New Landscape Report

NORDIC

TRAVEL SOUTH USA

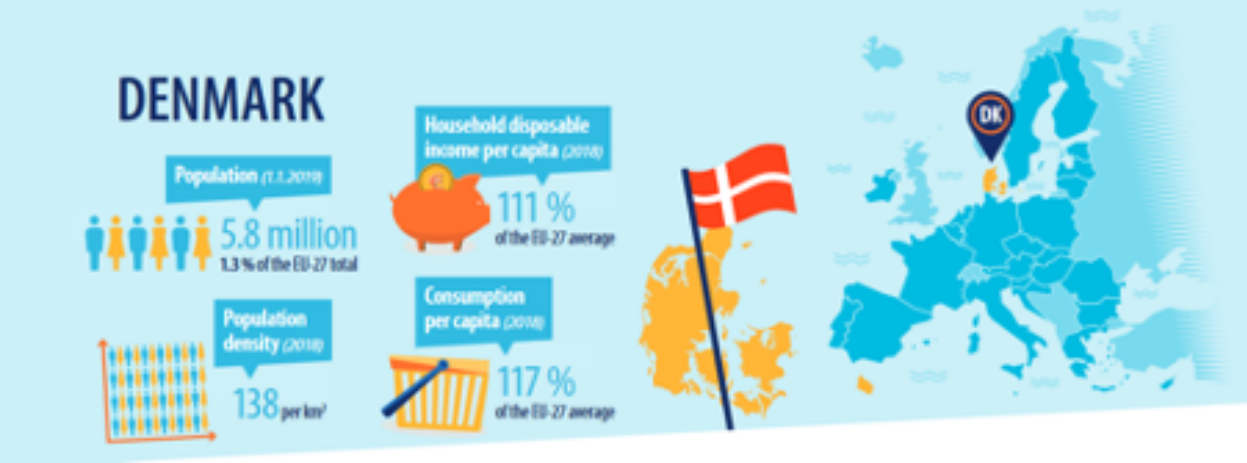
EXECUTIVE SUMMARY

- The Nordic countries represent a combined market of just under 27 million people
- Nordic citizens have a historically high level of disposable income and extensive vacation days
- Current savings rates are high with significant 'pent-up' demand for post pandemic travel
- Vaccine roll-out rates are higher in the Nordics than the rest of the EU, particularly in Denmark
- There is still 'hesitance' and 'caution' from Nordic citizen but sentiment is expected to improve significantly during March and into April 2020.
- Societies are expected to fully open by the Summer 2020, led by Sweden
- Vaccine 'passports' are actively being developed by Denmark and Sweden for both travel and other activities such as sporting events and festivals. Norway and Finland are assessing viability at the moment.
- Current lockdown measures are in force until the end of March but will be reviewed ahead of this date

Overview

Factors Affecting Travel

ECONOMICS



Economic Outlook

The Danish economy recovered somewhat in Q3 2020, after Q2's pandemic-induced contraction. The unemployment rate eased further in August from May's peak, boding well for household spending. Meanwhile, the manufacturing PMI (purchasing manager's index) remained in expansionary territory throughout the quarter, increasing notably in September. However, both consumer and business sentiment turned more pessimistic in September, likely impacted by a surge in new Covid-19 cases, which led to the announcement of new restrictions midway through the month.

Economic activity lost some momentum in the final quarter of 2020, according to a preliminary release, with GDP growth clocking in at 0.6% in seasonally-adjusted quarter-on-quarter terms, slowing from Q3's record quarterly growth of 5.2%. Nevertheless, the economy performed well above the Euro area's average in the quarter (Q4: -0.6% s.a. qoq; Q3: +12.4% s.a. qoq).

The slowdown was a result of the newly implemented restrictions throughout the quarter to curb the spread of new variants and waves of the Covid-19 virus. As such, despite industrial production growing solidly in Q4, overall growth was capped by the halt in activity in other sectors.

Meanwhile, in annual terms, the economy continued to gradually recover as GDP contracted 3.1% in seasonally-adjusted terms, easing from Q3's 3.7% fall. As such, early estimates point to an overall contraction of 3.7% for 2020 as a whole.

Reflecting on the economy during Q4 and the outlook for the coming months, in their January Swedbank Economic Report analysts commented:

ECONOMICS cont…

"Denmark has been hit hard by the second wave of the virus […] with a large spread of infection and a heavily burdened health care system. Shops, restaurants, bars, and gyms were completely shut down for the 2020 Christmas holidays. Contagion and shutdowns have continued to weigh on the economy at the start of the year, particularly in the services sector. […] As the spread of infection decreases and social restrictions are removed, the economic recovery is expected to pick up beginning in the second quarter of this year."

Economic Growth

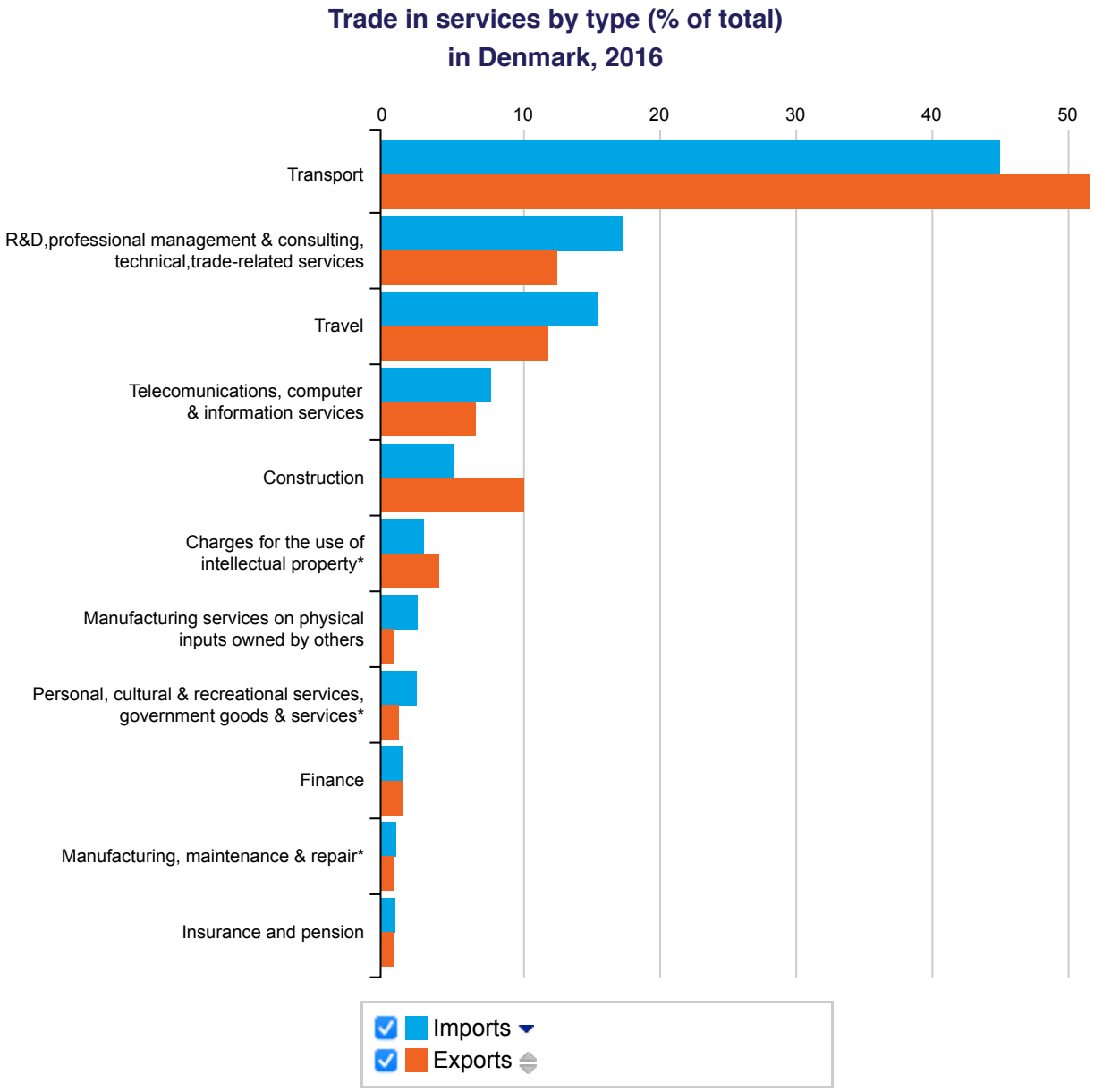
FocusEconomics Consensus Forecast panelists **see the economy expanding 2.9% in 2021, which is down 0.4 percentage points from the previous month's forecast, and 3.1% in 2022.**

