

Outlook for Travel to Britain

- Due to the favourable exchange rate, and 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 German economy.

Britain in the News

- Due to the Christmas shopping season and the January sales, the value for money message is still very strong in the media - with an emphasis on London.
- Some on- and offline media reported the recommendation by the Center for Travel Medicine in Düsseldorf aimed at school classes: Before travelling to Britain the status of the vaccination of measles, mumps and rubella should be checked and renewed if necessary. For parents and teachers, this might make Britain less attractive as a destination for their students/children because it suggests that these diseases are more prevalent.
- The flooding in the Lake District received widespread media coverage in Germany. As it happened off-season this is unlikely to have caused any damage to visits to the area from Germany.

General Market Mood

- The elections at the end of September 2009 have put a coalition of the centre-right CDU/CSU and the liberal FDP into power, with Angela Merkel remaining as Chancellor for a second term. So far, only general statements about the policy direction of the new government have been made. Ambitious reforms of income tax are likely to be postponed as the government cannot afford the tax cuts (Oxford Economics Country Brief Germany, 19/11).
- Quarter 3 GDP growth was 0.7%, up from 0.4% in the previous quarter. Exports increased, but consumption fell. Weak consumption is at odds with relatively resilient incomes and suggests that uncertainty about job and income prospects are weighing heavily on the willingness to spend. Against a background of rising unemployment (7.8% in November), consumer spending is expected to remain subdued (Oxford Economics Country Brief Germany, 19/11).
- A lot of media attention on the spread of H1N1 (swine) flu cases in Germany and abroad and debate about pro and cons of vaccination. So far this has not led to a panic reactions and it looks like the flu is already weakening again. A negative impact on travel behaviour is unlikely.

Consumer Behaviour

- 89% of Germans think that in 10 years time recommendations of friends, acquaintances and third-party reviews will be a decisive factor in their holiday planning. Already, 41% say that user ratings are important or very important when it comes to holidays, which increases the importance of the inclusion of testimonials, recommendation engines and social media integration in tourism marketing. (GfK/Expedia.de Zukunftsstudie 'Reisetrends 2019', September 2009; Internet World Business 7/12)
- By 2014 34% of all German consumers are expected to only use the internet to research and book their holiday (compared with 19% today). In addition, 9% will gather information in the travel agency, but then book online; while 29% will look online and book in their travel agency. This shows that while the travel agency is still a factor for travel booking, the internet is becoming more and more important, not only for booking, but also as a source of information. (Study "Krise &

Beyond: Multichannel-Dynamik in der Touristik 2009-2015" by GfK, Sempora, iProspect and Google Germany, quoted in TravelTalk #38/2009)

- 42.3% of Germans took a holiday of at least 5 days between June and September – (up from 43.5% last year). The average length of the summer holiday rose from 12.6 to 13.6 days. 31.9% stayed in Germany – about 5 percentage points less than last year, showing that travel abroad is still one of the last things Germans are willing to give up, no matter what the economic situation. (Study by ETI, quoted in travel tribune 43/09 and fww 22/09).
- Customers in the East German states are determined to go on a vacation no matter how bad the economy is. 74% plan holidays independent of further strains. Only 10% are heavily pessimistic about their future vacation. These are results of a study undertaken by Leipziger Institut für empirische Forschung LEIF. 40% of customers in East Germany took a vacation abroad in 2009, minus 4 percentage points compared to the year before. 158,000 went on a cruise, plus 53% (Tourism Germany, 12/2009)
- Among the types of holiday having experienced the steepest growth in recent years are travel to entertainment parks, spa- and city travel, all areas where there are still opportunities for British products to position themselves. (Study by GfK, quoted in travel tribune 50/09)
- In 2008, Germans spent €12 billion on holidays for their children. According to a study by "Bundesforum Kinder- und Jugendreisen" the travel intensity of 14-17 year olds is currently at 82.2%, confirming that this market segment has a very high potential for Britain. (travel tribune 50/09)

