

# The Year Ahead: Research and insights perspective

Richard Nicholls, VisitBritain

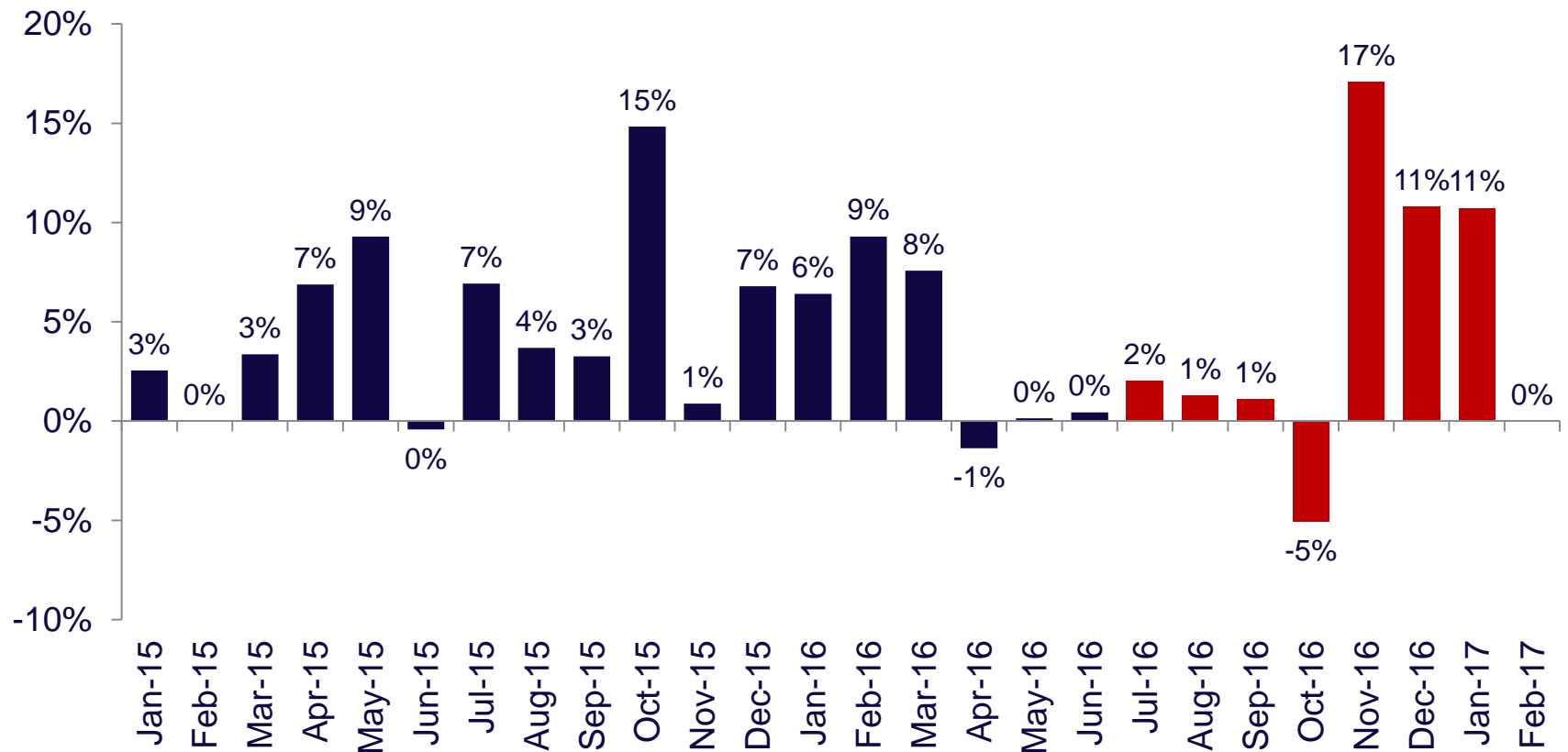
May 2017



# 1. Overview of recent inbound performance and outlook for the year ahead

# The visitor surge began in November

Overall inbound tourism to UK: growth vs same month the previous year



Source: IPS (Oct-Feb provisional data)

# Holiday visits picking up after a quiet 2016

“Rest of World” also seeing double digit growth in recent months

	YEAR TO DATE (JAN - FEB 2017)		2016 TOTAL	
	Visits (000s)	% change year/year	Visits (000s)	% change year/year
<b>ALL VISITS (000)</b>	5,150	6%	37,340	3%
<b>Spend (£ million)</b>	2,670	11%	22,160	0%
Holiday	1,630	15%	13,820	0%
VFR	1,690	-3%	11,490	10%
Business	1,370	2%	9,080	2%
Miscellaneous	470	24%	2,940	0%
EU15	2,950	8%	20,660	3%
Other EU	680	-7%	4,640	10%
Rest of Europe	340	5%	2,290	1%
North America	400	2%	4,250	7%
Rest of World	790	15%	5,500	-3%

