



MONTHLY REPORT CENTRAL EUROPE NOVEMBER 2022



**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

After almost two years of pandemic, travel is largely finally back this year and people are increasingly going out to explore. eDreams ODIGEO, the world's largest online travel company in terms of flights outside of China and one of Europe's largest e-commerce companies with its travel brands Opodo, eDreams, GO Voyages, Travellink and Liligo, is taking this as an opportunity to look back at the past few months and released the results of its global "A Year in Travel" Report 2022. For years now, the report has known how to spot trends among travelers, providing insights into changing travel behavior, current sentiment toward travel, and future plans of vacationers: in times of and after Covid-19.

Solo, but never alone

Together you are less alone? No way! Already, in a survey of 10,000 people commissioned by eDreams ODIGEO in the summer of 2021/2 on the question of whether the pandemic inspires solo travel, 31% of all respondents worldwide answered in the affirmative. For some, solo travel may not be the preferred travel option, but the number of online searches for solo backpacking is growing rapidly. Whether it's full freedom with one's travel plans or taking the plunge ("survival wellness") to build resilience and confidence via travel, the desire to travel solo is trending high. This year's boom in solo travel is particularly evident among women. Even before the pandemic, women accounted for 65% of solo travel bookings in some surveys and demand continues to grow. This is accompanied by the desire for more protection when traveling. While men can in principle travel alone without hesitation, women traveling alone often want more security - and suffer from the fact that this circumstance restricts their individual freedom.

It remains exciting to observe how the trend towards solo travel will develop in the coming year. In 2022, hotel bookings by solo travelers from Germany have already doubled (+100% compared with 2021), putting them well ahead of the global competition: France has recorded an increase of 66%, the USA 71% and Spain 88%. Only Italy (+109%) and the United Kingdom (181%) are even bolder in leading the trend.

And who wonders where the way led this year particularly gladly: Besides Istanbul, the favorite destinations of German solo travelers were national gems such as Berlin, Hamburg, Munich and Frankfurt.

Appointments in the morning, tapas in the evening

Combining work and pleasure is a growing trend that is also having an impact on travel - a work benefit that younger generations in particular appreciate. After all, it's not just since the onset of the Covid 19 pandemic that job and personal life have become increasingly intermingled. Remote working from abroad, however, has long since ceased to have anything to do with the old "work & travel" model: "Bleisure Work" is, for example, business travel that one knows how to extend by spending quality time with family and friends - already 89% of global business travelers take advantage of this (7 out of 10 in Germany). According to the survey, productivity and creativity in particular increase thanks to new working environments, while the perception of stress decreases.

The digital nomad lifestyle is also becoming increasingly popular, not least thanks to flexible working patterns and freely selectable working hours. The tourism industry is already responding to this: hotel companies are expanding their offerings to include a work-friendly infrastructure, and some countries such as Estonia, Greece and Barbados now offer "digital nomad visas" for long-term travelers.

Off in the plane, out into the world

But a breath of fresh air has also entered the nation's bucket lists, and German trendsetters are once again drawn to both familiar and newly discovered metropolises around the world: In 2022, one in four travelers decided to travel beyond the borders of Europe (25%, vs. 24% in 2021).

Source: Finanznachrichten.de

2. Overview of Regional Activities

Germany

- On November 4-6, we promoted our destination at the Trade Consumer Fair "Reiselust" in Bremen, Germany. VSPC shared a booth with America Unlimited, a specialized tour operator for the U.S. and Canada with than 10 years of experience. The tour operator offers tailor-made tours.

A total of 15 U.S. partners participated as co-exhibitors of America Unlimited. Other Florida destinations included Visit Tampa Bay and The Florida Keys & Kewy West. During the three days of the consumer show, we were able to present our destination to a large number of interested consumers. Most conversations were face-to-face presentations but on Friday and Saturday of the show, we had the opportunity to promote our destination to interested traveler during two 30 minutes long stage presentations.

The travel consumer show ReiseLust Bremen is the vacation fair in Bremen and it took place from November 4-6, 2022. More than 250 exhibitors presented their products and services as well as the latest travel trends, destinations and travel ideas. A total of 38,129 people visited the three days long show.



- VSPC in cooperation with Visit Tampa Bay executed and completed a destination promotion leading up to the Tampa Bay Buccaneers' NFL game in Munich's Alliance Arena on November 11 – 13, 2022. We invited travel industry partners to learn more about our destination in Munich's world famous Hofbräuhaus located in the central part of the historic city and also promoted our destination to interested guests.

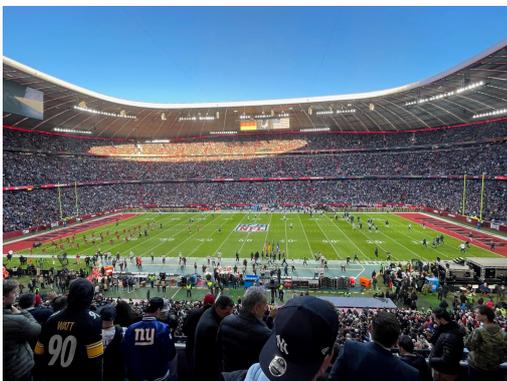
The travel partners dined with us in the traditional German pub enjoying Tampa Bay Buc's décor, a Bavarian brass band and of course traditional Bavarian food. They spent the afternoons and evenings with us learning more about our destination, activities their guests can enjoy while in St. Pete / Clearwater and we also discussed potential co-ops for joint promotions in the future.

