

# Austria

## Market & Trade Profile



# AUSTRIA

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Updated January 2006

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# 1) Market Snapshot

## GENERAL MARKET CONDITIONS

- Population 8 million
- MF Forecasts 2006: GDP (based on PPP per capita) USD\$34,256. GDP Growth Rate 2.2%. Unemployment 4.7%. Inflation – 1.8%

## ACCESS OVERVIEW

- NO visa required
- Gateways / Routes to UK – Numerous
- Direct Airlines – Austrian Airlines, British Airways, Flybe, GB Airways, Niki, Ryanair, Styrian Spirit, Thompsonfly

## MARKET SIZE / MARKET SHARE

- 10.8 million outbound in 2004. UK has 2.7% market share
- UK ranked 9th outbound destination (top three are Italy, Germany, Croatia)
- 295,000 visits in 2004 (up 12% on 2003)
- £109m spent in 2004 (down 1% on 2003). AEU £368; AED £59

## MARKET SHAPE / MARKET DYNAMICS

- 39% are HOLIDAY visitors, 25% BUSINESS and 21% VFR
- 75% stay for 7 nights or less
- 38% visit in core July-September season

## PRODUCT / MARKET FIT

- Language, Nightlife, Culture
- Heritage, Sports
- Language Holidays, Combined Activity / Cultural Breaks, Touring, Short Breaks

## DEMOGRAPHICS / POTENTIAL CONSUMER SEGMENTS

- Youth, DINKS/SINKS, Empty Nesters, Families

## REACHING THE AUSTRIAN CONSUMER

- 62% Internet access



## 2) General Market Conditions

### Population / Languages

Austria is estimated to have a population of just fewer than 8.2 million, a figure that is forecast to start declining slowly from the middle of the next decade, with around 7.7 million residents by the mid 2040s.

The population aged between 30-44 is forecast to decline at an annual rate of more than 1% over the coming decades, with the population aged 70+ forecast to increase at an annual rate of more than 1% over the same time period.

The implication of this demographic shift is that whereas at present 44% of the population is aged between 20 and 49 and 34% are aged over 50, by the 2040s only 33% of the population will be aged 20-49 and 49% will be aged over 50.

### Economics / Politics

The Austrian economy has enjoyed marginally better performance than its large neighbour Germany in recent years, but nevertheless economic growth has been modest. In terms of per capita income (measured in terms of purchasing power parity) Austria is the 10th wealthiest nation worldwide. Unemployment has remained well below the Eurozone average for a number of years. Inflation has increased recently driven by high fuel prices and there are concerns that this may feed through to higher wage settlements.

Tourism is vital to the Austrian economy, accounting for around 16% of GDP, but the number of international arrivals in Austria in 2005 was little changed with that seen in 2004.

A general election is expected to take place late in 2006.

### Holidays / Annual Leave

25 days is the usual entitlement.

## 3) Access Overview

### Political Situation

No political issues currently exist to restrict travel to Britain from Austria.

### Passport and Visa Issues

Austrian visitors do NOT require a visa to visit the UK.

### Gateways / Access to Britain

In 2004, 81% of visitors from Austria travelled to the UK by air, 13% by sea and 6% by tunnel (PS). Key routes:

#### Graz

- **Ryanair** operates a daily service to Stansted

#### Innsbruck

- **Austrian Airlines** operates 3 flights per week to Gatwick
- **British Airways** operates 2 flights per week to Gatwick