Economic Data

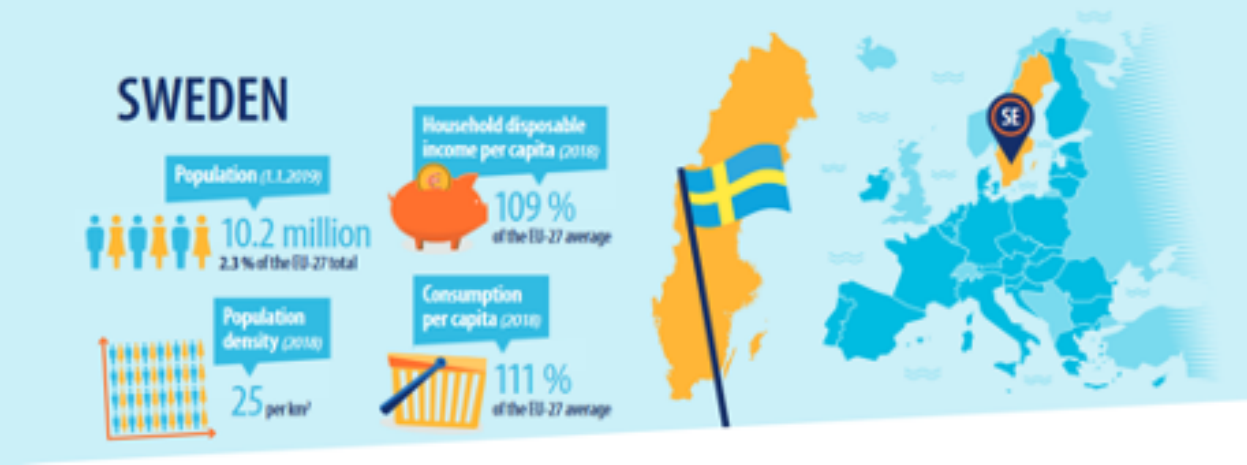
Destination	2015	2016	2017	2018	2019
Population (million)	5.7	5.7	5.7	5.8	5.8
GDP per capita (USD)	53,737	55,152	58,040	60,880	61,008
GDP (USD bn)	304	315	334	352	354
Economic Growth (GDP, annual variation in %)	2.3	3.3	2.0	2.4	2.4

ECONOMICS cont…

Importance of Outbound Travel (Imports)



ECONOMICS cont…



Economic Outlook

A mild recovery appeared to take hold in the Swedish economy in Q3 2020, following the previous quarter's domestic demand-led contraction.

Despite this, the Swedish economy expanded 0.5% in the fourth quarter of 2020, in quarter-on-quarter seasonally-adjusted terms, according to preliminary figures released by Statistics Sweden. The result was well below the 4.9% rise recorded in Q3 and came in slightly below market expectations.

The quarterly slowdown came amid rising infection rates both domestically and in key trading partners, likely weighing heavily on services activity in the quarter. Nevertheless, Q4's estimate puts the overall contraction for 2020 at 2.8%, which compares very favourably with most major European economies.

Economic Growth

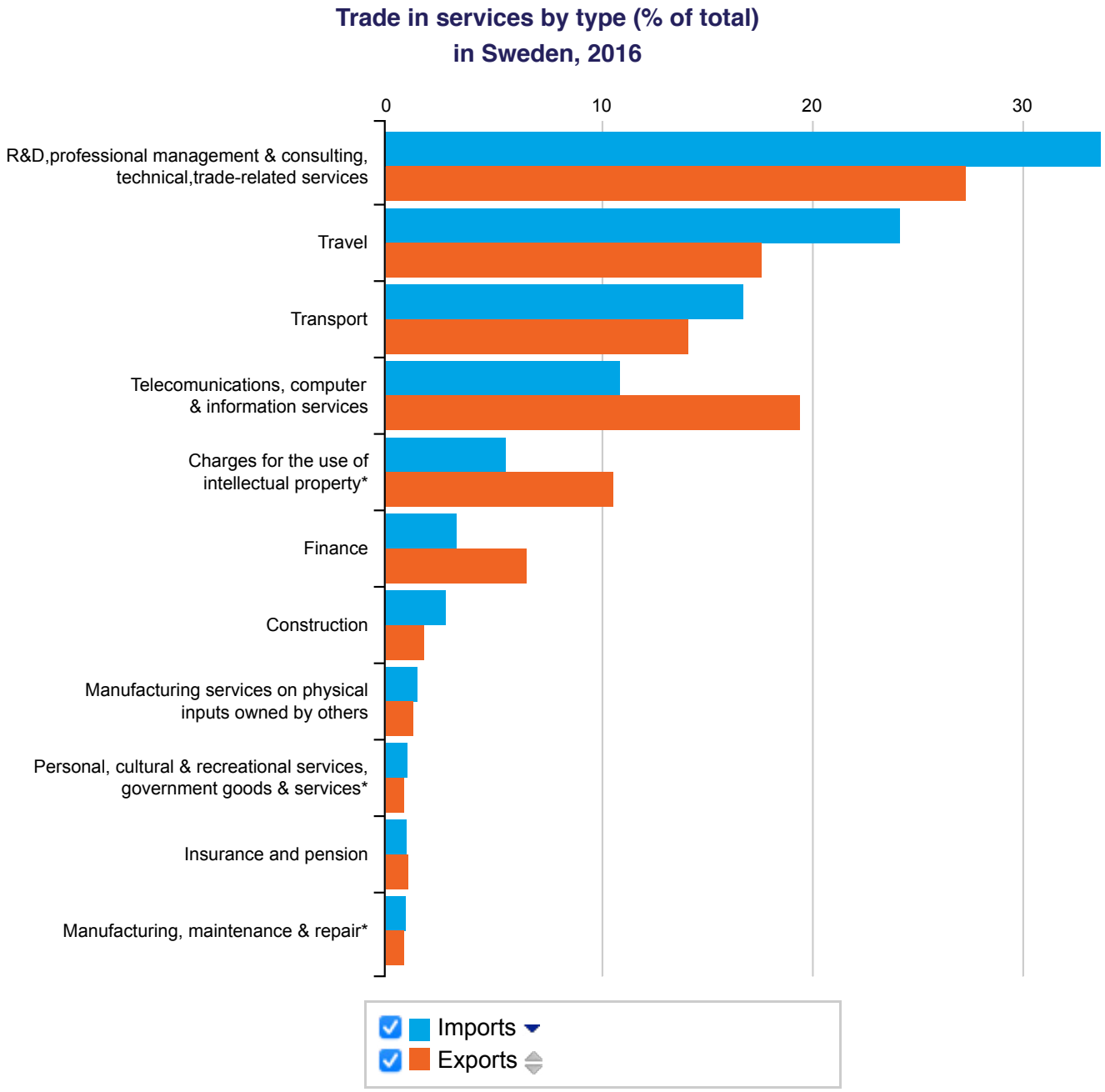
FocusEconomics Consensus Forecast panelists **see GDP growing 2.8% in 2021, which is down 0.1 percentage points from last month's forecast, and 3.3% in 2022**.

Economic Data

Destination	2015	2016	2017	2018	2019
Population (million)	9.9	10.0	10.1	10.2	10.2
GDP per capita (USD)	51,287	51,600	53,493	54,256	51,431
GDP (USD bn)	505	516	541	555	531
Economic Growth (GDP, annual variation in %)	4.5	2.1	2.6	2.0	1.2

ECONOMICS cont…

Importance of Outbound Travel (Imports)



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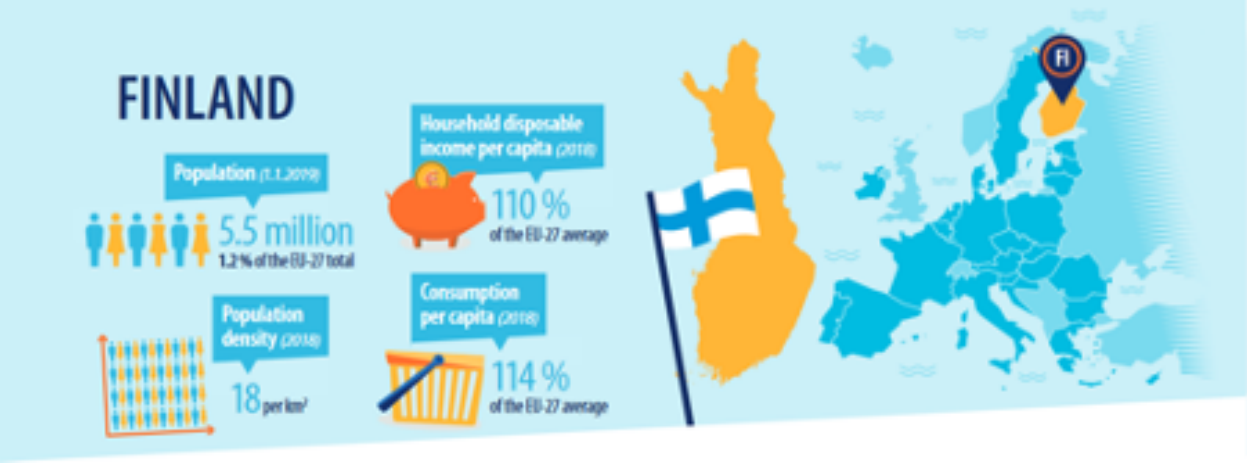


Economic Outlook

The Finnish economy emerged from recession in Q3 2020 after contracting in Q2 due to the fallout from the pandemic; however, data points to a fragile recovery. On the political front, on 15 October the government presented the 2021 draft budget which will will focus on improving employment conditions, particularly for young people and over-55s, and environmental issues.

The economy is set to grow strongly next year, recovering from this year's Covid-19-induced GDP contraction. A recovery is expected on the back of the reopening of economies as international travel and foreign trade resume. However, uncertainty lingers over further waves of the virus, clouding the outlook.

