

Germany Tourism Trends & Relevant Markets 2023

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1. Introduction

The tourism industry is facing a dynamic and complex environment influenced by a multitude of factors: rapid globalisation, a high degree of digitalisation at all levels, changing travel habits of a fast-growing population and an increasing environmental awareness in times of climate change are among the key influencing factors that are continuously changing the tourism industry.

In many countries, tourism is a significant economic force and contributes greatly to value creation. **Germany's share of travel and tourism in Europe's GDP is now 6.2 per cent**; a higher share is recorded in Iceland (13.6 per cent), Italy (9.1 per cent) and Spain (8.5 per cent). For countries that tend to focus economically on tourism, this market acts as an important employer for the local population. Nevertheless, the shortage of skilled labour also affects tourism: currently there are about 1.2 million job vacancies in Europe.

International Tourism

Is growing from about 674 million people in 2000 to about 920 million in 2022.

New trends and continuous changes are forcing the tourism sector to evolve in terms of offers and their execution and to change completely structurally. The population is looking for a **balance in travel**, from a mentally demanding everyday life to more flexibility, health and hybrid working.

In the middle of the times of structural and value change, the Covid19 pandemic enters in 2020, which brings a complete shutdown of the entire tourism value chain. **High producer and energy prices, fear of recession, political unrest and the Russian-Ukrainian war** mean that the number of overnight stays and the mobility of travellers are currently only slowly returning to the years before the crisis, and people's ambitions are still characterised by a general reluctance to invest and risk behaviour.

The trend study by Horwath HTL – in cooperation with the Heilbronn University of Applied Science – focuses on current trend drivers shaping the **tourism sector**, including the **digitalisation of services, the personalisation of travel experiences and the rise of sustainable tourism**.

The **topic of sustainability** simultaneously includes partial aspects and values such as **climate protection, responsibility, resilience, quality of life, use of technological solutions** as well as **solidarity** and thus also **renunciation for the common good**.

Consumer Behaviour

In 2022, average annual consumer spending per household will rise more than € 32,000 (+25 % compared to 2000).

Furthermore, we deal with changing market structures of **relevant tourism markets** such as **health & wellness, cycling, hiking and camping tourism** as well as the MICE market in the light of the travel behaviour of the German population.

By approaching these trends and markets in tourism from the perspective as a market leader in tourism consulting, Horwath HTL Germany can not only analyse current developments but also gain

insights into possible future scenarios. This will enable decision-makers, investors and operators to make informed choices to adapt to the challenges and opportunities of this ever-changing sector.

The travel review – travel planning, behaviour, destinations, duration, and costs – as well as the analysis of trends and relevant markets are based on studies and sources that can be found in full in the 2021 Trend Study.

2. Travel Report

According to current results from the Federal Statistical Office, accommodation establishments in Germany will record a total of 450.8 million overnight stays in 2022.

Due to the relaxed travel restrictions after the Covid19 pandemic, overnight stays by domestic guests rise to a total of 382.7 million in 2022 (+37.1 percent compared to the previous year).

Overnight stays by foreign guests recover at the same time with an increase of 68.1 million overnight stays (+119.6 per cent).

+45.3% overnight stays compared to 2021
-9.1% overnight stays compared to 2019
15% international guest share

During **travel planning**, the use of online booking tools continues to increase. Thus, the share of trips booked online increases to almost 50 percent in 2022 (+6 percent compared to 2019); at the same time, the share of trips booked in travel agencies decreases to 31 percent (-8 percent compared to 2019).

Looking at the different **types of establishments**, hotels, inns and guesthouses are recovering rather slowly: in 2022, these establishments record 12.5 per cent more overnight stays compared to 2019 (+ 59.7 per cent compared to 2021), but as in recent years, they account for almost half of the total volume. In comparison, campsites increase their overnight stays by 12.4 percent compared to 2019.

80% of Germans are also planning a long-term holiday in three to five years, open to travel within Germany
 (+45% compared to 2019)

The first **means of transport** for domestic travel is the car, chosen by 73 per cent of German holidaymakers. The use of rail remains stable at 17 percent, but there is an increase to five percent in the use of mobile homes.

For a short escape from everyday life, around 31.4 million **short holiday travellers** are counted in 2022, generating a financial volume of around 76.8 million euros. This corresponds to an average of 2.45 short trips per person and an average travel budget of around 860 euros/person.

