

MONTHLY REPORT

CENTRAL EUROPE

MARCH 2023



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
Communications
Consulting

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1. Current State of the Tourism Industry in Central Europe

Travel agency sales remain strong in February

Brick-and-mortar travel agencies increased their February 2023 revenue by 113 percent year-over-year. They have also now returned to 2019 revenue levels, missing only 0.5 percent of sales, according to the Tats Travel Agency Mirror.

On a cumulative basis, the total invoiced travel agency sales of the agencies included in the Tats Travel Agency Mirror are up 113 percent in February 2023 compared to 2022. In this context, tourism recorded a plus of 73 percent, and the cruises included in this figure increased by 179 percent. This means that traditional package tours fared much worse. Air travel sales grew by 132 percent, and the number of tickets issued by 93 percent. Other sales climbed 97 percent.

More sales of airline tickets

Thanks to the positive performance in 2023, total invoiced revenue is now at pre-crisis levels, with a mini-minus of 0.5 percent compared to February 2019. However, tourism still shows a revenue minus of 11 percent compared to February 4 years ago. Air travel sales are down 3 percent, almost at the same level as January 2019, despite a lower number of airline tickets (-23%). A clear indication of increased ticket prices. Only other sales have already recorded an increase of 11.5 percent compared to February 2019.

Restraint in bookings

Tourism incoming orders remain strong in February. Compared to the previous year, there is an increase of 2 percent. Compared to February 2019, it is now plus 2.5 percent. For the full fiscal year, however, there is still a significant gap in bookings - both in tourism sales and in the cruises sub-segment: Compared to the previous year, 41 percent more bookings are in the systems for tourism, but compared to 2019 there is still a minus of 39 percent. In the cruises segment, there is a 55 percent increase compared to 2022, and there is still a 14 percent shortfall compared to 2019.

Tats is a back-office service provider to the tourism industry. For the monthly travel agency report, the booking and accounting data of around 2,500 affiliated travel agencies is collected.

Source: reisevor9

Slight damper on the sales climate

In March, the tourism sales climate index of the management consultancy Dr. Fried & Partner recorded a small damper. Both the assessment of the current situation and the expectations for the future are more reserved than in the previous month.

The current situation continues to be assessed as good by almost three quarters of all participating travel agencies (74.5%; previous month: 77.7%). 23 percent of the participants describe the current situation in the distribution of travel services as satisfactory, which is three percentage points more than in February. The situation is rated as poor by three percent, also slightly more than in the previous month.

The picture is similar for the sale of travel services. The proportion of travel agencies for which there have been no changes in the last two to three months compared with the previous year rises from eight in February to 15 percent. Conversely, the percentage of participants for whom travel service sales have grown drops nine percentage points to 81 percent. Four percent say sales have declined.

Subdued expectations

In terms of demand for travel within the next six months, opinion is divided and the biggest difference from the previous month. Just under half of participating travel agents expect no change (March: 49.5%; February: 33.9%).

Slightly less than half of the travel professionals expect an increase (March: 46.5%; February: 60.7%). Only four percent still expect demand to fall, a good one percentage point less than in the previous month.

With regard to the earnings situation, the proportion of those expecting no change is also rising slightly from 25 to 29 percent. Furthermore, 62 percent (previous month: 69.4%) expect the earnings situation to improve within the next six months and three percent more than in February expect it to worsen (March: 8.8%; February: 5.4%).

Source: reisevor9

More than half of all bookings are still made online

The latest figures from the Internet Reisevertrieb (VIR) association show that the booking situation is continuing to recover and, above all, that the trend toward digital bookings is continuing

The travel market in Germany has survived the worst effects and times of the Corona crisis and is on its way back to pre-pandemic levels.

It is also evident that the increased use of the Internet as a booking and information channel in tourism during the pandemic has continued in the period since. These developments are reflected in the latest figures from the Internet Reisevertrieb (VIR) association on the online travel market, which the association presents as it does every year at ITB.

"We have found our way back to a bit of normality and the figures show that," is the message from VIR Executive Board member Michael Buller to the industry. Last year, he said, showed a similar development to 2019. It shows that the desire for travel is unbroken.

For German consumers, vacation travel continued to rank second in the classification of their consumer spending, with only food playing a more important role. Higher general costs had not changed this ranking.

According to the association's calculations, spending on the main vacation trips in 2022, at over 78 billion euros, was around 20 percent higher than in 2019 and reached a new high. However, with the number of travelers at 52.9 million lower than before the pandemic (55.2 million), it showed that customers often opted for higher-quality products, but also higher costs on the part of suppliers.

