



# Delivering a Golden Legacy

A growth strategy for inbound tourism  
to Britain from 2012 to 2020

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“We’ve been pushing the message that **Britain is a GREAT place to visit, a great place to come and do business with.** I believe it is working, and there’s no reason to stop so we’re going to keep it going **after the Games** have finished.”

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Rt Hon David Cameron MP  
Prime Minister, July 2012

I think we all recognise the value of travel to the individual – it broadens horizons, offers life experiences and creates lasting memories. It is therefore a good thing that in the 21<sup>st</sup> Century travel is something within reach for more and more people.

This change offers Britain an incredible opportunity to grow our tourist industry, helping to create more jobs, and bring in further investment and growth.

Tourism is central to my Department's commitment to deliver economic growth. International tourism is already our third-largest earner of foreign exchange and contributed £3.2 billion to the nation's coffers directly in taxation in 2012. By 2020, the UK could attract forty million overseas visitors a year – earning £31.5 billion.

The UK is a GREAT place to visit, study in, invest in and trade with. The success of the Olympic and Paralympic Games put Britain centre stage and updated the world's perceptions of Britain.

Not only did Britain's ranking for 'overall nation brand' and 'culture' move up a place on the Nation Brands Index (NBI, November 2012), but for the first time Britain is in the top ten for its welcome. The World Economic Forum (WEF) now considers Britain to be the fifth most competitive visitor economy in the world – a rise from seventh in 2011.

The effectiveness of the GREAT campaign has helped to drive these improvements. Thanks to the work of VisitBritain and its many partners, the campaign has succeeded in putting Britain firmly on the visit list for travellers. In its first year alone, the GREAT campaign is likely to attract an extra £72 million in visitor spending in the UK. This is in addition to a reported £900 million of spending generated in the first two years of VisitBritain's four year marketing programme.

This is a good start, but we will build on this to secure a long-term legacy for tourism and the country.

**We are running in a global race, and the competition is getting tougher. Other countries have recognised the potential of tourism for delivering growth and jobs in a tough economic climate.**

Competitors are moving fast, addressing policy issues as well as investing in marketing campaigns.

We want to go further and faster than the competition. I welcome this report, which sets out how we make sure that we capitalise on the opportunities we have.



**Rt Hon Maria Miller MP**  
**Secretary of State**  
**for Culture, Media and Sport**

A handwritten signature in black ink that reads "Maria Miller". The signature is written in a cursive, flowing style.

This is a strategy for Britain's travel and tourism industry through to 2020. It highlights the potential for our visitor numbers to grow by 23 per cent to 40 million, the potential to add 200,000 jobs in an economy where new jobs are the number one priority and the potential to generate £8.7 billion in additional foreign exchange revenue (in nominal terms).

Few British industries are as strong as travel and tourism, and few have such growth potential. But achieving this will not be easy. It requires an exceptional level of collaboration and partnership between the travel industry, the public sector and Government. VisitBritain can support this and facilitate this potential but it cannot deliver growth on its own.

We start from a position of unprecedented strength. Against the expectations of many pundits, 2012 was a year of record spending by inbound visitors. And the imagery of the 2012 Games and Diamond Jubilee coupled with the GREAT campaign has done wonders to increase the attraction of Britain and people's desire to visit.

But it was always clear that this advantage, once achieved, would rapidly dissipate if we did not actively raise our game to convert intent into action. We don't just want people to find Britain appealing, we want them to visit.

So during 2012, VisitBritain undertook a robust analysis of our tourism industry's competitive position in each of our 21 main origin markets – identifying both the opportunities for growth and the barriers to delivering it.

We have identified four key themes which we must collectively pursue if we are to achieve the full potential of this great British industry. Specifically we need to:

- Continue to develop Britain's image overseas
- Strengthen distribution through the travel trade particularly in new markets where our attractions are less familiar
- Broaden and strengthen our product offering to attract new market segments and ensure our offering matches up to the best our competitors offer
- Make it easier to visit Britain by improving Britain's visa process; increasing aviation capacity and promoting new air routes, particularly from emerging markets.

**Working together with trade partners** who have specific market and segment expertise **we need to tailor development strategies** to the unique competitive position we find in each market.

In some markets we simply need to take advantage of the rapid growth in outbound travel they are experiencing. In other more mature markets we need to re-energise our image to attract younger travellers who are less familiar with Britain, or encourage their parents to return and enjoy the ever changing face of London or explore the rest of our country. In a third group of markets we need to complete foundation work getting our attractions into the minds of emerging travellers and the agents who serve them. Finally there are some markets which we need to nurture – not priorities today but worthy of our attention because they will be important markets in the future.



**Christopher Rodrigues CBE**  
Chairman, VisitBritain

The good news from our consultation process is that our tourism objectives align closely with those of our colleagues at UK Trade and Investment and the Foreign and Commonwealth Office. The GREAT campaign has made us all realise that we are more effective when we align behind a common message and that we can support each other's goals for the future. Britain's image and its trading power depend on, and are reinforced by, the success of our travel industry which attracts business people and students as well as family, friends and tourists.

The first series of market reviews covering the USA, France, Germany, Brazil, India, China and the Gulf region are published in parallel with this strategy document. **The real work starts now** as we build coalitions of the willing and committed to develop our business in each market.

In an industry that understandably focuses on daily load factors and occupancy rates, we now need to develop a longer-term, more joined-up approach to market development. Our consultation has convinced us the time is right for this approach. We and our public and private sector partners are ready to build on our nation's 2012 achievements to realise the real Olympic tourism legacy that is within our grasp.

VisitBritain has demonstrated its ability to deliver effective marketing and to secure match-funding from partners which doubles the Government investment in our marketing. Research shows that the investment in GREAT is paying off. The campaign has successfully increased likelihood to visit Britain among our key audiences and our partnerships with travel and hospitality companies are driving business now.

Tourism is the industry that can deliver the economic legacy of the 2012 Games. It is an industry that can deliver jobs quickly – right across Britain and at all skills levels – and much needed economic growth. Every £40,000 spent by overseas visitors to Britain can create a new job.

Now is the time to capitalise on it and secure a Golden Legacy.



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## Executive summary

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This is a strategy for **Britain**  
– one which requires the  
travel industry, government  
departments and agencies to  
**unite behind a clear and long-  
term ambition for growth.**

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## Delivering the London 2012 Games' economic legacy through tourism

We start 2013 having hosted a successful Olympic and Paralympic Games. There is evidence that this has begun to change the world's perceptions of Britain. Britain's ranking for 'overall nation brand' and 'culture' has moved up a place (Anholt GfK Nation Brands Index, November 2012), and for the first time Britain is in the top ten for its welcome. Three-quarters of those surveyed agreed that they wanted to see more of Britain than London alone, 70% were impressed by Britain's countryside, and 63% were more likely to holiday in Britain as a result.<sup>1</sup>

But this is just a start. Our task is to secure a long-term legacy for tourism. By 2020, the UK could attract 40 million overseas visitors a year – earning £31.5 billion annually (in real terms).

Tourism is the industry that can deliver the economic legacy of the 2012 Games. It is an industry that can create jobs quickly – right across Britain and at all skills levels – and much needed economic growth. Every £40,000 spent by overseas visitors to Britain can create a new job.<sup>2</sup> International tourism is already our third-largest earner of foreign exchange and contributed £3.2 billion to the nation's coffers directly in taxation in 2012.<sup>3</sup>

We start from a position of strength. The UK already welcomes 31 million visitors from across the world, who spent £18.6 billion a year here last year. Tourism is a major part of the UK economy. It contributes £115 billion to UK GDP, and provides employment for 2.6 million people – around 9% on both measures.<sup>4</sup> One in twelve jobs in the UK is currently either directly or indirectly supported by tourism. 44% of people employed in tourism are under 30, compared with an average for the wider economy of 24%.<sup>5</sup>

And international tourism is a growth industry – UK net GDP did not grow in 2012. By contrast the amount of money spent by overseas visitors to the UK grew by 4% (nominal) in 2012.<sup>6</sup>

## One third of new jobs created between 2009 and 2011 were in tourism.<sup>7</sup>

We have seen the launch of the first ever cross-government campaign to market the UK overseas. The GREAT campaign has brought together the Foreign and Commonwealth Office (FCO), the British Council, VisitBritain and UK Trade and Investment (UKTI) and is showing Britain to be a great place to visit and in which to work, invest and study. We are building on a Government Tourism Policy which in March 2011 set out to attract four million additional visitors by 2015, increase domestic tourism and make Britain's tourism industry more competitive. The World Economic Forum (WEF) now considers Britain to be the fifth most competitive visitor economy in the world – a rise from seventh in 2011.

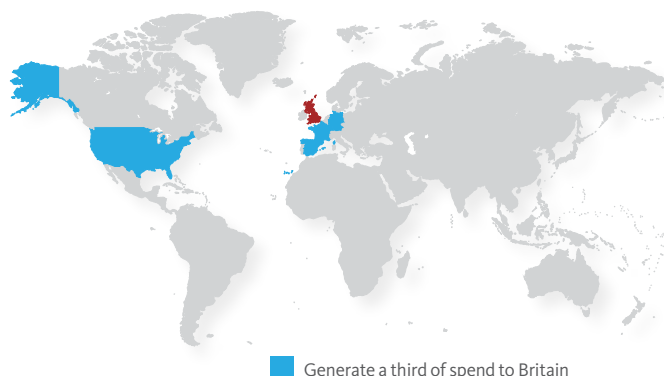
Now is the moment to capitalise on that positioning. To turn the global feel-good factor into visits in the coming months and years, and into revenue for businesses across the country and for the British Exchequer.

## The challenges facing inbound tourism

Ensuring that international tourism delivers the maximum possible economic benefits means developing a strategy for Britain that addresses a number of global trends. That strategy needs to align marketing activity and the policy framework to address competitive shortcomings and ensure Britain achieves its full economic potential.

There are difficulties to overcome.

We are running in a global race, and the competition is getting tougher. Other countries have recognised the potential of tourism for delivering growth and jobs in a tough economic climate. Competitors are moving fast, addressing policy issues as well as investing in marketing campaigns. Last year the US Government published a national travel and tourism strategy which explicitly aims to tackle issues of image, cost and value, the visa process and border controls.<sup>8</sup>



Growing tourism to Britain means addressing both mature and emerging markets. In the short term, the majority of visits and spend will come from established markets, particularly Western Europe and North America. Indeed, four markets, France, Germany, Spain and the USA generate around a third of all visits and spend to Britain. Britain has, however, seen a decline in visits from all four markets since 2006.

Defending market position, and if possible reversing this relative decline, is essential. But to ensure the future health of our tourism industry Britain will need to establish and maintain market position in emerging markets including Brazil, Russia, India and China, and to take advantage of opportunities in the rest of the world – in the rising economies of Asia, South America and Africa.

The global pattern of wealth and population is shifting. Increasingly, wealth and large populations will be concentrated in cities. Potential visitors to Britain are more likely to live in a small number of global cities which may offer a more defined target for promotional activity than country-wide marketing.

<sup>1</sup> Anholt GfK 2012

<sup>2</sup> Deloitte & VisitBritain 2011

<sup>3</sup> VisitBritain 2013

<sup>4</sup> Deloitte 2010

<sup>5</sup> ONS 2012

<sup>6</sup> ONS 2013

<sup>7</sup> Analysis of ONS employment data 2012

<sup>8</sup> Available online at

<http://tinet.ita.doc.gov/pdf/national-travel-and-tourism-strategy.pdf>

## Earning our share

Britain's ambition is to attract 40 million visitors and earn £31.5 billion (in real terms) from inbound tourism by 2020.

Achieving 40 million visits by 2020 represents a significant increase in tourism to Britain compared with current levels:

- 9 million additional visits a year in 2020
- £8.7 billion additional visitor spend annually (at today's prices)
- Support for 200,000 additional jobs across the UK per annum

The chart below shows the projected growth by market, with the markets ranked by the projected spend in 2020.<sup>9</sup>

Growth in tourism to Britain would also benefit the UK's image overseas and in turn enhance soft power. A country's tourism offer is an important part of the image building of that country. And Britain's image influences not just whether people come for a week's holiday but whether they choose to invest in British companies or relocate their families and their businesses here.

To see even stronger growth will require the tourism and travel industry, Government and the public sector to collaborate even more effectively and to align their priorities around a common goal.

## Top 20 markets for projected growth 2011-20

Market	2011 Total spend (all purposes) £m	2020 Potential total spend (all purposes) £m	Potential growth (£m)	Potential growth (%)
USA	£2,362	£3,536	£1,174	50%
Saudi Arabia	£260	£729	£469	181%
Spain	£841	£1,295	£454	54%
Australia	£1,015	£1,443	£427	42%
Canada	£512	£913	£401	78%
China	£240	£618	£378	157%
Poland	£340	£575	£234	69%
Germany	£1,252	£1,484	£231	18%
Russia	£306	£536	£231	75%
Brazil	£302	£492	£190	63%
Norway	£523	£692	£169	32%
UAE	£254	£383	£128	50%
India	£318	£438	£120	38%
France	£1,158	£1,277	£119	10%
Switzerland	£414	£503	£89	22%
Belgium	£282	£370	£88	31%
Denmark	£290	£342	£52	18%
Sweden	£410	£381	£-29	-7%
Netherlands	£624	£592	£-32	-5%
Italy	£792	£667	£-125	-16%
Rest	£5,597	£14,220	£8,632	154%
<b>Total</b>	<b>£18,092</b>	<b>£31,486</b>	<b>£13,394</b>	<b>74%</b>

Stronger Weaker



## A tourism strategy for Britain

### Global trends

- Patchy global economic performance
- Growing range of destinations
- Increasing competition for and investment in tourism
- Policy changes by competitors to attract visits
- Shift of global population to cities

### Opportunities for Britain

- Prominence following the London 2012 Games
- Large global aviation route network
- Strong associations with culture and heritage
- Strong tourism infrastructure
- English language
- London is a global city

### Barriers to growth

- Britain's image is good but competitors do better on some key aspects
- Perceived deterrent effect of the visa regime
- Small share of voice in a crowded marketplace
- Product and packaging gaps
- Lack of future airport capacity
- Lack of awareness of attractions outside London

- Build on Britain's image
- Increase distribution through the trade

### Tourism growth strategy

- Improve the range of product on offer
- Make it easier to get to Britain

This strategy sets out what Britain can do now to ensure that international tourism delivers the largest economic benefit possible and how marketing and policy objectives can be aligned.

