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# ARIZONA

OFFICE OF TOURISM

# Tourism Market Overview

Germany, Austria & Switzerland

FY 2019/2020

Kaus Media Services

# Overview

Market Update:

Germany

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PR Accomplishments & Achievements

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# Market Update

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# Market Update

As the world's fourth largest economy, Germany is the European Union's (EU's) most populous nation and plays a leading role in the continent's economic, political and security affairs. Germany is renowned for its technological innovation, art and science.

At the same time, foreign holidays are high on the agenda for German consumers, considered an important leisure pursuit they are unwilling to dispense with even during harder economic times. Germany's strong economy and key role in Europe has kept consumer confidence relatively high, supporting demand for outbound travel.

The German outbound market is one of the largest and most developed in the world. The robust German economy and high standard of living enjoyed by Germans means that a vast proportion of citizens can bring travel aspirations to reality. Despite a well-developed market, outbound leisure travel is heavily concentrated on short- and medium-haul destinations in the Mediterranean and Europe. Germans are notorious sun-seekers enjoying the sun/beach holidays above all particularly as part of a package deal (flight, accommodation and transport). Spain, France, Italy and Greece have traditionally been the major pull for German sun-seekers for some years. In the past decade, Germans have been attracted by budget destinations offering the same sun/beach holiday but at budget or value prices. At the same time, the number of visitors to the U.S. has reached all-time records in the past few years and has made the U.S. the number one long-haul destination for German travelers.

# Market Update

## Impact of the Corona Crisis

The first half of 2020 shook the whole world with the global impact of the corona pandemic. The tourism industry has been particularly struck by the corona crisis. The slump in sales has been and remains immense. Even though the first tourist activities such as restaurant visits or overnight stays in hotels have again been made possible in Germany and differentiated travel advice instead of the previous travel warning has been in force for a large part of the European countries since mid-June, the corona crisis continues to hit the tourism industry hard.

The slow recovery of the first parts of the industry is subject to strict regulations, which still by no means allow "business as usual". In addition, a travel warning is still in effect for most of the world until at least the end of August. Trade fairs and events in Germany are largely prohibited. The patchwork of existing regulations is also problematic for companies and customers alike, as are the many uncertainties that still exist with regard to future travel activities. The airlines are keen to restart their services to the United States as soon as possible.

## Demographic Facts & Statistics

- Population: **80.15 million inhabitants** (approx. 100.6 million incl. Austria & Switzerland)
- Germany's population is no longer shrinking. The positive migration balance compensates the country's birth deficit, taking the Germany's population to approx. 83 million inhabitants – the highest level since the German reunification.
- Labor Force: **44.8 million persons in April 2020**
- Unemployment Rate: **3.8 % in April 2020**



# Demographic Facts & Statistics

**GDP: approximately USD 4.2 trillion**

The corona pandemic hits the German economy hard. Although the spread of the coronavirus did not have a major effect on the economic performance in January and February, the impact of the pandemic is serious for the 1st quarter of 2020. The gross domestic product (GDP) was down by 2.2% on the 4th quarter of 2019 upon price, seasonal and calendar adjustment. That was the largest decrease since the global financial and economic crisis of 2008/2009 and the second largest decrease since German unification. A larger quarter-on-quarter decline was recorded only for the 1st quarter of 2009 (-4.7%).

Economic performance slumped heavily also in a year-on-year comparison. The GDP in the 1st quarter of 2020 was down a price-adjusted 1.9%, and a calendar-adjusted 2.3%, on a year earlier. Only in the years of the financial and economic crisis of 2008/2009 had there been larger decreases on the relevant quarter of the preceding year. The largest decrease (-7.9%) had been recorded for the 2nd quarter of 2009 (in calendar-adjusted terms for the 1st quarter of 2009 (-6.9%)).

Capital formation in construction and government final consumption expenditure prevent larger decrease  
Household final consumption expenditure fell sharply in the 1st quarter of 2020. Gross fixed capital formation in machinery and equipment decreased considerably, too. However, final consumption expenditure of general government and gross fixed capital formation in construction had a stabilising effect and prevented a larger GDP decrease. Both exports and imports saw a strong decline on the 4th quarter of 2019.

