UK Inbound Seminar: Germany

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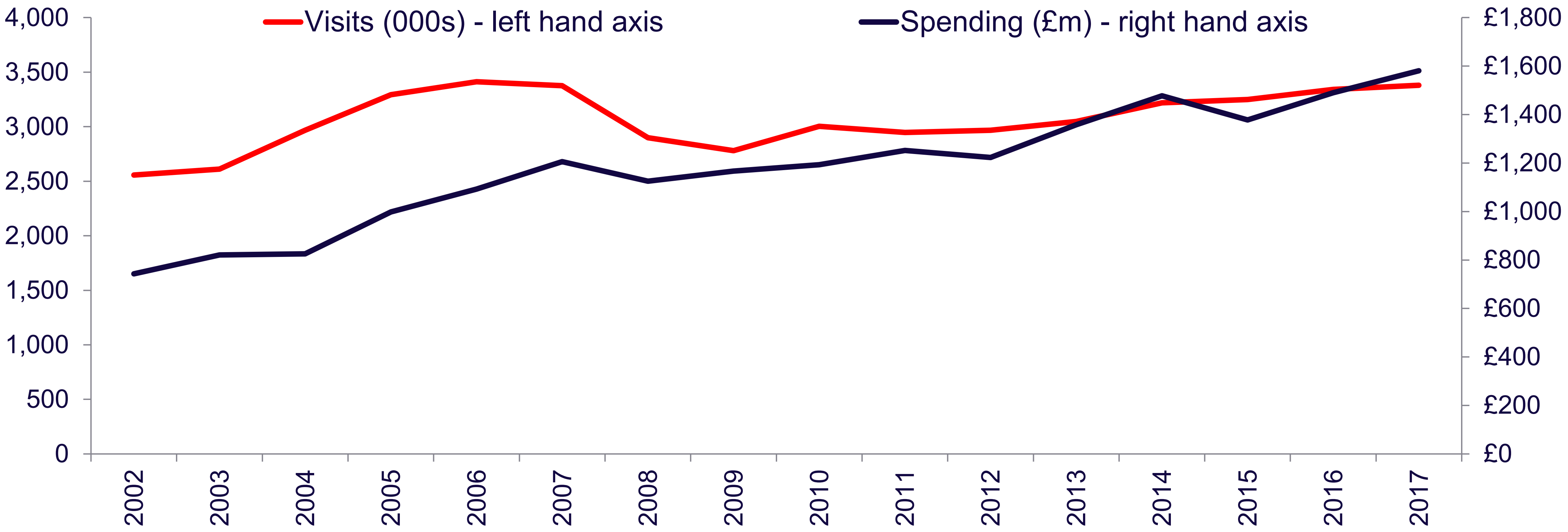
Key inbound market statistics

- **3,38 million German visits to the UK**
  8.6% of total, 3rd in 2017

- **£1.58 billion spending record**
  6.5% of total, 2nd in 2017

Source: International Passenger Survey by ONS

Visit and spend trends



Source: International Passenger Survey by ONS

Year-to-date: January – September 2018

- Visits: 2.5 million
  down 5% vs. Jan-Sep 2017,
  weaker than Jan-Sep 2014-2017

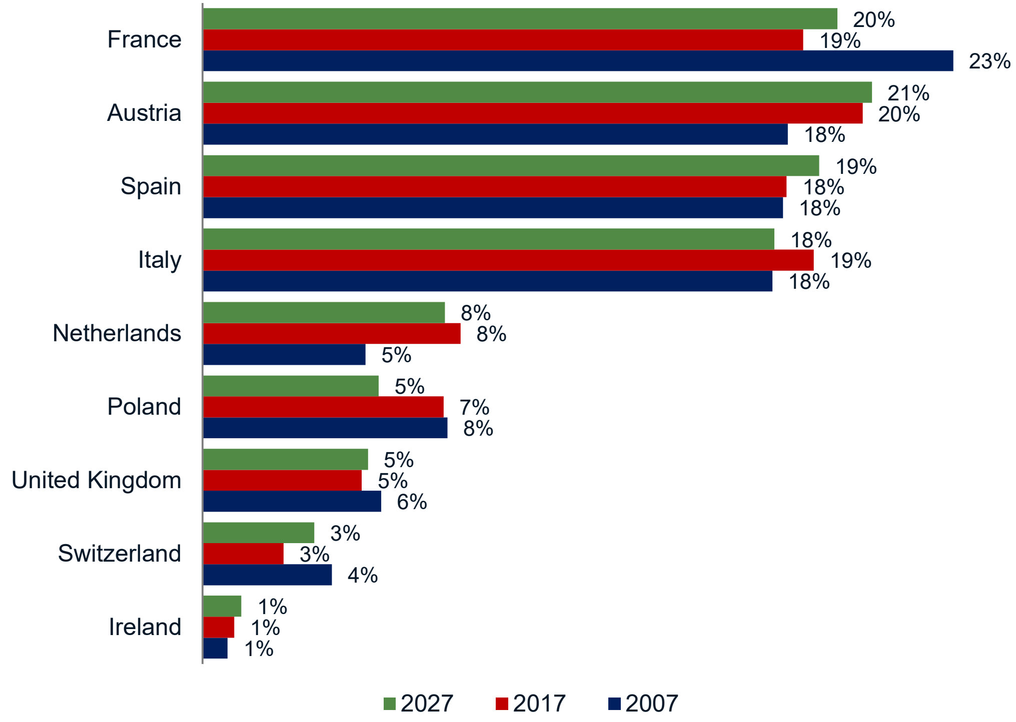
- Visitors spend: £1.1billion
  down 11% vs. Jan-Sep 2017 record