#### Linz

- **Ryanair** operates a daily service to Stansted
- Klagenfurt to London Luton

#### Salzburg

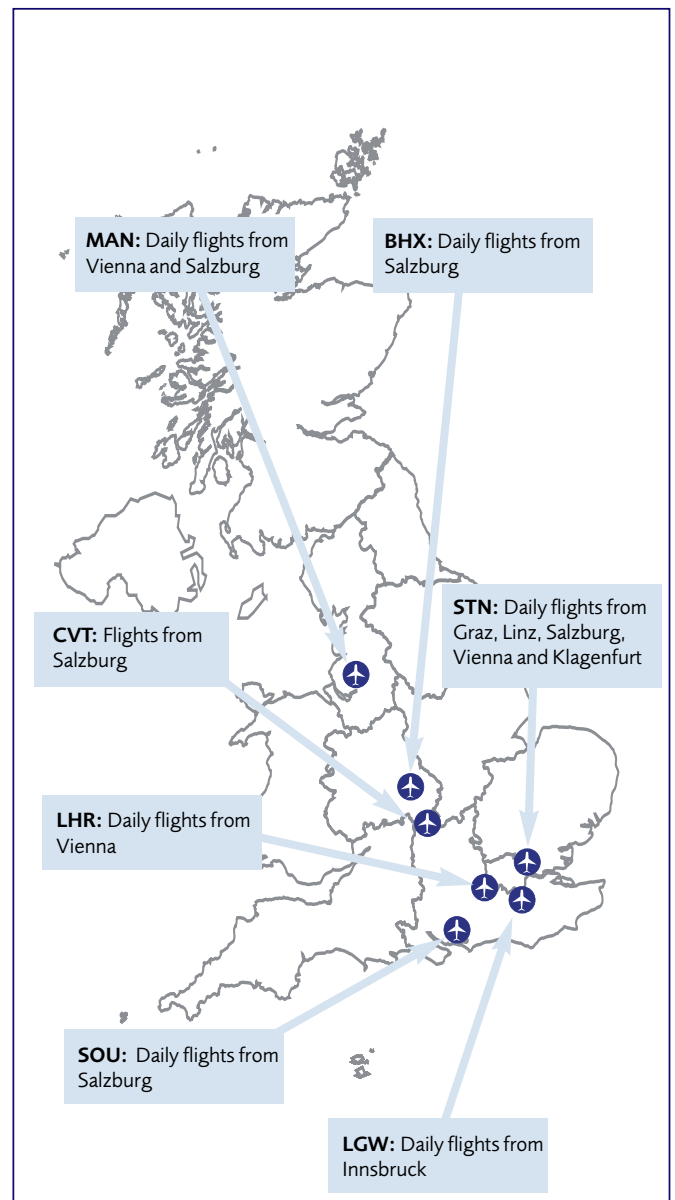
- **flybe** operates a weekly flight to Birmingham and a weekly flight to Southampton.
- **thomsonfly** operates 3 flights per week to Bournemouth and 5 flights per week to Coventry.
- **Ryanair** operates a double-daily service to Stansted.
- **Sky Europe** operates twice a week to Manchester

#### Vienna

- **Austrian Airlines** offers 5 flights a day to Heathrow
- **British Airways** offers 3 flights a day to Heathrow
- **British Airways** operates a daily service to Manchester

Also routes to London Stansted and Manchester from Bratislava (80 minutes from Vienna city centre).

Typical flight time 2 hours



## 4) Market Size / Share

### Current & Forecast Market Size

Global Insight estimates that there were 10.8 million outbound overnight visits from Austria in 2004.

There are forecast to be 13.4 million such trips by 2010.

UK currently accounts for around 2.7% of outbound trips from Austria

IPS	2003	2004	Change year on year
Total Visits	263,000	295,000	+12%
Visits Rank (League Table No. Visitors to UK)	18	17	Up 1 place
Total Spend	£110m	£109m	-1%
Spend Rank (League Table £ Spend in UK)	26	26	No change
Average Spend per Visit (AEV)	£418	£368	-12%
AEV Rank	Outside top 30 rankings		
Average Spend per Day (AED)	£61	£59	-3%
AED Rank	30	27	Up 3 places

2004 was the best ever-recorded year for Austria for visits and 1996 was the best year for spend (£134 million)

### Current Volume and Value Statistics / TrendsKey

1	Italy	6	Turkey
2	Germany	7	Spain
3	Croatia	8	Thailand
4	Greece	<b>9</b>	<b>UK</b>
5	France	10	Hungary

### Competitor Destinations – actual

Global Tourism Navigator shows us that the UK was 9th in the actual ranking of top destinations (short and long haul included) for Austrian outbound travel in 2004.