In terms of the number of vacation trips, there was still a deficit of more than three million in 2022 compared to 2019, he said. At around 27 billion euros, however, there would also be higher spending on short trips; in 2019, the volume had been 23.6 billion euros. Overall, 75 percent of the German-speaking population had gone on vacation at least once a year, in 2020 the share had been 63 percent, in 2019 78 percent.

More than half of bookings are made online

However, vacationers relied more often and more heavily on online searches in the run-up to their trips than in the past and then also made their bookings via the Internet, according to one of the findings of the FUR's Reiseanalyse 2022. Primarily, vacationers used the Internet as an information medium about destinations, followed by accommodations and for price comparisons.

Last year, more than half of vacationers opted for online booking, notes Ulf Sonntag, managing director of NIT and responsible for the travel analysis. For vacation trips of five days or more, the study found an increase in digital bookings from 44 percent to 51 percent between 2019 and 2022, he said, and together with bookings by email, the share is 57 percent.

For short-break vacations of up to four days, 79 percent of bookings were made via both digital methods, he said. Overall, consumers opted to book online for 60 percent of all trips with at least one overnight stay. The trend in bookings after a personal consultation was down from 39 to 34 percent, he said. Eight percent of reservations went through both booking channels, analog and digital, last year, an increase from seven percent in 2021 and six percent in 2019.

High booking figures for family trips

In this context, 35 percent of package tours took place digitally, the lowest figure among the various forms of travel, while the figure for building-block tours was 72 percent, and 75 percent of individual accommodations were booked online. In the case of short breaks, all types of travel showed higher values compared to vacations longer than five days.

Online booking was particularly popular for family trips, with a rate of 71 percent, an increase of ten percentage points compared to 2019, he said, while for city breaks the figure was 68 percent and for active vacations 67 percent.

Customers booked their health vacations online comparatively infrequently, with a rate of 27 percent, but this represented an increase of eight percentage points compared to 2019.

Little importance for social media

It can be seen that the long-standing trend toward information and booking behavior via digital channels has continued in the 2022 travel season, Sonntag said. There is a clear line toward more digital, but the Internet is also being used more by travel agencies, he said.

There is a low rate for social media, he said. These only came to a share of around twelve percent, he said, and there hadn't been any big increases either. "It seems that their importance is overestimated," Sonntag says. But still, he says, presence and action are needed on all media.

Dependence between age and booking channel

When examining booking behavior and structures, however, a strong dependence on the age of travelers becomes clear, Sonntag explains. In the over-70 age group, the proportion of digital bookings was 38 percent, while among all younger consumers it was over 50 percent, with the highest proportion in the 30-49 age group at 68 percent.

Among the under-70s, he says, almost everyone is online these days. "That will continue to have an impact," Sonntag adds. In the past, the Internet was considered exotic, but now it is considered normal by the majority.

European destinations are digital destinations

In an examination of individual destinations, the market researchers also found growth in digital bookings. The Netherlands leads the way with a share of 88 percent, followed by eight European countries up to Greece with 47 percent.

The rate for long-haul destinations is declining, 46 percent in 2022 from 51 percent in 2019, Sonntag says, explaining this with the high proportion of package tours in long-haul travel. However, he said, there is greater use of digital channels for almost all destinations.

Source: abouttravel

2. Overview of Regional Activities

Germany

- On March 06, we attended TravMedia's International Media Marketplace Germany 2023 (IMM) in Berlin and promoted St. Pete / Clearwater to top-tier media in the German speaking countries. In preparation of the event, we contacted a large number of attending media professionals and we had a chance to complete 22 media appointments during the media event. During these meetings, we pitched St. Pete/ Clearwater story ideas and discussed opportunities to press fam trips and media coverage about our destination. Please find details in section 3 of this report.
- We requested overviews of marketing activities from various German tour operators (including but not limited to DERTOUR, TUI, CRD International and FTI). We started reviewing all proposals that we received so far and recommended actions that focus on B2C activities.
 - DERTOUR offers online measures such as onsite banners or teasers on their homepage, a landing page or offsite advertising formats on premium websites in the news- and travel sector. Search engine advertising, push messages or B2C newsletters would also be possible.
 - TUI GERMANY also offers teaser on their homepage, a landing page and offsite advertising formats on premium websites. Furthermore they suggested a social media campaign (i.e Facebook, Insta), Postcard-Mailings and Ads in the TUI Magazine which will be distributed directly to TUI customers or distributed as insert in newspapers.
 - CRD International offers an integration in their newsletter, print mailings, or a landing page. We specifically asked CRD International if they also offer search engine marketing and banner advertising on their own website or external websites.
 - We are still awaiting a proposal from FTI. We will continue following-up.
- After approval from VSPC, we registered Visit St. Pete/Clearwater for a co-op opportunity of a promotion with Visit Florida and the German consumer magazine America Journal. The goal of the promotion is to promote the sunshine state, create awareness and inspire travel planning. The promotion will be placed in the in the June issue of AMERICA Journal.
- We continued making preparations for ipw 2023 that will be held in San Antonio, Texas from May 20-24, 2023. We started preparations for the show and supported the appointment scheduling with key tour operators from Central Europe. During the show, we will support VSPC with the coordination of meetings with travel trade professionals and media interviews as well as onsite representation. In addition, we continued making travel arrangements for Axel Kaus to attend the trade show.

