Florida’s hurricane season. He is eager to visit the state, but expressed concerns about the storms.
- Responded to a special **request on Facebook** asking for sources of vegan food from local organic farms.

MARKETING INITIATIVES

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

German National Consumer Campaign:

- **YOUR NEW HOTSPOT! DIGITAL & CROSS MEDIA CAMPAIGNS** (February-April)
This is a brand new and exciting campaign strategy custom-designed for VSPC!
In today’s digital environment, consumers continuously seek hotspot connectivity to facilitate communication. This was the impetus to develop a campaign designed to capture our target group in their workaday lives and drive them to our destination, i.e. by promoting our destination as *Your New HOTSPOT* ... in German “Dein neuer Hotspot”.

- **YOUR NEW HOTSPOT! DIGITAL & CROSS MEDIA CAMPAIGNS** (February-April)

- **Digital / Social Media Campaign**

- Target Group:*

- ✓ Consumers, male/female, age 35-60, couples, families, mid/high income, located in bigger cities (1 M pop.), interested in traveling, USA

- Social Channels:*

- ✓ Facebook and Instagram

- Planned Formats:*

- ✓ Carousel Ad, Video Ad, Instagram Story Ad
 - ✓ Link Ad each in Instagram and Facebook
 - ✓ Google Search Engine Ads

- General Execution - Phase 1:*

- ✓ 2 x Videos (2 on each social channel for A/B testing) - Facebook and Instagram

- General Execution - Phase 2:*

- ✓ Retarget all video watches based on Phase 1 with Carousel Ad, Link Ad (FB/Insta) and Story Ad

Estimated reach is 6.4 million over the campaign period.

- Hotspot creatives were developed and approved this month:



The Hotspot ads link to a dedicated microsite on Expedia, our activation partner:



- **YOUR NEW HOTSPOT! DIGITAL & CROSS MEDIA CAMPAIGNS** (February-April)

- **Cross Media Campaign (In-Store, Print & Digital)**

To expand our scope, we will integrate a cross media promotion with a partner that has a widespread network: Expert electronics stores. Founded in 1962, Expert is a cooperation of retailers for consumer electronics, information technology, telecommunications, home entertainment and electrical appliances. Known as a leading German brand in the consumer electronics industry, Expert's scope comprises 210 independent retailers with 443 sites belonging to the powerful Expert group.

The initiatives with Expert will include in-store, print and digital elements:

- **In-Store**

A St. Pete/Clearwater "Beach Box" will be produced containing cool gadgets such as a power bank, stereo earphones, selfie-stick, mobile device waterproof case, travel adapter and mobile device holder. 5,000 limited edition beach boxes showing our imagery, logo, the gadgets and a sweepstakes element will be retailed in all Expert stores.

Furthermore, point-of-sale promotion includes display on in-store TV screens, i.e. Ø 100 TVs in each store with 50 rotations every day per store.

Estimated reach is 14 million contacts each month in each store.

Of note:

The beach box sweepstakes element for a chance to win a trip to St. Pete/Clearwater will include an 'enter-to-win' vanity URL (expert.de/strandoase). Accessing the site will lead to a dedicated Expert microsite, which will include a link to America Unlimited, our activation partner. America Unlimited's link will lead to a dedicated St. Pete/Clearwater microsite with destination information and travel offers.

- **Print - Newspaper Inserts**

Print inserts featuring the beach box and sweepstakes element will be included four times in several newspapers with a cumulative circulation of 77.2 million.

- **Digital Channels**

In addition, Expert will promote our beach box (including the sweepstakes) through their own online channels:

Expert Website:	1.5 million unique visitors per month
Expert Newsletter:	200,000 subscribers
facebook:	170,000 active users
KaufDa:	2.5 million readers

Estimated reach for the cross media promotion is 10.2 million.

Layouts for the beach box and print inserts were approved this month.

Brand USA 'Affinity' Co-Ops:

- **EXPEDIA AFFINITY PROGRAM** (January 15th - March 31st, 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 placements will be allocated as follows: Germany - 75% Expedia / 25% on Hotels.com, Switzerland - 100% on Hotels.com, The Netherlands - 100% on Expedia. Liaising closely with Linda Zimmerman and Lan Luu of Expedia, all assets required for creative development of banners and landing page have been delivered, proofed and approved. The campaign launched this month.

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 as well as requested flight plan.

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 completed this month. Music options for the video were presented by Miles Partnership. We made recommendations as to what would work best in the marketplace.
 - **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, layouts received, proofed and 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, layouts received, proofed and approved.

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 VSPC. 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.
All required assets have been delivered, layouts received, proofed and approved.
 - **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.
All required assets have been delivered, layouts received, proofed and approved.
 - **Exclusive Newsletter**– Apr. 16, 2019
An exclusive VSPC newsletter will be deployed to 50k targeted readers and will include 3 newly created travel packages.

- **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. Layouts for Holiday Check and Ab-in-den-Urlaub were received, proofed and approved last month. Layouts for the FTI online elements 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: Sonnenhungrig.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 “Sonnenhungrig.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, layouts received, proofed and approved.

- **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.sonnenhungrig.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, layouts received, proofed and approved.

- **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. 14th – 28th, 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 1st 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 11th – February 10th, 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 9th, 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 received, proofed and approved.
- **TUI DEUTSCHLAND** (Germany)

We are partnering with TUI Deutschland – one of our top tour operator producers – on several B2B and B2C initiatives.

 - **B2B “Smile2Gether” Facebook Sweepstakes** – January 14th, 2019

Our destination is featured in various Facebook posts with the chance to win a 500€ travel voucher. Approx. 5,828 retail agent followers.
 - **B2B TUI Newsnet Homepage Teaser** – February 4th - 24th, 2019

This initiative is a brand new marketing activity on TUI Newsnet, which is the intranet for travel agencies that sell TUI products. The exclusive teaser will feature our logo, imagery and claim and will link to a dedicated TUI Newsnet article.
 - **B2B TUI Newsnet Article** – February 4th - March 31st, 2019

For 8 weeks VSPC will be featured on an exclusive microsite with comprehensive content including destination information and imagery, accommodations products and offers. The article is accessed by travel agency proprietors, office managers, counter agents, trainees, sales branches and TUI employees. 60,000 estimated impressions.
 - **B2C Instagram Posts** – February 4th, 2019

On its newly established Instagram platform, TUI will feature our area with various posts comprised of our imagery and call-to-action. Link to a dedicated VSPC landing page.
 - **B2C Skyscraper & Landing Page** – February 18th - March 10th, 2019

TUI travel agencies will integrate a teaser in their own bi-weekly eNews blasts to consumers (90,000 subscribers). In addition, the agency homepages will contain a skyscraper linking to a dedicated VSPC landing page/booking site comprised of comprehensive destination content, imagery and various travel offers. TUI’s travel

agency brands: TUI Reisebüro, First Reisebüro, TUI Reisecenter, Hapag Lloyd Reisebüro.

Public Relations:

Kaus Media Services - VSPC's German PR Agency

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

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

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