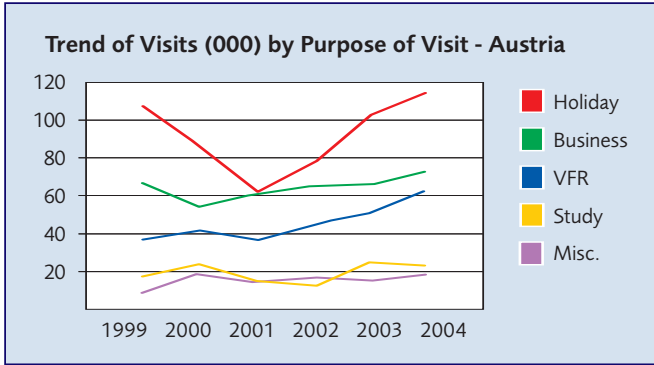


# 5) Market Shape / Dynamics

## Purpose of Visit

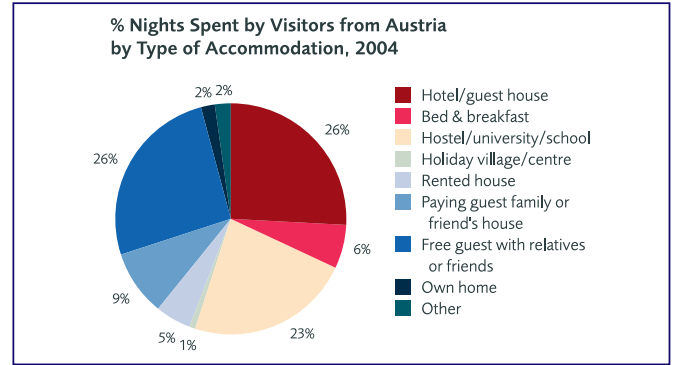
39% of the visitors from Austria to the UK come for a holiday. This proportion has constantly increased in the past 4 years, as has that for VFR – currently at 21% share.

25% come for business. There is more on business visits specifically in chapter 11 of this document.



## Accommodation Type

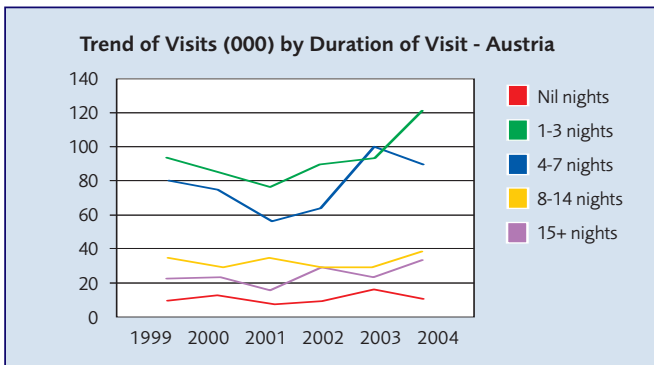
44% of Austrian visitors stay in a Hotel or guesthouse when they visit the UK, which accounts for 27% of nights spent. 57% of Business visitors stay in a Hotel or guesthouse. 63% of Holiday visitors stay in a Hotel or guesthouse, 16% as free guests and 14% in a B&B. 87% of VFR visitors are free guests.



## Length of Stay

Average Length of Stay (ALS) is 6 days overall: VFR, 7 days; Holiday, 6 days; Business, 3 days

75% of Austrian visitors overall stay in the UK for less than 8 nights with 41% coming for a short break (1-3 nights). VFR visitors tend to stay slightly longer with 31% staying in the UK for 8 nights or more.



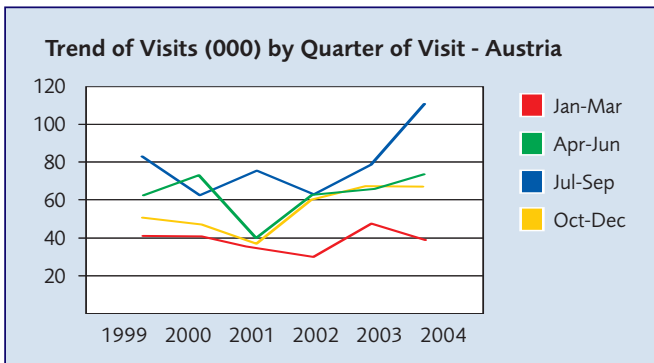
## Regional Spread

87% of visitors from Austria stayed in England, 44% in London, 8% in Scotland and 2% in Wales in 2004. (IPS). Top Towns for Austrian visitors in 2004 were:

Visits(000)		
1	London	129
2	Edinburgh	11
3	Glasgow	11
4	Birmimgham	10
5	Manchester	8

## Seasonal Spread

July-September is the most popular period for Austrian residents to visit the UK (37%).