- After approval from VSPC, we registered Visit St. Pete/Clearwater for the Visit USA Workshops in Aachen and Muenster on May 2-3, 2023. We started making preparations for these events.
- The Visit USA Committee Germany will distribute a newsletter in April 2023, in which U.S. travel news and highlights will be presented. We supported the Visit USA Committee with content and photos of St. Pete/Clearwater and chose the current topic "Complementary shuttle service to the beach in St. Pete/Clearwater." The newsletter will be sent to more than 23,000 travel agents and media professionals. We also filled the Visit St. Pete/Clearwater-landing page on the Visit USA Committee Germany homepage with additional content.
- We created and distributed a newsletter „Complimentary shuttle service to the beach in St. Pete/Clearwater“ to more than 3.500 travel agencies and tour operators in Germany, Austria and Switzerland, after submitting the newsletter to VSPC for approval.
- KMS completed several conference calls with Visit Tampa’s representative in Germany in order to discuss joint opportunities for non-competing promotional activities.
- VSPC and KMS discussed the planned strategic meeting and TDC meetings in St. Pete / Clearwater in May 2023.
- In March, we made final preparations for our co-op promotion with the German tour operator Canusa Touristik. The campaign concluded in March 2023. We are awaiting the final campaign report from Canusa and will forward it to VSPC as soon as we receive it.

Canusa is one of Germany’s largest tour operators for the U.S. and Canada. Operating since 1983, they have more than 135 employees and seven offices throughout Germany. Their main business comes from online sales.

- We received a proposal for a consumer promotion from the Radio Group in Germany and forwarded it to VSPC for review. In addition, we also submitted it to Brand USA to find out if it qualifies for our Brand USA programs.
- We concluded our joint promotion with Visit Florida in cooperation with the German tour operator America Unlimited. We are awaiting the final campaign report from Visit Florida and will forward it to VSPC.
- We attended the bi-weekly coordination calls with VSPC in March in order to synchronize our activities and to discuss upcoming promotions.

- The Visit USA Committee Germany distribute a newsletter in March 2023, which we supported with content and photos of St. Pete/Clearwater.
- In coordination with Brand USA, we reviewed Brand USA's Multichannel Germany Spring Assets promotion and we sent our feedback to the organization. The promotion include Google Display Network Banners, Expedia promotions, Facebook promotions and an interactive travel guide.
- We started preparations for our Visit Florida / Eurowings Discover road show in Germany in May 2023. The Eurowings Discover road show will take place from May 8-12, 2023 to five German cities (Muenster, Dortmund, Bonn, Baden-Baden and Nürnberg). Eight Florida partners will be able to attend. Each partner will receive a dedicated 10-minute educational presentations in rotational roundtable workshop format in each city as well as networking opportunities with all travel trade attendees
- In cooperation with VSPC and Brand USA, we continued running a multiple months long advertising campaign with the travel consumer magazine Connoisseur Circle. The promotion includes media coverage provided by the magazine, as well as advertorials and digital marketing opportunities. It includes multi-level promotions and will run until fall 2023. Brand USA will support the promotion.
- We attended the monthly conference call with Brand USA in March in order to discuss upcoming promotions and promotional opportunities.
- We started CMS translations for VSPC's German website. In addition, we attended a conference call with Miles Media in order to be trained to work on the CMS system.
- We were in contact with target tour operators and other industry partners to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for March 2023 and forwarded it to VSPC.
- We started drafting the proposed 5-years review and highlights report including a comprehensive SWOT analysis for Central Europe for VSPC's Budget Plans.
- KMS continued contacting a large number of tour operators offering the U.S. and Florida in Germany and we discussed potential co-op activities.