At the same time, the acceptance of **ground-based travel** is increasing – within Germany, the Baltic Sea (with 10.9 percent) is the most popular destination, followed by Bavaria (7.2 percent) and the North Sea (6.8 percent). Nevertheless, **trips abroad** remain the first choice for almost three-quarters of Germans for their main holiday of more than 5 days, and more than 49 million trips are preferred to the Mediterranean (Spain: 12.9 percent, Italy 8.4 percent, Turkey 7.9 percent). In proportion, **long-distance travel** continues to achieve a decline in 2022 due to general changes in the pandemic, rising costs of living and the growing sense of sustainability: 13.1 per cent (-4.1 per cent than in 2019) of Germans visit a country outside Europe for more than 5 days. Most German air travellers will nevertheless remain within Europe, at just under 60 million, followed by America (around 6.5 million), Asia (around 5.2 million) and Africa (just under 3 million).

All in all, the Germans' **travel intensity** has increased significantly in contrast to the previous year – and six out of ten German citizens are already planning their next trip, according to the tourism analysis of the Stiftung Zukunftsfragen. Neither the war in Ukraine nor the political and economic crises in their own country are clouding the travel resolve of many German citizens.

Germany remains the most popular destination for Germans, accounting for 27% of all trips
 (Reiseanalyse, 2023)

Although an increasing demand for travel offers can be expected until at least 2030, companies and organisations in the tourism industry are called upon to actively address sustainable market success as digital mega-platforms and agile start-ups emerge as new competitors. Meeting these challenges requires structural changes in business models and processes as well as support from government action.

3. Trends

3.1. Sustainability

Sustainability vs. Overtourism

Overtourism describes the carrying capacity limit, i.e. the subjective pain threshold of the inhabitants, to what extent the impact of local tourism negatively affects the perceived quality of life. The UNWTO defines this carrying capacity limit as “the maximum number of tourists that can visit a tourist destination at the same time without destroying the physical, economic or socio-cultural environment and reducing visitor satisfaction to a significant extent”.

42% of Germans would like to travel “as ecologically compatible, resource-saving and/or environmentally friendly as possible”

Since 1970

- Greenland has lost about 4,800 billion tons of ice
- global sea level has risen by about 13.7cm
- the average surface temperature of the Earth has risen by 0.8 degrees Celsius.

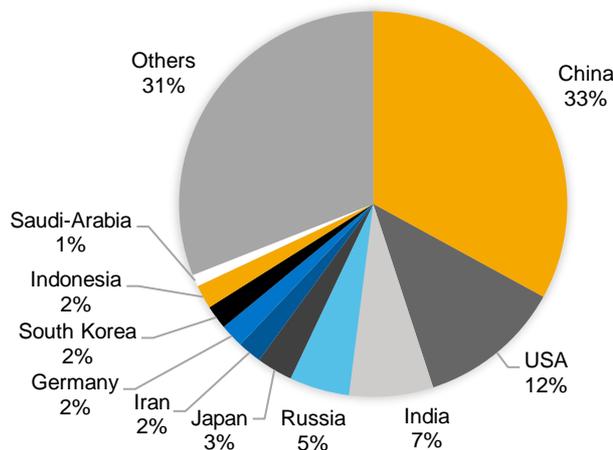
Destination correlates with sustainability: people are already travelling more sustainably to Scandinavia in particular, and more than one in five trips (21 per cent) to Norway, Sweden and Finland involves booking accommodation with a sustainability certificate, and at least one in ten of these trips involves carbon offsetting.

This development of Northern European holiday destinations is analogous to the desire for more individuality and authenticity instead of mass tourism destinations. At the same time, both the attitude of society there and the content of politics are more oriented towards sustainable resource-conserving lifestyles than in the Mediterranean neighbours.

Strengthened by climate movements such as Friday for Future, the confrontation with weather changes and the pandemic, the trend towards sustainability and away from mass tourism is expected to continue and intensify. After travel excesses in recent years, the trend is towards new values such as environmental awareness, sustainability and experiencing nature, sense fulfilment and self-discovery and personal closeness to the hosts as well as getting to know authentic regional characteristics.

The average annual global carbon footprint per person in 2019 is about 4.9 tons of CO₂ equivalent – in the USA it is 15 tons per capita.

10 Countries Produce Two-thirds of CO₂ Emissions



Share of countries in global CO₂ emissions in 2021 in %.
Sources: EU Commission, Statista calculation

Sustainability and Transport

The realisation by travellers, but also by municipal leaders, that the climate crisis is truly global has not yet caused any noticeable restrictions in travel behaviour, and so it is increasingly up to destinations, in cooperation with transport and logistics companies, to find intelligent ways to simplify mobility and reduce the ecological footprint of travellers.