Over the past 18 months, VisitBritain has conducted a major piece of work, producing assessments of Britain's competitive position in each of its 21 markets – identifying opportunities for and barriers to growth.

This work has identified four key elements which together are drivers of future success: build on Britain's image, increase distribution through the travel trade, broaden the product offering, and make it easier to visit Britain by improving Britain's visa process, and increasing aviation capacity to promote new air routes, particularly from emerging markets.

None of this is within the gift of any single organisation.

This is a strategy for Britain – with the travel industry, government departments and agencies united behind a clear long-term ambition for growth.

Our aim is to work in partnership, so that organisations across the public and private sectors can align to deliver tourism's full economic growth potential over the remainder of this decade.

The private sector has the key role to play. The tourism industry is typically described as fragmented – there are 200,000 small and medium-sized tourism businesses and a host of sectorial interests in tourism.<sup>10</sup> Yet the private sector already provides significant support to the marketing of Britain overseas – investing £50 million in VisitBritain's four-year marketing programme. The GREAT Britain campaign has also seen VisitBritain working much more strategically with other public diplomacy partners (including the FCO, UKTI and British Council). In addition, the campaign has shown the role that non-tourism businesses can play in shaping Britain's image around the world – and the impact that this has on tourism and investment decisions.

This strategy sets out an ambitious goal for Britain. It will require an even greater level of cooperation across Government, the UK and overseas tourism industries and the national tourist boards in order to ensure that Britain is fit to compete and succeed in the global race for tourism.

VisitBritain will continue to evolve in order to support the delivery of this strategy to grow international tourism to Britain. Partnerships are vital. VisitBritain will need to remain an organisation which 'does', and to adapt to be an organisation that leads, coordinates and convenes others.

We will publish detailed strategies for priority markets, covering the period 2014-2016 over the course of 2013. The first series, covering the USA, France, Germany, India, China and the Gulf region are published in parallel with this strategy document.

VisitBritain will continue operating in a number of high priority markets to deliver visits and economic value now, and securing future growth, whilst at the same time flexing the tools it has to reach a wider range of markets, working with willing partners including the FCO's prosperity network. This flexible approach means we can ensure that Britain is able to adapt to take advantage of growth across the emerging economies of Asia, Central and South America, and Africa; while focusing VisitBritain's resources in order to achieve critical mass.

Tailored strategies will be set in the market, in response to the challenges Britain faces there. In addition, the four core parts of this Britain Tourism Strategy will be supported by a number of central work streams looking at image, trade engagement, product and ease of access.

### Britain tourism strategy and VisitBritain delivery timescales

#### April 2013

Publish final Britain tourism strategy, including market strategies for GREAT Britain and priority markets for 2013

#### April-November 2013

Longer-term planning for 2014-16 period:

- Medium-term target-setting
- Engagement with delivery partners
- Market strategies for other markets

#### January 2014

Publish 2014-16 VisitBritain Strategy

<sup>10</sup> Deloitte 2010

## Setting the Scene

“For too long **tourism** has been looked down on as a **second-class service sector**. That’s just wrong. Tourism is a **fiercely competitive market**, requiring skills, talent, enterprise and a Government that backs Britain. It’s fundamental to the **rebuilding and rebalancing of our economy**.”

Rt Hon David Cameron MP  
Prime Minister, August 2010  
Serpentine Gallery



# The Government Tourism Policy

In August 2010 the Prime Minister gave a speech at the Serpentine Gallery in Hyde Park, London.

The Prime Minister set out an **ambition for tourism**. He wanted it to grow – to **attract more visitors** from overseas and encourage **more Britons to holiday at home**.

He saw tourism as part of a growing, rebalanced UK economy. He identified a need for the public and private sectors to play a greater part, in cooperation, in order to take full advantage of the opportunities presented by the London 2012 Olympic and Paralympic Games.

He tasked John Penrose, the then Tourism Minister, with developing a new tourism policy which would enable the UK to make the best of its tourism opportunities, increase private sector participation in the marketing and organisation of UK tourism, and give direction to departments across Whitehall in order to support tourism growth.

The Government Tourism Policy, published in March 2011 distilled these aspirations into three objectives. First, increase inbound tourism through a major advertising campaign. Secondly, increase the proportion of UK residents holidaying in the UK. And finally, increase the productivity of the tourism sector, to become one of the world's top five visitor economies for competitiveness.

The £100 million 'Britain, You're invited' partnership, aimed at attracting four million extra visitors, was launched at No.10 Downing Street on 5 January 2011.

Within months it was followed by the GREAT Britain image-building campaign, which aimed to take advantage of global interest in the Diamond Jubilee and the 2012 Games to show the world that Britain is a great place to visit, in which to invest and in which to study. Over the last 18 months the Government has, through VisitBritain, invested £25 million in promoting British tourism overseas. And a further £12 million has been allocated to a GREAT tourism campaign in the 2013/14 financial year.

The Government's third objective for the Tourism Policy was to make Britain's visitor economy one of the five most competitive in the world. The UK achieved this ranking in the World Economic Forum's travel and tourism competitiveness index in March 2013. This is a good start. But the demands of the global race mean that we need to keep on improving so that we keep pace with competitors and build on this start.

The Government Tourism Policy also recognises the importance of competing globally for our share of world tourism. It sets out a range of policies to support this aim including changes to the way potential visitors apply for visas – making it simpler and more convenient; the setting up of a Deregulation Task Force; and restructuring local tourism bodies to increase private sector participation in destination management and marketing.

This strategy document builds on this work and looks to answer the questions **'what next?'** and **'how do we get there?'**



“We **welcome** the strategy of **boosting visitor numbers** in established markets in the short term and **providing the infrastructure to serve tourists** in emerging markets, when the visitor numbers take off, in the long term”

Heathrow

## Where we are

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Britain's ranking for **'overall nation brand' and 'culture'** moved up a place, but for the first time Britain is seen in the **top ten for its welcome.**

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# Tourism, growth and jobs

The **London 2012 Games** have been an unparalleled opportunity to **showcase Britain around the world**. Billions of TV viewers saw positive coverage of Britain and all the experiences it has to offer – a country that could not only **deliver a great Games**, but which also welcomed the world with open arms and **showed that it could host a great party**.

Post-Games analysis demonstrates that it has worked. Not only did Britain's ranking for 'overall nation brand' and 'culture' move up a place, but for the first time Britain is seen in the top ten for its welcome. Three quarters of respondents to the NBI agreed that they wanted to see more of Britain than London alone, and 70% were impressed by Britain's countryside. 63% of respondents were more likely to holiday in Britain as a result of the Games.<sup>11</sup>

Now is the moment to capitalise on that positioning. To turn the global feel-good factor into visits in the coming months and years, and into revenue for businesses across the country and for the British Exchequer.

This strategy document sets out what Britain needs to do now in the immediate afterglow of the Olympic and Paralympic Games, to ensure that both policy and promotional activity are aligned to ensure that international tourism delivers the largest economic benefit possible.

In 2012 the UK welcomed 31 million visitors from across the world.<sup>12</sup>

These tourists are attracted by Britain's heritage and culture, by the vibrancy of our towns and cities and the beauty of our countryside.

Tourism is also a critical component of the British economy, accounting for almost 10% of GDP.<sup>13</sup>

Tourism contributes £115 billion to UK GDP, and provides employment for 2.6 million people. One in twelve jobs in the UK is currently either directly or indirectly supported by tourism – the equivalent of the population of Greater Manchester.<sup>14</sup>

One third of new jobs created between 2009 and 2011 were in tourism.<sup>15</sup>

And 44% of people employed in tourism are under 30, compared with an average for the wider economy of 24%.<sup>16</sup>

Tourism is creating work during these difficult economic times.

Inbound tourism is an important part of the sector. It is the UK's third largest earner of foreign exchange – exceeded only by chemicals and financial services.

This is a large industry, made up primarily of small businesses. Tourism sustains around 200,000 small and medium-sized companies across the UK.<sup>17</sup>



Overseas visitors spend around **£18.6 billion a year in this country** and they contribute more than **£3.2 billion in tax and duty to the Exchequer**.<sup>18</sup>

## Tourism's economic contribution

- £115 billion a year to UK GDP
- 2.6 million jobs
- Spend by tourists has grown faster than GDP since 2010
- Inbound tourism generates around £3.2 billion of government tax revenues annually

<sup>11</sup> Anholt GfK Nation Brands Index 2012

<sup>12</sup> ONS 2013

<sup>13</sup> Deloitte 2010

<sup>14</sup> Deloitte 2010

<sup>15</sup> Analysis of ONS employment data 2012

<sup>16</sup> ONS 2012

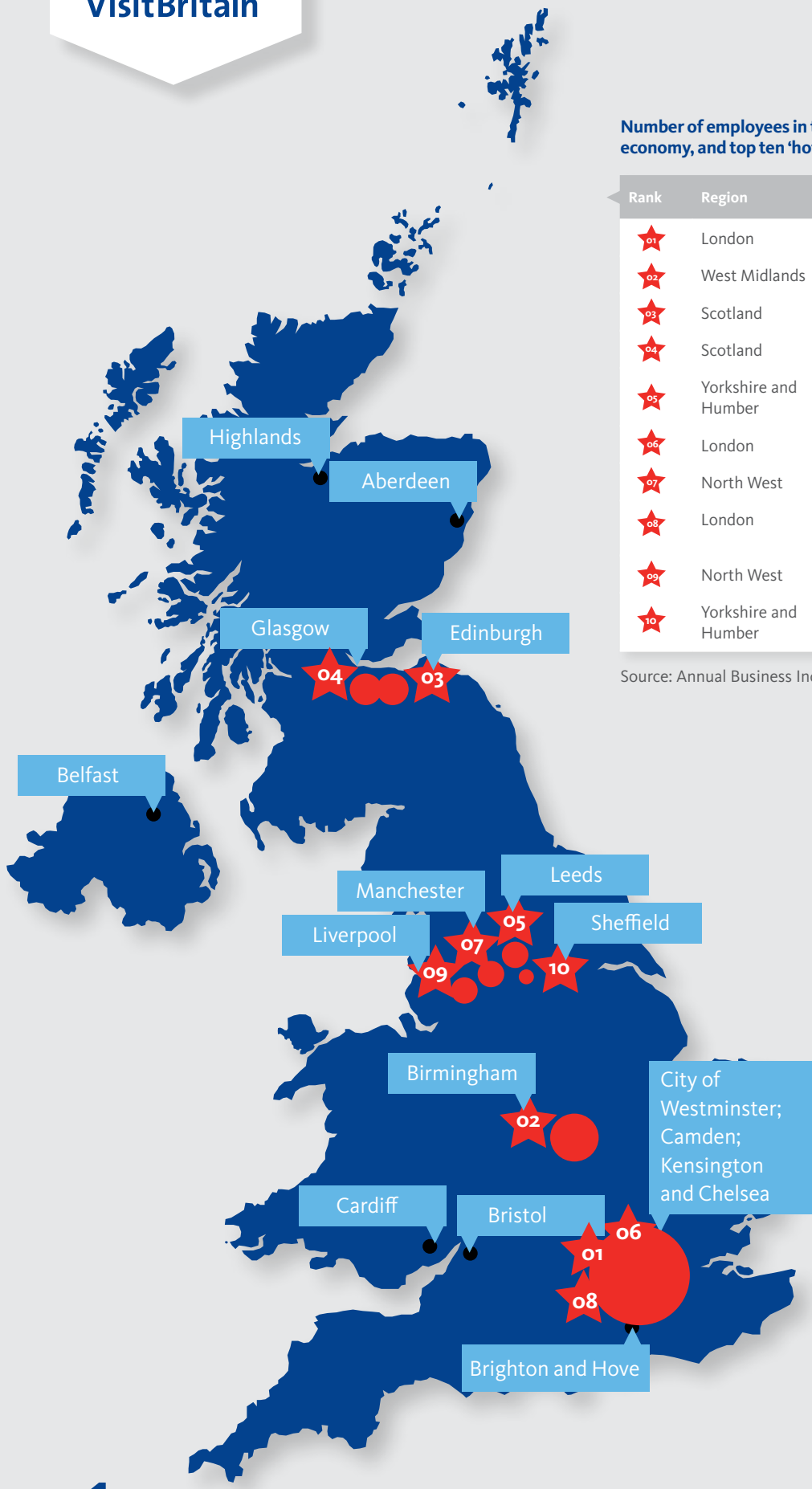
<sup>17</sup> Deloitte 2010

<sup>18</sup> VisitBritain and ONS 2013

### Number of employees in the visitor economy, and top ten 'hot spots', 2008

Rank	Region	District	Employees
01	London	Westminster, City of	79,500
02	West Midlands	Birmingham	37,600
03	Scotland	Edinburgh, City of	30,500
04	Scotland	Glasgow City	30,000
05	Yorkshire and Humber	Leeds	29,000
06	London	Camden	24,800
07	North West	Manchester	24,700
08	London	Kensington and Chelsea	22,800
09	North West	Liverpool	19,200
10	Yorkshire and Humber	Sheffield	17,100