Austria

- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in Austria after approval from VSPC.
- We participated in the Visit USA Committee Austria’s consumer show “Vienna Holiday Show Wien” between March 16 - 19, 2023. KMS supplied brochures and promotional materials that was distributed to trade show visitors. Here are the key findings that we made at the event:
 - The overwhelming demand was for fall/winter 2023 or for 2024. A share of about 30% of visitors was still interested in a trip for this year, which could not be easy in view of the availabilities in some places.
 - For the most part, understanding for prices were realistic and one has the impression it was saved for such trips during the pandemic. The quality of visitors was very good.
 - Interest in information was very high, the Visit USA Committee had a lot to do and most were very pleased with the variety of brochures, only towards evening, the crowds of visitors subsided.
 - The age groups of the visitors was very mixed, however this year much less families with children.
 - Many brochures were taken away and it was noticeable that consumers are still fixated on print. We were able to sell most of the brochures we received, and the rest will be used for mailing.
- We maintained the contact with the Visit USA Committee Austria as well as several target tour operators and other industry partners in Austria to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- We personally contacted all targeted Austrian tour operators and wholesalers that will attend ipw 2023 in San Antonio in order to ask them to pre-schedule an appointment with at the show.

Switzerland

- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in Switzerland after approval from VSPC.
- We had a personal meeting with the Swiss carrier Edelweiss at ITB Berlin 2023 in March where we discussed the booking situation of the carrier of TPA. The reported that their numbers from Zurich to Tampa are up 26 percent vs. 2022 (with a total of 26,878 passengers). The SLF forecast for March was 76 percent and for April 75 percent. 40 percent of their business is U.S. related while 40 percent of their passengers are from Switzerland and 13 percent from Germany. Edelweiss serves Tampa year-round.

We agreed that Edelweiss would send us a proposal after the show. We submitted it to VSPC for review after we received it from the airline.

- We continued supporting the Swiss tour operator Knecht Reisen regarding our joint marketing campaign to promote our destination to consumers in the lucrative Swiss travel market. Knecht Reisen is one of the largest tour operators in Switzerland.
- We personally contacted all targeted Swiss tour operators and wholesalers that will attend ipw 2023 in San Antonio in order to ask them to pre-schedule an appointment with at the show.
- We continued following up on all 250 travel agents that we trained about our destination at the one-day long “Island Hopping” event in January 2023. The event is considered to be the largest B2B education event for the U.S. in Switzerland where travel agents from all over Switzerland meet destination representative from the U.S.
- We maintained the contact with the Visit USA Committee Switzerland as well as several target tour operators and other industry partners in Switzerland to promote our destination and to request marketing proposals for potential marketing co-ops with them.

The Netherlands

- We continued our preparations for the promotion of St. Pete / Clearwater during the Visit USA Committee Netherlands road show from April 12 – 13, 2023. The road show will make stops in Lelystad and The Hague.

- We requested marketing activities for potential co-op campaigns from the Dutch tour operator ustravel.nl.
- We were in contact with several additional tour operators and other industry partners in the Netherlands to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- We drafted and provided destination texts and high-resolution photos for the Visit USA Committee's redesigned website that will give qualified information about Visit St. Pete/Clearwater to the Dutch travel trade and interested consumers.
- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in the Netherlands after approval from VSPC.
- We also contacted all targeted Dutch tour operators and wholesalers that will attend ipw 2023 in Sa Antonio in order to ask them to pre-schedule an appointment with us through the online appointment scheduling tool provided by the ipw show organizers.
- We continued following up on all travel trade professionals that we trained during our promotion for St. Pete / Clearwater at the Dutch travel show Vakantiebeurs in Utrecht, The Netherlands in January 2023.

Belgium

- After approval from VSPC, we registered Visit St. Pete/Clearwater for the "B2B Workshop on the Belgium market" organized by the tour operator „Gérald en Amérique“ in the Belgian city of Namur on April 4, 2023. We started making preparations for the event.
- We were in contact with the Visit USA Committee Belgium as well as several target Belgian tour operators and other industry partners to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in Belgium and Luxembourg after approval from VSPC.
- We also contacted all targeted Belgian tour operators and wholesalers that will attend ipw 2023 in Sa Antonio in order to ask them to pre-schedule an appointment with us through the online appointment scheduling tool provided by the ipw show organizers.

Poland

- We asked the VUSA Committee in Poland about planned marketing activities that Visit St. Pete/Clearwater can participate in during the next few months. We are still awaiting a response from the Visit USA Committee. We will continue following up.
- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in Poland after approval from VSPC.

