

Outlook for Travel to Britain

- According to Statistics Norway, the fourth quarter (January – March) has, on average, the lowest numbers of travellers throughout the year with the age group 25 to 64 traveling the most. This means that as expected the coming quarter will be the quietest in terms of Norwegians visiting Britain. (http://www.ssb.no/english/subjects/00/02/20/reise_en/tab-2009-11-25-01-en.html)

Britain in the News

- Most recently, the flooding in Cumbria received extensive media coverage in Norway. However, VisitBritain Norway did not receive any press or consumer enquiries regarding the flooding. This can be due to the fact that not many Norwegians travel to Cumbria. Consequently, the current attitude on traveling to the UK seems unchanged and positive.
- At the beginning of the quarter, there where some coverage on the H1N1 (swine) flu situation in the UK. Nevertheless, as the swine flu situation in Norway escalated, the focus shifted to an intense domestic focus in late Oct before totally diminishing from the media picture in late November. Furthermore, there has not been any travel advisory issued for the UK due to the swine flu. Consequently, all in all, it is not believed that the swine flu outbreak has influenced travel to the UK from Norway to any notable extent.
- UKBA's introduction of e-borders caused massive trade- and media attention in Norway. Luckily, only the carrier is influenced by this introduction, not the traveller. (<http://www.ukba.homeoffice.gov.uk/managingborders/technology/eborders/>).

General Market Mood

- According to the latest Oxford Economics report for Norway, Norwegian mainland GDP grew with 0.9% in the third quarter. Private and public spending increased with respectively 1.1 and 1.2 % while fixed investment plunged to 4.8% (Oxford Economics; country economic forecast, Norway, 30/11).
- Consumer confidence raised in 2009 and, according to Oxford Economics, a 2,5% increase in spending is forecasted for 2010 (Oxford Economics; country economic forecast, Norway, 30/11).
- With a higher inflation and a lower unemployment rate (2.6% in Oct) than expected, Norges Bank had to increase its policy rate to 0.25 percentage points to 1.5 % in October. It is believed that this policy rate will hold throughout December (Oxford Economics; country economic forecast, Norway, 30/11).
- In the third quarter the Pound fell to a record low, 7.9 – 8.4 against the Norwegian Krone, escalating the value message even more (www.dn.no).

Consumer Behaviour

- According to the Federation of Norwegian Commercial and Service Enterprises (HSH) more than 250 000 Norwegians will travel abroad to do their Christmas shopping this year. This is an increase of 8-10 % from last year. Sweden might be the main beneficiary of this followed by Denmark and the UK (source: Federation of Norwegian Commercial and Service Enterprises).
- According to Statistics Norway, visitor numbers rose by 33 % in the third quarter compared to the same quarter last year. Only the UK had a big increase in visitor numbers from Norway. The low cost of the Pound to the Krone is thought to explain much of this increase. (http://www.ssb.no/english/subjects/00/02/20/reise_en/)

Media Matters

- Norwegian newspapers are suffering and the latest figures shows a decrease in readership of 2,8 % the last year (source: www.mediebedriftene.no).
- 95% of all Norwegians aged 16 to 44 has internet access at home. On average, 87% of all Norwegians aged 16 to 74 has internet access from at home.
(http://statbank.ssb.no/statistikbanken/Default_FR.asp?PXSid=0&nvl=true&PLanguage=1&tilside=selectvarval/define.asp&Tabellid=06998)
- As a consequence of the economic downturn and increased environmental concern, much corporate travel has been replaced by video conferencing (source: www.dn.no).

Routes and Fares

- According to Lars Sande, Director of Sales in Norwegian Air Shuttle, Norwegian will double its fleet size by 2014. Consequently, a need for destinations will emerge something that the UK hopefully will benefit from. On the other side, other destinations will become available which will result in more competition.
- According to TV 2 News (16 November) airfares in Norway have fallen by 25% in 2009 due to fierce competition and the financial crisis.
- Return fares from Oslo to London booked one month in advance: Norwegian Air Shuttle: £90. British Airways: £ 130, SAS: £130.

Business Tourism

- A decline in corporate travel from Norway is expected in 2010. According to Rolf Fosdahl in HSH Travel, corporate travel is likely to pick up late 2010 and be back to 2008 levels in mid 2011.

Leisure Travel Trade

- Research done by TUI on the leisure market in Norway estimates that 75% of all Norwegians plan to travel abroad on a leisure trip in 2010. This is a 2% pick up from previous year. TUI estimates that 15% of these 75%'s will travel to UK on their next trip!
- According to TUI, UK is listed as the third most popular winter destination and the 4th most popular summer destination for Norwegians (only beaten by Spain and Italy).
- According to TUI, 55% of all Norwegians traveling abroad will spend the same amount of money as they did in 2008. 28% will spend more and 12% will spend less.

Competitor Activity

- In September, VisitDenmark followed VisitBritain's lead and pulled out the Norwegian travel trade fair Reiseliv, due to high cost and low visitor numbers. They are looking at alternative ways to promote themselves.
- It is rumored that Visit Sweden aims to open a Norwegian office with 4-5 Norwegian staff to promote Sweden as a tourist destination in Norway. The opening is set to be next spring and will increase competition.
- Visitor numbers to Norway has been declining due to the strong Krone. To counter this, the government increases Visit Norway's budgets. Consequently, competition will increase as Norway as a destination will be more visible internationally and domestically. This might result in a decrease in Norwegians traveling to other destinations such as Britain etc.
- Visit Ireland appointed JKL as their new strategic communication advisors in Norway aiming to increase the awareness of Ireland as a destination in Norway and by that hoping to gain market share and may be a stronger competitor for destination PR. There has been an increase of publicity on Ireland as a destination in the media the last few months.

- Tourism Thailand has had a loss in travelers from Norway and is granted an additional £ 700 000 to promote themselves in the Nordics. The advertisements will be seen on national TV, in cinemas and on the leading webpage's from January, 2010. This should increase the number of travelers' from Norway to Thailand in the 2010 summer. As Britain and Thailand are operating in two different segments, Britain as a destination will most probably not notice a decline in travelers. Mediterranean destinations will and a battle for market share could ensue. For VisitBritain the implications of this might be an increase in the cost of placing advertisements and reduced visibility.
- Hungary, the Czech Republic and Poland promoted themselves via a joint Nordic Road-Show in November 09 as the 'Heart of Europe'. This is a good example on how three national destination companies cooperate to attract Nordic buyers.
- At EIBTM in Barcelona this year, Norway Convention Bureau (part of Visit Norway) and Innovation Norway had a 100m² of stand space where more than 29 Norwegian convention suppliers met international buyers. This marks the biggest investment Convention Norway and Innovation Norway has had at EIBTM.

VisitBritain Activity Update

- During the last quarter, VisitBritain Norway has promoted Newcastle & Gateshead through a very successful pub guide competition resulting in a staggering 210 articles and 3 radio broadcasts.

Upcoming activity

- European cities campaign January – March.
- Classic Britain / DFDS February - March.
- Møtebørsen (B2B meetings) at the Norwegian Travel Trade Fair, 14 January.
- TUR (Swedish Travel Trade Fair) in Gothenburg, 25-28 March.

Who's in Town?

- Mika in Oslo, 17 March, Depeche Mode in Bergen, 29 January.