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Editorial

Tourism to Vienna is a success story. When the previous Tourism Concept was presented in 2009, Europe as a whole was strongly impacted by the international financial and economic crisis, and city tourism, too, was facing less than certain prospects for the future. Today Vienna's tourism industry may look back on four successive record years despite a still difficult economic environment – the number of overnight stays has increased by one third and in 2014 will for the first time exceed the 13-million mark.

This impressive performance is the outcome of joint efforts of Vienna's tourism sector and the Vienna Tourist Board as well as of the city's policies and administrative activities. Many developments of tourist offerings and of the urban infrastructure have been collectively advanced by us over the past years, thereby further valorising Vienna as a tourist destination – for guests to the Austrian capital, the most prominent examples of this are probably the new railway stations and the new airport terminal.

Vienna is an attractive city – both for its resident population and, of course, for its guests: in 2014, the number of inhabitants has increased by 200,000 as compared to 2000; by 2030, Vienna will once more have more than two million citizens. This growth is a clear sign of the city's appeal and an incentive for us to do our utmost to carefully monitor and shape this development through suitable investments. On the one hand, we are investing in education, healthcare and infrastructure; on the other hand, documents such as the present Tourism Strategy are to make sure that visitors to this city will have the most comfortable and pleasant stay possible.

Being the tourism marketing agency of Vienna, the Vienna Tourist Board has led the formulation process for the new Tourism Strategy 2020. However, the destination brand as such is supported by the entire city. With this knowledge in mind, the strategy process was placed on a broader basis than for any preceding document of this kind: not only experts of the tourism industry had their say, but also the city's inhabitants and, last but not least, Vienna's guests, as they are the actual target group of destination development. Our thanks go to all people whose ideas and suggestions, comments and critical reflections have contributed to the present strategy – and we cordially invite them to play a role in the joint further development of the destination based on the Tourism Strategy 2020!

Renate Brauner

Deputy Mayor President of the Vienna Tourist Board

Norbert Kettner Director of the Vienna Tourist Board



Executive Summary

Vienna's recipe -

for success as a tourist destination in 2020

Tourism to Vienna is booming. In 2013, it recorded 12.7 million overnight stays – by approx. 4.8 million more than just ten years previously, which corresponds to an increase by 60 percent over 2003. Convention tourism contributed to this outstanding performance with no less than 1.4 million overnight stays only in 2013. Over the past ten years, the number of conventions has more than doubled. The economy and labour market benefit enormously from this success. The tourism and leisure industry inter alia guarantees around 84,000 workplaces.¹ Every million Euros spent by guests during their stay in Vienna creates eleven new full-time workplaces.²

Vienna's attractiveness is also exemplified by its dynamic accommodation market. Since 2003, the number of available hotel beds has increased from slightly under 40,000 to more than 60,000 (+53%) and in 2013, Vienna's hotels and accommodation providers attained a rooms revenue of close to Euro 609 million³ – although increasing competition constitutes a challenge for each single enterprise, it above all evidences the high degree of trust of (international) investors in the destination.

These facts and figures reflect the quality of Vienna and its tourism industry and make sure that the goals for 2015 formulated by the Vienna Tourist Board and the city's tourism sector with regard to overnight stays and revenue were clearly exceeded.⁴

- ² Source: Statistics Austria, VGR, WIFO
- ³ Source: Vienna Tourist Board

¹ Only in the field of employed workers; according to the system of the Vienna Economic Chamber's Tourism and Leisure section, which includes the tourism "core sectors" of accommodation and catering as well as culture, entertainment and sports. In 2013, as many as 14.8% of all employed workers in Vienna were active in these areas. The importance of tourism for labour market policy is even higher if e.g. the positive effect of tourism demand for the employment situation in trade and commerce is taken into account.

Source: own calculations of Vienna Tourist Board, Vienna Economic Chamber

⁴ In late 2009, the Tourism Concept 2015 formulated the goal of increasing the number of overnight stays to 11 million annually and to augment the rooms revenue of the hotel sector by Euro 100 million to attain a total of Euro 585 million.

5 x 400 + 20 = 2020. Or: Vienna wants a bigger piece of the cake!

Thus Vienna is excellently positioned as a destination in the globally growing tourism market, whose importance is continuously on the rise – between 1980 and 2013, the number of international arrivals has quadrupled and is to increase by a further 65 percent by 2030!⁵ Vienna wants to benefit from this growth, improve its competitive position on an ongoing basis and strengthen its standing as an internationally coveted and well-connected top destination⁶.

The formula for this is: $5 \times 400 + 20 = 2020$.

This means that, starting with 2013 as base year and with 2020 as final deadline

- the number of overnight stays is to increase by five million,
- the rooms revenue is to be stepped up by Euro 400 million, and
- direct flights to Vienna are to be offered from another 20 metropolises worldwide.

Global.Smart.Premium – the strategy behind the formula

Global.Smart.Premium is the instrument to attain these ambitious goals. With these three strategic orientations, Vienna and its tourism industry are strengthening existing qualities of the city and enable the destination to find innovative answers to new trends and challenges in international city tourism.

Following in the tradition of previous strategies, the present Tourism Strategy establishes a five-year time horizon. By 2020, Vienna is to elevate its Global, Smart and Premium qualities to a new level:

 GLOBAL Vienna 2020 views the ongoing internationalisation of the city, its importance as a centre of political decision-making and economic hub as well as its role as a cosmopolitan metropolis in Central Europe as a prime tourism asset. Vienna positions itself as a global player to score in the global tourism market, in keeping with the motto "Vienna welcomes the world".

⁵ UNWTO (2014): UNWTO Tourism Highlights, 2014 Edition

⁶ E.g. in the field of air traffic: direct scheduled flights from 165 destinations worldwide. Status as per 1st half of 2014, data furnished by Vienna International Airport

- SMART Vienna 2020 blends the qualities of Vienna as a city that embraces a culture of sustainability and excels at smart urban technologies and intelligent mobility solutions in order to present it as a "smart tourism city" a city that offers both visitors and residents an exciting yet relaxed, authentic, comfortable and "green" urban experience.
- PREMIUM Vienna 2020 embodies a strategy of quality leadership that makes the experience of being a guest of Vienna unique and builds on the image of Vienna as a city of elegance and exquisite joie-de-vivre. At all stations of their customer journey – on arrival, during sightseeing, in restaurants and cafés, at the hotel or when attending musical or cultural events, guests are to experience premium quality, a "touch of luxury", as it were. Exclusive experiences and offerings in the high-end range are the spearhead of Vienna as a premium destination.

Through their multifaceted interaction, Global, Smart and Premium will make sure that Vienna in 2020 will be perceived as a metropolis of tradition and grandeur that, however, is definitely not stuck in the past but rather keeps pace with the times – a city that is vibrant and constantly changing and renewing itself.

For the benefit of the entire city

With Global.Smart.Premium, Vienna and its tourism industry do not only aim to step up the global tourism demand for the Austrian capital. Rather, the Tourism Strategy is also an instrument to promote the city and location as such and to balance the different needs of the "visitors' city", the "residents' city" and the "entrepreneurs' city".

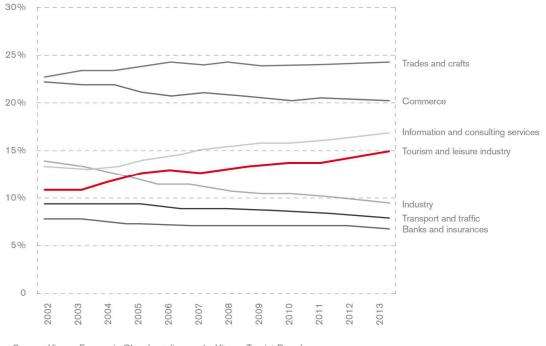


Figure 1: Tourism as an employment driver - distribution of employed workers by industry sectors, 2002-2013

Source: Vienna Economic Chamber; diagram by Vienna Tourist Board

Destination management and destination marketing are location boosters that render Vienna more competitive and accessible and improve its international recognition value. More flights to and from the city and the upgrading of Vienna International Airport's hub function not only bring more visitors to the city, but also step up the attractiveness of Vienna for international enterprises and strengthen its role as a connector between East and West. Tourism marketing as well as high-prestige events such as the Eurovision Song Contest or international film productions enhance the worldwide prominence and popularity of the city, strengthen its image and can help to motivate more and more highly trained specialists and talents for opt for Vienna as their home and workplace. As a globalised service industry, tourism is a key driver of innovation and brings international service know-how to Vienna, which in its turn is of benefit for other economic sectors and segments of the service industry. Tourism creates additional demand for the catering business, commerce and many other fields and in this way supports a wide range of offerings essential for a city's liveability. Moreover, tourism-related (international) investments – e.g. in hotels or convention centres – strengthen prosperity and attractive-ness. In short: a strong tourism industry is of benefit for Vienna's global competitiveness.

Destination management – as a development partnership

Because there is no strong tourism without a successful city and no successful city without strong tourism, a destination can only be developed through a broad-based partnership with actors from economy and culture, politics and administration, urban development and architecture, logistics and mobility, science and education as well as other fields. In implementing Global.Smart.Premium, the tourism industry is therefore no soloist but rather a team player who takes measures on its own initiative where possible, but who specifically wants to develop ideas and move the project ahead together with partners and stakeholders. As the representative of guests, the Vienna Tourist Board likewise adds an international perspective and international benchmarking to the process. For a location of excellence such as Vienna, the wish to measure itself against the very best is a fundamental requirement, as are the willingness to innovate, imagination and the courage to take risks. The Vienna Tourist Board hence makes the commitment to excellence a guiding principle in the further strategic development of Vienna as a tourist destination.

Self-image of the Vienna Tourist Board: Global.Smart.Premium 2020

The Vienna Tourist Board is the PR and marketing agency of Vienna as a tourist destination and, together with its partners, implements subsidiary tourism marketing:

- worldwide, cosmopolitan, optimally networked and prominent *global*
- innovative, intelligent and for the benefit of guests and Viennese residents
 smart
- committed to excellent quality premium

How we did it: the Tourism Strategy as an open process

Like the previous Tourism Concepts 2010 and 2015, the Tourism Strategy 2020 is a joint strategy document of the City of Vienna, the Vienna Tourist Board and the tourism industry. However, no previous tourism strategy has ever been derived from a comparably broad-based and participatory development process. With a series of innovative formats, the Vienna Tourist Board embarked on novel approaches that made it possible to tap the expertise of numerous specialists and stakeholders as well as the ideas of what is perhaps the most important expert group of all: the visitors to Vienna.

SWOT analysis: the discussion about the future strategy began with a critical assessment of the status quo. In November 2013, fifty key experts of Vienna's tourism industry analysed the strengths and success factors of Vienna as a tourist destination in the context of the Open Strategy Conference, identifying and weighting the core challenges of coming years and discussing the first strategic orientations for the present strategy. This work was based on a comprehensive SWOT analysis⁷ developed by the Strategy Team of Vienna Tourist Board und *europaforum wien*.

International Advisory Panel: Global.Smart.Premium – the thematic orientations of the strategy also served as principles for action during the strategy formulation process. For the first time ever, the global perspective and indepth knowledge of analogous examples from all over the world combined with comprehensive tourism know-how were input by an Advisory Panel composed of international experts, which – in addition to the Rector of MODUL University Vienna, Karl Wöber – also comprised the international advisor for city development, investment and globalisation strategies, Greg Clark, the Director of the UNWTO "Affiliate Members Programme"⁸, Yolanda Perdomo, as well as Klaus Heine, an expert for luxury marketing at EMLYON Business School (Shanghai). The Advisory Panel met in Vienna for a total of three times.

⁷ Analysis of strengths and weaknesses as well as opportunities and possible threats for Vienna as a tourist destination

⁸ The "Affiliate Members Programme" of the World Tourism Organization UNWTO is an international platform in whose context Member States, NGOs and private sector partners develop innovative tourism models and exchange know-how.