Future tourism is shaped by concepts of local tourism and sustainability. Long-distance travel is being questioned and both flight shame and criticism of cruise tourism have reached a broader section of the population. The importance of sustainable tour operators and accommodation will therefore continue to grow.

Due to the pandemic, airlines are being forced to downsize their fleets and route networks. In the quest for more sustainability, electric aircraft could be used as an environmentally friendly alternative for short-haul flights, while long-haul flights are made more environmentally friendly using biofuel. There are also reactions from countries' policies, for example France is banning short-haul domestic flights. The cruise industry is also responding to environmental concerns and is working on environmentally friendly measures by exploring the use of battery-powered ships and biofuels, as is the case with Hurtigruten, for example.

On 13.07.2023 there is a new record: on this day 205,468 flights took off, with more than 19,000 aeroplanes in the air at the same time.

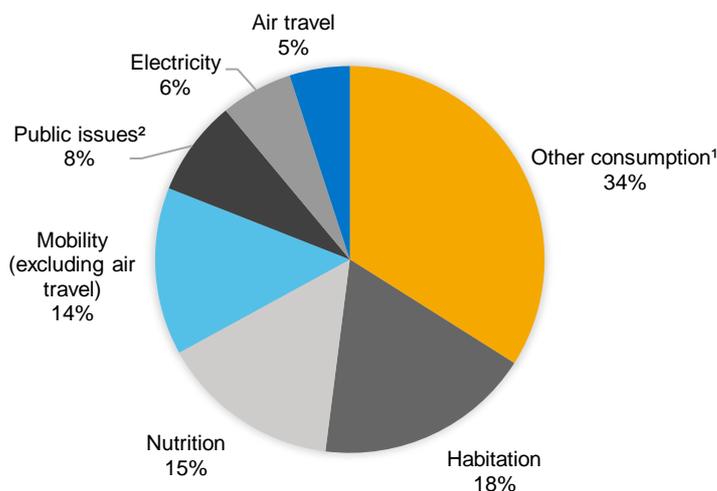
Despite this positive development in attitudes, there are comparatively only a smaller number of holidays where sustainability is really considered: for only five per cent of holidays in 2021, the sustainability of the offer is the decisive factor.

Sustainability in the Sense of Solidarity and Renunciation

Based on current scientific figures, the topic of sustainability promises to be more than just a trend. It is not a matter of upgrading a company's marketing strategy towards sustainability, but of bringing about a rethinking of the population in all walks of life. Tourism is an industry where people want to switch off and freely organise their leisure time without being dictated to. The guest wants a high standard for the product, but at the same time is not willing to pay increasing prices for it. However, if daily mindfulness and sustainable living have a place in everyday life, they will also have that in leisure time; otherwise, it is precisely during this time that people travel the world by air or on a cruise despite criticism, eat well (meat consumption, excessive food intake, highly industrially produced food, etc.) and indulge themselves instead of thinking about the effects for the global population and climate protection.

So, the opportunity question is, how much are we personally willing to give up for the common good?

Average carbon footprint per person in Germany 2021



Average annual greenhouse gas balance p. P. in German (consumption-based; in tons of CO₂ equivalent; Federal Environment Agency, 2021), ¹e.g. clothing, household appliances, leisure activities; ²e.g. water supply and disposal, waste disposal

3.2. Digitalisation

In 2022, 64% of the German travellers surveyed say that virtual experiences cannot completely replace holiday trips.

Compared to other industries (IT, media, banking, commerce), tourism is considered a latecomer in the **implementation of modern technologies**. The pioneers in the industry are above all online booking portals, which generate individualised booking recommendations, personal online experiences via the website and an efficient ranking procedure of the listed accommodations through artificial intelligence (AI) and machine learning.

The **digitalization of the customer journey** opens up new possibilities and gives customers the choice of travelling autonomously or using services. The procedural support before, during and after the trip happens through digital communication tools such as emails, personalised newsletters, smart hotel rooms, chat options, blogs, apps and web-based services. VR-based elements play a key role in providing customers with an immersive and interactive travel experience.

21% of respondents believe that travel could possibly be shifted to the metaverse.

