

# CENTRAL EUROPEAN OFFICE

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## MARKET INTELLIGENCE / TRENDS

### **DER Touristik Flies Back Stranded Holidaymakers After Thomas Cook Insolvency**

DER Touristik has successfully organized return travel for nearly all of the 140,000 German holidaymakers left stranded by the sudden collapse of Thomas Cook, but problems with hotel payments are apparently continuing. Germany's third-largest tour operator was contracted by Cook's insurance company Zurich to organize return travel for Cook package holidaymakers in destinations around the world. The overwhelming majority of the affected 140,000 customers are now back home and the remaining 17,000 still at their holiday destination are due to return next week.

Over the past week, DER Touristik's destination agencies have organized travel for Cook customers from Majorca, the Canary Islands, southern Spain, Portugal and the Dominican Republic. This has mostly comprised assisting with hotel checkouts, organizing airport transfers from hotels, and helping with airport check-ins. "It's a question of quick and simple help for holidaymakers," explained Ingo Burmester, CEO of DER Touristik Central Europe. However, some Cook customers have apparently continued to face demands from hoteliers for payments, even though Zurich Versicherung (insurance) assured them it would cover 50% of the costs of Cook customers already on holiday. This commitment was made on the condition that hoteliers did not demand individual payments by holidaymakers. But German media and travel agencies have separately highlighted various examples of hotels trying to prevent guests from leaving unless they paid part of their hotel costs.

Separately, Zurich has confirmed that Cook customers whose booked holidays have been cancelled might not get a full refund despite the tour operator's insolvency insurance. As required under German law, Zurich has insured all its tour operator clients, including Thomas Cook, up to the maximum liability sum of €10 million per year. But a company spokesman admitted: "You can assume that this will be nowhere near enough."

The financial impact of the insolvency of Germany's second-largest tour operator is likely to be far more than this figure, meaning that the €10 million will be shared between creditors (including hoteliers and airlines) and customers. Cook had about 660,000 advance bookings for package holidays with departures up to September 2020 at the time of its insolvency. Customers generally made an initial payment of 20% of the holiday price at the time of booking.

## **Tour Operators Ready to Invest in Condor**

Several tour operators would be prepared to invest in Condor to help keep the German airline operating long-term following the insolvency of the Thomas Cook Group. The profitable airline has secured legal protection status along with commitments for bridging loans worth €380 million from the German federal government and the Hessen regional government for the next six months and is now in talks with potential investors.

The German travel industry has been quick to voice its support for the airline to continue flying as a major competitor to Lufthansa subsidiary Eurowings, TUIfly and other leisure airlines. Condor flies about seven million passengers a year, including one third from Thomas Cook Germany tour operator brands along with smaller volumes from other tour operators such as DER Touristik, FTI, Alltours and Schauinsland-Reisen.

Ingo Burmester, DER Touristik's Central Europe chief, told the DPA news agency that Germany's third-largest tour operator is not interested in the insolvent Thomas Cook Germany tour operator business. "We have a very well positioned portfolio of brands and products. It doesn't make any sense just to win volume," he said. In contrast, he would not rule out a minority stake in Condor. "I cannot imagine a full takeover of Condor. But I would not fundamentally exclude a stake." However, Burmester said the priority was to retain "an independent, long-term successful airline". Similarly, Gerald Kassner, head of Schauinsland-Reisen, said that a minority stake in Condor might be a possibility given the importance of the airline as a carrier partner.

Meanwhile, the experienced insolvency administrator Lucas Flöther, who has been appointed to oversee Condor's 'protection umbrella' status, said the airline has the chance to secure "a long-term ability to survive". He explained that, contrary to his role at Air Berlin where he was responsible for selling off assets of the insolvent airline, the question of the airline's future ownership was "primarily for the Condor management".

