

Budapest, November 28, 2012

SUMMARY

ON THE NATIONAL TOURISM MARKETING PLAN FOR YEAR 2013

- ✓ Continuous professional and organizational renewal;
- ✓ Brand building, presenting the touristic offer as a brand;
- ✓ Product-based marketing communication;
- ✓ New buzzwords ('Winter Harmony', 'Spring Awakening', 'Summer Buzz', 'Fall Serenity') and product-based, seasonal approach to help boost domestic tourism;
- ✓ fully renewed Internet site;
- ✓ closer cooperation with the domestic and the international representatives of the trade (ETC, V4), more joint campaigns and offers;
- ✓ Stronger emphasis on developing the product base, particularly the introduction of new products and services;
- ✓ presence on more emerging markets;
- ✓ new tools to stimulate business tourism.

The above key sentences summarize the most important novelties in Hungarian Tourism Plc.'s marketing plan for 2013 and are new elements in the directions of t national tourism-related marketing activities.

Consumer marketing communication and travel trade sales promotion remain the **main professional tasks** of Hungarian Tourism Plc. An important field of the latter is business tourism (meetings, incentives, conferences and exhibitions, i. e. MICE) activity. The scope of the **supportive professional activities** remains the same, including TDM-coordination (cooperation with Tourism Destination Management Organizations), research, coordination of the Tourinform service, Contact Centre operation and supportive communication activities related to the SZÉP card, or the different trademarks and quality certifications.

Deputy Chief Executive Officer, **Gergely Horváth**, responsible for tourism, highlighted the following issues among others:

'In 2013 we wish to take advantage of the experience we gained so far and keep doing the activities that were successful in the past, but besides we will come up with new ideas.. The most important one is developing a creative concept that supports brand building and will serve as the basis for a new type of brand communication, targeting both the domestic and the foreign markets.

We are planning closer cooperation in the fields of wine and gastronomy with the players of agricultural and wine marketing, and regarding active tourism, ecotourism and hunting tourism with state-owned companies. Within the framework of the former cooperation we are to participate in the professional gastronomy exhibition related to the final of the Bocuse d'Or chef competition held in Lyon, where a Hungarian candidate has been qualified among the best. We will also have an opportunity to introduce the domestic food and beverage range on the Hungarian Days of Linz. Hungary will be the special guest at Dortmund's trade fair Jagd und Hund, which is an opportunity to promote our tourism services in addition to the available hunting options on our most important source market of foreign tourists.



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Regarding the field of cultural tourism it is worth mentioning that the Hungarian-Italian Cultural Season of 2013 is another great opportunity for the Hungarian introduction...

Health tourism remains our first priority product and will be present on several international forums, from which I point to the trade fair SPA-CE (Trade Show of Spa and Wellness Tourism in Central Europe). Previously, this Central-European event was organized by Slovenia and in 2013 it will be hosted by Hungary.

Our Southern neighbour, Croatia is joining the European Union in 2013, and on the occasion of their accession we are planning to perform marketing activities in their region.

To be able to react to the demands of the steadily changing world we strive to diversify our activities: we look for new opportunities and markets to be targeted. Therefore, in addition to the Arabic, Russian, and Chinese markets, where we have already been present, we are mapping the touristic opportunities in other Eastern developing countries.

On the domestic market our marketing communication is centred round tourism products, and our key partners are the most prestigious professional organizations.

Preserving and pursuing the successful practice from the previous years, next year we will again organize our countrywide promotions, among others Great Restaurant Day (Torkos Csütörtök), Open Cellar Days (Nytott Pincék Napja), the Goose Tour on Saint Martin's Day (Márton Napi Libatour), and World Tourism Day (Turizmus Világnap). Joining in the Accessible Hungary (Bejárható Magyarország) project we are planning several activities involving bike or horse rides, and of course hiking, including the National Blue Tour Day (Országos Kék Túra Nap) for the first time in order to establish a tradition.

All our professional activities serve the same goal, which is building a uniform brand: we wish to promote all tourism products by creating an umbrella brand. We offer all our partners the opportunity to join, since the brand can only become strong if the visitor is exposed to it as often as possible, both in his home country and during the visit to Hungary.

BUSINESS TARGETS

When performing national tourism marketing activities, the first priority we set is to reach our **business targets**, meaning to increase the number of overnight stays and the amount spent by the tourists.

Hungarian Tourism Plc. wishes to **increase the total number of overnight stays** at registered commercial accommodation **by 1.6%** in 2013. Domestic guest nights should reach the highest ever figure of 2011, while the number of overnight stays paid by foreign visitors should exceed the 2012 results by 3.2%, all data shall refer to commercial accommodation.

In 2013 the Hungarian Convention Bureau expects the number of international conferences to increase by 2 to 4%, compared to that of the the previous year.