Economic Growth

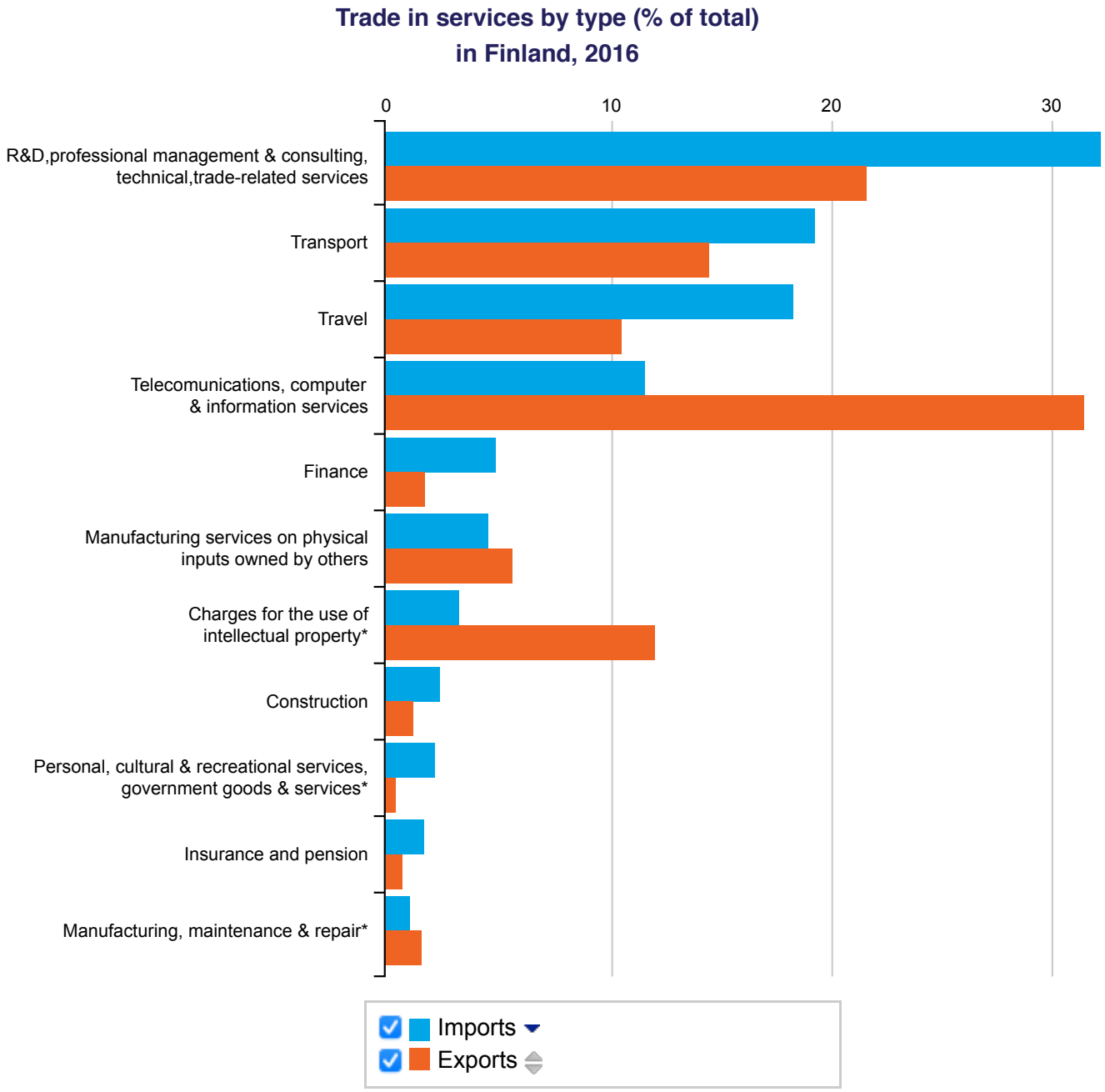
FocusEconomics panelists forecast the economy to expand 2.7% in 2021, which is up 0.2 percentage points from last month's forecast, and grow 2.2% in 2022.

Economic Data

Destination	2015	2016	2017	2018	2019
Population (million)	5.5	5.5	5.5	5.5	5.5
GDP per capita (EUR)	38,630	39,642	41,039	42,376	43,508
GDP (EUR bn)	211	218	226	234	240
Economic Growth (GDP, annual variation in %)	0.5	2.7	3.1	1.7	0.9

ECONOMICS cont…

Importance of Outbound Travel (Imports)



ECONOMICS cont…

Economic Outlook

The Norwegian economy recovered in Q3, following the sharp contraction recorded in Q2. GDP grew mildly in August, slowing from July's level as household spending lost steam—evidenced by a slowdown in retail sales during the month—and coming amid decelerating industrial production growth.

The economy is set for a healthy rebound in 2021, following this year's pandemic-induced contraction. Surging private consumption and an uptick in capital spending will likely support domestic demand. However, the persistent nature of the pandemic and uncertain future demand for oil are key risks ahead.

Economic Growth

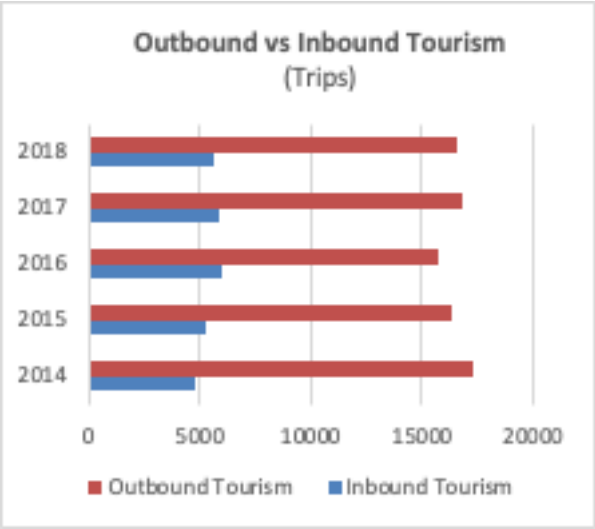
FocusEconomics Consensus Forecast panelists see total GDP expanding 3.2% in 2021, which is unchanged from last month's forecast, and growing 2.8% in 2022. In terms of mainland GDP, our panelists project growth of 3.3% in 2021, which is unchanged from last month's estimate, and 3.1% in 2022.

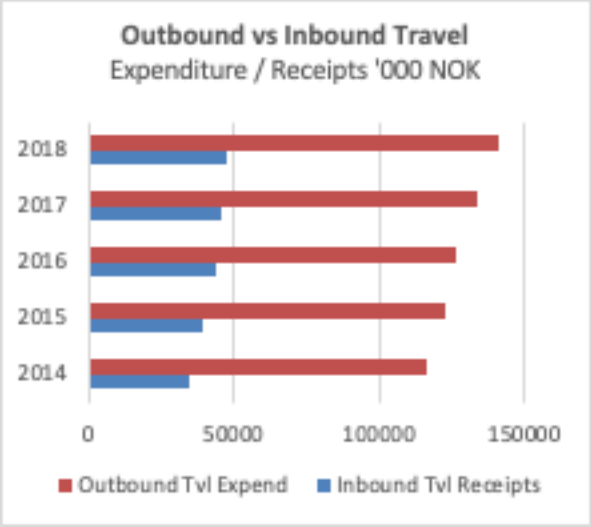
Economic Data

Destination	2015	2016	2017	2018	2019
Population (million)	5.2	5.3	5.3	5.3	5.4
GDP per capita (USD)	75,973	70,495	74,367	81,369	77,724
GDP (USD bn)	395	370	393	433	416
Economic Growth (GDP, annual variation in %)	2.0	1.1	2.3	1.3	1.2

