

MONTHLY REPORT CENTRAL EUROPE SEPTEMBER 2024



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
Communications
Consulting

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1. Current State of the Tourism Industry in Central Europe

European International Travel Trends Update

Study Reveals Challenging Conditions for Travel Agencies

Many travel agencies are struggling to operate profitably due to their revenues, as noted in the latest travel distribution study by consulting firm Dr. Fried & Partner. Furthermore, there will be an even greater shortage of personnel in the near future. The study, which Markus Heller, head of Fried & Partner, recently presented at a conference, includes key findings reported by Reise vor9. According to the consultancy, data was collected from 952 records via an online survey and 4,400 records from travel agency chains and cooperatives. Additionally, 22,000 records were obtained from a database analysis, and the data was cross-checked with that of tour operators.

Heller estimates that there are still between 10,000 and 11,000 distribution points in Germany. Three-quarters of these belong to travel agency organizations. Two-thirds are, according to the study, tourism travel agencies with at least two agency contracts.

One-Third of Agencies with Low Revenues

Another important finding is that one-third of all travel agencies operate with annual revenues below 500,000 euros. It becomes challenging to operate profitably, especially with a physical storefront. No improvements are in sight, as reaching critical operational scales is becoming increasingly difficult for many travel agencies. Heller defines this critical size as revenues between three and four million euros.

A significant factor in this dilemma is the demographic trend. Most employees are over 50 years old, while young professionals are scarce. After the pandemic, nearly half of the agencies had fewer employees than before. Moreover, a considerable proportion will retire in the coming years. "The staff count is expected to decrease by another 20 percent in the next few years," Heller predicts.

One in Ten Will Close Down

This situation and the demographic factor have consequences: "Ten percent of all owner-operated travel agencies will exit the market in the coming years due to a lack of succession planning," according to the forecast.

An essential aspect of the future viability of travel agencies is leveraging the potentials of digitalization. Heller's analysis indicates that digital challenges are addressed more comprehensively in higher revenue classes than in "micro-agencies." Agencies with revenues above three million euros are more likely to offer digital services and virtual consultations compared to their smaller counterparts. Additionally, booking options on their own websites are more frequently found with increasing revenues.

Positive Marketing Trends

On a positive note, more than 80 percent of agencies now conduct their own marketing and do not rely solely on their organization. Social media is the most popular communication channel, and online marketing measures are favored over print, Heller states.

Increasing Pressure

The detailed results of the study remain exclusive to its clients for now. However, the initial insights reveal that traditional retail is facing significant headwinds—despite its services gaining importance in recent years. A core issue is staffing; the number of those who give up due to an inability to find suitable employees is unlikely to decrease in the near future.

(Source: Reise vor 9)

2. Overview of Regional Activities

Germany

- On the occasion of Delta Air Lines' inaugural flight from Amsterdam to Tampa Bay starting in October 26th, we received approval from VSPC for promotional activities that include but were not limited to the following B2C and B2B campaigns:
 - *USA Experts program* of the leading German travel trade magazine FVW-Travel Talk for a duration of six months. For the travel advisors' training program, we reserved a slot with the magazine, drafted the training content with texts, photos, and videos and submitted all materials to FVW Travel-Talk. FVW-Travel Talk prepared the content on its training portal and submitted it for approval.
 - We also reserved a week-long slot for *Counter vor 9*, which distributes a daily newsletter to travel advisors. The promotion is planned during the week of Delta Air Lines' inaugural flight. We started drafting the content for the newsletter.
 - We also registered Visit St. Pete-Clearwater for a B2C and B2B webinar hosted by the tour operator Canusa in collaboration with Visit Tampa Bay. Approximately 100 of Canusa's top clients as well as their sales staff are expected to attend the webinar on October 23, 2024.
 - We will participate in two exclusive evening events with Delta Air Lines in Dusseldorf, Germany on October 15, 2024 and in Munich, Germany on October 22, 2024 to promote Visit St- Pete-Clearwater as well as the new flight connection to top-tier travel trade professionals. The costs for these events will be shared between Delta Air Lines and VSPC. We informed Delta Air Lines that we expect to welcome a minimum of 10 trade professionals with no consolidators in attendance to ensure a solid ROI of the events. We participated in several online calls to prepare for these events. At the request of Delta Airlines, we developed a list of top agents to be considered for an invitation.
 - We supported Delta Air Lines with 400 flyers and 400 promotional items, which will be used by the airline's sales staff to inform and train travel advisors about the new flight and the St. Pete-Clearwater area during a nationwide sales blitz in September and October 2024.
 - We also asked Delta Air Lines for complimentary tickets for a group media fam to our destination as well as for the VSPC delegation on the inaugural flight. Tickets for the media fam were confirmed by Delta Air Lines. KMS created a top list of journalists from Germany and the Netherlands and submitted it to Delta Air Lines.