## **Rivals Target Cook Customers and Expand Hotel Capacity**

Leading tour operators in Germany, including TUI, DER Touristik, FTI, Alltours and Schauinsland-Reisen, are trying to win Thomas Cook customers with special offers and have secured additional capacity from former Cook hotel partners after the insolvent tour operator cancelled all bookings up to December 31. Thomas Cook Germany, with two million annual customers and 660,000 advance bookings through to summer 2020 at the time of its insolvency, cancelled all bookings up to the end of the year. Meanwhile, nearly all the 140,000 customers hit by the insolvency are now back in Germany. Managing director Stefanie Berk said the latest cancellation step was necessary to provide 'planning certainty' for customers due to go on holiday over Christmas. She added: "We're working hard to resume business from December 1, 2019, so that we can offer holidays again from January 1, 2020, onwards."

In parallel, the company's insolvency administrators are currently in "intensive" talks with potential investors for Thomas Cook GmbH as whole or individual parts of the company, whose tour operator brands include Neckermann Reisen, Öger Tours, Thomas Cook Signature, Bucher Reisen and Air Marin. But amid uncertainty whether Thomas Cook can make any kind of comeback in Germany, competitors have been quick to offer affected customers various alternative holiday options and sign up capacity with hoteliers who

previously marketed their properties exclusively or mostly through the insolvent tour operator.

**TUI** targets 500,000 extra customers in 2020: TUI announced that it expects 500,000 additional customers in 2020 and will expand hotel capacity "massively" in the major destinations of Majorca, Canaries, Greece and Turkey, including through many exclusive agreements. The group already held talks with tourism ministers in Greece, Turkey and Egypt. The market leader will also expand summer 2020 flight capacity with more flights from Leipzig and is considering adding more services from other airports. In parallel, TUIfly is reportedly considering launching selected long-haul flights, possibly in winter 2020/21.

In terms of sales, TUI hopes to sign up "a three-digit" number of former Thomas Cook travel agencies to expand its network of sales partners. The company is offering Cook customers the option of booking an alternative TUI holiday until October 20 without having to make any advance payment and offering a €50 discount on holidays costing more than €699. Customers would be able to cancel free of charge with TUI, if Thomas Cook was able to carry out the originally planned trip. Germany CEO Marek Andryszak declared: "In 2020 we will offer holidaymakers the biggest choice and support local hoteliers at the same time. Overall, we expect about half a million additional customers, whom we can offer a safe holiday in the usual TUI quality." He said it was "bitter" when a long-standing competitor disappears from the market, but emphasized that TUI was a financially strong group with a different business model than Cook and who customers and partners could rely on.

**DER Touristik** reassures customers and partners: There was a similar message from Rewe-owned DER Touristik, which will become Germany's second-largest tour operator in future. CEO Sören Hartmann declared: "We are a strong group. As Rewe Group we stand for reliability, quality and solvency. Holidaymakers and hotel, airline and travel agency partners can be certain that they can rely on us."

In terms of sales activities, DER Touristik is paying travel agents 2% additional commission for bookings from former Cook customers by October 31 and is offering attractively-priced holidays with Condor flights for the forthcoming autumn half-term holidays in the Caribbean and Indian Ocean destinations.

Elsewhere, **FTI** is now offering holidays in 300 formerly exclusive Thomas Cook hotels (including Iberostar, Sentido and Sunconnect properties). Moreover, DER Touristik, FTI and Schauinsland are all offering the Aldiana club resorts, which previously had a wide-ranging sales agreement with minority owner Thomas Cook. DER Touristik Central Europe chief Ingo Burmester said the Aldiana clubs "ideally extend" the group's product portfolio.

### **German Package Bookings Take Off in September**

German bookings for top holiday destinations grew strongly last month with double-digit increases for Turkey, Egypt and Greece and much better demand for Spain, the latest monthly package holiday booking figures from Amadeus show. After a weak start to the year and then a gradual improvement in the last few months, German package and online bookings for the top ten mass destinations increased by a healthy 8.1% in September compared to the same month last year. Winter sun destinations were particularly in demand.

Contrary to recent trends, travel agency bookings were the main growth driver with a 10% rise, while online bookings were only up by 6.5%. This came even though the average

holiday price for the top 10 destinations last month was 26% higher in travel agencies (€19 per person) than online (€730).