## 6) Product / Market Fit

### Which products / experiences are most attractive to Austrian visitors?

#### Cities / Short Breaks

The popularity of city and short breaks in the Austrian market – often booked directly and on-line – creates a strong demand for additional products like public transport passes, entry tickets for attractions and other event tickets. The cheap budget air routes are being utilised for short breaks.

#### Special Interest / Activity Holidays

Holidaymakers are also increasingly choosing their holiday destination by an activity (walking, spa-breaks, etc.) or special interest (gardening), value for money and recommendations from friends, rather than by the destination itself.

#### Classic trinity – history / culture / scenery

Britain and the British are well regarded with the main appeal to visitors being Britain's scenery/ countryside followed by the British way of life,

history and culture. London is seen as being very different from the rest of Britain. It is thought to be suitable for a 'tester' trip before embarking on a longer trip to Britain as a whole or as a base from which to visit places outside London.

Whereas London has the lead in short break holidays, the South of England is the main region for longer holidays. Gardens and coastline in the South are the main driving force but Austrians tend to know little about the rest of Britain.

Fly-drive programmes are popular, with visitors generally preferring to stay in bed and breakfast accommodation or 3 to 4 star hotels. Britain is very popular for gardens, culture and, being the closest English speaking country, for study groups.

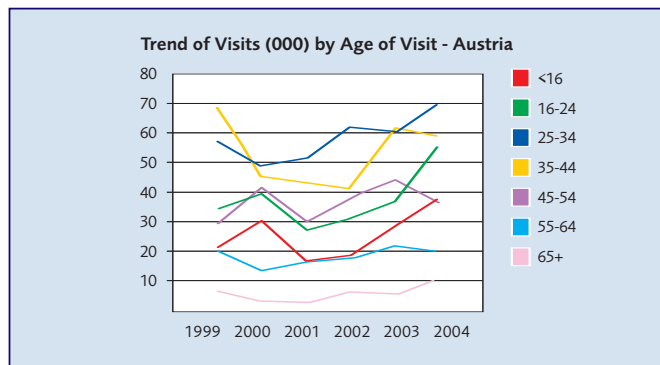
#### Language holidays

In Austria there is a huge demand in language course/holidays, with the majority of students visiting English-speaking countries, Britain being the closest.

## 7) Who is the Austrian visitor?

### Demographics

56% of the visitors from Austria are aged less than 35. Almost a quarter makes up the age band of 25-34. Over half of female visitors are aged 16-34.



Overall, 52% of visitors are female and 48% are male. Males have a slightly older profile than females – with far fewer aged 16-24 in particular. Business visitors are significantly more likely to be male, and Holiday / VFR visitors to be female.

	Male %	Female %
0-15	17	10
<b>16-24</b>	11	<b>27</b>
<b>25-34</b>	<b>22</b>	<b>25</b>
<b>35-44</b>	<b>22</b>	19
45-54	21	5
55-64	4	10
65+	3	5

In terms of Travelling Group – 42% of Austrian visitors were lone travellers in 2003. Visitors travelling as a couple were the other biggest segment of group composition.

Travelling Group 2003	% of Visits
<b>Lone traveller</b>	<b>42</b>
<b>As a couple/with partner</b>	<b>20</b>
Group of friends	10
Family group	13
Business colleagues	4
Tour group	11
Don't know	1

#### 1st Timers & Repeat Visitors

70% of visitors from Austria have previously visited UK (in last 10 years) (IPS 2004).

#### VB Key Market Segments

'Youth', who are primarily interested in study, city breaks and nightlife. Over 70% of 16-24 year olds are Internet users. Due to a very strong youth culture (music, fashion, language etc.) Britain remains to be a very popular destination for young Austrians. The youth segment (and the 16-24 age group in particular) has shown to be very resilient over the past years with a stable share of 19% of all visits in 2004 (up from 14% in 2003).

'Young urban professionals' (singles or couples aged 25-35) who recognise London as a trendy city destination.

'DINKS'/'SINKS' Couples (aged 35-55) without children who are particularly drawn by Britain's wealth of history and culture, the scenery and the people.

