Our market intelligence products provide an unrivalled source of information on inbound tourism. They paint a detailed picture of past, present and future inbound UK tourism trends, helping you gain an insight into how markets and segments are performing, as well as how Britain is perceived by prospective visitors.
Expense and value for money – perceptions and experiences of holidays in Britain

Introduction

The expense of visiting and the value for money offered by a holiday destination is an important factor in holiday decision making for those planning a trip outside their own country. Britain is routinely perceived by potential overseas visitors as an expensive destination. This has the potential to make Britain a less attractive destination relative to competitors, and as a result impact Britain’s performance in international tourism.

When visitors return home their experiences will influence their decision to return and to recommend visiting Britain to others so the actual costs and value for money encountered are also important. Economic conditions would seem to indicate that price and value are more important than ever. Sterling has fallen in value by over 20% compared to the US dollar and by almost 15% in the Eurozone, since 2007. This means that Britain is better value for international visitors now than at most points in the last decade but current favourable exchange rates do not seem to be prompting a major shift in perception of expense.

The UK was ranked 135th of 139 destinations for ‘price competitiveness’ in the 2011 World Economic Forum Travel and Tourism Competitiveness Index. This rating shows that there is clear scope to improve our competitiveness on costs. However, many of our western competitors also rank poorly but report receiving more visitors than the UK. For example France is ranked 138th for price competitiveness but first in the UNWTO 2011 international tourist arrivals league, the USA 100th for price competitiveness and second in international tourist arrivals whilst the UK is seventh for international tourist arrivals. This indicates simple ‘price’ is perhaps not as important as value for money, or the experiences on offer in these destinations.

This report initially covers perceptions of expense and value but the main focus is on experiences during recent holidays in Britain. It will explore how the actual cost of a holiday in Britain, and the value for money provided, compares to holidays in competitor destinations as well as differences in views between those from key long haul and European markets and different types of visitors.

The report concludes by pulling together the key findings and identifying Britain’s main strengths in terms of offering good value, less expensive holidays.

Perceptions of expense and value

VisitBritain has gained insight via several studies amongst those who have not necessarily visited Britain into how expensive Britain is thought to be and the extent to which a holiday there is (or is not) thought to offer good value for money.

Research conducted amongst our target audience in several key markets in 2009 found that the majority perceived the cost of items in Britain to be higher than in other European countries, awareness of exchange rates was low, and only around a third thought of Britain as affordable (Olive Insights, 2009, see below for link to full report).

Whilst Britain is perceived as an expensive destination and only just over one in four consider Britain to offer good value for money, it is not seen as a great deal more expensive or poorer value than other European competitor destinations (VisitBritain sponsored questions on GfK Anholt Nations Brand Index, 2010 and 2011, see below for link to full report).

In recent quantitative research (spring 2012) international travellers in 14 cities around the world (a mix of established markets such as Paris and New York and emerging markets such as Shanghai and Rio) were asked the extent to which they associated ‘good value’ with Britain and with other key competitor destinations.

As shown in Chart 1 below Britain was associated with ‘good value’ by over one in five people in the mainland Chinese and Indian cities in the study but by fewer than one in ten from established Asia-Pacific markets in Tokyo, Sydney and Hong Kong (as well as Berlin). In major markets such as Paris and New York only around one in six strongly associated Britain with good value.

Whilst the respondents had not necessarily visited Britain or the other destinations (so again the findings are perceptions rather than experiences) they had all travelled internationally for a holiday recently. The research included at least 300 people from each city.

Respondents were asked the same question about the extent to which they associated competitor destinations with ‘good value’ and whilst seeing in which markets Britain is more likely to be thought good value is useful in itself, the context of how Britain is viewed compared to competitor destinations allows us to really see where we sit, and strips out any cultural differences in
answering survey questions. There was no indication that we were primarily interested in views about Britain.

Those in the mainland China cities were generally more positive about the value on offer in all destinations, not just with Britain but also Australia and France more likely to be associated with good value than Britain. Travellers from the Indian cities though were notably more positive about Britain than the other European destinations (possibly reflecting their likelihood to have friends or relatives to stay with in Britain so reducing costs). The North American cities showed more mixed views but those in New York and LA were all more likely to think of Italy and Francetan Britain as offering good value.

