

CENTRAL EUROPEAN OFFICE

J U L Y 2019

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MARKET INTELLIGENCE / TRENDS

Market Trends: Tour Operators Launch 2020 Holidays

Leading tour operators in Germany are already taking bookings for summer 2020 holidays while continuing to stimulate bookings for this summer. Amid weak sales for summer 2019, market leader **TUI** has opened up its travel agency reservations portal for the most popular hotels in Turkey and Bulgaria for summer 2020. The tour operator is offering holidays in more than 1,600 hotels in Turkey and about 100 in Bulgaria between April and October 2020. Properties include the group's own brands such as TUI Blue, Robinson, Magic Life, Best Family and Suneo Club. In addition, TUI will offer its 'biggest flight program of all time' to Turkey next summer. There will be daily flights to Antalya from all large German airports while TUIfly will serve Dalaman up to 11 times a week from five German airports. So far, TUI is planning up to three weekly flights to Burgas and Varna in Bulgaria from 12 German airports. Early booking discounts are available for all destinations.

In parallel, **TUIfly** has opened its entire summer 2020 flight schedule for bookings. The airline is planning to operate 32 planes from a dozen German airports and Basel in Switzerland, with up to 460 flights a week to major holiday destinations. In 2018, TUIfly flew a total of 7.9 million passengers for TUI and other tour operators with a fleet of 39 B737s. Nearly one third of all TUIfly flights next summer will be to the Greek islands (Corfu, Crete, Kos and Rhodes), but Majorca will remain its biggest destination with nearly 360,000 seats per week and there will be 90 weekly flights to the Canaries. In addition, the airline plans to sign up partner carriers to operate contracted flights from the regional airports of Karlsruhe/Baden-Baden and Paderborn-Lippstadt.

Meanwhile, **Thomas Cook** has also opened up its summer 2020 program for reservations of package and hotel-only bookings. The German number two did not disclose how many hotels it is already offering through its main brands (Neckermann Reisen, Thomas Cook Signature and Öger Tours) for next summer, but said these include destinations such as Spain, Greece, Turkey, Egypt and Cyprus, along with major long-haul destinations in the Caribbean, Asia, Indian Ocean and other regions.

Rival **DER Touristik** has also made many destinations offered by its tour operator brands available for bookings for summer 2020. Short-haul destinations include Majorca, Antalya, the Canaries and North Africa, while there are also various long-haul destinations in Africa, Asia, Indian Ocean, the Caribbean and Latin America.

Several specialist tour operators are looking even further ahead and are taking bookings for both 2020 and 2021. Travel agents can book the full 2020 program of cultural holiday's

operator **Gebeco** (a TUI brand) and provisionally reserve dates of the current program for 2021.

Insights: Online Bookings Drive Low Overall Summer Growth in June

Germans went online to book more package holidays to short-haul destinations in June, but summer 2019 sales are still down by 2% on an overall cumulative basis, according to the latest monthly Travel Insights sales analysis.

Online portals were the clear winners last month and generating the 2% year-on-year increase in bookings for summer 2019. Their sales revenues soared by 16% while travel agents suffered a 4% drop, according to the Travel Insights analysis of sales by 2,000 representative travel agencies, OTAs and tour operator websites. One third (31%) of last month's summer holiday bookings through travel agents and online were late sales of holidays with departures in June or July. This was 2.7% higher than 12 months ago, according to Travel Data + Analytics. In terms of departure months, June is performing well this year thanks to several public holidays and has an 11.2% rise in sales revenues. July, August and September improved slightly.

However, cumulative sales for summer 2019 remained down by 2%, the same level as in May and April. Put another way, only 81% of last year's total summer season revenues have been reached so far this year, compared to 91% of the previous year's volume at the same time last year.