Open innovation process⁹: "crowd sourcing" is the technical term for the concept that a great number of individuals with everyday knowledge dispose of excellent problem-solving competency if viewed as a collective. This approach was applied very successfully for the first time by the Vienna Tourist Board in the context of a web-based open innovation process, in whose course (potential) guests to Vienna as well as the local population were invited to submit their ideas for "Vienna 2020", resulting in more than 500 ideas from over 40 countries. As a second step, approx. 250 time-tried experts and stakeholders of Vienna's tourism industry participated in an online dialogue forum, reflected on suggestions, raised new viewpoints and expressed their willingness to take part in concrete implementation steps.

Stakeholder Rounds: while the open innovation process entailed an enormous breadth and variety of ideas and statements, individual key themes were discussed in greater depth in personal talks and discussion rounds involving over 40 experts and decision-makers from tourism industry, economy, science and administration. In this context, special thanks must go to the members of the Strategy Team of the Vienna Tourist Board, who added their profound know-how to the abovementioned formats through numerous debates and reflexive discussions and thus contributed significantly to the success of the strategy process.

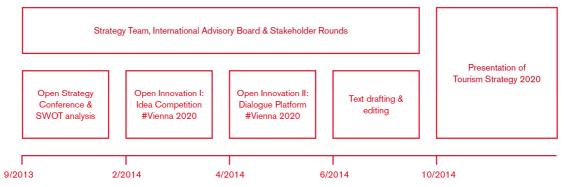


Figure 2: Overview of the strategy process

⁹ The term "open innovation" refers to the opening of innovation processes to external stakeholders. The active integration of customers and interest groups into all phases of the innovation process allows for a better understanding of demand and for the generation of new knowledge.

The Tourism Strategy – a "living paper"

The publication of the Tourism Strategy 2020 – issued for the first time in German and English – does not spell the end of the process of reflection on the future of Vienna as a tourist destination. Quite the contrary: it is the start signal for an intensive phase both of implementation and constant evaluation, of reflection and further consideration, always based on the time-tried partnership with the tourism industry and the City of Vienna.

Figure 3: The open innovation process - scope and outcomes

Phase 1: Idea Competition

650,000	persons reached directly, via social media or PR
32,000	page views
546	ideas from 43 countries

Phase 2: Stakeholder Rounds

2,500	selected stakeholders and experts reached
16,000	page views
551	strategically relevant ideas and contributions
468	comments and evaluations of ideas and contributions

Source: Vienna Tourist Board, inno-focus business consulting

Some outcomes of the open innovation process "#Wien2020"

Skywalk

An idea by Manfred G., Germany

From worm's eye view to bird's eye view: Vienna's historic city centre is perceived differently if green spaces are linked across roofscapes and streets by means of a skywalk: a futuristic structure with viewing platforms and spots to rest and relax that is spectacular but also family-friendly – and the fastest pedestrian crossing through the city centre.

Floating Market

An idea by Florian F., Austria

A different take on shopping: a weekly market on Danube Canal. While patrons sit in the many bars and pubs along the quay, floating "boat shops" trawl by at a leisurely pace to offer regional products ranging from arts and crafts to fashion and culinary delights. A youthful design hotspot (with a touch of spicy Bangkok) for residents and visitors of the city on the water.

Pop-up Office – Vacationing at the Office

An idea by Verena d. P., Germany

Book your hotel room – with your office next door, fully equipped with PC, photocopier and Internet connection; if necessary, also with postal service, office supplies, business catering, etc. The full package for your business trip – for a week or an entire month ...

Play Me, I'm Yours!

An idea by Angie S., Austria

Launched as a local art project, the idea has been meeting with acclaim the world over: from New York to London, pianos were set up in parks, squares or at bus stops of many cities – and anybody who feels like it may sit down to play, becoming a concert pianist for a quickly growing audience, even if it's only for a moment. Where, if not in Vienna, the "capital of music"?

Spooky Vienna – The Dark Side of the City

An idea by Hans V., Denmark

The "Third Man" made Vienna's sewers famous – but even more spooky facets of the city can be discovered on your own, with your smartphone as a guide to bloodcurdling spots, tragic stories and the peculiar relationship the Viennese have with death.

Festival of Lights

An idea by Doris K., Austria

At a time when Christmas illuminations have been dismantled but days are still way too short, the Festival of Lights offers a spectacular highlight in the true sense of the word: for two weeks, light sculptures and installations of international artists, laser shows and playful, interactive luminescent creations present Vienna in the proper light even during the dark months.

Museum of Souvenirs

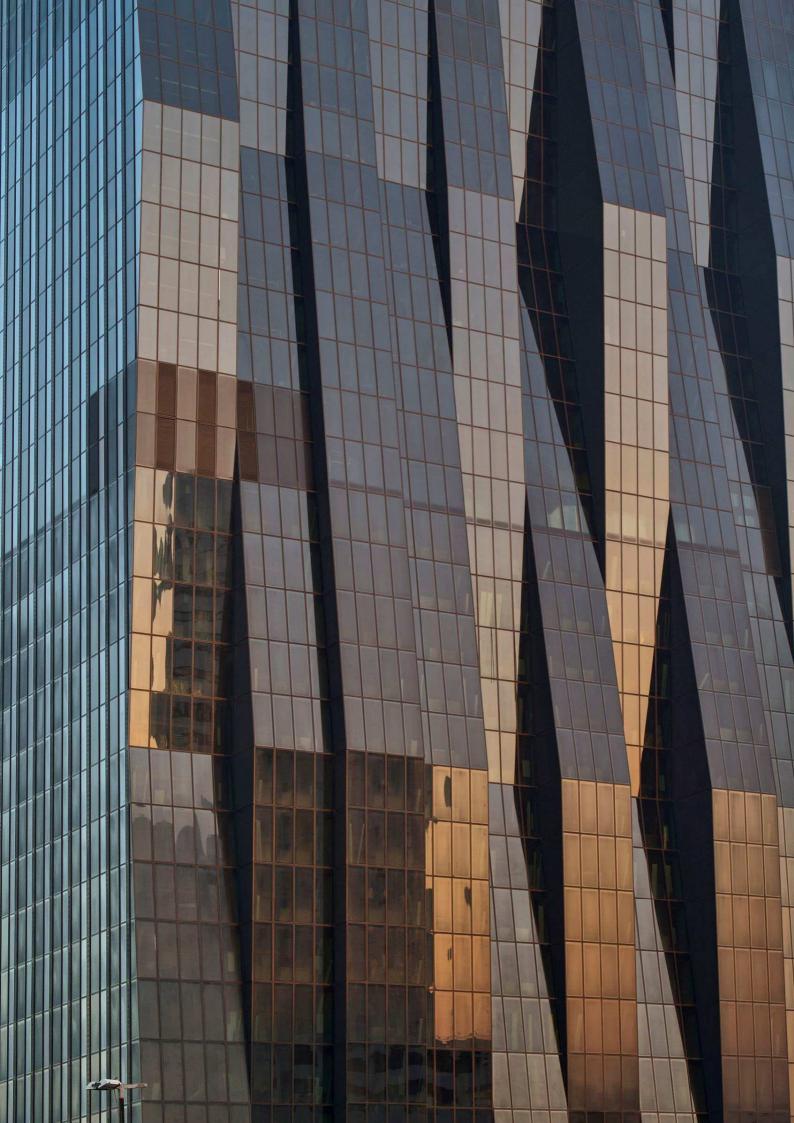
An idea by Deborah C., Syria

The whole world in one museum. Tourists not only like to take souvenirs home but also enjoy leaving them behind. The Museum of Souvenirs is a place where visitors can exhibit small personal items – and find them again when they return, perhaps after years – in a constantly changing gallery of cultures from all over the world.

Alles Walzer

An idea by Helmuth M., Germany

Viennese ball (and waltz) culture inside out: dancing in the park instead of in the ballroom, during daytime hours and in the early evening, with professional instructors of Viennese dance schools. For locals, this offers an opportunity to brush up on their footwork; for tourists, it's a cultural pleasure of a very special kind.



Vienna – a destination and its competitors: performance, trends, goals

For decades, tourism has been one of the fastest-growing economic sectors. Despite temporary setbacks – from 9/11 to the international financial crisis – , the number of tourist arrivals has increased dramatically worldwide, from 25 million in 1950 to 1.1 billion in 2013, with a constantly upward curve. By 2030, a further growth to approx. 1.8 billion of international tourist arrivals may be expected, as calculated by UNWTO in a recent long-term forecast.¹⁰

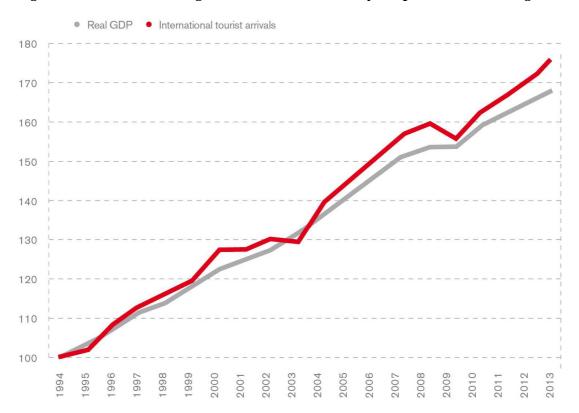


Figure 4: The worldwide growth of tourism clearly surpasses economic growth

Increase of international tourist arrivals worldwide as compared to GDP growth, 1994-2013 (1994=100) Source: real GDP (worldwide): IMF World Economic Outlook; international tourist arrivals: UNWTO; own diagram

¹⁰ UNWTO (2014): UNWTO Tourism Highlights, 2014 Edition. These figures exclusively take account of international tourist arrivals; domestic tourism is currently estimated at 5 to 6 billion arrivals worldwide.

City tourism as a growth engine

This growth is so dramatic mainly because of the contribution of cities. In Europe, the number of overnight stays in city tourism has increased, on an average, by approx. 3.5 percent annually since 2000 – almost three times as much as tourism in general. In Austria, the situation is analogous, with Vienna once more clearly surpassing the capitals of the other federal provinces of Austria. This trend, i.e. the long-term shift of demand towards cities, is equally likely to continue.¹¹

There are good reasons for this: cities are political nerve centres and economic hubs, locations of research and science, services and creative industries as well as home to cultural trends, architectural and event highlights. These assets of cities attract a great variety of guests whose motivations for their trip may range from cultural attractions to shopping, from conventions to visiting relatives or friends. City tourism also benefit specially from the mega trend of continuing urbanisation: by 2030, over 60 percent of the world's population will live in cities. Above all, it is metropolises like Vienna with their rich variety of attractions – from outstanding sights to cultural offerings and shopping – that satisfy urban consumption trends: "multioptionality" is the technical term describing this increasing demand for a highly diversified range of options, from which guests can pick and choose, put together a programme based on personal interests on the spot and also go through this programme within a short timeframe.¹²

¹¹ Egon Smeral (2014): Österreich Tourismus 2025: Wachstumsmotor Städtetourismus. International data based on TourMIS data survey derived from approx. 100 European cities

¹² E.g.: Hartmut John, Hans-Helmut Schild, Katrin Hieke (2010): Museen und Tourismus; Egon Smeral (2014): Österreich Tourismus 2025: Wachstumsmotor Städtetourismus

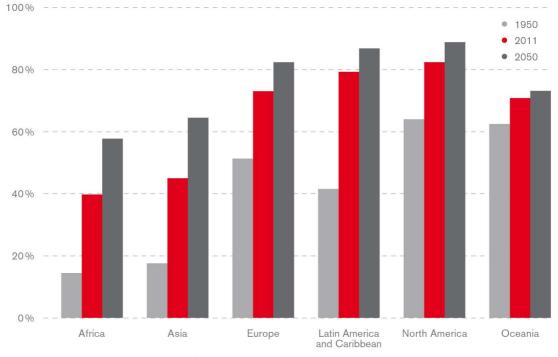


Figure 5: Increasing urbanisation – share of city dwellers in the total population (in percent)

Source: United Nations, World Urbanization Prospects: The 2011 Revision, 2012

The economy as an element of uncertainty

As tempting as the massive demand situation makes the future of city tourism look like, tourism and the leisure industry are and remain highly dependent on economic trends. This was again very clearly exemplified by the international financial and economic crisis of 2008/09, which also led to a nosedive of tourism growth worldwide, although – this is the good news – the slump was of much shorter duration than expected by many: despite the weak economy and its sluggish recovery, city tourism in particular reassumed a relatively quick upward turn, a sign that the customer segment interested in this type of tourism is rather less threatened by unemployment and purchase power loss in times of crisis than other consumer groups. However, the current economic situation certainly does not offer cause for rejoicing, either: in 2013, the expansion of the global economy declined for the third time in a row. After the massive drop in 2009, the Eurozone recovered only on a short-term basis; already in 2011, the growth curve again lost its dynamism, followed by real GDP declines in 2012 and 2013. Since late 2013, a slight recovery of the economy seems possible, although the perspectives for the near future remain muted, not least because of the high level of private debt, economic problems and numerous not yet implemented political reforms in many European countries; it is even possible that the risk of recession might pick up.