**Chart 1: Perceptions - proportion associating 'good value' with Britain and other destinations**

There is certainly scope for perceptions of Britain’s value to improve, focussing on some of the products and services outlined below as strengths for Britain could help and we will continue to monitor views as exchange rates shift.

**Experiences of expense and value**

VisitBritain commissioned research in spring 2012 to examine the recent experiences (between summer 2011-spring 2012) of visitors from several key markets. The study provided detailed comparisons of recent visits to Britain, France and Italy and also headline comparisons with holidays taken over the last five years amongst a wider destination list to understand the extent to which the weaker ratings Britain sees from some markets reflects the actual experience of visitors.

The research captured visitors ratings for both expense and value for money overall. To give context to their answers when rating overall value for money respondents were asked to consider ‘how fair you felt the price to be for the quality or standard of goods / service or for how good or unique the experience was’ and when rating expense respondents were asked to compare with other similar holidays, taking into account everything they paid for including travel, accommodation etc.

The study also asked for individual ratings on a range of holiday elements (accommodation, attractions, food and drink, transport) so it is possible to see in which particular areas Britain performs
more or less strongly. Visitors were also asked which actual services and products they used/visited (staying in B&Bs or budget hotels, visiting museums or theatre, going to restaurants or pubs, using trains or hiring cars) so the findings also allow us to drill down into which specific aspects drive positive or negative ratings.

**Study details**

The research was conducted in April 2012, via a 15 minute online interview with over 2,000 recent leisure visitors to Britain, France or Italy. Those interviewed had had a holiday lasting at least two nights between June 2011 and April 2012, so we are sure they are considering recent experiences and know the approximate exchange rate. The study excluded those who had mainly stayed for free with friends/relatives which would clearly affect their views on expense of accommodation (and probably other aspects such as transport and food).

The data was weighted to ensure that the profile of those who were rating the value and expense of their holiday in Britain was representative of the profile of leisure visitors to Britain (by age, gender and whether travelling with family). This allows for fairer comparisons when considering ratings for Britain, France and Italy – differences observed below are therefore more likely to be due to holiday experiences rather than one destination attracting a different demographic group (for example, older people).

Visitors were from a selection of key, established markets all of which with the exception of Austria are in the UK’s top ten inbound source markets in terms of volume and/or value. Together they account for over one in three visits to Britain from overseas.

- Short haul: Austria, Belgium, Germany and the Netherlands
- Long haul: Australia, Canada and the USA

Around 250 interviews were conducted with those from each short haul market and around 330 with those from each long haul market, so around 1,000 interviews in total across each group.

However, when discussing the findings from short haul or long haul markets as groups the results from individual markets have been balanced so that their contribution to short/long haul market total reflects the proportion they account for. So responses from Germany (Britain’s second largest inbound market) were weighted up proportionally whilst those from Austria (ranked 20th) were weighted down and responses from the USA (Britain’s third largest inbound market) have more influence over the overall long haul data than those from Canada (ranked 13th).

**Comparing holidays over the last five years**

Britain is rated as one of the most expensive leading European destinations by leisure visitors, especially amongst those in long haul markets. These ratings are based on actual holidays taken over the last five years, not perceptions.

As shown in Chart 2 below the average expense rating from short haul visitors for Britain was 4.2 out of 10 (where 1 is extremely expensive and 10 is extremely inexpensive), placing Britain in the same bracket as Norway and Switzerland but significantly below all other key European competitors. Greece and Spain are particularly likely to be thought of as less expensive, with average scores of 6.5 or over, possibly reflecting the higher proportion of package style trips to these destinations.

**Chart 2: Short haul markets – ratings of holiday experiences in last five years**

There is a very similar picture when short haul visitors were asked to rate the places they had visited in the last five years in terms of value for money – Britain (along with Norway and Switzerland) was one of the destinations least likely to have been found to offer extremely good value for money. Although a score of 5.1 indicates that visitors were more positive about the value for money Britain offers than the actual costs this was also true for almost all destinations. Greece and Spain were again those most likely to be found offering extremely good value but other destinations including Germany and the Netherlands (close neighbours for the markets in this study) received similar ratings.