Among the top destinations, **Antalya** (+15.7%) retained top spot with solid double-digit growth thanks to strong bookings through travel agencies (+20.7%) and online (+12.4%). In a sign of strong demand for Turkey, **Izmir** (+31.4%) on the Aegean coast broke into the top ten for the first time for many months. Egypt again performed well in September with a very good increase for **Hurghada** (+14.8%) that left it only fractionally behind second-placed Palma. Online bookings (+16.7%) were ahead of travel agency sales (+12%) for the Red Sea destination.

The big winners last month included the Canaries which appear to be making a long-awaited comeback on the German market after responding to criticism about high prices. The Spanish islands have seen strong declines in German bookings over the last year and longer. **Fuerteventura** (+3.7%), **Tenerife South** (+0.8%) and **Lanzarote** (+5.7%) were all in positive territory in September while only **Las Palmas** (-9.4%) suffered a significant decline. Once again, the four islands saw better bookings through travel agencies than online. For example, there was a 12.5% increase in offline bookings for Fuerteventura, but a 4.4% drop in online sales. The trend was similar for Tenerife (+9.9% vs -8.5%) and Lanzarote (+16.7% vs -6.5%).

Elsewhere, **Palma** (-3.4%) again dropped back with lower offline and online bookings last month, but still retained second place overall. Greece also had a good month with clear growth for **Heraklion** (+13.1%) and **Rhodes** (+18.1%), although the destinations have now entered the low season.

Amadeus Leisure IT (formerly Traveltainment) claims to handle the bulk of offline (travel agency) and online bookings for tour operator holidays on the German market, making its booking figures a reliable indicator of demand trends.

### **Hotelplan Buys German Dynamic Tour Operator Vtours**

Switzerland's Hotelplan Group is making a move into the German tourism market with the takeover of dynamic tour operator Vtours. The Swiss group is buying the German company, including its Vtours International subsidiary, for an undisclosed sum. Both brands will continue to trade autonomously under their established names under the management of CEO Achim Schneider, the former owner. "With Vtours we have achieved a success story over the last 15 years, and we're delighted to have a strong partner at our side for our future development," Schneider said. "Through the merger, we can become active not only in Germany, Austria and Switzerland but throughout Europe, and benefit above all from the technological expertise of the Hotelplan Group," he added.

Hotelplan Group CEO Thomas Stirnimann described Vtours as a "profitable, creative, innovative and growing provider" and said it offered "ideal complementary" synergy potential in IT, procurement and sales to grow in the German-speaking markets. Vtours, with 150 employees, generates annual turnover of more than €400 million. The pioneer of dynamic holiday packages in Germany now offers holidays in about 7,000 hotels in 195 destinations, selling through travel agencies and online via OTAs.

The Hotelplan Group, with turnover of CHF 1.4 billion (€1.3 billion) last year, is the largest Swiss-owned tourism group. To date it has only been active in the German market through its holiday home businesses InterChalet and Interhome.

### **'Healthy' TUI Germany Expands Online Flight and Hotel Sales**

TUI Germany is in good health compared to "ill" former rival Thomas Cook and is broadening its product portfolio for summer 2020 with more online flight and hotel offers, expansion of TUI Blue hotels and more destination tours and activities. In contrast to the insolvent British group, the German tour operator market leader is financially strong and is pressing ahead with growth plans for next year, TUI Germany chief Marek Andryszak made clear at the summer 2020 program presentation in Hamburg this month.

Thomas Cook "was ill for five or six years and there wasn't a recovery in all this time. When you look at us over the same period, then you see that we are extremely healthy," he commented. The tour operator business contributes only a small part of TUI Group's total profits while most come from cruises, hotels and destinations, he pointed out. Speaking more generally, Andryszak admitted the term "package holiday" might be 'old-fashioned', but he underlined: "The word isn't sexy and perhaps we should think about the term. But the product is very much alive." However, it might be necessary "to do something legally" in terms of insolvency insurance to make the advantages of package holidays clear to customers, he added.