'It is important to maintain the growth and the peak levels we reached during the past two years – which both in the number of foreign and domestic visitors and in the related incomes exceeded the levels that had been measured before the crisis –, therefore we must keep searching for new opportunities, target groups, markets and marketing tools', – said Gergely Horváth, Deputy Chief Executive Officer responsible for tourism marketing.

RENEWAL OF THE ONLINE PRESENCE

Hungarian Tourism Plc.'s aim is to serve all demands of the travellers with its online presence, starting from raising awareness and collecting information through online reservation and the provision of on-site information all the way to sharing experiences. In the following years the national tourism marketing organization will shift an increasing portion of its communication activities to online tools. At the same time it channels the interested target groups towards the online contents by its offline activities as well. The new Internet site launched in the autumn of



2012 performs two functions: due to its huge background pictures it conveys experiences, kindles interest on the one hand, and on the other hand the details of the desired tours can be set, saved and shared immediately by using the tour organizer. The company ensures the continuous optimization of the web contents for mobile devices, and increases its presence on the social media sites as well.

BRAND BUILDING

In addition to marketing the Hungarian tourism offer the other important task is to present it as a brand. It is necessary to classify the diverse and colourful offer of Hungary and to arrange its elements into uniform packages. The products and product groups created in this manner will orientate the tourists, assisting them to identify the offer best fitting their motivations. Since it is difficult to choose a product-based communication thesis that would clearly define Hungary as a tourism destination, we **need to introduce a communications framework system that creates the tourism brand of Hungary and allows harmonizing the communication related to different products under an umbrella brand.** The strategic goal is to introduce Hungary as a tourism brand on the foreign markets and to (re-)introduce it on the domestic market by using a common communications system. An additional goal is to increase awareness and acceptance of the new brand in order to sharply differentiate Hungary from its competitors and to make its communication on the foreign markets efficient.

Regarding **domestic** tourism Hungarian Tourism Plc. intends to position the country brand to be created in the years ahead as a tourism 'product' or notion that is associated by the domestic tourists with the following features:

- High but accessible quality,
- known, but promises a lot of surprise,
- provides approachable but perfect distraction from everyday routine,
- safe but provides adventures.

So, the intention is to create a product that stands tall compared to anything, and competes with a tour abroad being its main rival.

As a first step in brand communication for the **foreign** markets we have to stress those outstanding treasures that meet the most important motivations of the tourists:

- acquiring health and preserving health ,
- demand for distraction and recreation,
- wish to learn and know.

For tourists travelling for such purposes the medical treatment based on medicinal waters combined with medical experience of centuries, together with the countless number of sights, Budapest and Lake Balaton, offering distraction for the whole family, might be an attraction worth travelling for to Hungary. The favourable price to value ratio alone is not enough; we must spot values targeting the body and the soul to be able to perform activities built on emotional ties.

HIGHLIGHTED STRATEGIC PRODUCTS

In 2013 in its brand communication for the **domestic** markets Hungarian Tourism Plc. builds on the following strategic products:

- ✓ Health tourism
- ✓ Waterside tourism and culture (festivals)
- ✓ Wine and gastronomy tourism
- ✓ Active and ecotourism

In brand communication on **foreign markets**:



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- ✓ Budapest
- ✓ Lake Balaton
- ✓ Health tourism (medical tourism and wellness tourism)
- ✓ Business tourism (meetings, incentives, conferences and exhibitions, abbr. MICE)
- ✓ Festivals

From the above-mentioned products health tourism plays an important role in Austria, Germany and Russia, while the MICE segment comes in focus in the UK, France, Switzerland, the Benelux countries and the USA. The festivals, grand events, wellness tourism and Lake Balaton, as products play an essential role primarily in the neighbouring countries, in the Czech Republic, Poland and Germany.

COMMUNICATION TARGETING THE DOMESTIC PUBLIC

In 2013 the company's communication to the domestic public will be performed on three levels:

- ✓ **Image communication** that supposed to introduce the complex Hungary brand to the public. The adequate image communication performed on foreign markets will frame the product and region-based activities targeting the domestic market; this image communication is supposed to introduce and build the same Hungary brand both in Hungary and abroad.
- ✓ The aim of the **national strategic product campaigns** is to encourage domestic tourism. When planning a certain product campaign it is crucial to select the period within the year which allows the mobilization of the highest number of tourists.
- ✓ The aim of the **regional product campaigns** is to promote the services of the providers. There are regional campaigns, running during the scheduled product campaigns, offering package deals of the service providers. The role of the regional campaigns is to supply the tourists who are inspired by the national campaigns and are searching for information related to their domestic tours, with typically local offers (for example accommodation, programs and services).