Lately, expansion in most emerging nations – which in past years had been *the* catalyst of worldwide economic growth – has likewise slowed down quite notably. Even the growth of the economic giant China has markedly slackened in the recent past and will continue to drop further to a "modest" 7 to 8 percent in the coming years. By contrast, the development in the U.S. is positive, as the country continues to steer a fast-lane course as compared to the EU: after a solid growth phase in 2013, the forecasts for 2014 and 2015 are definitely favourable as well.

Vienna as a

post-crisis tourist destination

Seen against the backdrop of this unstable and undynamic economic situation, the performance of Vienna's tourism industry in recent years was particularly remarkable: since the downward turn of 2009 (-3.8%), clear increases in overnight stays were again attained on a sustainable basis: already in 2010, the all-time high of the pre-crisis year 2008 (European Football Championship!) was surpassed; in 2012, the twelve-million mark was exceeded for the first time, and 2014 seems to be emerging as the fifth record year in a row. Thus even the most optimistic forecasts were actually outdone, and the growth target of the Tourism Concept 2015 was met far before its set time horizon.

In the ranking of the most popular tourist destinations of Europe, Vienna was able to maintain its place among the top ten and currently holds 8th place for overnight stays of foreign guests.¹³

¹³ ECM Benchmarking Report 2013-2014, www.europeancitiesmarketing.com

The hotel boom entails a major innovation push – and fuels competition

Regarding rooms revenue, the situation is rather more differentiated: while revenue has picked up after the massive slump in critical 2009 (-13%) and recently attained new record levels in absolute figures, this increase has remained somewhat muted if compared to the room-nights performance. As a result, the real, inflation-adjusted net revenue per overnight stay still remains almost 8 percent below the level of 2000.¹⁴

This development is indicative of fiercer competition in Vienna, which has also intensified because of the massive increase in the number of bed places over recent years and is still mainly conducted on the basis of room rates. Over the past ten years, the number of bed places has been stepped up by close to 50 percent; the four-star category alone – the most important segment by size – has grown by more than 9,000 bed places since 2004. This development is an expression of Vienna's recently very dynamic real estate market, but may already have passed its zenith: by 2016, the growth curve is likely to flatten out. In any case, the investment boost exemplifies the trust of the market in Vienna as a tourist destination. Moreover, as all previous boom periods have shown, it leads to a sustainable improvement of quality standards as well as to the tapping of new market segments.

¹⁴ Calculated by Egon Smeral

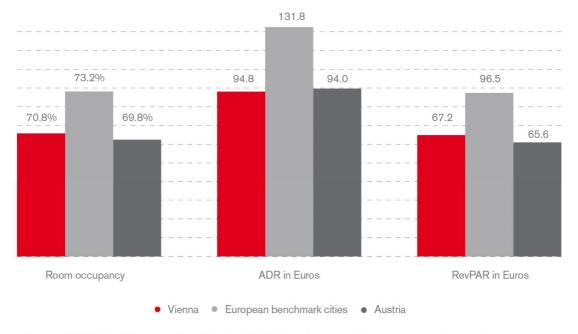


Figure 6: Increase in bed places (hotels, pensions and guesthouses) in Vienna as compared to the development of overnight stays, 1963-2013

However, the difficulty in successfully introducing appropriate hotel prices is also prevalent at an international level: compared to the 20 most important competitor cities¹⁵ in Europe, Vienna is clearly lagging behind regarding both revenue per available room (RevPAR) and average daily rate (ADR). An increase of these benchmark values so essential for tourism enterprises is thus a key objective of the Tourism Strategy; since July 2014, the RevPAR is continuously determined and shown as an additional monthly indicator in addition to overnight stays and rooms revenue.

¹⁵ For future benchmarking analyses, the Vienna Tourist Board has developed a "relevant set" of suitable European competitor cities that comprises the following destinations alongside Vienna: Amsterdam, Barcelona, Berlin, Brussels, Budapest, Copenhagen, Florence, Frankfurt, Lisbon, London, Madrid, Milan, Munich, Paris, Prague, Rome, Stockholm, Venice and Zurich.

Figure 7: Room occupancy, average daily rate (ADR) and revenue per available room (RevPAR) – comparison of Vienna with European benchmark cities as well as with Austria as a whole, 2013



Source: STR Global European Hotel Review (2013); the chart mostly takes account of enterprises in the three- to five-star categories.

5 x 400 + 20 = 2020. Vienna's growth formula in detail

As in previous Tourism Concepts, the Vienna Tourism Strategy 2020 likewise pursues ambitious quantitative goals on the part of the tourism industry. Contrary to 2009, however, the starting point this time is a much more promising one: the predicted stabilisation of the overall economic situation and the steady, albeit slow recovery process indicate that annual growth rates of approx. 5 percent for overnight stays are possible.

Hence an increase of annual overnight stays of tourists by 5 million, i.e. from 12.7 million overnight stays in 2013 to 18 million in 2020, is aimed for.

The revenue development scenario is equally heartening: the average rooms revenue per overnight stay is expected to increase by approx. 2.5 percent annually in the coming years (which would place the increase above the inflation rate); for overall revenue development, this would entail a plus of around 7.5 percent annually.

By 2020, the Euro 1 billion barrier is thus to be surpassed, forecasts predict; this corresponds to an increase in the net annual turnover of the hospitality business by Euro 400 million.16

Air traffic has a strong impact on the further development of Vienna as a tourist destination: at the moment, roughly half of all visitors to the Austrian capital arrive by plane; already in the past, every new direct flight connection between Vienna and another international metropolis led to a measurable increase in arrivals from the respective market. Thus, in addition to the direct performance indicators "overnight stays" and "rooms revenue", the Tourism Strategy for the first time formulates an indirect target value:

By 2020, the joint efforts of Vienna Tourist Board, Vienna International Airport and airline partners are to result in 20 additional direct flight connections from large cities all over the world to Vienna.

¹⁶ As compared to Euro 609 million in the base year 2013. Forecast of increases for overnight stays and rooms revenue: Egon Smeral



Figure 8: Increase of worldwide air traffic – despite temporary crises

Data in billion passenger kilometres. Source: Own diagram based on Global Market Forecast 2013-2032, Drivers for Growth. Source: OAG, Airbus 2014



GLOBAL Vienna 2020

Our goal

<u>GLOBAL Vienna 2020</u> is an international and intercultural metropolis that evolves its cosmopolitan profile in targeted fashion. Vienna positions itself as a global player that makes use of its role as the seat of international organisations and company headquarters and as a cultural, knowledge and convention metropolis of worldwide renown in order to continuously improve its standing as a tourist destination of global prominence.

Why Global?

In 1991, the distinguished U.S. sociologist and economist Saskia Sassen for the first time called cities nodal points of the world economy. Today we know that metropolises, if they want to play this role successfully in the medium to long term, must actively intensify their international networks and contacts in order to make proactive use of the possibilities offered by a global market.¹⁷ Cities that view themselves as global actors orient all their "systems" accordingly; one might say that they develop a "global viewpoint" and thus become "global cities".

"Urban leaders who wish to provide their citizens with the benefits of becoming a global power-house must fire on all cylinders, all the time." ATKearney: 2014 Global Cities Index

There are no one-size-fits-all solutions for successful global cities. Rather, cities must define their place in the world in keeping with their specific preconditions and possibilities and make this the starting point of everyday metropolitan management. It is evident that any global city must be extremely well connected, home to important enterprises, universities and research facilities and attractive for talent from all over the world. But even more is needed – cities need the ability to change and adapt; they need flair for market opportunities; they need innovative and knowledge milieus; they need a unique appeal and a strong brand. Tourism is not an accessory, not a "niceto-have", but rather an integral element of success. It is therefore not by chance that global cities like Paris, London, New York, Los Angeles, Tokyo or Hong Kong are also leaders in the field of tourism.

¹⁷ Saskia Sassen (1991): The Global City: New York, London, Tokyo; Greg Clark & Tim Moonen (2013): The 10 Traits of Globally Fluent Metro Areas; Richard Dobbs et al. (2011): Urban world: Mapping the economic power of cities

The same applies to Vienna: the fact that Vienna today plays in the league of global cities¹⁸ helps tourism, and tourism in its turn fuels Vienna's global city qualities – qualities that city tourists of today and tomorrow have come to expect. Many of these visitors are urbanites themselves; as cosmopolitans with ample travel experience, they are educated, curious and appreciate internationality and its related advantages.¹⁹

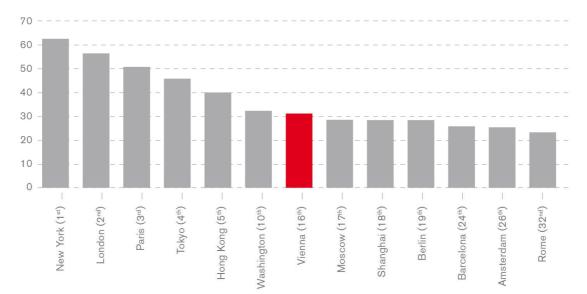


Figure 9: The Global Cities Index – Vienna as compared to the world's most influential global cities (selection)

Source: ATKearny: 2014 Global Cities Index (selected cities). The Global Cities Index serves as an indicator of the degree of international networking and importance of cities in five areas: business activity, human capital, information exchange, cultural experience, political engagement. With 30.3 points, Vienna ranks 16th on a list of 84 worldwide cities headed by New York (61.7 points).

¹⁸ In international rankings, Vienna e.g. attains 16th place among the globally most influential cities (ATKearney, 2014 Global Cities Index), is considered the 3rd most innovative city of Europe (Innovation Cities Global Index 2012-2013) and belongs among the world's most valuable city brands (9th place in the Anholt-GfK City Brands Index 2013).

¹⁹ Egon Smeral (2014): Österreich Tourismus 2025: Wachstumsmotor Städtetourismus

GLOBAL Vienna 2020 – stepping up Vienna's global city qualities

In many ways, Vienna is an international metropolis of high visibility and importance. This is due to many factors: its appeal as a metropolis of culture and knowledge hub; its globally networked economy; its role as a gateway city, nodal point at the heart of Europe and city where decisions are taken and international dialogues are conducted; another factor is the great diversity of its population.

Thus Vienna disposes of the very best preconditions to score in the growing international tourism market. If the Austrian capital succeeds in stepping up and focusing its existing strengths and qualities, it is certainly able to impress, in equal parts, as a place to enjoy leisure, to live and to work. Tourism can and will contribute towards this goal. Already today Vienna is a highly international destination – more than 80 percent of all guests arrive from abroad. This is not by mere chance but also due to tourism marketing activities in over 20 global markets.