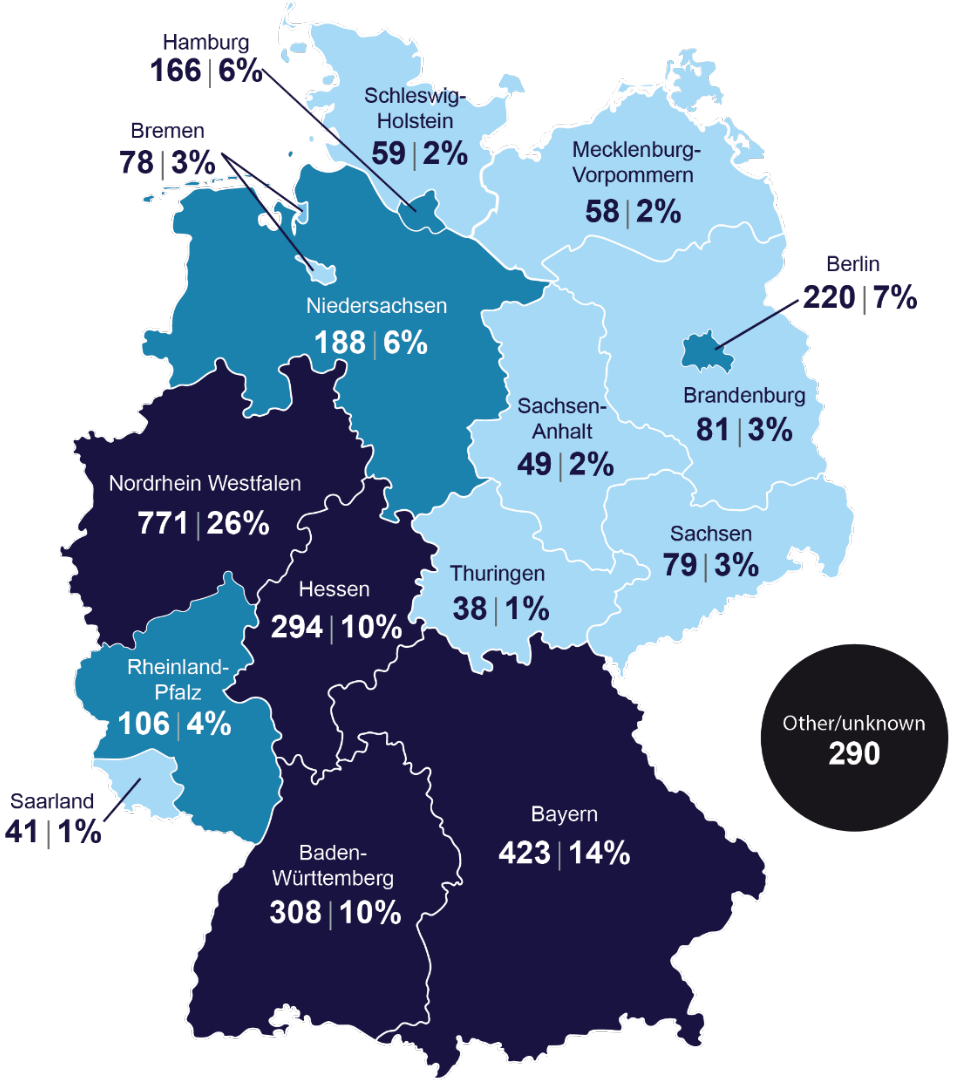
Source: International Passenger Survey by ONS

VisitBritain | VisitEngland

Where from, where to?

The UK's market share of German visits among competitor set

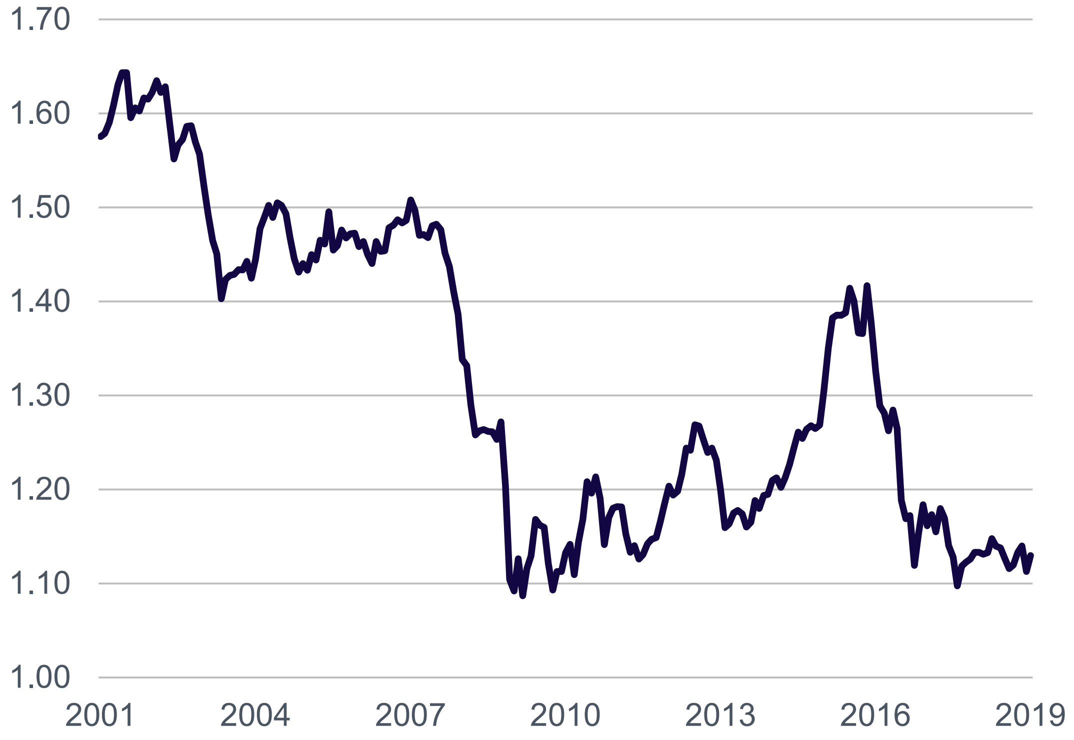




Source: Oxford Economics (outbound overnight trips). German states of residence data from IPS 2015.

Economic outlook

Cost of GBP in EUR



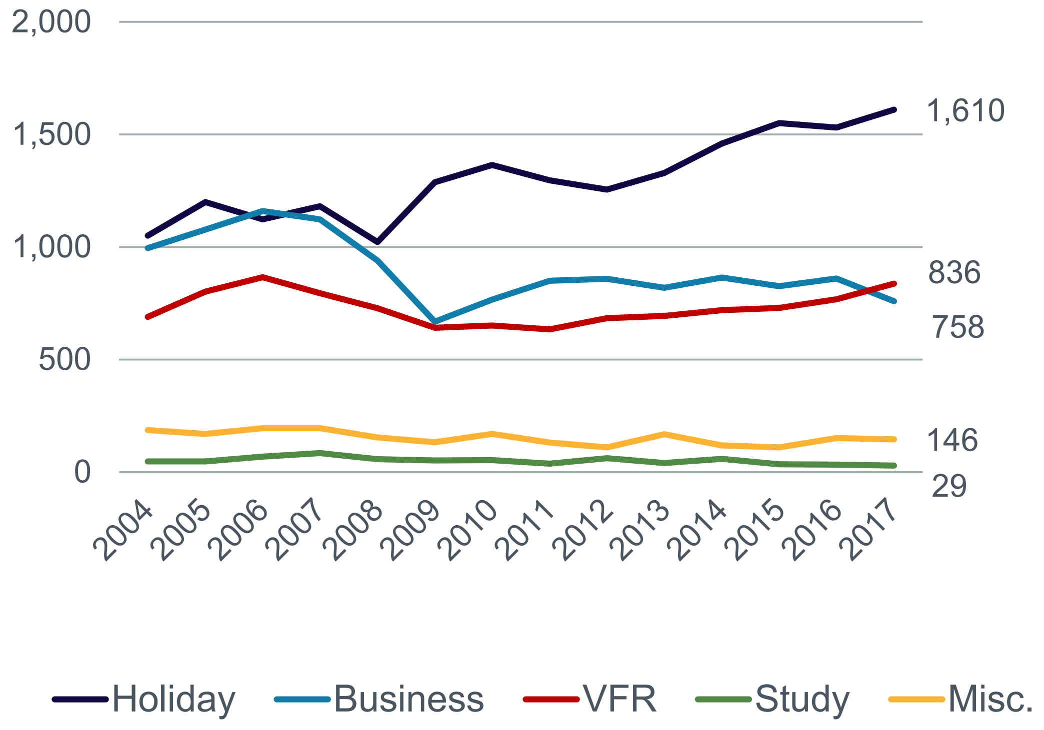
- Exchange rate: favourable
- Europe's largest economy: narrowly avoided recession in H2 2018 and expected to bounce back in 2019
- Consumer confidence & spend are resilient but risks to the downside
- Germans view taking holidays as important to 'recharge'!

