

Tourism in Germany: trends, facts and figures

Lothar Abicht and Henriette Freikamp
Institute of Structural Policies and Economic Development (isw), Germany

Tourism in Germany is a growth industry, despite recent problems such as the latent risk of terrorism, economic uncertainty, etc. In 2003, the German holiday travel market was relatively stable, at its habitually high level. Many Germans consider their annual vacation an essential as opposed to a luxury. Germany itself is the most popular holiday destination for Germans, accounting for almost 33 % of the market. However, trip length has decreased steadily; in 2003 the average was 12.8 days. Travel costs per vacation day have gradually increased in recent years.

Investigations to determine trend qualifications in tourism have demonstrated that the sector's development is mainly shaped by social aspects such as changes in leisure time preferences, increased individualisation, demographic shifts and improved health consciousness. These trends, and their impact on tourism, are reflected in different tourist products and services as well as in changing occupational activities for people working in the sector.

1. Social megatrends and their impact on tourism in Germany

This article presents some of the findings of the project *Trend qualifications as a basis for early identification of qualifications developments*, sponsored by the Federal Ministry of Education and Research (Abicht et al., 2002). The study focused on the tourism sector. isw's research into trend qualifications in tourism revealed that development in this service sector⁽⁵⁾ is primarily dictated by social trends such as changed leisure behaviour (Opaschowski, 1997 and 2000a), increasing individualisation, demographic shifts (German Federal Office of Statistics, 2002) and growing health awareness (Mühlhausen, 2000; Horx-Strathern et al., 2000).

The leisure time boom precipitated by the constant reduction of working hours is one social trend affecting tourism. The average working week in 1950 was six days/48 hours. Now the average person works a six to eight hour day and a 35 to 38 hour week (Opaschowski, 1997, p. 28 et seq.). Attitudes towards free time, which was previously viewed as being for

⁽⁵⁾ The term 'tourism' (*Tourismus* or *Fremdenverkehr* in German) refers to people staying at places away from their own home for relaxation, recuperation, education or business purposes.

after-work rest or renewal of working energy, have changed dramatically since the early 1980s. Leisure time is still used to recuperate but this is no longer regarded as its sole purpose. The overwhelming majority of German citizens have assigned a new role to free time. They use it primarily for recreation, pleasure or just switching off. Leisure time now, more than ever, provides an opportunity to satisfy the core human need to find meaning in life. One's occupation, once a working person's *raison d'être*, now plays second fiddle to family, friends and free time (Opaschowski, 1997, p. 259 et seq.).

The elevated status of leisure has led to a shift in recreational patterns and the growing commercialisation of free time. Free time has become an important component of quality of life; entire industries have sprung up offering ways to spend it. Leisure activities must be fun and provide that special 'buzz'. People want to experience things and are always looking for something new. Tourism is profiting from this focus on 'a good time'. Adventure holidays and event tourism offer travellers more and more action, attractions, sensations and memorable experiences in shorter and shorter periods of time.

Heightened health consciousness is another factor influencing leisure behaviour. Fitness and wellness are important considerations when choosing leisure activities and selecting travel products and services. Aspiration towards physical and mental health and well-being can be regarded as the leitmotif of the 21st century. This new awareness of health, the body and the environment among the majority of the population is rooted in the realisation that increased stress, lack of physical movement on the job and poor nutrition have led to burgeoning so-called diseases of civilisation. Another aspect is the increasing proportion of elderly people. They want to enjoy and utilise their additional autumn years as independently as they can. Taking responsibility for one's health and enhancement of one's physical and spiritual well-being expands demand for tourist services. This explains the boom in wellness tourism. Wellness seems to be a magic formula for travel agencies, who deal not only in transport and accommodation, but also in well-being and *joie de vivre*. Vibes and impressions have become more important criteria for selecting a holiday than hard facts and brochure boasts. The German tourism analysis of 2002 recorded that vacations are now inspired more by wellness than by wealth.