Visit St. Pete / Clearwater

On November 11, 2022, we invited top-tier media professionals for a media dinner in Munich. During the event, we promote our destination to the four attending journalists and we discussed potential media projects and press visits in order to promote our destination to our target groups and increase future visitation from the lucrative German travel market.

On the actual game day on November 13, 2022, we promoted our destination at Munich's famous Allianz Arena. In this regard, we had invited top travel trade partners as well as top-tier media outlets to the stadium's VIP area to watch the NFL match between the Tampa Bay Buccaneers and the Seattle Seahawks. The event was a very valuable opportunity to promote our destination to those important tour operators, travel trade partners and top-tier media outlets that are in the position to increase visitation to our destination.

After the promotion, we thoroughly followed-up on all participants of the VIP game event as well as all contacts that we met during the media event and the promotion at the Hofbräuhaus.



- Brand USA in cooperation with the Visit USA Committee Germany held a week-long roadshow throughout the German speaking markets. Visit St Pete / Clearwater was able to join for the day in Frankfurt on November 16 ,2022 in order to promote our destination and train travel agents. The show had registered close to 75 agents who were able to have a cinema experience and see VSPC on the big screen. Agents were first invited to a short marketplace and then join the suppliers for a 15 minutes long presentation per destination on the theater screen. VSPC prepared a presentation that was a mixture between power point and video footage.

We were able to speak with many of the attendees and provide further information on our destination and the tourism opportunities found in St. Pete / Clearwater. They went around from table to table to gather brochures and speak with the suppliers. We stood next to the other Florida suppliers to make for an easier understanding of the West Coast.

After the trade portion of the event, VUSA requested that the travel agencies who attended were asked to invite their VIP end consumers to mingle with the partners and watch a screening of Brand USA’s movie “Into the Wild”. There was a good turnout for the screening and after it was over, the consumers were invited to the marketplace to gather information on the various destinations.



- In October 2022, we promoted our destination at the Visit USA Committee’s Trade and Media events in Hamburg, Germany and in Munich, Germany. In November, we followed up on all travel trade professionals from several European countries, provided the requested information and supported co-op opportunities whenever possible.
- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year” and distributed it to approximately 3,550 U.S. selling tour operators and travel agencies in Germany as well as to a very large number of consumers.
- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter.

- After approval from VSPC, we registered us as a partner of a Visit Florida promotion in cooperation with the German tour operator America Unlimited. The promotion will target consumers and it will be carried out in 2023. We submitted Visit Florida with the requested destination texts as well as photos.
- After approval from VSPC, we also intended to register for a Visit Florida promotion in cooperation with TUI Deutschland. Unfortunately, our participation was not possible since it was already sold out at the time of registration.
- DERTouristik will hold their annual Campus LIVE Event in Walt Disney World & Florida. They will fly in their Top 100 producing agents from throughout Germany to join in a week of fam trips throughout Florida for a three days long congress in which all agents are trained about St. Pete / Clearwater in a round table format. VSPC will have 11-12 minutes to present and gather contact information. This is one of the top events in the industry and a much sought-after program to be in. We prepared a new power point presentation and a short video that will be narrated for those that did not get a chance to visit the region during the fam. We will collect all names and email addresses so that we may follow up with them at a later date.
- KMS continued completing individual follow-ups with all contacts that we had during the Brand USA Travel Week in September 2022. We provide all participants with the requested high-resolution photos, content and destination information. We also asked selected travel trade partners for potential cooperation possibilities. These included but were not limited to TUI GERMANY, ADAC Reisevertrieb, Cruising Reisen, Turlane, America Unlimited, CRD Touristik, Canusa Touristik, ARGUS Reisen, Art of Travel, DER Touristik Deutschland, Ruck Zuck Urlaub and FTI Touristik.
- For a planned promotion with the German tour operator Canusa Touristik we compiled high-resolution photos, drafted texts and prepared a destination presentation. The promotion will be carried out in January 2023 targeting potential travelers to our destination.
- The Visit USA Committee Germany will distribute a newsletter in December 2022, in which planned U.S. travel news and highlights will be presented. We supported the Visit USA Committee with content and photos of St. Pete/Clearwater. The newsletter will be sent to more than 23,000 travel agents and media professionals.
- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for November 2022 and forwarded it to VSPC. In addition, we asked VSPC to review the inventory and send us additional brochures and give-aways that we will require for our upcoming promotional events.

- KMS completed several conference calls with Visit Tampa’s representative in Germany in order to discuss joint opportunities for non-competing promotional activities.
- We attended the bi-weekly coordination calls with VSPC in November 2022 in order to synchronize our activities and to discuss upcoming promotions.
- We attended the monthly conference call with Brand USA in November 2022 in order to discuss upcoming promotions and promotional opportunities.