<u>GLOBAL Vienna 2020</u> therefore embodies the firm wish and intention to evolve and promote Vienna's position as a world metropolis in Central Europe and thus to increase the global tourism demand for Vienna. In 2020, visitors are to experience the Austrian capital as a place offering all advantages of an international and economically successful world city that blends its past, present and future as a cosmopolitan metropolis in a unique "Viennese melange".

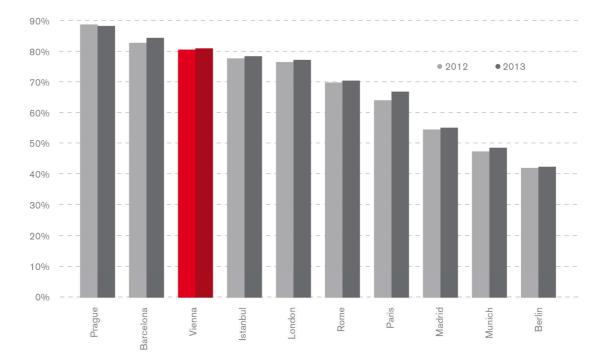


Figure 10: Percentage of overnight stays of international visitors to European cities, 2012/2013

Vienna = Agglomeration "Greater Vienna". Source: European Cities Marketing (2014): ECM Benchmarking Report 2013-2014

What makes Vienna a global city already today

Vienna is an international traffic and transport hub

- Airline hub for Central and Eastern Europe with currently approx. 22 million air travellers, the number of passengers at Vienna International Airport has nearly tripled since 1995. At the moment, 66 airlines serve 165 destinations.²⁰
- Junction point of three Trans-European railway corridors (Danzig-Vienna-Venice; Frankfurt am Main-Vienna-Bucharest; Hamburg-Vienna-Athens)
- Central European railway node from 2015 onward, approx. 150,000 passengers per day will pass through the new Main Station.
- Important Danube port with an annual frequency of approx. 3,500 ships carrying more than 350,000 passengers.

Vienna is a place of international dialogue, a headquarters city and knowledge metropolis

- Vienna is one of four United Nations headquarters and home to 15 UN bodies as well as to OSCE, OPEC and 18 other international organisations.
- More than 200 international corporations maintain their Eastern European headquarters in Vienna (e.g. JVC, Heineken, Siemens); in addition, the HQ of Austrian enterprises of global importance (e.g. Wienerberger, OMV) are also domiciled here.
- Around 25,000 expats live and work in Vienna's international enterprises.
 34,000 persons from all over the world are engaged in research activities in Vienna.
- Nine universities, five universities of applied sciences and four private universities as well as approx. 190,000 students make Vienna the biggest university city in the German-speaking region.

Vienna is a global culture pole

- Vienna is home to around 120 music and theatre stages as well as more than 100 museums.
- The Vienna State Opera offers approx. 300 performances annually with a capacity utilisation of 99%.
- Every year, the New Year's Eve Concert of the Vienna Philharmonic is watched by 50 million TV spectators in 70 countries.
- 450 balls offer 2,000 hours of dancing fun year after year the Life Ball is world-famous as an AIDS charity event.

²⁰ As per the 1st half of 2014

Vienna is a convention city

- For years, Vienna has been constantly among the top three of international convention cities.²¹
- Only in 2013, approx. 3,400 conferences and company events took place in the Austrian capital, generating an added value of Euro 830 million – Vienna's convention industry safeguards 16,000 workplaces.

Vienna is cosmopolitan

- Around one third of Vienna's population was not born in the city.
- "Real Viennese" may come from anywhere on the planet: in all, close to 50 percent of Vienna's citizens have a migration background (i.e. either they themselves are foreign-born or at least one parent was born abroad).

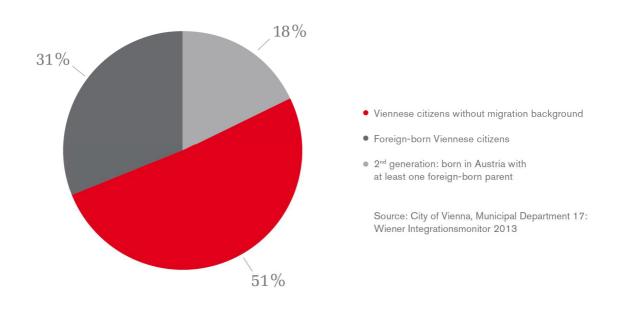


Figure 11: "Real Viennese" may come from anywhere – migration background of Vienna's population

²¹ According to the annual statistics of the Union of International Associations (UIA) and the International Congress and Convention Association (ICCA)

"The Vienna Tourist Board has demonstrated its visionary capacity through its new tourism strategy, Vienna 2020, which will undoubtedly serve as a reference for other destinations."

Yolanda Perdomo, Director of UNWTO "Affiliate Members Programme", Madrid; member of the Advisory Panel of international experts for the Vienna Tourism Strategy 2020 Making it happen: four success factors for GLOBAL Vienna 2020

1 International transport hub

Vienna's accessibility strengthens tourism – tourism strengthens Vienna's accessibility

2

A conference venue with avant-garde appeal

Worldwide leadership due to innovation and investment

3

Vienna welcomes the world

Vienna as a city of openness, diversity and international exchange

4

World city standards in service and shopping

High service quality and flexible opening hours ensure competitiveness

1 International transport hub

Vienna's accessibility strengthens tourism – tourism strengthens Vienna's accessibility

Global success requires global reach – connectivity is the prerequisite to attain this reach.²² This is particularly true of tourism – only easily reachable destinations are successful destinations. As a nodal point of railway lines and Eastern European airline hub, Vienna today is one of Europe's bestnetworked metropolises. In the new economic cycle, growing international competition, rising demands regarding speed and comfort as well as the trend to brief city breaks – often planned on the spur of the moment – call for the further continuous upgrading of infrastructure and services.

Priorities for Vienna as a tourist destination

- Central European airport hub. Air traffic is the backbone of international tourism in Vienna. The hub function of Vienna International Airport ensures an ample offer of scheduled flights and must therefore be safe-guarded and stepped up, e.g. by providing, in due time, for the construction of a third runway (speedy conclusion of the pending approval procedure) and the expansion of the direct flight network (in particular of long-distance flights).
- Accessibility by rail, road and river. Vienna's role as a railway hub can be optimised by accelerating the railway line upgrade especially along the southern and Bratislava routes as well as for the connection to Vienna International Airport; online reservation systems of the same type and quality as airline booking systems should improve service orientation and customer friendliness; the rapid elimination of gaps in the motorway network will improve connections to Prague, Berlin and Warsaw; the upgrading of Vienna's passenger port will boost the city's position for river cruise tourism.
- Infrastructure for the booming bus tourism sector. International bus tourism is booming, and Vienna is benefiting from this trend. Every year, around 500,000 tourists arrive in Vienna by bus, with an upward curve. For this reason, Vienna needs an international-standard bus terminal. The Vienna International Bus Terminal (VIB) must thus be upgraded; in the medium term, new state-of-the-art bus terminals in easily accessible, attractive sites must be developed as well.

²² Source: e.g. Institute for Urban Strategies, Mori Memorial Foundation: Global Power City Index 2013; Journal for Foreign Policy: Global City Index 2010; Globalization and World Cities Research Network (GaWC)

2 A conference venue with avant-garde appeal

Worldwide leadership due to innovation and investment

The convention industry is a competitive market where new and old rivals are constantly investing in their offerings and infrastructure. Good locations, topclass services and an excellent reputation create fine preconditions for Vienna in this international competition. <u>GLOBAL Vienna 2020</u> wants to further improve the high investment and innovation speed of the convention industry in partnership with all relevant stakeholders and to make sure that Vienna will stay abreast of current trends, that existing and new locations can meet all demands, and that international client canvassing will be placed even more squarely at the focus.

Priorities for Vienna as a tourist destination

- Continuous improvement and technological upgrading of convention infrastructure. International competition and the willingness to strengthen our position among leading conference venues call for the continuous upgrading of Vienna's convention infrastructure and the courage to embrace the unexpected and surprising (e.g. new, spectacular locations, comprehensive green venue status for all convention centres, etc.).
- Proactive thematic leadership and exploration of market opportunities. Current trends and themes are analysed by the Vienna Convention Bureau – in the future, the focus will increasingly be on the following aspects (in addition to international conferences): potentials for new international top-class trade fairs in Vienna (e.g. in the field of healthcare services), intensified canvassing of corporate events and incentives.
- Co-operation with universities. The aspects "university city" and "convention city" present a high potential for co-operation and synergy; a Scientific Convention Bureau placed at the interface of research and convention industry could facilitate the building of networks, the canvassing of scientific associations and the development of innovative mediation formats.

"Vienna's superb achievement in becoming the world's premium congress destination can also be matched by it becoming a smart and global hub for summits, science, and celebrations. If this happens, the city will accrue a great dividend of amenities, connectivity, and friendships that will help with all its other goals."

Greg Clark, international advisor for city development, investment and globalisation strategies, London; member of the Advisory Panel of international experts for the Vienna Tourism Strategy 2020

3 Vienna welcomes the world

Vienna as a city of openness, diversity and international exchange

Global cities are multifaceted – regarding their population structure, their physical appeal or their cultural or culinary offerings - and this makes them attractive for talent, investors and visitors from all over the world. GLOBAL Vienna 2020 stands not least for a commitment to openness, tolerance and diversity and for the willingness to position Vienna internationally as a place of dialogue and exchange and as a cosmopolitan host city in keeping with the motto "Vienna welcomes the world". Large-scale cultural, political or sports events with global draw (e.g. EXPO, World Urban Forum, Global Mayors' Forum or Eurovision Song Contest), but also international film productions are one possibility for this – metropolises all over the world invest significant amounts to attract major events or location shooting for movie productions²³. And for good reason, as this generates international attention and additional tourist volumes and moreover can help to advance location and city development. The global competition between venues of educational facilities, too, enables cities to strengthen their international profile – Dubai (co-operation with Sorbonne), Singapore (co-operation with MIT) or Amsterdam ("Harvard on the Amstel") are only three examples that show how the reputation of a location as a hub of research and international exchange can be solidified in targeted fashion, and how more "high potentials" can be brought to a city in the short, medium and long term.

Priorities for Vienna as a tourist destination

Creating awareness for diversity. For many years, Vienna has been a tourist destination that symbolises openness and tolerance towards persons of any origin, religion or sexual orientation. The Life Ball and the Gay & Lesbian marketing strategy of the Vienna Tourist Board are only two prominent examples of this. A city committed to diversity is not so much interested in dedicated offerings for specific sub-target groups (such as hotels certified as gay-friendly), but rather in ongoing sensitisation of the tourism industry (for instance via the Vienna Experts Club) and in systematic lobbying to offer persons with e.g. different religious affiliations easy-access possibilities to worship according to their faith.

²³ E.g. Greg Clark, Joe Huxley, Sarah Nemecek (2010): The Urban Investment of Global Events

- Vienna Event Board monitoring and canvassing of global events. As a leading convention city and seat of numerous international organisations and headquarters, the Austrian capital boasts strong partners to attract more global events to Vienna. A Vienna Event Board could focus the qualities and strengths of the individual stakeholders and implement a proactive canvassing strategy on the basis of continuous screening and monitoring of the international market.
- Intensified marketing of Vienna as a shooting location. International film productions shot against a Viennese backdrop make the city a "global stage" with huge advertising value. The targeted canvassing of foreign productions as a co-operation of Vienna Tourist Board and Vienna Film Commission will be therefore continued; financial incentives by way of production cost contributions disbursed by the City of Vienna for international film projects with high promotional value for Vienna can prove a good investment.
- Partnership for educational services of international renown. Numerous recognised educational and research institutions predestine Vienna to raise its market share in the growing educational tourism market. Thus partnerships between the City of Vienna, the Vienna Tourist Board and Viennese universities as well as renowned international universities are called for to develop or evolve top-class (regular and advanced) training options for CEOs, executives and international talent and to advertise these services on an international level with the goal of making a study course in Vienna parallel to the music sector an important "career and CV factor" in other areas as well.