France and Italy, two of Britain’s main competitors often seen to have a similar holiday offer in terms of heritage and urban culture, were more likely to be thought of as lower expense and better value than Britain by short haul visitors but the difference between them and Britain is not great. Ratings for these destinations will be explored in more detail below.

Turning to the views of long haul visitors we see Britain receives even poorer ratings than among short haul visitors, with the lowest average scores of all main European destinations, as shown in Chart 3 below. Britain is again in the same bracket as
Switzerland for both expense and value for money but amongst long haul visitors France also received lower scores similiar to Britain's. Spain and Greece were again most likely to be found inexpensive and good value with key competitor Italy mid-ranking.

As this is based on experiences in the last five years it can be seen that Britain is not only frequently perceived as more expensive to visit, but is actually found to be so by visitors.

If price or value was a major factor in choosing a destination then Spain and Greece would certainly have an advantage over Britain, but many major European destinations receive similar ratings to Britain.

It is complicated to pick apart whether Britain is found to be more expensive than other destinations as visitors do more (ie they are less likely to be having a beach holiday in Britain than in Spain or Greece, and more likely to visit attractions or go to entertainment performances in Britain than in some other destinations). While price may not be a major differentiator between Britain and close competitors (which may attract similar types of visitors) it may be that some potential visitors reject Britain on grounds of cost.

Importance of cost, experience and expectations
To understand if people choose Britain despite higher costs, or because they think they may receive higher quality / better value services or experiences recent visitors to Britain were asked how important the overall expense of visiting was, as well as how important the holiday experience offered was.

Visitors to Britain consistently indicated that experience was more important than expense, when rating the importance out of 10 over half said 9 or 10 (extremely important) and a further third said 7 or 8 resulting in almost 90% saying between 7-10 out of 10 as shown on Chart 4 below. Fewer than one in twenty said experience was not important (1.4 out of 10). This was broadly the same across both short and long haul markets and different types of visitors.

Expense was rated as less important, with only one in five of those who visited Britain saying 9 or 10 (extremely important) and although a further third said 7 or 8 this results in only just over half saying between 7-10 out of 10 and one in five saying it was not important (1.4 out of 10). The same questions were asked of recent visitors to Italy and France and showed a similar pattern – visitors claim the experience far outweighs the expense.

Regardless of the destination visited visitors from Belgium and the Netherlands were especially likely to say expense was less important but overall long haul markets were more likely to say expense was a more important factor than short haul markets. Those visitor types for whom expense was a little more important were younger people and families.

The vast majority of visitors to Britain and our key competitors Italy and France were not primarily seeking a cheap deal with the destination experience unimportant. Around three in five said the overall experience offered by the destination was extremely important.

There was no evidence of a trade-off between expense and the holiday experience. Those more likely to say the expense of the holiday was important were also more likely to say that the experience offered was important in their decision to holiday in Britain.

Over three quarters of those who said the expense was extremely important (9 or 10 out of 10), said experience was also extremely important (9 or 10 out of 10), whilst under half of those who rated
expense less important (6 or less out of 10) said experience was extremely important. This indicates that people are willing to pay more, but this leads to higher expectations and could also be interpreted as people seeing holidays in Britain as a special event or even ‘once-in-a-lifetime’. So, understanding how experiences tallied with expectations is important, as disappointment or satisfaction will understandably colour people’s overall ratings of expense or value.

Views were split almost evenly between those who reported Britain more expensive than they expected (29% of both long and short haul visitors did) and less expensive than expected (28% long haul, 25% short haul did). Around two in five found costs as expected and only 5% of long haul visitors and no short haul visitors reported Britain much more expensive than anticipated. It seems that despite reporting Britain as generally more expensive than other destinations this had not discouraged visits as costs were in line with expectations.

Those who had visited France or Italy showed a similar pattern but amongst short haul visitors Britain and France were notably more likely to have been found more expensive than anticipated with 29% reporting this for Britain and 24% for France compared to only 17% for Italy. This may have some influence on both propensity to make a return visit and to recommend to friends or family, and could play out particularly negatively for Britain which already is frequently perceived as expensive.

