

## EMEA-Market

## Update- Q4 2021

**LEISURE TRAVEL**

**France**

Offline and online agency travel sales declined by only 33% in January 2022 versus September 2019. While the decline had reached 57% in December 2021 versus December 2019.

**France** is the number one destination this winter, thanks to winter sports and the reopening of Ski Resorts (which had to remain closed last year). **Spain** and its Islands are in second place (+1% vs. January 2019) before **Greece** (-22%).   
On long-haul routes, the **Dominican Republic** remains the leading destination (+12%). And the highest increases were registered by **United Arab Emirates/Dubaï** (+95%) and **Tanzania** (+189%). **Mexico** (-6%) and **Mauritius** (-48%) remain amongst the main destinations.

**Morocco** registered the largest decline due to the borders being closed since November 2021. The reopening on February 7th and the resumption of flights should enable to get back on track.

In January, medium-haul travel represented 52% of business volume (vs. 44% in December 2021 and 55% in January 2019) and long-haul 26% (vs. 25% in December 2021 and 32% in January 2019).

The dynamic is still negative for Spring. However, there is a gradual return to first minute bookings, and the progressive lifting of restrictions has led to a recovery in bookings since mid-January. Flexibility remains one of the main priorities for travelers when booking a trip.

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**Iberian Peninsula & Mediterranean**

2021 demonstrates the strong latent travel demand and the desire to travel of the population, reflecting the good prospects for the recovery of the sector at the time we normalize the situation and overcome the restrictions to the pandemic.

Some Key trends we take:

* Last minute bookings
* Demand of less populated destinations, secondary cities
* Proximity, staycation or European within Europe
* Sustainability /give back
* Wellness / packaged bookings

**Incoming**

Germany and France are the biggest proximity markets into Spain. Foreign tourism suffers from the effect of the restrictions: closed until the summer and with a partial and unequal reopening between countries since then, starting with those of proximity and Central Europe, being later that of the United Kingdom and that of the Americans in October and without signs yet that of the Asians.

**Outgoing**

As variant Omicron took over, requests slowed down specially from end November- December. Agents are positive though about this wave going away quick and business to pick up by end of January on the leisure side.

Big destinations have been local up until November, Paris as main European city, Italy all main cities, Maldives, Safaris and Riviera Maya as long haul as per less restrictive.

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**Central Europe**

Due to the Omicron variant, the German economy didn’t grow in Q4 as expected and will even influence Q1 for European and International Travel. The Vaccine Level is around 75%, but since Feb 1, 2022, booster vaccination will become a higher role within the European Union, which will even restrict the overall travel.

The consumer behavior is an important indicator to see, how the consumer are willing to invest or to spend money.

In times of crisis the level is normally shrinking slightly, but has been reached again a higher Minus during the winter season 2021 / 2022 because of Omicron.

Due to the relaxation of the restrictions in the European Union and Schengen area, the behavior and climate can be expected much more positively as in 2021, which will create more confidence by spending money even in travel. The only challenging factor for 2022 is the very high inflation, which is still around 4-5%. A relaxation can be expected after the Easter days in April.

Chart, waterfall chart

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**Trends**:

* Tour Operator (TUI / airtour, FTI, DERTour / DERTour Deluxe and others) are offering very flexible CXL conditions, but are all running on a very low level on production
* Local / regional offers through OTA’s are increasing
* Residence business has been increased again increasing
* Upcoming spring / summer destinations: Italy, Spain, Portugal, Southern France, Croatia, Netherlands, Scandinavia, partly US and Caribbean islands, Maldives, Thailand

**Recommendations:**

* Local, Regional and European Leisure Packages, which are available through your website, our website and GDS
* Double check all iPrefer opportunities through Preferred Hotels & Resorts
* Be flexible in CXL and rate, but always look on rate parity
* Use all social media channels with local and regional high end travel agencies
* Offering higher percentage of commission to support high end travel agencies

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**Italy**

LEISURE & MICE

The general situation in Italy is getting better day by day and the government is taking decision on less and less restrictive measures with regard to travel. in fact, new leisure destinations have recently been added to the list of places where quarantine is not required on return. these destinations are:

Cuba, Phuket, Singapore, Oman, Turkey, French Polynesia, Aruba, Maldives, Mauritius, Seychelles, Dominican Republic, Egypt (but only Sharm el Sheikh and Marsa Alam.

Trends and forecasts for next Summer are positive and according to the travel surveys taken from TTG Italia, the most popular medium-haul destinations are the Mediterranean area (Spain, Portugal and Greece) and the Nordic and Eastern European Countries.