- KMS started working on a B2C campaign with the *Radio Group*, Germany's second largest network of radio stations, after we received a countersigned contract from Brand USA. This campaign includes:
 - The weather sponsorship for four weeks on Radio Antenne Frankfurt in November 2024
 - A two hours long travel show about St. Pete-Clearwater on a Sunday with trailers in January 2025
 - Commercial spots (2,000 seconds) in October 2024, in January and in February 2025
 - Social media integration on the Radio Group's channels during the campaign period.

We were in continuous contact with the Radio Group about the content that will be required for the campaign. We agreed with the company to postpone the promotion due to the effects of hurricane Helene.

- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 3,800 travel agents in Germany after approval from VSPC.
- For a promotional event hosted by Visit St. Pete-Clearwater during the Brand USA Travel Week in London on October 22, we invited attending tour operators as well as journalists from Central Europe. We distributed several reminders and follow-ups to secure a maximum participation.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for August 2024 and forwarded it to VSPC.
- We continued preparations for our participation in the Visit Florida Roadshow from October 7-11, 2024, to be held in five German cities (Wuerzburg, Munich, Constance, Heilbronn, Heidelberg). We drafted and submitted content and photos to Visit Florida for a promotional booklet to be used for the event. We also made all travel arrangements, sent brochures and giveaways as well as beach bags as prizes for the raffles in each of the cities to all event locations.
- For a planned joint promotion with the tour operator DERTOUR, we participated in an online call. We discussed with DERTOUR promotional campaigns in 2025 and are awaiting a proposal from the tour operator.
- We attended the bi-weekly coordination calls with VSPC in September 2024 to synchronize our activities and to discuss upcoming promotions.

- For an upcoming promotion with *TUI Deutschland*, we received the first texts, banners and a landing page from the tour operator. After a comprehensive correction of the texts, photos and hotel offers and after consultation with VSPC, we submitted the corrections to Brand USA. The promotion consists of the following elements: B2C online with two newsletters, an exclusive landing page, and two teasers; B2B print and online with a full-page ad in the TUI News; and B2B online with a Facebook post that includes a raffle. The promotion is planned to start in October 2024 we agreed with Brand USA to postpone the promotion due to the effects of hurricane Helene.
- 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.
- On invitation of Alan D. Meltzer, Chargé d’Affairs a.i. of the Embassy of the United States in Berlin, Germany and Mr. Brian Heath, Consul General of the U.S. Consulate in Frankfurt, we represented Visit St. Pete-Clearwater at the inauguration of the General Consul in Frankfurt.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Germany. Inquiries have also been received via the website of the Visit USA Committee Germany
- For the completed promotion with Blu Media Group, a newsletter was supposed to be published afterwards by the tour operator "Die Reisebotschafter," promoting an LGBTQ-friendly travel offer. KMS has followed up on this newsletter, as it has not yet been distributed yet.
- KMS has requested statistics on the development of traveler numbers from Central European markets from both Brand USA and Visit Florida.
- We pro-actively contacted the agency of McDonald’s in Germany for a promotion of our destination. We are working on a complimentary promotion of our destination in approximately 700 of their higher-level restaurants that compete with Starbucks. The promotion would include a month long video promotion of St. Pete-Clearwater in all restaurants, reach approximately 35 million consumer contacts and would have a promotional value of \$2.65 million.
- We drafted a plan for promotional co-op activities with Brand USA and submitted it to VSPC for approval.
- KMS attended a monthly Brand USA conference call to discuss opportunities for co-op programs for 2024.