Destination Trends: Majorca Cuts Prices for German Tourists

Hoteliers on Majorca have slashed prices to persuade German holidaymakers to return to their favorite Spanish island instead of heading for cheaper destinations such as Turkey and Egypt this summer. German bookings to Palma have tumbled for at least the past 12 months, including an 8% drop in June, according to monthly sales figures from Amadeus Leisure IT, which processes the bulk of package and last-minute reservations in Germany.

The Balearic Islands regional tourism ministry currently predicts a single-digit drop in German visitor numbers to Majorca in July, August and September. This slump is widely attributed to a high price level on the island combined with the recovery of demand for holidays in Turkey. "We have always said that a lot of the holidaymakers in the last few years were only 'loaned' and with a recovery by competitors would return again to North Africa or the eastern Mediterranean," explained ministry spokeswoman Alexandra Wilms. Moreover, the Balearics want to reduce their dependence on the large German and British markets by attracting more tourists from other countries and by trying to become a year-round destination with a wider product range. "We don't want to be dependent on just two markets," Wilms said.

But tour operators and hoteliers are not giving up on the German market and are trying to stimulate demand with a mix of price cuts and marketing activities, flooding the market with price reductions and special offers to try to generate late bookings after fluctuating demand so far this year. Tour operators claim these measures are now starting to pay off. "There is a clear revival in last-minute sales," commented Thomas Cook Germany, citing stronger interest in Majorca, Turkey and Greece. FTI subsidiary *Fünf vor Flug* saw good demand for

Greece, Egypt and the Canaries last month. Inquiries for the Balearics in the market-leading Bistro reservations system for travel agents rose by 5% last month, according to figures from data analysts TrevoTrend.

DER Touristik: 'Wake the Sleeping Giant'

Ingo Burmester, the new head of Germany's third-largest tour operator, DER Touristik, plans to shake up the company, build up omnichannel sales and return to revenue growth with more focused holiday brands. In the last several years, DER Touristik has lost market share in the German tour operator market, with its revenues declining from €2.9 million in 2015 to €2.6 million in 2018, including falls in each of the last three years, according to fvw's annual tour operators dossier. TUI claims to have overtaken Dertour as the largest long-haul tour operator, while FTI has outgrown the package holiday brands in important destinations such as Turkey and Egypt. Group CEO Sören Hartmann told fvw last December that "we must reach a better profit level in Germany". Over the past year, under former Central Europe chief René Herzog, DER Touristik Germany has reduced its workforce by about 240 positions and restructured destinations into clusters with one single manager responsible for production as well as marketing.

Burmester, who took over as head of DER Touristik Central Europe (Germany, Austria, Switzerland) in May, has plenty of ideas how to improve the business. "DER Touristik Germany is a sleeping giant that will now wake up," declared the former TUI and Thomas Cook manager. One priority will be to improve synergies between the different parts of the complex group, which, for historical reasons, still operates with two head offices (in Cologne and Frankfurt). "I want to bring the different parts of the value chain – the tour operator, the sales network, our DMCs and hotels – more closely together. TUI and Thomas Cook have already got this behind them," he told journalists.

For example, the group's hotels brands, Calimera, LTI, Primasol and Cooe, do not use DER Touristik's 'red suitcase handle' logo in their marketing and are often available through other tour operators. Moreover, the tour operator brands – Dertour, ITS, Jahn Reisen, Meier's Weltreisen, ADAC Reisen and Travelix – are a diverse mix with weak positioning in some cases. "We will have to consider whether we still need six tour operator brands," Burmester said.

Another priority will be to build up omnichannel sales, bringing travel agency, tour operator and online sales closer together. He pointed out: "At the moment we do not address customers jointly. I want the tour operator to do that together with the travel agencies and online sales." In general, he explained, "we have to bring the customer communication of online channels together with the product expertise of travel agents".

Burmester worked for the TUI Group for 17 years in different roles, including as head of short and long-haul package holidays and as head of premium club holidays operator Robinson. In 2017, he joined Thomas Cook Group with responsibility for the hotels division at first and then later as head of Thomas Cook UK.

