

The struggle for survival of travel agencies

A case study on marketing measures and market positioning in the travel industry

Abstract

Angelo Rossi and his cousin Roberto Lombardi, sons of Italian guest workers aged 16 and 18, came to Germany in the mid 50s and founded their first travel agency “Viaggi”, in Bochum. Due to the rapidly growing customer base, the company was able to expand rapidly and gradually open further branches, so that “Viaggi”, by the end of the 1990s, with 150 travel agencies and 625 employees, had established itself on the market for package holidays and long-haul holidays worldwide. Due to the events on September 11, 2001 and further attacks in the following years, the ever louder demands for environmental protection due to climate change, the strong pressure of online competition and the associated financial crisis, the company is currently no longer in such a good position. Francesco Rossi, the grandson of the company founder, now has to take care of things and, together with Paula Richter, the new marketing manager, has to create a new advertising strategy and a turnaround in the company. There are some challenges to be overcome, so that far-sighted decisions have to be made in order to prevail against the competition and survive in the market.

Students develop a marketing strategy for a company in transition

KEYWORDS: Marketing channels and strategies – Business strategy – Family-owned company – Competitive pressure

The use of case studies offers, especially in business studies, the possibility for students to deal independently with complex, economic questions and problems, so that networked thinking and problem solving are promoted.

The present case study can be assigned to the **Case Problem Method**¹, which in this case has the following characteristics:

- The problems are roughly mentioned and the necessary information is given.
- The students identify possible causes, further partial problems and interdependencies. They independently develop varied solutions and make a decision.

¹ inspired by Kaiser 1983, p. 23

TEACHING NOTE

1. Intended audience

1.1 Student group

The case study is for students

- at the end of Bachelor's degree, or
- in the Master programme

in the field of business administration.

Intended courses of study for the use of the case study are Business Administration, International Marketing, Marketing Management, Online Marketing, etc. However, the case study is designed in such a way that it can also be easily applied in other economic fields.

1.2 Required previous knowledge

Students should have basic knowledge in the field of business administration as well as basic economic know-how. They should be familiar with the most important marketing strategies and concepts and have a basic knowledge of human resources management and business organisation.

2. Case background

At the heart of this case is the traditional family business “Viaggi”, where a generational change is taking place as the company founders retire and the grandson takes over the management and implements changes. Competition is fierce, including from online providers, so the company urgently needs to work on marketing and sales in order to stay in the market.

What is important here is the challenge of how a company can design its marketing in such a way that it can assert itself in such competition. Not only economic but also ecological factors as well as customer orientation, new target groups, the employees' perspective and the general conditions of the company must be taken into account.

In the struggle between continuity and necessary change, new paths must be taken.

Students take on the role of the new owner Francesco Rossi and the new marketing manager Paula Richter, who try to reform and modernise the company. The students must always act under the condition that a company wants to maximise profits and benefit, in this case in order to save the company. Students must weigh all options and current market conditions and choose the best possible option and marketing strategy for the company to continue to compete in the market.

3. Didactic instructions

3.1. Learning goals

3.1.1. General learning goal

Students learn to recognise deficits in a marketing concept and develop an improved marketing strategy.

3.1.2. Specific learning goals

Content competences:

- Students select theories, models and approaches of marketing measures and identify possibilities for the present case.
- Students identify the different perspectives and determine the effects of new strategies.
- Students use appropriate tools and resources to estimate the impact and relevance of the different factors.
- Students analyse the influences of the market and the development of the tourism industry for a new marketing strategy.
- Students design a suitable marketing strategy based on the marketing mix, taking into account the market situation and the situation of the company.
- Students evaluate the developed solutions with regard to side effects, interactions between the different decision elements, interest groups and the restrictions of the market.

Social competences:

Social competencies are not the special focus of learning in this case study. The learning success is therefore not explicitly identified and measured. Nevertheless, cooperation in groups implicitly enhances team competence, including conflict resolution.

Self-competences:

Self-competences are not the special focus of learning in this case study. The learning success is therefore not explicitly identified and measured. Nevertheless, it can be assumed that, for example, time management, self-learning competence or the assessment of one's own performance are also implicitly promoted.

4. Organisation

4.1. Procedure and time

The following sequence is suggested for the case study, but, of course, it can also be adapted structurally or temporally depending on your preferences.

Time schedule for the use of the case study:

<i>Time</i>	<i>Phase</i>	<i>Classroom activity</i>
0,5h	1. Confrontation: Groups receive the case study in the lecture	The group deals with the case and the accompanying materials and develops a plan for the processing of the case.
1h	2. Information: Groups survey the case material provided and identify their own sources of information	The group works on the case study and researches the necessary contents.
3h	3. Exploration: Each group discusses alternative solutions	The group develops solutions and weighs between the different results so that the alternatives are discussed.
0,5h	4. Resolution: Each group makes its decision	The group comes up with a solution for the case study
1h	5. Disputation: Each group defends its decision ²	The groups present their results with reasons and a final discussion takes place.

Time schedule for final presentation and discussion:

<i>Minutes</i>	<i>Classroom activity</i>
0-45	Each group presents a summary of its approach to the solution; records this in key points on the blackboard or similar media.
45-60	The students get into a discussion about the presented solution.
60-75	If necessary, the lecturer stimulates controversy again by impulses. The following reflection questions can be used for this purpose.
75-90 and in the further course	Lecturer establishes references to the specialist science and, together with the plenary, places the solutions in the theoretical context.

² inspired and translated from Kaiser 1983, p. 26

5. Teaching tips

5.1. Use in the university context

- Recommended group size: Up to 4 students.
- Resources: Lecture or seminar room, in the best case with group tables and information or research facilities such as access to the internet.
- Accompanying material: As a lecturer, you decide which material you want to give, when you want to add it or to what extent you want to differentiate internally.
- Adaptation to learning group: This case study is designed for Europe-wide use. However, you can of course adapt or modify it to your learning group and their environment or professional orientation, previous knowledge and competences.

5.2. Role of the lecturer

As a lecturer, you merely take on the role of a learning advisor and moderator when working with the case study. The students should work on the case independently in groups, acquire the necessary knowledge, identify problems and find solutions by themselves. You do not give tasks, instructions or directions. Only if a group of students does not progress and the learning process is prevented, you can act as a learning guide and help through impulses or clarify difficulties in understanding.

5.3. References

This case study deliberately does not include any possible solutions or outcomes, as from a pedagogic point of view, openness to solutions is an important criterion for the learning process. As the lecturer, however, it may still be necessary to know the underlying concepts. Therefore, we would like to provide at least some literature tips:

- Homburg, C., Kuester, S., Krohmer, H. (2013). *Marketing management. A contemporary perspective* (2nd ed.). London: McGraw-Hill Higher Education.
- Miller, R. K., Washington, K. D., Miller, R.K. & Associates. (2017). *Travel & Tourism Market Research Handbook 2017-2018* (15th ed.). Loganville: Richard K. Miller & Associates.
- Brickley, J. A., Smith, C. W., Zimmerman, J. L. (2009). *Managerial economics and organizational architecture* (5th ed.). Boston: McGraw-Hill/Irwin.