For summer 2020, TUI Germany is aiming for growth by adding more airlines and hotel chains to build up its online portal and offering more destination tours and activities. The German market leader is increasing the number of individual travel products, such as flights, accommodation, tours and car rentals, on its TUI.com portal as "these are booked online more frequently than other travel forms," such as package holidays. "TUI.com is already the most-visited tour operator portal in the German market. The next step, to develop it into a relevant flight and hotel portal, is absolutely logical," Andryszak explained. The TUIfly.com website will be integrated into TUI.com next year and all other 'relevant' airlines will also be bookable through the portal, according to the company.

The accommodation section will include hotels, holiday homes, hostels, apartments and chalets, with capacity provided not only through bed banks, but also hotel chains. The first partner is Marriott. "This gives us access to 4,500 hotels that were mostly not bookable through us so far and also gives us access to certain types of rates for online sales," explained tourism chief Stefan Baumert. In addition, TUI.com will offer 'flex rates' that can be cancelled up to 18:00 on the day of arrival, in the style of Booking.com, for an initial three cities from November 7 onwards. There will also be non-cancellable rates that are likely to be 6-8% cheaper, according to Baumert. Hotel-only bookings currently only represent one third the volume of package holiday bookings, but could increase to the same level in the medium term, Andryszak believes.

In terms of TUI's package holiday prices next summer, Majorca will be cheaper, other Spanish destinations, Greece and Italy will be stable, and there will be slight increases for Turkey, Egypt, the USA and Thailand. At the same time, TUI will add 20,000 more different 'destination experiences', such as tours, excursions, activities and event tickets next summer to continue building up this new business area. Its sales of such products nearly doubled to 2.3 million in the third quarter of this year.

TUI Germany did not disclose any specific sales figures for this year (apart from a 3% rise for Greece), but said it had closed the summer 2019 season with higher sales than last year's record level. It currently has strong winter bookings for various long-haul destinations along with the Canaries, the Cape Verde islands and Morocco.

### **German Consumer Climate Under Pressure**

Findings of the GfK Consumer Climate Study for October 2019

The German consumer mood paints a somewhat less optimistic picture in October. Both economic and income expectations as well as propensity to buy have had to take losses. GfK is predicting a consumer climate value of 9.6 points for November, meaning 0.2 lower points than the revised value for October (9.8 points).

Besides known risk factors such as the global economic downturn, trade conflicts and Brexit chaos, there are increasing reports of job losses, such as in the automotive industry and on the financial markets, for example. "These events have dampened the mood of consumers again and optimism is dwindling. As a consequence, the consumer climate has fallen to its lowest level since November 2016 with a value of 9.6 points," explains Rolf Bürkl, GfK consumer expert. "Nevertheless, private consumption will remain an important pillar for the German economy this year – assuming that the current crises do not escalate further and both policy and the economy counter the rising fear of job losses."

**Confidence in economy subsiding again:** While the economic outlook recovered slightly in the previous month, it continued its downward trend in October. The economic expectation indicator lost 4.8 points, falling to -13.8 points as a result. The last time a lower value was recorded was almost seven years ago in December 2012 when it stood at -14.0 points. According to consumer estimates, the risk that Germany could slide into a recession has increased again recently. Combined with the trade conflict, the global cooling off of the economy, which will especially impact the strongly export-oriented German economy, will not leave the German economy unscathed. Consequently, several automobile manufacturers as well as their suppliers have already announced redundancies. This loss of jobs at car manufacturers will be further intensified in future by the forthcoming transition to electromobility. Owing to the European Central Bank's (ECB) low-interest-rate policy, banks are also experiencing increasing difficulties in maintaining their branch networks.

**Falling economic prospects influence income expectations:** Even though the income outlook has remained largely unaffected so far by economic expectations, which have been on a downward trend since 2018, the income expectation indicator lost a huge 7.8 points in October. The current value of 39.0 points is the lowest value in almost six years. The level of income mood is still satisfactory as the current value is well above the long-term average of approximately zero points. As before, consumers assume that their financial position will also develop positively in future. The previous sense of euphoria has, however, been dampened for the first time after three consecutive decreases.