Economic indicators	2018	2019	2020
GDP	1.5%	2.3%	1.6%
Consumer spending	1.1%	1.9%	2.0%
Unemployment	5.2%	5.0%	4.9%

Source: Bank of England, Oxford Economics

Leisure visits lead growth

Journey purpose trend (visits 000s)

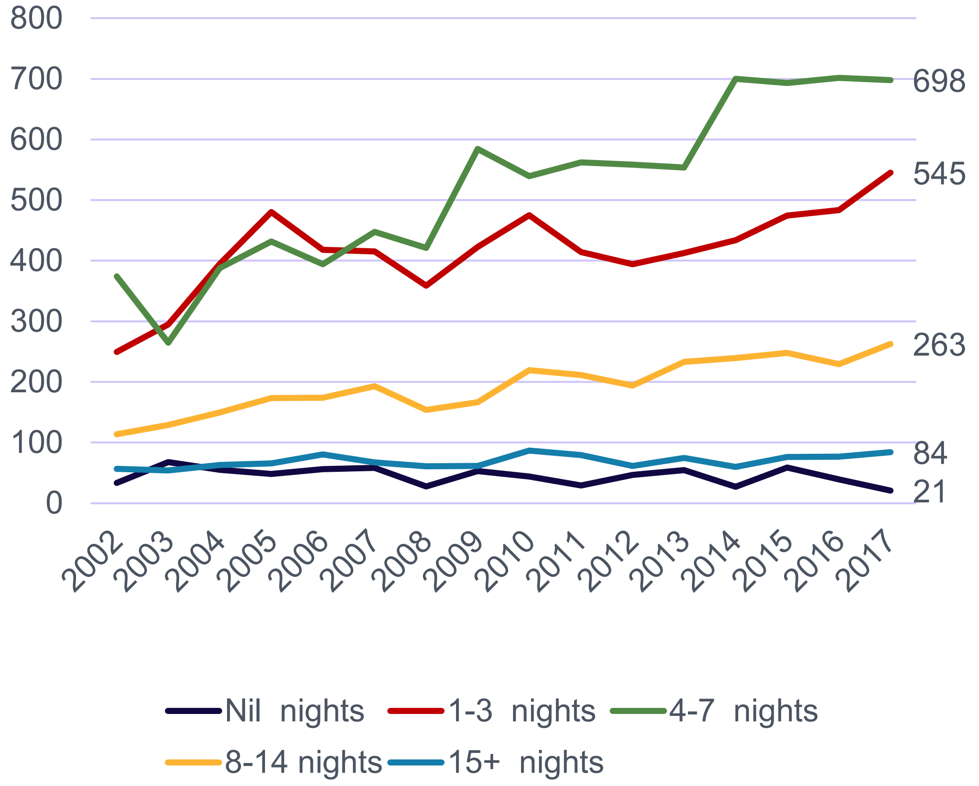


- Amost half of all German visits are made for holidays followed by one in four to friends/relatives in the UK.
- Holiday visits grew to a record 1.6 million in 2017.
- German holiday spend set a record in 2017 at £811 million and VFR* spend was at its highest with £239 million.
- Business visits are still more than 400,000 short of 2006 record.

Source: International Passenger Survey by ONS, *VFR = visiting friends and/or relatives

Short - medium length breaks are most popular

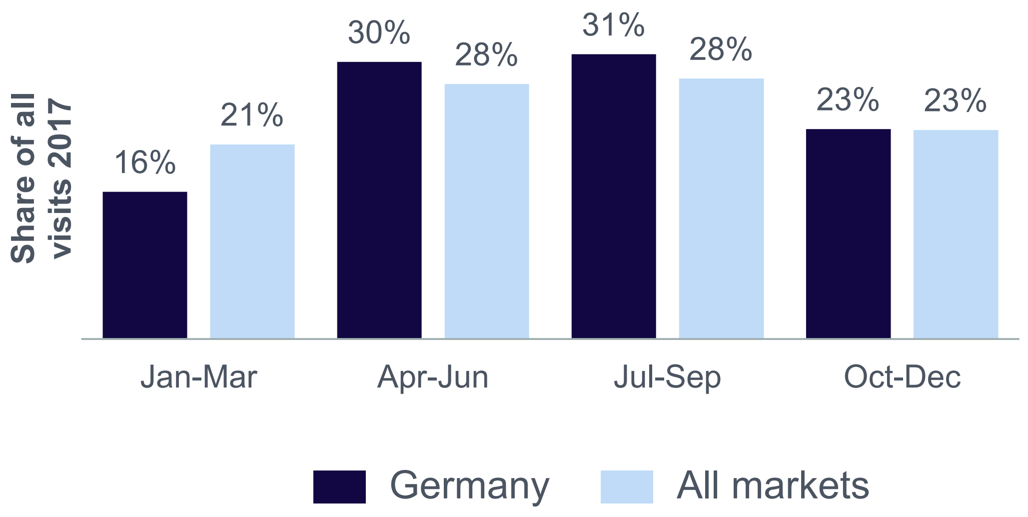
Holiday visits by duration (000s)



Source: International Passenger Survey by ONS

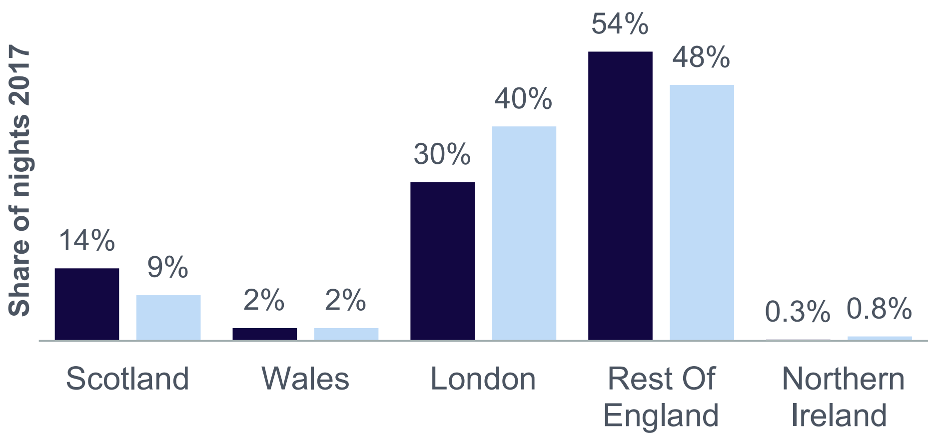
Average duration of a trip:

- Holiday visits: 5.8 nights
- Higher than EU average (4.8 nights)
- Spring and summer are key



Excellent regional spread

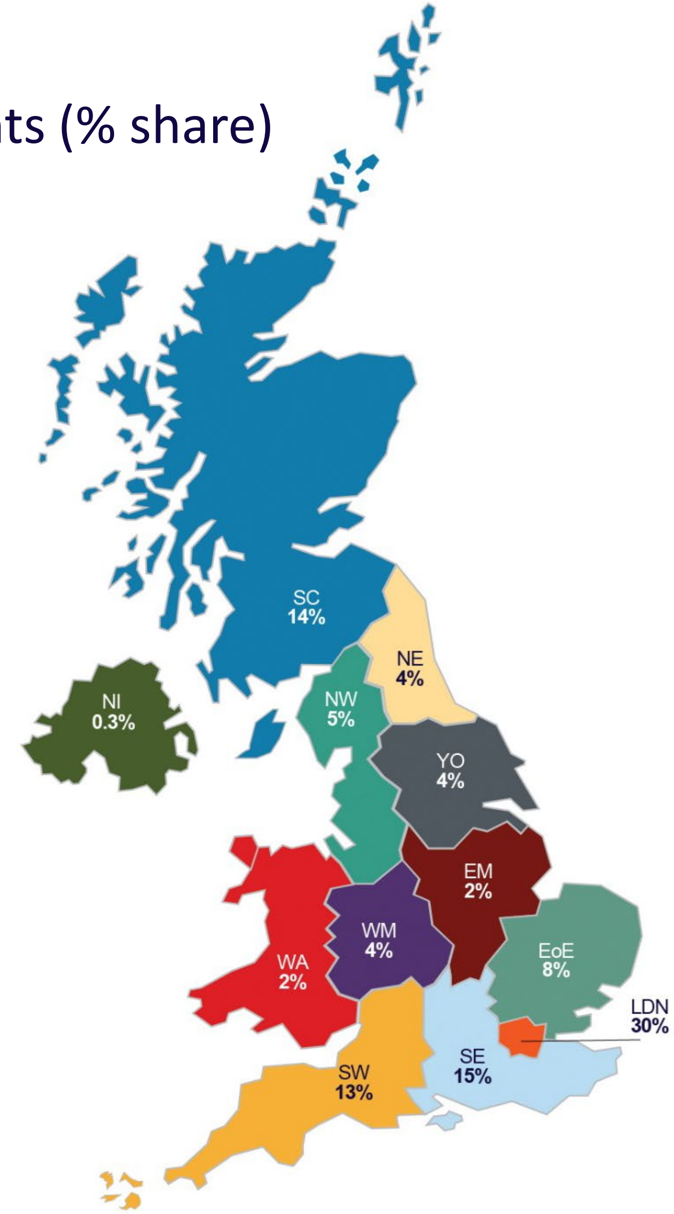
- Germans often venture outside of London
- South East, Scotland and South West are also particularly popular



Source: International Passenger Survey by ONS

Rosamunde Pilcher

Nights (% share)



German perceptions of the UK

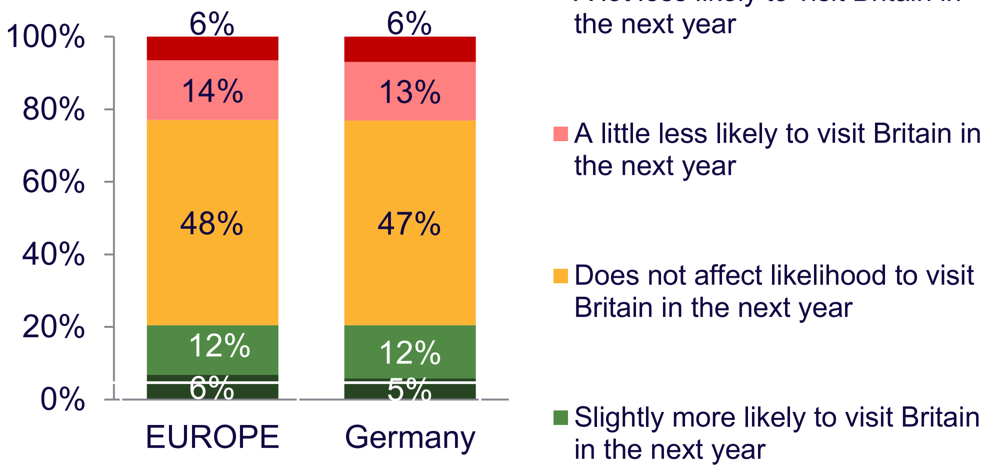
Britain's ranking out of 50 nations Measure	German respondents	All respondents
Overall Nation Brand	**11**	**3**
Culture (overall)	**3**	**4**
The country has a rich cultural heritage	7	7
The country is an interesting and exciting place for contemporary culture such as music, films, art and literature	4	4
The country excels at sports	5	5
People (overall)	**19**	**6**
If I visited the country, the people would make me feel welcome	25	15
Tourism (overall)	**14**	**4**
Would like to visit the country if money was no object	18	5
The country is rich in natural beauty	29	24
The country is rich in historic buildings and monuments	7	5
The country has a vibrant city life and urban attractions	6	4

Source: Anholt Nation Brands Index powered by Ipsos 2017

German sentiment around the exit from the EU

Impact on likelihood to visit from uncertainty during negotiations

September/ October 2018 Results:



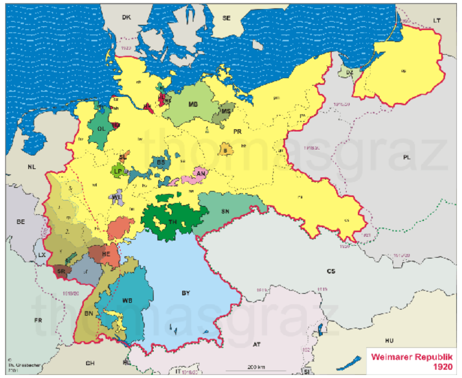
Balance:	EUROPE	Germany
Sep/Oct 2018	-2%	-2%
% share:		
I was not planning on visiting in 2019	11%	14%

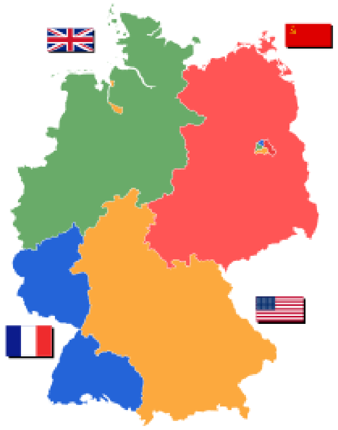
- 38% of Germans say their opinion of Britain has become more negative after the EU referendum.
- 47% say propensity to visit during uncertainty while negotiations are ongoing is not affected, 19% are less likely to visit, 14% not planning to visit in 2019.
- Interest in visiting Britain declined over time to 61% stating interest in autumn 2018 (slightly below European average of 65%).
- Value for money perceptions remain a challenge and only 35% say the low value makes it more likely they will personally visit. 3-in-5 think Britain is an expensive destination.