- We drafted and submitted our activity report for August 2024.

Austria

- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 800 travel agents in Austria after approval from VSPC.
- We continued our preparations for the Visit USA Workshop in Linz, Austria on November 11, 2024. During the event, we will be able to train many travel agents about our destination. We started making all travel arrangement for the event.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in Austria.

Switzerland

- We started our preparations for travel trade and consumer event *Reisewelten*, which takes place i in Windisch, Switzerland (Zurich Area) from November 21-23, 2024. Visit St. Pete-Clearwater will attend the promotion as a premium partner. On the first day, we will train travel advisors at designated workshops in the morning and in the afternoon, we will be able to answer all of the travel agents' questions at an own counter at a marketplace. On the second and third day, *Reisewelten* will be open for consumers so that we have a chance to promote our destination to potential travelers from the valuable Swiss marketplace. We started making all travel arrangements for our attendance.
- We pro-actively contacted the editor-in-chief of the Swiss *Prestige Magazine*, who offered us the cover story for the December 2024 issue, which will also be distributed in a higher circulation at Fespo in January 2025. Fespo is the largest travel show in Switzerland. According to the offer, Visit St. Pete-Clearwater would receive the cover page, 10 pages of editorial content, as well as a free banner on the web-site for six months, and the article will be published both in the print magazine and online. We sent the offer to Brand USA to check on the opportunity to collaborate with the activity.

- We promoted Visit St. Pete-Clearwater at the Visit USA Roadshow Switzerland from September 17-19, 2024. During the three days long roadshow we were able to train approximately 250 travel agents about our destination during promotional events in the morning or the late afternoon. Each of the training sessions was approximately four hours long. The events took place in following cities: St. Gallen (September 17, afternoon), Lucerne (September 18, morning), Basel (September 18, afternoon), Bern (September 19, morning), Lausanne (September 19, afternoon). The program consisted of workshops at tables in groups of 6-10 allowing an effective training.

We made all travel arrangements, booked flights to Zurich as well as hotels in St. Gallen, Lucerne, Bern and Zurich. In addition, we shipped brochures, flyers, and giveaways to the event venue.



- After approval from Brand USA, we delivered the remaining content for a promotion with the Swiss tour operator *Go To Travel* so that the operator was able to implementing its rail board campaign in Zurich that is expected to reach up to four million consumer contacts. The campaign consists of an SSB rail board package, which includes 150 rail boards displays for one month in the Greater Zurich Area.
- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 500 travel agents in Switzerland after approval from VSPC.
- For a product manager of the Swiss tour operator Travelhouse, we followed-up on a fam trip support and a complimentary overnight stay in St. Pete-Clearwater for November 2024. Due to the storm damage caused by Hurricane Helene, KMS canceled the trip planned for early November at the request of Visit St. Pete-Clearwater, as the hotels on Clearwater Beach cannot yet operate because the power supply has not been fully restored. Due to the effects of hurricane Helene we asked the operator to postpone the fam trip.

- We distributed promotional materials and photos of Visit St. Pete-Clearwater to interested travel agencies and tour operators in Switzerland.
- 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 followed up with the Swiss tour operator Knecht Reisen that visited our destination during a travel trade fam trip to Florida from August 25-27, 2024. Knecht Reisen is one of the leading Swiss tour operators for travels to the U.S. and to Florida. The fam trip was attended by 18 top selling travel agents and two Knecht Reisen escorts. VSPC highlighted our destination during the fam trip.

