# State of the Nation

Jo Knudsen

October 2015

VisitBritain

# VisitBritain Research Team

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# Contents

# 1. 2015 SO FAR

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# Overall picture (visits)

First six months 2015:

- Visits up 3% on 2014
- A record first six months - 17 million visits so far
- July up 5% (provisional)
- A good start for visits so far!

Source: International Passenger Survey

# Overall picture (spending)

First six months 2015:

- Inbound spending down 1% in 2015
- Provisional July looks weaker compared to July 2014
- Historically 43% of annual spend in first 6 months
- August data out next Thursday!

Source: International Passenger Survey

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# 2015 update: journey purpose

Holiday visits strong but business visits the big winner

| Holidays | VFR | Business |
|---|---|---|
| 8.4m – new record (on par with 2014) | 4.7m – first 6 months record (up 2% on 2014) | 4.5m visits up 13% on 2014! |
| March, April, May and July all set records for holiday visits | Over 1 million VFR visits in July | July business visits up 7% on 2014 levels |

Source: International Passenger Survey

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# 2015 update: global regions (first 6 months)

Volumes by world region

| Europe | N. America | Rest of World |
|---|---|---|
| 12.8m – 4% up on 2014 | 1.7m – up 4% on 2014 (best since 2008) | 2.3m, on par with last year's record |
| July 2015 posted highest July results | Very strong provisional growth for July | 730,000 visits in July |

Source: International Passenger Survey

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# 2015 update: Q1 by market (visits)

| % change | Q1 2015 (vs Q1 2014) |
|---|---|
| USA | 3% |
| Germany | -4% |
| France | -9% |
| Australia | -3% |
| Spain | 15% |
| Italy | 22% |
| Ireland | 5% |
| Netherlands | -11% |
| China | 20% |

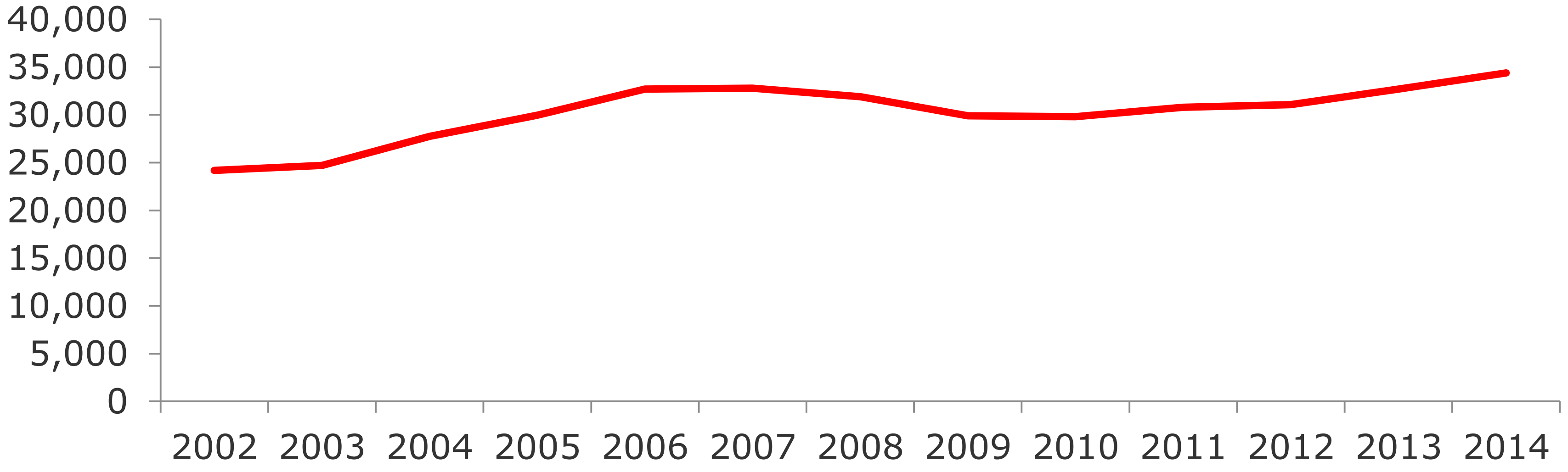
Source: International Passenger Survey

- Visits from USA, Ireland, China and Southern Europe up in Q1
- Slow Q1 for some key Western European markets but we expect this to improve
- Q2 data due out this Thursday – 2 more sleeps

# 2. LONG TERM TRENDS

# Visit numbers finally beat pre-crisis levels in 2014

Visits to the UK (000s)