Source: VisitBritain/ICM 2016-2018, *"Does this uncertainty and the possible impact it could have on your travel to Britain affect your likelihood to visit to Britain in 2019?"*

Germany Overview

- 138.000 sqm
- 81 million people
- $4.029 trillion GDP
- Federal republic/strong federal structure & regionalisation
- Reunification 1990





Market Update

- Economy and business confidence weakening due to trade protection conflicts and uncertainty around Brexit. GDP growth expectation revised downwards for 2019
- Unemployment on lowest level since reunification
- Decline in consumer confidence but consumer spending still very strong
- Angela Merkel stepped down as party leader and will not stand for the next elections
- Integration of refuguees ongoing
- Very strong interest in and media coverage of all Brexit-related issues

The German Travel Market

Main holidays (5+ days)

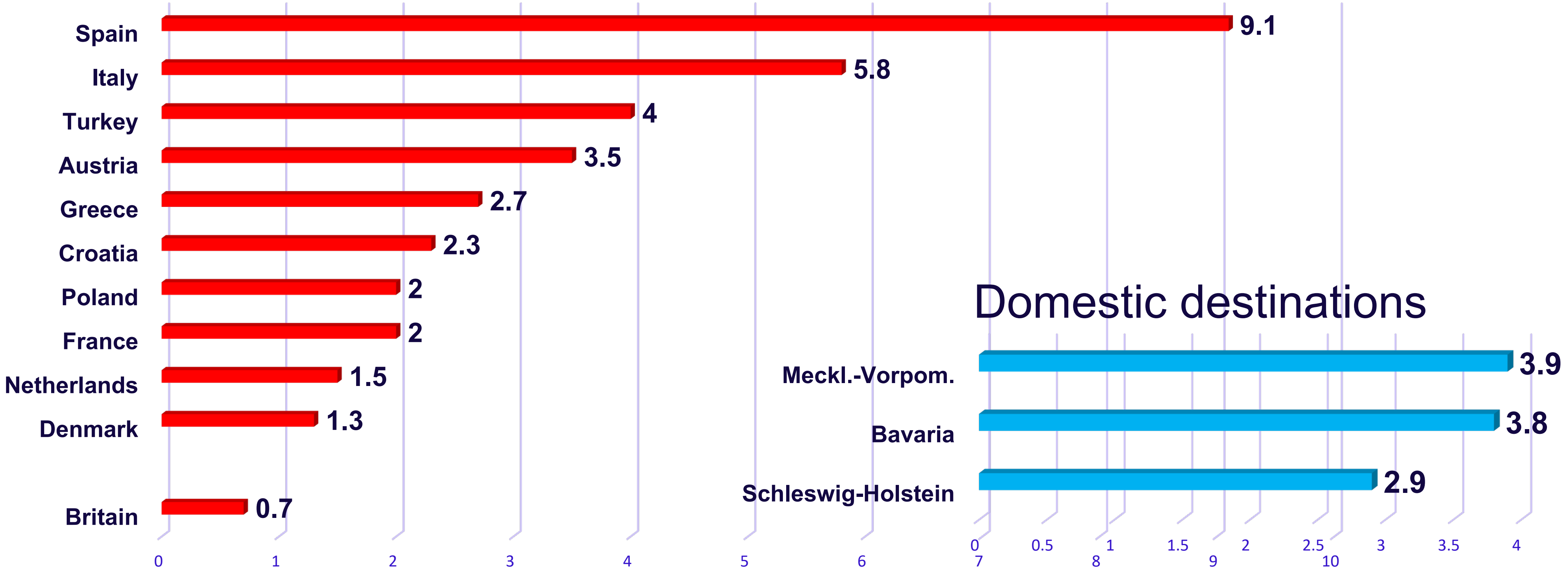
- 67.6m trips
- €73.4bn expenditure
- 72% international, 28% domestic

Short breaks (2-4 days)

- 82.1m
- €23.0bn expenditure
- 74% domestic, 26% international

Longer Holidays 5 Nights+ 2017 (in Mio.)