# Forward bookings for Q2 are very positive

Year on year growth in flight bookings to the UK, by arrival month

		% change v same period last year
First quarter (% change YoY)	March 2017	9% ↑
	Jan – Mar 17	7% ↑
Second quarter and beyond (% change YoY)	April 2017	21% ↑
	May 2017	17% ↑
	June 2017	23% ↑
	Next 3 months (Apr – Jun 17)	20% ↑
	Next 6 months (Apr – Sep 17)	21% ↑

# Especially from USA and China

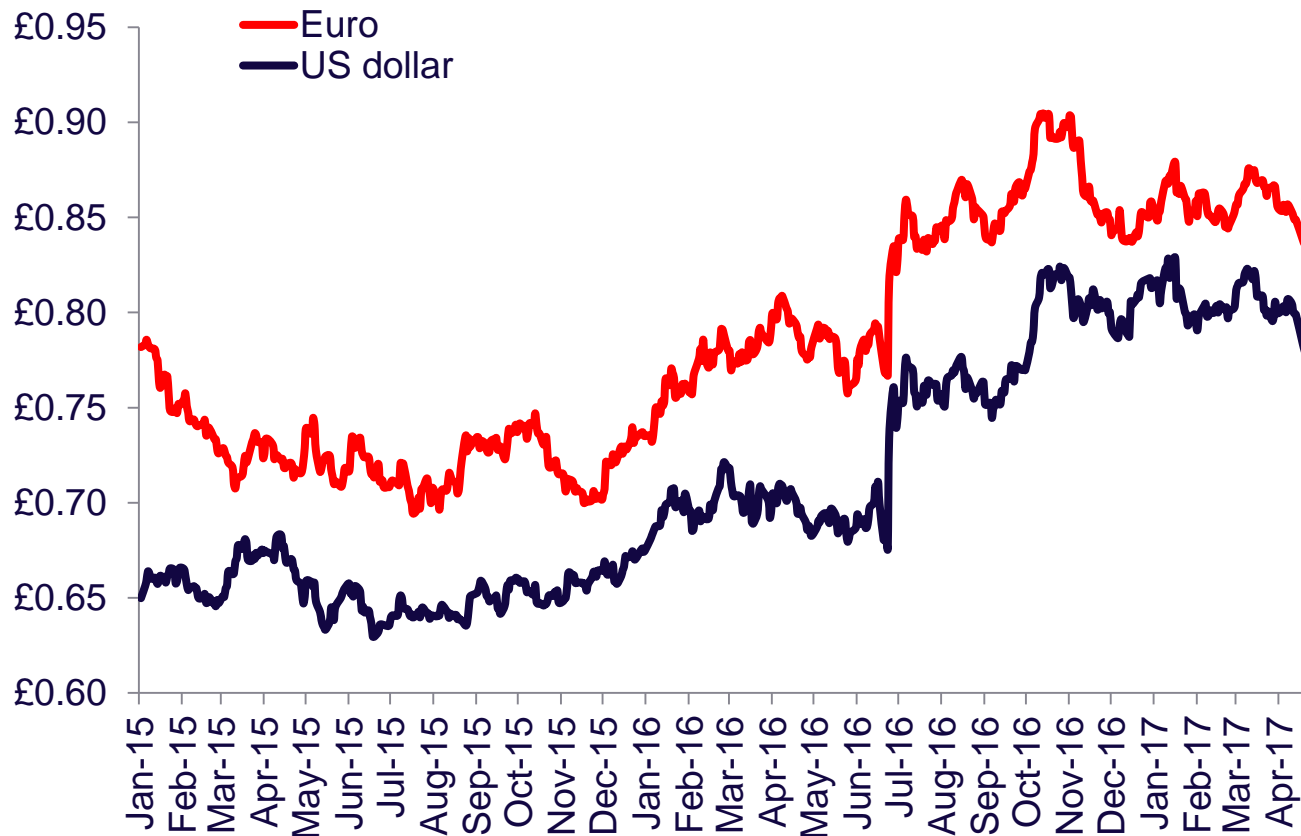
Year on year growth in flight bookings to the UK, by arrival month