Visitors to Britain, France and Italy were also asked to rate their holiday experiences. The vast majority (around 90%) rated each destination as good (7-10 out of 10) but Italy was more likely to be rated ‘extremely good’ (9 or 10 out of 10) by long haul visitors (59% compared to 52% for France and 48% for Britain). However Britain, alongside Italy, was more likely to be rated good by short haul visitors than France was (91% awarding 7-10 out of 10 for Britain compared to 83% for France). This certainly indicates that the holiday experiences on offer in Britain compete with leading world destinations.

Around 90% of visitors rated their overall holiday experience in Britain 7 or higher out of 10 with half of these rating Britain 9 or 10 out of 10 (where 1=extremely poor and 10=extremely good), indicating that experiences are more important than costs for many and that Britain has a great holiday offer.

Comparing elements
To understand which specific parts of their holiday visitors find more or less expensive in Britain than in other destinations these recent visitors to Britain, France or Italy were asked to rate out of 10 both the expense and value for money of the main elements making up holiday spending where 1 was the most negative score (either extremely expensive or extremely poor value) and 10 the most positive (either extremely inexpensive or extremely good value). The chart below shows the average, or mean, scores given for each element with those for Britain highlighted in red.

The overall ratings of holidays in Britain, France and Italy on expense and value are similar to those shown above for a wider range of destinations but these ratings are solely from those who have visited either Britain, France or Italy in the period between June 2011 and April 2012, so very recent visitors. We also are sure that the profile of these visitors is very similar in terms of age, gender and whether travelling with family – so this is a ‘fairer’ comparison.

As in the charts above Britain is rated more favourably for value for money (6.0) than for expense (4.8). Britain comes in some way behind both France and Italy for expense (both 5.2) but is closer to France in terms of value for money (6.1) whilst Italy has the strongest score (6.5 for value). It is worth noting though that Britain’s lower score for value is due to having a lower proportion of strongly positive ratings than especially Italy but also France (especially amongst long haul visitors – only around one in ten said Britain was extremely good value compared to around one in five who visited Italy).

The proportion giving negative ratings is similar for each destination. Britain therefore does not seem to generate memorable, very positive experiences of value for money for long haul visitors but is no more likely to produce particularly poor value for money than competitors. However, this pattern is not consistently borne out when visitors rated the individual elements...
of their holidays.

Italy was consistently rated least expensive of the three destinations, notably more favourable (higher) scores than Britain on food and drink (5.3 versus 4.9), local transport within the city/area (6.3 versus 5.9) and entertainment (5.4 versus 5.0) as well as to a lesser extent for accommodation (5.6 versus 5.3) but Britain was not rated particularly lower on travel from home to the destination (both 5.3), on longer distance transport (Italy 5.8 versus 5.6 for GB), shopping (5.3 versus 5.2) or visitor attractions (5.7 versus 5.5).

Compared to France Britain was generally rated as less expensive (on travel from home and shopping), or very similar (on travel between cities/areas or shorter distance local transport within cities/the area, entertainment, visitor attractions, food and drink and accommodation).

Turning to value for money Britain received scores very close to, or slightly higher than, both Italy and France on most aspects including shopping, entertainment and visitor attractions. However Britain received significantly poorer scores for the value of both food and drink (6.4 Italy, 5.8 for Britain) and accommodation (6.7 versus 6.3) compared to Italy – although again Britain saw very similar ratings to France.

It seems that when awarding overall scores for value food and drink and accommodation were of more importance than other aspects, leading to Britain receiving poorer overall ratings for value. Food and drink was the only aspect where France was not rated below Britain (although only slightly above) but France received a slightly more favourable rating for value for money overall.

Similarly, in terms of actual costs food and drink was one of only three elements where France did not receive a more negative rating than Britain (the others being entertainment and local transport) but Britain was overall more likely to be rated more expensive.