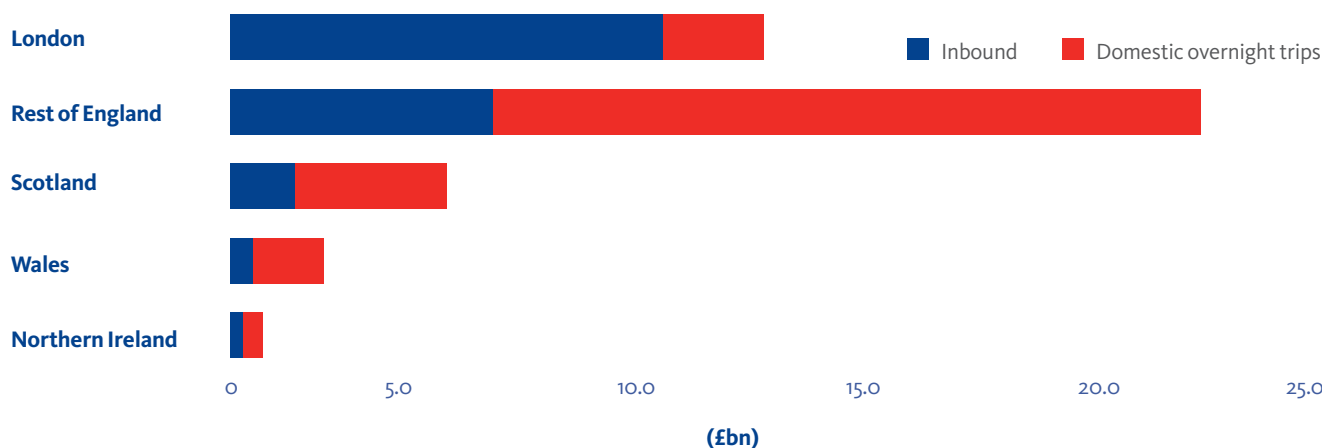
Source: Annual Business Inquiry, 2008 and Deloitte analysis



Source: Annual Business Inquiry, 2008 and Deloitte analysis



The value of inbound and domestic overnight tourism in 2011 (£bn)



The graph above shows the breakdown of domestic overnight and international tourist expenditure across the various parts of the UK. London is the preeminent destination for overseas visitors to Britain, and accounts for a little over half of overseas visitor spend in the UK.

Inbound tourism is a growth industry – it grew by 4% in nominal value terms during 2012, while the UK net GDP growth has been nil.<sup>19</sup>

A country's tourism offer is an important part of the image building of that country – and how others see us influences not just whether people come for a week's holiday but whether they choose to invest in British business or relocate their families and their companies here.

In a global economy, a range of businesses depend on travel and tourism policies to enable clients, customers and colleagues to conduct business.

And both **travel and tourism contribute to the infrastructure – airports, hotels – and shared cultural connections** which make Britain an attractive place to visit, in which to work or in which to invest.

“We’ve been delighted with the **VisitBritain global partnership** over the past 18 months which has **surpassed our forecast UK business growth of 5%, to 14%.** As the Olympic year is now over, it’s crucial that we build on the good work that’s started, to **maximise on the awareness** and demand the GREAT campaign has generated to **optimise the opportunity of UK visitors** for the long-term benefit to the UK economy.”

Emma Hudson  
STA Travel

# Competition – Britain's position in the global market place

The market place for global tourism is getting tougher. Absolute numbers of international visits passed the 1 billion mark in 2012, but Britain's global position has been in decline.

The growth in global travel over the last two decades means that Britain is competing against more destinations, for a larger number of potential visitors.

In 1990 Britain attracted almost twice as many international tourists as did China; in 2011 China attracted nearly twice as many as Britain.<sup>20</sup>

In 2011 Britain was the seventh most popular international tourism destination based on international arrivals – a fall of one place since 2010.

The graph on the opposite page shows that travel to Britain from a number of source markets has grown more slowly than general outbound travel; in a number of markets Britain has actually seen decline even as a market has grown. Visits to the UK from the USA have fallen 27% since 2006, but outbound travel from the USA generally has increased by 3%.<sup>21</sup>

Economic growth is a major driver of growth in tourism. China is a clear example of this – a market today worth US\$72.6 billion. Chinese citizens' outbound travel spend has increased by 400% in the past decade.<sup>22</sup>

Low-cost air travel, open skies agreements, visa waivers, sustained economic growth in established and emerging economies and the following winds of globalisation have all contributed to this global change.

So Britain faces **more competitors** than ten years ago.

“Scotland plays a central role in the international appeal of Britain and we **share the strategy's ambition for long-term growth.** With world-class sporting events such as the Commonwealth Games and the Ryder Cup we have an opportunity to showcase our hospitality to the world. We look forward to **continuing to work closely with VisitBritain** to promote Scottish destinations overseas.”

**Malcolm Roughead**  
Chief Executive, VisitScotland

Top ten destinations in the world for international tourism (visits)

2011 Rank	Destination	Staying visits (m)	2010 Rank
1	France	79.5	1
2	USA	62.3	2
3	China	57.6	3
4	Spain	56.7	4
5	Italy	46.1	5
6	Turkey	29.3	7
7	<b>UK</b>	<b>29.2</b>	<b>6</b>
8	Germany	28.4	8
9	Malaysia	24.7	9
10	Mexico	23.4	10

Top ten destinations in the world for international tourism (visitor spend)

2011 Rank	Destination	Receipts (US\$bn)	2010 Rank
1	USA	116.3	1
2	Spain	59.9	2
3	France	53.8	3
4	China	48.5	5
5	Italy	43.0	4
6	Germany	38.8	6
7	<b>UK</b>	<b>35.9</b>	<b>7</b>
8	Australia	31.4	8
9	Macau	TBC	9
10	Hong Kong	27.2	10

<sup>20</sup> VisitBritain analysis 2012

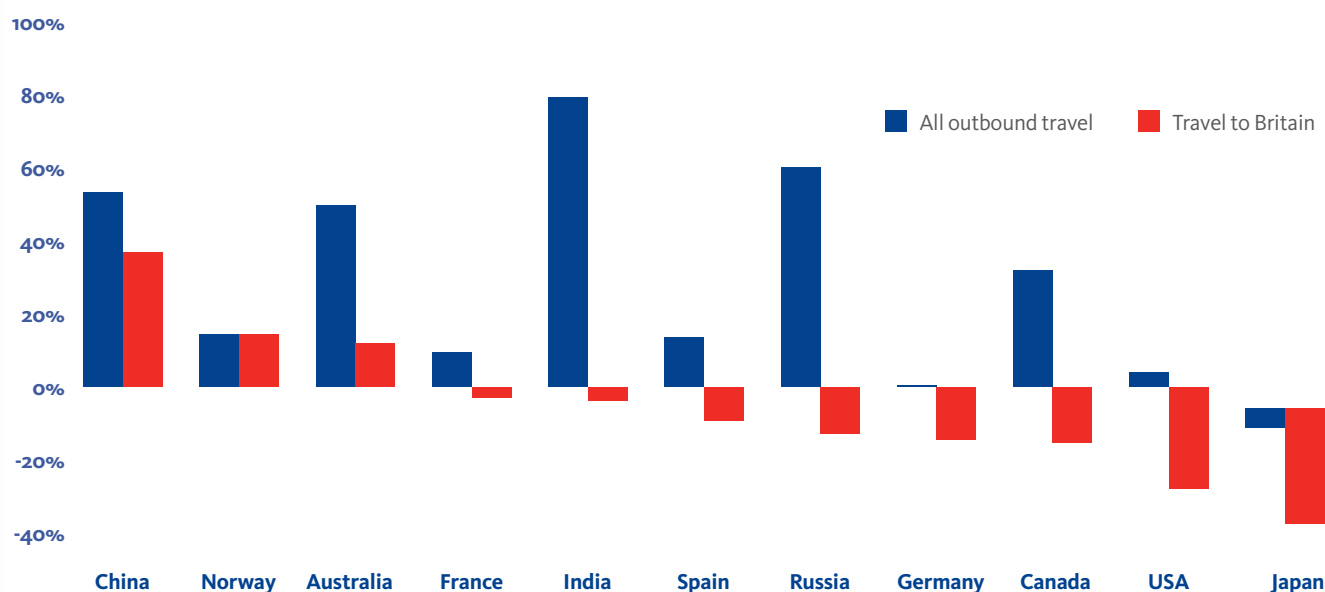
<sup>21</sup> ONS and Tourism Economics 2012

<sup>22</sup> UNWTO 2012



Growth in travel from source markets 2006-11

Percentage change in visits (%)



## British tourism also faces serious economic headwinds.

The US remains by far and away Britain's most important market in value terms. However, slow economic recovery in the US is a worry.

Ongoing difficulties in the Eurozone are also a major concern. The US may be our single biggest market, but Western European source markets, including France, Germany, Italy and Spain were together responsible for around 10 million visits in 2011 – around a third of the total.<sup>23</sup>

There are also signs of slowing growth in the emerging economies.

Countries around the world are looking to tourism to drive economic growth in these difficult times.


















Competitors are actively searching for ways to raise their game and win more visitors.

The UK was ranked the fifth most competitive visitor economy by the World Economic Forum in early 2013. Germany was ranked second (no change from 2011), and France seventh (down from fifth in 2011).

Britain's ranking was an improvement on the 2009 position of 13<sup>th</sup>. That improvement was largely driven by favourable exchange rate movements, which made the UK a relatively less expensive destination to visit (WEF 2011).

The snapshot, overleaf, sets out WEF's assessment of Britain's competitiveness across a range of attributes; based on performance as perceived by WEF researchers. The UK scores highly on cultural resources (3<sup>rd</sup> in the world) but comes 138<sup>th</sup> for price competitiveness (out of 140).

## Travel and tourism (T&amp;T) competitiveness index

	Rank (out of 139)		Score (1-7 scale)
<b>2013 travel &amp; tourism competitiveness index</b>	5		5.4
2011 index	7		5.3
2009 index	11		5.2
<b>T&amp;T regulatory framework</b>	17		5.4
Policy rules and regulations	8		5.3
Environment sustainability	7		5.6
Safety and security	22		5.7
Health and hygiene	48		5.7
Prioritisation of travel & tourism	40		4.9
<b>T&amp;T business environment and infrastructure</b>	10		5.1
Air transport infrastructure	5		5.6
Ground transport infrastructure	13		5.8
Tourism infrastructure	22		5.8
ICT infrastructure	10		5.4
Price competitiveness in the T&T industry	138		3.0
<b>T&amp;T human, cultural, and natural resources</b>	3		5.6
Human resources	6		5.8
Education and training	10		5.9
Availability of qualified labour	13		5.6
Affinity for travel & tourism	45		4.9
Natural resources	15		5.2
Cultural resources	3		6.4

Source: World Economic Forum

The WEF placed the USA in sixth place; just behind Britain.

Last year the US Government published a national travel and tourism strategy which explicitly aims to tackle issues of image, the visa process and border controls. Brand USA, the new promotional body, is projected to have a budget of up to \$200 million; half-funded by investment from the private sector and the remainder from the American Electronic System for Travel Authorization (ESTA), which charges a small \$14 fee on visitors travelling to the United States from countries that do not require a visa.<sup>24</sup>

In June 2012 the Australian Government withdrew proposals to increase departure taxes, and doubled the proportion of the departure tax hypothecated to tourism promotion from 10% to 20% – projected to be worth AU\$48 million on top of existing tourism budgets.

Tourism Australia is already extremely well resourced. It currently spends AU\$13 million (£8.5 million) per year in China alone, which supports an image campaign with TV and print advertising, as well as promotional films on the metro and in office buildings. Australia has also recently signed a three-year marketing deal with China Eastern Airlines worth almost AU\$9 million (£6 million), as well as a memorandum of understanding with China UnionPay.

Britain faces more and better **resourced competition**, and a **tougher global economy**. Standing still is not an option if Britain is to reverse a trend of declining market share.

This means setting out Britain's tourism ambition, and putting in place the strategy required to deliver it to ensure that both policy and promotional activity are aligned in order to achieve our economic ambitions.

<sup>24</sup> The full US National Travel and Tourism Strategy is available online at <http://tinet.ita.doc.gov/pdf/national-travel-and-tourism-strategy.pdf>

#### US national travel and tourism strategy

In May 2012 the United States set out a national tourism strategy. The US Government aims to create jobs by attracting 100 million overseas visitors a year by 2021 and an annual visitor spend of \$250 billion.