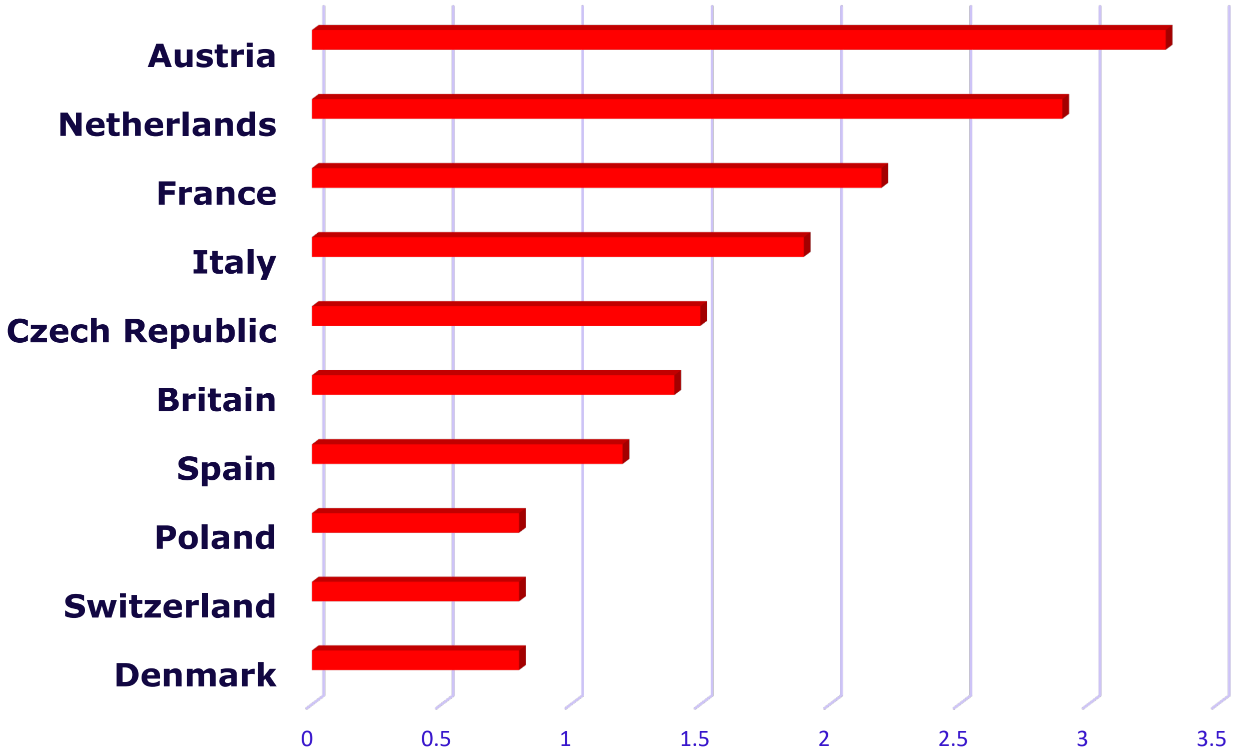
International destinations



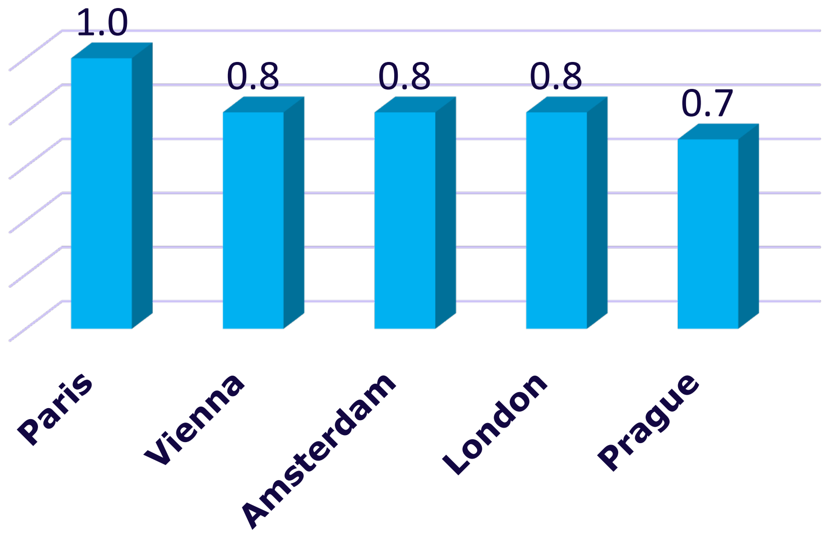
FUR Reiseanalyse 2018

Short Breaks 2-4 Nights 2017

International destinations

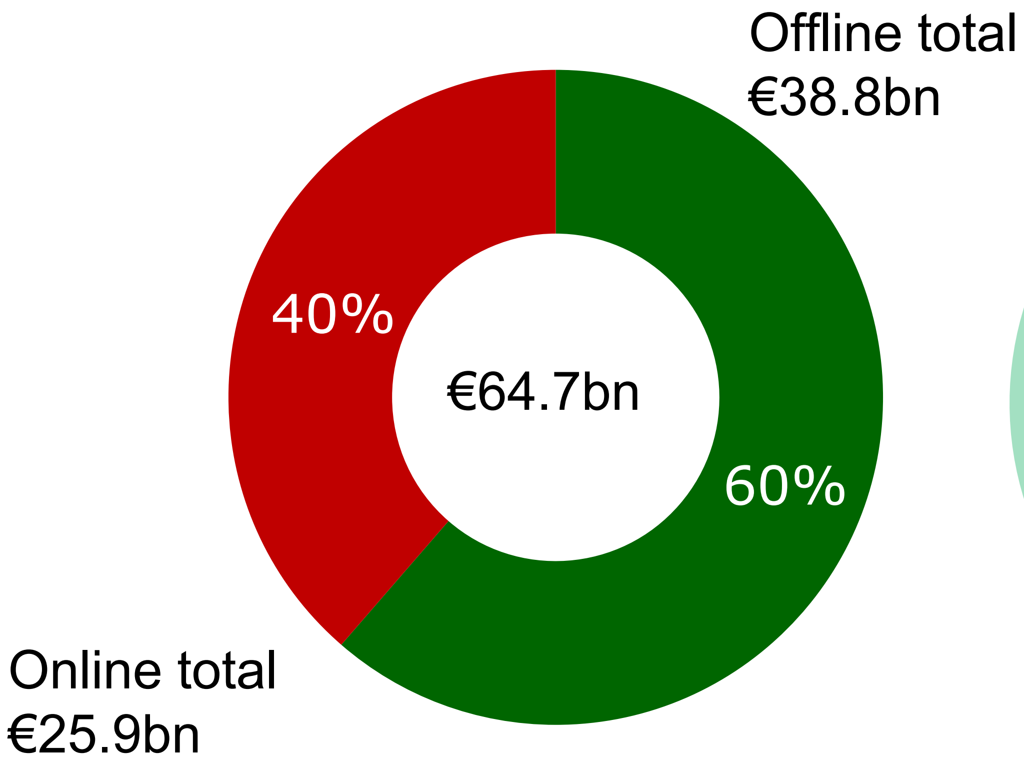


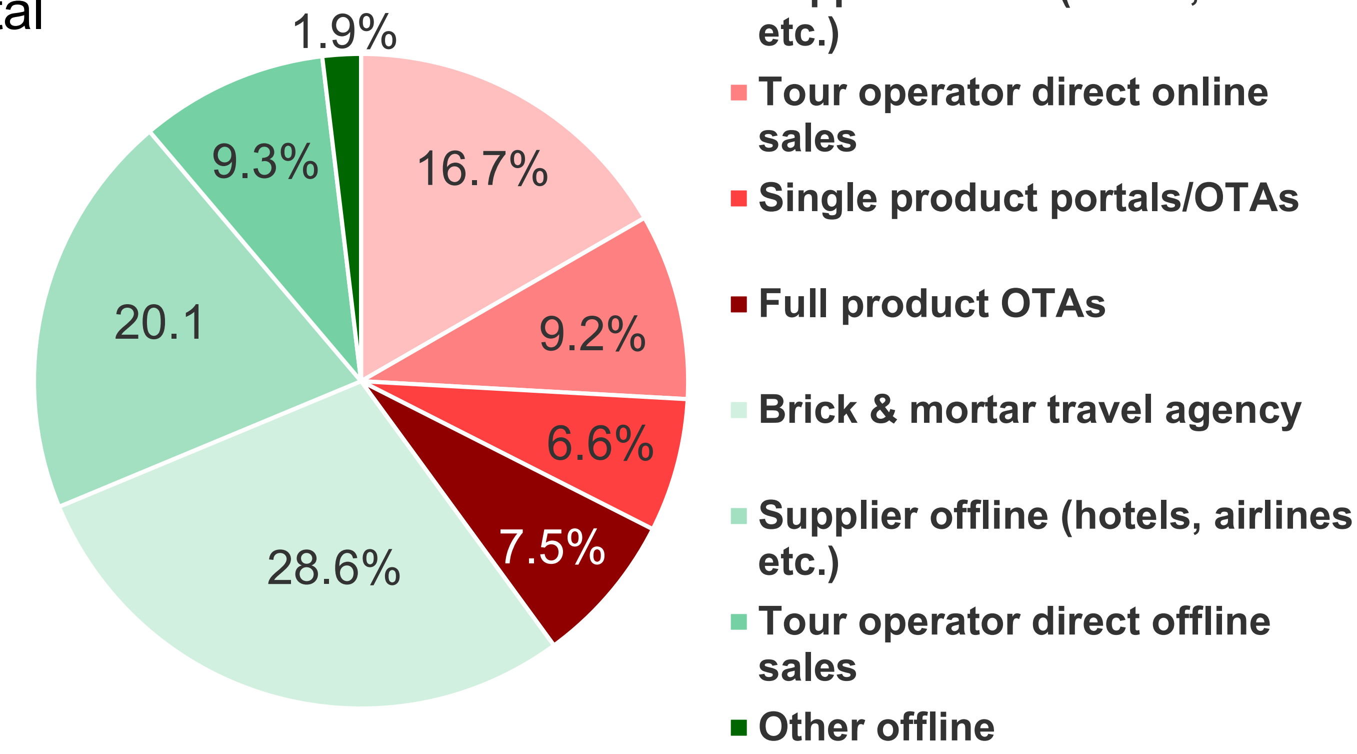
Top five international cities (million visits.)