Czech Republic

- We asked the VUSA Committee in the Czech Republic about planned marketing activities that Visit St. Pete/Clearwater can participate in during the next few months. Originally, the Visit USA Committee Czech Republic had planned an event in April. But with a recent arrival of a new Ambassador to Prague they had to reconsider their plans so that they are now looking for an event towards the end of the season (most probably on Thursday, October 12, prior to Brand USA event in London, but this is still pending).
- We contacted the Czech tour operator America Tours and asked if they may offer any co-op marketing activities that we may partner with. We are awaiting the company's response.
- We personally contacted all targeted Czech tour operators and wholesalers that will attend ipw 2023 in San Antonio in order to ask them to pre-schedule an appointment with at the show.
- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in the Czech Republic after approval from VSPC.

Hungary

- We have asked the VUSA Committee in Hungary about planned marketing activities that Visit St. Pete/Clearwater can participate in during the next few months. Visit USA Hungary offered the opportunity to deliver a webinar to about 25 participants for a fee of \$150 and suggested dates in May (before IPW) and early June.
- We drafted a newsletter with the title „Complimentary shuttle service to the beach in St. Pete/Clearwater“ and distributed it to a large number of travel agencies and tour operators in Hungary after approval from VSPC.

3. Status of Sales Activities and Promotions

Consumer Promotion with Visit Florida and America Unlimited (March 2023)

- We concluded our joint promotion with Visit Florida in cooperation with the German tour operator America Unlimited. We are awaiting the final campaign report from Visit Florida and will forward it to VSPC.

Consumer Promotion with Canusa Touristik (March 2023)

- In co-operation with the German tour operator Canusa Touristik, Visit Sarasota and Walt Disney World we carried out a promotion targeting potential travelers to our destination. The campaign concluded in March 2023. We are awaiting the final campaign report from Canusa and will forward it to VSPC as soon as we receive it.

Consumer Promotion with Knecht Reisen (until September 2023)

- In co-operation with the Swiss tour operator Knecht Reisen we will continue carrying out a planned multi-channel promotion targeting potential travelers to our destination. Knecht Reisen is one of the largest tour operators in Switzerland.

Advertising Promotion with Connoisseur Circle (until October 2023)

- In cooperation with VSPC and Brand USA, we started a multiple months long advertising campaign with the travel consumer magazine Connoisseur Circle. The promotion includes media coverage provided by the magazine, as well as advertorials and digital marketing opportunities. It started in January 2023 and will be concluded in fall 2023. Brand USA will support the promotion.

B2B Workshop in Belgium (April 04, 2023)

- We will promote St. Pete/Clearwater at the "B2B Workshops" organized by the tour operator „Gérald en América" in the Belgian city of Namur on April 4, 2023.

Visit USA /Brand USA Road Show 2023, The Netherlands (April 12-13, 2023)

- Visit USA The Netherlands, together with Brand USA, will host an edition of the original Roadshow, in two different cities in the Netherlands. During these days we will meet with many Dutch travel agents and there is an opportunity to network with fellow members of Visit USA The Netherlands. The program will start in the afternoon with the movie "Into Nature's Wild". The program continues with one-on-one meetings with the Dutch travel agents. After the first session we will have a dinner with American bites. We will then continue with the second session of speed dates.

Visit USA Committee Germany Workshops, Germany (May 02-03, 2023)

- We will promote Visit St. Pete/Clearwater during the Visit USA Workshops in Aachen and Muenster.

Visit Florida / Eurowings Discover Road Show 2023, Germany (May 08-15, 2023)

- In May 2023, we will attend the Visit Florida / Eurowings Discover road show in Germany in May 2023. Eurowings Discover offers more direct/non-stop service into Florida from Germany than any other airline. With its summer 2023 flight schedule (end March-end October), Eurowings Discover will connect Frankfurt and the "Sunshine State" with up to 15 weekly flights (MCO - daily, TPA - 6x/wk, RSW - 2x/wk). The carrier's strong Florida investment motivated Visit Florida to proactively explore joint opportunities.

The Eurowings Discover road show will take place from May 8-12, 2023 to five German cities (Münster, Dortmund, Bonn, Baden-Baden and Nürnberg). Eight Florida partners will be able to attend. Each partner will receive a dedicated 10-minute educational presentations in rotational roundtable workshop format in each city as well as networking opportunities with all travel trade attendees

IPW San Antonio, TX (May 20-24, 2023)

- Support of VSPC during IPW 2023 with pre-scheduling and coordinating meetings with travel trade professionals and media interviews as well as onsite representation.

- We started preparations for the show and supported the appointment scheduling with key tour operators from Central Europe.

Visit Florida / AMERICA Journal Promotion (June 2023)

- Visit St. Pete/Clearwater will be promotion in a co-op campaign with Visit Florida and the German consumer magazine AMERICA Journal. The goal of the promotion is to promote the sunshine state, create awareness and inspire travel planning. The promotion will be placed in the in the June issue of AMERICA Journal.

Further sales activities and promotions will be added after approval.