Austria

- We promoted St. Pete / Clearwater at the Visit USA Austria travel agent training in Graz, Austria. The multi-faceted program included afternoon presentation sessions where we were able to present our destination for ten minutes in front of travel agents who spent the afternoon learning about the attending U.S. travel partners and destinations.

We met with every participant and each attendee received detailed information on our destination and the tourism opportunities found in St. Pete / Clearwater. It was obvious that many of them had a chance to visit our destination in the past and were keen to recommend St. Pete / Clearwater to interested travelers in the future. Some of them had specific questions – including but not limited to hotels, sustainability offers and e-mobility.

The first part of the day was occupied with the individual presentations. The rest of the day followed with a marketplace in which we had dedicated tables to present our materials. The marketplace attracted another series of travel agents that went around from table to table collecting information. The evening portion of the workshop consisted of a general presentation from Brand USA in combination with Visit USA. The US Consulate from Vienna also attended the event and held a short speech thanking both buyers and suppliers for their continued interest and sales to the USA. Participants were then invited to a buffet dinner with drinks. During the course of the evening, Visit USA went around the room asking the exhibitors various questions in an interview style to highlight their main points of sale again.



Visit St. Pete / Clearwater

- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year“ and distributed it to approximately 800 travel agencies in Austria after approval from VSPC.
- We continued following up on all Austrian travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

Switzerland

- We promoted our destination as a part of a multi-channel co-operation with the Swiss tour operator Knecht Reisen to consumers (November 04, 2022) and travel trade professionals (November 05, 2022). The tour operator welcomed over 50 partners and specialists from all over the world to its travel center in Windisch, Switzerland.

Knecht Reisen is one of the largest tour operators in Switzerland and organizes the annual event "Reisewelten", which consists of a B2B and a B2C event. The location was thematically divided into sections, the Visit St. Pete / Clearwater booth was located in the North America section. Other Florida exhibitors that originally registered for the event, finally cancelled on short notice due to Hurricane Ian.

At the B2B event on November 4th we presented our destination to eight groups of ten travel agents each. The event was followed by a cocktail party, where the travel agents could ask questions about our destination. In addition, a raffle was held, that was sponsored by Visit St. Pete / Clearwater giveaways.

On the next day, the B2C event was attended by more than 2,000 visitors. They visited the various exhibition booths and asked questions about the destination. We presented our destination to a very large number of them.



After the event, we followed-up on all travel agents that participated the B2B event and we provided further information about St. Pete / Clearwater.

- KMS continued completing individual follow-ups with all contacts that we had during the Brand USA Travel Week in September 2022. We provide all participants with the requested high-resolution photos, content and destination information. We also asked selected travel trade partners for potential cooperation possibilities. These included but were not limited to Go To Travel, Knecht Reisen and Kuoni/DERTOUR Switzerland.
- We received information about a B2B-Event "Island Hopping" of the Visit USA Switzerland. "Island Hopping" is a one-day event held on January 19, 2023. About 250 travel agents are expected to attend. This is the largest B2B education event for the US in Switzerland where travel agents from all over Switzerland meet destination representative from the U.S. We registered for the event after approval from VSPC.
- In November 2022, we drafted the travel trade newsletter „" and distributed it and distributed it to approximately 400 travel agencies in Switzerland after approval from VSPC.
- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- We continued supporting the Swiss tour operator Knecht Reisen with the multichannel joint marketing activities that we have booked throughout the year.

The Netherlands

- We attended the General Assembly of the Visit USA Committee virtually to get an overview of planned marketing activities in 2023.
- KMS registered Visit St. Pete/Clearwater for the Travel Trade Day of the Dutch travel show Vakantiebeurs in Utrecht, The Netherlands on January 11, 2023.
- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year" and distributed it and distributed it to approximately 750 travel agencies in The Netherlands after approval from VSPC.

- We promoted our destination at the USA & Canada Experience in the Netherlands from November 03-06, 2022.

The event was spread out over a series of four days. Two days were for the travel trade to meet with the various buyers exhibiting at the show. This was held in a different location than the subsequent two days long consumer show. On November 03, 2022, the "USA-Canada Experience EVENT – suppliers meet buyers" took place at 3.00 pm at the Green Village, which is close to Utrecht. The meet and greet workshop went on between 4.00 – 5.30 pm. Buyers were roaming around the room in a speed dating style. This allowed for one-on-one meetings. At 5.30 pm, we moved over to the next room – a typical Dutch bar – where drinks and bites were served followed by a stand-up diner. The evening ended around 10.00 pm.

The following day was dedicated to the travel agents for the full day workshop from 8:00 am to 5:30pm. Throughout the day, the agents moved to various conference rooms for trainings in small groups. We were able to meet with every participant in order to present detailed information about our destination and the tourism opportunities found in St. Pete / Clearwater. It was obvious that many of them had a chance to visit our destination in the past and were keen to recommend St. Pete / Clearwater to interested travelers in the future.