5.4. Questions for reflection

A case study is for students to discover problems themselves, control the learning process and develop their own solutions. Tasks or questions within the case study therefore are unnecessary. These reflective questions should only be asked if the discussion stops or remains too superficial. They only serve to give new impetus in the final discussion at the end or to open up other perspectives. Ideally, students should consider and discuss these questions and interdependencies/considerations themselves.

- What are the weaknesses of the chosen marketing strategies?
- How can the marketing strategy ensure competitiveness?
- Which of the solutions are more short-term, which are long-term?
- Which solution do you consider to be the one that could best be implemented in reality, and why?

Further case studies of this kind, a Manual for your own development of didactically high-quality case studies as well as an Online-Planning-Guide for the digital, cross-location use of case studies in cooperation with other universities and a partner-tool for contacting interested institutions can be found at: <https://www.e3cases.uni-koeln.de/en/>.

CASE

The struggle for survival of travel agencies

A case study on marketing measures and market positioning in the travel industry

The first travel agency of the company “Viaggi” was founded by Angelo Rossi with his cousin Roberto Lombardi, who came to Germany at the age of 16 and 18 years together with their families in the middle of the 50’s, because their fathers were recruited as guest workers to lay railway tracks.

After they had found their way in Germany, the longing for their homeland remained, as with many other Italian guest workers. The older of the cousins, Roberto Lombardi, therefore soon began to deal with the possibilities of travelling from Germany to Italy and was able to organise some journeys quickly, as he had constant contact with many other guest workers through and the demand for journeys to their homeland was great.

Since it was easy for the two young people to learn the German language, it was possible for them to buy bus and train tickets for those interested in travelling and to resell the tickets with a small profit margin.

In 1959 they had the idea to open a travel agency in their hometown Bochum. Their extensive knowledge about their home country and the options of the different travel variants brought them quickly not only Italian, but also German customers as tourists, since Italy was at that time one of the dream destinations of the Germans. In this way, their customer base grew rapidly, so that the travel agency ran well and quickly achieved high profits. Two years after opening, the two Italians were already able to hire three employees to take care of their customers’ needs due to the high demand (in travel to Italy). In 1963, continued growth in tourism in Germany and rising demand, led to the establishment of a second travel agency in Dortmund with four coworkers and a third travel agency in Essen with three coworkers.

In 1965, as a consequence of technological developments, such as the jet aircraft and extended holiday periods, the cousins expanded their range of travel services to include flights to countries neighbouring Germany, which led to a rapid increase in the company’s turnover. Another three travel agencies were opened in Cologne, Munich and Hamburg, each with five employees. At the end of the 1960s, the travel agency chain with its headquarters in Bochum now had a total of 25 employees in five branches.

As a result of the greater distance between the travel agencies and plans for further expansion, also abroad, Rossi and Lombardi hired a branch manager for each of the branches. The branch managers were responsible for the employees, as well as the management and control of the branch, the sales, the marketing as well as reporting the progress of the branch back to headquarters.

The business continued to grow over the following decades, the customer base continued to grow, but a regular clientele also developed, so that new destinations, more airlines and more offers could be established. By the end of the 90s, “Viaggi” had established itself in the package and long-haul travel market and the company grew to 150 travel agencies with 625 employees, which Angelo Rossi passed on to his eldest son Andrea Rossi as the two founders, Rossi and Lombardi, retired to Italy.

But with the turn of the millennium and the events of 11 September 2001, the company entered a more difficult period, as a large proportion of the clientele refrained from traveling for fear of further attacks.^{3,4} Due to this crucial event the corporate chain reacted with a restriction to countries that were classified as safe by the Foreign Offices. Viewed in the short term, a price reduction, especially in the domestic hotel business, could boost customer demand. In the long term, however, this strategy did not help. The crisis persisted until the market demand recovered. In the years that followed, some of the previously popular travel destinations also disappeared and the target group of the company began to change again.

Particularly from year 2008 onwards, the rapid pace of technological change meant that online opportunities could be used to get the company back on track and increase sales again. Through cooperation with the IT specialist and management consultant IT-JT, the company “Viaggi”, began to use a Corporate Management System, and started to gather and analyse customer data to optimise their travel offers and marketing campaigns. Moreover, a brand-new corporate website was released. Younger people especially – the so called flashpacker – were attracted by this innovative company concept.

Furthermore in 2010 a new kind of health tourism started in Germany. Many travelers went to countries such as Thailand and India due to the favourable surgical opportunities. The initially small family business became an international operating company.

In 2014 the family tradition was continued and the son of the managing director joined the company after successfully completing his studies in business administration. In 2018 the time had come: Francesco Rossi was introduced as the new managing director at the annual company party. Already during his welcoming speech, it became clear that Rossi of the third generation brings a turnaround with his young 26 years: The numbers representing the marketing and total company success are decreasing. Therefore, there was talk of a restructuring of the company, a centrally controlled marketing/sales department under a female head-of named Paula Richter, of new market and brand positioning and new target groups.

However, the fact that the company has been in the red for some time now and that online providers are pushing prices down further and further, thus building up enormous pressure, does not make the situation

³ As a memory see “TSA releases new audio from September 11, 2001” <https://www.youtube.com/watch?v=E4nNhTQt5EM> (last access: 09th July 2020)

⁴ As a memory see “September 11th 2001 Airspace Shutdown (With Timeline)” by AIRBOYD: <https://www.youtube.com/watch?v=xh4V9PZT2VY> (last access: 09th July 2020)

any easier. So, although “Viaggi” has always relied on personal advice and customer contact, creative ways must be found to identify sales channels and alternative distribution options so that the company can keep up with its rivals in the online industry, but at the same time also keep the employees loyal to the company and remains true to the traditions of the family business.

Commissions based on the amount of sales are a usual occurrence in the travel industry. It might be interesting for “Viaggi” to investigate the different possibilities to incorporate varying commission models into the new strategy.

The new team will also have to deal with the continuing uncertainties in society about threats and risks, rethink their product range and discuss innovative advertising opportunities to attract customers to their stores. Then there is the issue of environmental protection, which Germany and the rest of the world have not been able to let go of in recent years due to climate change and which is also affecting the aviation industry. Tourism is responsible for a significant share of global greenhouse gas emissions. Much of these emissions come from transporting tourists to and from their destinations. Here, too, ways must be found which combine an economic and an ecological perspective and which can support the marketing of the company.

The management team of “Viaggi” is thus facing a number of challenges that must be mastered not only in the short term, but also with foresight, in order to lead the company back to black and to be able to hold its own in the market against the competition...

MATERIAL

Newsroom

German-French Friendship in Elsas-Lorraine – 01.07.2019

In Elsas-Lorraine there was a solemn meeting between Macron and Merkel. At this historic place the atrocities of the Second World War were remembered and the peace-making German-French friendship was emphasized. At the same time, the two heads of government warned against a nationalism that is causing unrest and is spreading in large parts of Europe and that must be vehemently prevented.