Source: International Passenger Survey

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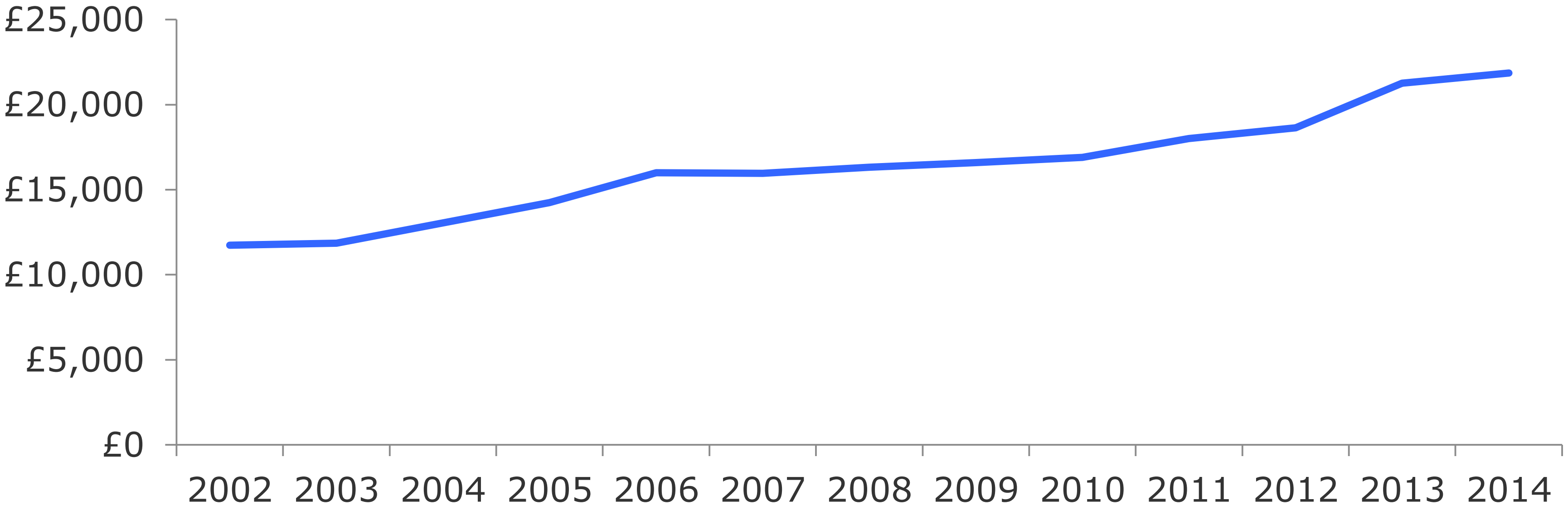
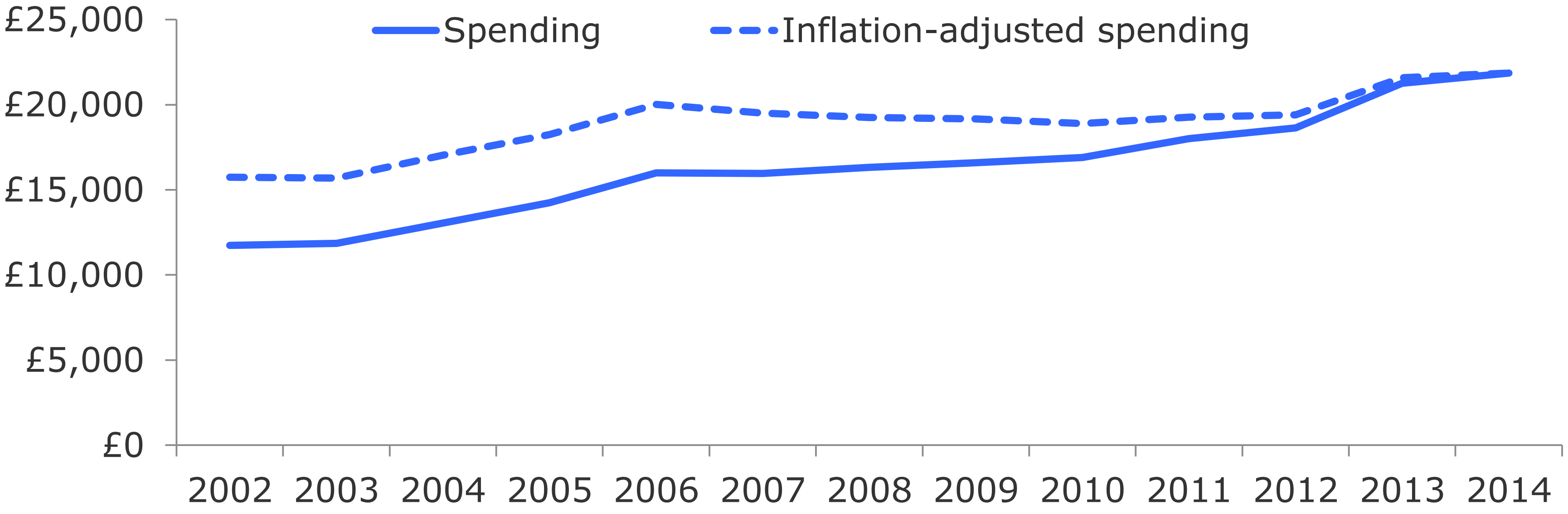
# Spending hit £21.8bn in 2014

## Spending by visitors to the UK (£m)




Source: International Passenger Survey

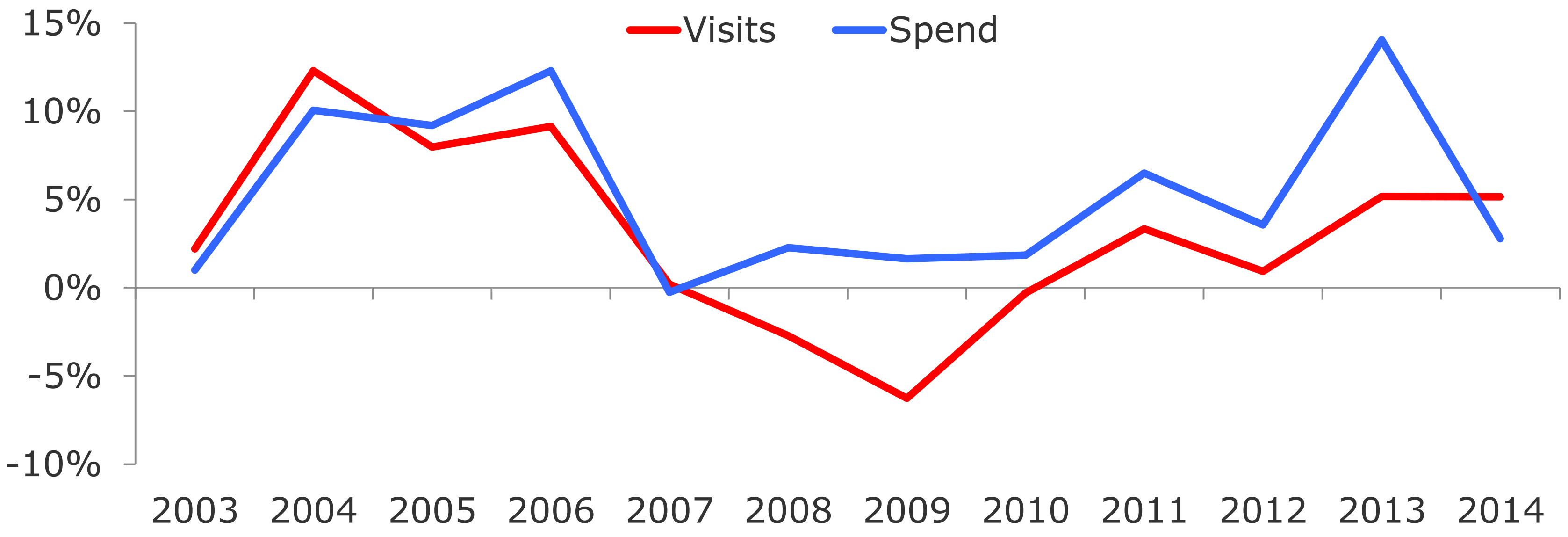
# Which is a record even when adjusted for inflation