ECONOMICS cont…

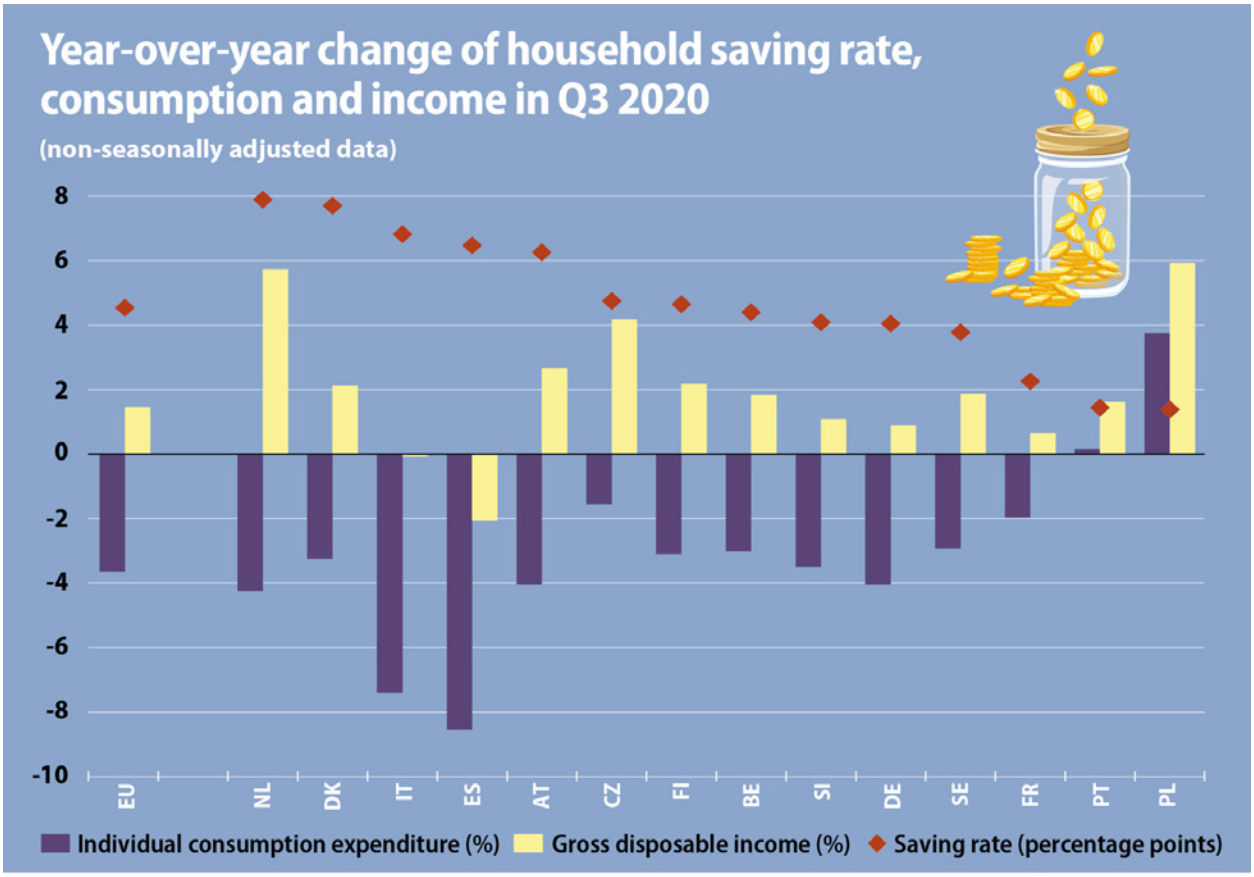
Importance of Outbound Travel (Imports)





INCOME, SPENDING & SAVINGS

In common with most developed countries that imposed restrictions on society and travel, the Nordics saw a sharp decline in personal spending. This was offset by generous salary support packages which meant that for most, income levels were protected. This has led to a commensurate increase in savings. Studies have shown that with a 'pent-up' demand for travel there will be a rush to book and travel once travel restrictions are structurally lifted.



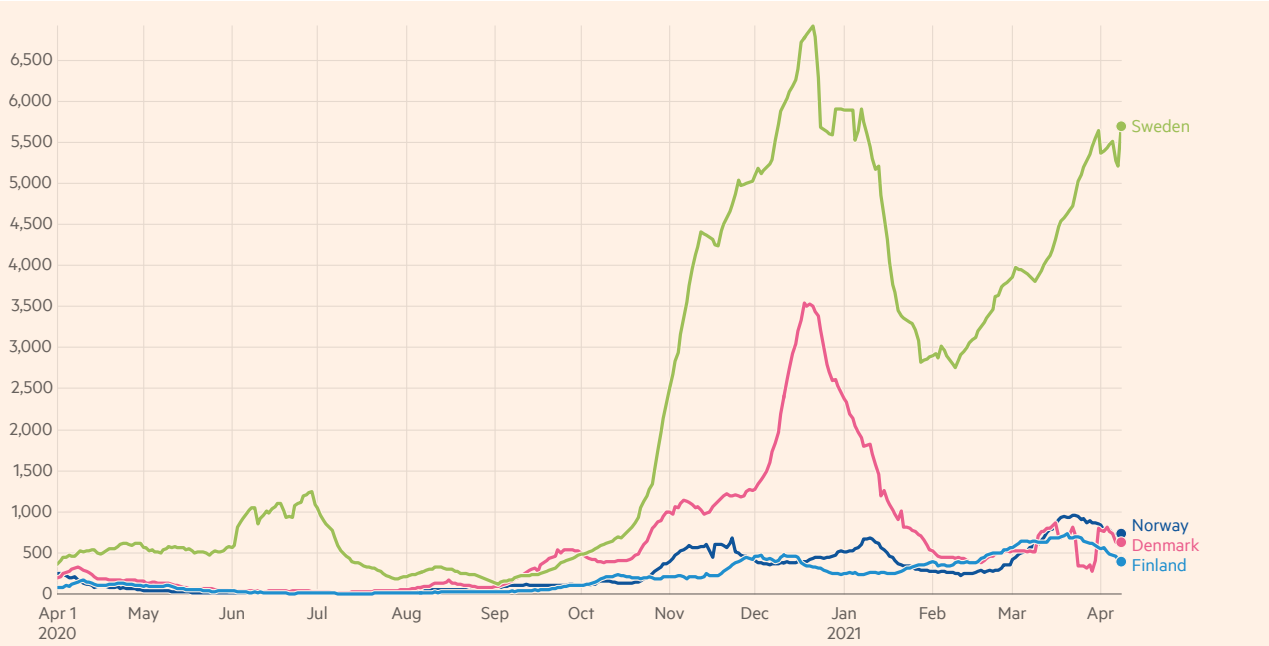
ec.europa.eu/eurostat

RESTRICTIONS ON SOCIETY

Of the three markets Sweden was the country with the most relaxed level of restrictions in the early stages of the pandemic as they followed a 'herd immunity' policy. This strategy seems to work initially but by fall COVID-19 case numbers started to spike and 'recommended' restrictions had to be introduced. Despite these case number in Sweden continue to remain relatively high. Denmark started to 'import' other more transmissible strains in mid-December which led to border closures. Norway and Finland reacted quick with their own border closures which prevented this importation.

New confirmed cases of Covid-19 in Norway, Denmark, Sweden and Finland

Seven-day rolling average of new cases

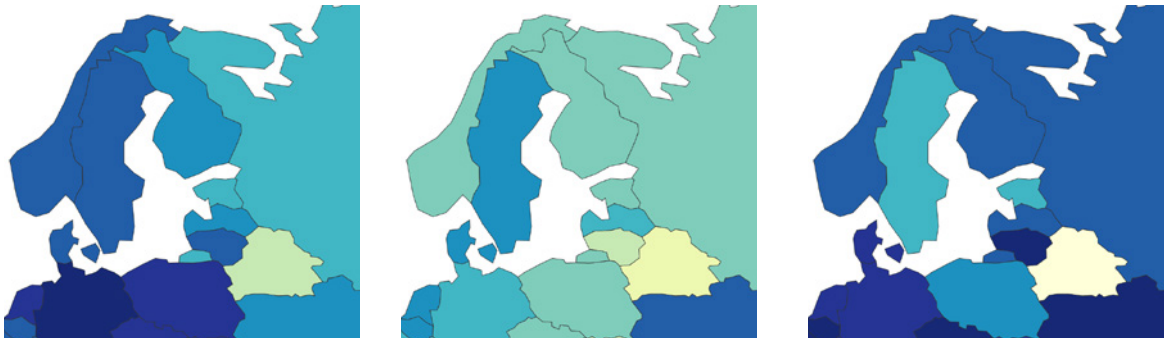


Source: Financial Times analysis of data from the Johns Hopkins CSSE, the World Health Organization, the UK Government coronavirus dashboard, Public Health France and the Swedish Public Health Agency.
Data updated April 9 2021 1.39pm BST. Interactive version: ft.com/covid19

FINANCIAL TIMES

RESTRICTIONS ON SOCIETY cont…

COVID-19: Government Stringency Index



Feb 24, 2021 | Sept 8, 2020 | Mar 23, 2020

This is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest).

RESTRICTIONS ON TRAVEL

Sweden

The Swedish Ministry of Foreign Affairs has extended a ban on unnecessary travel to all countries outside the EU / EEA / Schengen area until 15 April 2021. Since 19 March 2020, Sweden has had a temporary entry ban from countries outside the EU / EEA with the exception of Switzerland. The decision currently applies until 31 March 2021.

In December 2020, Sweden introduced a special entry ban for travel from Denmark and the United Kingdom. This was extended on 25 January to include Norway.

Denmark

Effective from 8 January 2021 until and including 5 April 2021, the Ministry advises against all travel worldwide. The tightened travel advice also advises against business travel that is otherwise considered necessary travel.

Additionally, a flight ban has been imposed on transportation of passengers from the entire world, who are unable to present a negative COVID-19 test taken no later than 24 hours prior to departure. The flight ban will enter into force 9 January 2021 at 5 PM until and including 5 April 2021. Persons entering Denmark will now be subject to mandatory testing and 10-day isolation

SAS Airlines resumed nonstop flights from Copenhagen to Chicago and New York on June 10, 2020 but are still subject to short notice cancellations.

Norway

The Ministry of Foreign Affairs first issued global travel advice against non-essential travel to all countries on 14 March 2020.

As COVID-19 cases eased over the summer in 2020 effective from 15 July, exceptions have been made for countries in the Schengen area/EEA that meet the criteria for infection levels set by the Norwegian Institute of Public Health.

However, in January 2020, as cases spiked, The Ministry of Foreign Affairs introduced global advice against all non-essential travel to all countries. This advice currently applies until 15 April 2021.