The strategy sets out 5 pillars by which the US intends to achieve this goal:

- **Promote the US** with a welcoming and positive message to potential visitors, coordinated with Brand USA and expressed by all Federal agencies and departments
- **Enable easier travel** to and within the US by expanding the visa waiver program, improving the process for obtaining a visa and improving airport security processes
- **Improve the visitor experience** by supporting workforce development initiatives (training) and harnessing new technology to provide visitor information
- **Improved** coordination across Government to deliver on tourism objectives
- **Improved research and evaluation** to improve understanding of the tourism market and its potential



**“Britain enjoys a leading position in what is a highly competitive global industry.** This industry’s recent success is in no small part the result of exceptional levels of collaboration between industry members, the Government and other public bodies. We intend to use this collaboration as a way to learn from the **professional skills and expertise within VisitBritain** including digital campaigning and tracking impact over time.”


## Visitor volumes 2011

Market	Visits to UK (000s)	Growth 2006-11 all Destinations	Growth 2006-11 to UK
France	3,633	11%	-2%
Germany	2,947	0%	-14%
USA	2,846	3%	-27%
Ireland	2,371	-8%	-19%
Spain	1,836	13%	-7%
Netherlands	1,789	8%	0%
Italy	1,526	6%	3%
Australia	1,093	50%	14%
Poland	1,057	-15%	-20%
Belgium	984	14%	-1%
Sweden	794	14%	11%
Switzerland	768	16%	3%
Canada	740	31%	-15%
Norway	739	15%	16%
Denmark	614	10%	17%
India	355	80%	-3%
Brazil	276	106%	146%
Austria	271	13%	-10%
UAE	241	112%	36%
Japan	237	-5%	-31%
Russia	211	60%	-13%
South Africa	194	25%	-45%
New Zealand	187	14%	-16%
China	149	52%	39%
Hong Kong	149	20%	-4%
South Korea	141	13%	-8%
Singapore	132	43%	33%
Malaysia	130	72%	54%
Turkey	126	48%	-17%
Saudi Arabia	105	28%	60%
Mexico	78	-1%	-11%
Kuwait	71	63%	20%
Qatar	42	45%	59%

Stronger

Weaker

## Market value 2011

Market	Value £m in 2011	
USA	£2,362	
Germany	£1,252	
France	£1,158	
Australia	£1,015	
Spain	£841	
Italy	£792	
Ireland	£748	
Netherlands	£624	
Norway	£523	
Canada	£512	
Switzerland	£414	
Sweden	£410	
Poland	£340	
India	£318	
Russia	£306	
Brazil	£302	
Denmark	£290	
Belgium	£282	
Saudi Arabia	£260	
UAE	£254	
China	£240	
Kuwait	£207	
Japan	£191	
Hong Kong	£176	
South Africa	£170	
Singapore	£169	
New Zealand	£163	
Malaysia	£149	
Austria	£142	
Turkey	£137	
South Korea	£128	
Qatar	£88	
Mexico	£58	
<b>Rest of World</b>	3,071	
<b>Total</b>	18,092	

Stronger


Weaker

## Value per visit (all visit purposes and holiday visits) 2011

Market	Average spend per visit		Holiday visits	
	All visits	Holiday visits	Nights per visit	Spend per night
Kuwait	£2,902	£2,657	12	£215
Saudi Arabia	£2,470	£2,722	13	£207
Qatar	£2,100	£3,245	15	£215
China	£1,618	£1,462	13	£112
Russia	£1,450	£1,009	8	£126
Singapore	£1,272	£1,324	8	£166
Hong Kong	£1,184	£947	8	£118
Malaysia	£1,150	£848	7	£116
Brazil	£1,094	£646	7	£92
Turkey	£1,087	£1,114	10	£113
UAE	£1,057	£1,304	11	£119
Australia	£929	£862	10	£86
South Korea	£908	£862	4	£201
India	£896	£501	8	£63
South Africa	£876	£951	10	£100
New Zealand	£872	£684	11	£65
USA	£830	£730	7	£104
Japan	£805	£674	6	£112
Mexico	£744	£507	8	£66
Norway	£707	£839	4	£210
Canada	£691	£775	9	£86
Switzerland	£540	£547	5	£109
Austria	£524	£515	6	£86
Italy	£519	£550	6	£92
Sweden	£516	£547	5	£109
Denmark	£468	£474	4	£118
Spain	£458	£497	6	£83
Germany	£425	£460	6	£77
Netherlands	£349	£408	5	£82
Ireland	£336	£363	4	£101
Poland	£322	£390	9	£43
France	£321	£315	4	£79
Belgium	£286	£363	4	£91



## Seizing the prize

Market	Value £m in 2011	2020 Potential total spend (all purposes) £m	Potential growth (£m)	Potential growth (%)	
USA	£2,362	£3,536	£1,174	50%	
Saudi Arabia	£260	£729	£469	181%	
Spain	£841	£1,295	£454	54%	
Australia	£1,015	£1,443	£427	42%	
Canada	£512	£913	£401	78%	
China	£240	£618	£378	157%	
Poland	£340	£575	£234	69%	
Russia	£306	£536	£231	75%	
Germany	£1,252	£1,484	£231	18%	
Ireland	£748	£957	£209	28%	
Brazil	£302	£492	£190	63%	
Norway	£523	£692	£169	32%	
Hong Kong	£176	£317	£141	80%	
Malaysia	£149	£278	£128	86%	
UAE	£254	£383	£128	50%	
South Korea	£128	£249	£121	95%	
India	£318	£438	£120	38%	
France	£1,158	£1,277	£119	10%	
Kuwait	£207	£310	£103	50%	
Switzerland	£414	£503	£89	22%	
Belgium	£282	£370	£88	31%	
South Africa	£170	£249	£78	46%	
New Zealand	£163	£227	£64	39%	
Singapore	£169	£230	£62	37%	
Denmark	£290	£342	£52	18%	
Mexico	£58	£106	£49	84%	
Japan	£191	£240	£49	26%	
Qatar	£88	£132	£45	51%	
Turkey	£137	£179	£42	31%	
Austria	£142	£178	£36	25%	
Sweden	£410	£381	£-29	-7%	
Netherlands	£624	£592	£-32	-5%	
Italy	£792	£667	£-125	-16%	
Rest of world	£5,597	£14,220	£8,632	154%	
<b>Total</b>	<b>£18,092</b>	<b>£31,486</b>	<b>£13,394</b>	<b>74%</b>	

Stronger

Weaker

## Issues to tackle

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To maximise the economic benefits of **international tourism**, Britain's strategy ought to be aimed at increasing the **real value of tourism to Britain**.

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# Factors impacting on competitiveness and strategy

## Visitor volumes and value to the UK economy

To maximise the economic benefits of international tourism, Britain's strategy ought to be aimed at increasing the real value of tourism to Britain (adjusted for inflation).

There are a number of ways to achieve this:

- Increase spend per day
- Increase length of stay
- Increase repeat visits to Britain, and thereby increase visitors' lifetime value to the UK

In most source markets, volume of visits is a direct driver of overall value. The economic benefits of international tourism are the product of the money spent in Britain by overseas visitors. Each visitor spends on average £563 per trip. Some visitors far exceed this; the average spend of a Chinese visit is £1,618.<sup>25</sup> Every overseas visitor to Britain pays, on average, £101 in taxes and duties (including VAT and Air Passenger Duty). And for every £40,000 spent by overseas visitors another job is created.<sup>26</sup>

## One third of all jobs created in the UK between 2009-11 was in tourism.

Length of stay and average daily spend by holiday visitors to Britain, from our major source markets, are heavily clustered around a daily spend of £95, and a five-day length of stay.<sup>27</sup> Lengthening average periods of stay, or increasing daily spend, would have the effect of increasing the amount of money spent in Britain by tourists, thereby increasing the value of tourism to the UK economy.

**“Tourism plays a major role in the Welsh economy.** With its mix of heritage, culture and countryside, Wales remains an important destination for overseas visitors. We will **work with VisitBritain** to ensure that the world knows what Wales has to offer.”

**Manon Williams**  
Chief Executive, Tourism and Marketing  
Welsh Government

In practice both these options are difficult to achieve.

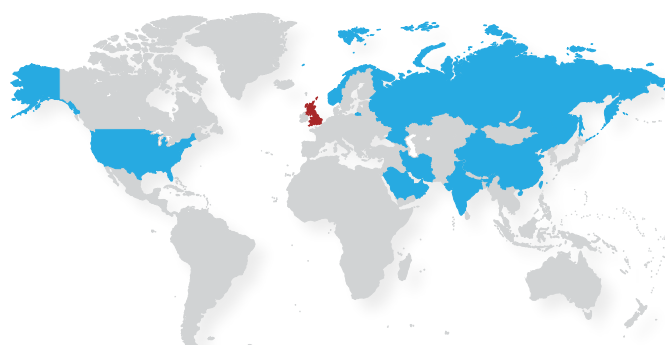
Increasing spend per day runs the risk of making Britain seem to be a more expensive destination, unless British product is seen as offering good value across the price spectrum. Britain is already perceived as an expensive destination, albeit on a par with close competitors, France and Italy.<sup>28</sup> This is despite the depreciation of sterling by around 25% since 2007.

Over the last year VisitBritain has conducted extensive competitive analysis in each of its core markets. This demonstrates that in a number of markets there is potential to increase length of stay. This is particularly the case in Western European countries where current length of stay is very short, reflecting that most holiday visits to Britain are short breaks.

It would be more difficult, however, to increase length of stay from the US, forecast still to be Britain's most valuable source market in 2020. US visitors already stay in Britain for an average of seven days (excluding travel). The average length of vacation taken by Americans, anywhere, is eight days.<sup>29</sup>

In some markets, therefore, achieving greater volumes of visitors is the principal route to achieving greater value.

There is scope to increase visitor spend, however. Wealthy visitors still form an important segment in a number of markets, including the Gulf, China, India, Russia, Norway and the USA. Promoting 'luxury' Britain to these segments could have significant benefits in increasing perceptions of Britain, as well as increasing the value of tourism.



■ Wealthy visitors still form an important segment in a number of markets, including the Gulf, China, India, Russia, Norway and the USA.

<sup>25</sup> ONS 2012. Figures from Global Blue suggest that Chinese shoppers spend an average of £642 in each transaction in the UK. In London, the average transaction is £1,030 (September 2012).

<sup>26</sup> VisitBritain & Deloitte 2011

<sup>27</sup> VisitBritain analysis of ONS data 2012

<sup>28</sup> Anholt GfK 2012

<sup>29</sup> VisitBritain analysis 2012

## Audience

Britain's marketing overseas currently targets a number of segments across all markets:

- **Middle-class leisure traveller (DINKS/SINKS/Empty Nesters)** Likely to become more cautious and consider alternatives (domestic/regional holidays) due to financial concerns. The segment will respond to value messages and although middle to upper middle class, is essentially opportunistic. Real need to promote offers and weak pound to this segment.
- **Youth segment** Whether migrant or native, this audience lives, eats and breathes online. Will respond to low fare offers, but new experiences on offer in Britain can give them their most valuable currency – social cachet. An opportunity to showcase vibrant city-life.
- **Luxury** Whether old money or new, this segment demands exclusivity, quality and unique experiences.

### Grouped into 2 audiences:

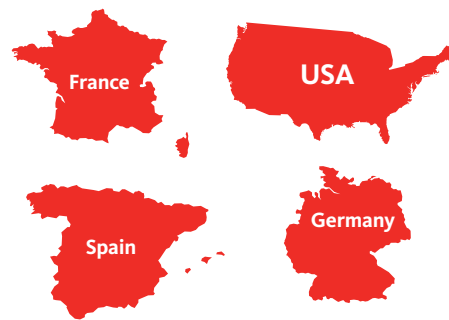
- **First-time visitors** Awareness of the product outside of the M25 corridor will be low; therefore London is likely to act as the key driver for this audience.
- **Repeat visitors** People that have visited previously and are more aware of the product, and are more pre-disposed to see more of the nations and regions.

Feedback from consultees, and analysis from the competitive assessments produced by VisitBritain to cover each of its markets, highlighted the importance of the family segment, particularly in markets where extended families are in the habit of holidaying together, for instance in the Gulf region.

The distinct characteristics of these segments and audiences vary between markets, so that a consumer-led and market-specific approach is required.

## Decline in large markets

Four markets – France, Germany, Spain and the USA – generate around a third of visits and spend. They are, therefore, extremely valuable. Britain has, however, seen a decline in visits since 2006. These declines are set against a growth in general outbound travel from each of these markets with the exception of Spain.



Many of Britain's most valuable markets have seen significant percentage declines in travel to the UK. By contrast, the markets which have grown most in percentage terms since 2006 will, in general, be of limited value in 2020. Their performance will not be sufficient to make up for the loss of visits and value elsewhere.

The graph on page 30 shows the change in visits to Britain from core markets and the forecast value of those markets in 2020. This scenario is underpinned by Oxford Economics' Macroeconomic model for each origin market highlighting demand for travel to Britain including real GDP, consumer spending and exchange rates. It is assumed that governments globally continue to tighten budgets with interest rates remaining low, leading to a general slowdown in global activity.

It shows that the markets forecast to be Britain's most valuable in 2020 are, predominantly, those which have seen significant declines in visits since 2006. The fastest growth has come from emerging markets in the Gulf, Brazil and China. There has also been solid growth in a number of middle value markets in Western Europe, Scandinavia and Australia.