Source: International Passenger Survey

# Visits up by 5% in 2014, spend 3%

Year-on-year change in visits and spending




Source: International Passenger Survey

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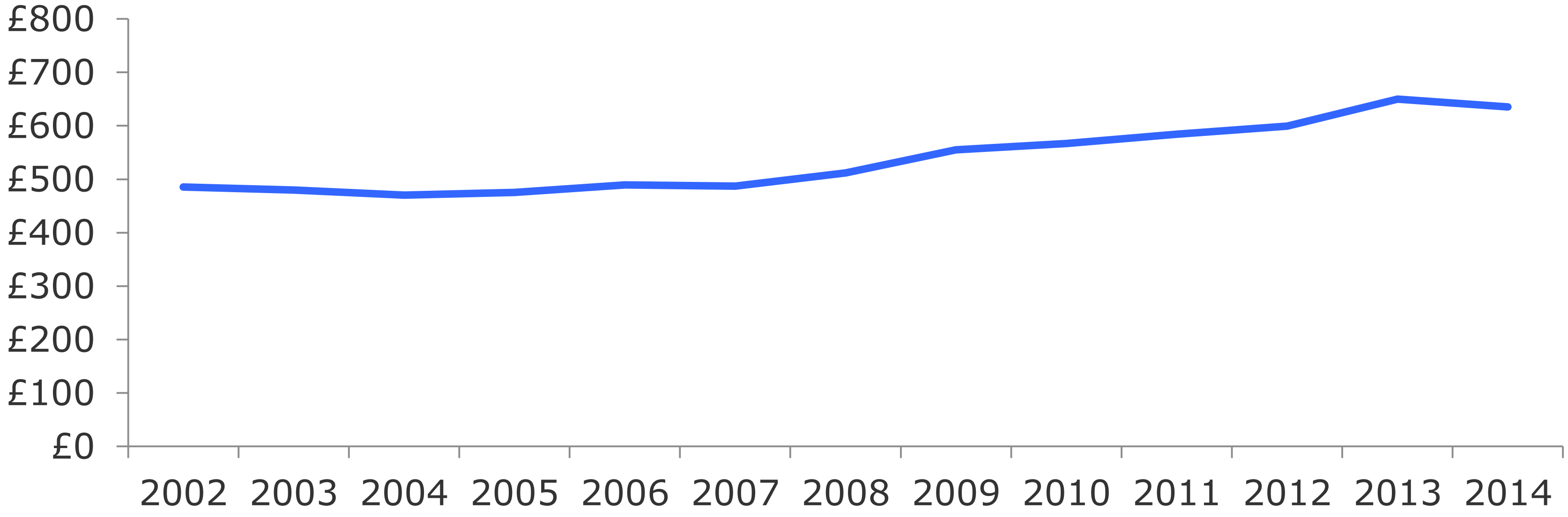
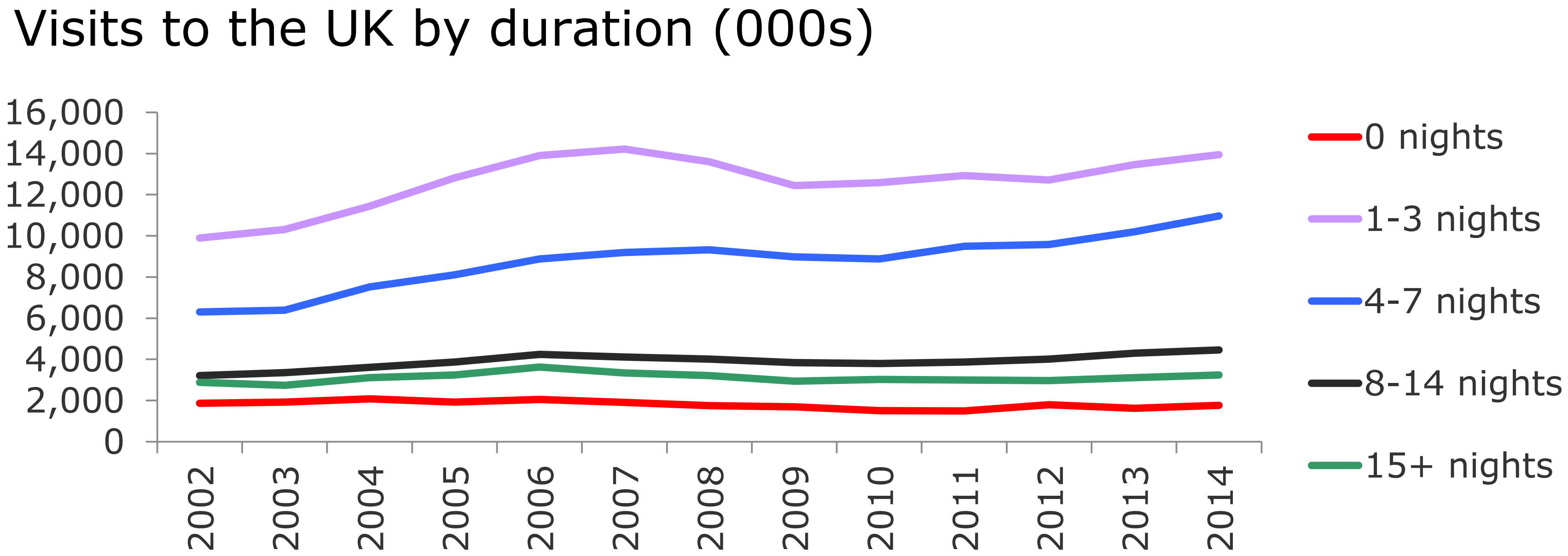
# Spending per visit rising although a slight dip in 2014