In 2013 Hungarian Tourism Plc. intends to classify those tourism products that can generate a real travel motivation within Hungary. Classification is based on the ideas of **travelling as an experience** and the feeling or atmosphere the visitors would like to experience. The company plans to cluster the tourism products and the regions where each product is dominant for the general public in **4 seasons suggesting 4 moods**. In January and February the fans of health tourism and those wishing to experience that mood are invited by using the buzzword **‘Winter Harmony’** to the Northern and the Southern regions of the Hungarian Great Plain and into the Transdanubian Region. In the spring season active tourism will be in the focus of communication, clustering the offers of Lake Balaton, Northern Hungary and Lake Tisza for hiking, biking, horse riding, water sports, fishing activities and camping around the buzzword **‘Spring Awakening’**.

The summer is for the festivals and holidays near waters. The campaign inspires visitors who wish to have a holiday in Budapest and in its surroundings, at Lake Balaton or in the Transdanubian Region to **‘Summer Buzz’** and offers them package deals for travelling. In autumn wine and gastronomy are the key messages, the offers promote the Southern and Western parts of the Transdanubian Region and the Northern regions of Hungary, spreading ‘Fall Serenity’. The regions that are of lower priority in the actual season, can promote any other, specific tourism product by using e-marketing tools, thus serving smaller segments’ interest.

COMMUNICATION TARGETING THE FOREIGN PUBLIC

The strategic goal of communication targeting the foreign public is to introduce Hungary as a tourism brand. Forming the basis for this is the main task of 2013.

Next year the company's communication addressing foreign population will be performed on three levels, similarly to domestic communication:

- ✓ Central strategic campaigns with the aim of building the country brand;
- ✓ Central tactical product communication, based on the Budapest Winter Invitation campaign;
- ✓ Market-specific campaigns ran by our Foreign Representations in order to maintain the awareness built by strategic campaigns and to offer up-to-date travelling tips, motivation through product offers for our most important markets.

Due to the limited resources it is of key importance to harmonize the campaigns and select the efficient tools. The company intends to reach the former goal by aligned activities at the foreign missions, and the latter one by further developing and laying more stress upon e-marketing tools.

DIVISION OF THE SOURCE MARKETS

In 2013 Hungarian Tourism Plc. wishes to continue classifying the source markets into subclasses, based on business potential, trends, and travelling habits. The classification into classes depends on the fact whether the tourists from the source country tend to travel individually or they rather arrive in Hungary as a group organized by travel agencies. The role of accessibility in travelling is also taken into consideration together with the share of that source market based on the number of overnight stays. Using this information markets are defined as B2C markets, where the population is targeted as individuals, and B2B markets, where the professional connections are stronger.

- **B2C markets:** Austria, the Czech Republic, the United Kingdom, France, Croatia, Poland, Germany, Italy, Romania, Switzerland, Serbia, Slovakia and Slovenia.
- **B2B markets:** the USA, Northern Europe, the Benelux countries, Ireland, Israel, Japan, Canada, China, Russia, Portugal, Spain and the Ukraine.
- **Emerging markets** (based on turnover from the number of travels into Hungary): countries along the Persian Gulf, South America and South-East Asia. These are listed among the B2B markets.

Depending on the market class, managing the communication addressed to the trade or to the public is the task of the Foreign Representations. Marketing communication is performed through the communication addressed to the general public on B2C markets, and via professional events on B2B markets.

In line with government intention, special attention is paid to the emerging markets.

INTERNATIONAL SALES PROMOTION

Sales promotion activities are dominant on B2B markets. Product-based marketing communication is associated with the central image communication on each target market.

The priority order of activities on B2B markets:

- ✓ organizing study tours to Hungary;
- ✓ professional cooperation: joint promotion;
- ✓ workshops, road shows: the aim is to involve new areas and partners in sales, and let the domestic service providers meet with the foreign business partners;
- ✓ trade fair participation;



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- ✓ offering professional education

The priority order of activities on B2C markets:

- ✓ online, Internet communication;
- ✓ social media;
- ✓ traditional media channels;
- ✓ organizing media study tours to Hungary;
- ✓ organizing study tours to Hungary.

BUSINESS TOURISM (MEETINGS, INCENTIVES, CONFERENCES AND EXHIBITIONS MICE)

In 2013, the Hungarian Convention Bureau expects the number of international conferences held in Hungary to increase by 2 to 4% compared to that of the previous year.

In order to stimulate business tourism HCB expands the range of its tools, creates a Congress Ambassador Program, continues to search for international scientific conferences, implements a MICE image campaign abroad and takes maximum advantage of the tender opportunities available for attracting international conferences. They pay special attention to the fields of science, the health care industry, research and development, medical technology and the pharmaceutical industry. The most important targets of MICE activities in 2013 are Great Britain, France, Northern Europe, the United States, Germany and Switzerland. By mobilizing the network of the missions HCB plans several sales and marketing campaigns on these markets.