[→ More Information](#)

Domestic & Foreign Human Rights Violations of Saudi Arabia – 29.06.2019

Saudi Arabia's military offensive against Yemen leads to massive collateral damage. The number of civilian casualties is on the rise and Yemen is currently expected to resist aggressively. Domestic human rights violations are hardening and a complete travel warning is issued for Saudi Arabia.

[→ More Information](#)

Interview with Foreign Minister Heiko Maas about the visit to Italy – 28.06.2019

The Foreign Minister's positive expectations have been confirmed: Europe Day in Sicily showed that Europe is not only taking place in Brussels, but is lived in all parts of the continent. The solidarity of the anti-Mafia movement "Addiopizzo" is exemplary. The German contribution to the art biennale in Venice was received positively.

[→ More Information](#)

Spain or Mallorca as the most popular travel destination of the Germans with dark sides – 26.06.2019

Even if Spain and above all Mallorca is a popular travel destination and much speaks for a stay in the "17. federal state", there are safety references, which are to be considered. The terrorist attacks in Barcelona and Cambrils in 2017 have led to the second highest terror warning level in the country since then. In busy places and on special occasions, the highest level of attention is required.

[→ More Information](#)

Increased tensions between Ukraine and Russia – 26.06.2019

In eastern Ukraine and Crimea, a full travel warning is issued for security reasons. A further escalation of the conflict can be expected before the forthcoming parliamentary elections. Government controlled areas are to be preferred during a stay in Ukraine. In addition, travellers are advised to follow current media coverage closely, avoid crowds and follow security forces. Due to hostilities between the Ukrainian armed forces and the armed forces of the insurgents, a stay near the line of contact with the administrative districts of Donetsk and Luhansk should be avoided.

[→ More Information](#)

Civil war-like conditions in Venezuela – 25.06.2019

Demonstrations, protests and violent clashes have been taking place in the country since the beginning of January 2019. The economic and medical emergency persists and is worsening. In addition, power outages lead to massive restrictions. A positive development is not in sight. Travel to Venezuela is vehemently discouraged. During a present stay in Venezuela the departure is recommended with commercial means.

[→ More Information](#)

Maas welcomes cooperative encounter between Trump & Putin – 23.06.2019

From: Andrea Rossi (a.rossi@viaggi.de)
To: All »
Tue 27.11.2018 11:02
Subject: Many thanks for the good cooperation!

Dear colleagues, dear team,

today I am writing to you with one eye laughing and one eye crying. I have to tell you that I will be leaving Viaggi on 31 December 2018 and retiring. It is time.

I would like to thank you for the many years of cooperation and your commitment to the company. You are the heart of the company and have made Viaggi what it is today.

I can now introduce you to my son, Francesco Rossi, as our successor. He will continue Viaggi in our spirit, but also bring in his own new ideas. Please give him your trust as well.

As part of our annual company party, Francesco will address a few words to you and share his vision with you.

I wish you all the best.

Yours sincerely

Andrea Rossi
Viaggi – Managing Director



From: Francesco Rossi (f.rossi@viaggi.de)
To: All »
Do 03.01.2019 15:23
Subject: Future vision for Viaggi

Dear colleagues,

a happy new year and many thanks for coming so many to our annual company party.

I would like to introduce myself as the new managing director to all who could not attend the party. I am looking forward to what lies ahead! Viaggi is a company with a long tradition and great potential. I hope you stay open minded for new ideas and we will give Viaggi a new image together.

In order to successfully implement this idea, we need more effective structures, especially in the area of sales / marketing. Paula Richter will take over the management of the planned marketing and sales department this year. Don't worry! She will visit each one of you, to learn from you, what has worked at your point of sale. Take her as your new partner in developing the best Marketing ideas for you AND the hole company. She brings many years of experience in the field of brand positioning and targeting and is eagerly waiting to bring her expertise to us.

I am looking forward to the creative exchange.

Yours sincerely

Francesco Rossi
Viaggi – Managing Director



Branch Manager Meeting (No. 1/2019)
 Topic: Strategy Workshop with focus on Marketing/ Sales

Corporate Restructuring Plan

Company Profile of Viaggi

„Viaggi is a family-owned travel agency with a strong focus on package and long-haul travel.“

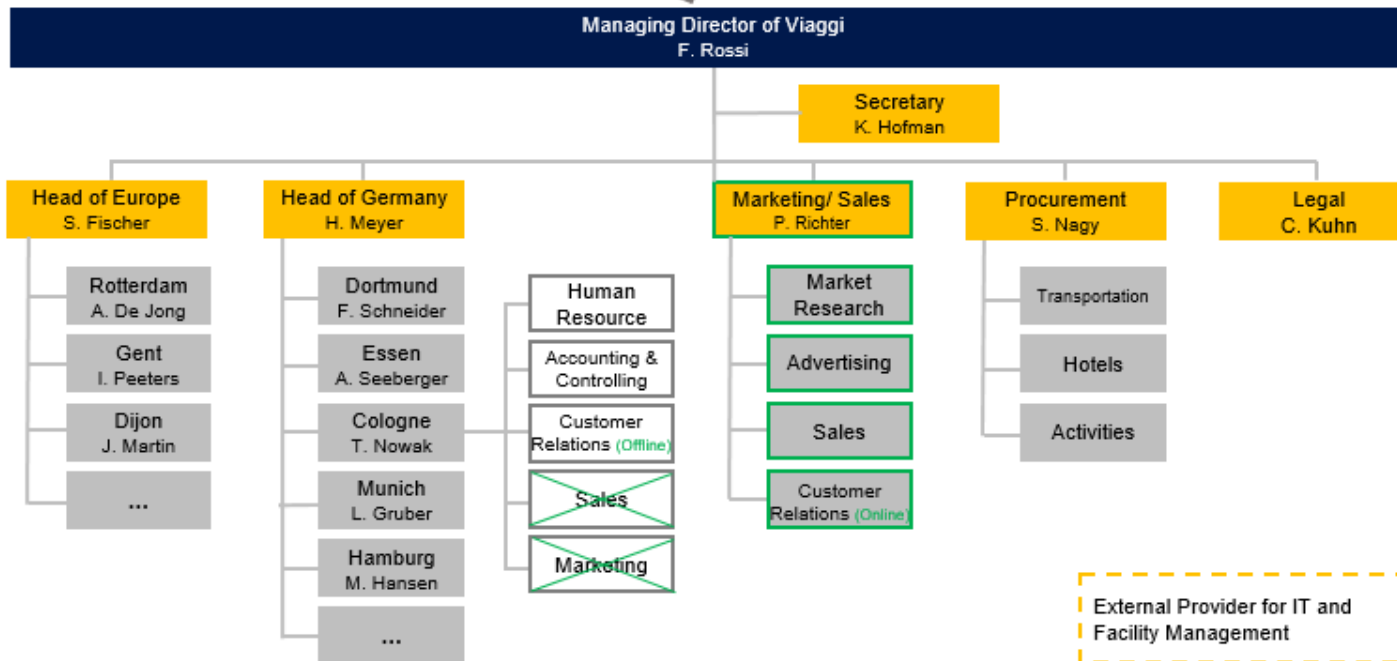
Comment by Rossi: This is how we are described on the internet right now. We need to change our image!