Source: International Passenger Survey

# 4-7 night trips have grown in popularity




Source: International Passenger Survey

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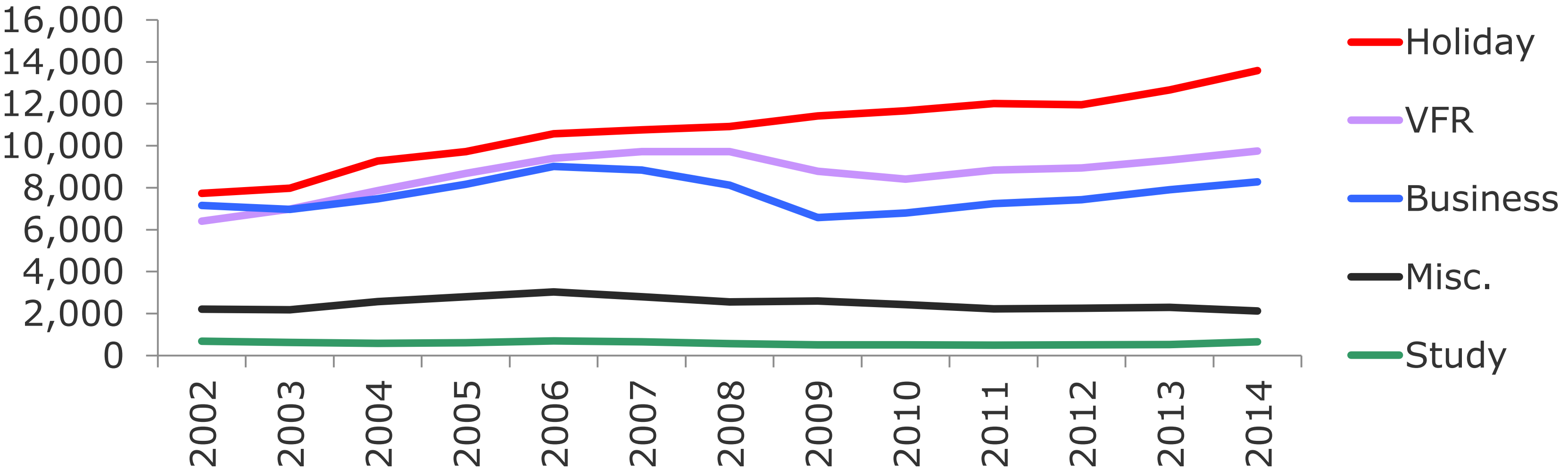
# Business trips growing but still below pre-recession levels

Visits to the UK by journey purpose (000s)




Source: International Passenger Survey

# 3. INBOUND MARKETS

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# Top markets – volume

## 2014 a strong year for top 8 markets

| 2014 rank | Country | 2014 visits (000s) | 2014 growth | 2014 growth (000s) |
|---|---|---|---|---|
| 1 | France | 4,114 | 4% | 140 |
| 2 | Germany | 3,220 | 6% | 171 |
| 3 | USA | 2,976 | 7% | 198 |
| 4 | Ireland | 2,486 | 6% | 136 |
| 5 (6) | Spain | 1,986 | 14% | 240 |
| 6 (5) | Netherlands | 1,972 | 4% | 81 |
| 7 | Italy | 1,757 | 7% | 121 |
| 8 | Poland | 1,494 | 12% | 155 |
| 9 | Belgium | 1,122 | -4% | -53 |
| 10 | Australia | 1,057 | 0% | -1 |

Source: International Passenger Survey

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# Top markets – value

A very good year from the USA

| 2014 rank | Country | 2014 spending (£m) | 2014 growth | 2014 growth (£m) |
|---|---|---|---|---|
| 1 | USA | £2,944 | 16% | £405 |
| 2 (3) | Germany | £1,478 | 9% | £120 |
| 3 (2) | France | £1,434 | 5% | £66 |
| 4 | Australia | £1,224 | 3% | £41 |
| 5 | Spain | £1,082 | 16% | £149 |
| 6 | Italy | £922 | 13% | £106 |
| 7 | Irish Republic | £870 | 8% | £66 |
| 8 | Netherlands | £701 | -1% | -£8 |
| 9 (10) | Norway | £548 | 4% | £19 |
| 10 (16) | Sweden | £503 | 14% | £62 |

Source: International Passenger Survey

# Average spend per visit - Holiday

Among top 50 inbound markets:

| Top ten: | |
|---|---|
| Kuwait | £3,902 |
| Saudi Arabia | £3,043 |
| Qatar | £2,555 |
| UAE | £2,102 |
| Nigeria | £1,871 |
| China | £1,599 |
| Egypt | £1,438 |
| Hong Kong | £1,175 |
| South Africa | £1,116 |
| Australia | £1,092 |

Source: International Passenger Survey

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# Average spend per visit - Holiday

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| Top ten: | |
|---|---|
| Kuwait | £3,902 |
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| Egypt | £1,438 |
| Hong Kong | £1,175 |
| South Africa | £1,116 |
| Australia | £1,092 |

| Bottom ten: | |
|---|---|
| Slovakia | £482 |
| Denmark | £476 |
| Portugal | £467 |
| Netherlands | £422 |
| Poland | £373 |
| Ireland | £354 |
| Czech Rep | £350 |
| Hungary | £332 |
| France | £332 |
| Belgium | £313 |