“We welcome the opportunity the strategy presents to **collaborate with VisitBritain** and support the delivery of the ‘Golden Legacy’. There is only one way that the UK can **continue to compete and to thrive internationally** as a leading tourism destination in the post-2012 world, and that is through all of the national tourist boards **working together.**”

James Berresford  
Chief Executive, VisitEngland

There are broadly four categories into which Britain's major source markets could be grouped:

## RE-ENERGISE

Large value/volume markets that deliver revenue now and where we need to continue to compete for visitors

**e.g. USA**

## GROW

Medium-sized markets that deliver well now, with good growth prospects

**e.g. Nordics**

## MAKE

Fast-growing markets where we need to compete more effectively to safeguard future tourism for Britain

**e.g. China**

## NURTURE

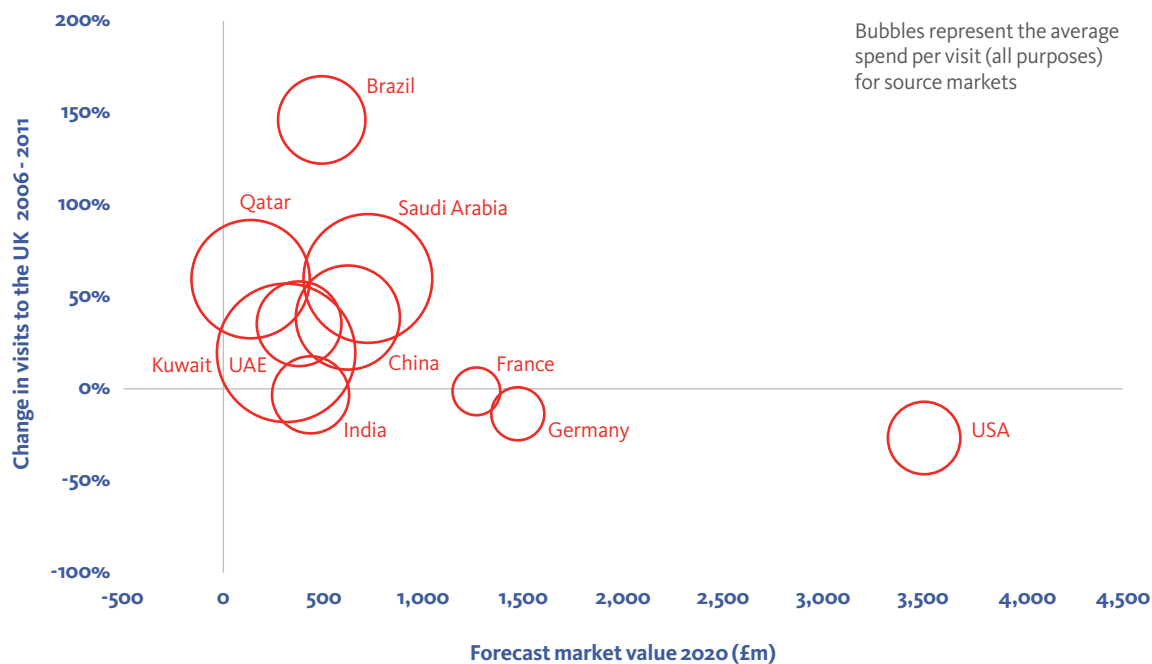
Markets that are of interest to FCO and UKTI as well as tourism and where VisitBritain doesn't currently invest

**e.g. South Korea**

Balancing the competing demands of these groupings is an important challenge for a Britain strategy. Defending Britain's position in major markets, establishing a position in markets with long-term potential,

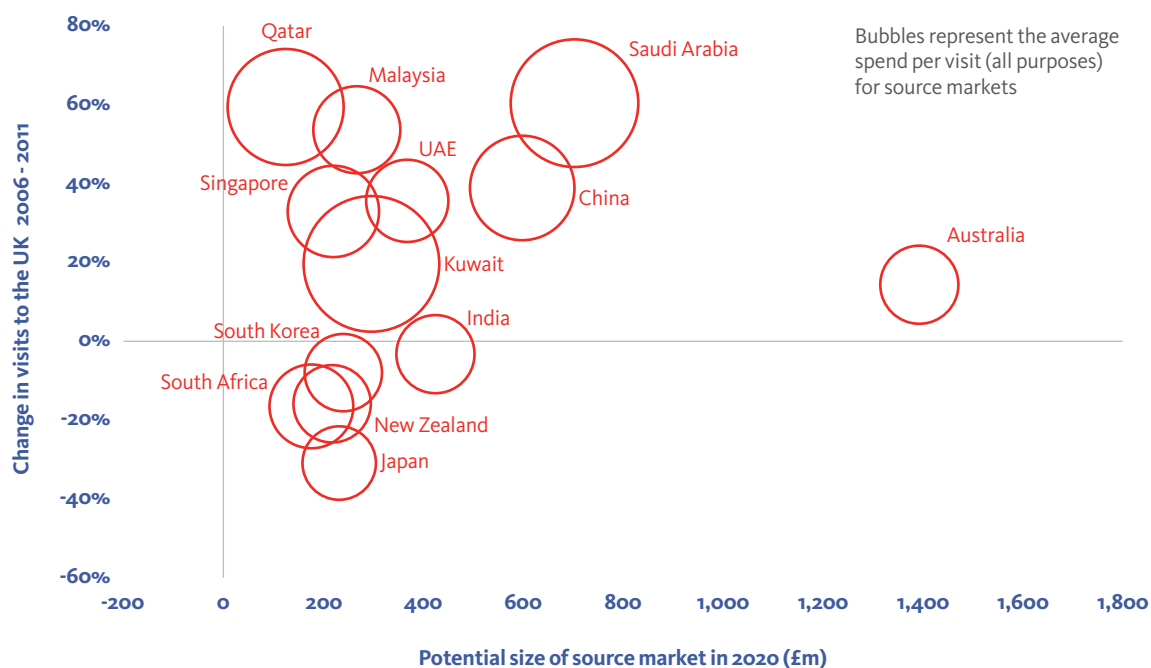
and achieving short-term economic growth ask different questions of British tourism, and will require different responses.

## Potential – GREAT markets



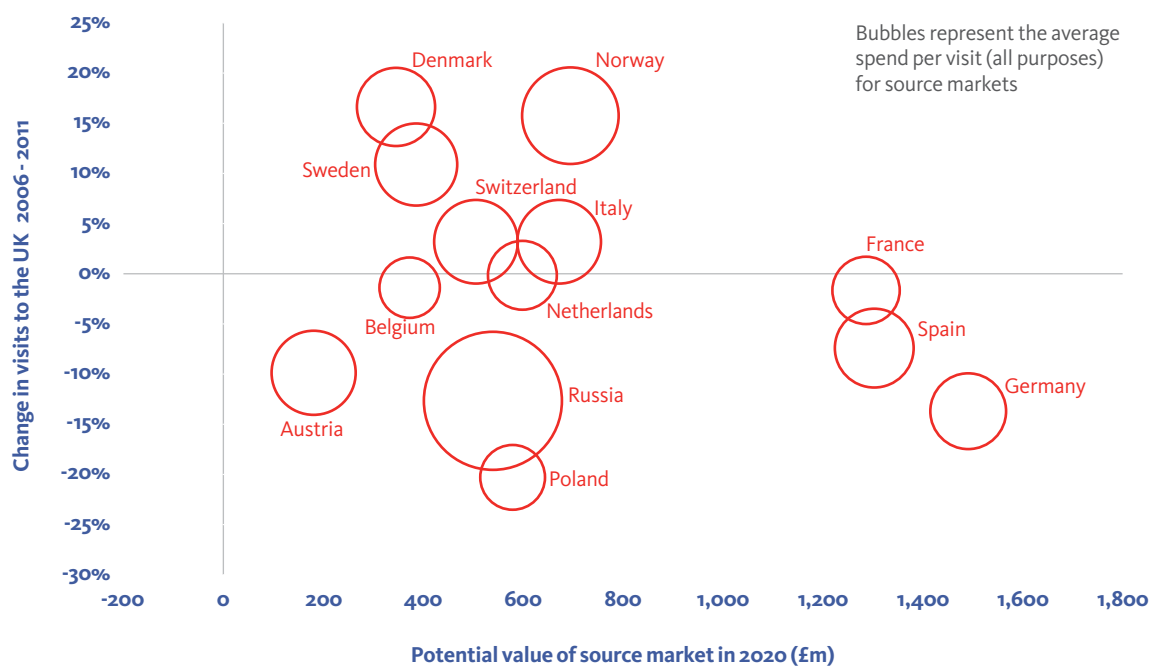
Source: ONS and Tourism Economics

## Potential – Asia Pacific and Middle East



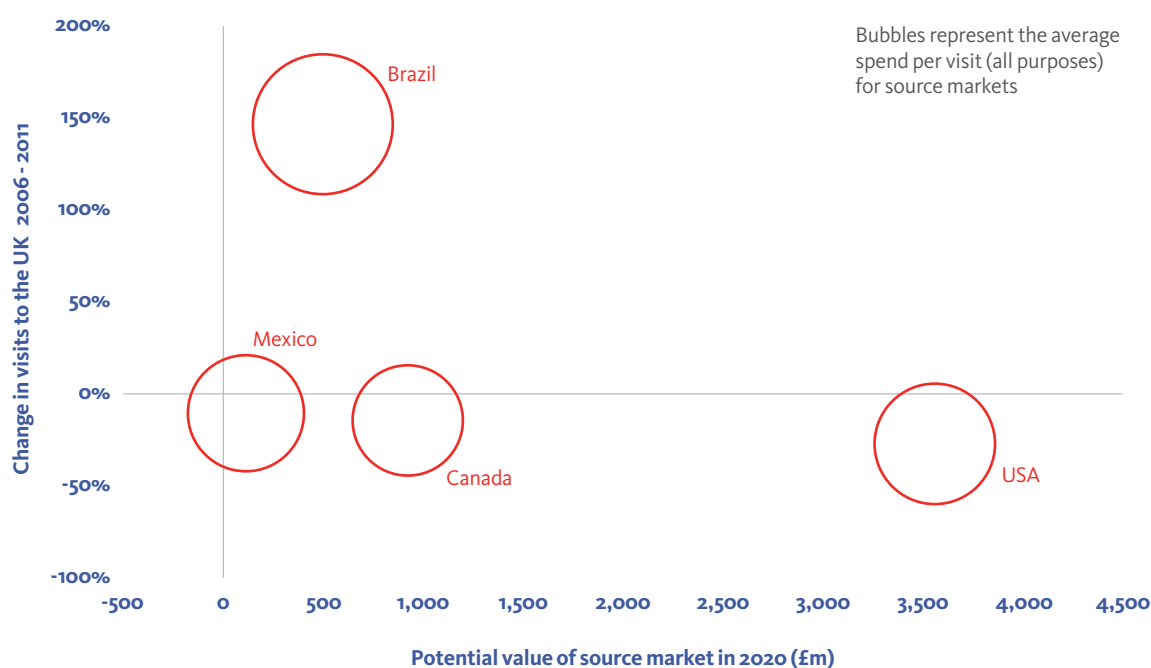
Source: ONS and Tourism Economics

## Potential – Europe



Source: ONS and Tourism Economics

## Potential – Americas



Source: ONS and Tourism Economics

### Long-term versus short-term growth

In absolute terms the majority of growth in both visits and value is forecast to come from established markets. Emerging markets have been, and will continue to grow quickly, but their overall contribution in terms of value will be relatively small throughout the period to 2020, compared with established markets.

The contribution of emerging markets – even those as important as Brazil, Russia, China and India – to increasing the value of tourism to Britain by 2020, therefore, is limited.

These are, however, markets where their long-term growth potential – over the next 30 years – is significant, and where VisitBritain's competitive analyses demonstrate that knowledge and perceptions of Britain are weaker; where time and resource-intensive engagement with the travel trade are key to increasing visits; and where there is potentially less interest from the private sector in match funding promotional activity.

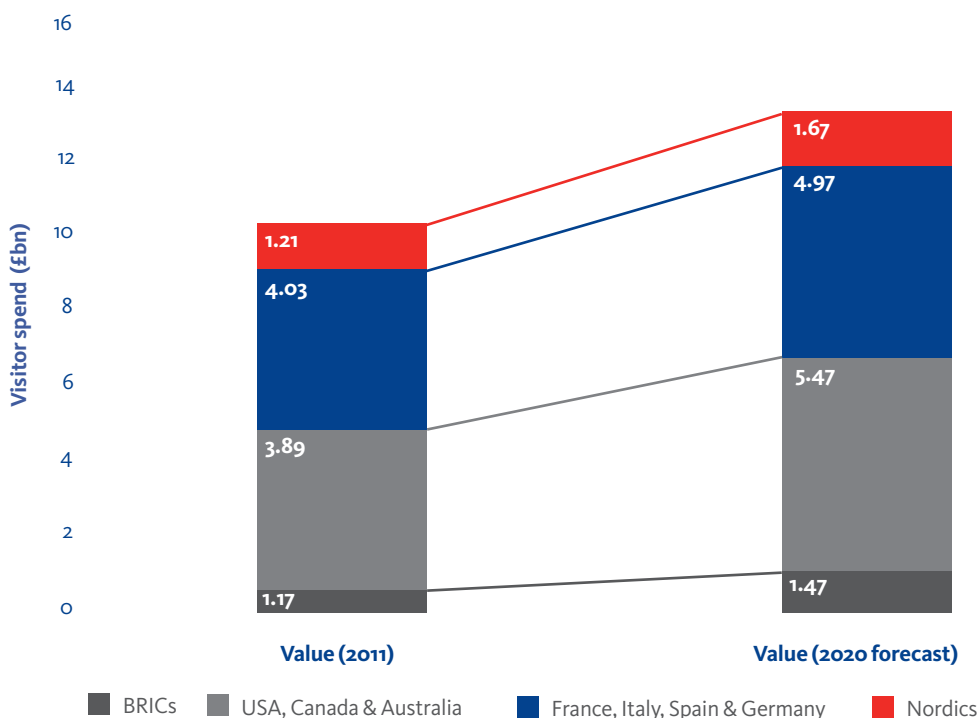
The UK Government is rebalancing its strategic focus away from Europe and towards emerging powers. Both FCO and UKTI have directed resources away from countries where Britain has a more established relationship, towards those where long-term investment in time, energy and money is required in order to secure Britain's long-term prosperity.