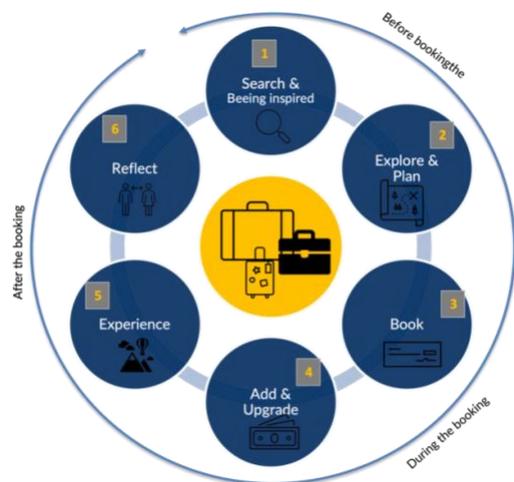
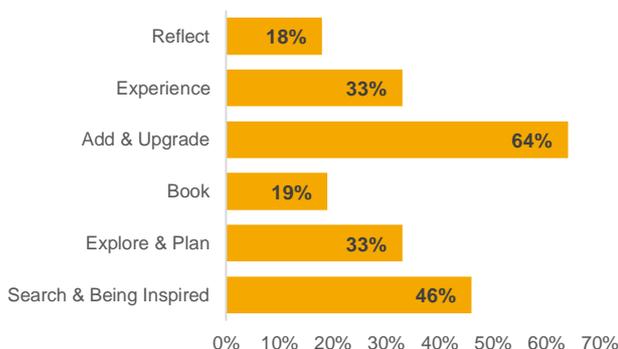
Large logistics and transport companies are already integrating AI-based technologies to save staff, speed up processes and reduce error rates: automatic recognition of passengers at security checks, optimised chatbots or a smarter baggage handling process are examples of what an airport could look like in the coming years. At a time when holiday stays are developing into identity-forming experiences, the desire to fulfil the individual needs of travellers is increasing. Potentials for the supplier lie in the recognition of unknown consumption patterns of the guests through **CRM and trend identification**, the automation of repeated processes as well as precise forecasts about the development of the company’s cost structure or visitor numbers.

In 2021, the estimated market volume for the area of “Virtual Tourism” is about 5 billion USD worldwide – by 2027, the market volume is expected to increase to over 24 billion USD.

Pricing structures are improved by taking complex behavioural and meta-factors into account. Sentiment analyses enable the emotional decoding of reviews and other guest messages. First robots are used at the reception to provide guests with information about places of interest or to answer questions about their stay.

In addition to AI, virtual realities are also having a lasting influence on the tourism industry. These offer the possibility of visiting the holiday destination before the actual guest stay in order to get a rough overview of the hotel, its facilities and its surroundings. Augmented reality is also increasingly being used at the holiday destination and is primarily available to guests as an interactive travel guide. In the hotel itself, AR-enabled devices or apps provide hotel guests with additional information to explore the room facilities, access information about restaurants and services. Travelling remains an immersive event that is experienced and felt through all the senses.

Use of Digitalisation in the German Hotel Market



3.3. Ski Tourism – Where is it Going?

In a recent study published in the journal Nature Climate Change, leading scientists look at the risk to ski tourism in Europe from climate change, including the impact and ecological footprint of artificial snowmaking. The risk to ski tourism increases with the degree of global warming within and between mountain areas and countries. Although snowmaking accounts for only a small share of the total carbon footprint of ski tourism, it is an integral part of winter sports and thus exemplifies the challenge between climate change adaptation and sustainable development in mountains, which have a high socio-ecological vulnerability.

Without snowmaking, more than half of about 2,000 ski resorts surveyed in 28 European countries are at very high risk for snow reliability with global warming of 2-4°C.

Here, too, people balance on the fine line between their own fun in skiing holidays and the serious effort to combat climate change and change their behaviour.

3.4. Changing Society

Conquering New Worlds

Rapid innovations in technology and digitization are enabling us to visit remote places like the universe or the bottom of the ocean and even stay there for the foreseeable future. Space companies like SpaceX and Blue Origin are already working on developing commercial space flights. Interplanetary exchange and the establishment of space colonies will make holidays beyond our Earth possible in the future. Underwater stays are much more tangible compared to holidays in space and already exist today. However, both worlds will still not be accessible to the broad masses in the future and will be possible for rather exclusive and affluent social classes.

China's share of real-world GDP is 18.5% in 2022 (+17% compared to 1970)

Impact of European Tourism

Despite the decline in travel over the pandemic years, Europe remains the preferred destination for German air passengers, a trend that also applies to most of our European neighbours.