Source: International Passenger Survey

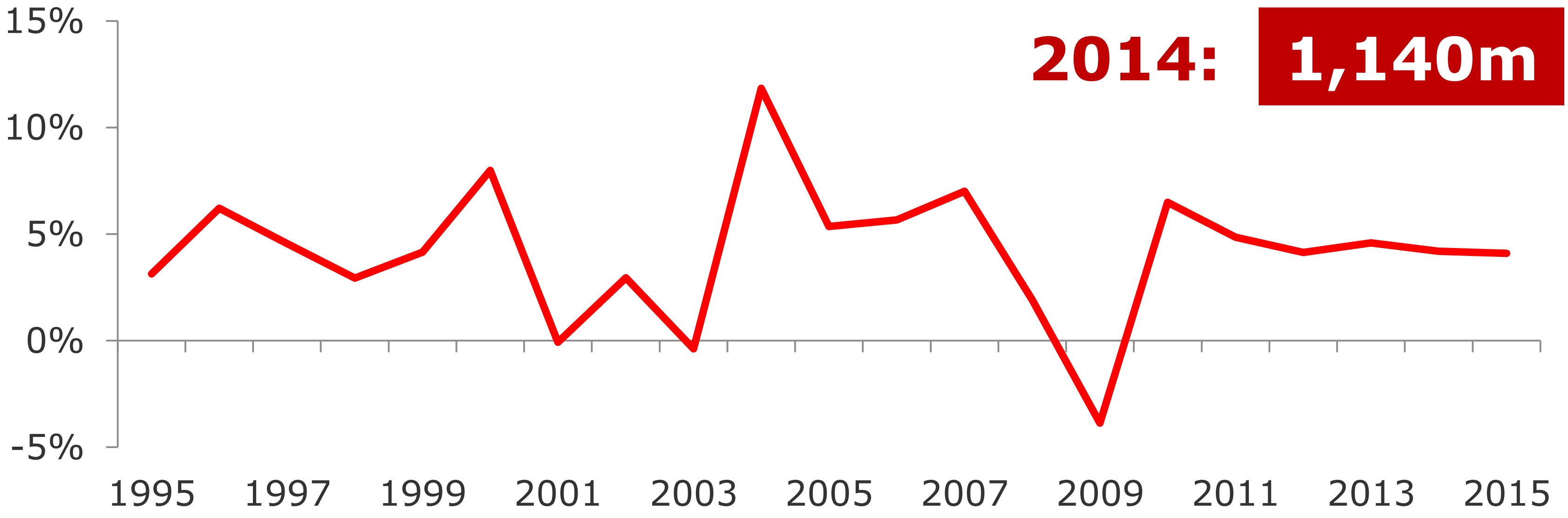
# 4. WORLD CONTEXT

# Global context – steady growth in visits

Global international tourist arrivals

**2004: 769m**

**2014: 1,140m**




Source: Tourism Decision Metrics / UNWTO

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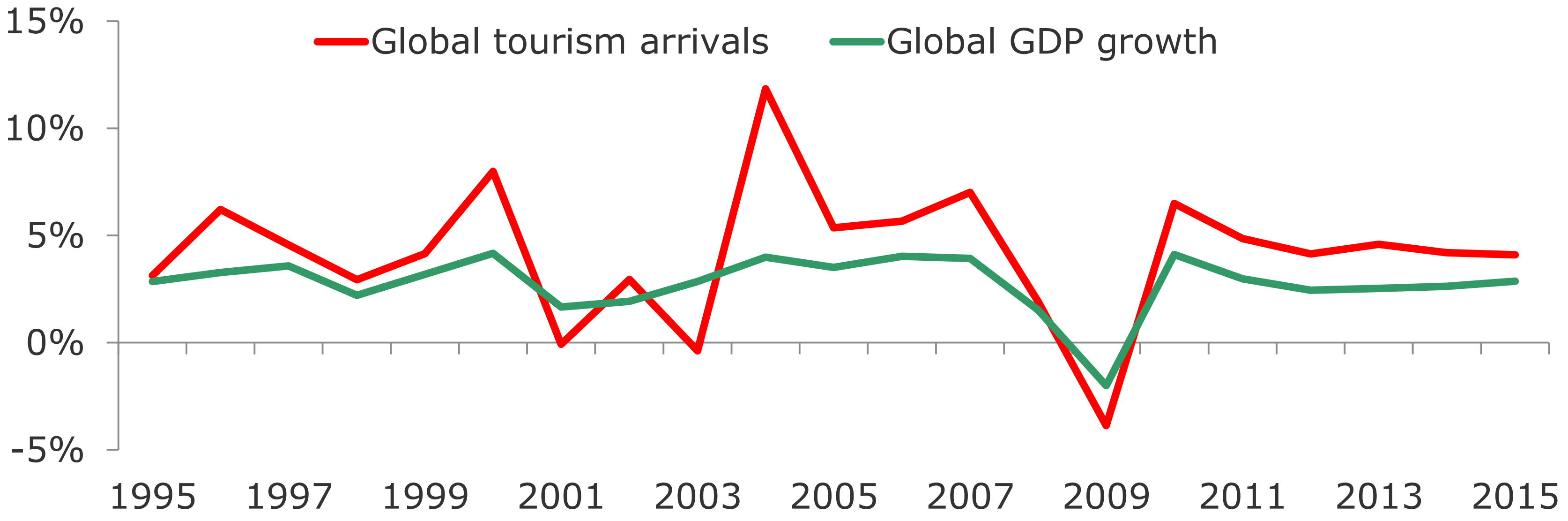
# Tourism prospects strongly linked to economic growth