**Young Families** with interest in Britain, British live style and who want their children to learn the language.

'Empty Nesters' aged 50-64 with an interest in Britain's nature and gardens, cultural and sports events as well as up-market accommodation (e.g. country house hotels).

## 8) Caring for the Austrian Visitor

### General Points

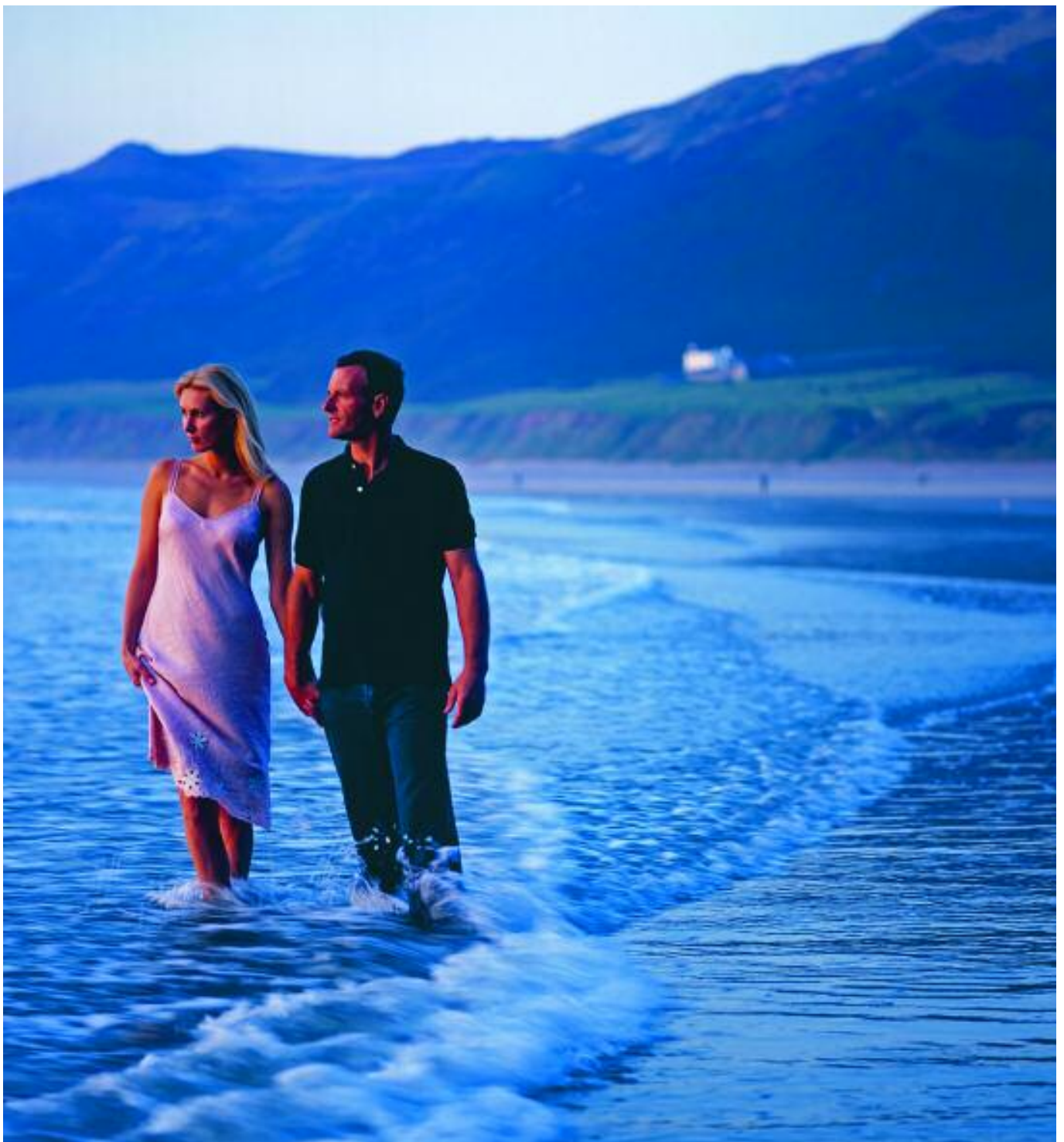
Austrian visitors, especially the older Austrians, feel welcome if you know a few basic phrases in German. Nonetheless, young Austrians like to practise their English, and will probably answer in English even if you start speaking to them in German.