Finland

Due to the mutated COVID-19 strain, the Finnish Institute for Health and Welfare (THL) recommends avoiding all travel to Brazil, Britain, Ireland, Portugal and South Africa. All other domestic and foreign travel should be restricted to necessary travel only.

VACCINATION POLICY, ROLL-OUT & DIGITAL VACCINE CERTIFICATED

The EU decided on a centralised procurement approach to the vaccine meaning all had the same level of access to the first vaccine approved by the bloc, the Pfizer-BioNTech vaccine, doses of which were jointly procured and made available simultaneously in proportion to the size of each member state's population.

Denmark leads the way in the Nordic region regarding the COVID-19 vaccination rollout out, indeed initially at least, it far outstripped other EU countries. Denmark ran through its first batch of vaccines quickly and because it had prepared itself well for the Pfizer vaccine was able to take up those supplies left by other countries. The AstraZeneca vaccine was only approved on January 29, 2021 (Versus 30 December 2020 in the UK).

The vaccination rollout in **Sweden** has been off to a slower start than in many EU countries and there are some concerns they will not be able to reach the goal of offering a vaccine shot to all adults who want one by the end of June. Sweden decided to continue with its recommendation not give AstraZeneca's Covid-19 vaccine to people older than 65, ignoring guidance from the World Health Organization.

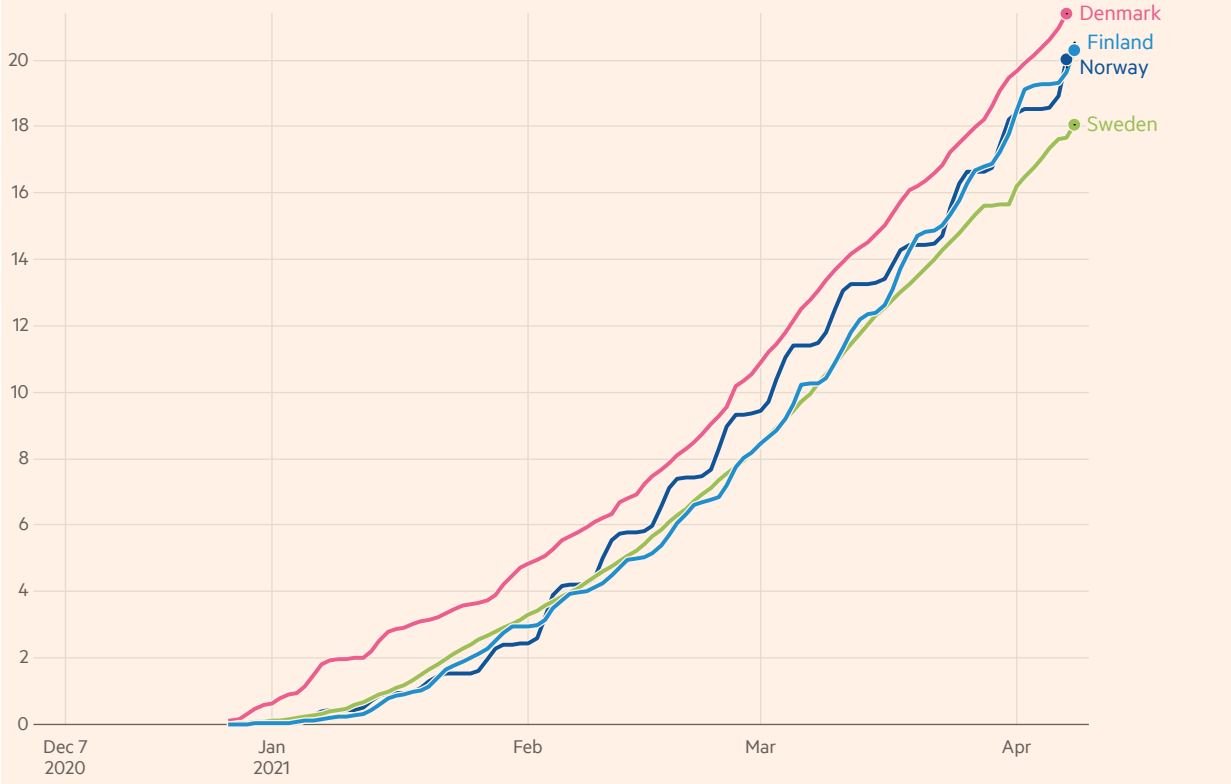
Norway has done relatively well in its vaccine rollout but has been beset with policy problems that have hindered the process. Vaccination supply delays and the threat of more infectious variants including B117, which has recently been detected in the Oslo area, had been cited as criticism has mounted towards Norway's decision to freeze half of all incoming doses of the Pfizer vaccine.

In **Finland** COVID-19 vaccination is offered to everyone aged 16 or older who is willing to take the vaccine. According to the vaccination order in Finland, COVID-19 vaccinations are first offered to social and healthcare personnel with a higher risk of exposure, risk groups, and those aged 70 years and older. In contrast to other EU countries Finland has approved an extended timespan between AstraZeneca inoculations to 12 weeks in line with that used in the UK.

VACCINATION POLICY, ROLL-OUT & DIGITAL VACCINE CERTIFICATED cont…

Cumulative vaccination doses administered in Norway, Denmark, Sweden and Finland

Cumulative doses administered per 100 residents



COVID-19 Vaccination roll-out by market – December 2020 to April 9, 2021

Sweden and Denmark very much see a strong vaccination program as the way out of restrictions on society and travel.

In early February Sweden announced it would start the development of its own digital vaccine certificates, to be used for travel and potentially more, following a similar move by Denmark a day earlier.

The two Nordic countries both said the certificates would be designed to enable citizens to travel aboard, but also hinted they could potentially be used to check whether someone was vaccinated if they were attending something like a sports or cultural events.

Both countries also said that efforts would be made to make the national certificates compatible with international certificates being discussed at the World Health Organization (WHO) and at the EU level.

VACCINATION POLICY, ROLL-OUT & DIGITAL VACCINE CERTIFICATED cont…

Norway

Norwegian authorities have still not taken a position on vaccine passports but are following the work of the European Union (EU) and the World Health Organization (WHO) closely.

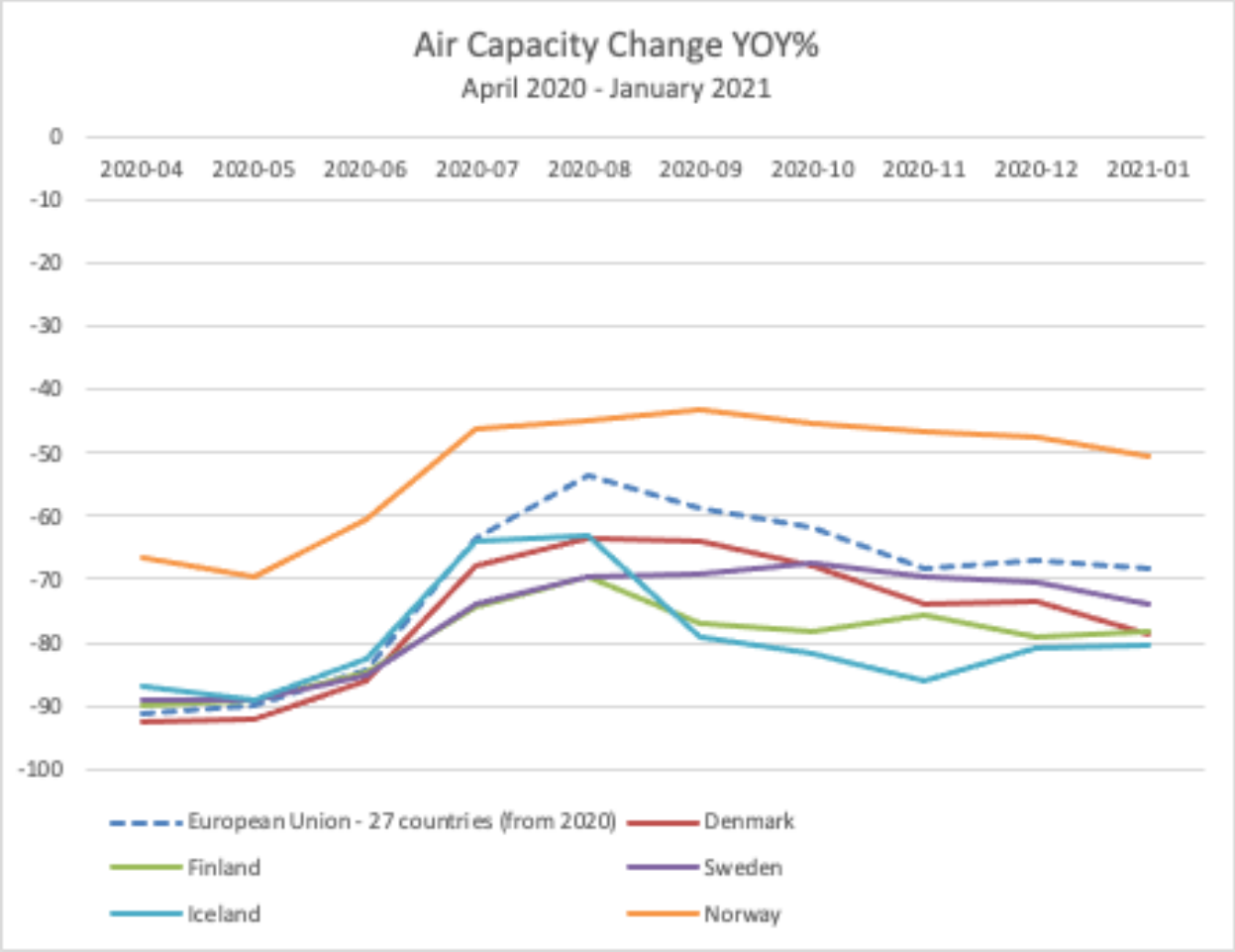
Finland

Preparations are being made at Finland's Ministry of Social Affairs and Health to introduce a coronavirus vaccination certificate. The system of certification could be implemented by exporting an individual's vaccination information into the nationwide electronic patient records database. Officials believe it could be technically possible to obtain information from the database, and this could be used as a certificate of vaccination.