Source: Tourism Decision Metrics / UNWTO / IMF

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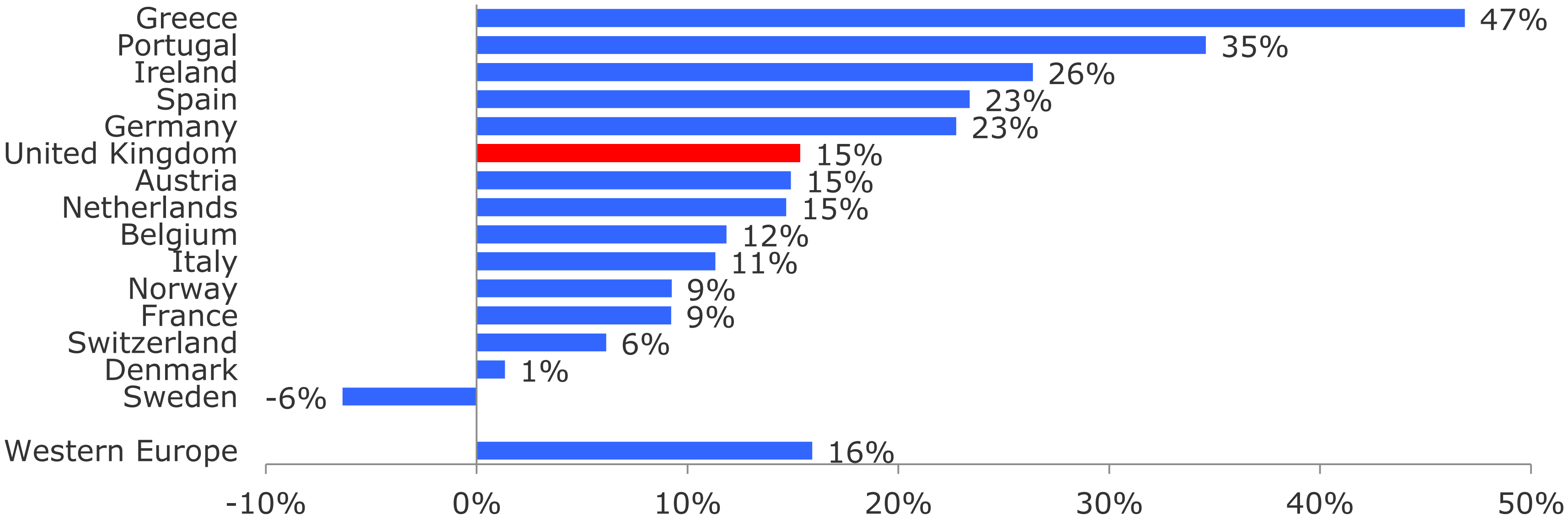
# European competitive context

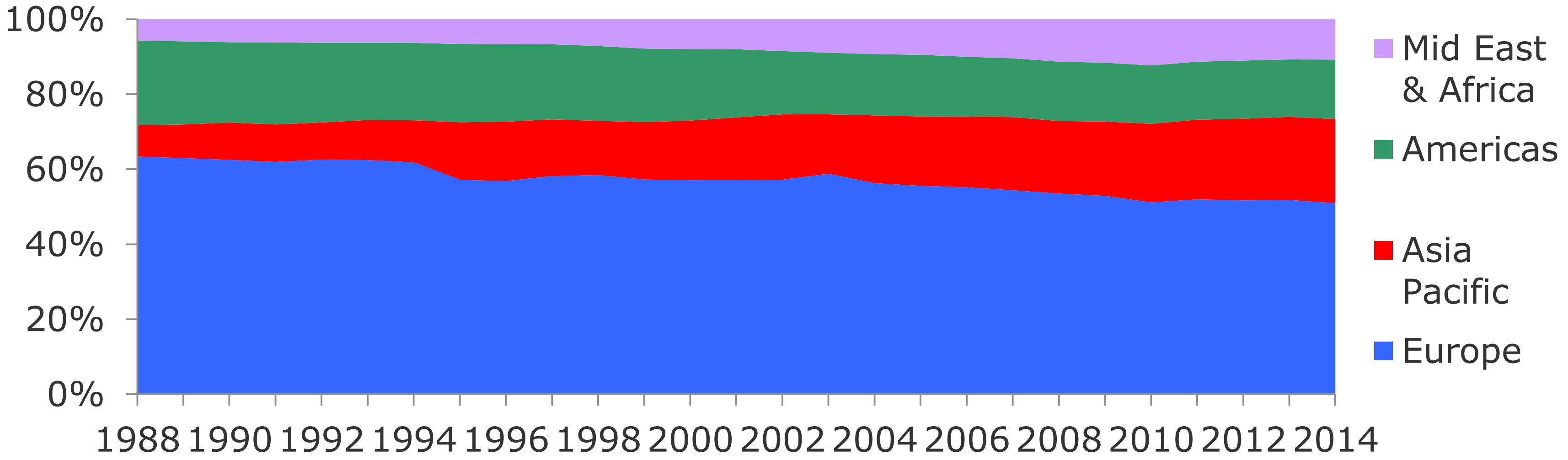
Growth in visits to each market, 2010-14




Source: Tourism Decision Metrics

# Emerging markets claiming greater share of global tourism arrivals…

Proportion of global inbound arrivals, to each world region




Source: Tourism Decision Metrics

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# ...and generating countries

## Proportion of global inbound arrivals, from each country

| | 2004 | 2014 |
|---|---|---|
| China | 2.6% | 6.0% |
| Russia | 2.0% | 3.3% |
| India | 0.6% | 1.1% |
| Brazil | 0.3% | 0.9% |
| Malaysia | 0.6% | 0.8% |

| | 2004 | 2014 |
|---|---|---|
| Germany | 11.5% | 8.1% |
| USA | 9.7% | 7.7% |
| UK | 9.0% | 6.5% |
| Netherlands | 3.4% | 2.7% |
| Japan | 2.7% | 1.9% |

Source: Tourism Decision Metrics

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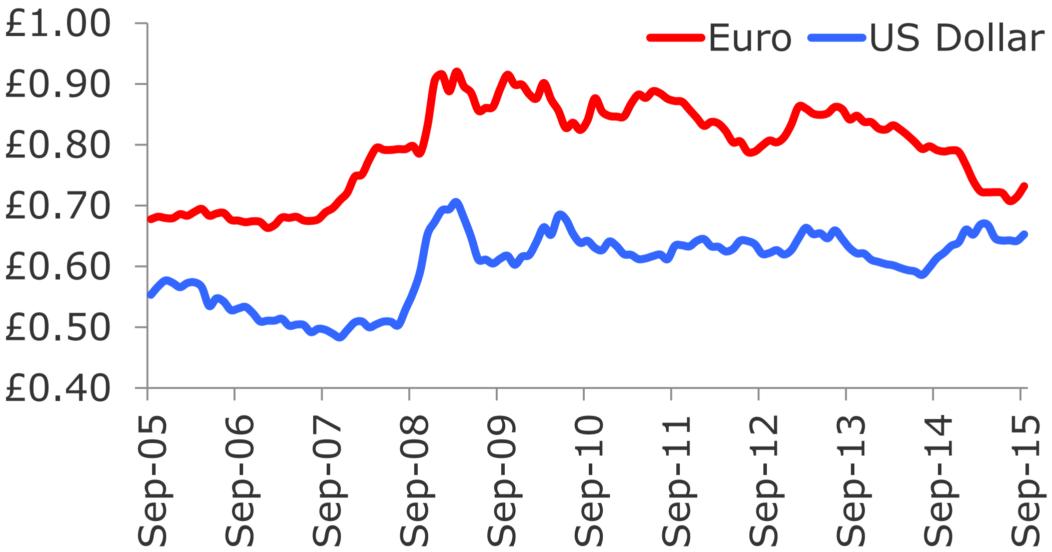
# Currency challenge