“Transportation costs, eating out costs, costs of leisure activities [made me feel holiday was not good value].”
(German visitor to Britain, male, 35-44)

Ratings for Britain amongst those visitors who had visited either Italy or France as well between June 2011 and April 2012 show no major differences from the ratings given from those who had only visited Britain during this period. We can therefore be reasonably certain that the ratings given are as ‘fair’ comparison as possible.

Italy was found significantly less expensive and better value than Britain (or France) for both accommodation and food and drink. Shopping in Britain (and Italy) was rated as less expensive than in France.

Comparing holiday types – the ‘London factor’

Those who visited London are slightly more likely to rate their holiday expensive than those who did not (mean scores 4.8 for London versus 4.9 elsewhere in Britain where 1=extremely expensive, 10=extremely inexpensive compared to other holidays taken abroad). When comparing value for money the overall rating was again lower from those who had visited London than those who had not (6.0 mean score compared to 6.2 where 1=extremely poor value and 10=extremely good value).

Chart 6: Ratings for expense and value of holiday elements amongst those visited London and elsewhere in Britain

Those who went only to rural or coastal areas (and not to any city) found Britain slightly less expensive (mean score of 5.0 compared to 4.8 amongst all visitors to Britain) and significantly better value (mean score of 6.6 compared to 6.0 amongst all visitors to Britain). Those who included rural / coastal areas as well as cities in their visit also rated value for money higher but not expense.

If visitors only went to rural or coastal areas and not any city, GB is stronger than Italy or France on overall value for money; but Italy leads when cities were visited as well.

The differences in experiences amongst those who went to London are more marked when comparing ratings for the expense (5.2 compared to 5.6) and value for money (6.3 compared to 6.4) of accommodation. London was also more likely to be rated expensive for entertainment (5.0 compared to 5.3) and shopping (5.2 compared to 5.4), but considering the value for money of these
elements there was little difference indicating that in London people may have been paying more but were happy that the service / product provided was worth the cost.

Indeed those who visited London found transport better value than those who did not (clearly a reflection of London’s extensive public transport network).

Paris and Rome were also found to be more expensive and poorer value than other places in France or Italy, with all elements rated more expensive (notably accommodation, shopping and entertainment for Paris and shopping for Italy).

**Chart 7: Ratings for expense and value of holiday elements amongst those visited London, compared to Paris and Rome**

Compared to London Rome was reported as less expensive and better value for money on food and drink as shown on Chart 7 above. Rome’s entertainment was also thought less expensive (but not particularly better value) and accommodation and attractions better value (but not more expensive) than London’s. However London was found less expensive and better value than Paris on shopping as well as offering less expensive accommodation and travel to reach the country.

Overall four in five visitors (80%) who went to Britain had visited London whilst only just over two in three (68%) who went to France included Paris and fewer than three in five (56%) who went to Italy visited Rome.

This difference is even more marked in the two largest inbound markets for Britain in the study with 88% of visitors from the USA and 84% of visitors from Germany going to London. As visitors to Britain were more likely to visit the capital city than those to France or Italy were London’s higher costs affect the views of more visitors and weaken the overall ratings for Britain whilst Paris and Rome have less influence as more visitors did not go there.

Visitors from the Netherlands showed the lowest propensity to visit London (only 57% did so), but showed even less likelihood of having visited Paris (27%) or Rome (35%). Those from the Netherlands rated Britain, France and Italy the same (6.5 or 6.4) for value for money, again indicating that capital cities drive differences but if other areas are visited ratings are similar.

Those who visited capital cities had less experience of the destinations, being less likely to have previously visited the country. For example only 15% of those who did not go to London were first timers to Britain but this doubles to 29% amongst those who visited London and conversely two in five (39%) of those who did not go to London had visited Britain at least five times whilst only a quarter (25%) of those who went to London had done so.

**Chart 8: Propensity to visit capital city and ratings of value for money from holiday of those who visited capital city and elsewhere in Britain, France and Italy**

London does not impact ratings for Britain a great deal more than Paris does for France, but visitors to Britain are more likely to only visit London so the higher costs of the capital city are the only experience for more.

The same pattern was seen in France and Italy so those who were more familiar found lower costs and better value for money – although whether they do so due to familiarity (perhaps knowing of lower cost alternative products / services), because they are more likely to avoid the capital or because first time / one time only visitors are likely to spend more and see more than repeat visitors is hard to split out.

