

Outlook for Travel to Britain

- Due to the favourable exchange rate, the lower prices now offered by all Britain operators for their 2010 programmes and widespread media coverage on how affordable London and Britain now are, we expect a positive trend for holiday travel to Britain in the next months and the popular Easter period. Business travel is also expected to slowly pick up again in line with the recovery of the Austrian economy.

Britain in the News

- Due to the Christmas shopping season and the January sales, the value for money message is still in the media with a strong emphasis on London.
- The flooding in the Lake District received widespread media coverage in Austria. As it happened off-season this is unlikely to have caused any damage to visits to the area from Austria.

General Market Mood

- The Recession has officially ended as the Austrian GDP rose by 0.9% in quarter 3. Private consumption has remained relatively stable throughout the crisis, and consumer confidence is increasing steadily (also because unemployment has risen only marginally during the recession – with 4.7% the second lowest in the EU), so the outlook for consumer spending (including travel) over the next quarters is good (Oxford Economics: Country Economic Forecast, 7/12).
- 15% of all people working in the Austrian tourism sector say the money they earn is not enough to live on, for another 50% it's "just enough". While in the past, those unsatisfied with their salary could easily switch, there are fewer jobs on offer now, and so the majority of employees in this key sector will probably not be able to afford going on a holiday themselves. (tip 37/09, 14/9)
- Rating agency S&P has confirmed their AAA rating for Austria, because of the resilience and competitiveness of the Austrian economy. The outlook is stable. (der Standard.at, 7/12)

Consumer Behaviour

- 41% of adult Austrians have purchased goods or services over the internet during the previous 12 months, 'travel and holiday accommodation' being one of the most popular product groups (www.newmediatrendwatch.com).
- Sustainable travel is becoming interesting for the travel industry but so far mainly for long-haul operators (e.g. ruefa – fairtrade, jumbo) (tip 37/09, 14/9).
- Austria was the only country increasing their travel activity in comparison to last year according to the ITB World Travel Trends Report 2009/2010, showing that holidays remain very important in this market.

Media Matters

- Austrians are still very traditional media consumers. Most important is TV (86%), followed by radio (77%) and daily newspapers (73%). Online is ranked fourth (62%) (GfK Austria; 3/12).
- A new women's monthly magazine called "für Mich" with a circulation of approx. 110,000 has been launched.

Routes and Fares

- British Airways started flights on their new route from Innsbruck to London Gatwick (five flights per week) on 5 December. This is not just a seasonal flights aimed at British skiers but will be operating all year round.
- Austrian Airlines are using larger aircraft for their flights from Vienna to Heathrow which has increased 25% more capacity on this route.
- Blaguss Reisen, one of the leading Britain operators in Austria, will be operating a weekly charter flight from Vienna to Edinburgh from late May to early September 2010. There are currently no scheduled flights from Austria to regional airports in Britain.
- Ticket prices: booked one month in advance Vienna – London Heathrow British Airways €98 (£87) o/w, Vienna – London Gatwick €39 (£35) o/w.

Business Tourism

- As in all other European countries business travel in Austria has been heavily suffering from the economic crises this year. This is mainly affecting air travel and the number of passengers flying from Vienna airport to European destinations was down 9.5% in January to October (Vienna airport).

Leisure Travel Trade

- Travel agencies in Austria had about 4% fewer bookings in the period January to October 2009. Following a very weak start to the year last-minute bookings were very strong and overall the main summer season ended up on a similar level to last year's. Bookings for the current winter season are still significantly down compared to the same period last year.
- All major tourism groups and operators have considerably lowered their prices for 2010 - on average 5-10%. Further discounts are expected in the course of next year to stimulate bookings.
- Britain operators in Austria had a mixed year suffering to some extent from uncompetitive annual prices calculated in the autumn of 2008 when the GDP was still considerably stronger. For 2010 they lowered prices by around 5%.
- The number of travel agencies in Austria is still very high. At the beginning of 2009 there were 2.050 agencies, 679 of those also operate as tour operators (ORV).

Competitor Activity

- Viral campaigns 'Design your own snowflake' (all designed snowflakes are projected on prominent buildings in Vienna) and 'Snowballfight' (you can throw a virtual snowball to a friend) to promote winter "staycations" in Austria (Österreich Werbung).
- Austrian Culture Campaign (including full page ads, PR, DM, E-marketing, social media marketing) stressing Austria's cultural heritage and positioning it as a destination beyond skiing for the winter thus competing with British city destinations (Österreich Werbung).

VisitBritain Activity Update

- Media, consumer, travel trade and business tourism newsletters.
- Group Press Trip: England/Sherlock Holmes in October.

Upcoming activity

- Cities campaign from January.
- Sherlock Holmes promotion.

Who's in Town?

- Nothing to report for October to December.