4. Public Relations Activities

Please see our separate PR Activity Plan for an overview of all our public relations and media relations activities in March 2023.

5. Market Updates

How German Citizens React to Inflation

Bookings for the summer are going well, and sales in particular are making the travel industry cheer. But for some people, inflation may very well be shrinking travel budgets. If they don't stay home, they're looking for ways to save on vacation.

With sales above 2019 levels, organized tourism recently improved its booking status for the summer season by 13 percentage points, market researchers at Travel Data + Analytics (TDA) recently noted. It was still 16 percent short of the pre-Corona 2019 level in terms of sales. However, the gap in the number of customers who have so far booked a tour operator trip for their summer vacations this year is larger, TDA said: it is still a good third below the 2019 level.

That may mean that some of the clientele have not yet made vacation plans. More likely, however, is that high inflation, which is affecting all areas of consumption, is forcing some of the population to save. This is also indicated by a new survey conducted by Yougov on behalf of TUI. According to the survey, only one-third of respondents planning a vacation in 2023 are completely unimpressed by the current economic situation.

Cheaper destinations and more flexibility

According to Stefan Baumert, head of TUI Germany, the situation has an impact above all on families and travelers under the age of 45. The older the travelers are, the less the price matters. A total of 40 percent of those surveyed considered placing their vacation in the off-season (23%) or choosing a lower-priced vacation destination (17%) within their planned budgets. In addition, about one-third actively searched for particularly low-priced offers, Baumert said. With the food types the trend goes on the one hand to All inclusive offers, on the other hand in addition, to the self Catering. Both are not least expression of risen cost consciousness. To shorten the stay (11%) or a lower hotel category to select (8%), against it is altogether only for a scarcely fifth an option.

Turkey, Egypt and Tunisia benefit

It also becomes clear that rather low-priced goals such as Turkey or Egypt flourish: At TUI and Alltours, for example, Turkey has roughly reached the booking level of Spain. TUI manager Baumert sees both countries at the same level. And Alltours, traditionally more present in Spain than in Turkey, is also planning a record volume of 500,000 guests for the country in the current financial year and, according to company boss Willi Verhuven, has significantly intensified its cooperation with the leading Turkish hotel chains and purchased larger room allotments.

"Both Turkey and Egypt are benefiting from their excellent price-performance ratio," Verhuven said. In the growth comparison of destinations, Turkey and Egypt are far ahead with growth in guest numbers of more than 50 percent each, he said.

According to information from several tour operators, Tunisia, which also had a rather shadowy existence for some time before Corona, is also celebrating a comeback.

Domestic destinations with sustained economic activity

Verhuven's statement points in the same direction, according to which vacation destinations that can be reached by car or train will continue to be at the top of the customer popularity scale in the coming summer, with an increase of 40 percent compared to the previous year. A 45-percent increase in guest numbers is being recorded for all destinations within Germany in summer 2023 compared to the previous year. Destinations on the North Sea and Baltic Sea, in the German low mountain ranges and the Alps are benefiting equally from this booking trend, explains the Alltours boss.

(Source: www.reisevor9.de)

Sustainability on vacation still not a big issue

According to the FUR travel analysis, 42 percent of Germans say their vacation should be ecologically compatible, and as many as 64 percent would like to take a socially responsible vacation. But only a small proportion put these noble plans into practice, according to both the FUR and the ADAC.

With regard to ecological sustainability, the assessment of German citizens has not changed compared to 2019, according to the travel analysis. In contrast, the importance of social sustainability has increased over the same period. In 2019, 51 percent of respondents agreed with the statement that their vacation should be as socially responsible as possible; in the most recent survey, the figure was just under two-thirds.

It is interesting to note the market researchers' finding that older travelers place a higher priority on the environmental sustainability of their vacation than younger travelers. For example, 51 percent of travelers aged 70 and over, but only 37 percent of respondents aged 14 to 29, said the issue was important to them on vacation.

Only a minority are interested in sustainability labels

According to FUR, only a minority use a special sustainability label of the tour operator or accommodation. Their proportion differs significantly according to the choice of destination. According to their own data, 22 percent of Scandinavian vacationers and 16 percent of German vacationers pay attention to certificates. The figure for vacationers in the Alpine region is 14 percent, while only nine percent of long-distance travelers and Mediterranean guests pay attention. On average, the proportion is twelve percent.

No willingness to pay

The findings of the latest ADAC survey on the vacation behavior of Germans are also sobering in this respect. It is true that 60 percent of those surveyed want intact nature on vacation - making this criterion the second most important after a problem-free arrival and departure. But only just under a quarter are interested in ecological, economic or social sustainability, and only one in five in their own carbon footprint.