The Netherlands

- On invitation of Delta Air Lines, we promoted Visit St. Pete-Clearwater at a designated summer event for 500 Dutch tour operators and travel agents in Amsterdam, The Netherlands on September 05, 2024. The event was organized by the Dutch airline KLM and we promoted our destination to the travel trade professionals at a photo booth that was branded to promote Delta Air Lines' new non-stop flight from Amsterdam to Tampa Bay.



Visit St. Pete – Clearwater

- We discussed the opportunity of a press fam trip to our destination with the airfare being sponsored by Delta Air Lines Netherlands. We were able to negotiate six complimentary tickets for a future fam.
- We discussed to organize a travel trade and media event hosted by Visit St. Pete-Clearwater and Delta Air Lines on the evening before the inaugural flight from Amsterdam to Tampa. We drafted and submitted a list of top-tier media and travel trade contacts from the Netherlands and requested offers for the evening event as a back-up (offers were received from the Hyatt Amsterdam, the W Amsterdam and the Hilton Amsterdam).
- On September 25-26, 2024, we participated in the Visit USA Committee Netherlands Roadshow, which took place in the Dutch cities of Amersfoort and Breda. The Visit USA Committee chose industrial-style venues located in commercial areas: in Amersfoort, the Het Oude Magazijn (<https://oudemagazijn.nl>), and in Breda, the Strnd (<https://strnd.nl>). On each day, we were able to train approximately 100 Dutch travel agents about our destination to enable them to proactively offer St. Pete-Clearwater to their clients. Besides the training event, we had a chance to answer specific questions and distribute destination magazines at our own branded counter (flyers with a QR code to the Visit St. Pete-Clearwater website, Gulf-To-Bay magazines).

During the training events, we also had a chance to promote the new daily Delta Air Lines flight connection from Amsterdam to Tampa Bay. During the dinner we had further successful opportunities to network with leading tour operators and travel agents and to promote our destination. At the end of each event, there was a raffle, which we supported with Visit St. Pete-Clearwater gifts (beach towel and sunglasses).

The VUSA Roadshow Netherlands 2024 was very important and productive for Visit St. Pete-Clearwater in order to promote the destination and the new night flight connection in the Dutch market and to generate excitement for our destination in the lucrative travel markets of the Netherlands.

- We negotiated with the Visit USA Committee in the Netherlands to receive a social media post on the Visit USA's social channels in the Netherlands. We supported the Visit USA Committee with content for the posts (photos and texts), which also promoted the new Delta Air Lines flight from Amsterdam to Tampa Bay.
- After approval from VSPC, we ordered a digital billboard at the Amsterdam Schiphol airport (Lounge 1 Transfer Lightbox) for a Visit St. Pete-Clearwater promotion in connection with the inaugural Delta Airlines flight from Amsterdam to Tampa Bay. We initiated the collaboration with Brand USA as a partner and sent them an order form as well as a media kit from Schiphol Media.

- We continued our preparations for the promotion of Visit St. Pete-Clearwater at the B2B event *USA Canada Experience* as well as the consumer show *Reisebeurs*, which will take place from October 31-November 3, 2024.

The *USA Canada Experience* is a two days long workshop for media, tour operators and travel agents. During the two days there will be a marketplace where the American and Canadian suppliers meet the Dutch tour operators, media, travel agents and reservation staff operating in the Dutch market.

The *Reisebeurs* is a consumer event for potential travelers to the USA. For the 12th time this largest North America travel fair will be organized for consumers as a dedicated travel show for North American suppliers.

There will be product presentations of 20 minutes so that we can present our destination to potential travelers in the Netherlands. Approximately 1,200 visitors are expected at the *Reisebeurs* during one weekend.

- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 800 travel agents in the Netherlands after approval from VSPC.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in the Netherlands.