The final two days (November 05-06, 2022) were dedicated consumer days. We were the only Florida destination to exhibit at the show. There were several tour operators that exclusively sell the U.S. and Canada and it was a successful show.

In total, there were 35 exhibitors attending the event representing various regions in the U.S. and Canada.



- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- We continued following up on all Dutch travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

Belgium

- Visit USA Belgium sent us information about the Brussels Holiday Show, a B2B2C show from February 02-05, 2023. The offer includes participation opportunities at their own booth. We forwarded the offer for approval after our evaluation.
- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year“ and distributed it to approximately 450 travel agencies in Belgium after approval from VSPC.
- KMS continued completing individual follow-ups with all contacts that we had during the Brand USA Travel Week in September 2022. We provide all participants with the requested high-resolution photos, content and destination information. We also asked selected travel trade partners for potential cooperation possibilities. These included but were not limited to Euram Creative Packaging and Gerald en Amerique.

Czech Republic

- KMS continued completing individual follow-ups with all contacts that we had during the Brand USA Travel Week in September 2022. We provide all participants with the requested high-resolution photos, content and destination information. We also asked the Czech tour operator America Tours for co-op opportunities in 2023.
- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year” and distributed it and distributed it to approximately 520 travel agencies in the Czech Republic after approval from VSPC.

Hungary

- The Discover America Committee Hungary sent us information about their planned promotional activities in 2023. These primarily include the organization of destination promotion webinars between until May 2023. The target groups of these monthly webinars are Hungarian travel trade professionals and travel journalists.
- We contacted the Hungarian Tour Operator Lupus Travel and requested an overview about their planned promotion activities in 2023.
- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year” and distributed it and distributed it to a large number of travel agencies in the Hungary after approval from VSPC.

Poland

- In November 2022, we drafted the travel trade newsletter „5 reasons to travel in the coming year” and distributed it and distributed it to approximately 440 travel agencies in the Poland after approval from VSPC.
- We continued reminding the Visit USA team in Poland if there are any other promotional activities planned for the current and next year in which Visit St. Pete/Clearwater can participate.

3. Status of Sales Activities and Promotions

Dertouristik Trade Fam Trip (December 02-05, 2022)

- We will support a travel trade trip of the German tour wholesaler Dertouristik to Florida and the fam group will be in our destination from December 02-05, 2022. Dertouristik is the largest Central European tour operator for travels to the U.S. and to Florida. The fam trip will be attended by 16 top selling travel agents, one Dertouristik escort and a KMS escort. VSPC will highlight our destination during the fam trip.

Dertouristik Campus Live Event in Orlando, Florida (December 05-09, 2022)

- Dertouristik invites 100 of their best travel agencies, who are distinguished by an outstanding turnover as well as their participation in their Campus training program (seminars, webinars, e-learnings). The aim of the event is to provide their travel agencies with detailed destination and product knowledge as well as sales arguments, resulting in active selling. We will receive one of a total 24 partner tables to present our destination during an organized "Round Table Talk". The travel agents will appear in small groups of 4 to 5 participants and will visit all the presenter booths according to a fixed rotation plan. The presentation time per group is 8 minutes. Since each group consists of a small number of participants, an intensive exchange and dialogue with the participants is guaranteed.

Vakantiebeurs, The Netherlands (January 12-15, 2023)

- We will promote our destination at the Netherlands' largest consumer shows for tourism and leisure.

Visit USA Switzerland, "Island Hopping" (January 19, 2023)

- We will promote our destination at the B2B event "Island Hopping" organized by the Visit USA Switzerland. "Island Hopping" is a one-day event held on January 19, 2023. About 250 travel agents are expected to attend. This is the largest B2B education event for the US in Switzerland where travel agents from all over Switzerland meet destination representative from the U.S.

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

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

Consumer Promotion with Canusa Touristik (January 2023)

- In co-operation with the German tour operator Canusa Touristik, Visit Sarasota and Walt Disney World we will carry out a planned promotion targeting potential travelers to our destination.

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.

Brussels Holiday Show (February 02-05, 2023, pending)

- Visit USA Belgium sent us information about the Brussels Holiday Show, a B2B2C show from February 02-05, 2023. The offer includes participation opportunities at their own booth. We forwarded the offer to VSPC for approval after our evaluation.

Free Munich (February 22-26, 2023)

- We will promote our destination at one of the most visited consumer shows for tourism and leisure. In 2020, approximately 130,000 visitors attended the show.
- The target group consists of consumers with a high demographic profile as Munich is an excellent economic location, home to companies such as Siemens and BMW and the largest German insurance companies, such as Allianz.

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 November 2022.

5. Market Updates

Incoming business climate has recovered significantly

According to an expert survey conducted by the German National Tourist Board (GNTB), the international travel industry's assessment of the business situation in incoming tourism had improved significantly by the fourth quarter. The reason for this is strong summer business. Expectations are not as optimistic for the coming months.