Arrivals (% change YoY)	Mar 17	Apr 17	Apr – Jun 17
Eastern Europe	+20%	+11%	+17%
Northern Europe	+4%	+18%	+11%
Southern Europe	+13%	+23%	+18%
Western Europe	+1%	+21%	+17%
Middle East	+6%	+5%	+11%
North America	+15%	+30%	+28%
North East Asia	+18%	+28%	+34%
Oceania	+5%	+15%	+11%
South America	+24%	+34%	+32%
South Asia	-3%	0%	+10%
South East Asia	+27%	+2%	+16%
Sub-Saharan Africa	-10%	+18%	+14%
U.S.A.	+22%	+31%	+32%
India	-11%	-5%	-10%
China	+29%	+21%	+42%
<b>TOTAL INTERNATIONAL</b>	<b>+9%</b>	<b>+21%</b>	<b>+20%</b>

- Bookings from all main global regions are up by double digit margins for Q2
- Bookings from USA and China up by even larger margins
- Overall bookings up 20%

# Sterling reaches 7-month high against dollar

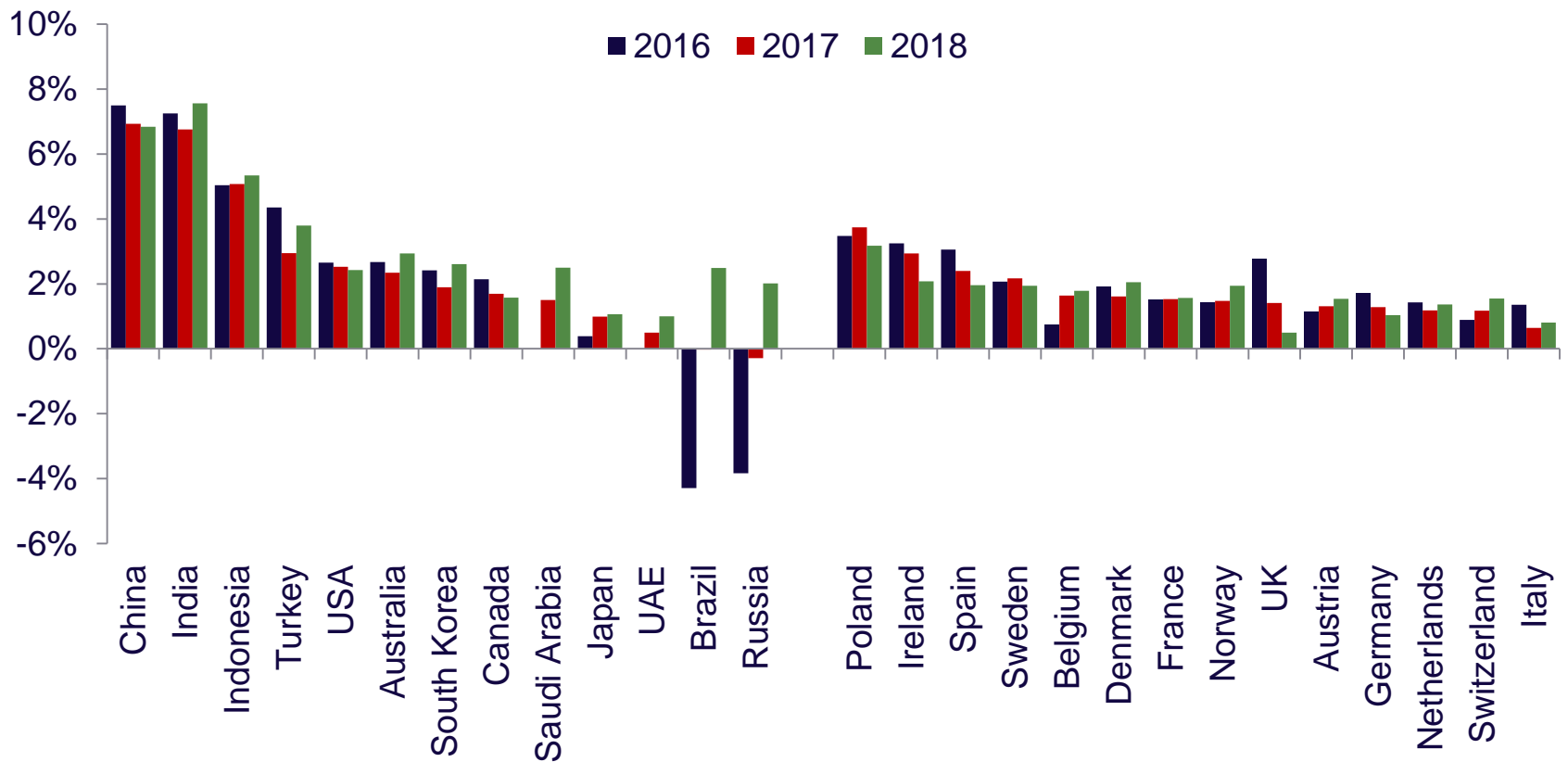
Value of US dollar and Euro against pound. Data til 27<sup>th</sup> April.