The willingness to pay a moderate surcharge for sustainable additional services is even worse. At a conservative estimate, only five to ten percent of those surveyed would do so, according to ADAC. Sustainability is desired and appreciated by travelers, but is not a driver in booking behavior, according to the automobile association. The sustainable development of supply will therefore not be driven by broad demand in the foreseeable future.

(Source: www.reisevor9.de)

German Economic news

Ifo forecasts stagnation of the economy in 2023

According to calculations by the Ifo Institute, economic output in Germany this year will remain roughly at the same level as last year (-0.1%). The researchers expect the performance of consumer-related sectors to shrink, mainly due to inflation, while industrial activity will support growth.

"After a further 0.2 percent decline in gross domestic product in the first quarter, the economy will recover in the further course," says Ifo economic researcher Timo Wollmershäuser. From the middle of the year at the latest, rising real wages should support the domestic economy, he continues. The peak of inflation has now been reached. At 6.2 percent, the rate in the current year should already be lower than in 2022. For 2024, the Ifo Institute expects the German economy to grow by 1.7 percent and inflation by 2.2 percent.

(Source: www.reisevor9.de)

Economic forecast by the economic experts: Inflation drags German economy down

The crash in the winter failed to materialize. But that was almost it for the good news from the economic experts.

Prices are continuing to rise sharply, putting a strain on the German economy. The economic experts warn of this in a new economic forecast.

It is true that gas and electricity are no longer as expensive as they were a few months ago, so inflation as a whole has not risen recently. But if you exclude energy costs, so-called core inflation continues to rise. Companies are therefore raising prices across the board, and Germans have to spend more on many products and services. The rise in core inflation has recently accelerated further, warns economist Ulrike Malmendier of the German Council of Economic Experts, as the economic experts are officially known.

According to the influential economists, the German economy will de facto stagnate this year, and gross domestic product could grow by 0.2 percent. A year ago, when the economic consequences of the Russian invasion of Ukraine were not yet as foreseeable as they are today, the economic experts had still forecast growth of 3.6 percent for 2023. That would have corresponded to a decent recovery after the Corona crisis. This recovery has now failed to materialize for the time being.

Rising prices mean that people can afford less. This is "the central negative factor for economic development in Germany," write the experts. For example, Germans would have spent noticeably less money on restaurants and hotels, with sales in the hospitality industry falling by 16.4 percent between October and December 2022. Because of inflation, many people are keeping their money together - that's bad for gross domestic product. On the other hand, it is good for growth that unemployment remains fairly low and the state is supporting the economy.

The situation is very different from that during the financial crisis.

The banking turbulence of the past few days has not yet been directly factored into the new forecast. However, the economic experts do not consider the stability of the financial markets to be at risk. The situation is quite different from that of the 2008 financial crisis, says economist Malmendier, referring to the USA and Switzerland. Business among banks is not disrupted, and companies continue to receive loans from the institutions. This suggests that central banks should continue their fight against inflation and raise key interest rates further, Malmendier says. However, she said, the psychology of the financial markets must also be taken into account. In her opinion, this has worked well so far, and she praised the rapid response of central banks worldwide.

It should also be noted that there was no crash in the winter that has just ended. Some had feared this, especially in view of the enormous rise in gas prices. In the meantime, however, energy prices have fallen again significantly. This is not only good for citizens and companies. The energy crisis is also much cheaper for the state than expected.

The taxpayer-funded price brakes for gas and electricity will cost much less in 2023 than was assumed a few months ago. According to the experts' forecast, the gas price brake will cost only 15 billion euros this year, while the electricity price brake will cost 13 billion euros. The German government had set aside many times that amount: a total of 200 billion euros. Chancellor Olaf Scholz (SPD) had spoken of a "double whammy."

However, the German economy is not expected to really recover until 2024, when economic growth could reach 1.3 percent, experts forecast. In the coming year, wages could rise again and inflation fall - people are then likely to buy more again, which will support the economy. However, the monetary policy of the central banks will again weigh on economic performance in 2024. Companies are likely to invest less because of rising interest rates, write the economic experts. This is why the forecast growth of 1.3 percent is rather meager.

(Source: www.sueddeutsche.de)

Aviation News

Summer 2023: Frankfurt Airport plans to handle fewer flights

The Lufthansa hub is playing it safe: operator Fraport is regulating Frankfurt Airport to operate well below maximum capacity over the summer. The normal ceiling of 106 aircraft movements per hour will not be available to airlines again until after the peak travel season.

