

HOLIDAY PLANNING AND BOOKING – GERMANY – 2020

German travel brands can mitigate the disruption caused by COVID-19 by harnessing domestic tourism in the short to medium term.



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Report Content



EXECUTIVE SUMMARY

- Mintel's perspective

Market context

- Tighter COVID-19 rules impact confidence in travel
- Travel industry hit hard by COVID-19
- Predicted recession causes spending uncertainty among German consumers
- Money concerns put people off going on holiday

Mintel predicts

- Long-term prospects of the domestic holiday market remain strong
- Volume of the domestic tourism market will fall by a record level in 2020
- Volume of the overseas tourism market will be hit hard in 2020 and recovery will be slow

What consumers want and why

- Consumers want holidays closer to home
- Consumers want flexible cancellations and rescheduling of holidays
 - Graph 1: attitude towards holiday planning and booking, August 2020
- Consumers want flexible cancellations and rescheduling of holidays
- Consumers want travel advice

Opportunities

- Harness holidaying in Germany
- Marketing that focuses on escapism will appeal
- Focus on the most engaged consumers
- Lead with expertise online
- Quick download resources

THE IMPACT OF COVID-19

- COVID-19's impact on travel
- Market size and forecast following the COVID-19 outbreak
- Key shifts in consumer behaviours
 - Graph 2: "In regard to holiday plans, which of the following have you done as a result of the COVID-19/coronavirus outbreak?", 27 March-6 April 2020
- Key shifts in consumer behaviours

- Graph 3: "To what extent would you feel comfortable or uncomfortable doing the following activities?" 1 July-15 September 2020

- Key shifts in consumer behaviours
- How COVID-19 is impacting key consumer segments
- COVID-19 continues to threaten the tourism industry...
- ...but domestic tourism benefits
- Capitalise on greater flexibility over where to work
- The impact of COVID-19 on the marketing mix
- The impact of COVID-19 on the German economy
- How a COVID-19 recession will reshape the industry

MARKET DRIVERS

COVID-19

- Concern over exposure to COVID-19 is growing again
 - Graph 4: "How worried are you about the risk of being exposed to the coronavirus?" 3 March-15 September 2020
- Concern over exposure to COVID-19 is growing again
- German consumers cope with lifestyle changes
 - Graph 5: "To what extent are you worried about how the outbreak might affect your lifestyle?", 3 March-15 September 2020
- German consumers cope with lifestyle changes

The German economy

- COVID-19 pushes Germany into recession, but growth will resume in 2021
 - Graph 6: real GDP growth, 2008-20 (est)
- Unemployment and short-time work generate uncertainty for German consumers
 - Graph 7: OECD consumer confidence index, January 2019-August 2020

Financial wellbeing

- Going on holiday is dependent on financial wellbeing
 - Graph 8: going on holiday, by financial wellbeing, August 2020
- One in three consumers have started to feel the impact of COVID-19 on their finances
 - Graph 9: change in financial situation since the start of COVID-19, May 2020-August 2020

Sustainability

- Climate change is a top priority
- Sustainable travel still in its infancy

WHAT CONSUMERS WANT AND WHY

Holiday participation

- Holiday participation drops significantly due to COVID-19
 - Graph 10: holiday participation 12 months prior to March 2020, March 2020
- One in three Germans opt for holidays in 2020
- Focus on Younger Millennials
 - Graph 11: holiday participation in 2020 by generation, August 2020
- Younger Millennials drive the tourism market in 2020
- Use social media to target experience-hungry Millennials
- A bridge in the middle of the Austrian Alps has become an instagram hotspot
- Target parents with a stress-relief angle...
- ...ensure their safety...
- ...and offer them flexible payment options

Holiday destination

- Pandemic boosts holidaying in Germany
 - Graph 12: holiday destination in 2020, August 2020
- Pandemic boosts holidaying in Germany
- Northern and Southern Germany in particular are popular
- Europe popular for fall and winter seasons
 - Graph 13: holiday destination in 2020, August 2020

Type of holiday

- Rural and countryside holidays as the beneficiary
 - Graph 14: holiday type, August 2020 vs March 2020
- Promoting lesser-known regions in Germany with the help of influencers
- Target Generation Z with city breaks
 - Graph 15: type of holiday in 2020 (net), by generation, August 2020
- Target Generation Z with city breaks
- Position beach holidays as a way to relax for parents

Holiday booking method

- COVID-19 accelerated booking on smartphones
 - Graph 16: holiday booking method, August 2020 vs March 2020
- Millennials drive smartphone bookings...
- ...but Generation X should not be overlooked
- Travel agencies need to prove their value

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Barriers for not going on holiday

- Exposure to COVID-19 top reason for not going on holiday in 2020
 - Graph 17: reasons not to go on a holiday in 2020, August 2020
- Draw in Baby Boomers with flexible bookings for 2021
- Financial concerns present an extra barrier

Attitudes towards holiday planning and booking

- COVID-19 calls for adjustments in booking policies
 - Graph 18: attitude towards holiday planning and booking, August 2020
- Flexibility is key for travelling in the time of the pandemic
- Booking.com underscores the importance of its Risk-Free Reservations program to attract guests with flexibility wishes
- Younger consumers more likely to need advice from a travel agent as a result of COVID-19
- Younger consumers more likely to need advice from a travel agent
- Invest in sustainable travel solutions

LAUNCH ACTIVITY AND INNOVATION

Sustainability

- Deutsche Bahn positions itself as 'Germany's fastest climate protector'
- Compensaid to make air travel CO2 neutral

Technology

- easyMeet enables easy online communication
- Lufthansa taps into podcast usage

Advertising and marketing activity

- Deutsche Bahn promotes domestic holidaying with its 'No Need to Fly Around the World in Germany' campaign
- TUI promotes 'We are prepared' in response to the lift of travel bans
- TUI provides COVID-protect for care-free holidays
- 'Bring me Home NOW' campaign by Lufthansa
- Encouraging Germans to travel overseas

MARKET SEGMENTATION, SIZE AND FORECAST

Forecasting during the COVID-19 pandemic

- Note on forecast in response to COVID-19
- Domestic tourism market was booming prior to COVID-19
- Record year for domestic tourism in 2019
- Overseas holidays take a backseat

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- Domestic travel tipped for further growth in 2019
- Slowing German economy and summer heatwave boosted domestic travel in 2019
- Long-term prospects of the domestic holiday market remain strong
- Volume of the domestic tourism market will fall by a record level in 2020
- Volume of the overseas tourism market will be hit hard in 2020 and recovery will be slow
- Short- to medium-term disaster
- Short-term decline
- Medium-term struggle
- Long-term growth

APPENDIX

A note on COVID-19

- COVID-19's impact on travel and German consumer behaviour

Appendix – products covered, abbreviations and consumer research methodology

- Products covered in this Report
- Consumer research methodology
- Abbreviations
- A note on language

Appendix – market size and forecast

- Market size and forecast – value of domestic travel
- Market size and forecast – volume of domestic travel
- Market size and forecast – volume of overseas travel

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