4 World city standards in service and shopping

High service quality and flexible opening hours ensure competitiveness

Top-end services and commitment to internationality and diversity are of outstanding importance for the attractiveness of a city that wants to lure people from all over the world. Widespread language skills are undoubtedly part and parcel of this internationality and high service quality. To "understand" visitors, however, corresponding intercultural competencies are likewise called for. Basic and advanced training of a high standard is thus even more important than in the past – at the same time, the great variety of Vienna's population harbours novel possibilities for the city as a multilingual, intercultural tourist destination.

From the viewpoint of the tourism industry, international service standards of a modern destination also need flexible shop opening hours. Shopping is a fixed item on visitors' agendas during most city trips. Tourists – and in particular international visitors from Vienna's dynamic future markets – expect good shopping possibilities and open stores on Sundays and holidays as well. Liberalising shop opening hours can contribute significantly to guest satisfaction, position Vienna as a vibrant, modern city and increase the tourism value added: according to a survey conducted in 2010, 47 percent of interviewed visitors to Vienna claimed that they would have spent more money on shopping if stores were open on Sundays as well; one guest out of five would even prolong his/her stay if shopping hours were extended to include Sundays.²⁴

²⁴ Source: ÖHV, based on a Gallup survey of May 2010

- International standards for opening hours. The international trend favours flexible shop opening hours²⁵. Vienna must not lag behind in this respect together with the social partners, adequate frame conditions for new and customer-friendly opening hours must therefore be created.
- Language and service campaign. Command of the English language is a basic requirement in the hospitality and catering business, in commerce, public transport and for taxicabs – ensuring bilingualism is therefore a core task of the coming years. Moreover, bilingual guidance systems in public space and cultural institutions must be systematically promoted as well. In order to better "understand" our guests, linguistic and intercultural competencies in the hospitality business and in commerce must be steadily improved.

²⁵ E.g. France: no legal restrictions of shop opening hours from Mondays to Saturdays; Paris has 7 tourism zones where shops may be kept open on Sundays as well; practically no restrictions in England; shop opening hours in Berlin have been liberalised on workdays – in addition, 8 Sundays when shops may keep open have been legalised as well; there are no shop closing laws in Hungary and the Czech Republic; Spain: since summer 2012, shops with a surface of up to 300 sq m have no restrictions regarding opening hours.

How we will promote GLOBAL Vienna 2020 – destination marketing of the Vienna Tourist Board

The Vienna Tourist Board will orient its destination marketing for <u>GLOBAL</u> <u>Vienna 2020</u> to reflect the four above-defined success factors. This means complementing existing marketing activities with new focal points and activities and rendering their content more concise. To boost efficiency and high effectiveness, the Vienna Tourist Board continues to trust in its time-tried partnerships with key stakeholders.

GLOBAL Vienna 2020 - marketing focuses

- Coordinated location marketing and international networking Intensified fine-tuning of international marketing efforts for Vienna as a location of tourism, research and business; active co-operation with international organisations, key corporations and universities/research institutions; making active use of the Vienna Tourist Board's membership in the UNWTO Affiliate Members Programme.
- Marketing co-operation with Vienna International Airport Focus on airline marketing: canvassing negotiations to attract new direct flights from/to Vienna

Cosmopolitan positioning

The Vienna Tourist Board will increasingly position Vienna as a city of internationality and diversity, openness and tolerance, international dialogue and know-how exchange. These aspects are to be integrated into the marketing strategy, not so much as a separate marketing focus than as part of the city's contemporary self-image.

Ambassadors of cosmopolitan Vienna

Giving prominence to exponents of culture, research and gastronomy as ambassadors of a modern, cosmopolitan Vienna

• Visibility of international conferences in the city

Increasing the visibility of Vienna as a convention city, e.g. by decking trams with flags during major international congresses or by means of public outreach events dealing with the topic of the respective conference

Continuation of the systematic internationalisation strategy in marketing

Marketing diversification across many target markets is worthwhile and will thus be continued as a central element of the internationalisation strategy; continuous monitoring ensures that demand-oriented adjustments or additions will be implemented in time. Austria Tourism, which is in charge of international advertising for the umbrella brand "Austria", must be given a significantly higher budget – a concern that was already stated in the Vienna Tourism Concepts of 2010 and 2015 and which has even gained in urgency due to the worldwide competitive situation.



SMART Vienna 2020

Our goal

SMART Vienna 2020 is a metropolis that offers both visitors and guests high quality of life and impresses with its responsible, sustainable use of resources. Guests experience Vienna not only as a clean, safe, green, sustainable and efficiently managed place, but also as a "smart" city that balances the costs and benefits of tourism and enables visitors to become "temporary residents".

Why Smart?

Cities worldwide are searching for strategies that combine growth with a high standard of living and reduced resource consumption. These efforts are subsumed under the "smart city" heading. Smart cities not only try to reduce their ecological footprint; they also want to offer their citizens good governance for a high measure of social safety and security, equity, efficiency and codetermination possibilities and to make use of the combined knowledge of urban society and urban economy in order to succeed as leaders of technology and innovation.

"...smart cities [...] use a broad, integrated approach to improving the efficiency of city operations, the quality of life for its citizens, and growing the local economy."

Boyd Cohen, urban development and climate strategist

In this way, smart cities recur to many "classic" qualities of European cities. Already today European cities – above all Vienna²⁶ – are worldwide leaders regarding resource protection and sustainability. This entails not only ecological benefits: the excellent image and liveability embodied by smart cities are increasingly becoming location factors in their own right. International talent and "high potentials" as well as tourists are attracted to cities where it is not only a pleasure to work, but also to live. And international enterprises follow suit – local quality of life is gaining in importance.²⁷

²⁶ In the smart city rankings of climate strategist Boyd Cohen, Vienna held 1st, 4th and, most recently (in 2014), 3rd place in three consecutive years; it held 1st place in the UN study "State of the World's Cities 2012/2013", inter alia because of its sustainability and social equity; as an "online city", i.e. regarding the quality of its digital services, Vienna is always among the top 10 in various rankings.

²⁷ McKinsey Global Institute (2013): Urban world: The shifting global business landscape

In the words of the British magazine "The Economist": "Liveability, not profitability, is the new vogue".²⁸

Thus smart cities are "made for tourism", as it were – they offer the complete package: social stability, intact nature and green spaces, innovative mobility concepts and the possibility to enjoy individual, unusual travel experiences in a safe yet dynamic environment. And they meet the expectations of more and more city tourists, who increasingly demand sustainability and social responsibility and for whom the possibility of engaging in independent exploration and discovery is becoming more and more essential.²⁹

SMART Vienna 2020 – smart and glamorous

As the world's most liveable city, as a pioneer of urban technologies and mobility management, as a green city and place of social equity, Vienna embodies a culture of sustainability and smartness already today. Over the coming years and decades, these qualities are to be evolved continuously. For this reason, the city embraces the smart city principle by means of a comprehensive framework strategy and follows active and transdisciplinary approaches to find intelligent and innovative solutions for sustainable, future-proof development, no matter whether this may regard the economy, human or social capital, mobility, technology or the environment.³⁰

Tourism in "smart Vienna" is characterised by a balance of growth and city compatibility and by making contributions to a high-quality service culture. Against this background, Vienna will become <u>the</u> "smart tourism city" by 2020 – a city that draws on innovative services and offerings to convey a relaxed urban experience, ensures positive interactions between tourists and residents and does not come across as staid or stuffy despite its striving for sustainability and responsibility, but rather maintains its glamorous appeal.

²⁸ The Economist (2013): The geography of business – Global cities revisited

²⁹ Egon Smeral (2014): Österreich Tourismus 2025: Wachstumsmotor Städtetourismus; Greg Richards (2011): Tourism trends: Tourism, culture and cultural routes

³⁰ Smart City Wien Framework Strategy 2014

"Open innovation is a powerful instrument to tap the creative potential of many individuals within a minimum timeframe. Vienna has made use of this opportunity to build a strategy for the future on the ideas and discussion input of hundreds of laypersons and experts – an entirely novel, participatory dimension of shaping the future that should be widely emulated."

Matthias C. Wendt, Managing Director of inno-focus business consulting gmbh; manager of the open innovation process "#Wien2020"

What makes Vienna a smart city already today

Vienna is a city of gentle mobility

- Only 27 percent of all trips in Vienna are today taken by car internationally speaking, this is a top-class performance, as is the 39 percent mode share of public transport. Its compact urban structure moreover makes Vienna a pedestrian-friendly city – 28 percent of all trips by the resident population are made on foot.
- Vienna's public transport network has a total length of 1,044 kilometres (Underground, S-Bahn suburban commuter train, tram and bus)
- In 2013, the Wiener Linien network was used by more than 900 million passengers.
- All Underground stations are designed barrier-free; ultra low-floor buses and trams make Wiener Linien a European forerunner regarding services geared to everyday needs. In public space, museums and cultural facilities, too, barrier-free design is given priority.
- The electrically-powered buses used in the city centre are internationally acclaimed flagship models of sustainable energy use in public transport.
- In 2013, Vienna's City Bikes were used for close to 800,000 rides.

Vienna is a green city and a city on the water

- Vienna is one of the world's greenest metropolises almost half of the municipal territory (close to 200 square kilometres) is covered by green spaces.
- According to the current Urban Development Plan, all of Vienna's green spaces are to be closely networked, so that it will be possible to reach a green zone from any point of the city in a three-minute walk at most.
- The city is home to 850 public parks and gardens with a total surface of approx. 19 million square metres.
- Danube Island alone boasts 42 kilometres of beachfront right in the city; together with Danube Canal, the Old Danube, Lobau, etc., Vienna offers numerous direct points of access to water bodies.

Vienna is a liveable and socially sustainable city

- In all rankings, Vienna occupies top places with regard to liveability the ranking of the global corporate consulting firm Mercer has been placing Vienna right at the top for the past five years; in 2014, the renowned forecast and research team of the Economist Intelligence Unit ranked Vienna second after Melbourne.³¹
- According to the UN study "State of the World's Cities 2012/2013", Vienna is the most successful and prosperous city worldwide, because it is not only productive, but also socially equitable and ecologically sustainable.
- Liveability and affordability make Vienna one of the world's most popular cities among students.
- 95 percent of the city's drinking water is mountain spring water from the Lower Austrian and Styrian Alps.

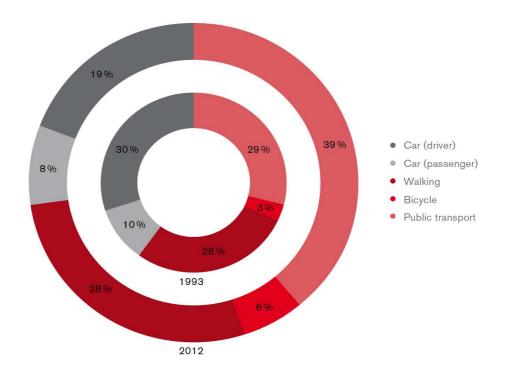


Figure 12: A city of gentle mobility – modal split in Vienna

Share of individual means of transport in total traffic volume, in percent Source: Wiener Stadtwerke, http://www.nachhaltigkeit.wienerstadtwerke.at/daseinsvorsorge/oepnv/modal-split.html

³¹ Mercer: Quality of Living Survey 2014; Economist Intelligence Unit: Global Liveability Ranking and Report 2014

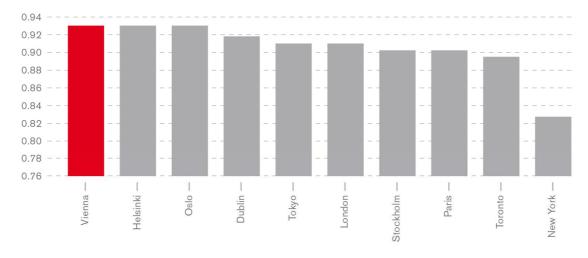


Figure 13: Vienna heads the UN City Prosperity Index

The top ten of the UN City Prosperity Index. This index assesses cities according to different criteria in the fields of productivity, quality of life, infrastructure, environmental sustainability and social equity. With 0.93 points, Vienna is closest to the maximum score of 1.0 out of 69 cities worldwide.