According to the GNTB, from the first to the fourth quarter, the assessment of the current business situation rose from minus 40 to plus 25 (on a scale of minus 100 to plus 100). Business expectations for the coming six months, which had fallen from plus 74 to plus 55 during the first half of the year following the start of the Ukraine war, have stabilized, but remain below the assessment at the beginning of the year due to the crisis.

German incoming tourism already recovered significantly in the 2022 summer season. The volume of overnight stays by foreign guests in the third quarter reached around 85 percent of the pre-crisis level. At the same time, the industry must prepare for continued difficult economic conditions, the GNTB also knows. Attractive sustainable offers and further progress in the digital transformation are essential to "consolidate the position of Germany as a travel destination in an increasingly fierce competition among destinations," it says.

90 percent of respondents in the GNTB Industry Expert Panel expect prices for travel in Germany to rise in 2023 due to inflation and higher energy costs. Nevertheless, a good third of the top managers state that moderate price increases would not affect customer demand for travel offers in Germany, while 57 percent expect a slight decline in demand due to price increases.

(Source: www.reisevor9.de)

Consumer climate continues to stabilize

Consumer sentiment continued to stabilize in November. Both economic and income expectations increased moderately. By contrast, propensity to buy suffered minimal losses. GfK forecasts the consumer climate for December 2022 to be -40.2 points, 1.7 points higher than in November this year (-41.9 points). These are the results of the GfK consumer climate study for November 2022.

The crash in the consumer climate thus appears to have come to an end, although the level of the indicator remains very low. The consumer climate is currently receiving additional support from a drop in the propensity to save by a good five points. "Consumers' long-standing fear of skyrocketing energy prices has currently eased somewhat, which is having a slightly positive effect on the consumer climate. On the one hand, some energy prices have recently recovered slightly, and on the other, consumers apparently believe that the measures adopted to cap energy prices can make a contribution to curbing inflation, even if this contribution is likely to be rather modest," explains Rolf Bürkl, GfK consumer expert. "Despite the slight improvement, however, the consumer climate situation remains tense."

Most recently, a number of energy prices have softened somewhat. In addition, a relief for December was decided by taking over the discount. This has led to a slight decline in consumer pessimism, but as long as doubts remain about a problem-free energy supply, inflation will also remain high and thus a noticeable and sustained recovery in the consumer climate will fail to materialize.

Income expectations continue cautious recovery

Following the record low in September 2022, income expectations are showing a moderate increase for the second time in succession. The indicator gains 6.2 points in November, rising to -54.3 points. Compared with the corresponding period of the previous year, the decline still amounts to more than 67 points. Income sentiment is benefiting on the one hand from the decline in energy prices in recent weeks. On the other hand, consumers are also hoping that real income losses will not be quite as severe as recently feared. The collective wage increases recently agreed in the metal and electrical industry in Baden-Württemberg and the one-off special payment of EUR 3,000 are evidently encouraging them in these expectations. In addition, the continuing stable employment situation is likely to support the stabilization of income expectations.

Propensity to buy declines slightly

Following the slight gains in the previous month, the propensity to buy has again suffered a small setback. The propensity to consume lost 1.1 points and currently stands at -18.6 points. Compared with November 2021, the decline amounts to 28.3 points. This ongoing reluctance to consume is certainly due to the fact that many households will face sharply increased energy bills in the coming months, for which they already have to put money aside. These funds will not be available for other purchases.

Economic outlook improves slightly - level remains low

The economic outlook for German consumers also appears to be stabilizing. The indicator increased for the second time in succession. Following an increase of 4.3 points in November, it rose to -17.9 points. Despite this improvement, the level of the indicator remains very low. Consumers expect that a recession can no longer be avoided in the near future. In this, they are in agreement with the economic experts, who also expect gross domestic product to shrink by around half a percent in the coming year. Private consumption will also be unable to make a positive contribution in 2023.

(Source: www.gfk.com)

Aviation faces a new wave of takeovers

There is speculation in the aviation industry about new takeovers - including Easyjet. Several factors favor consolidation in the market. They are solid figures that Johan Lundgren, the head of the British low-cost airline Easyjet, presented on Tuesday morning. Admittedly, the company is still posting a loss of 208 million pounds before taxes - the equivalent of around 241 million euros - in the staggered fiscal year 2022 (as of the end of September). However, revenue skyrocketed by almost 300 percent to 5.8 billion pounds. Operating profit before interest and taxes made it into the black at three million pounds, following a loss of around one billion pounds in the previous fiscal year. "We can respond to headwinds of any kind," Lundgren said confidently. Demand for flights remains high, he said.

In the fiscal year just begun, the airline aims to return to pre-crisis levels with 94 million passengers. "I don't see Easyjet as a takeover target," Lundgren said, not ruling out takeovers by Easyjet for his part. The airline has one of the most solid balance sheets in the industry, he said. But not everyone apparently shares this assessment. The British newspaper "The Times" recently reported that the International Airlines Group (IAG) is preparing an offer for Easyjet. So far, neither IAG nor Easyjet have commented on this.

Easyjet is repeatedly mentioned in connection with takeovers. Last year, management rejected a hostile takeover bid. Who the bidder was was not said. Allegedly, IAG and the Hungarian Wizz Air have shown interest.