FTI Touristik: Broadening Individual Holidays Brand

FTI Group is claiming dramatic growth this summer despite weak overall demand in Germany and is expanding its 'individual holidays' brand for next winter. Germany's fourth-largest tour operator (including last-minute brand *Fünf vor Flug*) has a double-digit revenue

increase of 12-13% this summer, according to sales director Ralph Schiller, while customer numbers are up by a single-digit rate. This is far higher than most other leading tour operators who are seeing low growth at best for the summer 2019 season.

At the winter 2019/20 program presentation in Berlin, CEO Dietmar Gunz said: “In contrast to the stagnating market trend, we have an increase. This is because our main destinations such as Turkey, Egypt and the Emirates, where we have our largest customer volumes, are seeing very good demand this summer. And with Cuba and Gambia we have two destinations that have been well-accepted.” After an “uneven” booking pattern in the first few months of this year, FTI also has good late sales, he added. “We are seeing that apart from singles and young adults, an increasing number of families are booking spontaneously despite being tied to school holidays.”

For winter 2019/20, the Munich-based group is focusing more on individuality and flexibility to give customers a wider choice. The brochures have been completely re-designed in magazine style, with background information, customer reviews, and tips. The barely-readable price section, full of detailed price tables, has been scrapped in favor of simply giving price examples. In general, winter 2019/20 prices are generally stable for most package holiday destinations. “We’re happy that prices are stable for popular destinations such as Egypt in winter 2019/20,” said Gunz. “Holidays in Turkey will even be cheaper due to the development of the local currency. And the Canaries have had to adjust their prices to remain competitive,” he pointed out. Only trips to dollar regions such as the USA and the Caribbean might be slightly more expensive, he noted.

The main product innovation is the expansion of ‘FTI360’, which has so far enabled travel agents to create individualized tours in the USA and Canada. This will be extended to Egypt next winter, enabling, for example, combinations of beach holidays and Nile cruises. Other destinations and combinations are set to follow. Moreover, FTI is highlighting more than 2,000 ‘green’ hotels in its winter brochures. The group has contracted capacity in 2,012 hotels out of the 6,000 properties ranked in the Green Travel Index (GTI) B2B bed bank and is supporting the sustainable travel initiative.

Other tour operators working with GTI include Dertour, Meier’s Weltreisen, Neckermann Reise and Thomas Cook to name a few. Travel agent assessment: 60.7% state that sustainability is a selling point, 34.6% state having utilized the GTI to promote sustainability, 21.4% state they are convinced that sustainability is an important added value when it comes to buying travel.

German Economic Confidence Continues to Fall

Findings of the GfK Consumer Climate Study for July 2019

The consumer mood is generally less optimistic in July. Income expectations have partially offset the heavy losses of the previous month, but economic expectations and propensity to buy have suffered a decline. For August, GfK is predicting a consumer climate value of 9.7 points, following a figure of 9.8 points in July.

It is apparent that the global economic slowdown, trade conflict and Brexit discussions are having an ever increasing impact on consumer confidence. Thus, economic expectations continue to decline and the propensity to buy has dropped off slightly as well. In contrast, income expectations were able to record gains again after the sharp drop in the previous month.

Economic expectations continue downward trend: Hopes that economic expectations would stabilize, fueled by the small rise seen the previous month, were dashed again in July. The indicator dropped by 6.1 points to reach -3.7 points, falling below its long-standing average of zero points for the first time since March 2016. A lower value was last measured in November 2015 at -6.5 points. The trade war with the U.S., ongoing Brexit discussions and the global economic slowdown continue to drive fears of a recession. Employees in export-driven sectors in particular, such as the automotive industry and its suppliers, are most immediately affected by this. In addition, reports of downsizing add to employees' fears of losing their jobs. A number of experts have responded to these developments, some lowering their current growth forecast for the year substantially. Economic growth of about a half a percent or slightly higher is currently still expected.