The state of the German economy has reinforced this shift. Persistent recession, mounting unemployment and a generally uncertain labour market conspire to raise cost consciousness. From the 1960s to the 1990s most people applied the principle that their vacation was the last thing they would scrimp on. Germans – the world's tourist champions – were willing to invest a lot of money in their vacations. Holidays, which are seen as a prerequisite for quality of life, still rank higher as a consumer priority than the status symbol of a car (German Tourism Analysis, 2002).

However, now that most Germans' budgets have become tighter, they prefer tourist products and services which are not only good value for money, but also contain some sort of bonus. This value-added may be a special wellness programme or the opportunity to develop personal or career-based skills. Many people are eager to use their holiday, or free time in

general, for personal skills development and continuing training. The increasing blurring of the boundaries between work and leisure time, i.e. the lack of a strict delimitation between work and play, and the growing significance of personal self-fulfilment are behind this trend. Tourist services such as language and educational holidays, cultural trips, etc. are therefore on the increase. Lone travellers with special interests often take advantage of such offers.

The increase in the number of lone travellers taking theme-based holidays, where they can join groups of like-minded people to become acquainted with foreign cultures, attend courses, learn languages, etc., demonstrates the growing individualisation and pluralisation of lifestyles in our society. The lifestyle types have clearly differentiated travel philosophies, behaviour patterns and holiday interests. Evidence is available in tourist brochures that target specific groups. For example, families and young people usually prefer package tours, more wealthy customers often tend to choose luxury trips such as cruises.

Demographic trends also have a decisive influence on the type of tourist products and services on offer. Pensioners and people with reduced mobility as a consequence of age or disability are a steadily growing target group. In Germany the number of working age people (20 to 59), currently 45 million, will be just over 31 million by 2050, whereas the number of over-60s will rise from 18.8 million to more than 23 million. By 2050, 58 to 63 year olds will be the largest age group in the country (German Federal Office of Statistics, 2002). The target group includes people whose mobility is not permanently restricted but who by no means intend to forego their vacation. Examples are pregnant women or people with temporary impediments as a result of illness or accident. Tourism is compelled to tailor its services more and more to the wishes and needs of this target group. Market adaptation is evident in various sector trends. These are described in detail later with a brief overview below:

- (a) short breaks and ‘grounded’ trips, i.e. with destinations easily reached by car, coach or train, are on the increase. These reflect the needs of elderly and/or physically challenged people, who like their journeys to be comfortable and uncomplicated;
- (b) tour operators are devising a growing number of special offers directed at pensioners and people with restricted mobility. These tourist packages combine a well structured travel programme with complete care and consultation. Organisers ensure that tourists have access to doctors and pharmacies during the trip to respond to any medical requirements;
- (c) travel agencies are also designing more and more deals for lone travellers; these also target senior citizens and people with restricted mobility since older people are often widowed. Themed trips such as educational and cultural tours, language holidays and city breaks are experiencing an upsurge. Lone travellers are particularly enthusiastic consumers.

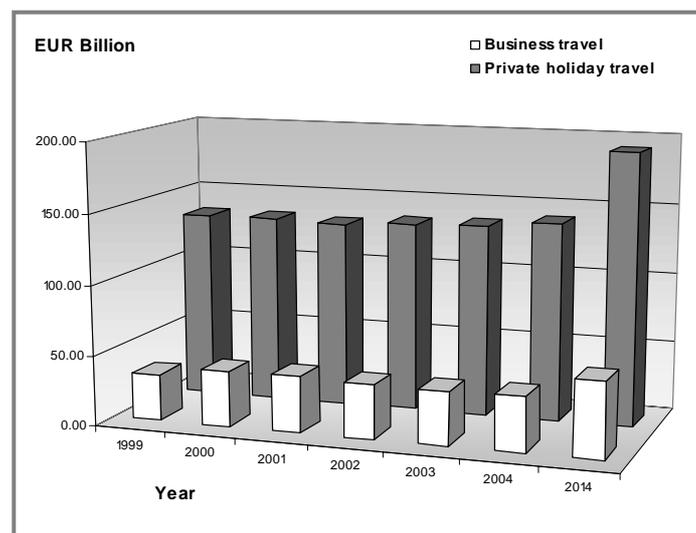
The tourism business is worth billions and, in some regions of Germany, it is the only employer. Tourism is not just fun and games, relaxation and recuperation, well-being and wonderment; it is also the backbone of many local economies.