This poses strategic challenges for tourism promotion of Britain – how to balance resources to ensure continued revenue is delivered in the short term while building a long-term position in markets that are key to Britain's future prosperity.

“This is a **well-defined, ambitious strategy**. It provides a thorough analysis of the potential of various overseas markets and the rationale for **a focused approach to international tourism**. There is a real leadership role for VisitBritain to take in setting out a framework for the work of public sector agencies. It follows that this role extends to **leading the promotion of the UK overseas**.”

Tourism Alliance

Value 2011 and 2020



## Nurturing the 'rest of world' region

The 'rest of world' has an important role to play in delivering growth in tourism to Britain; contributing an additional 3.5 million visitors a year by 2020. This is a larger share than the BRICs are forecast to provide. Many of these markets are small, but the rates of economic growth mean that there is potential to influence new travellers to visit Britain – contributing to a large overall benefit in spend and visits.

To take one example, South Korea currently generates 141,000 visits a year to Britain.<sup>30</sup> Air services between South Korea and the UK are expanding, and there is strong potential to encourage visits to the UK by high net worth individuals.

Given the limited resources currently available to VisitBritain it would not be possible to open up overseas promotional offices in markets such as this, or Indonesia, Mexico or a number of other similar markets. Prior to cuts announced in 2010, VisitBritain had a presence in 35 markets, including some which are high priorities for FCO. There is, however, scope to innovate and look at ways in which existing resources, platforms and promotional material can be used by other organisations including private sector partners and the FCO's prosperity teams to 'nurture' tourism from these source markets.

## Cities versus countries

Over half the world's population lives in cities; the UN Population Fund believes that by 2030 over five billion people will live in cities. This concentration of people goes hand in hand with a concentration of wealth. Indian high net worth individuals will number around 24 million by 2025, concentrated in the eight largest Indian cities.<sup>31</sup> In China, Shanghai will have the third highest GDP of any city in the world by 2025, while Beijing will have the fifth highest.<sup>32</sup> This trend is not confined to emerging powers. In the USA, New York and Los Angeles alone are the source of almost one million visitors to Britain. McKinsey estimates that between 2010 and 2025 the world's 600 largest cities will account for 65% of global GDP growth.

Given this concentration of wealth and large populations, cities may therefore offer a more defined target for promotional activity than a country more generally. In addition, major transport infrastructure, particularly international airports, are often located close to cities, making travel to Britain easier.

Promotion of Britain has begun to move in this direction as part of the GREAT image campaign – targeting 15 cities in nine countries in 2012/13.

The city approach might not be appropriate for every market. Germany is a country of almost 82 million people. Berlin, the largest city, is only home to four million. Other European countries exhibit similar dispersion of wealth across a proportionately wider number of urban and rural areas.

## Cost and value to consumers

The Anholt-GfK Nation Brands Index (NBI) suggests that Britain is widely perceived as an expensive destination, albeit comparable with France and Italy. The reality is, however, more mixed and in some areas Britain outperforms competitors.

The predominance of other, non-cost factors is reflected in real-world analysis of Britain's competitive position. France and Italy are perceived to be more expensive than Britain in our target markets. They have, however, grown market share in those markets over the last five years. In sharp contrast, Britain has lost market share in each of VisitBritain's 21 markets except Brazil. Research by VisitBritain, published in October 2012, reinforces this.

Analysis of the Anholt-GfK NBI survey demonstrates that those who have visited Britain are significantly more likely to consider the UK to be cheaper than those who have not visited. Britain is not notably behind European competitors on price in the view of recent international travellers in the three countries.

**The 25% depreciation of sterling against a number of other currencies since 2008 (including the US dollar, Australian dollar, euro, and the renminbi) has helped Britain become more affordable. Exchange rate advantages are, however, by their very nature temporary.**

The cost, and value for money of accommodation, food and drink are key factors in shaping perceptions of expense and value for money. VisitBritain has found that Britain's luxury hotels are highly rated on value for money, comparing favourably with those in France and Italy. Visitors also found British B&Bs and guest houses to offer good value. More broadly, Britain has a strong shopping offer which can be used effectively to promote perceptions of value. Long-haul visitors who went shopping in London reported it better value for money than those who went shopping in Paris. There are clear opportunities to address misperceptions of the cost of visiting Britain and to promote those areas where Britain is already viewed favourably.

The tourism and aviation industries continue to argue strongly against both taxes, and the impact they have on the cost of visiting the UK. Tax is a matter for HM Treasury, and VisitBritain will continue to follow the argument and evidence closely. In the short term, there is clear scope to do more to highlight the VAT refund process for international visitors.

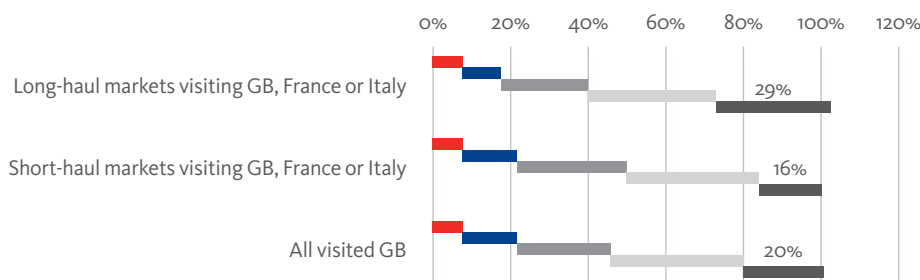
<sup>30</sup> ONS 2012

<sup>31</sup> NCAER 2011

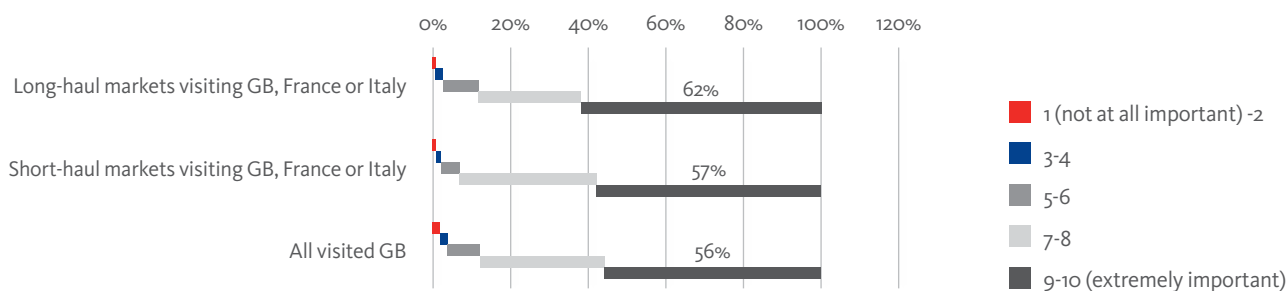
<sup>32</sup> McKinsey 2011

## Importance of expense and experience in holiday decisions

## Importance of overall expense (VisitBritain 2012)



## Importance of overall experience (VisitBritain 2012)



Source: VisitBritain 2012

## Business visits and events

Business tourism remains a significant component of international tourism to the UK, and it is performing strongly. Events boost Britain's image overseas, and business travellers are a ready audience for activity which promotes an extension of their stay in Britain for leisure activity. The current value of event tourism is worth over £36 billion and is estimated to grow to over £48 billion by 2020. There were 103 million delegate attendances at 1.3 million business events last year with some 7 million international business visitors.<sup>33</sup> And international business visits and spend is growing at a faster rate than other visitor segments – seeing 2% growth in 2012 in volume, the best year since 2008.<sup>34</sup>

London 2012 has raised the profile of the UK as a destination for events visits and incentive travel. Over £12 billion of investment is underway in new venues, and a further 20% of existing facilities reporting upgrades and extensions.<sup>35</sup> The business visits sector has estimated the benefits of the Olympic legacy to the sector at £500 million, resulting from additional expenditure on business and incentive travel. And over the rest of this decade Britain will also host an impressive list of sports events, and international medical and scientific congresses.

There was a clear call from consultees for a Britain-level role to support the promotion of business visits and events (BVE) tourism, and build on the existing efforts of those involved in the sector.

Whilst VisitBritain reduced its support for business tourism following a restructure in 2011, in order to concentrate on the delivery of the four-year £100 million marketing programme, other national tourist boards and the sector itself have continued to promote BVE, with positive results.

BVE is an important part of inbound tourism to Britain, and it is well placed to benefit from the Olympic legacy, as well as contributing significantly to future growth. Business visits grew faster than holiday visits in 2012.

The challenge, therefore, is to build on this strong basis by identifying areas where partnership approaches can add value to the work already being done.

VisitBritain will continue to provide support for major bids, as and when required to do so.

In addition, VisitBritain's overseas offices are able to provide insights, trade engagement and bid-support in-market to assist the promotion of BVE, and business extender travel, as well as lead-generation for UK businesses. This will encompass incentive travel, where opportunities exist for VisitBritain's trade engagement to provide support.

"Events are GREAT Britain" has provided an example of the way in which the GREAT campaign can be broadened to address BVE tourism; having brought together VisitBritain, the GREAT programme team and the sector. This offers an example for future partnership working. There are further opportunities for VisitBritain to work with the BVE sector to exploit the involvement of UKTI and FCO with the GREAT campaign. In particular, UKTI's database of overseas businesses can be exploited through the development of a promotional toolkit tailored to a business audience.

<sup>33</sup> Business Visits and Events Partnership 2012<sup>34</sup> ONS 2012<sup>35</sup> Ibid



# Britain's core markets

International tourism to Britain not only faces challenges arising from global economic trends and competitor activity. Source markets also present unique complications reflecting their individual characteristics. Over the past year VisitBritain has undertaken an in-depth competitive analysis for each of its core markets.

These assessments identify opportunities for and barriers to growth, and set out a range of potential solutions.

The bottom-up analysis originating from these competitive assessments identifies four issues which Britain needs to address in order to improve Britain's global competitiveness and deliver the growth in visits and value which will increase the economic contribution of tourism to the UK economy. These are:

## Image

Britain generally enjoys a strong and positive image overseas and indications are that this has been boosted by global coverage of the 2012 Games – particularly our creativity, heritage and culture, arts and music and welcome. Welcome is a key indicator for tourism – visitors who feel welcome in a destination are much more likely to recommend it.

Not only did Britain's ranking for 'overall nation brand' and 'culture' move up a place (Anholt GfK Nation Brands Index (NBI), November 2012), but for the first time Britain is seen in the top ten for its welcome. Three quarters of respondents to the NBI agreed that they wanted to see more of Britain than London alone, and 70% were impressed by Britain's countryside.

The warmth of the welcome to visitors and the spirit of the volunteers have shown another side of the reserved British. That warmth and vitality needs to be reinforced so that Britain is not only admired for its role in business, education, commerce, history and culture, but seen as an unmissable holiday experience.

## Engagement with the travel trade

The travel trade is an important channel for the promotion of UK tourism, and in a number of markets it is the key to increasing visits. For example, up to 75% of travel bookings in China are made via the trade, and over 70% in Australia.<sup>36</sup> More strategic engagement with the leading operators and travel agent groups and associations in key trade markets could ensure the greater prominence of Britain product in brochures, and increase the range of product on offer to potential visitors. In addition, it is important to increase the range of Britain product which is packaged together and put on offer in overseas markets, particularly from beyond London.

## Product

Britain has, in general, a strong product offer. Luxury hotels, shopping, heritage, culture and attractions are world class and are considered to be good value by people who have visited Britain. However Britain is rated less well than major competitors on value for mid-range accommodation and food and drink by visitors. This can be tackled by working to improve the product further, and also by ongoing PR work to address misperceptions.

It is also vital to ensure that Britain offers products which meet the needs of overseas visitors. For example, feedback from the Chinese travel trade and UK tourism industry highlights the lack of Chinese-speaking guides and signage in Chinese as significant issues. These issues can be addressed through a partnership between VisitBritain, the national tourist boards, and tourism businesses.

## Ease of access

There are three issues facing travel to the UK from Britain's core tourism markets. In the short term, how to encourage new routes between the UK and overseas regional airports, which may offer a way to increase seat capacity without new capacity on the ground? Second, improving the ease of travel once in the UK, so that international visitors are able to move efficiently around the country – expediting 'London plus' visits. And in the long term new airport capacity may be essential to accommodate tourism growth and ensure that Britain remains a competitive destination for airlines and their passengers.

The purpose of the UK visa regime is to enable legitimate travellers to come to the UK whilst protecting our borders. For nationals that need a visa to visit the UK, the Home Office is committed to improve further the competitiveness of our service when compared to Schengen and other destinations. In late 2012 the Home Office announced a package of improvements for China<sup>37</sup>, and further improvements have been announced in other countries in early 2013 in response to customer feedback. The Home Office will continue to respond to customer feedback and learn from other countries like the US and Australia who have implemented packages of reform to their visit visa processes in recent years.