Income expectations recover after setback: Income expectations recovered slightly in July after the previous month's severe setback. The indicator rose by 5.3 points and now stands at 50.8 points. This is only a partial recovery of the substantial losses suffered last month. It now stands a good four points lower when compared to the same period last year. This current level suggests that consumers are expecting to continue to see a significant increase in income in the coming months, in spite of the employment boom of the past few years slowly coming to an end, employment only rising slightly and unemployment barely decreasing. This includes pensioners' income, which increased by 3% on July 1st.

Propensity to buy falls to its lowest level since October 2015: In contrast to income expectations, the propensity to buy has suffered losses this month. After losing 7.4 points, the indicator has fallen to 46.3 points. A lower value was last measured in October 2015 at 44.7 points. The propensity to buy continues to demonstrate an excellent level. Consumer confidence remains intact despite this dampener. The propensity to consume thus defies the recent sharp rise in economic pessimism. The primary threat to consumer confidence is the persistently increasing fear of job losses. Should this trend continue, consumer demand, which is currently strong, would be at risk. This would mean that the consumer forecast of 1.5% would also need to be revised downwards.

Consumer climate down slightly: For August, the consumer climate is exhibiting a value of 9.7 points, 0.1 points lower than July. This is already the third decline in succession and the lowest value since April 2017, when it measured 9.6 points. Nevertheless, domestic demand remains an important pillar of the German economy this year. To ensure that this remains the case, the downward trend in consumer climate will need to be improved.

SALES ACTIVITIES

Swiss VIP Client Business Development Event (July 9th, 2019):

In keeping with what has become an annual tradition since 2013, we again orchestrated an upscale business development event for Switzerland's most influential and productive tour operators. Visit Tampa Bay was our co-host again this year.

In past years, this event was held in March directly following ITB. Last year, both CVB's agreed to shift the timing of this year's event to the summer. This new timing lent itself well to incorporating an interactive outdoor activity, the focus of which was destination education.

In attendance were:

- Dertour Suisse: Alexander Etzel
- FTI: Fabio Negro, Tobias Pflantz, Nadine Mirbach

- Hotelplan Suisse: Sandra Räber, Fabio Di Canio
- Knecht Reisen: Robin Engel, Michael Bötschi
- TUI Suisse: Celina Calvetti

In addition, representatives from the trade media participated:

- Travel Inside (Angelo Heuberger, Christian Maurer)
- Travelnews (Jean-Claude Raemy)

Hosts took the opportunity to express their sincere appreciation for the tour operators' continued cooperation and support in promoting our areas and products. Equally, the hosts were complimented by attendees on their strong dedication and continued strategic marketing efforts in Switzerland and: our destinations *"...are among the few left who understand how to manage relationship over years / decades! Thank you. Very much appreciated."*

We expect to continue the tradition of an annual event in the Swiss market in 2020 with June 30th being earmarked at this stage.

DER Touristik Campus - "Urlaubsticker" Seminar (July 9th, 2019):

DER Touristik Campus is the tour operator's integrated B2B training and certification program. In a series of seminars, agents are given comprehensive education on a broad range of tourism topics including 'Active & Outdoor', 'City, Events & Lifestyle', 'Explorer Tours' and 'Sun & Beach' which comprise presentations by destinations, accommodations products and excursion options, to name a few.

One of the most important educational segments in the seminar series is the "Urlaubsticker" ('vacation ticker'), a season opener focused on highlighting new catalog products, sales tips and tools as well as first-hand insider expertise. A maximum of 3 partners are featured during each Urlaubsticker seminar, given them an unmatched exclusivity.

We successfully secured one of the rare presentation slots earlier this year with both Visit Orlando and Lufthansa joining us. A travel trade marketplace of one-on-one sales discussions with the agents was followed by a comprehensive 15-minute presentation by each partner. This seminar was held in Bremen, Germany and was attended by 53 top-selling agents.