This results in a further change in travel flows and significance for business and politics: Europe is facing a significant structural change. Asia is by far the strongest market and is causing a change in the structure of supply worldwide. The Asian perspective on Europe has changed over the years: it continues to play a significant role in culture and history but has now become less interesting for the emerging East in economic and geopolitical terms.

Gap in Society

As long as parts of society become increasingly wealthy, other population groups experience an economic decline, which leads to a minimisation of the middle class. Two different trends emerge: One trend towards luxury holidays and another towards cheaper domestic trips of short duration if people can afford a holiday at all. Luxury holidays include exclusive offers as well as round trips. According to the trade journal "touristik aktuell", the demand for luxury offers is constant and is not affected by the Covid19 pandemic, the Ukraine war, or the energy crisis.

4. Relevant Markets

4.1. Wellness Tourism

According to a survey, over half of Germans say they do something for their own health in their free time.

Germans' interest in their own health has continued to grow for decades, and **the trend to opt for sport and fitness on holiday persists across generations**. Among them, the best results are achieved by young adults with 57 percent. The increasing awareness of one's own health also influences holiday planning: the target group for a health-oriented holiday is not limited to people who are ill, but also to people who care about their own health.

However, health-related motives can be fulfilled in many different types of holidays and not only in the classic health and wellness holiday; these include walking holidays, cycling holidays, city breaks or bathing holidays where people use the hotel gym or go swimming. Therefore, the group of the population that takes a designated health holiday is significantly smaller than the population group that thinks and lives health-consciously.

Opportunities also lie in new forms of health-related holidays and me-time (life counselling, personal coaching, crisis management on holiday, etc.) and nutrition or nature holidays. These build on recreation-oriented forms of holiday and have been proven to offer health benefits.

More and more providers are orienting themselves towards the trend of a holistic, healthy lifestyle with a focus on organic, nature, health, and deceleration. This can be optimally combined with health-related offers, especially around primary prevention (exercise, relaxation and nutrition). Demographic change influences the health tourism of the future in many ways. It offers opportunities, but also requires a rethink.

In 2022, the global market volume for wellness tourism will be USD 476.1 billion. Studies assume a market volume of US\$ 1,020 billion for the year 2030.

Accessibility and basic medical-therapeutic care at the holiday destination are just a few examples of adapting to the needs of the aging target group. People do not want to miss out on holidays in the future, despite mobility restrictions or chronic illnesses. This means that special services and comforts should meet requirements of the older target group, which should be reflected along the entire service chain.

At the same time, targeted prevention offers for "Better Aging" (the endeavour to remain vital and young) and programmes that meet the special needs of age-related illnesses in a holiday-typical environment have good opportunities.

Wellness trips are the seventh most popular type of holiday for German citizens on their main holiday in 2022 with 5% (+2% compared to 2019).



4.2. Eco Tourism

Despite an increased awareness of ecologically sustainable and socially responsible tourism, there is a discrepancy between travellers' intentions and actual behaviour among the population. A comprehensive analysis of these data and trends can help to better understand the development of the tourism sector in Germany and address future challenges.

For the future of tourism in Germany, the **concepts of local tourism and ground-based travel** will play a crucial role. By developing more sustainable solutions and promoting awareness of environmental and social responsibility, the tourism sector in Germany can strive for a sustainable and successful future.

Sustainability, as defined by the UNWTO/WTTC, includes a type of tourism that meets the demands of tourists and the local population in the destination.

This must be done in such a way that future generations are provided with the same opportunities. The destination's use of resources is adapted to this approach on an ecological, economic and social level.

Business travellers use compensation offers 9% more in 2021/22 compared to 2018/19

Although sustainability is an established concept in society and appreciated in tourism travel, the willingness to pay a surcharge for sustainable offers and services is at a low level: even people who generally live sustainably in everyday life (31 percent) are hardly willing to pay a surcharge on holiday (15 percent).

For more and more tourists sensitised to sustainability – also in the business travel market – CO₂ compensation is gaining relevance. With the help of offsetting options such as “Atmosfair” or “MyClimate”, travellers can offset their mobility.

4.3. Bicycle Tourism

For several years already, cycling has served to follow a healthy and sustainable lifestyle. Subgroups of cycling trips are stage cycling trips, location trips, round trips or also cycling-related trips without active cycling (visits to cycling events). The information procurement on which a trip is based is carried out by 84.3 percent via the Internet (ADFC maps and cycle route planners, Bikemap, Cyclers, komoot).