# Travel Market

## The German Tourist

- Minimum 24 days of paid annual leave
- 78% of all Germans went on vacation at least once in 2019 (minimum of five days)
- 8.4% to a long-haul destination
- North America and Southeast Asia remain the most popular long-haul destinations in 2019
- Package holidays remain the most important form of holiday organization for Germans (45%).
- Online bookings are the most used booking channel (46%)

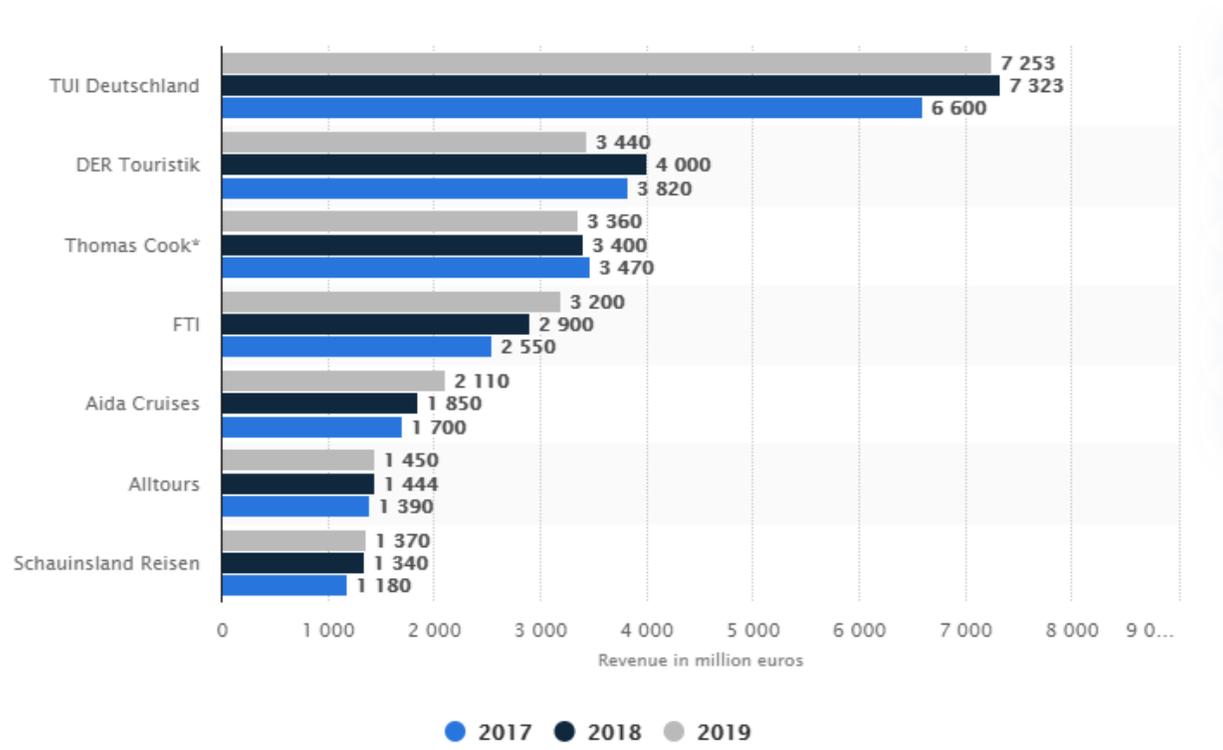
## Methods of gathering information



Source: reiseanalyse.de

# Travel Market

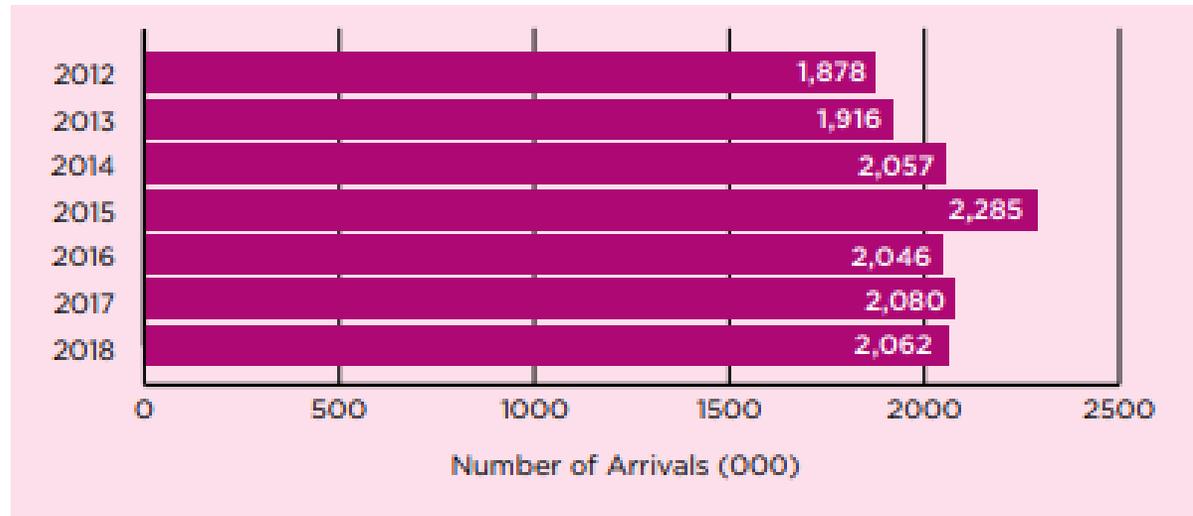
## Largest German tour operators by revenue (in million euros)