CANUSA Touristik In-House Training (July 10th, 2019):

We joined forces with Visit Orlando in organizing and conducting an in-house reservations staff training at German tour operator CANUSA Touristik headquartered in Hamburg, Germany. Following the sales training we met with Kolja Kassner - Chief Business Development Officer, Karin Buhse - Product Manager and Madlen Madaus - Marketing Manager to discuss market development and future initiatives. The tour operator reported that it expects to end the 2018/19 tourism year ahead of the previous year in terms of bookings to the U.S. with VSPC tracking ahead of other Florida destinations.

Cruising Reise – USA Travel Agent Training Workshop (August 29th, 2019):

Due to our very good relationship with Dirk Zielinski, Product Manager North America at tour operator Cruising Reise GmbH, we have been invited to participate in a special USA travel agent training workshop to be held in Hannover, Germany – where available spots are limited to but a few destination partners. Not only did we secure one of the coveted presentation slots, but also successfully negotiated an expansion of the tour operator's VSPC product offers in conjunction with our partaking in this event.

A VSPC snapshot was included in the invitation mailing for which we provided applicable input. The invitation was deployed the end of June. Registrations are rolling in – over 50 qualified agents are expected to attend.

Visit USA Germany ‘Cinema’ Road Show (September 2nd – 5th, 2019):

After a successful show last year, we will again participate in the Visit USA Germany’s ‘cinema’ road show this fall. This exciting concept entails projection of our destination presentation on big movie screens, i.e. each partner will hold a 15-minute presentation in the cinema hall for all participating travel agents. In addition, partners will each have a table during the travel market for one-on-one discussions with retail trade participants before the presentations and during the breaks. We expect to train up to 150 agents in three cities: Berlin, Bielefeld and Düsseldorf (all in CineStar complexes). After the presentations, an American dinner buffet will be offered followed by viewing the 45-minute Brand USA movie “America Wild” as the grand finale of the evening for which travel agents will invite their best customers to participate. All supplier partners will have the opportunity to engage with these hand-picked consumers before and after the movie. This month we finalized all logistics and commenced the development of our ‘big screen’ presentation.

Visit USA Road Show Netherlands (September 16th – 18th, 2019):

After last year’s success, the Visit USA Netherlands will again organize a B2B road show, which will include training events in three cities: Zwolle, Den Bosch and Rotterdam. The road show is expected to attract over than 150 travel agents. The format will include intensive training sessions in “speed dating” style for all agents in each city. We have secured our participation by registering early for this important opportunity. Preparatory tasks related to our attendance commenced this month.

Visit USA Switzerland Road Show (September 24th – 26th, 2019):

Scheduled to be held in St. Gallen, Zurich, Lucerne and Bern, the road show is expected to attract over 200 travel agents. We will have the opportunity to present our area in the more intimate roundtable format during both morning and evening training sessions. By virtue of conducting trainings in four Swiss cities in short order, we will cover a broad catchment area just ahead of the upcoming important fall booking season. Space was limited for these training events, allowing for only 10 suppliers; thus, we are pleased to have secured this excellent exposure and engagement opportunity by means of our early registration. Preparatory tasks related to our attendance commenced this month.

Del-Tour Belgium B2B Workshop (October 17th, 2019):

After last year’s successful program, we will again participate in Del-Tour’s B2B workshop due to be held in Liège, Belgium. The B2B event is expected to attract agents from the French-speaking part of Belgium as well as from neighboring Luxembourg. During the full-day workshop, agents will be trained in small groups in 15-minute sessions. In addition, a VR booth will be set up giving agents a virtual experience. Furthermore a photo gallery of the workshop will be projected live on social media through Eventer, a geolocation-based app. Registration has been completed to secure our participation at an early-bird rate.

Visit USA Germany Seminar / Halloween Event 2019 (October 25th – 27th, 2019):

For the tenth consecutive year, we will participate in the annual Visit USA Germany Seminar & Halloween Event. This year’s seminar weekend will take place at the Hilton Garden Inn Frankfurt Airport. Between 110 and 130 retail travel agents from all over Germany are expected to attend.