Founded: 1959 in Bochum by Angelo Rossi and Roberto Lombardi

Managing director: Francesco Rossi

Number of travel agencies: 150

Number of employees: 625



*All planned changes are highlighted in green

25 Januar 2019, Bochum



STRATEGIC WORKSHOP MARKETING & SALES

Location: Headquarter Bochum (big meeting room)
Date: 25.01.2019
Time: 09:00 – 17:30
Hosts: Francesco Rossi & Paula Richter

Agenda



Time	Topic	Speaker & Information material
09:00 – 09:30	Breakfast	
09:30 – 09:45	Changes in company organization	Francesco Rossi Organization chart
09:45 – 13:00	Review and Forecast: Marketing strategies	Francesco Rossi Presentation
13:00 – 14:00	Lunch	
14:00 – 16:00	Future Marketing Channels (target groups, market trends, etc.) Possible scenarios for implementation	Francesco Rossi & Paula Richter Article from scientific journal
16:00 – 16:15	Break	
16:15 – 17:30	Further discussion about implementation Feedback	Francesco Rossi & Paula Richter

Further Information

We kindly ask all employees to attend this workshop.



Summary of strategic workshop meeting Marketing & Sales on 25.01.2019

1



Review and Forecast: Marketing strategies

Differentiated marketing and standardized marketing

2

Differentiated Marketing

Past Marketing strategy

- Segmentation
- Consideration of the different benefit expectations of the individual segments (here: locations/ regions)
- Different offers in different segments

3

Differentiated Marketing

Past Marketing strategy

Advantages	Disadvantages
Custom-fit, flexible offers for individual needs	High costs for marketing
Increased personal contact with customers leads to long-term and stable customer relationships	Not suitable for homogeneous products
Increased personal advice	Corporate image might be unprecise
Higher decision-making and design freedom in the segments	

4

...the company has been in the red for some time now [...]

Actual Situation

Impact of Viaggi's overall business strategy



Note: Know: improvements urgently needed

5

Standardized Marketing

Future marketing strategy

- Different needs of individual customers are not taken into account
→ Concentration on the similarities of the customers
- Less customer interaction
- Target: Address as many customers as possible in the overall market through a unique product (product range) and marketing mix
- Cheaper realization of the marketing mix and marketing

6

Standardized Marketing

Future marketing strategy

Advantages	Disadvantages
Low marketing costs	Neglecting the individual needs of the customers
Standardized product range	Possible loss of the unique selling point on the personal level close to the customers
Less work for segment leaders	Possible restriction of responsibilities and freedoms of Branch Manager
Uniform image of the company	
Less customer contact → Time savings	

7



Marketing channels & Possible scenarios for implementation

New strategy under consideration of target groups, market trends, etc.

8



Marketing channels & Possible scenarios for implementation

- The lively discussions about different marketing channels and their implementation options were not finalized.
- They are expected to be continued on 06.02.2019 - an invitation follows.



9

Marketing news

26.11.2018

Does it always have to be online?

A comparison of online and offline marketing channels

77% of the 65 million regular Internet users in Germany aged above 10 years buy goods and services via the Internet (cf. Destatis 2018). Or in other words: There are 50 million online buyers in Germany. On the basis of the current data from 2018, the Federal Statistical Office was able to ascertain that clothing and shoes (67% of respondents) are predominantly purchased online.

In second place are furniture, toys and other consumer durables (52%). 42% of respondents indicated that they would book accommodation for their holidays online and 42% buy tickets on the Internet. 40% of online shoppers stated that they buy books and magazines online. Films, videos and music, as well as medicines, computer soft-ware and food are also being purchased more and more frequently online – and the trend is rising (cf. Destatis 2018).

What does this trend mean for companies which want to

advertise their products and services?

It seems to be without controversy that an online presence is important, even indispensable, for many companies. However: How should the products and services be advertised and which are the best channels for my specific product? Is in the future only online marketing profitable or does the old-fashioned offline marketing also offer advantages? The following article deals with this question.

individualization of the branding through the possibility of systematically tracking website visitors. By knowing about likes, places of residence and members, advertising can be adapted even more to the target group and distributed via different, coordinated channels. Online marketing also increases the reach of advertising and is more modern than offline marketing, which can influence customers' impression of the company's image.

There is a potential market of 50 million online buyers in Germany (cf. Destatis 2018).

Online marketing takes place via digital channels. Social media marketing (weblog, social networks) and online advertising (integrated ads, keyword advertising) are examples of online marketing. One of the advantages of online marketing is for example the increased possibility of

At the same time, the appearance of previously viewed products or services on other websites can cause negative feelings among customers. What is critical, however, is that online marketing can also be perceived very “fleetingly”. However, this is a common

problem that must be considered while advertising products or services (cf. Fröhlich et al. 2018, 149-184 & Homburg 2017, 217-254; 285-287).

On the other hand, **offline marketing** does not take place via a digital channel. Examples of offline marketing include print advertising (newspapers, magazines), outdoor advertising (posters, transport advertising) and direct marketing (mailings, advertising postcards). They

have the advantage that they can be perceived physically, which leads to a stronger confrontation with the medium. Offline marketing is often perceived as serious and allows a direct and personal approach of the customers. The disadvantages of offline marketing may include high (printing) costs and a lower coverage. Too much use of offline marketing can also lead to a negative attitude of customers towards the product or service (cf. Fröhlich et al.

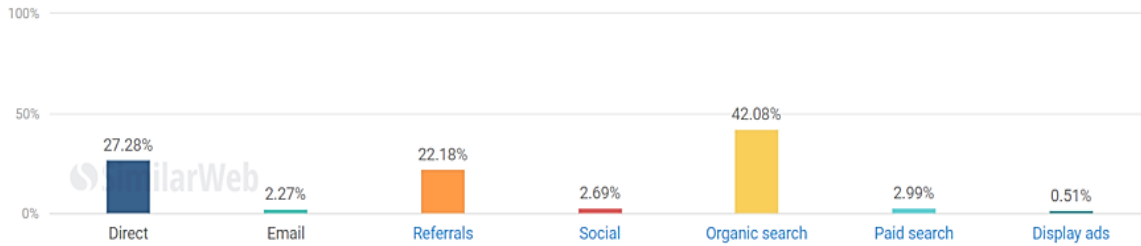
2018, 149-184 & Homburg 2017, 217-254; 285-287).

Overall, it can be said that both online and offline marketing have various advantages and disadvantages. Every company must decide whether to pursue an online or offline marketing strategy (or a mixed form?), taking into account the target group, the objectives pursued, the competition, trends, the industry, the product and, last but not least, the financial possibilities.