PUBLIC SENTIMENT

The final factor affecting travel is public sentiment towards travel. This can easily shift as it has done in the UK with a successful vaccination program. The Nordic markets are not at the same stage as the UK and whilst there is growing confidence they are still in a more hesitant and cautious mode. They are very much 'waiting to see how things unfold'.

Impact of COVID-19 Pandemic on Aviation



PUBLIC SENTIMENT cont…

The impact on air capacity and are travel brought about by European governments in response to the COVID-19 pandemic was rapid and sharp. Overall, for 2020 European air traffic was down 52.5% versus 2019 (Compared with 17.1% for North America).

Scandinavian countries too suffered along with other European markets with an immediate drop in traffic of around 90% for Denmark, Sweden and Finland.

In Norway traffic started to steeply decline 16 March, however domestic regional flights held the lowest point at "only" -73% compared to 2019 on 13 April 2020. Traffic recovered in May and June and stabilized at around -40% from July through October although it decreased slightly in November. In terms of traffic loss, Norway is proportionally the least affected in Europe with -190k flights (-48%) and -28M passengers lost.

NORDIC TRAVELER PROFILE & PREFERENCES

A recent Amadeus profile report identified three main types of traveler purchasers in the Nordic region:

Bargain Hunters

Around half of the Scandinavian travelers surveyed identify themselves as having a "bargain hunting" travel persona, making them the largest leisure travel segment in the Scandinavian market. This type of traveler is driven by the desire to get the best deal for a trip, is willing to put in plenty of effort into researching different channels to identify the best option and is flexible in his/her demands to get the price down. Bargain Hunters ascribe the most importance to price comparison sites in their planning process and care the least about the brand of the travel seller when making a decision.

Safety Seekers

Around one third of the Scandinavian travelers surveyed identify themselves as having a "safety seeking" travel persona. In terms of their behaviour, travelers in this segment are unified by their ambition to reduce risks and uncertainties as much as possible when booking their trips and traveling. And they are, generally speaking, willing to pay extra to feel safe. Due to their risk averse behaviour, safety seekers are the travelers that most often buy package holiday deals and find it most important to buy a trip through a brand they are familiar with. They are also travelers who often return to the same destination.

Status Searchers

The "Status Searcher" is a consumer who prefers a little more comfort and luxury. This study identifies two subgroups of this travel persona: Pure Status Searcher – travelers who prefer more conventional luxury, who enjoy being pampered by hotel staff and traveling with well-known high-status airlines and hotels; and Cultural and Social Capital Searchers – those who seek status by being perceived as trend-setters and first movers. Just as for the Safety Seekers, the brand of a travel seller influences their purchase decisions. Our report showed that, overall, loyalty programs do not have much influence on travelers' purchase decisions. However, Status Searchers are the persona where they have the most influence.

NORDIC TRAVELER PROFILE & PREFERENCES cont…

Of the three traveller type Safety Seekers and to a degree Status Searchers most closely match the profile of visitor to the Travel South region. Trips to the Travel South region can be complex to put together and often the visitor needs guidance on best options and experiences.

Inspiration

All three travel personas describe how inspiration for traveling and choosing travel destinations can be triggered by a wide range of sources. Consumers are often inspired passively – they get inspired while watching TV, by browsing on social media or by talking to friends about their travel experiences, for example.

They also actively search for travel information, both as a hobby and when they get an idea to travel somewhere. As for paid touch-points from travel sellers – for example, posters, TV ads, online banners, promotional offers sent by mail – respondents assert that they are not influential in triggering a booking (or simply exploring) a trip to the advertised destination with the provider.

Only a few say that they have acted upon travel advertisements they have seen, if not having the idea to travel at the top of their mind.

NORDIC TRAVELER PROFILE & PREFERENCES cont…

Purchase Behavior

To convince Safety Seekers to book a trip, travel sellers must give trustworthy and accurate information about the destination, hotel and transportation. If this information is not provided, the Safety Seeker will look for other options. In general, Safety Seekers trust information from established travel sellers. Safety Seekers said they would like to see this information complemented with consumer-generated content as this adds a sense of transparency. Therefore, there is an opportunity for travel sellers to add more consumer reviews and provide links to other independent review sites.

In addition, Safety Seekers are the only travel persona which expressed the need to talk to a person during the booking process. This gives them a sense of security, feeling that someone is responsible for their trip. Therefore, the personal service offered by the travel seller can greatly influence which provider they book with.

Travel Industry Landscape

Immediately following our participation at the Swanson's, FDM and Discover America Denmark events on the first weekend of March 2020, the Nordic market began a swift and wholesale closure. Flight operation and with them leisure travel came to an abrupt halt. In all Nordic markets tour operators (and airlines) were obliged to fully refund customers whether (in the case of tour operators) they could get refunds from suppliers themselves.

STATUS OF TOUR OPERATORS & AGENCIES

As a result of the impacts from the pandemic on leisure travel there have been some major changes to the shape, scope and personnel across the Nordic travel industry. Despite this, the good news is that no tour operators that we previously worked with have exited the market across any of the countries we operate in. There have been a few smaller agencies that have closed but generally the situation is positive. With generous Government support for salaries and fixed costs operators have gone into 'hibernation' over the last year, awaiting the trading landscape to return. There have been lay-offs but structurally most companies are intact.

Many operators specialising in the USA markets have diversified their product. This is many into domestic and regional travel where restrictions are lightest and the first to be removed. Some of this is into motorhome tours which in turn is resulting in the development of RV tours in the US and Canada. Indeed, the Nordic market is generally very outdoor, motorhome and camping driven and those destinations that cater for and develop these markets will see new business.

Across all Nordic markets since the start of the pandemics there has been a considerable reduction in consumer spending, alongside an increase in disposable income and personal savings. Nordics Governments project significant levels of pent-up demand that will manifest as increased spending once long-term restrictions are ended. Tour operator are predicting and confident much of this will see its way into the travel sector.

STATUS OF TOUR OPERATORS & AGENCIES
cont…

Albatros Travel

Largest escorted touring operator in Scandinavia

Albatros has experienced two waves of lay-offs, one immediately following the start of restrictions in March 2020 and one later in September 2020 as it became clear that the infection rate had spiked and further restrictions would come into effect. Of our two product contacts, unfortunately Karina Nuemann Saietz was let go in the September layoffs. This means that Lisbet Pors now handles all product enquiries for Albatros. Remaining staff are working three days and week with Government supporting salaries for the other two days. Lisbet inks there may be some business post Summer 2020 depending upon restrictions in place on both sides of the Atlantic.

Benns Travel

Operates in both Denmark and Norway

Cashflow issues around the refund of vacations and slow implementation of Government support packages meant that Benns had to lay off 48% of its staff in June 2020. Our contact Hans Morup Johansen is still with Benns but has had to take over the work from a laid off product manager. Hans focuses on contract issue with sales staff assisting with product development whilst no calls are coming in. Good news is that in addition to having kept the existing Southern product Benns are looking at developing new Southern product ready for when business return.

FDM Travel

Largest self-drive operator in Denmark to the USA

Most of the FDM Travel staff are still on furlough – including Birgitte Vraadal one of our key contacts – with the expectation of a return and opening prior to Easter unlikely. Demand for outbound travel is very low at the moment and the enquires that do come in are mainly about Iceland, Norway, Germany and other countries close to Denmark. There are very few requests for the US but a huge interest in our on-line presentations so expectation for the states is high once things return.

STATUS OF TOUR OPERATORS & AGENCIES
cont…

MyPlanet
Part of Travelopia Group

Back in summer 2020 Travelopia, which has over 50 travel brands, decided to consolidate as much of the back office functionality as possible. This initially impacted Hayes and Jarvis in the UK (with our contact being laid off) but has now also impacted MyPlanet with the back-office functionality being handled by Enchanting Travels out of Germany. Our contact Anne Kathrine Knudsen has been impacted and leaves MyPlanet at the end of March 2021. The change (which impacts both Danish and Swedish operations) will actually leave MyPlanet with more destinations to sell so has an overall positive impact but no additional scope to the USA.