- £1 = €1.19, \$1.29
- Sterling still 9% lower against Euro and 13% against dollar vs a year ago
- Forecast to appreciate further against dollar (to \$1.34 in Q2 2018)

# Consumer outlook stable in most core markets

## Consumer spending growth





## Connectivity news

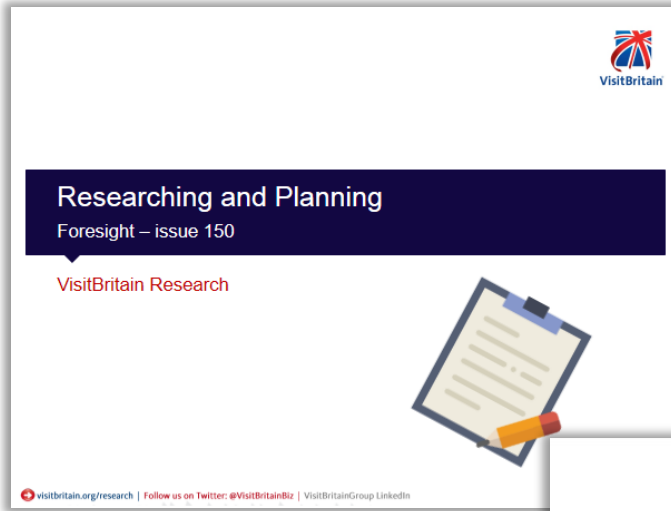
	When	Change	Market notes
Total international air seat capacity to UK	Jan-Dec 2016	+10%	
	Jan-Sep 2017	+6%	Canada +2%, China +10%, UAE +2%, USA +2% Brazil -18%, India -10%


- **Norwegian:** new route from Gatwick to Singapore starting September 2017; 4x weekly at first, rising to 5x. Also flights from Denver and Seattle-Tacoma to Gatwick this September. Three new direct routes from Edinburgh to the US east coast from June, using smaller US airports. Also expanding summer capacity on selected routes from Edinburgh to Scandinavia and Spain.
- **Hainan:** fifth weekly flight on Manchester-Beijing service from 1 May.
- **Saudia:** twice-weekly service from Manchester to Riyadh, starting June.
- **KLM** has restarted its Amsterdam - London City route after 8 years. 8 x daily flights.
- **Air France:** London City – Paris Orly route has been dropped, effective 26th March.
- **Eurostar:** London-Bordeaux service from July.
- **Qatar Airways:** flights from Cardiff Airport to Doha from 2018.
- **AirAsiaX:** won approval to start flights to US and is working towards resuming a service to the UK.
- **Wright Electric:** start-up airline announces plans for electric flights (with interest from Easyjet) from London to Paris within 10 years.