For some it may be because they have friends or family in the place they visited, almost one in five (19%) of visitors to Britain did so compared to only around one in eight (13%) visitors to France
and one in twelve (8%) visitors to Italy. Amongst these visitors to Britain shopping was rated better value (possibly due to it being more likely they were outside London or maybe as they had a better knowledge of options).

“There are ways to get around some of the tourist expenses, knowing more about London than before we didn’t end up in the tourist traps.”

(American visitor to Britain, female, 55-64)

Comparing ratings amongst those who did not visit capital cities Britain is behind both Italy and France on most elements, especially food and drink and local transport. However, if more visitors did include other places in Britain on their itinerary they are still more likely to find lower costs and better value than if they only stay in London.

Factors driving favourable ratings for Britain

To understand what kinds of experiences these ratings are based on we need to see which actual products and services are more likely to elicit positive ratings. In the following section we look at the products and services used by those who were more likely to find their holiday less expensive and better value.

However, we also need to consider visitors propensity to use these products and services – for example if those types of accommodation rated most favourably are those used most frequently or if they are only used by a minority.

Visitors were asked about the nature of their holiday in detail but the factors which emerged as most influential were food and drink and accommodation.

Food and drink is crucial

If visitors found their holiday good value for money this is one of the reasons they were most likely to spontaneously mention, and conversely if they found their holiday poor value they were most likely to spontaneously say this was because of food and drink.

“Quality of the food and quality and price of the Guinness [made me feel the holiday was good value]!”

(American visitor to Britain, male, 35-44)

This was true regardless of whether the visitor had been to Britain, Italy or France but Britain was more likely to be rated as poor value for food and drink than Italy in particular but also France. It is even more of a weakness for Britain amongst those who did not go to London (i.e. London’s food and drink offer is seen as better value than that elsewhere in Britain).

Eating in pubs significantly improves how visitors rate the value for money of Britain’s food and drink, but only around one in six mainly ate in pubs.

Those who reported supermarkets, fast food outlets or bars /pubs were the main places they bought food and drink rated Britain’s food and drink overall as less expensive. However particularly those who mainly ate and drank in pubs said Britain’s food and drink was better value than others who mainly ate elsewhere.

Britain’s pubs and bars also stand comparisons with those in France and Italy (which other types of eateries do not), possibly reflecting the rise of bistro and gastro pubs in Britain. Indeed, very few visitors in either France or Italy had mainly eaten in this type of venue. Even in Britain only around one in six mainly ate in pubs / bars – these findings indicate that if more visitors did so they would find Britain better value.

Good value accommodation is key

Accommodation is a key driver of Britain being found good value for money. Amongst those who found their British holiday good value accommodation was the most common reason given spontaneously (by 44%). However, it was also commonly mentioned as a factor by those who found Britain poor value (by 42%) and also by those who found their British holiday expensive compared to other holidays abroad. Italy’s accommodation (especially amongst short haul visitors) was found less expensive and better value.

Self-catering and budget hotels were understandably rated as the least expensive options but it was Britain’s luxury hotels (described as four stars or above) which elicited highest value for money ratings, indicating visitors appreciated the quality and level of service available. Of course luxury hotels are more expensive but British B&Bs/guest houses were also rated positively for value.

Britain’s luxury hotels were highly rated on value for money, comparing favourably with those in France and Italy. Visitors also found British B&Bs and guest houses good value.

However, mid-range hotels are the most commonly used accommodation in Britain, twice as likely to be used as either
luxury hotels or B&Bs / guest houses. Lower cost budget hotels and self-catering were even less likely to be used (stayed in by one in seven or fewer). Visitors to Britain were more likely to stay in B&Bs / guest houses and less likely to camp or be self-catering than those who went to Italy or France.

The higher incidences of staying in these low cost options in France and Italy may be one cause for Britain’s poorer rankings, but across all three destinations mid-range hotels were the most common accommodation type (with those in Italy rated more favourably than those in Britain), followed by luxury hotels.