2. The significance of tourism for economic and labour market policy

In recent decades a fully fledged industry has grown up around tourism. Companies reap significant revenue from the holiday passion, as do national economies. The World Travel and Tourism Council (WTTC, 2004, p. 6) estimated that global demand for tourist services would be worth USD 5 490.4 billion in 2004. This figure is set to rise 4.5 % to USD 9 557.5 billion by 2014. According to the WTTC study, 2.8 % of the world's labour force work in the tourism industry, totalling almost 74 million jobs (WTTC, 2004, p. 6). The industry may have become confident about its success, but ultimately it must prepare itself for slower growth. Even the terrorist attacks of 11 September 2001, which resulted in severe losses for the sector, did not quench the thirst for travel. However, the worldwide recession has had an effect. Consumers are protecting their pockets and postponing trips abroad because they fear potential job loss or income reduction. But most of them do not want to stay at home on their vacation so 'grounded' trips – journeys by car, train, coach or ship – are becoming more popular. More people are choosing to take vacations in their own country.

Despite the sharp reduction in bookings, which seems set to continue in 2004, tourism⁽⁶⁾ is still one of the fastest growing sectors in the world and is one of the most important sectors in Germany. WTTC (2004, p. 10) found that 10.7 % of the German labour force works in tourism. That corresponds to 4 057 360 jobs. The tourism industry earns over 8 % (EUR 140.6 billion) of GDP. It is the most important service sector in the country. But tourism is not only important at the macroeconomic level; travel is also very significant microeconomically. It has a high priority in household budgets, even during slumps.

Figure 1: Tourism in Germany



Source: World Travel & Tourism Council, 2004.

⁽⁶⁾ Businesses in the tourism sector include hotels, bars and restaurants, travel agencies, tour operators, travel companies, spas, health resorts and souvenir manufacturers and retailers.

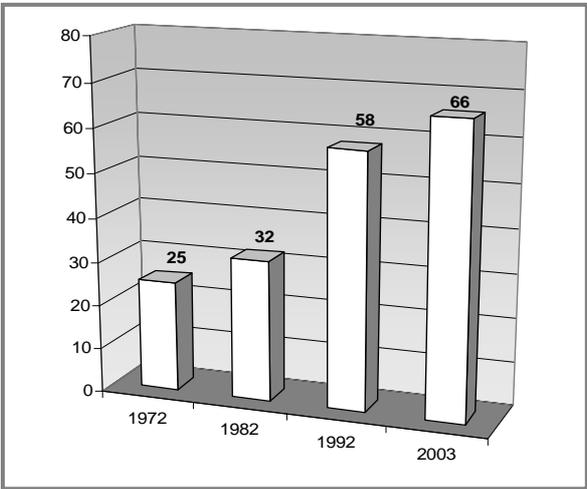
At the moment the sector is undergoing a structural metamorphosis. The German market is dominated by vertically integrated travel companies which cover virtually the entire value-added chain. They have their own travel agencies, tour operators, airlines, etc. The largest German companies are increasingly turning their attention to the rest of Europe and are evolving into global players.

However, despite the heavy concentration, niche firms will maintain their position in the market. Over 240 small and medium-sized companies have a market share of 16 % and turnover of EUR 2.9 million. Medium-sized enterprises in particular offer a more diverse and targeted range of tourist services. The tourism industry in Germany is shaped mainly by its medium-sized businesses which include 180 000 restaurants and cafés, 55 000 hotels and guesthouses, 20 000 travel agencies and 6 000 coach companies.