“HCB was busy with attracting significant conferences and professional events to Hungary in 2012, the most important one of which is Routes Europe. Its host is Budapest in May 2013. The fact that Hungary accommodates the international review of airlines and airports is really important, as the termination of the national airline left the MICE segment in a very difficult position.” – emphasized Gergely Horváth, Deputy Chief Executive Officer responsible for tourism.

PROFESSIONAL COOPERATION, V4 PRESIDENCY, ETC AND EU CAMPAIGNS

In order to perform its marketing activities efficiently, beside the resources provided by the central budget, the company is mobilizing external resources as well. The tool used to achieve this is the **close cooperation with the representatives of trade**, by sharing the costs of joint campaigns, based on mutual interest. In 2013 Hungarian Tourism Plc. shall continue to provide its partners with the opportunity to join a number of its sales offers.

Among others, the joint marketing campaigns that are run together with other representatives of the tourism trade, like the Budapest Winter Invitation, belong here. In order to stimulate air traffic towards Hungary, we need to develop the air accessibility of our country from the new potential emerging markets. In this respect, Routes Europe Conference, to be held in Budapest in 2013, is of particular interest, being one of the most significant aviation events of Europe, where representatives of airlines and airports can meet. As a joint effort of Hungarian Tourism Plc., Budapest Airport Plc., and the Budapest Festival and Tourism Centre Non-profit Ltd., the event is a great opportunity to introduce the touristic offers of Budapest and Hungary for nearly 1,000 decision makers of airlines and airports, which can encourage the opening of new airlines with a destination to Hungary.

Responding to the demands of remote markets **the importance of cooperation with the Visegrád Group (V4) and the European Travel Commission (ETC) is increasing.** The joint promotion of the members allows raising awareness for Europe more efficiently on the markets located far away from the Continent. The promotion of the tourism diversity of the Central-European region (the Czech Republic, Hungary, Poland and Slovakia) will continue by harmonizing the work, on the basis of a joint marketing plan and by combining the available



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resources. The target markets of the V4 countries remain the United States, Russia, India, Japan, China, Brasil, and as new markets Azerbaijan and Australia will appear.

The V4 countries shall start to develop products together. The primary goal is to create thematic routes, and to emphasize the product-based marketing tools. In the use of marketing tools, professional events have first priority, but creating the online forms of communication will also start.

It is important to communicate V4 as a brand and as an individual region to the tourism trade, which increasingly searches for regional forms of cooperation. As a tool for brand building Hungarian Tourism Plc. calls the attention of service providers to the tender opportunities published by the International Visegrád Fund, and encourages the more efficient use of tender opportunities.

A top-level meeting of the government officials responsible for tourism of the V4 countries is due in February 2014. The **Hungarian V4 presidency**, starting in July 2013, emphasizes the importance of e-marketing and social network communication, therefore the ongoing social media campaigns will continue, and similar ones will be introduced on new markets. The basic idea of the Presidency regarding the touristic cooperation is brand and product development.

During the Hungarian presidency the cooperation of the V4 countries in the field of tourism will enter new markets. Since all the member states place strong emphasis on reaching promising emerging markets, the organization will move to the Arabian and the Australian regions. The former target markets will not be abandoned, however, quite the contrary, V4 as a region and as a brand offers a more powerful promotion opportunity in all of the four countries.

A further important goal of the Hungarian presidency is to stimulate tourism turnover between the four countries, and the main tool for that is the creation of combined products and package offers.

Taking advantage of the fruits of Culture and National Heritage cooperation in the fields of tourism, which started during the Polish presidency, a product-specific publication including a microsite will be created involving e service providers in order to introduce the cultural, spiritual and religious heritage of the V4 region. .

The aim of **ETC**, the European Travel Commission, grouping national tourism offices, is to promote Europe on the overseas markets as a single tourism destination. ETC's priority target markets are: Brasil, Canada, China and the USA. 2013 is the first time in the history of the organization that the European Union contributes to the joint European tourism marketing activities by offering a grant of **EUR 1 million**. Within the framework of the cooperation and in addition to brand building ETC is active in product development, including, among others, the so-called Pan-European product. Next year the most significant online marketing activity of ETC is the 'My Dream Vacation' campaign, which allows the potential traveller to organize his own tour to Europe by using the reservation systems. The campaign will run between July and September and one aim of it is the promotion of the visiteurope.com website.

ALL PARTS IN THE 2013 **MARKETING PLAN**– STRATEGIC PLAN, TACTICAL PLAN, ANNEXES – CAN BE DOWNLOADED FROM THE WWW.ITTHON.HU SITE OF HUNGARIAN TOURISM PLC. (IN HUNGARIAN LANGUAGE).

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