Nyhavn Travel
High-end tailor-made operator

Our main contact Lars Mork was laid off back in March 2020 as the pandemic hit and Nyhavn struggled with a huge refund program to handle. Our new contact Niels Johansen was also made redundant late in 2020 as trading conditions worsened. Nyhavn are an example of a company that has literally hibernated its way through the pandemic. They are still operating though and pre-pandemic tour are still on offer on their website. Our understanding I that once trading condition improve Nyhavn will enter a strong promotional campaign.

Swanson's Travel
The major Swedish serving the USA

Having held a hugely successful America Travel Day on the first weekend in March 2020 the impact of the pandemic on Swanson's business was immediate and severe with no bookings since the 12th March. Swanson's were highly proactive with their customer and refund ALL bookings out of their own reserves. This was very well received and Tommy Swanson expected them to come out of the pandemic with a lot of goodwill and trust from their client base. The America Day for 2021 has been postponed, maybe to the fall, but more likely to 2022.

STATUS OF TOUR OPERATORS & AGENCIES
cont…

AmericanSpecialisten

Nordmann Travel – The key USA specialist in Norway

Our main contact Elisabeth Stai decided to retire in January 2021 but is still working with the company and undertaking projects on an adhoc basis. Elisabeth still has some shareholding in the company so is keen that things start to improve although she does not expect any significant return before 2022. The company remains in 'hibernation' to the US but has started to develop and sell domestic Norwegian tours and trips.

USA Rejser

Specialist US operator base in central Copenhagen.

Of the five staff in place at the beginning of the pandemic only two remain. The owner and our main contact Christian Willumsen. Whilst restrictions are in place very little enquiries are coming in and they are focusing on their domestic brand 'Norwegian Travel' Christian has confirmed that all product remains in place ready for the return when it comes. He feels there will be a strong demand for self-contained accommodation such as vacation rentals, cabins and RV's.

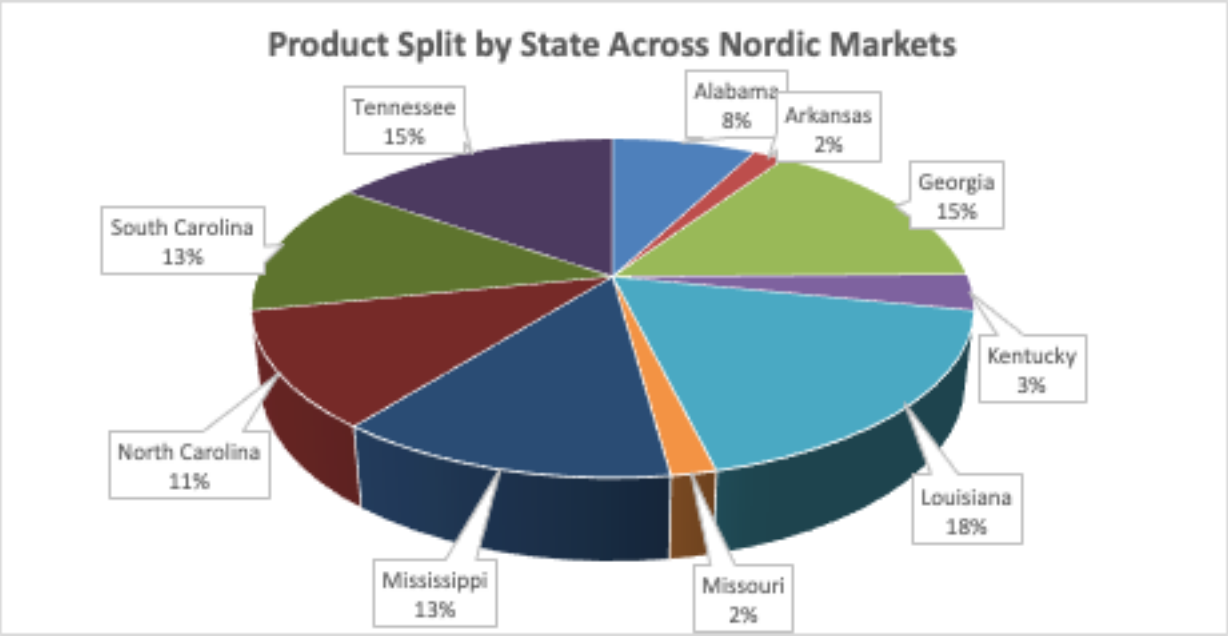
PRODUCT UPDATE

There is an impressive range of types of tours being sold in the Nordic marking, from regular self-drive and escorted tours to RV, Motor Cycle and B&B products. As you will see, based on future trends this mix may change to meet new consumer demands. All tour operators surveyed have advised that pre-pandemic product remains in place. Printed brochures have been halted but this impacts all destinations and product is mirrored (and more) in online offerings.

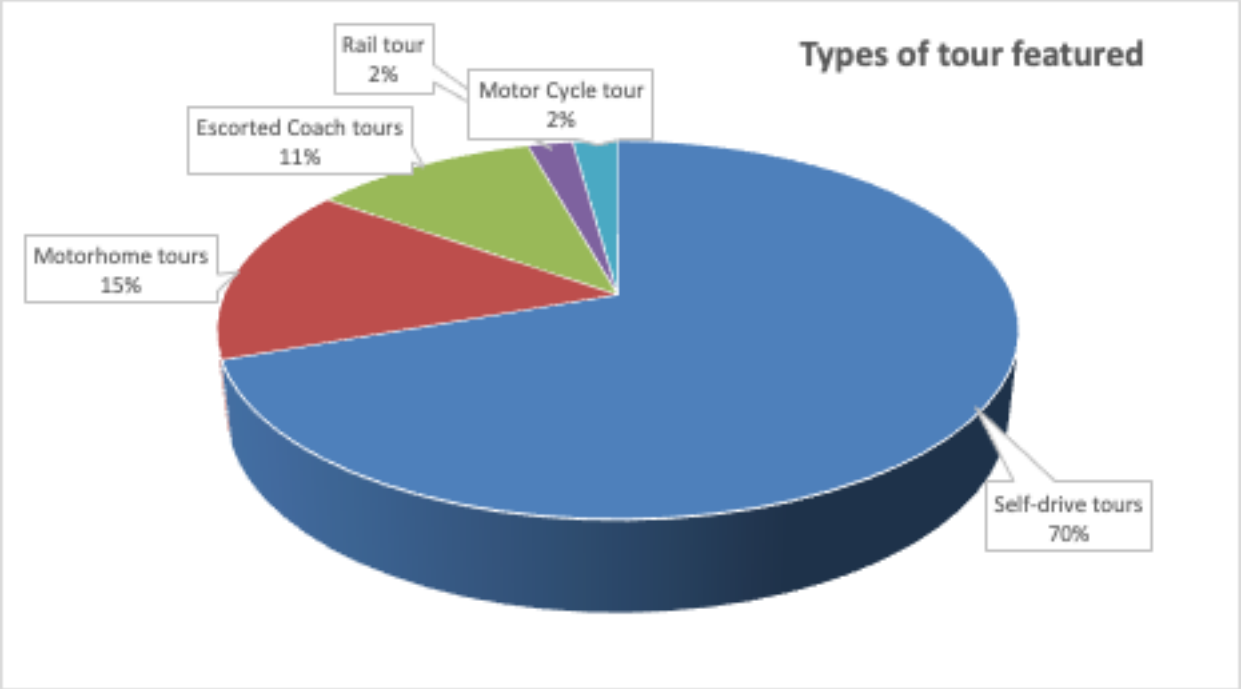
The Rhythms or the South cities, Carolinas and Memphis feature strongly in the product mix and this is an historic situation. Other states are starting to feature where they were unknown prior to Travel South entering the market. This has supported the regional approached that has been adopted in recent years.

State	All Products	Tour	Hotel
Alabama	9	8	2
Arkansas	2	1	1
Georgia	18	14	6
Kentucky	4	2	1
Louisiana	21	13	13
Missouri	2	2	0
Mississippi	15	14	6
North Carolina	13	12	5
South Carolina	15	13	5
Tennessee	18	16	7

PRODUCT UPDATE cont…



Self-drive is by far the predominant type of tour with RV and escorted tours the next most featured. We expect to see an increase in RV tours and a reduction in escorted tour, at least in the near term



FUTURE TRAVEL TRENDS

Based on discussions across the industry with tour operator partners a clear trend for post pandemic travel is emerging with strong preferences for:

- Outdoors / Open Spaces
- 'Closer to home' in the summer (Scandinavia)
- 'Further afield' in Spring and fall
- Self-contained accommodation – Vacation Rentals, Cabins, RV's and motorhomes (which are seen as safer)
- More independent travel / Less large escorted groups / Increased tailor-made & private tours
- Suppliers with environmental credentials
- Short notice trips AND planning trips much further out (Tactical)