3. German holiday patterns

Little appears to stop the Germans going on holiday, not even economic insecurity and terrorism fears. The stability of tourism consumption can be explained by the large number of travellers ‘who consider their annual vacation an essential’ (FUR, 2004, p. 2). In 2003 almost 50 million Germans went away on a holiday lasting at least five days. Travel intensity was 76.8 %. A total of 66 million vacations was recorded.

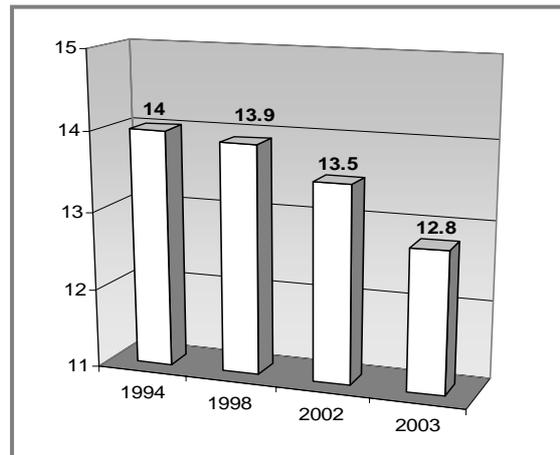
Figure 2: Travel intensity of Germans (holiday trips taken by Germans from 1992 including East Germany), in millions



Source: FUR, 2004, p. 2.

With its market share of almost 33 %, Germany is the main tourist destination for Germans. However, only five German states account for over three-quarters of domestic vacations. Bavaria has held first place for years. Mecklenburg-West Pomerania is second (FUR, 2004, p. 2 et seq.). In general, vacation length has decreased continuously in recent years. In 2003 the average was 12.8 days (Figure 3). However, spending per day has risen. In 2003 Germans spent EUR 62 per day; over EUR 10 more than in 1996 (FUR, 2004, p. 5).

Figure 3: Average vacation duration in days



Source: FUR, 2004, p. 5.

4. Tourism sector trends

Tourism is a growth sector, characterised by constant evolution. The following will provide details of some of sector trends revealed by the isw study.

4.1. Short breaks inspire boom in cultural, event and city tourism

The travel market reflects German jobs and incomes. Increasingly, Germans cannot afford, or choose not to afford, to indulge in a traditional three-week vacation. But their limited budgets are not the main reason for their reluctance. Lack of time resulting from job commitments has at least equal impact. The principle is clear: shorter, cheaper trips.

The tendency to take short breaks and to divide annual leave from work in order to have a second or third vacation favours internal travel destinations. The result is a tourism boom in Germany and its neighbours. The popularity of short breaks is benefiting city tourism. Cities with good, value-for-money transport links and accommodation and attractive cultural facilities are top draws.

Nationwide cultural tourism is also profiting from the penchant for short stays. Points of interest, historical sites and local attractions are luring ever more German and foreign visitors. An associated development is the increasing appeal of adventure holidays and event tourism; vacationers want to experience more. Leisure parks and theme parks can deliver guaranteed excitement. Event tourists will go the extra mile for major sporting and cultural events and shows featuring superstars and celebrities.

4.2. New tourism targets

Getaways and domestic holidays are of more interest to older travellers. The ranks of elderly holidaymakers are swelling. At the moment they constitute the most interesting target group for the tourism trade of the future; the one with the best growth potential (Hübner, 1999). These consumers are not necessarily frail or less mobile. On the contrary, the 'new old-timers' have money and are willing to spend it on stimulating recreation activities. They prefer health and wellness holidays; the 'day out' cliché is a thing of the past. Elderly people are demanding a range of new, individually tailored choices. They are prepared to spend a considerable amount of money if they feel the vacation is worth it, but they place higher demands on accommodation, service, staff, cleanliness, food and the availability of social, cultural and sporting activities. Another demanding, high-potential target group is people with temporary or permanent mobility restrictions (NatKo, 2002). The *Deutscher Tourismusverband* (German Tourism Association) estimates that in 2020 around 30 % of the travel market will have impaired mobility caused by age or infirmity.