Undervalued companies and capital for takeovers

The renewed rumors surrounding Easyjet show: Now that Europe has slowly come to grips with the pandemic, interest in acquisitions is growing among airlines. IAG, for example, is also said to be interested in Portugal's TAP Air Portugal. Lufthansa is also mentioned in the industry as being interested in TAP. According to industry sources, Lufthansa is also considering a renewed offer for Italy's ITA. "To some extent, there will be further consolidation in European aviation," Andreas Jahnke, managing director at consultancy Accenture, is convinced. Consolidation is being driven primarily by two developments. First, airlines are relatively undervalued at the moment. This is because investors are still taking a skeptical view of the aviation industry. Although business is good again, there is concern that people will spend less on travel in view of high inflation. This could stall the current booking boom again. Uncertainty is depressing valuations. This was also evident on Tuesday. Despite the good figures in parts, the Easyjet share fell by more than three percent in the morning. The airline is now worth only around 3.3 billion euros on the stock market - a bargain for a provider with over 300 aircraft and low debt.

On the other hand, some large airlines have the necessary capital for takeovers. This is because they have come out of crisis mode surprisingly well and quickly. Providers such as Lufthansa or IAG are earning splendidly right now, partly because they can push through higher ticket prices.

IAG, for example, reported liquidity of 13 billion euros at the end of the third quarter. In addition, smaller airlines in particular are under pressure. In the case of Alitalia and its successor ITA, the government has repeatedly changed its stance on takeovers in the past, so that no sale has ever taken place. In the meantime, however, the financial pressure at ITA is so high that a solution must be found. TAP, for example, was nationalized in the wake of the Corona crisis, and next year the Portuguese government plans to start the sale process.

Arch-rivals suddenly working together

But there are competitive challenges. IAG management's plan to take over Spain's Air Europa initially failed in 2019 due to an objection from EU antitrust watchdogs. The IAG Group already owns two Spanish airlines, Iberia and Vueling. In the meantime, IAG subsidiary Iberia has actually taken a 20 percent stake in Air Europa, but the EU Commission continues to have reservations.

On the other hand, there is growing pressure on airlines to form larger units in order not to lose out in global air traffic. There is a new trend: instead of taking over each other, former arch-rivals are suddenly joining forces in partnerships. Lufthansa partner United Airlines and the Gulf airline Emirates, for example, recently offered close cooperation.

"What's interesting are new partnerships of former rivals that are emerging," consultant Jahnke said. The trend marks a turning point, he said. For years, airlines in the U.S. and Europe were pitted against the state-owned carriers from the Persian Gulf because they were heavily supported by governments. The problem from the European carriers' point of view: For the U.S. carriers, it is attractive to fly to Asia via Dubai, Abu Dhabi or Doha instead of via Europe. In this case, Lufthansa would lose access to important customers that its partner United used to fly to Frankfurt, for example.

It is true that Emirates offered Lufthansa a similar partnership a few days ago. Lufthansa's management also wants to take a look at the offer, but so far there is little sign of enthusiasm at the company's Frankfurt headquarters. For consultant Jahnke, this is not surprising, since "the advantages for a European airline are far less compelling."

European aviation more fragmented than in the USA. In the U.S., four major airlines have emerged over the years that largely divide the market there among themselves: United Airlines, Delta Airlines, American Airlines and the low-cost carrier Southwest.

By contrast, European aviation is much more fragmented. Although there have been a number of bankruptcies in recent years, there are more than a hundred companies offering regular commercial flights. "In many countries, domestic airlines are still seen as a national symbol, even after their privatization," Jahnke says. In addition, he says, there is concern that the economy will suffer significant disadvantages without its own national airline. "At the same time, experience shows that there are always providers who immediately fill the gaps, at least as far as the attractive routes that are in demand are concerned."

(Source: www.handelsblatt.de)

SiteMinder study: travel behavior of the young generation

What does the future of travel look like? The young generation, the so-called GenZ, is already showing with their travel preferences how trips will be planned and booked in the future and what will make up the travel of tomorrow. SiteMinder, the hotel commerce platform for the hotel industry worldwide, surveyed more than 8,000 travelers globally for the Changing Traveller Report 2022 and has now evaluated and analyzed the responses of the young generation.

The journey begins digitally

As SiteMinder's study shows, the journey for Generation Z guests often begins on social media: More than 60% said they had been influenced by social media when planning their vacation. In addition, there is a 74% greater chance among them, compared to other target groups, that research also already starts on social platforms. In addition, around 59% of respondents said that good guest reviews on a website are important to them, compared to the global average of 50%. Furthermore, more than 40% of respondents said they book their vacations via online travel portals - but the difference to other target groups (37%) is only slight.

Clemens Fisch, Regional Director DACH & EMEA at SiteMinder, assesses the results of the new Changing Traveler Report 2022 and gives tips on how hoteliers can leverage travel behavior: "One key to attracting the attention of Gen Z travelers is a strong online presence: 80% are open to targeted online advertising. This means hoteliers should leverage multi-channel online sales opportunities and metasearch as a sales channel to reach younger travelers."