## 2. Inbound research in the pipeline


# Recent analysis



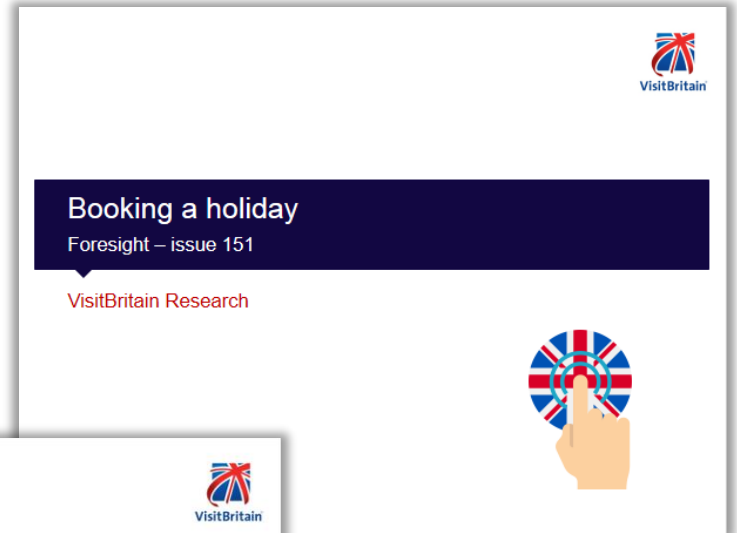
  
VisitBritain


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Foresight – issue 150

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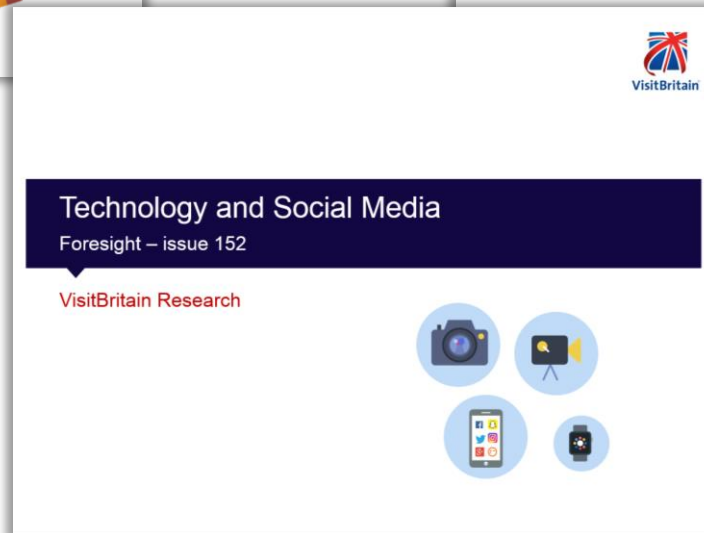

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**Booking a holiday**  
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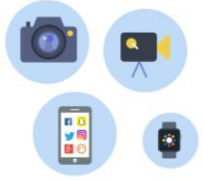
VisitBritain Research



  
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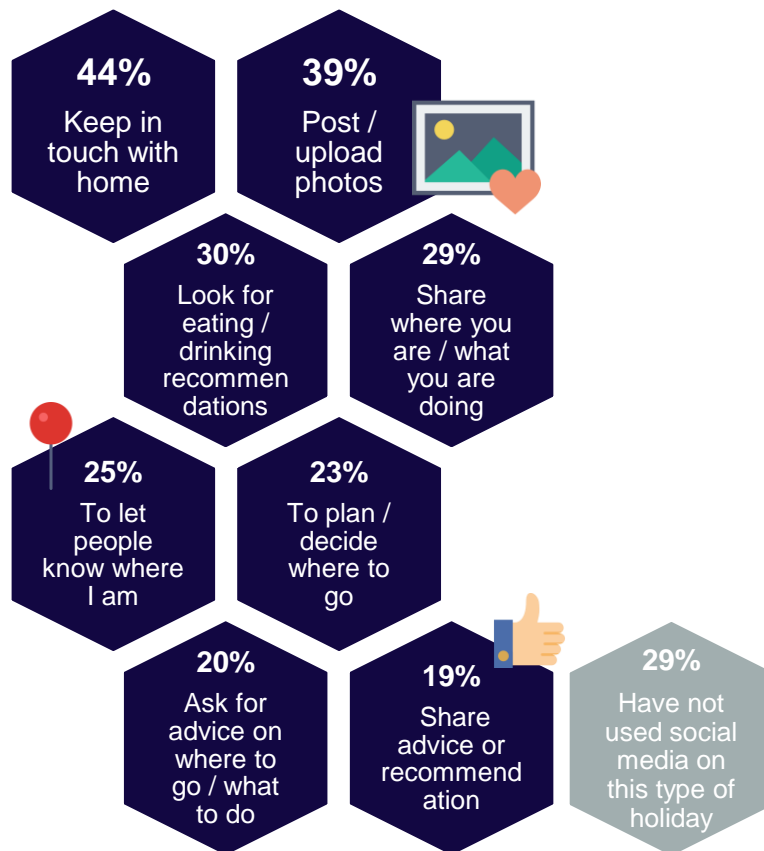
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VisitBritain Research



# Using social media on holiday

% who did the following on their last foreign holiday / trip to Britain

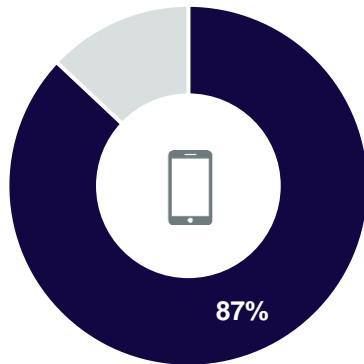


- **Keeping in touch** with friends and family back home is the key reason that most people say they use social media when on holiday.
- **Sharing:** over a third post photos whilst on holiday, 29% are sharing what they are doing and 19% have shared recommendations.
  - Led by India, China, Brazil and Gulf
- **Getting information on holiday:** 30% have used social media to get recommendations on places to eat or drink, 23% to help them plan where to go, and 20% to ask for advice on what to do or where to go.