FUR Reiseanalyse

Holiday Booking Channels Germany 2017





DRV/GfK Travel Insights 2018

The German Travel Trade

- Big FIT operators
- Group & coach travel (incl. package wholesale operators)
- Cultural tours („Studienreisen“)
- Activity holidays
- Small destination specialists
- Cruise operators
- OTAs/Online Booking Platforms

Top 10 Tour Operators Germany 2018

Top Ten Tour Operators	Turnover €m	Pax figures
TUI Deutschland*	4.400	6.100,000
Thomas Cook Group	3.800	6.460,000
DER Touristik*	2.652	5.229,000
FTI Group*	2.900*	4.250,000
Aida Cruises(*)	1.850	1.041,600
Alltours Flugreisen	1.440	1.660,000
Schauinsland Reisen	1.340	1.430,000
TUI Cruises(*)	1.180	467,000*
Phoenix Reisen	364	162,780
Vtours	330	602,448

FVW 2019

Top 10 OTAs/Online Platforms Germany 2017

Company Name	Turnover 2017 (€m)	Platform(s)
Booking.com	2,400	Booking.com
Expedia Group	1,450	Expedia.de, Hotels.com, ebookers.de
Check24	1,400	Check24.de, Mietwagen-Check.de
HRS	1,000	Hrs.de, hotel.de
Invia Germany	950	Ab-in-den-Urlaub.de, Fluege.de, Reisen.de, Flug24.de
Holidaycheck	870	Holidaycheck.de
Edreams Odigeo	845	Opodo.de, Govelo.de, Edreams.de
TUI Deutschland	800	TUI.com, TUIfly.com, Ltur.com, 1-2-Fly.com, Airtours.de
Airbnb	500	Airbnb.com
FTI Touristik	310	Sonnenklar-tv, FTI.de, 5vorflug.de, fly.de, Flugboerse.de

FVW 2018

Booking Trends

General:

- Very strong growth for tour operator market of 7%-8% in 2018
- Strong year for Turkey, Croatia & Greece, Northern Africa picking up again, Spain & Portugal down
- Good year for our direct competitors
- Current bookings down on last year
- Not an early booking year

Britain-specific:

- Mixed year last year
- Negative impact of Brexit-related uncertainty and sentiment on bookings for this year

Reaching the German Travel Trade

- Explore GB & VS Expo
- ITB Berlin
- RDA Workshops (Cologne & Friedrichshafen)
- VB channels
- Direct contact & sales visits
- Personal relationships

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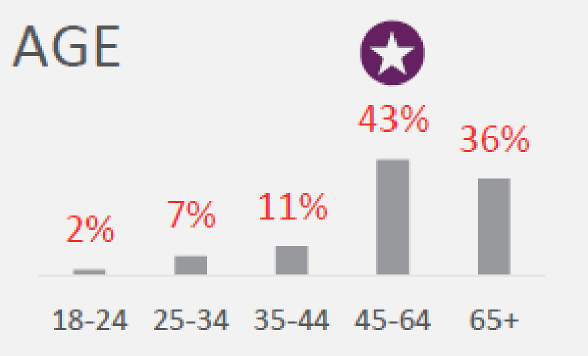
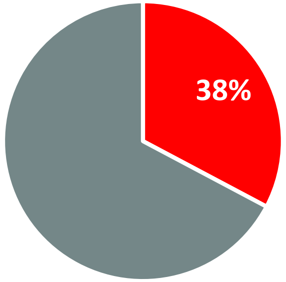
VisitBritain Target Segments Germany: Explorer



Explorer

- Well educated and well travelled , they know what they want, base their decisions on their experiences
- Their goal is to deepen their knowledge and learn as much as they can from their holiday. Therefore everything is carefully thought of in advance but there's always space for some last minute additions if it'll enhance their opportunity to comprehend the local culture.
- Enjoy visiting the famous iconic places however they're also very keen in experiencing nature
- Plan and book very early and often use traditional booking channels
- Get inspired offline and go online to research and plan

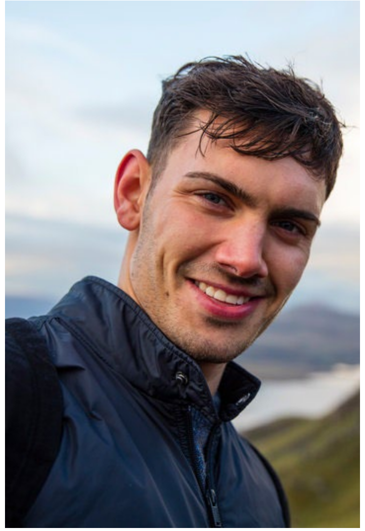
Segment size:

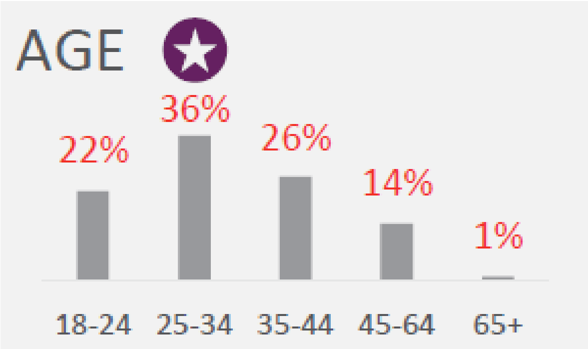


Products:

- Touring holidays (main & shoulder season, shorter & longer)
- London always on

VisitBritain Target Segments Germany: Buzzseeker

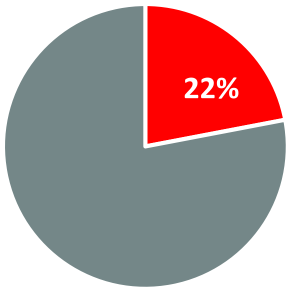




Buzzseeker

- Young and curious to explore the world, different cultures and people and do so extensively
- Vibrant and full of life are eager to learn and discover.
- Place more importance in authentic experiences and adventures rather than visiting the classic landmarks.
- Britain is considered to be a unique and attractive place full of possibilities and places, things to explore such as music, events, fashion etc…
- Their approach to holiday planning and booking is flexible and spontaneous and completely

Segment size:

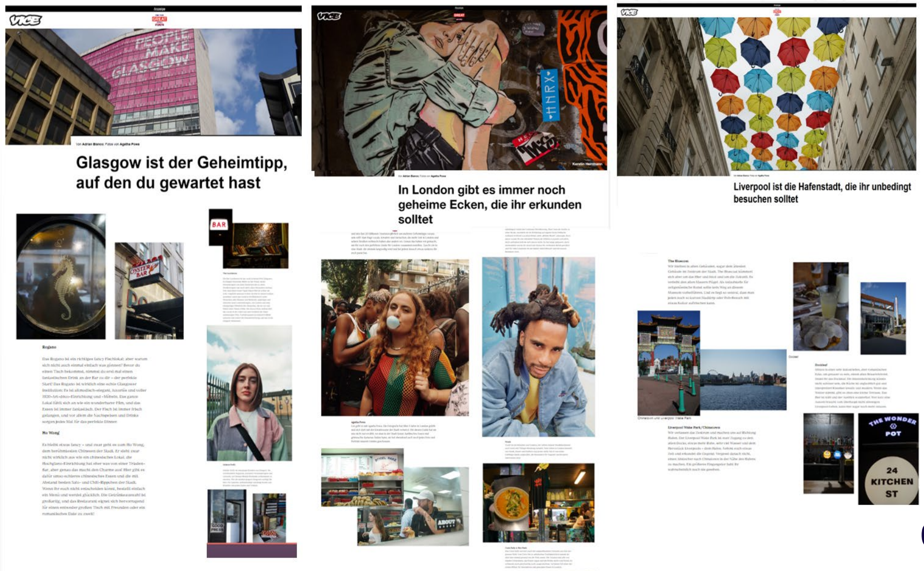


Products:

- Off-season city breaks (secondary cities)
- London always on

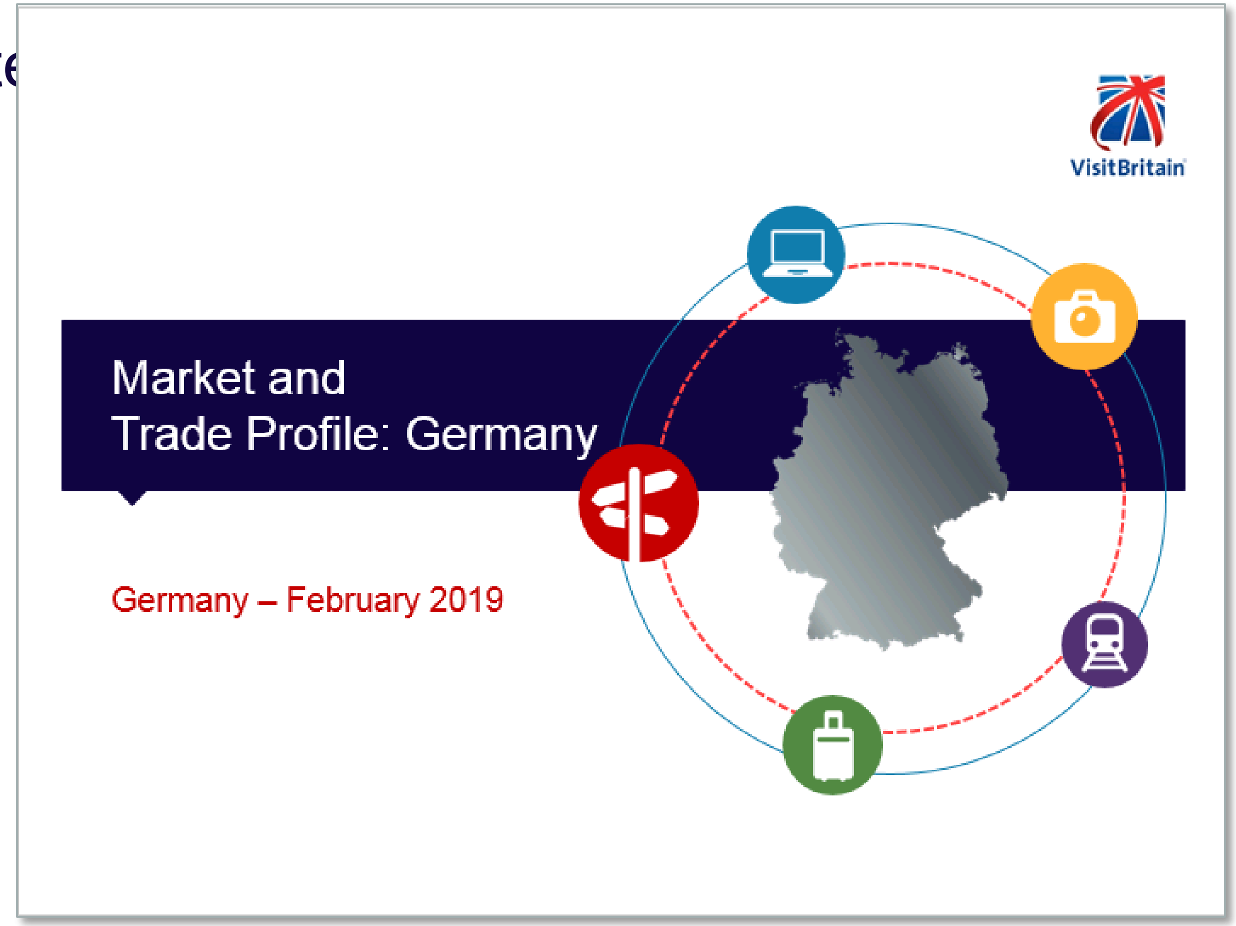
VisitBritain Activities

- Destination PR (traditional & influencer)
- Britain brand campaigns (offline and digital)
- Content partnerships
- Commercial partnership campaigns
- Joint activities with key intermediaries
- Discover England Fund



Would you like to know more?

- Plenty more insights in our update market and trade profile available for download on www.visitbritain.org



Thank you – vielen Dank!!