Recognise that Austrians are not Germans. For example, if you intend to use flags to denote different language versions, then you must never use the German flag in isolation for German language print. Either the Austrian flag will also have to be used or simply the word 'Deutsch'.

Cleanliness is of major importance to the Austrians. Tiled bathroom floors are certainly preferable to carpeted ones and shower cabins more popular than bathtubs. Provide en-suite facilities whenever possible.

Very detailed information for all activities planned is very important for visitors. Usually they collect a lot of information before their visit to Britain and bring several guidebooks along. But be prepared for even more detailed questions about the area, events or suggestions for itineraries or places to visit. They can be very demanding and they are fast to complain if they are unhappy with a service or product. Don't be shocked by their directness! If you give them the feeling that you take them seriously and if you try to deal with any problems promptly, they will be very grateful.

In general Austrians are very friendly people. Tourism is a very important factor to the Austrian economy, so they do know what one can count on in a tourist area. They will expect high standards and will appreciate and recognise good service.





## 9) Reaching Austria Consumers

### Deciding, planning & booking patterns

The role of the travel trade in Austria is very strong. According to the Ministry of Economic and Labour (BMWA), the number of Austrians booking package holiday trips through travel agencies has increased from 20% to 33% over the past two decades. As Britain is still a niche destination, retail agents' product knowledge is insufficient.

The role of travel agencies is, however, threatened by increasing use of the Internet.

### Online Environment

According to the ETC, 62% of the population in Austria are online.

Austrian Internet users account for 2.1% of the Internet users in the EU, the user growth 2000-2005 is 120.5%. Most significant increases can be noted in the Internet usage among people aged 14-39.

### Media Habits / Reaching the Press

Austria has the highest media density in Europe with the four major daily papers being all based in Vienna and combined producing over half of whole print. Remaining the market leader in terms of quantity is Neue Kronen Zeitung with a circulation of 1,024,266, followed by Kleine Zeitung, Kurier and Oberösterreichische Nachrichten. These and most regional newspapers have travel sections.

In terms of TV, the public station Österreichischer Rundfunk (ORF) has a leading role as an Austrian station and private TV is still regionally limited. ORF has two TV programmes, four nation-wide radio programmes and nine regional radio programmes.

#### National Newspapers

- Der Standard, circulation 84.881
- Die Presse, circulation 102.131
- Kurier, circulation 195.312
- Kronen Zeitung, 2.930.000

#### Major Ladies' magazines

- WOMAN, circulation 250.000
- Brigitte – Österreich, circulation 220.000
- Maxima, circulation 128.427

#### Major Men's magazines

- Der Wiener, circulation 82.700

#### Travel

- Reisemagazin, circulation 40.000
- Reise Aktuell, circulation 38.000
- EuroCity, circulation 70.000
- T.A.I. (Travel Trade), circulation 12.400
- TIP (Travel Trade), circulation 10.800
- Traveller (Travel Trade), circulation 8.500