While 76 percent of respondents in 2021 are planning a cycling trip within Germany for the coming year, it is 56 percent when the survey is repeated in 2023, due to relaxed travel restrictions and other options for vacations. Within Germany, Bavaria makes it to No. 1 in the popularity ranking, just ahead of Lower Saxony, followed by North Rhine-Westphalia and Baden-Württemberg.

Although most overnight stays still take place in hotels or guesthouses, the trend of camping vacations and overnight stays with a tent on a campsite that can be observed in tourism is also reflected among bicycle tourists. Accordingly, the greatest importance among respondents is the general location of the accommodation, as well as its accessibility to destinations and public transport, and value for money.

The **trend toward electric bicycles**, which has been steadily gaining in popularity in recent years, especially among older social strata, remains in place.

4.4. Camping Tourism

Camping tourism has been steadily gaining in popularity for years. In a survey, nine percent of German citizens say they will spend their vacation in a caravan, motor home or tent in 2022, resulting in 40.2 million overnight stays at German campsites. 12.7 million people favour camping as a vacation (+1.2 million compared to 2021).

4.5. Hiking Tourism

In 2021, around 70 percent of the German population will occasionally go on at least one hike. While hiking was once considered mainly a performance- and club-oriented sport, today hiking can be described as a form of exercise with a connection to nature for all age groups.

The frequency of migration increased during the pandemic years, and younger target groups in particular are migrating more frequently than ever before. For the target group under 29, the motives of discovery, freedom and personality development take high priority. In contrast, for the age groups over 50, exercise and health-oriented elements are among the most important motives for taking a hike.

With a professionalization and rising popularity, it comes in consequence to an ever more developed media operational readiness level. Hiking coverage no longer takes place only in the form of travel guides or magazines; TV formats such as Servus TV are also increasing the appeal of the subject and making the topic of hiking tourism accessible to an ever-larger segment of the population.

In terms of distances, there is an increase in short to medium distances (5-15 km), while the number of long-distance hikes decreases in 2020 and 2021. The high hiking months are in the spring.

As more and more tourists seek a break from everyday stress during their vacations or short excursions, **hiking tourism is often associated with an orientation toward health sports**. According to medical reports, regular walking and hiking causes long-term improvement in strength endurance and musculature, especially in older people. Exercise in the air increases health-promoting and disease-preventing effects in all age groups.

Hikers' need to experience nature contradicts the increased use of digital media. Due to demographic change, it can be assumed that the demand regarding hiking tourism will also increase in the next decade.

Characteristic of hikes are:

- Duration of more than one hour
- Detailed planning made beforehand
- Use of specific infrastructures
- Equipment adapted to the hike and level of difficulty

Hiking trips combined with other outdoor activities:

Cycling (74%), Jogging (40%), Climbing (11%), Geocaching (9%)

4.6. MICE Market

In 2022, the average share of international attendees is 3.9% (+1.9% compared to 2019).

In the meetings and events market, and primarily in the events segment, there is a decline in demand and supply during the pandemic years. For example, the number of providers of meeting and event venues falls by 0.8 percent in 2022 compared with 2019. In the recovery phase to date, visitors largely take part in professionally motivated events, which account for around two-thirds of all events.

Compared to 2021, for the first time there is again a clear majority of attendance-only events (+48.3 percent compared to 2020), which consequently results in a decline of hybrid events.

Despite the increased return of physical events, hybrid events will continue to gain volume in the future to reach much larger communities regardless of time and place. At the same time, online meetings represent a significant savings potential for companies in the form of significantly lower travel costs (elimination of travel, hotel, catering costs, rental of conference facilities). For companies, it's all about creating authentic meeting atmospheres and innovative meeting experiences that enable a professional "digital presence" for their participants. Investing in digital and hybrid formats, integrating technical elements, and advantageous and appealing space planning are becoming increasingly important to attract the meeting guest of the future.

Since 2020, online sales of event tickets have more than tripled. A proportionate 68% of tickets are sold via the provider Eventim.

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About Horwath HTL

At Horwath HTL, our focus is one hundred percent on hotel, tourism and leisure consulting. Our services cover every aspect of hotel real estate, tourism and leisure development.

Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

We are a global brand with 52 offices in 38 countries, who have successfully carried out over 40,000 assignments for private and public clients. We are part of the Crowe Global network, a top 10 accounting and financial services network. We are the number one choice for companies and financial institutions looking to invest and develop in the industry.

We are Horwath HTL, the global leader in hotel, tourism and leisure consulting.

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