**London’s shopping is a strength**

Shopping is important, those who rate shopping in Britain as good value are more likely to rate their holiday in Britain overall as good value. This is especially the case for younger people (aged 18-34), those travelling without children and long haul visitors.

Britain’s shopping is less likely to be rated good value than most other holiday elements apart from food and drink. However, in terms of value for money it compares favourably to shopping in France and is in line with shopping Italy. Given Britain generally was found to be poorer value than Italy this is an area of relative strength. This is particularly the case if comparing long haul visitors’ views of shopping in London and Paris.

Long haul visitors who went shopping in London reported it better value for money than those who went shopping in Paris. Clothes and footwear were the most common purchases.

The vast majority (86%) of those who visited Britain went shopping (for none food/drink items) with clothes, shoes and holiday souvenirs the most common. Women and long haul visitors were more likely to have been shopping for a wider range of items. Those who went to London had done more shopping but even those who only went to rural or coastal areas the vast majority still did so.

The tax refund scheme is also a major influence, those long haul visitors who did use the scheme were even more likely to rate shopping in Britain as less expensive and better value than those who did not use the scheme. However, only around three in five long haul visitors were aware of the scheme and less than a quarter had used it.

**Promoting free attractions has a knock on effect, entertainment costs not a major concern**

Understandably British attractions are more likely to be rated good value and lower cost if the visitor found all or most to be free. But the impact of this is not limited to ratings of attractions, these same people are also more likely to rate their holiday as a whole better value and less expensive. Attractions were often mentioned spontaneously by those who felt their holiday in Britain was good value.

"**Entry fees were sometimes a bit expensive but museums were wonderful value.**"

(Canadian visitor to Britain, female, 65+)

However, this effect is limited as the majority (around three quarters) felt all or most attractions did charge fees. Indeed two in five visitors reported they did not visit an attraction because they thought it was too expensive, rising to three in five amongst those travelling as a family and at even higher amongst older visitors aged 45+. Skipping an attraction because of cost happened more in Britain and France than in Italy.

Both attractions and entertainment were more important influences for those aged 35-54 than those under 35 or over 54 but in general the cost and value for money offered by entertainment (e.g. going to the theatre) was less of an influence on most visitors overall ratings of their holiday in Britain.

For those with children though the value for money offered by entertainment was a key driver (e.g. those who found entertainment good value were more likely to say their holiday in Britain as a whole was good value and vice versa, those who found entertainment poor value reported Britain poor value).

**Scope to reduce travel costs**

Those who used public transport rated the expense and value for money of travelling in Britain more positively. Visitors from the USA were more likely to rate the transport within towns and cities good value. Those travelling with families were more likely to report travel as expensive and poor value.

Travel is already a relative strength for Britain compared to France and Italy but buying a season or multiple use ticket or Oyster card further improves the expense and even more improves the value for money visitors found when travelling within Britain’s towns and cities.

Using discounted travel tickets or passes (e.g. Oyster card) significantly improves how visitors rate the expense and value for money of travel in Britain – but one in three visitors to London and over half of those who visited other areas did not use them.
However, take up is not as high as it could be with fewer than two in three visitors to London and just under half of those who went elsewhere in Britain using these types of tickets. Those who used the underground were more likely to buy discounted tickets than those who used overground trains or buses.

Older visitors especially were less likely to buy reduced cost tickets (while four in five of those aged under 25 did this drops to only just over two in five of those aged 65 or over). Long haul visitors were also less likely to use discounted tickets than short haul visitors.

Travel costs for families could be reduced by purchasing group /discount tickets and transferring from airport to destination by train.

Travel to / from the airport also has a bearing on ratings, American travellers especially were likely to transfer via taxis (used by over two in five) and families were as likely to get a taxi as use the train.

**Summary of key findings**

This study into the experiences of recent visitors to Britain highlights some positive news. Overall positivity towards the experiences had on holiday in Britain is encouraging; nine out of ten favourably compared the experience of holidaying in Britain with other holidays they had taken (awarding seven or more out of ten).

Britain is rated more favourably in terms of value for money than for expense, indicating that visitors feel they receive a higher quality product / service for the higher price. Those who choose to visit Britain place far greater importance on the holiday experience than expense – they are willing to pay more to see Britain and it is not a destination chosen by those whose first concern is price.