**Propensity to buy suffers slight losses:** Despite small losses, propensity to buy maintained its excellent level in October as well. With a loss of 3.4 points, the indicator declined by slightly more than half of the 6.3 points gained in the previous month. Currently, consumer mood is at an excellent 51.7 points and as a result is just three points below the corresponding value for the previous year. Propensity to buy has successfully resisted the economic downturn so far. On the one hand, the consumer mood seems to be profiting from the good

situation on the job market and income developments, as well as from what is still a very low propensity to save. The ECB's low-interest-rate policy makes deliberate investment less attractive and thus supports the propensity to consume.

## **SALES ACTIVITIES**

### **USTRavel.nl Netherlands Fam Group Visit (October 10<sup>th</sup>, 2019):**

USTRavel.nl is a Dutch Tour operator specialized in holidays to the USA and Canada. The tour operator offers several Florida fly/drive programs including stops in VSPC wherein the Magnussen Hotel Marina Cove and the Sirata Beach Resort are featured. In addition, the tour operator offers tailor-made programs for customers. VSPC is also promoted to customers with a dedicated brochure.

The Fam route included Orlando - Crystal River - St Pete/Clearwater - Tampa with return from Orlando. The group of 11 travel advisors visited our area briefly to gain an impression of our award-winning beaches and obtain a snapshot of the myriad experiences available. We are grateful to our Leisure Sales department for having extended a warm welcome, conducting a Clearwater Beach walking tour and for having hosted the group for lunch.

### **Del-Tour Belgium B2B Workshop (October 17<sup>th</sup>, 2019):**

Following last year's successful program, we again participated in Del-Tour's B2B workshop held in Liège, Belgium. The B2B event attracted over 60 agents from the French-speaking part of Belgium as well as from neighboring Luxembourg. During the full-day workshop, travel advisors were 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 was projected live on social media through Eventer, a geolocation-based app. Several one-on-one sales discussions were held with agents, who all showed keen interest in our destination.

### **Visit USA Germany Seminar / Halloween Event 2019 (October 25<sup>th</sup> – 27<sup>th</sup>, 2019):**

For the tenth consecutive year, we participated in the annual Visit USA Germany Seminar & Halloween Event. This year's seminar weekend took place at the Hilton Frankfurt Airport. 110 retail travel agents from all over Germany attended this immensely popular training event. VSPC was part of the opening plenary session as one of the first presenters together with Visit Orlando, SeaWorld Parks & Entertainment and Ft. Myers. Each of us had a dedicated 15-minute presentation block in which we created an interesting 'road trip' story experience for the audience. Following the comprehensive training day an evening Halloween extravaganza including prize raffle was celebrated as the highlight of the weekend. Thanks to the generosity of our VSPC industry partners, we proudly presented a 3-night stay in our area, which gave our destination yet more exposure during the prize raffle!

### **USA-Canada Experience Netherlands (October 31<sup>st</sup> - November 1<sup>st</sup>, 2019):**

The "*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 saw us holding comprehensive training sessions for over 120 agents from all over The Netherlands. The event culminated in an exciting contest and travel prize raffle. Thanks to the generosity of our VSPC industry partners, we proudly presented two 3-night stays at two properties, giving us yet more exposure and ranking us among the top prize donors during the raffle!

### **Consumer Shows – November 2019**

Visit St. Pete/Clearwater will be presented at consumer shows taking place in November as follows:

- 360° North America Day – Cologne, Germany
- Reiselust Bremen – Bremen, Germany
- Touristik & Caravaning – Leipzig, Germany

Consumer exposure cumulatively: 104,205

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

### **Visit USA Austria Seminar (November 14<sup>th</sup> – 15<sup>th</sup>, 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 followed by a table top marketplace and an on-stage "interview" session with each supplier partner along with an evening event.

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.

We submitted our presentation for the educational afternoon seminar as well as our interview questions for the evening event this month.