Lodging, Services & Technologies

When analyzing the results on preferred accommodation, no major differences emerged between "Gen Z" compared to the average of other age groups. In general, it can be seen here that smaller accommodations are slightly more popular than luxury hotels and large resorts: B&Bs (12% vs. \emptyset 11%), campgrounds (10% vs. \emptyset 8%) and vacation rentals (21% vs. \emptyset 18%), luxury hotels (11% vs. \emptyset 14%) and large chains/resorts (14% vs. \emptyset 22%).

As the Changing Traveller Report also shows, Generation Z's willingness to pay extra money for additional services is very high at over 90%. But things like "technology use" where it is efficient - such as automatic check-in, for example - is also considered good by 65% of Gen Z travelers. For older generations, that's only 55%. In addition, younger travelers are slightly more open to the use of robots or artificial intelligence in hotels, according to study results - 18% vs. 14%.

Nearly 50% plan type of "workation"

Some 49% of Gen Z respondents said they also plan to work on their next trip. Combining work and vacation, on the other hand, is something only 37% of older generations plan to do. Since a Workation can last quite a bit longer than a pure vacation, the price is crucial for 40% of Generation Z. Special offer rates for longer stays can thus be decisive for the choice of accommodation. According to Fisch, the three most important criteria that should be offered to Gen Z for a Bleisure trip are: "Fast and free Internet (55%), included breakfast (28%) and a work area designed for this purpose, preferably with a view (28%). Less crucial for booking, on the other hand, are a pool (18%) or a spa area (16%)."

Post-Pandemic Travel

The desire to extract the best value from one's vacation appears to have increased significantly after the pandemic. Expectations for services such as room service, cleaning service and front desk are higher or much higher for 65% of the younger generation for their next trip, compared to 60.27% of the rest of the respondents. Nearly two-thirds of Gen Z travelers are willing to take more time when comparing offers (ø 53%). The ability to flexibly reschedule trips or cancel free of charge is valued almost equally by 81% vs. ø 79%.

Conclusion: Digital and yet personal

It pays for accommodation providers and hoteliers to invest in a strong online presence. For more and more people, the future of travel starts in digital. Inspiration, booking, payment and check-in are the cornerstones here. After their stay, the majority of Gen Z (63% vs. ø 54%) appreciate being sent personalized offers from the supplier. Nevertheless, one should never disregard the value of personal contact once the guest has arrived on site. The need to be taken care of on vacation has increased and is closely linked to the expectation of spending a fulfilling time. This is shown by SiteMinder's analysis of the check-in process data: although 65% of Gen Z travelers said they would prefer a faster, automated check-in on their next trip, over 90% value the presence of staff on site.

Clemens Fisch offers the following recommendation: "The guest experience is still very important to travelers. When staff have the time and freedom to personally attend to guests, they can make their stay memorable. Adaptations to the next generation are adaptations to the future."

About the Changing Traveller Report 2022: SiteMinder, in partnership with market research firm Kantar global, surveyed more than 8,000 people in 10 countries (Australia, China, France, Germany, Indonesia, Italy, Spain, Thailand, the United Kingdom and the United States) about their travel plans and preferences.

(Source: www.tip-online.at)

83 percent inflation in Turkey: Where travel is currently becoming more expensive

In Germany, people are groaning because of inflation. But the situation is not much better elsewhere - even vacation destinations are affected. The summertime is over – however with vacation for numerous Germans still by far not conclusion. Also in the fall and winter of this year many want to travel. However, citizens cannot flee from rising inflation, because other countries in the euro zone are also struggling with increased living costs.

Inflation abroad: How much more expensive is a vacation in Europe?

In Germany, the inflation rate in September 2022 was 10.9 percent (HICP) compared to the same month last year, as informed by the Federal Statistical Office. "The main causes of high inflation continue to be huge price increases in energy products. But we are also increasingly observing price increases for many other goods, especially food," says Dr. Georg Thiel, president of the Federal Statistical Office. The first hotels in Germany are even adding an energy flat rate due to the increased energy prices. However, the "flight" abroad does not necessarily bring improvement: Anyone planning a vacation in the EU must also expect increased costs in most countries - a trend that has already been continuing for months.

Germany is currently right in line with the EU average - the inflation rate here is also 10.9 percent. The lowest rates are in France (6.2 percent), Malta (7.4 percent) and Finland (8.4 percent). The highest in the euro area concern Estonia (24.1 percent), Lithuania (22.5 percent) and Latvia (22.0 percent). So a vacation in these countries is currently a lot more expensive than in previous years. Nevertheless, the real costs in comparison do not necessarily have to be higher than in Germany: "The countries in Europe with higher inflation are usually those whose price level is in principle lower than ours," a spokesman for the company A3M Global Monitoring tells RND.

(Source: www.merkur.de)

Europe's tourist offices focus on the short haul

In its quarterly report, the European Travel Commission (ETC) assumes that low-cost travel within Europe could save the winter business. Because of the strong dollar, however, transatlantic tourism could also flourish.