Belgium

- After approval from VSPC, we registered Visit St. Pete-Clearwater for the *American Workshop*, which will take place as a B2B event near Brussels on October 17, 2024. Approximately 100 travel advisors from Belgium are expected to attend the event. At the workshop, we will also have the opportunity to promote the new Delta Air Lines flight from Amsterdam to Tampa Bay. In preparation for the event, we made all travel arrangements.
- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 600 travel agents in Belgium after approval from VSPC.

Poland – Czech Republic – Hungary

- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 500 travel agents in Poland, 550 travel agencies in the Czech Republic and about 300 travel agencies in Hungary after approval from VSPC.

3. Status of Sales Activities and Promotions in 2024

Consumer Promotion with Visit Florida and TUI Germany (starting in January 2024)

- In co-operation with Visit Florida and the German tour operator TUI we will carry out a consumer promotion.

Advertising Promotion with America Journal (until October 2024)

- In cooperation with VSPC and Brand USA, we continued a multiple months long advertising campaign with the travel consumer magazine America Journal. The promotion includes media coverage provided by the magazine, as well as advertorials and digital marketing opportunities. It started in fall 2023 and will be concluded in fall 2024. Brand USA will support the promotion.

Travel Trade and Consumer Promotion with TUI (November until January 2025)

- In collaboration with *Brand USA*, we will complete a multi-channel B2B and B2C promotion with *TUI Deutschland*. The promotion was slightly postponed due to the effects of hurricane Helene.

Travel Trade and Consumer Promotion with Edelweiss (until the end of 2024)

- In co-operation with the Swiss Airline Edelweiss, a Swiss tour operator, an international OTS, the TPA Airport and Visit Tampa Bay, we will coordinate a concentrated multichannel promotion in the Swiss market to increase the visibility of our destination and the increased flights offered by Edelweiss as well as to increase the number of bookings in St. Pete – Clearwater from the Swiss market.

Visit Florida Road Show in Germany (October 7-11, 2024)

- In collaboration with Visit Florida, we will promote St. Pete – Clearwater during the Visit Florida Road Show from October 7-11, 2024, which will make stops in the cities of Würzburg, Munich, Konstanz, Heidelberg and Heilbronn.

VSPC and Delta Air Lines VIP Dinner in Dusseldorf, Germany (October 15, 2024)

- We will promote Visit St. Pete-Clearwater during an exclusive evening event with Delta Air Lines targeting approximately 10 top-tier senior travel agents with high booking volume for the U.S. Dusseldorf is one of the strongest cities for the airline and we will have a chance to also promote Delta's non-stop flight from Amsterdam to Tampa Bay.

American Workshop, Brussels/Belgium (October 17, 2024)

- Promotion of Visit St. Pete-Clearwater at the *American Workshop*, which will take place as a B2B event near Brussels. Approximately 100 travel advisors from Belgium are expected to attend the event. At the workshop, we will also have the opportunity to promote the new Delta Air Lines flight from Amsterdam to Tampa Bay.

VSPC and Delta Air Lines VIP Dinner in Munich, Germany (October 22, 2024)

- We will promote Visit St. Pete-Clearwater during an exclusive evening event with Delta Air Lines targeting approximately 10 top-tier senior travel agents with high booking volume for the U.S. Munich is one of the strongest cities for the airline and we will have a chance to also promote Delta's non-stop flight from Amsterdam to Tampa Bay.

Visit St. Pete-Clearwater promotion in the ReiseVor9 newsletter in Germany (October 21-25, 2024)

- A week-long promotion of Visit St. Pete-Clearwater in the travel trade newsletter *Counter vor 9*, which distributes a daily newsletter to travel advisors. The promotion will take place during the week of Delta Air Lines' inaugural flight.

VSPC webinar hosted by Canusa Touristik, Germany (October 23, 2024)

- A B2C and B2B webinar hosted by the tour operator Canusa in collaboration with Visit Tampa Bay. Approximately 100 of Canusa's top clients as well as their sales staff are expected to attend the webinar promoting Visit St. Pete-Clearwater.