Source: statista

# Travel Market

## Incoming German travelers to the U.S.



Source: thebrandusa.com

# The German Tourist

## Why are German Travelers important to Arizona?

- German guests spent 19.5 nights in the U.S. while on vacation and 4.2 nights in Arizona.
- In 2019, 145,400 German travelers visited Arizona.
- In 2019, German visitors spent 206 Million USD while visiting Arizona
- 94% of the German visitors visit Arizona for leisure.
- Germany is the largest overseas source market.
- Germans like the climate in the summer time, so they come in summer as well.

*\*Source: Tourism Economics, Longwoods International, Dean Runyan Associates*

# The German Tourist

## Top Methods of Sharing Travel Experiences:



- Bring back gifts for friends or relatives purchased in the USA – 46.3%
- Send postcards or letters from the United States – 35.3%
- Post pictures or videos on social media – 30.3%
- Show off products purchased in the USA – 29.6%

## Deterrents to Visiting U.S.:

- USA is too expensive – 45.4%
- The United States is too far away – 30.3%
- Uncomfortable with US national politics – 27.7%
- Better destinations exist – 19.3%
- Concerns about my personal safety in the United States – 18.2%

## Most Important Content to the Destination Decision:



National Parks -  
40.7%



Ways to experience  
nature - 39.0%



Hotels and lodging -  
35.1%



Important iconic  
attractions - 34.7%

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# PR Achievements & Accomplishments in FY 19/20

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# PR Accomplishments & Achievements



# PR Accomplishments & Achievements

## General Public Relations Activities

- KMS arranged 34 meetings for the Arizona Office of Tourism's media delegation at ITB Berlin 2020. Unfortunately, the trade show has been cancelled on short notice due to the global COVID-19 pandemic.
- KMS arranged 22 meetings for the Arizona Office of Tourism at the International Media Marketplace (IMM) Germany 2020. Furthermore, we represented the AOT during the media event.

# PR Accomplishments & Achievements

## General Public Relations Activities

- Proactive media calls and story development
- Reactive media assistance and support of editors' desk research
- Frequent updates of Arizona media information and the Arizona press kit
- Maintenance of an Arizona text and photo archive
- Monthly result and media monitoring
- Monthly media coverage evaluation and documentation
- Monthly activity reports

# PR Accomplishments & Achievements

## Media Relations

- Distribution of monthly Arizona press releases
- Distribution of monthly Arizona e-mail newsletters
  - **302 articles** were generated through press releases and newsletters
  - Press releases and newsletters led to a combined media value of **\$ 6,524,256**
- Furthermore, KMS featured the AOT in themed agency press releases



# PR Accomplishments & Achievements

## FAM Trips

- KMS supported 5 journalists with press fam trips to Arizona
  - Additional individual press trips as well as the group press trip planned for end of April 2020 had to be canceled due to the Covid-19 crisis situation.
  - **86 feature articles** were generated through press trips.
- media value of \$ 6,075,744



# PR Accomplishments & Achievements

## Total Fiscal Year 2019/20

- **392 agency generated Arizona articles:**
  - 187 print articles
  - 199 online articles
  - 6 Social media posts
- Total circulation/visitation of more than **243.5 million contacts**
- Agency generated media value of **US\$ 12.6 million**

# Thank You

Please send us all your media information, press kits, newsletters and story ideas and add us to your media distribution list so that we can promote your region, hotel or services:

Kaus Media Services  
arizona@kaus.net

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