Source: UN Habitat: State of the World's Cities 2012/2013

Making it happen: three success factors for SMART Vienna 2020

1

Smart mobility management

Intelligent offerings for a relaxed city experience in Vienna

2

New poles of attraction for visitors

Creating destinations within the destination

3

A forerunner city of digital tourism

Vienna as an international benchmark of digital services

1 Smart mobility management

Intelligent offerings for a relaxed city experience in Vienna

Vienna has invested massively in sustainable mobility management and the upgrading of its public transport system. And with success: hardly any other city offers as environmentally friendly traffic options. This harbours great benefits for tourism – visitors reach their destinations easily and quickly and experience Vienna as a city of pleasant and safe walking and increasingly comfortable possibilities for cycling. In view of urban and tourism growth, further efforts are needed to keep traffic loads and environmental stress low. This enables the "smart tourism city" Vienna to engage in targeted investments and innovations in order to become an international showcase of sustainable mobility management in tourism (and beyond) and to make its tourists international ambassadors of the city's skill in providing efficient solutions.

- Comfortable and sustainable transport connections for Vienna International Airport. From late 2014, Vienna's new Main Station will offer an additional, direct nonstop rail link to Vienna International Airport, ideally with on-site check-in counters (following the successful precedent of CAT); the resource-conserving organisation of taxicab services from/to the airport is another key requirement for a smart tourism city.
- Mobility offerings and services for tourists. Continuous upgrading of Wiener Linien services for tourists (e.g. mobility card for tourists/convention attendees that enables them to use public transport, City Bikes, car parks and car sharing services and, analogous to the Vienna Card, also offers discounts for tourist attractions); simplified access to City Bikes for tourists; (additional) multilingual information points with touchscreen terminals at central traffic hubs; safeguarding of universal barrier-free design for elderly people and persons with special needs (from designing public space in sync with everyday needs to wheelchairfriendly hotel rooms).
- Uniform and high quality standards for Vienna's taxicabs. All taxicabs in Vienna must correspond to the high service image of the destination – this calls for uniformly high quality standards; in accordance with the "smart city" concept, the fleet of e-cabs should moreover be enlarged as well.

 Digital mobility management. This refers to the development and pilot operation of a mobility management platform that offers both residents and tourists comprehensive information regarding the means of transport available for a given trip and at the same time can be used for reserving and purchasing tickets. The municipal public utility company Wiener Stadtwerke is already working on a model concept in the context of the SMILE project. The Vienna Tourist Board will actively support the further development of this model to prepare it for market launch.

2 New poles of attraction for visitors

Creating destinations within the destination

Vienna is characterised by a compact urban structure and short distances. Tourists can thus explore the city independently and on foot – perfect preconditions for a smart city! The flipside of this compactness lies in the fact that most visitors stick to a limited number of neighbourhoods and streets. To avoid overload, in particular during peak holiday periods, and to enable all present and future visitors to Vienna to enjoy an authentic experience and exciting insights into the city as well as to safeguard liveability for residents, Vienna will strive for a more polycentric organisation of its tourism offerings by focusing on the development of new "urban destinations", by adding lively neighbourhoods outside the city centre to visitors' "mental map" of Vienna and by positioning the Austrian capital increasingly as a starting-point for excursions to attractive destinations in the surrounding region.

- New highlights off the beaten track. 1) Creation of new, exciting attractions: places that are attractive for both guests and locals due to their architecture, public space design, cultural highlights, etc. In particular, redesigned Mariahilfer Strasse or the new complex of the Vienna University of Economics and Business and, in the near future, Quartier Belvedere around Vienna Main Station as well as aspern Vienna's Urban Lakeside offer excellent possibilities in this regard. 2) Addition of existing, functioning and lively neighbourhoods outside the city centre to the "tourist map" of Vienna (e.g. the Brunnenviertel, Karmeliterviertel or Freihausviertel neighbourhoods).
- Regional partnerships. Intensified development of regional partnerships with attractive centres of tourism in Vienna's environs – e.g. by positioning Vienna in overseas markets as a nodal point within the Central European cultural space and thus as a logical starting-point for roundtrips or (one-day) excursions, etc.
- Pilot guidance system for pedestrians. Pilot operation of a new guidance system for pedestrians (including clearcut area maps, details about walking times to sights in the vicinity, information about public transport stops and City Bike stations, car sharing and taxi ranks, etc.) along routes that are of high relevance for tourists but extend beyond the boundaries of the city centre proper (e.g. Schönbrunn – Technisches Museum/Museum of Technology – Mariahilfer Strasse – city centre).

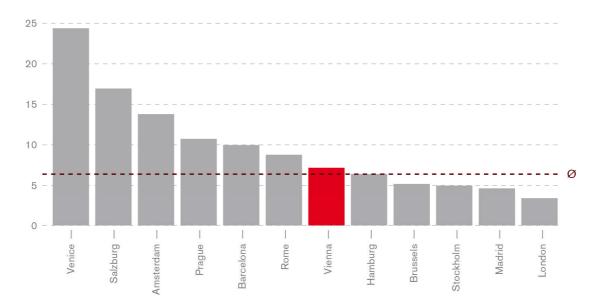


Figure 14: Tourism density as a yardstick of the due proportion of inhabitants to tourists

Overnight stays per inhabitant in selected cities, 2013. The average score of approx. 100 European cities drawn upon for this comparison is 6.6 – the metropolitan region of Vienna attains a score of 7.3.

Source: TourMIS, Statistics Austria, Eurostat, own diagram

According to a survey of the inhabitants' attitude, there is a strong affirmation towards tourism growth in Vienna among the population. Source: market 2011, on behalf of the Vienna Tourist Board.

3 A forerunner city of digital tourism

Vienna as an international benchmark of digital services

New technologies and social media are changing our style of travelling. Information is mostly obtained, and services are booked, online; smartphones and other mobile electronic devices allow us to check in at airports and hotels. The Internet and above all social networks facilitate the process of "immersion" in a given travel destination - "to live like a local" is a trend that reflects the widespread yearning for an authentic experience. After or even during a trip, impressions and experiences are shared with others while reviewing the quality of the journey online. Of course, this description refers only to a sub-segment of tourists overall; however, it is a growing segment with rising influence. This trend is changing the market environment for the tourism industry. In any situation that brings them into virtual contact with their destination Vienna, guests wish for optimum services and expect an appropriate infrastructure and preconditions for their digital activities on-site. Innovative commercial operators (e.g. Airbnb, 9flats, wimdu) foster social travelling on a large scale; to a degree, they become competitors of traditional hotels and other accommodation providers. However, the new market environment of the "sharing economy" not only harbours challenges but opportunities as well: new marketing channels and a new business/customer relationship facilitate the formulation of precisely targeted product, service and marketing strategies.

- Be connected WLAN hotspots. Many business travellers as well as leisure tourists regard ubiquitous, universal Internet access as essential and a matter of fact. Since high roaming charges are still pervasive, a wide offer of free (and safe) WLANs is required, both in popular tourist spots in public space and in hotels, restaurants, cafés and cultural facilities.
- Pocket WLAN. Independently of the availability of WLAN (see above), mobile hotspots could be an innovative service for visitors to Vienna. Corresponding products that enable everybody to access the Internet at any time and at affordable rates have recently become available and could in the near future be increasingly offered by hotels and other facilities.

- Online presentation as digital calling card. The Internet portals of hotels, cultural institutions, restaurants etc. are part of the digital calling card of a destination. Guests expect an attractive presentation of content with user-friendly design for any device (PC, tablet, smartphone, etc.). Information and services must be easily accessible and intelligible (multilingual descriptions!) without being limited to "virtuality" "physical" contact persons must always be available as well to deal with inquiries and requests quickly and unbureaucratically.
- Fair play in the hospitality sector. Private accommodation offered on platforms such as Airbnb, 9flats, etc. is gaining in importance and contributes to service diversification. However, these options must follow the same rules as traditional accommodation providers: the same requirements are to be met, the same regulations complied with, the same charges and taxes paid by all who render similar services, as only this approach ensures transparent and fair competition.

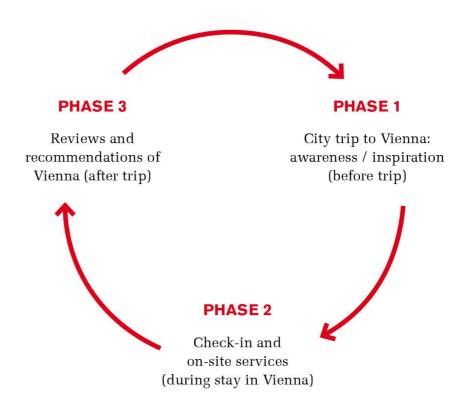


Figure 15: The digital customer journey

Source: diagram by Vienna Tourist Board / ks3

How we will promote SMART Vienna 2020

Destination marketing of the Vienna Tourist Board

Cross-media destination marketing, digital support in trip planning and booking as well as active assistance to (potential) visitors to Vienna in the social web during their entire customer journey are already today standard communication and marketing activities of the Vienna Tourist Board. The continuous evolution of the cross-media approach, the linking of offline and online services and the promotion of Vienna's smart city qualities thus provide cornerstones of destination marketing for <u>SMART Vienna 2020</u>.

SMART Vienna 2020 - marketing focuses

Crowd sourcing

The present Tourism Strategy benefits from an open innovation process that generated original ideas for Vienna 2020 and fostered a reflection on strategic focuses. In the future, the Vienna Tourist Board could conduct such processes regularly to obtain external input, unconventional suggestions and solution ideas and to involve stakeholders from the tourism industry in development processes.

Customer touchpoint analyses

Definition of neuralgic "customer touchpoints" that, analogously to existing evaluation instruments (e.g. T-Mona guest survey, congress guest survey), are to be systematically employed to improve relations with customers and stakeholders and to further professionalise feedback culture. Marketing activities and services can be evaluated and, if necessary, improved on the basis of these analyses.

 Online media monitoring for customised marketing and communication measures

Online media monitoring allows for the effective analysis of large data volumes (big data). For example, it permits content analyses of user reviews – in this way, criticism or positive feedback of guests and current/new trends can be analysed in detail. The Vienna Tourist Board can thus quickly identify relevant themes and trends and take corresponding marketing and communication measures.

Showcase new attractions

The Vienna Tourist Board will support the tapping of "virgin" neighbourhoods for tourism by means of intensified advertising (characterisation of different neighbourhoods, descriptions of "routes of enjoyment" with culinary and cultural insider tips off the beaten tourist track \rightarrow <u>PREMIUM Vienna 2020</u>).

Safeguard a positive attitude towards tourism on the part of Vienna's citizens

A lastingly successful and authentic smart tourism city must be supported and endorsed by the local population; any potential turnaround of the currently quite positive attitude of local residents vis-à-vis tourism (as observed in many other tourism hotspots) must be counteracted in time by means of targeted measures. Intensified marketing and communication of the importance of tourism for Vienna and regular monitoring of the inhabitants' attitude towards tourism are thus called for; a strong commitment to growth, but not at any cost.