VIP Trade and Media Dinner, Amsterdam/The Netherlands (October 25, 2024)

- Visit St. Pete-Clearwater and Delta Air Lines will host an evening event for leading Dutch tour operators as well as media professionals to promote our destination as well as Delta Air Lines' new non-stop flight from Amsterdam to Tampa Bay.

Delta Air Lines Inaugural Flight from AMS to TPA, Amsterdam/The Netherlands (October 26, 2024)

- On the occasion of Delta Air Lines' non-stop flight from Amsterdam to Tampa Bay, Visit St. Pete-Clearwater will attend a ribbon-cutting and gate event promoting our destination to international travelers. Speaking opportunities for Pinellas County's Commissioner as well as VSPC's President and CEO are requested.

Visit St. Pete-Clearwater USA Expert Promotion, Germany (October 2024-March 2025, 2024)

- Promotion of Visit St. Pete-Clearwater in the *USA Experts program* of the leading German travel trade magazine FVW-Travel Talk for a duration of six months. *USA Experts program* is a travel advisors' training program. FVW International-Travel Talk is the leading German travel trade magazine for the travel industry, offering comprehensive reports, analyses, and news. It targets travel professionals and decision-makers in the travel industry.

USA-Canada Experience, The Netherlands (Oct. 31 – Nov. 01, 2024)

- A B2B event is a combined two days long workshop for media, tour operators and travel agents. During the two days there will be a marketplace where the American and Canadian suppliers meet the Dutch tour operators, media, travel agents and reservation staff operating in the Dutch market.

USA & Canada Reisbeurs, The Netherlands (November 02-03, 2024)

- The Reisbeurs is a consumer event for potential travelers to the USA. For the 12th time this largest North America travel fair will be organized for consumers as a dedicated travel show for North American suppliers.

- There will be product presentations of 20 minutes so that we can present our destination to potential travelers in the Netherlands. Approximately 1,200 visitors are expected at the Reisbeurs during one weekend.

Visit USA Workshop, Austria (November 11, 2024)

- We will promote Visit St. Pete-Clearwater at the Visit USA Workshop in Linz, Austria. 80-100 travel agents from Upper Austria, Salzburg and Lower Austria are expected. The program consists of training sessions, a marketplace, interviews, a dinner and a raffle.

Reisewelten (November 21-23, 2024)

- We will participate in the tour operators day-long shows designated to consumers (November 21-22, 2024) and travel trade professionals (November 23, 2024).

The tour operator welcomes over 50 partners and specialists from all over the world to its travel center in Windisch, Switzerland. In over 35 travel presentations on a wide variety of destinations, interested parties will learn news about the exhibiting destinations.

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 September 2024.

5. Market Updates

Why More Airlines Are Cutting Flights in Germany

Ryanair, EasyJet, and Wizz Air are reducing their fleets: Higher fees are driving airlines out of Germany. A graphic shows where passengers can expect particularly high prices. Bad news for travelers at Cologne-Bonn Airport. The Hungarian low-cost airline Wizz Air is expected to withdraw from the North Rhine-Westphalian airport for the winter flight schedule.

Discussions with the airline are still ongoing, according to the airport operator. However, given the sharply increased fees in Germany, Wizz Air's management is likely to have little interest in continuing flights from Cologne to Skopje and Tirana. The Hungarian carrier is not alone in this situation. Airlines are being driven away by rapidly rising fees imposed by the government, such as for aviation security, air traffic control, and ticketing. Ryanair from Ireland announced at the end of August that it plans to cut its flight offerings in Berlin by about 20% starting in summer 2025. Instead of nine jets, only seven will be stationed there.

Wizz Air has not yet commented on the matter. EasyJet has nearly halved its fleet in Berlin. The company cites "horrendous access costs" that could not be reduced by the German government and airport management as the reason for its partial withdrawal. The British competitor EasyJet has already reduced its stationed fleet in Berlin from 18 to 11 aircraft for the winter flight schedule 2022/2023.