Value of each currency in £:




| Change in value of currency vs. £ Sep-14 to Sep-15: | |
|---|---|
| US $ | 6% |
| Euro | -8% |
| Can $ | -12% |
| Aus $ | -17% |
| Swedish Kr | -10% |
| Russian Rbl | -39% |

Source: Bank of England

# 5. REGIONS & NATIONS

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# Scotland and Yorkshire led growth last year

| | All visits (000s) | Growth, 2013-14 |
|---|---|---|
| Total UK | 34,377 | 5% |
| | | |
| London | 17,404 | 4% |
| South East | 4,647 | 2% |
| Scotland | 2,700 | 12% |
| North West | 2,512 | 4% |
| South West | 2,194 | 0% |
| East of England | 2,106 | 5% |
| West Midlands | 1,952 | 6% |
| Yorkshire | 1,367 | 13% |
| East Midlands | 1,019 | -4% |
| Wales | 932 | 7% |
| North East | 473 | 11% |

Source: International Passenger Survey

VisitBritain

# Scotland and Yorkshire led growth last year

| | All visits (000s) | Growth, 2013-14 | Holiday visits (000s) | Growth, 2013-14 |
|---|---|---|---|---|
| Total UK | 34,377 | 5% | 13,582 | 7% |
| London | 17,404 | 4% | 8,914 | 5% |
| South East | 4,647 | 2% | 1,529 | 9% |
| Scotland | 2,700 | 12% | 1,396 | 16% |
| North West | 2,512 | 4% | 681 | 8% |
| South West | 2,194 | 0% | 916 | -2% |
| East of England | 2,106 | 5% | 514 | 6% |
| West Midlands | 1,952 | 6% | 373 | -8% |
| Yorkshire | 1,367 | 13% | 421 | 33% |
| East Midlands | 1,019 | -4% | 158 | -25% |
| Wales | 932 | 7% | 381 | 6% |
| North East | 473 | 11% | 146 | 8% |

Source: International Passenger Survey

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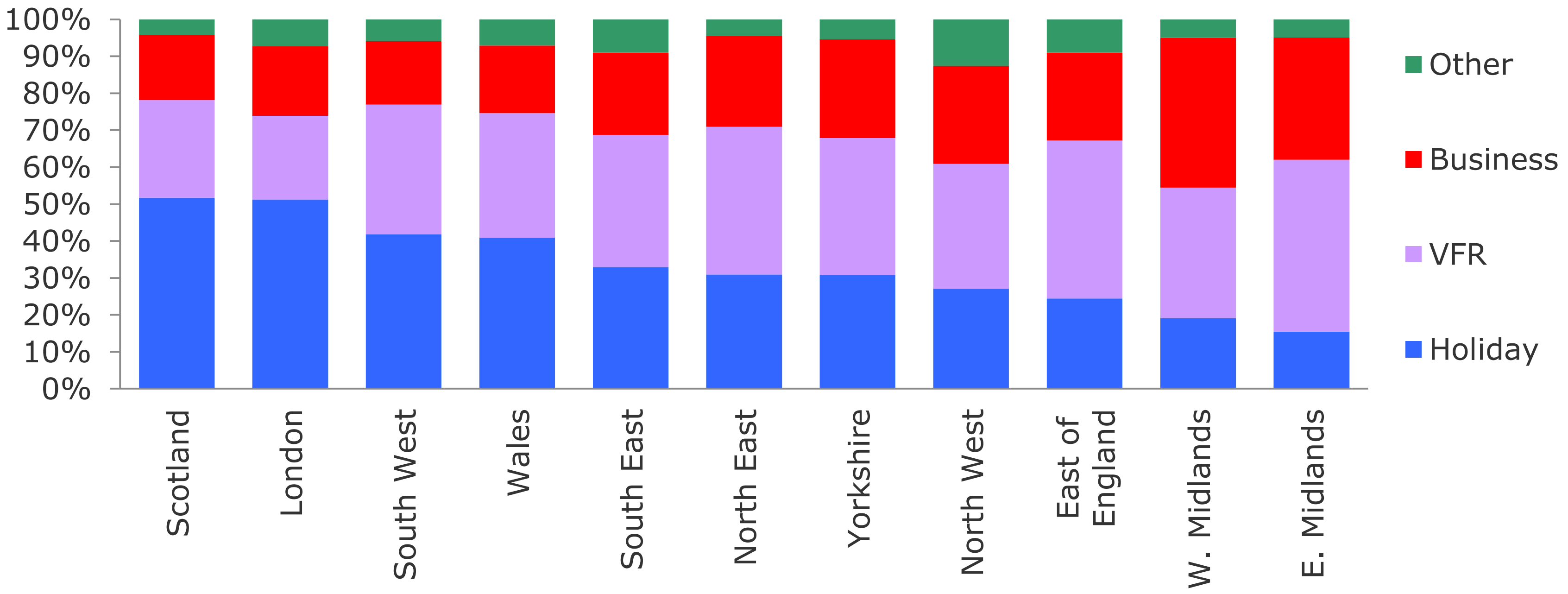
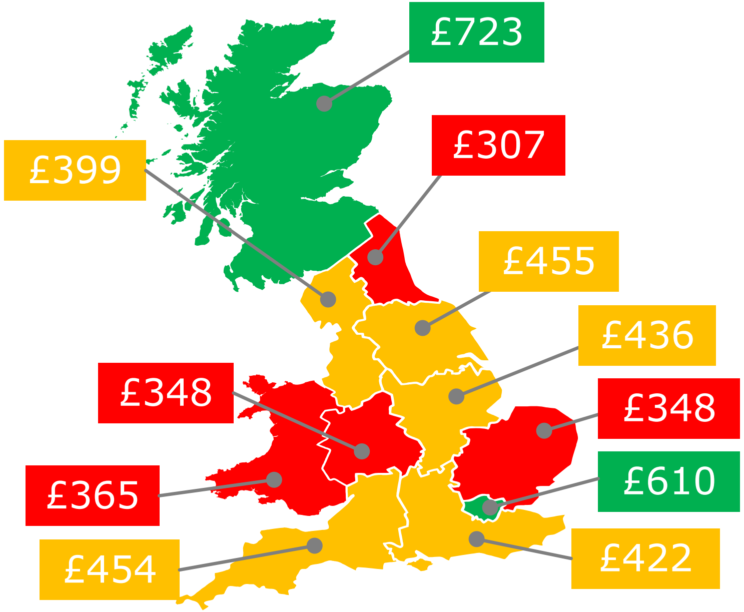
# Journey purpose: variation by region