### **FTI Touristik Familiarization Tour (November 15<sup>th</sup> – 17<sup>th</sup>, 2019):**

Germany's FTI Touristik will be bringing a group of 12 highly qualified travel advisors to Florida next month to showcase the east and west coasts of the State as well as Orlando.

FTI is bringing this Fam to us in cooperation with Best Reisen, a consortium of strong German travel agencies. Participants are selected primarily on the basis of their North American turnover at FTI, with Florida producers being given particular consideration. The group will be traveling in rental cars, starting in Fort Lauderdale (11/13-15) and ending in Orlando (11/17-19). Due to our exceptional relationship with this top tour operator, we are exceedingly pleased to have secured a visit to our destination ... as the only one to be showcased on Florida's west coast. We liaised closely with our Leisure Sales department on itinerary development and several additional logistics this month.

### **Travel Trend VIP Clients (November 20<sup>th</sup> – 22<sup>nd</sup>, 2019):**

Top Dutch tour operator Travel Trend alerted us to VIP clients scheduled to visit our area next month. We liaised with our Leisure Sales department regarding provision of a special welcome amenity and complimentary admission tickets to one of our popular attractions.

### **Knecht Reisen "Reisewelten" (November 23<sup>rd</sup> – 26<sup>th</sup>, 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 1800m<sup>2</sup> 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. Following the consumer session in Windisch, one day will be dedicated solely to the travel trade and focused exclusively on North America. This B2B session will be held in Lucerne at a the "Verkehrshaus", a museum bringing Switzerland's mobility elements (road, rail, water, air) to life. Comprehensive interactive training seminars in will be conducted for approx. 80 agents. Final preparatory arrangements are underway.

### **Visit Florida Road Show (Dec 2<sup>nd</sup> – 5<sup>th</sup>, 2019):**

We will participate in the Visit Florida Road Show in two Swiss and two German cities this year: Zurich, Basel, Heidelberg, Frankfurt. German tour operator FTI Touristik will be our coop partner. Evening events will comprise comprehensive travel advisor training sessions in the more intimate roundtable format and will culminate in an exciting prize raffle. In Switzerland, we will also conduct in-house travel advisor trainings at Hotelplan Suisse and DERTour Suisse (formerly known as Kuoni) during the morning hours.

A training tool ‘workshop booklet’ will be produced by Visit Florida for which we have provided applicable material (content, imagery, logo). In addition, an interactive digital knowledge test will be staged immersing agents in yet more destination detail. We supplied Visit Florida with all necessary assets for the digital knowledge test this month.

Florida partners participating are: Crystal River, Florida Keys, Kennedy Space Center, Naples, Sarasota, SeaWorld Parks & Entertainment and Universal Orlando Resort.

### **Visit USA Seminar Switzerland (February 4<sup>th</sup> – 5<sup>th</sup>, 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 350 travel advisors are expected to attend this important Swiss event. Preparatory tasks are underway.

### **ITB (March 4<sup>th</sup> – 8<sup>th</sup>, 2020):**

Known as the “world’s largest tourism fair” held annually in Berlin, Germany, we again plan to exhibit within the Visit Florida Pavilion. Registration information has been received from Visit Florida prompting deployment of a participation opportunity blast to our industry partners. Strategic planning and logistics management are underway. Updates to be forthcoming.

#### *Additional Activity:*

- **Reiseagentur myinspi** in Sondershausen, Germany was provided with comprehensive destination information, insider tips and collateral material for distribution to their clientele.
- In keeping with HQ’s directive to familiarize ourselves with the **SimpleView** system, we have received a training session with our CRM Administrator and are moving forward with relevant travel advisor input.

## **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>, 2020)  
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, budget allocation will be as follows: Germany 75% (placing 85% on Expedia / 15% on Hotels.com; Switzerland 15% (with 100% placement on Hotels.com), The Netherlands 15% (with 100% placement on Expedia).

We worked closely with Linda Zimmerman of Expedia this month to finalize the plan and will be submitting applicable assets required for creative development of banners and landing page in concert with HQ next month.