Channels overview ⓘ

298,798
 Total Traffic

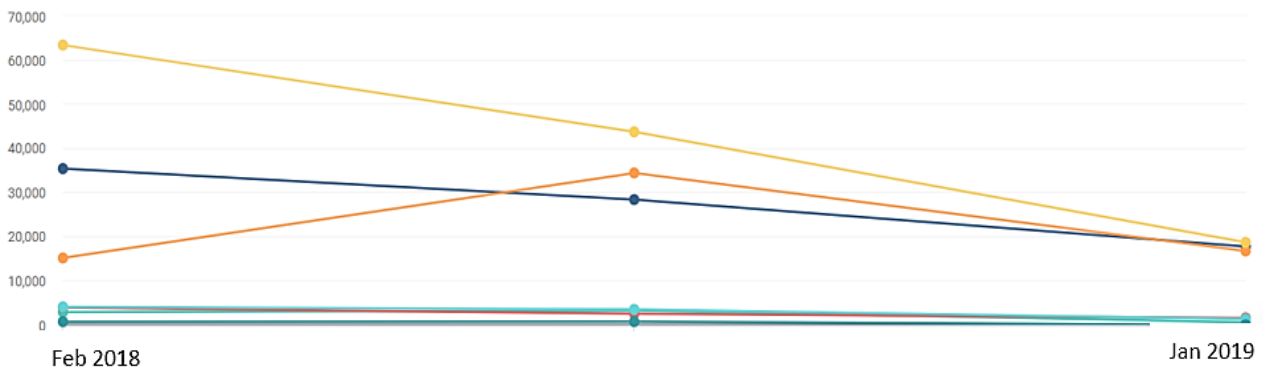
Benchmark ⓘ



TRAFFIC SHARE | AVG. VISIT DURATION | PAGES / VISIT | BOUNCE RATE

Direct
 Email
 Referrals
 Social
 Organic Search
 Paid Search
 Display Ads

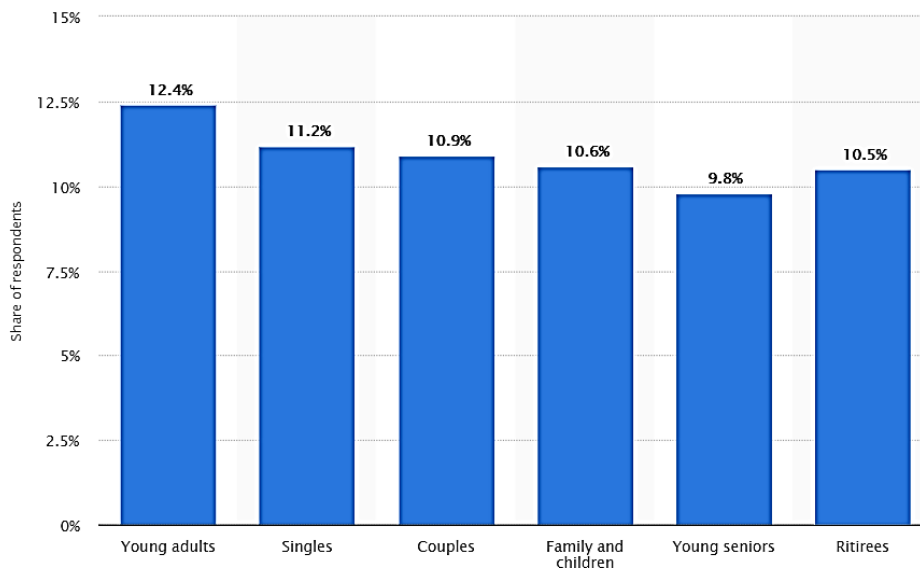
81,506 6,773 66,288 8,029 125,732 8,948 < 5,000



Statistics on “Viaggis” digital marketing traffic on 15th Jan 2019:

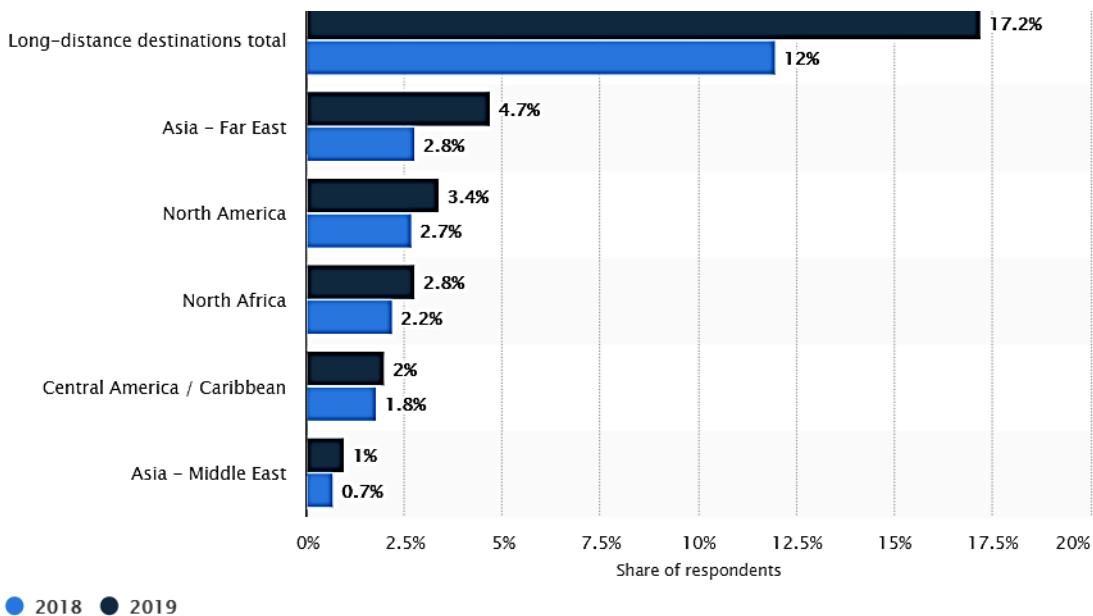
Traffic Source / Marketing Chanel	Traffic Sh...	Change	Source Type	Global Rank	Category
1 Google Search	40%	↓ 57.32%	Search / Organic	#1	Computers Electronics and Technology > :
2 Direct	27%	↓ 37.4%	Direct	-	-
3 Viaggi.co.uk (GB)	10%	↓ 65.49%	Referral	#277,196	Travel and Tourism > Travel and Tourism
4 Viaggi.com.au (Australia)	4%	↓ 44.56%	Referral	#569,712	Travel and Tourism > Travel and Tourism
5 Google Search	3%	↓ 61.45%	Search / Paid	#1	Computers Electronics and Technology > :
6 Email	2%	↓ 80.94%	Email	-	-
7 login.microsoftonline.com	2%	↑ 15.52%	Referral	#40	Computers Electronics and Technology > I
8 Yammer	2%	↓ 30.04%	Social	#2,830	Computers Electronics and Technology > :
9 Viaggi.com.nz (New Zealand)	2%	↓ 34.42%	Referral	#1,139,468	Travel and Tourism > Travel and Tourism
10 Viaggi.de (Germany)	1%	↓ 51.26%	Referral	#785,458	Travel and Tourism > Travel and Tourism

Survey of the distribution of “Viaggi” customers worldwide by live stage 2019



Survey by: Viaggi Headquarter, Bochum

Survey of leading long-distance travel destinations among “Viaggi” customers in 2018 and 2019



Survey by: GfK; Dec 2018/Jan 2019, Dec 2019/Jan 2020; 3,018 respondents; 18 years and older

Source: BAT Stiftung für Zukunftsfragen, Tourismusanalyse 2020, page 14 “Distribution of leading long-distance travel destinations among German tourists in 2018 and 2019” <https://www.statista.com/statistics/568618/germany-popular-long-distance-travel/> (last access. 09th July 2020)



A changing industry

The European like to travel. In 2018, the number of travel days of German e.g rose by 1.8% compared to the previous year and thus to a proud 1.71 billion travel days. In addition, Germans are willing to pay more for their holidays. For example, there are significantly more people who want to spend less on their wallets on holiday in 2019 than in the previous year (29%) than there are people who want to save on holiday (14%).