Single people or lone travellers are another important target group. There are around 30 million one person households in Germany. Travel agencies offer a huge choice of special holidays for single people/lone travellers. Their needs include single accommodation at no extra charge, athletic facilities, entertainment and opportunities to meet people. Travel agencies offer special holidays with themes such as 'learning', 'sport' or 'fun'. Educational trips and themed holidays often overlap with vacations for singles. They are a good way for like-minded people to meet and enjoy their shared interests together.

The trend towards customised holidays is also striking. The individual tourism target group features the following groups: people who enjoyed backpacking alone when they were younger and who would now like to have a similar experience in the company of their families; small groups who like exploring scenic routes by bicycle or motorbike; and individualists who want to see as much of a certain country as possible in a limited time. More and more people are demanding quality, perfectly-catered individual holidays which take their personal preferences and time constraints into consideration, whether they are travelling alone or in small groups.

The number of group holidays is also rising. Some travel agencies specialise in packaging group tours for people with similar interests, who are interested in taking a special themed trip together. Group holidays appeal to many different clienteles. They offer the tourist trade many new niches; bowling clubs are just as keen on travelling as political organisations, companies and sports teams.

4.3. Health consciousness changes tourism

Generally increased awareness of the individual's responsibility for his or her own physical and spiritual health and well-being has influenced developments in tourism. The greater demand for health, wellness and spa holidays demonstrates that self-diagnosis, self-medication, self-financing and investing in one's own health go beyond the framework of Germany's

health reform. The chief concern of people who book these holidays is usually to restore or maintain their health.

Wellness tourism is a thriving new branch of health tourism. Wellness includes everything which nurtures and promotes health, beauty, well-being, vitality and zest for life (Abicht et al., 2001, p. 77 et seq.). Wellness programmes first appeared in German holiday brochures in the mid-1990s. What began as luxury product for an upscale market is now an integral part of any vacation catalogue. Travellers are motivated by a desire for rest and relaxation, the chance to unwind, do something for their bodies, detoxify, get fit, eat sensibly, improve their looks or just indulge themselves.

4.4. Business travel as a force for success

Business travel may not be tourism in the strict sense, but it is nonetheless a very important segment (Otto-Rieke, 2001). In the age of business globalisation and internationalisation, commercial travel is also expanding. Business trips account for a considerable share of the turnover of airlines, hotel chains and car rental firms. The main reason for work-related trips is attendance at industry meetings, contract negotiations and company talks. Trade fairs and exhibitions are other goals.

Germany is also a leading destination in this segment. Two thirds of all top-ranking international trade fairs take place in Germany. The country hosts 150 international and interregional fairs per year. Over 140 000 exhibitors participate; 45 % of them come from abroad. Around nine million people, including 1.5 million foreigners, go to the events (DZT, 2004, p. 12). The visitors and exhibitors come to Germany from over 180 different countries. The huge potential of the business travel market is evident: in 2001 around one third of all journeys to Germany by outsiders were for business reasons. A year earlier approximately 11 000 venues such as congress centres, hotels and museums welcomed 63 million attendees to 1.15 million events, yielding a total sales volume of EUR 43 billion (DZT, 2004, p. 12).