On the long-haul side, the United States will certainly be in the top three, followed by Maldives, Seychelles and Turkey.

On the Mice side, requests are always very last minute and mainly for Italian hotels, even if the first positive signs of interest in foreign countries can be felt mainly towards UK and US. Ibrid meetings are still required, but less than before. The positive trend is that Companies want to go back to meetings 100% in person.

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**CORPORATE/BUSINESS TRAVEL**

**France**

Summer 2022: Air France to serve Quebec City from Paris to, its 4th destination in Canada. Up to 3 weekly flights will be operated from May 2022.

Due to the beginning of the peak season, Air France will have a significant increase in its frequency of flights between Paris and New York. The company currently operates three daily services connecting the two cities and will have seven daily flights starting in April.

Main 2022 RFP trends:

* Most of the buyers have launched an RFP for 2022 and have aimed at reverting to their regular timeline (27% Jul-Aug; 48% Sept-Oct; 24% Nov-Dec).
* Fewer unsolicited bids and program consolidation. Since their potential to several destinations has decreased, various accounts have decreased the number of hotels to solicit and they have selected, with the aim to drive business to their main partners (ie: LVMH, Total, Thales…).
* Some accounts decided to keep offering the same list of hotels to their travelers but without launching an RFP on destinations where production is low, and only by pulling the lowest rates possible via various channels such as Booking.com, HCorpo… (ie: Thales, Kering…).
* Most of the buyers requested either lower or flat rates and implemented dual rates (static negotiated rate + dynamic based on a discount off BAR).

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**Iberian Peninsula & Mediterranean**

Business Travel continues to be slower in uptake than Leisure Travel and event Group Enquiries. September and October have been an uptake, most increase looking to happen Q2 of 2022 and two-thirds back by the end of 2022.

Travelperk adds 115M USD to equity and discloses Unicorn Valuation.

Dual rates continue to be requested; the importance of the Preferred Chain corporate agreements keeps growing.

TMCs: most of agents still working from home and many still on furlough.

**MICE Trends**

Enquiries either have a very short lead time or very long lead time.

New variant means clients less willing to sign/finalise contracts at the moment

Seeing many cancellations/postponements for Christmas and some for Q1 2022

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**Central Europe**

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However, project related travel mainly from consultancies, construction & external installation companies, and SME clients are running within Europe and partly internationally (mainly North America).

Recommendations:

* Preparing Corporate Packages, which are available through your website, our website and GDS; it should include more value for money (i.e. parking included)
* Update your NEG Rate with amenities as listed above and change the rate description
* Include the iPrefer opportunities into your corporate offers (double points, specific amenities such as parking, in room breakfast, etc.)
* Combine all your promotional offers to the NEG rate to make sure that the traveler is getting the best rate and to avoid that you have to pay extra commission on it
* Sign Up for the Preferred Corporate Rate Chain Agreement (incl. Dynamic) to work even locally with our partners to get more local business by presenting your hygiene and sanitization concept to the local office managers

A few of the managed corporate accounts requested a further rate extension until end of 2022; many corporate accounts, which were running with a RFP focused the RFP invitations only on existing partner hotels, which were in contract. Others invited only those hotels, which received business in 2020 and 2021 or didn’t include specific destinations anymore, because of the missing volume (especially for ASPAC).

Due to the reduced volume of the corporate business at all, the number of accepted hotels will decrease for the next two years furthermore.

**Outcome 2022 RFP process**:

1. Very **high consolidation** and focusing on top volume hotels (50% consolidation compared to LY)
2. Corporate Room Night Volume will be copied from 2019, but for 2022 only 40% or lower has been produced
3. Lower rates have been re-negotiated
4. Destination shopping up from 500 Room Nights
5. Stronger outsourcing of Hotel RFP management and Volume Analyzing. Top Supplier for 2021: HRS Sourcing, Advito (BCD), CWT Consulting, American Express, Ratefinding (DER)
6. TOP RFP Tools 2022: LANYON, RATEFINDING (compatible to Lanyon) and HRS eRFP
7. Less than 50% of Travel Managers in central Europe are interested in including local counter signed agreements into the global hotel program
8. Hybrid rates are becoming interesting for a few corporate accounts

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**Italy**

In 2021 Italian Companies have demonstrated a strong interest in participating in Chain agreements rather than negotiating ad hoc rates with each hotel. This because the volume of travel did not justify the negotiation and because a chain agreement allows them to always have the best rate at the best condition at the time.

Travel managers focus on safety and sustainability which are among the main reasons for choosing one hotel over another and go beyond the issue of rate. They look for those hotels that can guarantee the security of their employees when travelling.

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