If you take a look at the figures published by the German Travel Association (GTA), it becomes clear that travel agencies, which are often declared dead, still play an important role in the highly competitive travel market: Of the 70.1 million holiday trips last year, around 40% were package holidays or modular trips organised with the help of tour operators or travel agencies.

Studies by the research community Holiday and Voyages (HUV) also show that the share of organised trips via travel agencies and tour operators has risen in the last two decades from 41% of all holiday trips (1995) to 49% of all trips (as professional tour operator trips booked both with stationary travel agencies and online) in 2018. This increase is particularly remarkable against the background of the Internet age and is also reflected in the turnover of the industry.

The total turnover of travel agencies is rising steadily: For example, in Germany their amount rose by 15 percent (from 31,2 billion euro in 2016 to 36 billion euros revenue in 2018).

With this growing total turnover, the news is extremely positive: In recent years the average turnover per travel agency has risen by around 5% per year. This enables travel agencies to work more economically overall.

After declining booking figures and the associated loss of sales due to security concerns and the fear of terrorist attacks, sales in the areas of "beach holidays" (+14%) and "city trips" (+12%) have risen again in the last two years. Sales in the holiday types "land holiday/ holiday in the mountains" and "cruise" also increased, while sales in the "round trips" segment remained unchanged.

therefore, prefer to utilize the individual service of travel agencies more and more. These young adults make the longest and most distant journeys, which are therefore often more costly. Studies show that all in all young adults, couples and families travel the most frequently. Also, the number of student travellers (age 15 -24 years) is rising. Only in the US there are 300 million students expected in the year 2014, market research for European countries are in prospect. The anticipated marked value of US-students is 320 billion US-Dollar. The customer share of the other customer groups in average remained unchanged.

But while in 1990 about 70% of all travel agencies were still unbound, today almost 95% of all travel agencies are so-called systembound companies, i.e. travel agencies belonging to a chain, a franchise company or a cooperation of travel agencies.

But how do the travel-loving people book their holiday? Classic in a travel agency or online? How do they see

Millennials – future business:

*They might not be the core customers of travel agencies, yet. But they are likely to spend a good deal of money in that market soon. This is expected to be the case especially in the **business-travel** segment of the market, as Millennials grow into it: they are expected to account for some 54% of the segment by 2025. (BCG-Report, 2013)*

the current sales trends? While a few years ago holiday trips were almost exclusively booked in a stationary travel agency, the digitalisation of the travel market also increased the demands of holidaymakers. The Travel agencies had to adapt to customer requests for more individuality in holiday planning, for example in the form of wellness or active holidays, and expand or specialise their product range. For example, there are full-range agencies, agencies specialising in tourism, agencies specialising in business travel or student travel and sales offices concentrating on one tour operator or a specific section of the travel offer.

A significant growth market is represented by the digital Channels. Hardly any other industry has

experienced such a strong change in distribution channels due to the introduction of digital channels as the tourism sector. A large proportion of holiday bookings are now made electronically. In 2018, for the first time, more holiday trips were booked online than in personal contact. This marks a milestone in the long-term, digitization-driven structural change in holiday booking. It can be assumed that the share of online bookings will continue to rise in the coming years. However, the majority of these bookings were not recruited from classic and stationary travel agencies and tour operators, but at the expense of individually organized holidays.

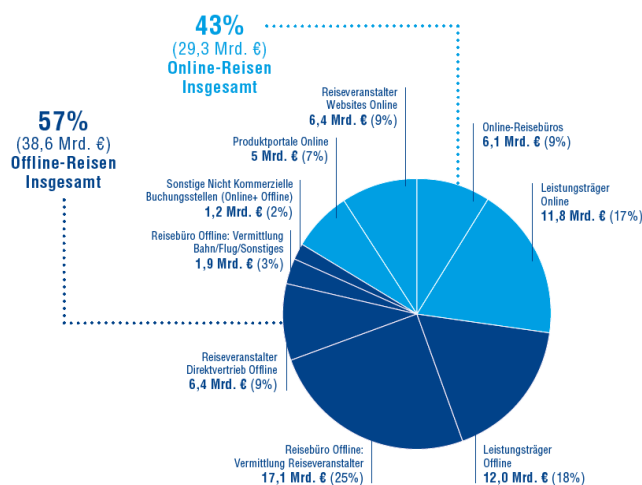


Figure 1: ONLINE OFFLINE SALES DEVELOPMENT (2018)

In 2018, 43% of total revenues from holiday and private travel were generated through online sales, e.g. through online travel agencies, tour operator websites or online portals. However, offline booking still accounts for the larger share, accounting for 57% of sales. For example, 9% of offline travel sales were generated by direct sales through stationary travel agencies, 25% of sales by agency sales to tour operators through travel agencies. Service providers such as airlines, railway companies, car rental companies, hotels, long-distance bus companies and event organisers generated online and offline sales of around 12 billion euros.

According to a 2017 study by the Internet Travel Sales Association (ITSA), the greatest growth potential for digital sales channels lies in the travel segment with a duration of five days or more. The forecasted growth potential of digital sales channels is also related to another advantage of online booking. In contrast to traditional travel agencies, consumers are not tied to shop opening hours and can plan and book their trip comfortably from their home sofa. One factor which should not be underestimated and which plays a role in sales via digital channels is the presence of tour operators and travel agencies on the Internet through their own websites, customer rating portals and social media.

In addition to online and offline business, there are other sales channels. "Bring catalogues to life, travel to dream destinations with the remote control and book from the sofa at attractive prices". These are some of the slogans used by the private channel "Sonnenklar TV", which went on air in 2003. As part of a "multi-channel" strategy, the company offers holiday travel via its own TV program, the Internet, call centers and 280 stationary franchise travel agencies nationwide. The company also distributes its offers via smartphone apps. With the help of this strategy, "Sonnenklar TV" potentially reaches up to 32 million households according to its own statements and generated over 600 million Euro in the 2017/18 financial year.

And which vacations are the best sellers at the moment? What are the travel trends for 2019?

Germans still like to spend their holidays in their own country. 27% of all holidays last year were within Germany. This means that home is still the most popular holiday destination for Germans.

International trips are also very popular, accounting for 73% of all holiday trips, as are long-haul trips. 8% of all vacation journeys were remote journeys, with goals outside of Europe and the Mediterranean area. Whereas long-haul holidays still accounted for a market share of 6.5% in 2010, by 2018 this figure had risen to 8.1%.

In the international travel sector, Spain was the undisputed leader in 2018, followed by Italy, Turkey and Austria.