<sup>36</sup> VisitBritain analysis 2012

<sup>37</sup> <https://www.gov.uk/government/speeches/home-secretary-speech-on-an-immigration-system-that-works-in-the-national-interest>

## Where we go from here

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Britain's ambition is to attract  
**40 million visitors** and earn  
**£31.5 billion** (in nominal  
terms) from inbound tourism  
by 2020.

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# Ambition

Achieving 40 million visits by 2020 represents a significant increase in tourism to Britain compared with current levels:

- 9 million additional visits a year in 2020
- £8.7 billion additional visitor spend annually (at today's prices)
- Support for 200,000 additional jobs across the UK per annum

This scenario describes the current marketing level and policy backgrounds. Within this scenario, VisitBritain marketing funding is sustained which generates additional visits per year, both through tactical and image-building campaign activity. Meanwhile, policies remain unchanged in terms of transport capacity, aviation taxation, and visa issuance.

This scenario is underpinned by Oxford Economics' Macroeconomic model for each origin market highlighting demand for travel to Britain including real GDP, consumer spending and exchange rates. It is assumed that governments globally continue to tighten budgets with interest rates remaining low, leading to a general slowdown in global activity.

“Tourism is one of our **strongest sectors** for both creating soft power in terms of **showing the most attractive side of the UK**, as well as translating soft power into hard economic **benefit to the UK.**”

**Julie Chappell**  
Head of Emerging Powers  
Foreign and Commonwealth Office

## Strategy – policy, activity, VisitBritain organisation

Our strategy has four key elements: improve Britain's image, increase distribution through the travel trade in key markets, improve the product where necessary, and make it easier to visit Britain by improving visas and increasing aviation capacity.

### A tourism strategy for Britain

#### Global trends

- Patchy global economic performance
- Growing range of destinations
- Increasing competition for and investment in tourism
- Policy changes by competitors to attract visits
- Shift of global population to cities

#### Opportunities for Britain

- Prominence following the London 2012 Games
- Large global aviation route network
- Strong associations with culture and heritage
- Strong tourism infrastructure
- English language
- London is a global city

#### Barriers to growth

- Britain's image is good but competitors do better on some key aspects
- Perceived deterrent effect of the visa regime
- Small share of voice in a crowded marketplace
- Product and packaging gaps
- Lack of future airport capacity
- Lack of awareness of attractions outside London

- Build on Britain's image
- Increase distribution through the trade

#### Tourism growth strategy

- Improve the range of product on offer
- Make it easier to get to Britain

## Improve our image

- GREAT Britain can act as a long-term image builder for Britain
- Non-tourism brands and partners can play an active role in broadening and deepening interest in and recognition of Britain as a destination
- VisitBritain will continue to attract private sector partners to deliver the four year, £100 million marketing campaign
- Play to Britain's strengths – heritage, traditional and contemporary culture – and address perceived weaknesses – natural beauty, food, value, welcome – in advertising and PR work
- Use digital marketing to create 'ambassadors for Britain' and augment tactical and image advertising

Britain generally enjoys a strong and positive image overseas. This does not, however, necessarily translate into a desire to visit. Sometimes Britain is admired for its role in business, commerce, history and culture, but not necessarily seen as a vibrant and fun holiday destination.

Britain's image overseas is heavily shaped by London. London is a huge asset for Britain – a global city that people around the world know and aspire to visit. However Britain does less well than its competitors on perceptions of scenic natural beauty – a major deciding factor for many holidaymakers – and on value, in part due to this predominance.

Britain's image is shaped by a larger number of players than just the national tourist board. In China, Britain's luxury consumer brands are not as ubiquitous and are seen as less aspirational than French and Italian brands such as Chanel, Louis Vuitton and Prada. Burberry is the only British brand to break into the top ten. Germany has an edge over Britain on consumer brands especially cars and consumer electronics. And in the UAE, Paris is referred to in Arabic as 'the city of light' – it is perceived as the centre of culture, art and fashion, and London as 'the city of fog'.

Britain suffers, to a degree, from a perception that it is a more expensive destination to visit than competitors, including France and Italy. The reality is more nuanced – the cost of accommodation and air travel to the UK is competitive and in many cases cheaper than to competitors. Furthermore, Britain's luxury hotels, B&B accommodation and shopping are in fact considered to offer good value for money by those who have visited the UK. Promoting this positive message, including through PR channels, will improve Britain's overseas image further.

Perceptions of a country take a long while to shift and need long-term commitment and funding to achieve change. In many key markets Britain continues to struggle for share of voice. VisitBritain is spending £1 million in 2012/13 on marketing activity in China. Tourism Australia is investing over AUS\$20 million (£13 million at current exchange rates) a year on marketing in China.<sup>38</sup>



## Work with the travel trade in key markets

- Get Britain on the shelf – in brochures and sold by the travel trade
- Package and promote more areas of the UK to the trade and hence to overseas visitors
- VisitBritain to deliver a product and distribution strategy which will allow Britain to work with the travel trade both in the UK and overseas to exploit fully GREAT and the tactical advertising campaigns
- Support the promotion of business visits and events in the UK

The travel trade is key to increasing visits from a number of markets. For example, up to 75% of travel bookings in China are still made via the trade.

**More strategic top-level engagement with the leading operators and travel agent groups and associations in selected trade markets could ensure greater prominence of Britain product in brochures, and increase the range of product on offer to potential visitors.**

<sup>38</sup> Publicly available statements.

Surveys of travel trade marketing brochures in VisitBritain's markets show that, relative to European competitors, Britain is not only underrepresented in terms of brochure pages (except for UK specialist agents) but it also has fewer thematic itineraries. France, Italy and Switzerland have up to twice, in some instances three-times, the exposure in travel brochures.

Britain needs to complement brand advertising with significant trade engagement to ensure the travel industry actively sells Britain rather than competitors. This will require new resources for VisitBritain to fund co-operative marketing with key travel trade partners in market, as well as seeking to broaden product knowledge and incentivise the travel trade.

London is a key asset for Britain with global appeal, the first time destination of choice for many international visitors and we need to continue to reap the benefits. However London also dominates holiday visits by overseas visitors to an extent not experienced by our European competitors, with over half of tourist nights spent in the capital in 2011. London is an obvious first choice for first-time visitors to the UK. Converting these into repeat visitors opens the possibility of increasing international travel outside of London. Many visitors are attracted to the countryside and to experiences available outside of London, but are unaware of the opportunities because the majority of product on offer through the travel trade is London-focused.

### Improve the range of product on offer

- The UK travel trade and tourist boards will work together to improve further Britain's product offer to meet the needs of overseas consumers
- A focused strategy to ensure more destinations produce easily packaged, commissionable product which is competitive in international markets

Britain has, in general, a strong product offer. Luxury hotels, shopping, heritage, culture and attractions are world-class and are considered to be good value by people who have visited Britain. However Britain is rated less well than competitors on value for mid-range accommodation and food and drink by visitors.<sup>39</sup>

As a result of questions asked to those responding to the International Passenger Survey, VisitBritain has a good source of information on the activities undertaken by overseas visitors, and the types of accommodation they stay in while visiting Britain.

The quality and value of food and drink, accommodation and attractions are important in shaping perceptions of Britain as a holiday destination. They are also a vital tool for making visitors to the UK feel welcome.

In addition, there are opportunities to develop product that appeals to core markets. For example, VisitBritain's competitive assessment for Germany identifies a lack of three-star hotel accommodation for German tour groups, particularly in Devon and Cornwall, where there is significant demand. Dutch visitors would like more opportunities for camping and outdoor activities in Britain.

Language barriers are also a competitive issue. In France, shop assistants at the Galeries Lafayette department store speak Mandarin while hotels with many Chinese guests provide television channels in their native language and teapots (in addition to coffee-makers) in their rooms. In Britain, while some of the leading players such as the West End stores and Hilton have started programmes to welcome Chinese visitors, there is still much to be done to ensure tourism businesses around the country understand the expectations of international markets.

In many cases there may be product which exists and would be a good fit for overseas visitors, but owners and destinations are focused principally on the domestic market and so miss the opportunities presented by international tourism. Denmark, Norway and Sweden are among the fastest growing markets for Britain. Scandinavians routinely spend their summer holidays staying in self-catering cottages in Scandinavia. There is a clear opportunity for Britain to take advantage of good transport connections, a favourable exchange rate and close cultural ties to promote self-catering cottage stays in Britain.

Britain seems to package less well than core competitors – as the table of package prices from India to the UK, France and Italy shows. This appears to be the case even where individual elements of the package to Britain are competitively priced, e.g. hotels.

VisitBritain's competitive assessments and market plans identify product gaps, and opportunities in Britain's key inbound markets.

### Comparative indicative costs of a six-night/seven-day package tour offered by an Indian tour operator in May 2012

To	Budget		Mid-range		Luxury	
	Focused capital city	Touring	Focused capital city	Touring	Focused capital city	Touring
UK	London INR 50,000 pp	INR 75,000 pp	London INR 78,000 pp	INR 113,000 pp	London INR 210,000 pp	INR 300,000 pp
France	Paris INR 46,000 pp	INR 70,000 pp	Paris INR 72,000 pp	INR 99,000 pp	Paris INR 195,000 pp	INR 290,000 pp
Italy	Rome INR 45,000 pp	INR 80,000 pp	Rome INR 78,000 pp	INR 115,000 pp	Rome INR 210,000 pp	INR 300,000 pp

Source: VisitBritain 2012

<sup>39</sup> VisitBritain analysis 2012

## Make it easier to get here

- Government published in March an aviation policy framework to set out Government's objectives on aviation, balancing the economic benefits of aviation with managing its local environmental impacts and Government's objectives on climate change
- Encourage development of more air routes between UK regional airports and destinations in key markets to improve connectivity
- Continue to work with FCO, the Home Office<sup>40</sup> and other stakeholders to challenge misconceptions about the UK visa regime, and to identify and implement practical improvements to the application process to ensure it is competitive

Aviation is an essential enabler for inbound tourism to Britain: 73% of visitors to the UK arrive by air. The only UK tourism markets where non-aviation modes of transport have a significant share are France, Belgium, Germany and Ireland and the Netherlands, where ferries or the Channel Tunnel provide viable alternatives to flying.

The connectivity provided by aviation is a major asset for overseas tourism to the UK, according to Cap Stats:

- Over 750,000 scheduled flights depart the UK annually
- The UK is connected to 400 airports in 114 countries
- The UK is connected directly to 55 cities with more than 10 million inhabitants

Taking China as an example the UK is linked, via London alone, to Beijing, Shanghai, Hong Kong and now Guangzhou. Germany has the most developed route network in Europe with routes to Frankfurt from Beijing, Shanghai, Nanking and Guangzhou; to Munich from Beijing and Shanghai; and to Berlin from Beijing. Four Australian cities are connected with five cities in China. In 2011 Germany had 4,600 flights to China. The UK had 1,500.

Heathrow, the UK's hub, serves fewer destinations overall than the main EU hubs, but largely because it serves fewer destinations in Europe – it outperforms other hubs in terms of frequent long-haul services. For example, in 2011 Heathrow served more destinations in BRIC countries with at least a daily service and had more flights to BRICs than the other EU hubs.

The Department for Transport published updated growth forecasts in August 2011. These found that:

- By 2030 all the major London airports will be full. However there is a range around this projection and they could be full as soon as 2025 or as late as 2040
- By 2040 all growth will be at regional airports outside South East England due to capacity constraints
- With no new runways, by 2050 the UK would be able to welcome 32 million fewer international terminal passengers per year than it would without capacity constraints

## Forecast growth in demand to visit Britain from **France, Germany, the USA and the BRICs by 2020** could generate more flights than the spare capacity at Stansted and Luton airports can accommodate.

The Government has set up the independent Airports Commission to examine the need for any new airport capacity to accommodate tourism growth and ensure that Britain remains a competitive destination for airlines and their passengers in the long term. The Airports Commission will report by the end of 2013 with recommendations for immediate actions to improve the use of existing runway capacity in the next five years.

The majority of foreign visitors to the UK do not need a visa but with around 1.7 million visit visas issued each year (and increasing) it is important to have a high quality visa service enabling legitimate travellers to come to the UK. The UK visa service overseas compares well with that of competitor countries like the USA or those in the Schengen area. Nonetheless, there are basic misconceptions to be tackled (for example, relating to document requirements) and more can be done to demystify the service (for example, by simplifying the way we describe our service standards).

The Home Office is committed to continuing to find new ways to improve the visa service to maintain the UK's international competitiveness.

<sup>40</sup> On 26 March 2013 the Home Secretary announced that the UKBA would be replaced by two Home Office organisations, one of which would be responsible for visas. The Home Secretary stated that this new organisation would be "high volume, high satisfaction". Further details were unavailable at the time of publication.



## Working in partnership

Budgets are likely to remain tight. Partnership working across the public and private sectors represents the best opportunity to enable Britain to improve its competitive position.

There are three issues.

### 1. Partnership across a range of organisations in order to align priorities and resources

VisitBritain is active in 21 markets, a reduction from 35 before the 2010 Comprehensive Spending Review. VisitBritain's funding is weighted towards established markets which deliver the bulk of volume and value in international tourism, and as a result can deliver quick economic returns. This reduces the funding available to 'making' markets in countries which in the longer term will offer comparable returns but will not do so during this decade.

