GfK Retail and Technology

Press Release

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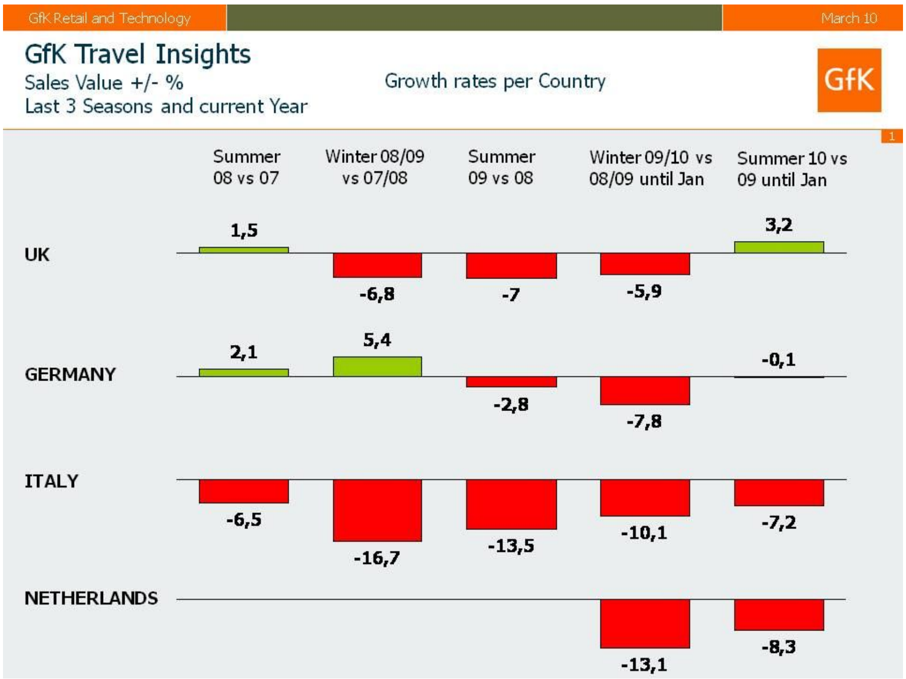
Demand in the tourism industry recovering

European travel trends in 2010: Current findings of the GfK Tourism Distribution Panel

Nuremberg, March 9, 2010 – Vacation demand has stabilized for the 2010 summer season in Germany and in the UK in particular, two of the largest tourism source markets in Europe. The greatest growth has been recorded for vacations in Turkey and Egypt. Additionally, cruises are currently popular across Europe.

Following a general decline in booking figures over the last 18 months, signs of recovery in demand are beginning to show in the tourist industry. In Germany vacation bookings for the 2010 summer season have been rising for two months and the level of bookings at the end of January 2010 was equal to the prior year's level. In the UK the positive growth trend started earlier and, as a result, the cumulative booking sales for the coming summer are some 3% up. However, in Italy and the Netherlands the summer vacation bookings continue to be in decline in comparison to the prior year, although this is a falling tendency.



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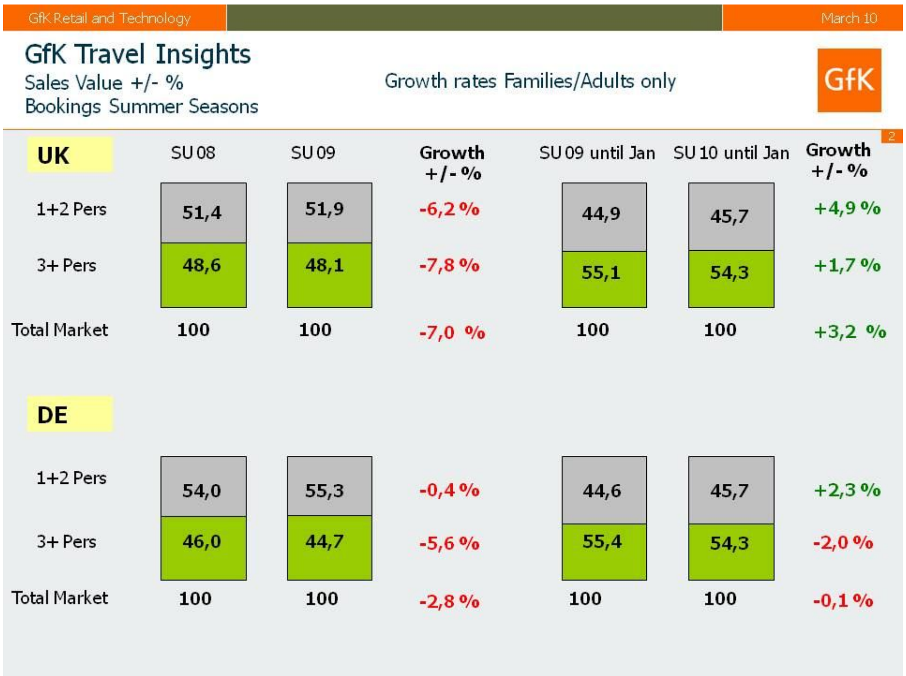
Families booking with greater restraint

