

AUSTRIAN TOURISM IS BOOMING BUT NOT BENEFITING ALL



picture.

Austrian tourism industry is experiencing a remarkable recovery. However, the reality is complex behind the reports of record overnight stays and increased visitors. According to an analysis conducted by Kohl-Partner based on a representative survey and up-to-date balance sheet data from over 300 tourism companies in the Alpine region, current tourism activity presents a differentiated

Previously, the number of overnight stays was the only measure of success in the tourism industry. However, due to the increasing costs in the industry, more than this metric is needed to determine economic success. **Tourism is a complex industry that requires a more nuanced approach to evaluating its economic reality.** Therefore, it is necessary to consider multiple factors instead of relying solely on one metric.

Positive Mood - But Still Signs of Tension

The tourism industry is generally optimistic but faces challenges in many areas. Experts stress the need for a realistic assessment of the situation and point out that costs, especially energy, employee salaries, and interest rates, are increasing. Despite significant price increases in some cases, earnings are stagnating or declining, indicating that the good times are over. The Austrian tourism industry is undergoing an upheaval.

Mixed results marked the hotel industry's perspective on the 2023 summer season. 55% of the companies rated the season neutrally, 25% reported positive outcomes, and approximately 20% experienced negative results. The season's clear winners were the city hotels, which saw a strong influx and often reached or exceeded the 2019 values.

A significant difference to 2023 was the initial uncertainty due to a rainy spring at the beginning of the season. Bookings came in later than usual, and many guests booked in the same month of their planned stay. The effects of this unpredictable booking behavior were noticeable.

The Austrian Tourism Industry Is in a State of Upheaval

Guests' savings behavior significantly impacted the average revenues of establishments, resulting in a decrease in revenue for about two-thirds of establishments compared to the previous year. This decline was mainly due to inflation and the subsequent price rise, particularly in the catering industry. The industry is now faced with the challenge of maintaining competitiveness despite increased prices while simultaneously meeting high expectations.

Many travel companies face a major challenge due to the significant cost increase caused by inflation. As a result, profit margins have reduced, while competition for attracting and retaining employees has intensified. Looking ahead, the booking situation among the surveyed companies for the upcoming winter appears cautiously positive, albeit with a decline in cases compared to the previous year. Due to escalating costs, the industry must maintain a reasonable price level. However, despite the price hikes, several travel companies are still struggling to offset the actual cost increases, leading to an overall earnings decline.

Understanding and appreciating the hotel and catering industry's accomplishments is crucial. **We should accept the changing conditions and acknowledge that quality and the interpersonal experience come at a price.** The industry is currently adapting to the framework conditions and reinventing itself. Therefore, it is necessary to accept increased costs and prices. We need to know that quality, pampering programs, modern infrastructure, and good employees have their price.

Despite the signs of recovery, the Austrian tourism industry still faces numerous economic challenges, which require adaptation and awareness-raising.

Date: 2023-10-09

Article link:

<https://www.tourism-review.com/austrian-tourism-reported-some-positive-trends-news13781>