Although Britain does have a competitive weakness and is found to be more expensive and not such good value as other major European destinations, we are not rated markedly worse than key competitors France and Italy. Britain was less likely to see very strong ratings for overall value for money than Italy or France were (especially from long haul visitors), but is no more likely to have very poor ratings.

In terms of value for money Britain received similar ratings to France for individual holiday elements. Although Britain is typically rated as more expensive and poorer value than Italy it is only food and drink and accommodation which are significantly weaker.

Britain’s strengths are on shopping and travel within Britain, as good as or slightly ahead of both France and Italy – significantly ahead of France on shopping.

Expectations are met in terms of costs (around two in five report the expense of Britain as anticipated with about the same proportion finding Britain more expensive as less) but generally exceeded in in terms of experience. Those more familiar with Britain, who have visited before, are more likely to find Britain less expensive and better value. London’s strengths lie in shopping and transport as well as the value for money provided by luxury hotels. As is true of other capital cities, London negatively impacts ratings on holiday expense for the country as a whole. In Britain this is compounded by the fact that London sees a higher proportion of all visits to Britain than the other capitals do of all visits to their countries. Accommodation is the element seeing most disparity in ratings.

If visitors explored more of Britain as well as London they may enjoy lower cost, good value experiences (especially for accommodation and entertainment), with the overall value for money offered by rural and coastal areas rated strongly. This highlights a clear opportunity to promote good value, less expensive options beyond London in markets where cost is important (eg younger people and families).

Food and drink and accommodation are the two key aspects which, if found better value, show the greatest potential to improve visitors overall experiences.

The evidence identifies Britain’s main strengths (products and services which elicit good value and lower expense ratings) as;

- Britain’s pubs for food
- Luxury hotels (especially in London) or B&Bs/guest houses
- Shopping (and use of the tax refund scheme for long haul visitors)
- Public transport (especially if discounted tickets/ passes are used)
- The quality of experience from free attractions

**VisitBritain and value**

Between 2008 and 2010 we supported the industry through the economic downturn by investing in a series of highly successful marketing and PR value campaigns. In Europe for example we launched a £1.8 million ‘Britain for Less’ campaign which highlighted the value experience offered by Britain’s exchange rate, free museums, art galleries and a wide range of partner deals.

- Marketing - Our £100 million GREAT Britain You’re Invited
campaign addresses value directly, with the tactical campaign providing GREAT value offers from our partners.

- Digital - VisitBritain.com has a dedicated offers tab, highlights cheap and free Britain ideas. We also promote Britain’s value through our social media platforms.

- Retail – Our retail business sells good value tourism products through online shops such as the Brit Rail Pass and Oyster Cards, helping visitors save money.

- PR - Our PR team also thread value messages through all their work and regularly post value stories on the Britain media centre, helping challenge negative perceptions overseas. Promoting Britain’s favourable exchange rate is an important part of this.

This autumn we are working with BA on a major marketing campaign in China, India, and Japan on the theme of shopping in Britain. We’ll be working with top British brands and retailers and promoting their January sales, especially in London’s Bond Street, Regent Street and Oxford Street.

Further information and research

Experiences of expense and value for money: Holidays in Britain versus Italy and France (HPL 2012). Read the detailed, full report from which the ‘experience’ findings discussed above are drawn.

Impact of economic downturn on attitudes and behaviour of international tourists to Britain (Olive Insights, 2009). This research identified barriers and levers for holidays in Britain, including the exchange rate, and provided guidance on incentives to overcome perceived economic barriers amongst VisitBritain’s target audience in the US, France, Germany and Spain.

Perceived expense of Britain compared to competitors
(VisitBritain sponsored questions on GFK Anholt Nations Brand Index, 2010 and 2011). Analysis available in Foresight editions - 88 (February 2011), 89 (March 2011) and 97 (November 2011)

World Economic Forum Travel and Tourism Competitiveness Index (World Economic Forum, 2011).

PPPs and Price Competitiveness of International Tourism Destinations(OECD, 2009)