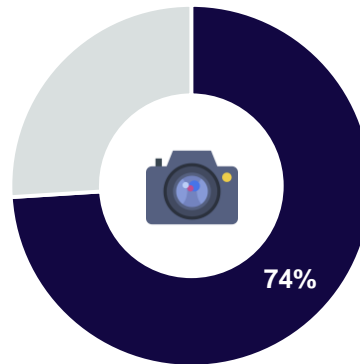
# Technology ownership

Selfie sticks are owned by just under a quarter of international travellers, including over half from China, South Korea and UAE. Wearable technology such as smartwatches are owned by 16%.

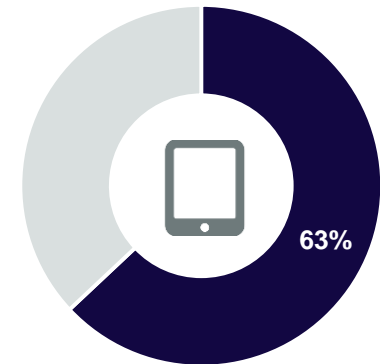
Smartphone



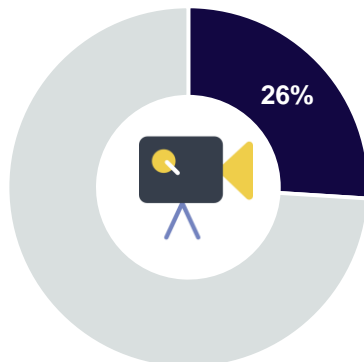
Digital camera



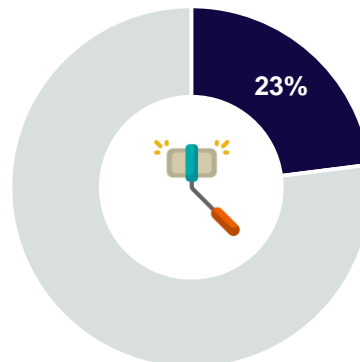
Tablet computer



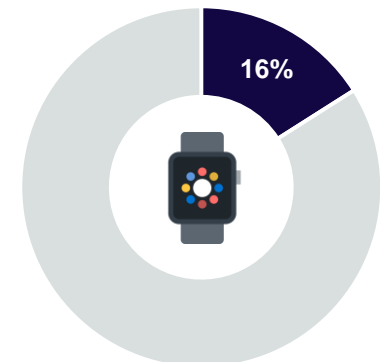
Video camera



Selfie stick



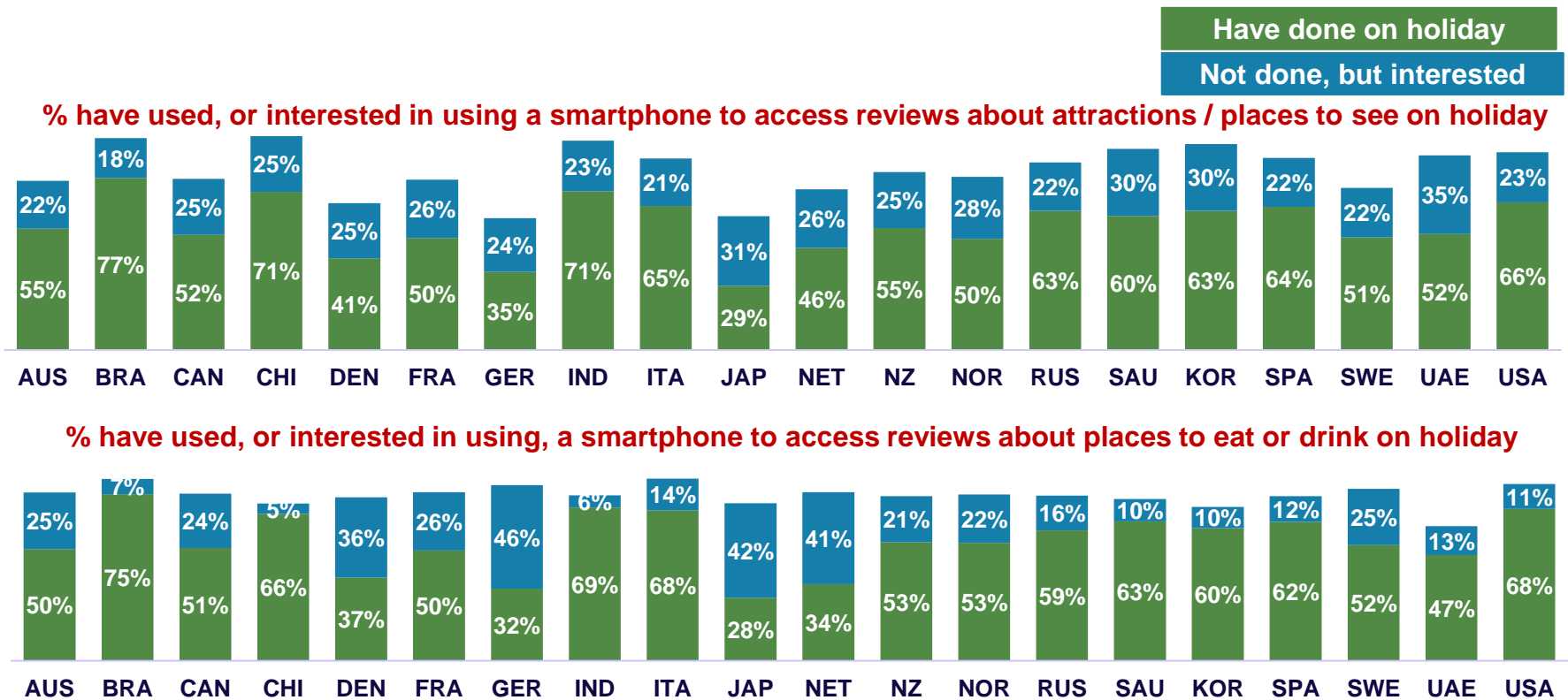
Wearables



# Using a smartphone to access reviews

## Market breakdown

Amongst European markets, Italians and Spanish are most likely to use reviews on their smartphone. Just over half in Canada and two thirds in USA are using smartphone reviews, and throughout the rest of the world Brazil, China, India, South Korea and Russia.



Source: QM2. Which of the following have you done on holiday?

Base: All Respondents (11,400), Australia (600), Brazil (600), Canada (600), China (600), India (600), Japan (600), New Zealand (600), Russia (600), Saudi Arabia (347), South Korea (600), United Arab Emirates (253), United States (600), Denmark (600), France (600), Germany (600), Italy (600), Netherlands (600), Norway (600), Spain (600), Sweden (600)

# Recent Discover England Fund analysis

- Re-analysis reports:
  - Regional gateways
  - Lifestages
  - Multi-destination trips
- BVE Research
  - Destination Decision-Making, Motivations and Barriers
  - To come: Delegate expenditure for different types of business events; Understanding business extenders
- Activities research: appeal of leisure tourism activities and appeal of England for these
- Travel Trade research