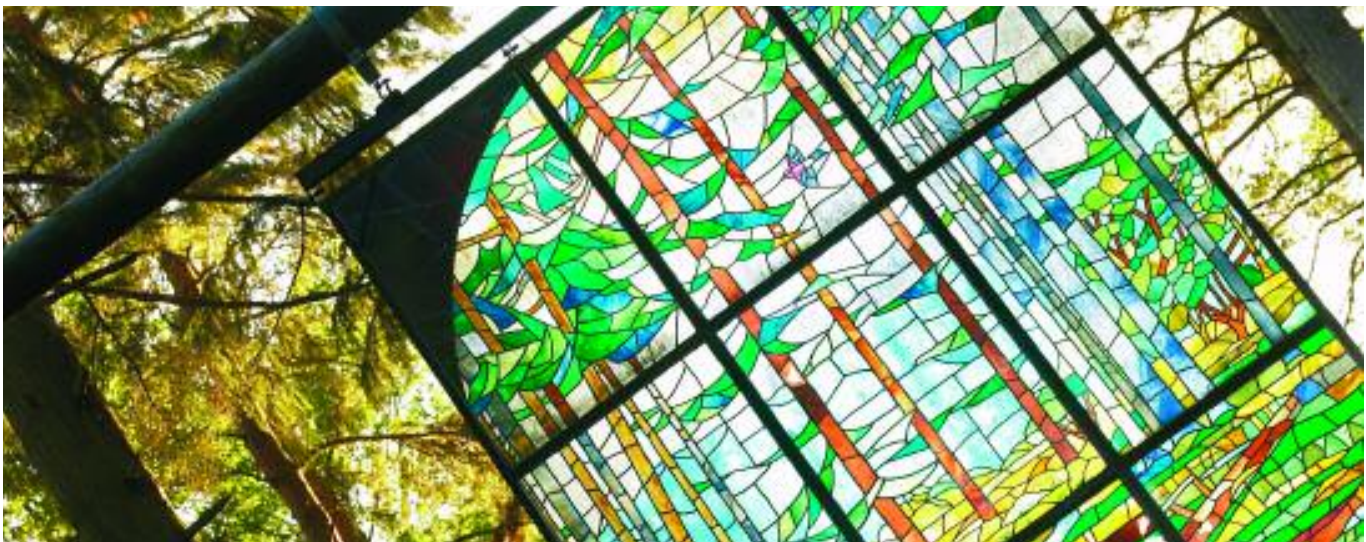
#### In-flight magazines

- Sky Lines, circulation 220.000
- Sky-Revue, circulation 18.000

### Consumer Fairs & Exhibitions

**Ferien Wien** is the biggest travel fair in Austria, with approximately 51,300 people visiting over the 4 days the event takes place (late January in Vienna). The visitor profile covers everything from youth to seniors, from Britain fans to first-timers. Visitors show a very high interest in Britain and its products.

**Ferien Salzburg** used to be called Tour Salzburg. The show attracted 32,300 visitors in 2005. It takes place in mid February at the same time and location as an exhibition for hunting and fishing. Visitors will be able to visit both shows with one entrance ticket, meaning possible synergy between trade in Britain with this type of product. Most visitors are looking for detailed information to prepare for their holidays.



# 10) The Trade



## Overview of trade structure

The Austrian travel industry has a structure very similar to the one existing in Germany where a few players dominate most of the industry. It seems likely that the Austrian travel industry will eventually consist only of large tour operators and travel agencies belonging to big groups, plus some small tour operators working on niche markets. As in Germany, the tour operators mainly sell through the retail trade and/or their own agency chains. Among the 10 largest tour operators, most are in the hands of German or Swiss companies.

Austrian travel experts foresee increasing competition for travel agencies (on-line bookings) and lower commission and thus advise travel agents to focus on their core competencies: product knowledge and advice. The role of travel agencies with respect to counselling and actual booking is still very strong in Austria and the demand for product knowledge is increasing.

## Tour Operators

In Austria one third of the travel agents are also tour operators, with the distinction between tour operators and travel agents not as marked as, for example, in Germany.

The German operator consortia, such as Thomas Cook, Rewe and TUI are also active in Austria (Thomas Cook with their brand Neckermann). However, the major players for travel to Britain are Blaguss and Verkehrsbüro (the latter one having bought Ruefa), which do not belong to a consortium. Dodo Tours is a fairly small operator but specialises in trips to the UK.

Tour operators' in Austria usually plan the forthcoming year's programme in September / October.

## Travel Agencies

According to the Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKO), Austria has 2,450 travel agencies employing approximately 9,500 people. This is a relatively high density with about one travel agency for every 3,300 inhabitants.

The majority of retail agents only sell operators' programmes and concentrate on products from the few big players to achieve higher commission levels. The Travel Star group was founded amongst other reasons to insure a better commission. As well as being Austria's biggest travel agency group with 280 travel agencies, it now has the greatest turnover in the market. The German TUI is present in the former 'Dr. Degener Reisebüro', now known as TUI Reisecenter Salzburg, and in the Tiroler Landesreisebüro. Most of the travel agencies' revenue comes from packages, followed by incoming tourism activities, selling air tickets and business travel.

## Reaching the Austria Travel Trade/Sales Calls

- Speak to VisitBritain in London before your visit for the latest information on the Austrian trade. Obtain a copy of our Travel Trade Directory for Austria. VisitBritain can help you select the most appropriate contacts for your product and may be able to provide you with specialist lists/fact sheets on subjects such as language operators, etc.
- If you do decide to visit Austria it is essential to make appointments. An introductory letter or fax is essential (not necessarily in German) with relevant background information.