This trend towards international travel is also reflected in the choice of means of transport. After arriving by car, air travel is in second place in the ranking of the most frequently used means of transport.

Camping holidays are also becoming increasingly popular. 7% of all holidaymakers in 2018 opted for camping. The most popular type of accommodation, however, is the hotel with 48%, followed by the holiday flat or holiday home with 25%.

In addition to camping holidays, which can increase especially at home, recreational holidays, bathing holidays and family holidays are the most popular types of holiday.

Also mentioned again and again in surveys on the holiday motives of German holidaymakers: Nature. Nature holiday is the fourth most important type of holiday; nature plays a role in 80% of all travellers on holiday.

But if the nature has such a high value for the Germans, how is it then ordered around the topic sustainability in the vacation?

In a survey conducted by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, 57% of those questioned stated that holidays should be as socially compatible, resource-saving and/or environmentally friendly as possible, but only 23% stated that this aspect had played a role in concrete planning and that only 4% of those questioned had been interested in the sustainability of the trip. In 2018, for example, only 2% of all air travel was offset by CO2 compensation.

A look at the travel market in Germany clearly shows that providers are facing major challenges as a result of structural changes, such as digitalisation or changed customer requirements, which they have to face with the help of innovative and modern strategies.

The information in the text has been taken from the following sources:

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<https://www.statista.com/statistics/568618/germany-popular-long-distance-travel/> (09.07.2020)

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Deutscher Reiseverband (Hrsg.) (2018): Der Deutsche Reisemarkt. Zahlen und Fakten 2018, Internetquelle, URL:

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StudentUniverse + Skift Present: The State of Student Travel, URL:

<https://skift.com/wp-content/uploads/2014/10/StudentUniverse-Sponsored-SkiftReport-State-of-Student-Travel-2.pdf> (04.06.2020)

Figure 1:

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Internal Memo

To whom it may concern,

please find attached an interview with the climate-activist *Daphne van Breukel*, who is one of the leading, most influential spokespersons of the movement *GreenGeneration1.5 (GG1.5)*. GreenGeneration1.5 has been initiated to demonstrate against climate change and most of all to “rouse up politicians and the population to acknowledge climate change”.

This interview has been published on GG1.5’s website (15th of January 2019). This version has not been edited. It has merely been printed for your convenience. Additionally, a mentioned statistic regarding the ecological footprint has been attached for further information. We expect you to read this interview thoroughly as we have acknowledged the effects of movements such as GG1.5 to be far-reaching and expansive for the tourist industry – particularly for young generations.

Kind regards,

The management of Viaggi

Attached:

Interview GreenGeneration1.5

Statistic ecological footprint



Source: <https://pixabay.com/de/photos/stra%C3%9Fe-wald-saison-herbst-1072823/>

GreenGeneration1.5

Interview with *Daphne van Breukel*

Carbon footprint. What does it mean for everyday life?

GreenGeneration1.5

Participants: Daphne van Breukel (DvB), spokeswoman GG1.5

Interviewer (I): Cedric Wenzel

I: Hello, Daphne. It's a pleasure to meet you! How are you? Have you had safe travels?

DvB: Hey Cedric, nice to meet you finally in person after all those mails. Yes, I've had a rather unspectacular train ride to Munich. It's been nice so far! Lovely people!

I: That's great to hear! How come that you chose to go by train? Wouldn't a flight be much faster?

DvB: Well, in this case it might be true. The total time from Amsterdam central station to Munich central station was round about 7 hours. I had to switch trains in Mannheim. But the good thing is the trains were punctual and I could really use the time to get some work done. The flight time is shorter, obviously. But especially in the morning, one has to plan in a lot of additional time to pass security, and so on. So therefore, a one-hour flight is not actually just one hour but rather three and in this time you can hardly get any work done.

I: How much did you pay? I looked up the costs of a plane ticket for Amsterdam to Munich yesterday, a roundtrip was about 120€.

DvB: Since I booked the train tickets not in advance, I had to pay 180€.

I: Wow!

DvB: (*laughs*) Yeah... But it's not all about the money, you know. I think you know the main reason I gladly used the train. I believe, this is actually why you invited me in the first place...

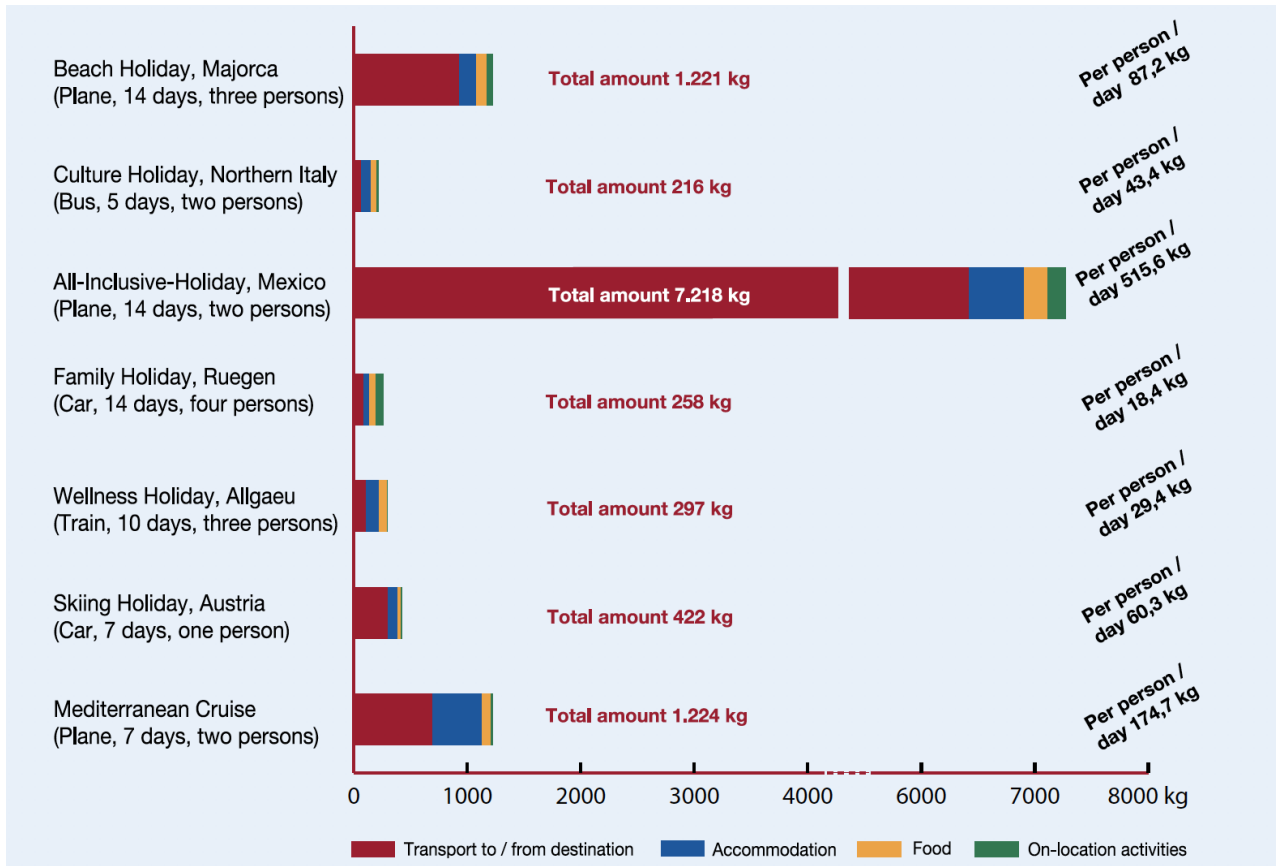
I: Obviously! You mean environmental protection?