There is scope to align funding and activity better in order to leverage greater resources into the promotion of Britain, across a wider range of countries and audiences. For example, VisitBritain and UKTI are well positioned to work together on overseas missions and ministerial visits. The tourism and travel industry may be willing to accept match-funding arrangements which result in the industry making a greater contribution to marketing in established markets (with possibly greater immediate returns) so that VisitBritain can redeploy its limited resources to developing markets.

### 2. Extending the range of organisations involved in tourism promotion

The GREAT Britain campaign – which brings VisitBritain, UKTI, FCO and other government and private sector organisations together in a marketing campaign to build Britain's image overseas and show that the UK is a great place to visit, in which to invest and in which to study – has shown the role that non-tourism businesses can play in shaping Britain's image around the world, and the impact that this has on tourism and investment decisions.

VisitBritain's competitive analyses reinforce this. The image of European countries in China is partly shaped by the advertising of consumer and luxury brands. Seen from a Chinese tour bus, the continent of Europe is not so much an ancient collection of cities and nations as a glittering emporium stocked with brands.

However, Britain's retail and consumer brands fare poorly relative to their competitors. Britain's luxury consumer brands are not seen to be as aspirational as French and Italian brands such as Chanel, Louis Vuitton, Hermes, Christian Dior and Prada. Germany has an edge over Britain on consumer brands especially automobile brands and consumer electronics. Recent research on China by Bain, in its Survey of Luxury Consumer Goods in Mainland China (2010), shows that the only British brand that has any significant 'cut through' in the China market is Burberry.

Non-tourism brands and partners can play an active role in broadening and deepening interest in and recognition of Britain as a destination. Perceptions of a nation's image and brand are not just influenced by marketing campaigns, but by the products, places and activities associated with that country. Collaboration with this wider range of influencers is a way to broaden efforts to shift perceptions of Britain and further enhance our image, with benefits for tourism.

### 3. Embedding tourism in the strategies of others

The nature of tourism means that it is directly and indirectly impacted by a wide range of bodies and issues.

Our aim is to begin a discussion on how, in partnership, organisations across the public and private sectors can align to deliver tourism's full economic growth potential over the remainder of this decade.

The GREAT Britain campaign has already seen VisitBritain working with other public diplomacy partners (including FCO, UKTI and British Council). Other parts of the public sector have an important impact on tourism too, through either policy or funding.

Tourism is a devolved matter. Scotland, Wales and Northern Ireland all have independent tourist boards. The Mayor of London also has a promotional agency – London & Partners. VisitBritain works closely with all of these organisations.

### Public sector organisations which impact on tourism

Government Department	Policy impact on tourism
Culture Media and Sport	VisitBritain's parent department, with responsibility for tourism policy and the funding of tourism promotion by VisitBritain and VisitEngland. Host department for much of the key content for tourism – museums, the creative industries and the arts – and digital.
HM Treasury	Decision-making on funding for the overseas promotion of Britain, and policies which impact international tourism such as Air Passenger Duty, VAT and business rates.
Home Office	Impacts ease of travel to Britain through visas and border controls. Parent department for UK Border Agency and the Border Force <sup>41</sup> . Also responsible for other matters affecting tourism including licensing.
Transport	Impacts ease of access to Britain through aviation and shipping policies, and the UK domestic transport system (road and rail).
Foreign and Commonwealth Office	Partner in the GREAT Britain campaign. VisitBritain's overseas staff are located in FCO posts. Tourism is a component of public diplomacy and soft-power. Parent department of the British Council.
Business, Innovation and Skills	Partner in the GREAT Britain campaign and, with the Department for Communities and Local Government, responsible for Local Enterprise Partnerships and the Regional Growth Fund. Parent department of UK Trade and Investment.
Communities and Local Government	Responsible for local authorities and the planning system. Responsible for Local Enterprise Partnerships and the Regional Growth Fund with BIS.
Energy and Climate Change	Responsible for UK energy and climate change policy, including energy pricing, EU emissions trading and the location of wind turbines.

The private sector has the key role to play. The industry is typically described as fragmented – there are 200,000 small and medium-sized tourism businesses (Deloitte 2010) and a host of sector interests that have an interest in tourism. Yet the private sector already provides significant

support to the marketing of Britain overseas – investing £50 million in VisitBritain's four-year marketing programme. These partnerships are a good basis for broadening and extending the promotion of Britain.

<sup>41</sup> On 26 March 2013 the Home Secretary announced that the UKBA would be replaced by two Home Office organisations, one of which would be responsible for visas. The Home Secretary stated that this new organisation would be "high volume, high satisfaction". Further details were unavailable at the time of publication.



## Adapting VisitBritain to meet the challenge

This strategy for Britain sets an ambitious long-term goal – 40 million overseas visitors a year by 2020. It lays out a range of policy and marketing activities to enable the achievement of this goal.

It will require even greater levels of cooperation across government, the UK and overseas tourism industries and the national tourist boards in order to ensure that Britain is fit to compete in and win the global race for tourism.

VisitBritain will continue to operate in a number of high priority markets to deliver visits and economic value now, as well as to secure future growth, whilst at the same time making the best use of the tools it has for a wider range of markets, working with willing partners including the FCO's prosperity network.

This flexible approach means we can ensure that Britain is able to adapt to take advantage of growth across the emerging economies of Asia, Central and South America, and Africa; focusing VisitBritain's resources in order to achieve critical mass.

Tailored strategies will be set in the market, in response to the challenges Britain faces there. In addition, the four core parts of this Britain Strategy will be supported by a number of central work streams looking at image, trade engagement, product and ease of access.

We will publish detailed strategies for priority markets, covering the period 2014-2016 over the course of 2013. The first series, covering the USA, France, Germany, Brazil, India, China and the Gulf region are published in parallel with this strategy document.

“As one of VisitBritain’s partners and a carrier that serves the UK’s key long-haul inbound markets, **we support its ambitions to grow inbound tourism.** We firmly believe that **‘making it easier to get here’** is an essential strand in a UK tourism strategy and welcome the recommendations in this area.”

Virgin Atlantic

Assuming Britain achieves forecast growth in the 21 markets where VisitBritain is currently active, the ‘rest of world’ would need to yield a further 3.5 million visitors if we are to hit the target.

This emphasises the need to develop a range of flexible tools which can be used in English-speaking non-core markets (e.g. Ireland or South Africa), as well as in emerging markets. VisitBritain will work with the FCO and others to make the best use of those tools.

Planning activity at the market level will require coordination with partners both in-market and in the UK.

In addition, a number of centrally-sponsored work streams will be necessary in order to deliver the toolkit described above for use both by VisitBritain and by public and private sector partners. The graphic overleaf outlines the planned workstreams.

Partnership working across the public and private sectors represents the best opportunity to enable Britain to improve its competitive position.

Tourism is the industry that can deliver the economic legacy of the London 2012 Games. It is an industry that can deliver jobs quickly – right across Britain and at all skills levels – and much needed economic growth. Every £40,000 spent by overseas visitors to Britain can create a new job.

Now is the time to capitalise on it and secure a golden legacy.

The table below sets out the implementation timetable for this strategy and VisitBritain’s contribution to it.

### Britain tourism strategy and VisitBritain delivery timescales

April 2013

Publish final Britain tourism strategy, including market strategies for GREAT Britain and priority markets for 2013

April-November 2013

Longer-term planning for 2014-16 period:

- Medium-term target-setting
- Engagement with delivery partners
- Market strategies for other markets

January 2014

Publish 2014-16 VisitBritain Strategy



## Strategy workstreams



“The GREAT campaign, in which we have worked closely with VisitBritain, has shown **the potential of co-ordinating public/private sector working** to increase awareness and the attractiveness of Britain, and to show that Britain is a GREAT place to work in, invest in, trade with, study in and of course, visit. We will work with VisitBritain to innovate and look at ways that existing VisitBritain resources, platforms and promotional material can be used to **‘nurture’ tourism from the emerging markets**, increase business tourism and enable SMEs to be ready for export.”

## Workstream – image

Action	Outcomes	Lead organisation	Partners
<b>Deliver GREAT Britain campaign</b>	Improved perceptions of Britain as a tourism destination in target markets	VisitBritain	<ul style="list-style-type: none"> <li>• GREAT campaign team</li> <li>• FCO</li> <li>• UKTI</li> <li>• British Council</li> <li>• VisitBritain commercial partners:               <ul style="list-style-type: none"> <li>– Barclays Premier League</li> <li>– easyJet</li> <li>– Expedia</li> <li>– Hostelworld</li> <li>– P&amp;O Ferries</li> <li>– STA Travel</li> <li>– Wimbledon Lawn Tennis Museum</li> <li>– Yahoo!</li> </ul> </li> <li>– British Airways</li> <li>– Emirates</li> <li>– Hilton Worldwide</li> <li>– Monarch</li> <li>– Qatar Airways</li> <li>– Virgin Atlantic</li> <li>– Wizz Air</li> </ul> <li>• British Tourism Industry Group members</li> <li>• Leading overseas tour operators (as identified in market strategies)</li>
<b>Promote a luxury offer</b>	Improved perceptions of luxury and a larger luxury offer in specific markets	VisitBritain	<ul style="list-style-type: none"> <li>• Emirates</li> <li>• Luxury hotel operators</li> <li>• New West End Company</li> <li>• Qatar Airways</li> <li>• Quintessentially</li> <li>• Walpole</li> </ul>
<b>Leverage digital and social media</b>	Increased engagement with target audiences, and maintained output of interesting and inspirational content	VisitBritain	<ul style="list-style-type: none"> <li>• Facebook</li> <li>• STA Travel</li> <li>• Yahoo!</li> </ul>
<b>Continue to deliver world-class destination PR</b>	Improved perceptions of Britain in markets	VisitBritain	<ul style="list-style-type: none"> <li>• National tourist boards</li> <li>• Destinations</li> <li>• Hotels and VisitBritain commercial partners</li> </ul>
<b>Consistent value messaging through marketing and destination PR</b>	Improved perceptions of the value of a visit to Britain in target markets	VisitBritain	<ul style="list-style-type: none"> <li>• VisitBritain commercial partners:               <ul style="list-style-type: none"> <li>– Barclays Premier League</li> <li>– easyJet</li> <li>– Hilton Worldwide</li> <li>– Hostelworld</li> <li>– P&amp;O Ferries</li> <li>– STA Travel</li> <li>– Wimbledon Lawn Tennis Museum</li> <li>– Yahoo!</li> </ul> </li> <li>– British Airways</li> <li>– Expedia</li> <li>– Hostelworld</li> <li>– Monarch</li> <li>– Qatar Airways</li> <li>– Virgin Atlantic</li> <li>– Wizz Air!</li> </ul> <li>• National tourist boards</li> <li>• Destinations</li>

### Workstream – travel trade

Action	Outcomes	Lead organisation	Partners
Distribution and product strategy implementation	More Britain product packaged and sold through the trade in key markets	VisitBritain	<ul style="list-style-type: none"> <li>• UKinbound</li> <li>• ETOA</li> <li>• National tourist boards</li> <li>• Destinations</li> <li>• Key overseas travel trade as identified in market strategies</li> </ul>
Target online travel agents	More Britain product promoted and sold through OTAs	VisitBritain	<ul style="list-style-type: none"> <li>• Expedia</li> </ul>

### Workstream – product

Action	Outcomes	Lead organisation	Partners
Implement a London+ strategy	More visitors (in absolute terms) travelling beyond London	VisitBritain	<ul style="list-style-type: none"> <li>• National tourist boards</li> <li>• Destinations</li> <li>• UKinbound</li> <li>• UK-based ground handlers</li> <li>• Kuoni</li> </ul>
Develop a Britain business visits and events tourism strategy	Growth in business visits and events related tourism	Britain Marketing Board	<ul style="list-style-type: none"> <li>• National tourist boards</li> <li>• BVEP</li> <li>• UK Sport</li> </ul>
Establish product-market fit to ensure Britain's product offer meets the needs of visitors from target markets	Improved perceptions of welcome, accommodation, and improved product for key markets e.g. China	VisitBritain and national tourist boards	<ul style="list-style-type: none"> <li>• National tourist boards</li> <li>• Destinations</li> <li>• People1st</li> <li>• BHA</li> <li>• ALVA</li> <li>• DCMS cultural sector bodies</li> </ul>

### Workstream – access

Action	Outcomes	Lead organisation	Partners
Tackle misperceptions and continue to make visa improvements	A visa regime which facilitates tourism	Home Office	<ul style="list-style-type: none"> <li>• VisitBritain</li> <li>• DCMS</li> <li>• UKBA</li> <li>• FCO</li> </ul>
Support air route development	New air routes from emerging markets	UK airport operators	<ul style="list-style-type: none"> <li>• DfT</li> <li>• VisitBritain</li> <li>• FCO</li> <li>• UKTI</li> <li>• Visit Scotland</li> </ul>

### Workstream – flexibility

Action	Outcomes	Lead organisation	Partners
Supporting tourism in nurture markets	VisitBritain-developed toolkit to promote tourism, delivered by other organisations including public diplomacy partners	FCO UKTI	<ul style="list-style-type: none"> <li>• VisitBritain</li> <li>• VisitBritain's commercial partners</li> </ul>

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“Last year’s extraordinary summer in magnificent style showed the world why our city is a must-see destination. We want to build on that momentum and I’m delighted my promotional agency, London & Partners, is **working closely with VisitBritain. This will ensure we welcome many more visitors** to London to experience our world-class heritage, cutting-edge architecture and unbeatable shopping, restaurants and theatre.”

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**Boris Johnson**  
Mayor of London



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