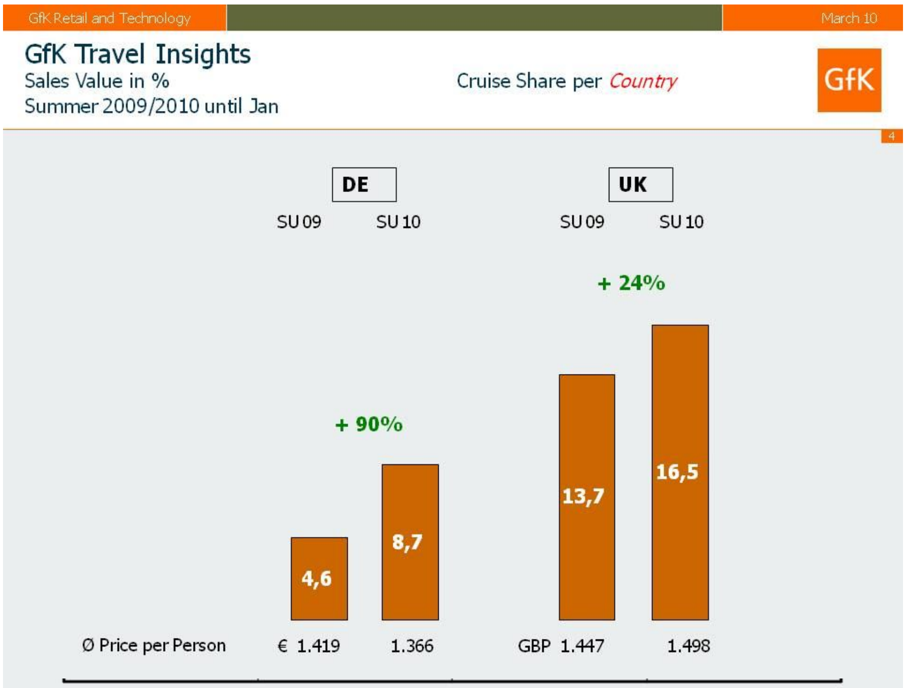
More restraint is being shown in vacation planning among groups of three or more people, which by and large comprise families, than by adults travelling alone. Advance bookings for the 2010 summer season are markedly below the market average in both the UK (plus 1.7% on prior year) and Germany (minus 2.0% on prior year). In the 2009 summer season, booking sales for families suffered greater losses than other groups. The differences in booking behavior between families and lone-traveling adults are particularly well-defined in Germany.



2010 summer season winner: Turkey

Turkey as a vacation destination is winning favor among holidaymakers. For the British, German and Dutch, Turkey is the second most popular vacation destination after Spain according to market share based on sales, and is followed by Greece. While Spain and Greece are still recording losses in comparison to the prior year, Turkey continues to show strong growth in the monitored source markets. The greatest increase in vacation bookings for Turkey was recorded in the UK, where this trend is connected to a significant rise in all-inclusive vacations. The market share of Turkey is an outstanding 36% among Russian holidaymakers, making it the most-booked vacation destination. In contrast, Italians and the French prefer to travel in their own country during the summer.

Egypt has also been able to bolster its position as one of the top 10 most popular vacation destinations for summer 2010. It has gained holidaymakers and market shares in England, Germany and the Netherlands. Among Russian and Italian holidaymakers, Egypt is the second favorite vacation destination.



Of the ten most popular vacation destinations in the individual tourism source markets, above-average growth was also recorded for Italy as a destination among Brits, and for the USA and the Netherlands Antilles among the Dutch.

Cruises: a growth market

Travel agencies are currently benefiting from excellent growth in the cruise market. Growth rates are the highest in Germany, although the market share of cruises for travel agencies remains relatively small. In the UK, the market share is almost twice as high and in Italy it even amounts to around 17%. In the 2009 summer season, cruises already recorded considerable growth rates and were able to strengthen their sales share in tourist distribution despite overall declining market development. Cruises also showed above-average growth in the Netherlands; however, the sales share remained under 1%.

Last minute is popular

The insecure financial climate caused by the economic crisis which is surrounding consumers is having an effect on vacation booking behavior as consumers are more patient than previously. As a result, the share of last-minute bookings up to one month before departure is rising in Germany, the UK, Italy, France and the Netherlands. In Germany, for example, last-minute bookings recorded growth of 9% in last summer's season, while the overall summer volume closed almost 3% below the prior year's season.

However, in a country comparison, German holidaymakers are among the most consistent early bookers. Real last-minute bookings, where there are no more than two weeks between booking and departure, only account for a small share of 7.4%. Brits also book early, with almost 50% of the summer volume generated by the end of January.

Russian travelers are significantly more spontaneous in a European comparison. The volume of last-minute bookings in Russia is unparalleled, although Italians also tend to book their vacations late.

GfK Travel Insights

Analysis of the Tourism Distribution panel is mostly based on booking data from travel agencies. The samples give a representative indication of particular high street travel markets, in terms of size and sales, with regard to regional distribution and organization of travel agencies (distribution type). The “Leisure Travel Monitor” of GfK Ascent MI, GfK’s Tourism Distribution Panel in the UK, relies on tour operators in addition to the sales data of travel agencies. In Russia, which is the newest panel and has only recently become ready for use, sales data from tour operators are the data source. For the Russian and French markets, booking data has only been available since January and June 2009 respectively, and it is therefore not yet possible to make a comparison with the prior year.

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