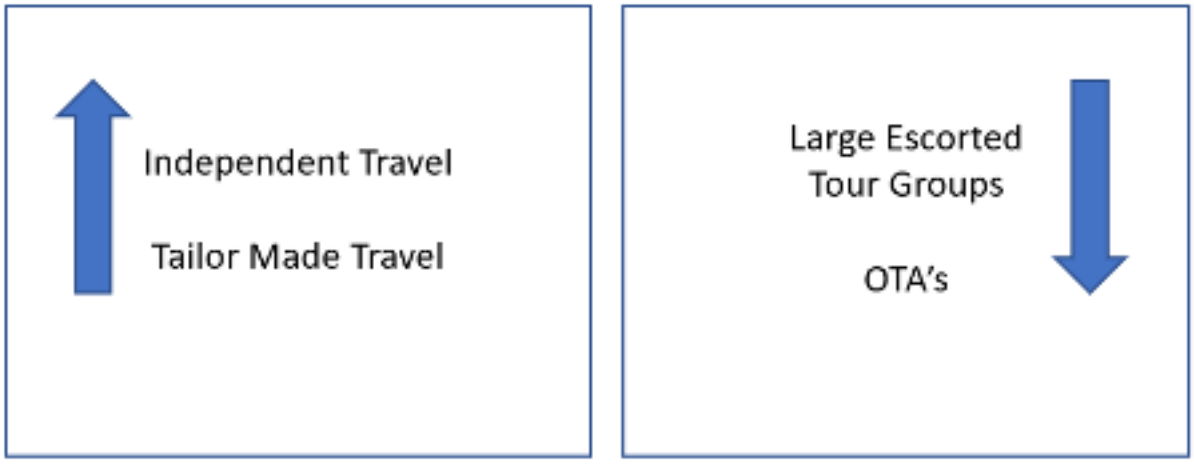
This is being driven by a desire for a safer travel experience and applies to all travel, worldwide. The good news is that the US is seen as a destination that can deliver this type of product and experience. Hotels will have to work hard to ensure they have good practices in place and communicate this. Big brand hotels are seen to have an advantage over independent and B&B accommodations. There is expected to be a big decrease in AirBNB bookings.

Across all markets there are high disposable income and savings with a strong desire to travel once restrictions are lifted. The US remains the top choice for long-haul travel, just ahead of Thailand with other far eastern countries and Australasia further behind but popular. Restrictions and air service to markets will have a big impact and largely determine consumer choice, initially at least.

Environmental concerns also feature strongly and will factor again once Nordic societies open up. Indeed, this is seen as a natural outcome from the pandemic as countries reset to a 'new normal'. The Norwegian government has made its financial support of Norwegian airlines coming our of the pandemic contingent on strict environmental actions.

ROUTE TO MARKET

With a switch to more independent and away from large groups we will see changes in route to market. Tour Operators, especially established and family-owned ones have done a good job in refunding, re-booking and generally helping their customers. Conversely, and in defiance of Government edicts, OTA's and direct suppliers have been poor at refunding and re-accommodating customers. Whilst OTA's and direct booking will continue there is expected to be a shift towards those channels that have shown flexibility and security in their booking conditions.



BOOKING FACTORS

With many customers having to wait months for refunds and others being denied compensation and re-accommodation several related booking factors have emerged. These include:

- Safety of the destination (in terms of being COVID secure)
- Cancellation and refund policies
- Scope and level of insurance policies
- Flexibility of booking conditions
- Being able to book at short notice to lessen COVID associated risks

TOUR OPERATOR CANCELLATION POLICIES

Most but not all tour operators are offering free cancellation on bookings related to travel restrictions. This seems to be largely related to how proactive and optimistic the operators are ahead of the countries opening up and also gives an interesting indication of those we may wish to focus on as things improve. A selection of tour operator policies is outlined below.

FDM Travel

FDM travel guarantees that you can cancel your hotel reservations free of charge on departures in Europe from 1/5 2021. The guarantee applies if the Ministry of Foreign Affairs advises against travel to the destination 14 days before and up to your departure. FDM travel will contact you 14 days before departure if all unnecessary travel to your destination is advised against. You can then choose whether you want to cancel at no cost or maintain your reservations without free cancellation.

FDM travel offers extended package travel guarantee. This means that regardless of the Ministry of Foreign Affairs' country colour at the time of booking, we will give you free cancellation on package tours, whose journeys are not recommended for the destination 14 days before and up to departure. This allows you to start your holiday planning right now, even to countries where travel is currently discouraged.

Swanson's Travel

Book for departure 2021 - free cancellation until 14/5. In addition, you do not pay a down payment until 14/5. For departures 15 / 5-30 / 6, however, no later than 47 days before departure. Of course, we also follow the Foreign Ministry's recommendations. Swanson's offers truly advantageous and flexible terms to facilitate travel planning for your upcoming dream trip. Secure your date right now without paying or committing.

New bookings with departure 1 / 5-30 / 6
Bookings may be held provisionally until 47 days before departure. Down payment must also not be paid until 47 days before departure. Thereafter, ordinary cancellation conditions apply.

New bookings with departure 1 / 7-31 / 12
The bookings may be held provisionally until 14/5 and a down payment will be paid no later than 14/5.

TOUR OPERATOR CANCELLATION POLICIES
cont…

Risskov Travel

With us, you always have - regardless of when you book your trip - an automatic guarantee that your trip will be refunded if your booked trip is cancelled on the basis of the Ministry of Foreign Affairs' travel instructions and directions.

In these corona times, we provide an extended security guarantee to all our guests for free. Normally, your coverage under the Package Travel Act lapses if you book a trip to a country at a time when the country is unsafe to travel to according to the Ministry of Foreign Affairs (orange or red).

We do not think this is fair, and therefore we provide an extended security guarantee. This means that with us you always have - regardless of when you book your trip - an automatic guarantee that your trip will be refunded if your booked trip is cancelled on the basis of the Ministry of Foreign Affairs' travel instructions and directions.

We always follow the instructions of the authorities and only travel to countries that are open for entry without entry restrictions or quarantine requirements at the time of departure. The Ministry of Foreign Affairs' travel guidelines are now valid until further notice and are updated every Friday afternoon.

Benns Travel

New, improved cancellation policy

The new cancellation policy applies to new bookings of all individual package tours (tailor-made trips) and package tours for groups (fixed price / fixed departure), which are made no later than 31 March 2021 and which depart from 01 July 2021.

- Individual package tours, which are booked no later than 31 March 2021 and with departure from 01 July 2021, can be cancelled up to 35 days before departure. The deductible is just 10% of the price of the trip per. person.
- Package trips for groups that are booked no later than 31 March 2021 and with departure from 01 July 2021 can be cancelled up to 65 days before departure. The deductible is just 10% of the price of the trip per person.

KEY INDUSTRY EVENTS

All of the major consumers travel shows across the region that normally take place in Q1 have been canceled or postponed.

Feried for Alle – Herning

February

Denmark and the Nordics largest consumer show. The physical show has been cancelled for 2020 but a limited online offering has been put in place. Travel South participated in this at no cost. Travel South has provisionally committed to this event.

Reiselivmessen – Oslo

January

Norway's major travel show. This event has been cancelled to January 2022. This would be new for Travel South and will assess later in the year.

Swanson's Travel Day

March

Sweden's key USA operator consumer event – Postponed to March 2022. Travel South has provisionally committed to this event.

FDM Travel - America Day

March

Denmark's key self-drive operator. Postponed to 31st October 2021. Travel South has signed up for this event.

Discover America USA Travel Show – Denmark

March

A key B2B event. Postponed to November 1st 2021. Travel South has signed up for this event.

Media & Social Media Landscape

KEY PUBLICATIONS IN SCANDINAVIA

Travel Trade Outbound Scandinavia

Focusing on the Scandinavian and increasingly the Baltic markets, TTO Scandinavia publishes a monthly e-magazine aimed at industry staff totalling around 16,000 persons. It also publishes a weekly newsletter targeting executives and middle managers in the travel industry.

Standby.dk

Standby Nordic used to cover the whole of the region but hasn't published or had reporters cover stories since 2019. The smaller weekly Stanby.dk which operates in Denmark is an e-news site that covers short term industry trends and is essentially a news-bite publication.

Vagabond

Operating in Denmark, Sweden and Norway each publication has a separate ownership, website and editorial team. Vagabond is the oldest travel publication ion Scandinavia and offers high end and quality articles on a worldwide basis. We have had discussions with Vagabond Denmark to run a series of Travel South articles based around either themes or road-trips. These discussions have been put on hold during the pandemic. Vagabond Denmark also runs a key consumer travel show – Travel Quality Event – that takes place in the fall.

American Trails

A Swedish based high-end magazine covering all things USA. With a quirky style and imagery, the magazine is distributed in Sweden and the UK and USA (In English). Travel South has worked extensively with American Trails on a series of sub-regional road trip articles. These were still running as the pandemic took hold. The print magazine is currently on hold and no definitive date for re-publishing has been given.

WE HAVE WORKED WITH A FEW SOCIAL MEDIA INFLUENCERS IN DENMARK TO DATE:

Casper Janning & Cecile Hoegh

These travel blogger and influencers (and Casper is a professional photographer) have worked in the US covering the West Coast, Oregan and part of route 66. In conjunction with Pacific Tours, Travel South sponsored them on another trip in 2020 that took them through Tennessee, Georgia, Alabama, Mississippi, Arkansas and Missouri. We were in the process of working with them and Vagabond to utilise their journey on a series of articles. This is on hold pending the lifting of travel restrictions to the USA.

OPLEVUSA.DK (ExperienceUSA)

OplevUSA.dk is run by Britta Jan who is constantly blogging about US travel destinations and the many places she has visited in the US. She is very much a supporter of the Southern US states. We have had several discussions at Discover America events and have talked about sponsoring a road trip based around southern food and drink. Britta often writes blogs and posts for Danish tour operators and agencies.