(Source: Handelsblatt)

Sustainability Remains a Secondary Concern for Most Travelers

The relevance of sustainability in travel decisions has stagnated since 2021, according to a recent report based on data from the 2024 Travel Analysis. For vacation trips lasting five days or more, sustainability was a decisive factor in only 3% of journeys in 2023, while it was considered an aspect among several others in an additional 17%. In contrast, for short trips, sustainability was significantly more decisive (14%) and more frequently a relevant aspect (29%), says Friederike Kuhn from the Research Association for Vacation and Travel, which publishes the Travel Analysis. This trend is similar for overnight business trips, where sustainability was decisive in 12% of cases and a relevant factor in 28%.

At the beginning of 2022, the proportion of the population with a positive attitude towards sustainability (ecological or social) in vacation travel peaked at 68%. This figure fell to 61% by January 2023 but rebounded to 67% by January 2024.

Significant Discrepancy Between Attitude and Behavior

The stark discrepancy between expressed attitudes towards sustainability and its influence on actual travel behavior highlights what is known as the intention-behavior gap. From the perspective of demand, sustainability remains largely a secondary concern.

This is evident in the area of CO2 compensation. The proportion of vacation trips lasting five days or more for which CO2 compensation was implemented remained at 5% in both 2022 and 2023, four percentage points below the previous year. The share of bookings for offers with environmental certification also declined by two percentage points to 11% during this period.

For short trips lasting between two and four days, 16% of CO2 compensations were conducted in 2023, roughly the same as the previous year (2021: 17%). The proportion of sustainably certified offers remained stable at 22% in 2023, the same level as in the previous two years. In business travel, the share of CO2 compensations remained constant at 18%, while the proportion of business trips with environmental certification dropped by four percentage points to 28%.

Improvement Compared to 2018/19

Nonetheless, compared to the first measurement in 2018/19, the proportions of CO2 compensations and trips with environmental certification are significantly higher across all travel segments. Overall, there has been a slight fluctuation, but the two indicators have remained stable from 2021/22 to 2023/24, according to the authors.

(Source: Reise vor 9)

Why the Airtours CEO Believes in Growth in the Luxury Market

Market researchers estimate an annual growth of 11.5 percent for the global luxury travel market, explains Steffen Boehnke (photo). The TUI brand Airtours is also experiencing strong growth. For winter, Airtours is adding 200 additional luxury hotels and new cruise lines to its program. The global revenue of the luxury hotel industry amounts to nearly 130 billion euros. Boehnke emphasizes that demand is growing worldwide, including in Germany. There are about 2.7 million millionaires in Germany, and the willingness of wealthy citizens to spend on special trips remains unbroken.

A strong indicator of growth prospects is that major hotel brands are significantly expanding their portfolios in the luxury segment. The three major chains—Marriott, Hilton, and Intercontinental—currently operate ten brands in the luxury segment, with Marriott alone planning 225 openings in the high-end hotel market.

No Compromises

Airtours will continue its strategy of fully focusing on the luxury sector in the upcoming winter. In this context, some Robinson Clubs and Riu Hotels have been removed from the portfolio. Boehnke assures that the revenue from these hotels remains within the group, and they are not voluntarily giving up market shares.

As previously announced, the portfolio of top-tier hotels will be expanded by 200. Many of these hotels will be exclusively bookable through Airtours in the German market. In the cruise sector, the company is currently experiencing a 20 percent growth. Particularly popular are Asia cruises with stops in Japan, as well as Ritz-Carlton yacht experiences in the Caribbean and sailing tours through the small Antilles and Grenadines. This winter, the MSC luxury brand Explora Journeys will also be added to the offerings, along with the expedition specialist Swan Hellenic.

Indian Ocean in High Demand

Among the travel destinations, Boehnke sees Bali, Australia, Eastern and Southern Africa, as well as the Maldives, Mauritius, and Sri Lanka on the rise this coming winter. High double-digit growth is also being recorded in Dubai and Qatar.