There will be a new twist on this year’s format: In addition to the regular 15-minute workshop package during which agents are trained in small groups, a new plenary opening session will be staged during the first half of the day giving 4 supplier partners the opportunity to present their products to the entire audience.

VSPC will be part of the opening session as one of the first presenters together with Visit Orlando, SeaWorld Parks & Entertainment and Ft. Myers. Each of us will have a dedicated 15-minute presentation block, whereby as a group we will endeavor to create an interesting 'road trip' story experience for the audience. An evening Halloween extravaganza including prize raffle is planned as the highlight of the weekend.

This event has become so popular that it sells out in less than 10 minutes upon deployment of registration documents. We had to be exceedingly quick to complete and submit our registration in order to secure one of the coveted presentation slots this month. A meeting has been scheduled with our partner presenters in August to develop our 'road trip' concept.

USA-Canada Experience Netherlands (October 31st - November 1st, 2019):

The Dutch "*USA-Canada Experience*" is a two-day travel trade event giving supplier partners an exceptional opportunity to inform and educate the Dutch travel trade and conduct one-on-one sales meetings directly with product managers and tourism managers. A full-day workshop will see us holding comprehensive training sessions for over 80 agents from all over The Netherlands. The event will culminate in an exciting contest and travel prize raffle. Registration was completed to secure our participation at an early-bird reduced rate.

Visit USA Austria Seminar (November 14th – 15th, 2019):

Known as Austria's premier travel trade event, the Visit USA Seminar Austria will be held in Vienna this fall and is expected to attract up to 120 agents. The format will comprise a comprehensive educational seminar in the afternoon with an ensuing evening event. The seminar program will include a table top marketplace and an on-stage "interview" session with each supplier partner. The Visit USA Committee Austria will again organize a post-seminar "evaluation breakfast" during which we will have the opportunity to provide feedback and discuss future planning. Our 'early-bird' registration has been submitted thereby securing a discounted participation fee.

Knecht Reisen "Reisewelten" (November 23rd – 26th, 2019):

Following the tremendous success of the past "Reisewelten" ('Travel Worlds') events held in 2015 and 2017, prominent Swiss tour operator Knecht Reisen will orchestrate their third Reisewelten event in November this year.

The four-day show will comprise a two-day consumer exhibition attracting close to 4,000 visitors. With 1800m² exhibition space available at Knecht Reisen headquarters in Windisch, Switzerland, the consumer show will include various impressive theme worlds such as South Pacific, Africa, Latin America, North America, cruises, recreational vehicles and sports travel. Held in Lucerne, the following two days will be dedicated solely to the travel trade during which comprehensive 'treasure hunt' style training seminars will be conducted for approx. 160 agents. We are pleased to have secured participation in this important show by virtue of our early registration this month.

Visit USA Seminar Switzerland (February 4th – 5th, 2020):

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.

Additional Activity:

- We assisted **Del-Tour**, a Belgian tour operator who is developing a new USA program, with the provision of comprehensive destination information, imagery, destination magazines and a few giveaways for purposes of promoting VSPC accordingly.
- Ms. Stracke, Product Manager Modular at **TUI Germany** was provided with comprehensive destination information and brochure material in preparation for her own visit to our area scheduled late this month.

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)
After a very successful fall campaign last year, we will continue our cooperation with Brand USA and Expedia in 2019. Germany is one of the top volume markets to the U.S. 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.
 - **Mobile Takeover Unit:** 200,000 est impressions / hero image & click-through to destination content
 - **GoogleDisplayNetwork Traffic Gen:** 4,000 clicks
 - **Facebook Carousel Ad Unit:** Added value, Tile 3 or 4 position in one unit
 - **Expedia Activation Partner Marketing:**
 - Dedicated hotel results page (one page per co-op)
 - 415,000 co-branded display ads driving to a hotel search results page
 - Inclusion on "Visit The USA" landing page linking to our hotel search results page

All required assets were delivered this month.