# Upcoming analysis

## Reports:

- Britain and Competitors
- Recommendation, Satisfaction and Welcome

## Research projects:

- Food research: with DEFRA
  - Perceptions of Britain's Food (quantitative research in GREAT markets and qualitative research in USA and China)
  - Food product development case studies
- Luxury tourism research: USA, China, Gulf
- USA East vs West Coast
- Visa card spending data





### 3. Social and consumer trends for the medium term future

# The Future

**What does the future hold?**

**Challenge: to become more forward-thinking in our understanding of markets and customers**



- What are the key consumer and social trends that will impact tourism landscape in the future?
- How do these vary across markets and demographics?
- Two stage insight process:
  - Project for Discover England Fund with focus on trends impacting tourism product development
  - Ongoing subscription so we can monitor and embed futures and trends thinking
- Project commissioned with Foresight Factory

# Top social and consumer trends for tourism

## Inspiration & Pre-planning



**Filter Bubble**



**Maximising Behaviour**



**The Death of Risk**

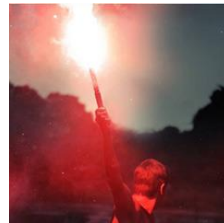
## Booking Process



**Wishlisting**



**Conversational Commerce**

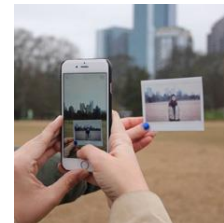


**Impulsive Existence**

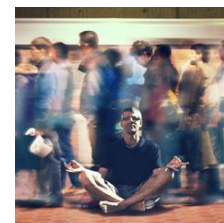
## Connected Travel



**Locational Living**



**Performative Perfection**



**Mastering the Mind**

## Evolving Travel Needs

**Pursuit of Real**



**The Leisure Upgrade**



**Customised Reality**



# PURSUIT OF REAL

The craving felt by many consumers for products, services and experiences imbued with a genuine sense of authenticity.