Lufthansa is grinding out its 2023 summer schedule. "It will be challenging in Frankfurt," Lufthansa CEO Carsten Spohr said Friday at the group's annual press conference in Frankfurt. "We have therefore decided to take flights out of the system in Frankfurt."

To be sure, Lufthansa is anything but happy with that. However, the airline wants to avoid thousands of short-term cancellations and visual flight phases like in the chaos summer of 2022.

Lufthansa itself has only had clarity about the feasible program for a few weeks: In mid-February, operator Fraport finally buried plans for a return to pre-crisis capacity in the summer.

After analyzing the "low operational performance in the winter flight schedule," Fraport came to the conclusion "that a short-term return to the 104+2 benchmarks is still too ambitious in the current situation," according to a letter obtained by aero.de.

Instead, Frankfurt Airport wants to increase its capacity gradually by October - and thus ensure stability in the system. "If the load peaks in particular are increased too early, significant operational effects can still be expected at the moment," Fraport defends the further reduced benchmark.

Normal operations not until October

A "ramp-up plan" still provides for a limit of 96 takeoffs and landings per hour until the end of June. In the second half of May, airlines will even have to cope with only 86 aircraft movements per hour due to a renovation and full closure of the northwest runway.

During the peak travel season between July and September, Frankfurt Airport raises the benchmark to 98, 100 and finally 102 aircraft movements - starting in October, Fraport plans to release the hub again for a load with the normal coordination benchmark of 106 takeoffs and landings per hour.

(Source: www.aero.de)

Travel News

Travel trends for Easter: Egypt, Spain and Turkey in the lead

Easter in April is approaching: For the Easter vacations, most vacationers on tour operator trips prefer destinations in Egypt, the Canary Islands and Turkey, followed by the Balearic Islands, the Maldives, Greece and the United Arab Emirates (UAE). Thailand, Portugal and the Dominican Republic make up the rest of the ten destinations most in demand (ranking by sales). April is traditionally still long-distance travel season: a large share of sales (21 percent) is accounted for by destinations further afield. This is the result of analyses by Travel Data + Analytics (TDA) for DRV. The analyses are based on booking data from travel agencies and online travel portals that sell tour operator products. In the Whitsun vacations in May, on the other hand, the countries on the Mediterranean already dominate: Spain, Turkey and Greece achieve 65 percent of total sales for the travel month of May.

Significantly increase in cruise bookings - also for the Easter vacations. "Cruising has already made an impressive recovery course last year after strong Corona losses. Germans want to get back on the water - both on the sea and on the rivers. Travel agencies surveyed by us see cruising as a major trend this year," explains DRV President Norbert Fiebig.

City breaks in Germany and Europe are also in demand during the Easter holidays - mild temperatures make city breaks more pleasant than in the hot summer months.

(Source: www.driv.de)

Number of online bookings exceeds 50 percent for the first time in 2022

According to findings from the travel analysis of the Forschungsgemeinschaft Urlaub und Reisen, 51 percent of all vacation bookings were made online for the first time in 2022, up from 44 percent in 2019.

According to the travel analysis, 34 percent of bookings were made in person (2019: 39%), 13 percent were made by telephone (2019: 15%) and 11 percent by mail (2019: 10%). Online bookings have improved their share by 23 percentage points or 82 percent over ten years.

The market share of package tours has decreased by three percentage points to 42 percent compared to 2019. The number of individually booked accommodations increased by three percentage points to 38 percent.

The FUR expects online bookings to expand their market share to two-thirds of all bookings by 2030. According to this forecast, the share of bookings made in person could decline by five percentage points to 29 percent by 2030, while telephone bookings are predicted to fall sharply from 13 percent today to five percent in 2030.

Travel agencies with stable market shares

Because online bookings by no means have to mean that travel agencies are left out in the cold, the FUR has also conducted an analysis of booking offices and looks at their development. According to the study, 28 percent of all vacation bookings are currently made through travel agencies; by 2030, their share is expected to decline only slightly to 26 percent. The FUR also predicts great stability for direct bookings with tour operators and via OTAs. Accordingly, the share of direct bookings with tour operators is expected to rise from eight to ten percent today, and that of OTA bookings from 22 to 24 percent. According to FUR, the biggest boost is likely to come from direct bookings with service providers, which are forecast to increase their share from 39 percent today to 45 percent.

Moreover, the researchers believe that the market share of package tours will increase by three percentage points over the next seven years, to 45 percent by then; with the overall market growing from 59.4 to 69.5 vacation trips in 2030.

(Source: www.reisevor9.de)

PLEASE CONTACT US.



IF YOU HAVE ANY QUESTIONS REGARDING THIS REPORT, PLEASE DO NOT HESITATE TO CONTACT US:

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