DvB: You caught it! For a roundtrip from Amsterdam to Munich by train I produce round about 30 kg of CO₂. The amount of CO₂ that is exposed for the same roundtrip by plane is ten times as high! So, the 4 hours I spent more on this trip is a small price to pay. And actually, I have spoken to many people...they absolutely think the same! Our generation is changing!

I: That is a huge difference! But you can't be all against flying, as you recently spent half a year in Australia... I presume you didn't go there by train.

DvB: No, obviously, I flew to Australia. And you are right, I am not completely against flying. There is *de facto* no other way from Europe to Australia than flying. It has been a lifelong dream of mine to visit Australia. In my opinion, it is okay to make these kinds of trips once or twice in your life. Besides, I donated to a website to compensate for my CO₂ footprint. The point of GG1.5 is not to ban flying in general... But many destinations can easily be reached by public transport. And thus, public transport needs to be far more favorable through better connections and cheaper tickets! We, as a society, need to stand up for our future and force politicians, companies and so on to invest in ways to protect the planet! Most important is that the younger generations want to accept certain changes in their lives by now! They would accept more eco-friendly ways of living, but unfortunately, the market does not offer great opportunities to do so!

- I: I agree! But let's take a friend of mine, who owns an electric car, as an example: It takes him much more time to, let's say, reach the North Sea as it has to be recharged multiple times for this trip.
- DvB: First of all, I appreciate that he drives an electric car! I know that the technology is not fully developed yet. But still it's an important step for the environment!
- I: But what if the car's energy does come from a coal-fired power plant?
- DvB: That's definitely an issue. If we want to remain true to our aim which the name *GreenGeneration1.5* inherits, namely, to limit the temperature rise to 1,5 degrees, there is no other way than to stop burning coal and to invest in renewable energies. But still, I think that an electric car that is fueled by coal is still a better alternative than a car with an Otto- or Diesel engine.
- I: Some countries in the EU agree on that and discuss to pass a law for a carbon-tax. What do you think of that?
- DvB: I think that what be a good start, but just to force the population is not enough! Many young people have already realized that they need to alter their way of living. Just look at how much different kinds of holidays can have a huge impact on our carbon footprint. There is a study of the WWF that shows how different ways of spending your holiday can have a tremendously big effect. For example, a holiday in Mexico has – compared to a holiday at the North Sea– ridiculously higher carbon emissions. And it's not only Mexico. I know that especially Germans love Mallorca, but I've read that said holidays on Mallorca decline and that more people tend to spend their holidays relatively close to their homes. Personally, I think that this is also reflected in the growing popularity of eco-friendly parties among the population, particularly of the youth. Not only the weather or the culture of a destination is important, but also the consequences for the environment!
- I: Do you really think that especially young people would rather travel to the North Sea by train instead of flying to the *Playa de Palma* to celebrate finishing school?
- DvB: Why not? Probably not all young people practice what they preach, but I think if the influence of movements like *GreenGeneration1.5* increases more and more, people will automatically ask for more eco-friendly holidays. And I mean, why shouldn't you have all the fun that you can have in Mallorca not at lake in Germany, the North- or Baltic Sea, and so on.
- I: I see, you are very enthusiastic about this topic!
- DvB: It's the only way!
- I: Change is needed, I agree. In any way, thank you for your time, Daphne! Good luck to you and *GreenGeneration1.5*!
- DvB: You are welcome. Change is there! Thank you for hosting me!



(Quelle: WWF 2009, 14)



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DETAILS

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Nationality

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Driving license

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Date / Place of birth

23.09.1988

Cologne

PROFILE

Passionate brand developer in family run businesses for more than 10 years.

EMPLOYMENT HISTORY

Head of Marketing, Bierbaum- Proenen GmbH & Co. KG, Cologne

JANUARY 2016 – JULY 2019

- Developing brand values and overall responsibility for brand management and corporate identity
- Developing a content marketing strategy
- Creating a marketing strategy and plan
- Creating concepts for print and online marketing campaigns
- Planning and organizing national and international trade shows and customer events
- Overall responsibility for public relations and developing the annual media plan
- Managing external PR & marketing agencies
- Working closely with other departments, e.g. product management, sales, e-commerce and IT
- Recruiting and leading members of the marketing team,
- Overseeing and planning the company's marketing budget

Marketing, Bierbaum- Proenen GmbH & Co. KG, Cologne

JANUARY 2014 – DECEMBER 2015

- Making concepts for print and online marketing campaigns
- Planning and organizing foto shoots for marketing campaigns
- Developing and implementing a shop-in-shop concept for retail partners
- Supporting the head of marketing in the subject of brand development
- Organizing trade shows and customer events

Sales Assistant, Bierbaum- Proenen GmbH & Co. KG, Cologne

OCTOBER 2011 – DECEMBER 2013

- Serving as the interface between the sales director and all other departments
- Making sales analyses and reports for the general manager, sales director and sales representatives
- Project lead: 225th anniversary, 500 guests (customers, suppliers, employees)

EDUCATION

Training Course „Certified Online Marketing Manager“, Social Media Akademie, Mannheim

JANUARY 2019 – JUNE 2019

Master's degree in marketing management, University of Cologne, Cologne

JANUARY 2013 – AUGUST 2015

Thesis: Development of a Communication Strategy for Raising a Brand Profile for End Consumers

Hawaii Pacific University, Honolulu

JANUARY 2011 – MAY 2011

Semester Abroad

Bachelor's degree in industrial management, Dual Study at the European University of Applied Sciences, Brühl

OCTOBER 2008 – SEPTEMBER 2011

- Thesis: Development of a Shop-in-Shop-Concept in Order to Improve Brand Perception at the Point of Sale Using the Example of "BP", a Manufacturer of Professional Clothes

Apprenticeship as Industrial Management Assistant, Bierbaum- Proenen GmbH & Co. KG, Cologne

SEPTEMBER 2008 – JUNE 2010

German higher school degree (Abitur), Erzbischofliche Liebfrauenschule, Cologne

AUGUST 1999 – JUNE 2008

SKILLS

German language



Spanish language



Microsoft Office



English language



Driving License



COURSES

„Recruiting and keeping the best employees“, tempus

MARCH 2018

Design Thinking Workshop, Protostart GmbH

SEPTEMBER 2017

Leadership coaching, Hattinger Büro

FEBRUARY 2017 – MAY 2017

Content Marketing, ABSOLIT Dr. Schwarz Consulting Training

MAY 2014

„people-oriented communication“, Hattinger Büro

OCTOBER 2012