According to Boehnke, the tailor-made trips from Airtours Private Travel are also in high demand. Beate Arnold, who is responsible for the Private Travel division, reports a disproportionate growth of 30 percent, confirming the trend towards individualization in the luxury segment. These trips typically involve private tours for couples, friends, or families, as well as carefully selected luxury safaris. The most popular destination is Southern Africa. New in the program are the Mukwa River Lodge in Zambia and the Matetsi Victoria Falls Lodge in Zimbabwe.

Additional Services

As before, the TUI luxury brand aims to stand out this winter with 24/7 personal assistance, private transfers at the holiday destination, and first-class train journeys to the departure airport. According to Boehnke, the package tours, which account for 40 percent of bookings at Airtours, also include the use of lounges at many airports, a luggage pick-up service from various departure airports, and a personal chauffeur service.

(Source: Reise vor 9)

Global Travel Market Continues to Grow

According to a new study by market research firm Phocuswright, the global travel market is expected to grow by six to ten percent per year by 2026. The industry has already surpassed pre-pandemic levels. With a 24 percent increase in gross bookings in 2023 and total expenditures exceeding €1.3 trillion, the sector has eclipsed its pre-pandemic performance, reports Phocuswright. The "Global Travel Market Report 2024" forecasts a growing dominance of online travel, with nearly ten percent growth anticipated from 2023 to 2026. This digital transformation is being driven by changing consumer behavior, improved digital infrastructure, and technological advancements. By 2026, it is expected that two-thirds of all travel bookings worldwide will be made online, up from 61 percent in 2023.

North America has solidified its position as the world's largest regional travel market, but Europe and the Asia-Pacific region lead in online penetration and are likely to surpass North America, according to the researchers. While operators are slightly ahead in the overall travel market, OTAs dominate in hotel bookings.

Among the largest travel markets currently comprising the USA, China, Japan, Germany, and France, Phocuswright anticipates the rise of the UK into the top five by 2025.

(Source: Reise vor 9)

Germany's Middle Class Shows "Almost Depressive Traits"

The mood in Germany's middle class has deteriorated further and remains tense, according to a study. Low investment activity and weak consumer sentiment have severely impacted the business of medium-sized companies, as reported by the economic information provider Creditreform. The middle class exhibits "almost depressive traits," said Patrik-Ludwig Hantzsch, head of Creditreform Economic Research. The sentiment is "as bad as during the height of the pandemic, when no one knew how severe the crisis would become."

The study is based on a representative survey conducted by Creditreform among 1,200 small and medium-sized enterprises (SMEs). The results indicate that business performance has been disappointing, with no positive economic impulses in sight. One-third of respondents reported order losses, while only 18 percent noted rising orders. Just under a quarter of companies achieved an increase in sales over the past months. "It has been 20 years since the business climate in the middle class was negative for two consecutive years," said Hantzsch. "The good mood at the beginning of the year, which economic experts and the federal government promoted, was unfortunately premature."

The situation has deteriorated significantly, especially in the manufacturing sector and trade. According to the study, there has been a particular downturn in the construction sector. The middle class, which supplies the industry, is increasingly under pressure due to the current economic weakness, with rising insolvencies being just the beginning, according to Hantzsch.

Nearly 80 percent of SMEs are dissatisfied with the federal government's economic policy, according to the survey. The most pressing issues for companies are reducing bureaucracy and addressing the skilled labor shortage. Uncertain economic outlooks and a lack of liquidity are hindering investment willingness, according to the study.

Only 40 percent of companies plan to invest. While this is an increase from the previous year, it is still below the average of recent years, according to Creditreform.

The negative trend is also affecting the labor market. More than 21 percent of companies, which is even more than in 2023, are reducing their workforce. The main reasons for this are the weak order situation and the skilled labor shortage. The willingness to hire in the middle class has fallen to the lowest level in the past ten years. Due to declining inflation, only about 30 percent have raised their selling prices, compared to 40 percent the previous year.

(Source: Hannoversche Allgemeine Zeitung)

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