#### 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 have been delivered, creatives reviewed and approved.

#### 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. Upon completion of the eLearning modules, travel advisors receive a certificate confirming their expertise. The FTI Academy is one of the most prominent and among the largest tourism eLearning vehicles in the German and Austrian markets. 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!  
Status to date: Close to 1,500 travel advisors have completed the St. Pete/Clearwater eLearning modules.

VISIT FLORIDA Co-Ops:

- **CANUSA TOURISTIK** (November 2019/June 2020)  
We are pleased to have the opportunity to cooperate with Visit Florida on marketing initiatives with CANUSA Touristik next fiscal year.  
Additional Florida partners are: Florida Keys, Fort Lauderdale and Sarasota.
  - **B2C CANUSA Magazine** – November 2019  
All partners will be featured in CANUSA’s print magazine with image, logo and content. The magazine will be mailed to 30,000 consumers.
  - **B2C CANUSA Newsletter** – December 2019  
This newsletter with VSPC placement of image, logo and content will be deployed to 50,000 consumers.
  - **B2C Ad Placement in GEO Saison Magazine** – January 2020  
VSPC will be featured with a ½ page ad placement including logo, image and content in the January issue of GEO Saison magazine, a high-end travel publication.  
Pub frequency: monthly / circ. of 60,333.
  - **B2C Out-of-Home Bus Wrap**– February - June, 2020  
VSPC will be featured with imagery and logo on a bus wrap within the Hamburg transit system for 5 months. Estimated impressions: over 1M  
Images and logo for creative development have been delivered; layout for the Canusa Magazine was developed and approved this month.
  
- **WEG.DE** (October-December 2019)  
Another opportunity with Visit Florida is a three-month campaign with OTA weg.de. Only three Florida partners were could participate, so we are very pleased to have secured one of the spots. Additional Florida partners are: Crystal River and Fort Lauderdale
  - **B2C Landing Page**– October - December, 2019  
A dedicated Florida landing page will offer feature content and at the same time function as the booking tool with travel teasers. The microsite will comprise a general Florida overview as well as information about each partner.
  - **B2C Social Media Campaign** – October-December, 2019  
Weg.de will launch a promotional post tailored to visibility on social media and YouTube. The post will link to a dedicated landing page. Image/Video will be provided by VISIT FLORIDA. Campaign partners will either be tagged/mentioned in the post or included with their logos in the video.
  - **B2C Video Banner** – October-December, 2019  
A video banner will be played on 3rd party media sites which are the right fit for relevant target groups. A general Florida video (including VSPC frames) will be shown and partner logos will be featured.  
All assets for creative development have been delivered. The campaign went live this month.

Travel Trade/Consumer Publications & Portals:

- Das Erbe unserer Welt (Germany) – circ. 118,114 *Consumer*
  - **2/1 page, 4c Advertorial** – Winter 2019 Issue  
Published twice a year since 2010 (Spring/May & Winter/November), ‘Das Erbe unserer Welt’ (‘Heritage of our World’) is polybagged with the German edition of National Geographic magazine and deployed to all subscribers, i.e. an educated and affluent readership in Germany. For the 2019 Winter edition, VSPC will be included

in a special 7-page feature entitled “Florida Jewels” together with Palm Beach and Amelia Island. Layout received, corrected and approved. Pub will be in-market on 11/01/2019.

Our efforts continued this month in negotiating and fine-tuning marketing proposals from vendors of choice. FY 2019/20 Central European advertising budget has been submitted. With the onset of the new FY, we received approval from HQ to move forward with submission of media authorizations to Brand USA.

*Of note:* With St. Pete/Clearwater being a long-haul travel destination for the Central European markets, it is to be kept in mind that the positive effect of the campaigns run continue beyond the actual placement timeframes due to the lead time between inspiration, consideration and effective booking by consumers.

*For the record:* Given we are strongly focused on optimizing our area’s placement in the marketplace, considerable time and effort is spent on intensive negotiation with our vendors with a view toward ensuring best positioning for St. Pete/Clearwater. This effort is conducted over and above our regular scope of work.

Public Relations:

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

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

- **Press Release October:** Proofread and corrected.

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