Europe is expected to regain nearly 75 percent of 2019's inbound volume this year, according to the latest edition of the ETC's quarterly "European Tourism Trends & Prospects" report. The group represents the national tourism organizations of its member countries. The report predicts that the upswing in European travel will continue in the remaining months of the year, driven primarily by cost-conscious and price-oriented travel. Meanwhile, the threat of recession and higher inflation across Europe are likely to weigh on consumer spending and tourism demand, delaying the recovery, the ETC said. The ongoing war in Ukraine and additional travel restrictions on Russian tourists in Europe also delayed the recovery in Eastern Europe.

Long-distance travelers mainly from North America

Given the economic uncertainty and rising inflation, the ETC predicts that travelers would prefer short-haul trips within Europe, which currently account for about 72 percent of guest volume, because they tend to be cheaper. In September of this year, for example, consumer confidence in France hit a nine-year low. Similar trends can be seen in other key source markets such as the United Kingdom and Germany, he said. Long-distance travel to Europe remains in steep decline, according to the ETC, hampered by restrictions and continued negative sentiment in Asia and the Pacific. Transatlantic tourism, meanwhile, could be boosted by American vacationers benefiting from the strength of the U.S. dollar.

(Source: www.reisevor9.de)

Outlook: Counter experts on travel trends 2023

Although worries in the travel industry are not diminishing, the 2023 travel year is picking up steam. Some travel agencies are already doing really well, while in others advance bookings are stuttering. Maike Mohrhof from the Mohrhof travel agency in Sörup currently sees a shift towards long-haul destinations:

"At the moment, a lot of Mauritius is booked - gladly also in combination with Dubai. This is possibly also due to Corona. Many customers now want to experience something new." The cruise business has also recovered in her opinion. Smaller ships with all-inclusive packages are particularly in demand, she says.

Short-term business remains strong

Colleague Antje Landwehr from the IT travel agency in Neuchâtel is selling "an incredible amount" of Caribbean at the moment. Destinations such as the Dominican Republic or even Mexico are in high demand, she says. "One trend continues to be the total short-term nature of bookings - even among young customers. In addition, the various flex fares offered by tour operators are in demand. At least 80 percent of our customers use them," reports Landwehr. The good thing is that the IT travel agency experiences virtually no cancellation or rebooking behavior among these customers.

Meanwhile, Martin Kessler from Gerresheimer Reisebüro in Düsseldorf is seeing "very high-quality" bookings. He is pleased that cruises are making a comeback. He says it's interesting that before the Corona crisis, it was mainly German cruise lines that were in demand. "But now we're also booking a lot of international operators like Holland America Line or Silversea."

Vacations are "high-value consumer goods" again

At Reisecenter Leikauf in Lauf, the Maldives are doing very well. Owner Holger Crone has noticed that his customers are once again willing to spend more money on their trips. "Holidays are finally a high-value consumer good again. We hope the market doesn't push the cheap-is-good mentality again," he says. Michael Merges from the Beachfinder travel agency in Koblenz also knows that there is still money in the market at the moment: "We currently have a lot of families booked for summer 2023. They decide very early, use early booking discounts, but still book high priced." The bookings are worth between 5,000 and 10,000 euros, he said. "The spectre of energy prices is omnipresent in the media, but not yet really felt in the wallet," Merges explains.

(Source: www.touristik-aktuell.de)

"Future of package holidays at stake"

Tour operators are concerned about the European Commission's plans for the Package Travel Directive, according to the European Travel Trade Association (ECTAA). For example, they criticize the fact that a limit on advance payments is to be imposed on tour operators, while airlines are not.

The European Commission is currently consulting on revising the Package Travel Directive and improving the rights of travelers. However, the options under consideration "hardly show any alignment between the measures for tour operators and those for airlines," the association criticizes.

EU Commissioner Didier Reynders, whose portfolio includes consumer protection, had clearly expressed the intention to limit advance payments to tour operators when revising the Package Travel Directive. In the review of air passenger rights, which is the responsibility of EU Commissioner Adina Valean, on the other hand, there is "obviously no interest in limiting advance payments to airlines," the association said. This testifies to an "obvious lack of understanding of how the travel industry works." After all, the tour operators do not have the customers' money at their disposal; rather, they have to pay their suppliers, especially the airlines, which in most cases demand advance payment in full.

Different rules also for insolvency protection

Moreover, while the Commission is considering further regulating insolvency protection for package tour operators, no concrete options for effectively regulating insolvency protection for airlines are being considered, even though the European Court of Auditors recommended in June 2021 that the insolvency protection provided by the Package Travel Directive, including repatriation costs, be extended to airlines, ECTAA further criticizes.

President Frank Oostdam fears that limiting advance payments and introducing insolvency protection for only part of the value chain to the detriment of tour operators, most of which are SMEs, will force them out of the market. This would deprive consumers of an essential travel product, as package tours offer a high level of protection, he said.

"We call on Commissioners Reynders and Valean to align measures across the travel value chain if they really want to improve consumer protection," Oostdam said.

(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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