5. New occupational profile for tourism

The trends described above not only affect tourist products and services, they also influence the work of tourism employees. Changes in leisure travel segments focus on vacation design, travel organisation, consulting and sales and sightseeing guide services. In business travel, trip organisation and processing is undergoing profound change. Until now the main task of travel agency employees had been to offer customers fixed tourist products and services from holiday catalogues, to book transport and accommodation and, last but not least, to sell a package. Travel agents also used to be there to field customer questions about the deal and the destination. The duties of travel agency employees have adapted to the increasingly individual travel wishes and diversified demands of various consumer groups. Tour operators and their sales personnel are now required to tailor and arrange holidays according to specific customer preferences. *Trend qualifications in the German tourism industry* (Abicht and Freikamp, in this volume) describes the types of concrete skill developments observed and the new skills demanded.

References

- Abicht, L.; Bärwald, H.; Preuss, B. Wellness – ein Freizeittrend als Auslöser neuer Qualifikationsentwicklungen. In Bullinger, H.-J. (ed.) *Gesundheit, Wellness, Wohlbefinden: personenbezogene Dienstleistungen im Fokus der Qualifikationsentwicklung*. Bielefeld: Bertelsmann, 2001, p. 77 et seq.
- Abicht, L.; Freikamp, H.; Preuss, B. *Qualifikationsentwicklung im Tourismus. Branchenbericht zum Projekt Trendqualifikationen als Basis zur Früherkennung von Qualifikationsentwicklungen*. Halle/Munich: isw, 2002.
- DZT – Deutsche Zentrale für Tourismus e.V. (ed.) *Incoming-Tourismus Deutschland. Zahlen – Fakten – Daten 2003*. Frankfurt am Main: DZT, 2004.
- FUR – Forschungsgemeinschaft Urlaub und Reisen e.V. *Die 32. Reiseanalyse RA 2002*. Hamburg: FUR, 2002.
- FUR – Forschungsgemeinschaft Urlaub und Reisen e.V. *Die 34. Reiseanalyse RA 2004*. Hamburg: FUR, 2004.
- Horx-Strathern, O.; Horx, M.; Gaspar, C. *Was ist Wellness? Anatomie und Zukunftsperspektiven des Wohlfühlrends*. Zukunftsinstitut trend dossier compiled by Matthias Horx in collaboration with GfK Marktforschung. Bonn: Zukunftsinstitut, 2000.
- Hübner, M.; Born, A. *Zielgruppe Senioren: Chancen und Perspektiven für die Tourismusbranche*. Gelsenkirchen: Institut für Arbeit und Technik, 1999.
- Krupp, St. *Reisetrends 2002. Eine Studie des STERN*. Hamburg: Gruner & Jahr, 2002.
- Mühlhausen, C. *Future Health. Der 'Megatrend Gesundheit' und die 'Wellness-Gesellschaft'*. Zukunftsinstitut study conducted by Matthias Horx, das Zukunftsinstitut, 2000.
- NatKo – Nationale Koordinierungsstelle Tourismus für Alle e.V. (ed.) *Tourismus für Alle. Themenpaket zu barrierefreiem Tourismus*. Mainz: Natko, 2002.
- Opaschowski, H.W. *Einführung in die Freizeitwissenschaft*. 3rd extended and updated edition. Opladen: Leske und Budrich, 1997.
- Opaschowski, H.W. *Kathedralen des 21. Jahrhunderts. Erlebniswelten im Zeitalter der Eventkultur*. Hamburg: Germa Press, 2000a.
- Opaschowski, H.W. *Qualität im Tourismus. Erwartungen, Angebote und Realität*. Hamburg: BAT Freizeit-Forschungsinstitut, 2000b.
- Otto-Rieke, G. (ed.) *Modernes Geschäftsreise-Management 2002*. Munich: Alabasta, 2001.
- SDZ – Süddeutsche Zeitung. *Späte Expeditionen – Senioren gewinnen als schwierige Zielgruppe für die Reisebranche an Bedeutung*, 13 November 2001.
- WTTC – World Travel and Tourism Council (ed.) *Executive summary. Travel & tourism forging ahead. The 2004 Travel & Tourism Economic Research*. London: WTTC, 2004.