PREMIUM Vienna 2020

Our goal

<u>PREMIUM Vienna 2020</u> is an exquisite and exclusive top-end destination with services and offerings of the very highest standard – a place whose outstanding service culture transforms travelling and enjoyment into a luxury experience for all guests.

Why Premium?

Historically grown (Central) European metropolises score strongly with their elegance, grandeur and the many possibilities for "a good life" they embody. Ideally, they combine sustainability and smartness with the lifestyle and philosophy of "easy living" and make "good old Europe" a luxury experience.

"In order to be irreplaceable, one must always be different."

Coco Chanel, fashion designer

"And European culture with its understanding of enjoyment, elegance and style is now perceived again as a desirable life model." Sabine Engelhardt, futurologist at Mercedes Benz

These prerequisites confer an outstanding image on European cities and create good opportunities for prevailing in international tourism markets. Cities in Europe embody qualities such as tolerance and openness, culture, history, tradition and sophisticated entertainment.³² One might also say that leading European cities have premium standards coursing through their DNA. If the potentials of this genetic code can be released, they will prove of benefit for both tourism and urban society. In this context, the "premium" concept symbolises a combination of exclusive luxury and elegance on the one hand and the possibility to offer all guests liveability, reliability, but also surprising and unusual facets on the other hand.

Cities that manage this combination with particular skill can benefit massively from current trends in international tourism markets. Firstly, economic growth and market liberalisation have led to the emergence of affluent consumer segments willing to indulge themselves.

³² Reputation Institute (2012), City RepTrak[®] – according to this study, 18 out of the 25 cities with the best reputation are situated in Europe.

Secondly, an experience and service economy in which large parts of the population have already satisfied their basic material needs is developing above all in Europe. In their leisure time and above all when travelling, these customers expect "that special something" – experiences that differ from everyday routine; unique and hence lasting impressions far away from the mainstream.³³

Rank	Country	turnover change in % (as compared to 2012)	Average amount spent on purchases in €, 2013
1	Russia	18.50%	423
2	China	5.34%	590
3	Switzerland	-1.73%	220
4	Ukraine	34.39%	518
5	Taiwan	-8.06%	454
6	Thailand	33.11%	742
7	Serbia	8.09%	290
8	Croatia	-32.57%	194
9	Korea	8.05%	289
10	USA	10.63%	432
11	Japan	-33.37%	293
12	United Arab Emirates	24.17%	348
13	Kuwait	27.92%	267
14	Kazakhstan	33.12%	567
15	Hong Kong	-13.62%	1,008
16	Saudi Arabia	12.00%	320
17	Qatar	-4.61%	493
18	Azerbaijan	13.58%	596
19	Israel	34.46%	272
20	Singapore	16.97%	505

Figure 16: Emergence of affluent consumer segments – the top 20 countries of origin of tourist shoppers visiting Austria, 2013

Non-EU countries; measured against total turnover. Source: Global Blue Austria

³³ American Express (2006): 21st Centurion Living. Die Zukunft des Luxus unseres Jahrtausends; Zukunftsinstitut (2009): Sinnmärkte – Der Wertewandel in den Konsumwelten

	Holidays yesterday	Holidays tomorrow	
Consumer	"I want to blend in!"	"I want to be unique!"	
Society	Industrial mass society/ affluent society	Post-industrial society of individuals	
	Production-oriented	Experience-oriented	Marketing
	Package trip	Modular trip	Product strategy
	Exotic appeal as hook (attractive purchase)	Destination as hook (meaningful experience)	Tourism trend

Figure 17: Changes in tourism over time

Source: based on Institut für Trend- und Zukunftsforschung (2011): Sehnsuchtsmärkte 2030

PREMIUM Vienna 2020 - best in class

<u>PREMIUM Vienna 2020</u> stands for an explicit strategy of quality leadership and the goal of the city and its tourism industry to make sure that a stay in Vienna will be an unusual experience. <u>PREMIUM Vienna 2020</u> is both exquisite and exclusive. Exquisite, because visitors experience a city with a uniquely Central European lifestyle that pampers all guests across its full range of offerings with top-end tourism standards and conveys a "touch of luxury" to all. Exclusive, because it also addresses a target group that is looking for special high-end products and services.

"Premium, Vienna-style" thus builds on "classic" luxury products and services as well as on the elegance, style, functionality and overall high standards of the metropolis that is Vienna. The city's extraordinary qualities include its drinking water or wine production, as do its cuisine or the Ringstrasse. Over the coming years, Vienna will evolve its premium standards in targeted fashion to pamper guests from the moment of arrival with the services of hotels, restaurants and commerce, with its excellent cultural offerings, with exciting (new) architecture, etc. – with a full, uninterrupted range of premium experiences.

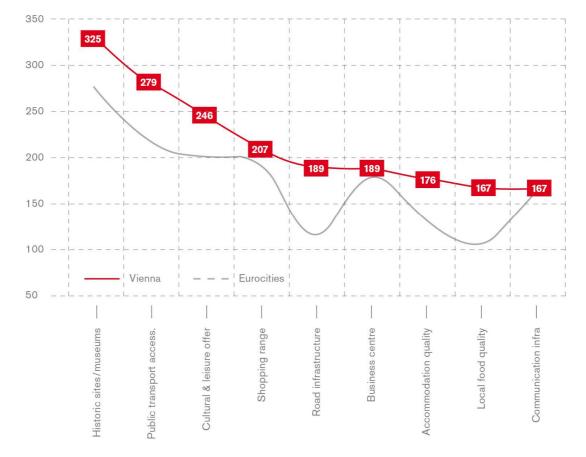


Figure 18: High quality for all location factors – Vienna as compared to other European cities

Evaluation of different location factors based on an international visitor survey. Vienna as compared to 27 European benchmark cities (Paris, Rome, Milan, Venice, Berlin, Madrid, Barcelona, Lisbon, Edinburgh, Glasgow, Cardiff, Dublin, Istanbul, Athens, Warsaw, Amsterdam, Rotterdam, Maastricht, Brussels, Split, Geneva, Zurich, Budapest, Prague, Ljubljana, Copenhagen). Weighted satisfaction rating based on TRAVELSAT© method Source: TRAVELSAT© Competitive Index 2010

"Working on the Tourism Strategy 2020 made me realize the vast potential of Vienna. I believe that the most successful strategy makes use of already existing strengths. Who could deny that Vienna has a heritage of being a global, smart and – above all – a premium city? And therefore it has the potential to become the global, smart and premium destination in Central Europe!"

Klaus Heine, expert for luxury marketing at EMLYON Business School, Lyon/Shanghai; member of the Advisory Panel of international experts for the Vienna Tourism Strategy 2020

What makes Vienna a **PREMIUM** destination already today

Vienna – a top-class metropolis of culture and a prime venue of education

- Vienna is home to over 100 museums the Kunsthistorisches Museum alone e.g. presents the world's most extensive Breughel collection and most important Kunstkammer.
- With close to 90,000 square metres, the MuseumsQuartier is one of the world's ten biggest culture complexes.
- Weather permitting, the annual Schönbrunn Summer Night Concerts of the Vienna Philharmonic are attended by up to 100,000 visitors; year after year, the Music Film Festival in City Hall Square welcomes approx. 700,000 guests.
- Vienna's electronic music is world-class. In addition to acts and labels, Viennese clubs also enjoy an international reputation (e.g. Flex, Pratersauna, Grelle Forelle).
- With the Vienna Conservatory and the University of Music and Performing Arts, the Austrian capital boasts two of the most distinguished educational venues for musicians worldwide. In tourism training, too, Vienna's universities, tourism colleges and universities of applied sciences offer education of a top-flight international standard.

Vienna - an exquisite culture of enjoyment

- Patrons can choose from roughly 7,400 venues ranging from coffeehouses or wine taverns to pubs and restaurants in Vienna.
- Nine establishments in Vienna were awarded stars by Guide Michelin; Steirereck was ranked 16th (in 2014) on a list of the "World's 50 Best Restaurants".
- 22 hotels of the five-star category offer their guests luxury services twice as many as only a decade ago.
- Vienna's culture of enjoyment also includes its cuisine, the winemaking tradition (it is the world's only metropolis with a significant volume of wine production) and the quality of its water, which is unique for a metropolis of this size.

Vienna – a timeless beauty

- Hardly any European metropolis can boast such a homogenous and intact historical cityscape as Vienna – in addition to the magnificent imperial buildings, there are also the culturally pioneering, overall excellently preserved housing developments from the Gründerzeit, Jugendstil and Modernist periods, both in and outside the city centre.
- In modern architecture, too, Vienna is setting accents, e.g. with the new Vienna University of Economics and Business, the DC Tower 1 at Donau City and the high-rises along Danube Canal.
- Fully 27 palaces and 163 city and garden mansions are situated on the municipal territory, augmented by 280 imperial gardens and parks.
- The Ringstrasse is a 5.3-kilometre splendid boulevard that in 2015 will celebrate its 150th birthday.
- Established in 1752, the Schönbrunn Zoo is the oldest of its kind and still one of the most modern – in the world.

Vienna - a shopping experience with flair

- With the Golden Quarter, Vienna's luxury shopping mile around Kohlmarkt has been given a prominent addition: twelve luxury labels present their wares on three storeys.
- A select number of exquisite and strongly Vienna-centred product brands in the fields of design (e.g. Wiener Werkstätte), art, music and culinary delights is also in place. In general, both traditional and new arts and crafts are experiencing an upswing in Vienna, resulting in premium quality.
- Over 40 Advent markets and the sumptuous Christmas illuminations on numerous shopping streets have for years constituted a tourism magnet with flair.

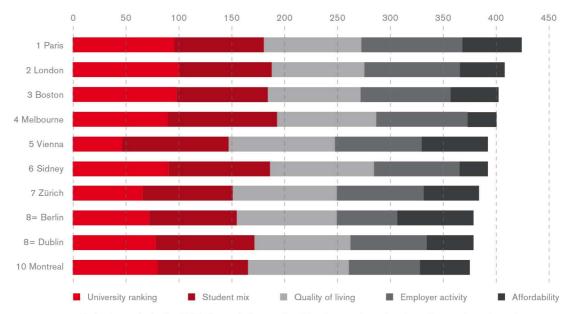


Figure 19: The top ten student cities, 2012

Evaluation on the basis of 14 indicators in five equal-weighted categories: university ranking, student mix, quality of living, employer activity, affordability. In each category a maximum of 100 points can be achieved. Source: QS Quacquarelli Symonds (2012): Best Student Cities

Making it happen: seven success factors for PREMIUM Vienna 2020

1

Profile development and top service standards of the hotel industry

Unique standards for a strong positioning

3 A premium-quality culture of enjoyment The good life, Vienna-style

4 **Cultural offerings – classic and contemporary** *Setting international standards with new productions*

5

Viennese originals Viennese brands as a USP

6

Courage to embrace modernism in urban design and architecture

New highlights complement the historically evolved city

7

High-end offerings for the luxury segment

Exclusive treats for big spenders

8

Medical tourism

Vienna sets standards - from diagnosis to rehabilitation

1 Profile development and top service standards of the hotel industry

Unique standards for a strong positioning

International competition has changed Vienna's hotel market over the past few years. This results in exciting innovations, more premium quality, a wider range of offerings and services and greater attractiveness of Vienna for different tourism segments. For the individual hospitality providers, this development harbours both a challenge and an opportunity. Too often, competition is still primarily price-driven. Yet it makes much more (economic) sense to tap into the growth and increasing differentiation of tourism markets as well as into the varied expectations of city tourists in order to position hotels with customised strategies, specific services and unique "stories" anew and with lasting success in the market.