Tour Operator Co-Ops:

- **FTI TOURISTIK ACADEMY** (March-December 2019)
We are excited to be part of FTI's very successful eLearning academy together with 3 additional Florida partners: Greater Fort Lauderdale, Naples, Marco Island & Everglades and Sarasota. Themed as "Florida's Best Beaches!", each destination partner is presented on 3 pages containing comprehensive content, imagery and video.
The FTI Academy is one of the most prominent tourism eLearning vehicles in the German and Austrian markets. With 14,000 registered users, the FTI Academy is also one of the largest eLearning providers. The educational program is promoted via several channels such as newsletters, press releases and raffles. Furthermore, it will be accessible 24/7 for 8 months!

Travel Trade/Consumer Publications & Portals:

- **LU LU.FM RADIO** (Germany) – 55,000 daily listenership *Consumer*
 - **LuLu.Reisen Program** – July

80% of the population listens to the radio daily for 4 hours on average. LuLu.FM is known as the only 24/7 radio station targeting the affluent LGBTQ audience reaching listeners primarily in Berlin, Hamburg, Leipzig, the Rhine-Main and Rhine-Neckar areas with a cumulative population of 15M.

LuLu.FM has established LuLu.Reisen, a fixed and recurring travel platform in its radio program which focuses on a specific destination for the period of 4 weeks. Instead of a classic radio commercial, LuLu.FM produces editorial content for the destination, which is broadcast in the form of a 90-second daily new episode. Each episode is clasped at the beginning and end with a 5-10 second presenter or sponsor message and runs 4x daily during prominent airtime (between the hours of 6-9, 10-12, 14-16 and 17-19). The listener thus receives new information about a destination every day for 360 seconds (6 min)/day. Furthermore, all episodes of the travel section on LuLu.Reisen will be available as a podcast.

Together with our partner DW&T an intro/outro for the 90-second daily episode announcing Visit St. Pete/Clearwater as *Home of America's Best Beaches* was developed. The clasping also includes our activation partner **FTI Touristik** with a “HotDeals” teaser and applicable VSPC dedicated call-to-action microsite ... fti.de/hotdeals. We provided all required assets for development of the 30-day program/episodes content as well as imagery and content for the HotDeals activation page.
 - **Banner Placement** – July

On top: LuLu.FM featured a VSPC/FTI banner on their website for the whole month of July with a link to the dedicated FTI HotDeals activation microsite. Imagery and logo were provided.

To date, our activation partner FTI Touristik reports 112 room nights have been booked to our area based on this initiative so far.

- **QUEER.DE** (Germany) *Consumer*

Queer.de is Germany’s leading LGBTQ news and information website. In fact, queer.de is one of the leading LGBTQ websites worldwide with 12,132,000 page views, 2,955,000 visits and 897,000 unique users monthly.

Thanks to the close cooperation with our partner DW&T on the LuLu.FM initiative, the following placements were secured at no additional charge to us!

 - **Banner Placement** – July

The banner used for LuLu.FM was also placed on queer.de in the travel section for the whole month. **Ad impressions: 300,000**
 - **eNewsletter** – July

The banner utilized for the LuLu.FM initiative (including the link to the FTI ‘HotDeals’ microsite) was placed in a queer.de eNews blast to **37,500 subscribers** on July 1st.
 - **Advertorial** – July

VSPC was featured with a comprehensive advertorial on the queer.de website in the travel section starting July 1st. **18,000 guaranteed page impressions.**

This month our efforts also revolved around requesting and obtaining proposals from vendors of choice in preparation for the development of our FY 2019/20 Central European marketing/advertising initiatives. Considerable time is spent on negotiating the fine points with a view toward optimizing our area's placement in the marketplace.

As St. Pete/Clearwater is a long-haul travel destination for the Central European markets, the positive effect of the campaigns we run are expected to continue beyond the actual placement timeframes due to the lead time between inspiration, consideration and effective booking by consumers.

Public Relations:

Kaus Media Services - VSPC's German PR Agency

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

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

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