Media Matters

- According to Google Adplanner September, Facebook has taken the top spot of the Social Networks in terms of Unique Visits also in Germany. Until now, the German SchülerVZ and StudiVZ had been more popular, but the more international appeal of Facebook seems to become stronger.
- Three new magazines for the target group: men + 35, high income, have been launched in October 09. These are GalaMEN (lifestyle magazine including travel section), Beef (culinary magazine) and Business Punk (economy & lifestyle).
- Top 5 magazines in terms of increase in readers are: "TV Digital" (+330,000), "Hörzu" (TV magazine) and "Schöner Wohnen" (interior design&lifestyle magazine), each +200,000, Welt der Wunder (science magazine), +140,000 and Glamour (lifestyle, +130,000). (ma 2009 Pressemedien I)
- Axel Springer, one of the leading German publishing houses, has just introduced iPhone applications for two of their publications (bild.de and welt.de) and offer paid-for online editions for two other of their daily newspapers (Berliner Morgenpost and Hamburger Abendblatt). Other publishing houses are now expected to follow and charge for access to content on their websites.

Routes and Fares

- easyJet started flights from Munich to Manchester (4 flights a week) on 6 November. From February they will operate daily flights from Düsseldorf to London Gatwick and Hamburg to London Gatwick.
- From the end of March flybe will be operating three flights per week from Hanover to Exeter via Newcastle.
- Booked one month in advance Berlin TXL – London Heathrow British Airways €90 (£83) o/w, Berlin SXF – London Stansted Ryanair €38 (£35) o/w.

Business Tourism

- More than 80% of German companies are affected by the economic crisis, a survey of VDR The German Business Travel Association found out. 44% report more stringent cost awareness. 21% have cancelled all non-essential trips. (Tourism Germany, 11/09)
- Companies in Germany concentrate their demand on fewer airlines to achieve better fares and combat the crisis, according to AirPlus. While the average number of preferred partners was 14 in 2007, it dropped to 13.7 in 2008 and 12.3 in 2009. And while the average length of a business trip by plane was 2.2 days in 2007, that figure decreased to 2.4 days this year. (Tourism Germany, 12/2009).

Leisure Travel Trade

- German travel agent's turnover was down 11.2 in the period January to November 2009. Sales of airline tickets were particularly hit (turnover minus 15.9%), sales of holiday packages were down 6.5%. The volume of forward bookings for leisure holiday products is currently up 4.2% compared to the same time last year, turnover is down 7.1% due to heavy discounts offered by tour operators (source: ta.ts Reisebürospiegel)
- German tour operator's turnover is expected to be down by 4-5% in 2009. Passenger figures were only down around 2% according to DRV (the German equivalent to ABTA).
- The number of travel agencies declined to 10,717 in 2009. While 639 agencies closed down only 410 new agencies opened. The number of leisure agencies, however, increased for the first time since 2001 (travel tribune 50/09)
- For the 2010 season, TUI Wolters are combining their Britain/Ireland and Scandinavia programme, and lowering the prices for GB holidays by 5-10%. Rates for self-catering accommodation in Britain will decrease by 8%. (travel tribune 43/09). Activity operator Wikinger will also lower prices for their Britain programme (touristik aktuell, 16.11.), which will contribute to positioning Britain as a Value for Money destination.
- Although all major German tourism groups have already significantly reduced prices for 2010, some are now offering further discounts to stimulate bookings. This development will encourage consumers to book late again for 2010 and wait until further discounts are available.

Competitor Activity

- The German Tourist Board DZT will receive an addition budget of €400k for next year for their international marketing campaigns.
- The Austrian Tourist Board has started an extensive campaign in Germany, Austria and Switzerland (including full page ads, PR, DM, co-operation with Deutsche Bahn, e-marketing, social media marketing) stressing Austria's cultural heritage (Österreich Werbung) and trying to attract a more culturally minded crowd in the winter, thereby increasing competition with British city destinations.
- The Spanish tourist Board Turespana launched their new website www.spain.info on 11 December.
- In the next 3 years, the Balearic Islands will increase their tourism marketing budget of 30 Million by an additional €18 Million. (travel tribune, 48/09)

VisitBritain Activity Update

- Media, travel trade and business tourism newsletters.
- Group Press Trips: Wales/Ryder Cup 2010 and England/Sherlock Holmes in September.

Upcoming activity

- ITB Berlin in March.
- "Entdecken Sie Großbritannien": Online listing of German tour operators with Britain programme.

Who's in Town?

- Robbie Williams free surprise gig in Berlin attracted an audience of 10,000 (2,500 were expected) showing the ongoing popularity of British music in Germany.