- Innovative range of offerings and customised services from bedand-breakfast to five-star superior hotel. A high-quality, differentiated range of hotels is a key asset of any destination. Therefore the accommodation range of Vienna must be further differentiated, with high quality standards and "local colour" across all price segments. Moreover, instead of standardisation, it is essential to develop customised offerings and services for different target groups to support the market positioning of the individual enterprises (e.g. specific offers for families or guests from particular source markets, concierges instead of mere check-in staff, etc.).
- Top-class employees for top-class services. Premium quality presupposes premium employees. This obviously calls for an improvement of the image and attractiveness of tourism workplaces (e.g. by highlighting – international – career prospects, above all in large enterprises/chains) as well as for ongoing evaluation and further development of the curricula of universities and universities of applied sciences to safeguard practiceoriented training.

2 A premium-quality culture of enjoyment

The good life, Vienna-style

Vienna's culinary scene is undergoing a dynamic development phase and signals an increasing willingness to experiment. This revives the traditional "big three", i.e. inns serving Viennese cuisine, coffeehouses and wine taverns. The high quality of offerings and services, which today is largely a given, is an asset of the destination and ensures that Vienna's culinary establishments certainly need not fear international comparison. This overall standard must be maintained, further upgraded and – by extending the premium service range to include more international top-class chefs and restaurants – additionally enhanced. Against this background, <u>PREMIUM Vienna 2020</u> wants to support these positive development dynamics and to further solidify Vienna's reputation as a place of enjoyment and "the good life".

- Top-end hotel restaurants as part of Vienna's culture of enjoyment. Numerous investments made during recent years have given Vienna a strong four- and five-star hotel scene, which offers an excellent startingpoint to make culinary delights in these top-end establishments a central trait of the city's culture of enjoyment. Upgrading the culinary standard also harbours the possibility of recruiting leading international chefs for prestigious hotels and to develop new, innovative products and services.
- Combining coffeehouse culture with the "third wave of coffee". Coffee roasting is currently experiencing a tremendous international boom. High bean quality, in-house roasting and attractive presentation of these coffee products form the basis for the "third wave of coffee". Combining this trend actively with the tradition of the Viennese coffeehouse would mean creating a new premium product of high authenticity and strong emotional appeal.

³⁴ Coffee seen as a semi-luxury beverage whose roasting and consumption take time is the basic principle of the "third wave of coffee" – "third wave" because the filter coffee phase of the 1950s and 1960s was referred to as the "first wave", followed in the 1990s by the "second wave" with espresso drinks and coffeeto-go.

- Marketing of Vienna's water as a premium asset. Vienna's water is a
 premium asset of this destination and should be deliberately used and
 marketed as such: serving free water with coffee or wine, putting up additional drinking fountains in busy locations, continuing and intensifying
 marketing activities by means of e.g. branded Vienna Water glasses in
 restaurants or as giveaways.
- Transparent non-smoking regulations. A city striving for premium quality and smart solutions also needs clear, understandable non-smoking regulations for restaurants and cafés. The international trend favour smoking bans inside buildings. This tendency should inspire new legal provisions.

3 Cultural offerings – classic and contemporary

Setting international standards with new productions

Vienna boasts a wide range of cultural offerings and is justly considered the "world capital of music" – every night, 10,000 music lovers, both locals and visitors, listen to live performances of classical music in Vienna. The city's electronic music is equally world-class, and the international mix makes the city a centre of world music as well. In both classical ballet and modern dance, too, Vienna is part of the international top league, and the Burgtheater still holds a uniquely prestigious position among German-language theatres. These all are excellent preconditions for combining traditional assets and new qualities in an exciting, innovative environment, where above all new productions – from opera premieres to exhibitions – set international standards and meet with corresponding attention.

- Vienna's cultural institutions as places of socio-political discourse. Vienna disposes of the intellectual and artistic capital to become a forerunner in the field of contemporary production. This calls for active contributions by Vienna's cultural institutions, in particular museums, to the contemporary socio-political discourse – e.g. by means of ambitious, standard-setting exhibition projects as platforms that foster a spirit of intellectual renewal and as expressions of a city or urban society engaging with important issues.
- Making effective use of the anniversary year 2018. 2018 will mark the centenary of the deaths of Gustav Klimt, Egon Schiele, Koloman Moser and Otto Wagner. This creates the possibility of setting new impulses for Vienna's cultural scene by means of attention-attracting, mutually finetuned events and offerings.
- Creating space for new developments. Art and culture need unconventional ideas – avant-garde new developments and the free arts scene should therefore be supported by providing them with spaces for experimentation (e.g. temporary use of vacant former industrial premises).
- Premium cultural offerings all year round. Attention should also be paid to organising a high-level range of cultural events outside the traditional season, in particular during the high tourist period in summer (following e.g. the example of the Chamber Opera at the Schönbrunn Palace Theatre).

4 Viennese originals

Viennese brands as a USP

Practically all big international labels are represented in Vienna – this is a good thing because visitors are looking for these brands, and because it has generated investments that benefit the city. However, this internationalisation also highlights the fact that shopping streets must once more become more individual and that originality is a key factor, as only originality can foster a shopping flair that is truly typical of Vienna. For this reason, in addition to the global (luxury) brands, Vienna also needs strong Viennese originals offering the special, unusual and unique appeal that makes holiday shopping a premium experience.

- Upgrading of shopping streets. Vienna's shopping streets have (tourism) potential that is to be enhanced by means of targeted measures. The following measures could be conducive towards this purpose: partial specialisation (similar to Neubaugasse – the street of specialists), attractive, pedestrian-friendly public space design (example: Mariahilfer Strasse), innovative presentation and marketing as well as promotion of unconventional concepts for the revival or stimulation of shopping premises (e.g. pop-up stores).
- Enhancing the recognition factor of Viennese originals. Vienna is a "brand of enjoyment" that is illustrated and strengthened by originally Viennese products (from Sacher cakes to Gebrüder Stitch bespoke jeans). Giving more prominence to these originals exemplifies the innovatory clout and authenticity of the "Vienna brand".
- Vienna's markets for high-quality shopping and strolling. Vienna's markets are part and parcel of the city's culture of enjoyment. For this reason, it must be ensured in particular with regard to the tourism flagship attraction Naschmarkt that the product range on offer is balanced and that the proliferation of cheap tat and kitsch will be strictly curtailed.

5 Courage to embrace modernism in urban design and architecture

New highlights complement the historically evolved city

Vienna is a historically evolved city whose century-long genesis – from Middle Ages to Modernism – is reflected in an outstandingly preserved cityscape. The coexistence and mingling of different styles and eras define the character of the built city and embody a willingness to engage in constant change and further development. This fundamental attitude should inspire future actions and allow for courageous new developments with high quality standards that will become the historical legacy of the future.

- Courage to embrace excellent, contemporary architectural projects. This courage to embrace contemporary trends is reflected in ambitious goals for urban design and in the willingness to shift the discussions about the World Heritage status of Vienna's historic city centre from a mere debate about architectural eras to an in-depth engagement with the aesthetics and functionality of modern forms of architectural expression.
- Vienna's culture of public space design. Pilot implementation of a new, contemporary Viennese culture of public space design in locations of relevance for tourism (e.g. Schwedenplatz, Neuer Markt) as well as a generally pedestrian-friendly design of squares and streets. Moreover, special attention must be paid to avoiding anxiety-inducing spaces and to ensuring cleanliness of central high-frequency hubs, reflecting the example of the Karlsplatz underpass. The promotion of high-quality contemporary art can prove of benefit for public space, as can the effective utilisation of public space (by markets, festivals, etc.) if this is accompanied by high quality standards, thereby avoiding a loud and garish "carnival atmosphere".
- Organisation of an International Building Exhibition (IBE). Implementation of an IBA as an architectural and urbanistic experimental and flagship project with high international visibility.

6 High-end offerings for the luxury segment

Exclusive treats for big spenders

The overall share of luxury trips is increasing.³⁵ Vienna is benefiting from this tourism trend and in recent years has inter alia achieved above-average increases in overnight stays among visitors from markets strongly represented in the luxury tourism segment (e.g. Saudi Arabia, Russia and China). On the supply side, Vienna can now boast a new, high-quality shopping haven with the Golden Quarter. Parallel to the general "premium upgrading" strategy, which aims for high quality standards in all areas of tourism products and services, Vienna will thus also step up its activities in the luxury segment and address markets with free-spending consumer groups.

- Premium shopping. In recent years, Vienna has markedly improved as a high-end shopping destination. Structured marketing and exclusive service offerings could create an even stronger promotional effect for this new Viennese asset (e.g. possibilities for private shopping, a "Premium Product Guide Vienna", etc.)
- Exclusive services at luxury hotels. Due to the growth of the luxury hotel segment, Vienna now disposes of a solid basis for setting standards in premium services as well, e.g. butler services, exclusive specials and insider tips, guides, etc.

³⁵ The "Luxury Goods Worldwide Market Observatory" by the strategy consultancy agency Bain & Company views affluent tourists as main growth drivers of the luxury market.

7 Medical tourism

Vienna sets standards - from diagnosis to rehabilitation

An outstanding healthcare system with a great past ("Vienna School of Medicine") and excellent modern-day research – in combination with the attractiveness of the city as a tourist destination, these qualities have in recent years contributed to also positioning Vienna internationally as home to firstclass medical services. Vienna's private hospitals in particular offer international patients, who often find only subpar facilities in their own countries, top-quality medical services, reliability and continuity in a stable environment as well as excellent nursing care. By networking existing products and services and marketing them efficiently to the target groups, these assets can be used in the future to strengthen medical tourism to Vienna.

Priorities for Vienna as a tourist destination

 Transparent standards for all services offered. Vienna boasts a package of premium products covering the entire range of medical services from diagnosis to rehabilitation. A catalogue of quality criteria for all services offered can safeguard this quality in the long run and serves as a guarantor for (international) patients.

How we will promote PREMIUM Vienna 2020 Destination marketing of the Vienna Tourist Board

For destination marketing, <u>PREMIUM Vienna 2020</u> means highlighting traditional, historic premium assets as well as the contemporary qualities of the city and its premium products while blending these strands in one convincing, homogenous whole.

PREMIUM Vienna 2020 - marketing focuses

Premium asset Ringstrasse as a marketing focus

One of Vienna's premium assets – its historic cityscape – will assume priority due to the 150th "anniversary" of the Ringstrasse in 2015. In the context of numerous exhibitions and events organised by cultural and art institutions as well as museums on the Ringstrasse and beyond, the marketing activities of the Vienna Tourist Board support the promotion of the world's most beautiful boulevard and Vienna's positioning as a premium destination (e.g. with a film about the Ringstrasse, a new edition of the "Viennese salon" at international marketing events or a book about the 150th anniversary of the Ringstrasse).

Modern Vienna 1918-2018

The anniversary year 2018 (which marks the centenary of the deaths of Gustav Klimt, Egon Schiele, Koloman Moser and Otto Wagner) will be another marketing focus. In tandem with various offerings and focuses of Vienna's cultural institutions (\rightarrow Cultural offerings – classic and contemporary), historic as well as contemporary intellectual and artistic life in Vienna will be presented and thematised.

Concentrated coverage of luxury market

Through intensified participation in luxury trade fairs and stronger cooperation with luxury tour operators

"Viennese originals"

Subtle advertising for high-quality, originally Viennese products ("Viennese originals") that embody superlative standards of craftsmanship, innovation and a culture of enjoyment

"Medical city Vienna" as part of tourism marketing

The Vienna Tourist Board will communicate Vienna's qualities as a capital of medicine in intensified and appropriate form through its marketing activities and, in co-operation with its partners, will promote the city as a venue of top-class medicine.

"With the

Global.Smart.Premium leitmotif, the Vienna Tourist Board has set itself an ambitious goal to position Vienna internationally as an exquisite destination with an extraordinary but authentic range of assets, products and services. In a time of increasingly fierce competition in city tourism, it is important to follow a clearcut objective and a strategy."

Karl Wöber, Rector of Vienna MODUL University; member of the Advisory Panel of international experts for the Vienna Tourism Strategy 2020

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