65%

“It’s really important to eat authentic food of the country while on holiday abroad”



65%

“When I go on holiday, the most important thing for me is to experience the authentic culture of a place”

China: 74%  
France: 73%



Japanese government awards Savor Japan certificates to regions known for unique dining experiences



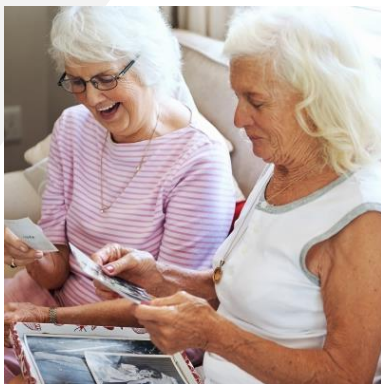
# AGELESS SOCIETY

Evolving lifestyles and attitudes are challenging age-based assumptions and stimulating support for more age-inclusive marketing communications.

% of global consumers who say they feel old

Gen Y: 16%  
Gen X: 18%  
Boomers: 26%

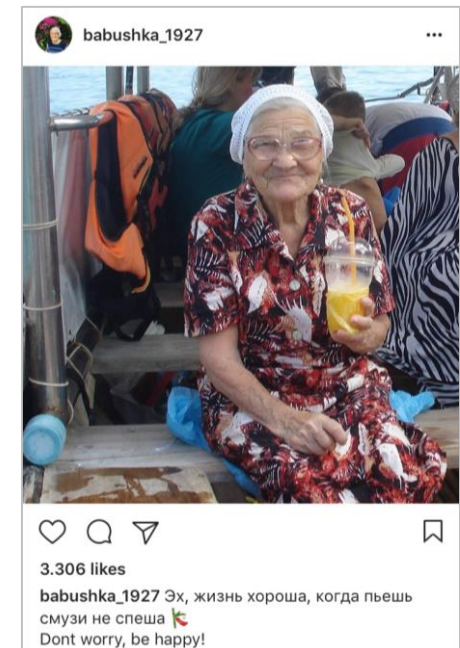
Freebird Club:  
Airbnb for 50+ers



% of global consumers who feel the need for new experiences

Gen Y: 76%  
Gen X: 69%  
Boomers: 63%

Baba Lena



# THE LEISURE UPGRADE

Consumers see leisure time as a source of pleasure and escapism. But many have also come to crave a sense of self-improvement from their free time - that they want, as it were, to do much more than just have fun.



**7 in 10**

Agree that entertainment should be about learning new things as much as simply having fun

**1 in 2**

global consumers look to learn something new on holiday

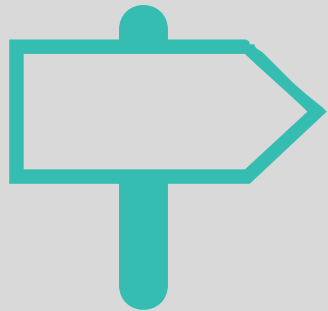


VAWAA (Vacation With An Artist) is a program pairing travellers with creators around the world



# LOCATIONAL LIVING

GPS sensitive technologies and devices enable consumers to understand and interact more closely with any locale, and local knowledge can be accessed everywhere.



% who use journey planning apps



47%



26%



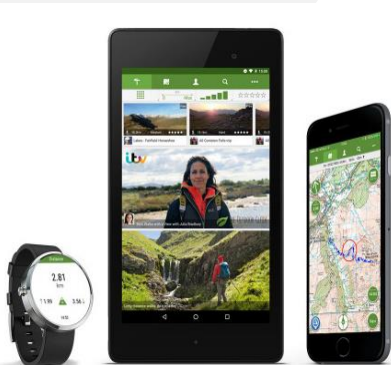
15%



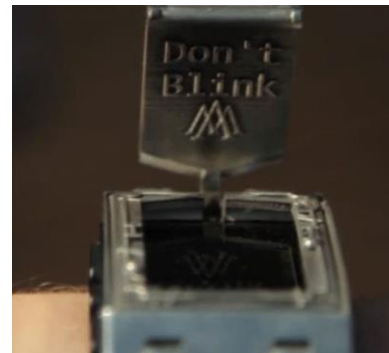
28%



22%



Fans on Foot is a wearable that alerts people when they are near locations associated with TV shows or films



ViewRanger outdoor discovery app helps explorers find and follow hiking, rowing and cycling routes

53%

of global consumers would be interested in a device that detects your location and suggested interesting this to do in the nearby area

Gen Y: 61%





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