It is important to consider the timing of your visit. The large tour operators research their main season programmes between April and June. Some may visit Britain during this time to contract accommodation and visit new attractions, regions and products to be included. These programmes are costed between July and September and launched in November/December. The smaller specialist operators tend to research their programmes slightly later in July/September for a launch in January/February. Off-season/city-break operators research their winter programmes in March/April, for launching in July/August.

Check to ensure that your trip does not coincide with a public holiday. As is the case in Britain, many people choose to take a long weekend around these dates, especially in the spring and summer. Provide the operators you are visiting with a comprehensive information pack (preferably in German) about your product. On your return to Britain ensure that you follow up quickly and renew contact regularly.

# 11) Business Visits / Events

## Business Visits Statistics

In 2004 (IPS), 25% of all visits to UK from Austria were for business purposes – and this accounted for 21% of all inbound spend.

Business visits are 11% Conferences, Large Meetings, Trade Fairs or Exhibitions and 89% individual business travel.

Overall, business visitors from Austria stay for an average of 3 days, spending just over £300 per visit. Trade Fair / Exhibition visitors are in a minority but spend the most (£562 per visit).

It is impossible to estimate from IPS the proportion of Business travel that is Incentive travel.

Business Visitors Austria	Visits2004 (000)	% Business Visits %	Spend 2004 £m	% Business Spend %
Trade Fair/ Exhibition	2	2.4	1	4.4
Conference/ Large Meeting	6	8.3	2	9.5
Other Business	65	89.2	19	86.1
Business Visitors Austria	AEV £	AED £	AELS Days	
Trade Fair/ Exhibition	562	281	2.0	
Conference/ Large Meeting	355	135	2.6	
Other Business	300	104	2.9	



# 12) VisitBritain in Austria

## Working in partnership with VisitBritain

There are many ways of working in partnership with VisitBritain in any of our 37 global markets. We deliver numerous marketing campaigns and produce various targeted guides and publications which are seen by millions of potential visitors throughout the world - offering excellent advertising and partnership opportunities.

We undertake both print and online advertising, and produce e-newsletters communicating with both consumers (via our substantial databases) and our trade partners on-territory whilst the exhibitions, workshops, sales missions and media events we organise provide the perfect platform to promote your product firsthand to trade, press and consumer visitors.

In some markets where the travel trade remains a crucial element of the booking process we produce Agents' Sales Guides and offer Agents' on-line training programmes to ensure both the destination and range of British tourism product is at the forefront of the travel agent's mind.

For more details on these and other diverse opportunities in markets of interest to you, please visit our UK Industry Website and read our worldwide marketing prospectus, or contact your VisitBritain representative in London or overseas.

[www.visitbritain.com/ukindustry](http://www.visitbritain.com/ukindustry)

## Overseas Contacts

VisitBritain doesn't have an office in Austria. Austria falls under the remit of the VisitBritain Regional Manager for Northern Europe based in Berlin. UK-based suppliers interested in the Austrian market should contact VisitBritain in London in the first instance for any enquiry on the market, statistical information, market opportunities or when planning a visit to Austria.

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## London Contacts / Further information

For any further information relating to the Austrian market, please contact the London-based International Markets Team:

[www.tourismtrade.org.uk/visitbritaincontacts/OverseasMarkets.asp](http://www.tourismtrade.org.uk/visitbritaincontacts/OverseasMarkets.asp)

Alternatively, visit VisitBritain's dedicated website for the UK tourism industry: [www.visitbritain.com/ukindustry](http://www.visitbritain.com/ukindustry)

**Why not sign up to our Industry E-Newsletter, or register with VisitBritain to be kept up to date with all that's new in Austria and other markets worldwide?**

## Information Sources used to compile this report

- International Passenger Survey figures (IPS) 2004 (Office for National Statistics)

**NB:** Data from International Passenger Survey has been made available by the Office for National Statistics and has been used by permission. The ONS do not bear any responsibility for analysis or interpretation of the data reported here.

- IMF / Economist / US Census Bureau / Global Tourism Navigator
- FCO (Foreign & Commonwealth Office) / ETC (European Travel Commission)
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