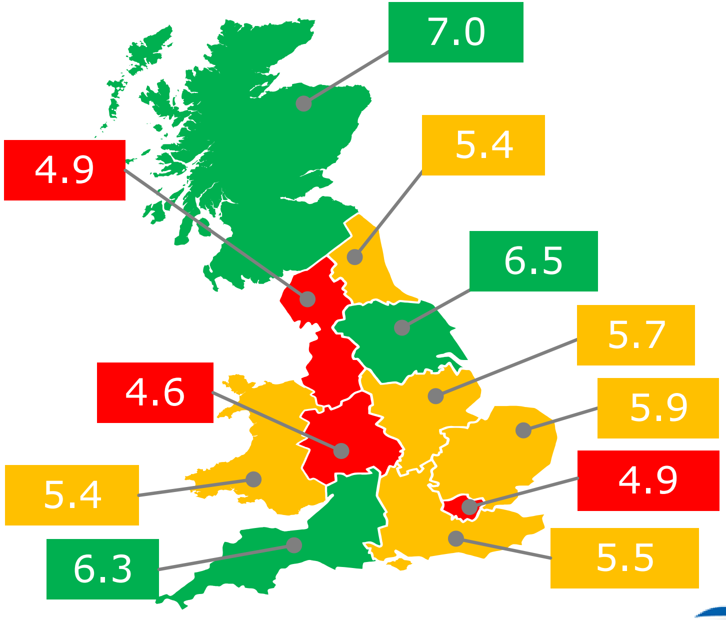

Source: International Passenger Survey

# Holidays to each region

Spending per visit:




Nights per visit:




Source: International Passenger Survey

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# Top towns - 2014

| 2014 rank | Town / City | 2014 visits (000) |
|---|---|---|
| 1 | London | 17,404 |
| 2 | Edinburgh | 1,585 |
| 3 | Manchester | 994 |
| 4 | Birmingham | 944 |
| 5 (6) | Glasgow | 624 |
| 6 (5) | Liverpool | 605 |
| 7 | Oxford | 489 |
| 8 | Bristol | 446 |
| 9 (10) | Brighton/Hove | 423 |
| 10 (9) | Cambridge | 418 |

Source: International Passenger Survey

# 6. NATIONS BRAND INDEX

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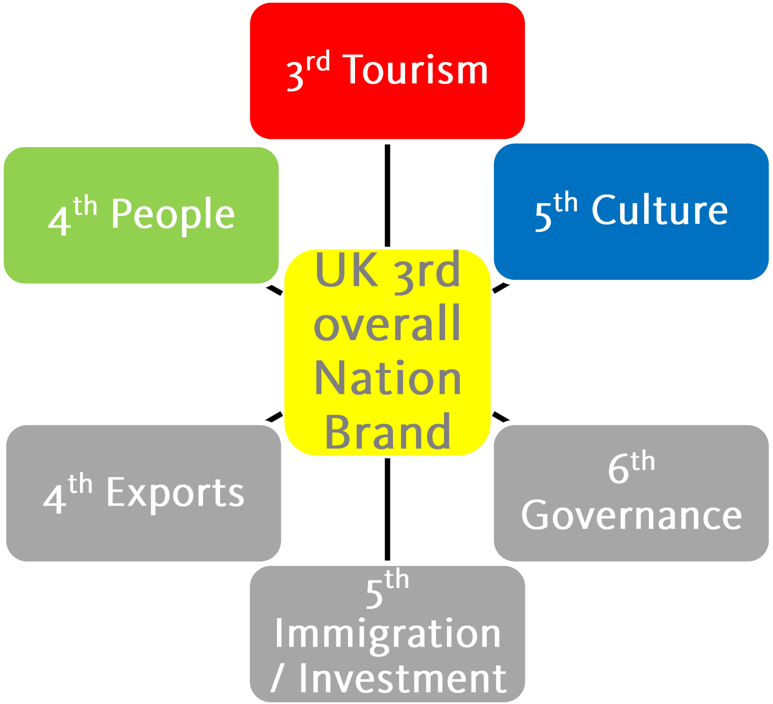
# 2014 Nations Brand Index




Source: Anholt GfK Nation Brand Index

# UK brand

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|
| **OVERALL NBI** | 3 | 4 | 4 | 3 | 3 | 3 | 3 |

Source: Anholt GfK Nation Brand Index

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# UK brand

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|
| **OVERALL NBI** | **3** | **4** | **4** | **3** | **3** | **3** | **3** |
| **TOURISM** | **4** | **5** | **5** | **4** | **4** | **4** | **3** |
| Is rich in historic buildings and monuments | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Has a vibrant city life and urban attractions | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Would like to visit if money was no object | 7 | 8 | 8 | 6 | 6 | 6 | 5 |
| Is rich in natural beauty | 23 | 24 | 22 | 22 | 22 | 20 | 20 |

Source: Anholt GfK Nation Brand Index

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# UK brand

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|
| **OVERALL NBI** | **3** | **4** | **4** | **3** | **3** | **3** | **3** |
| **TOURISM** | **4** | **5** | **5** | **4** | **4** | **4** | **3** |
| Is rich in historic buildings and monuments | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Has a vibrant city life and urban attractions | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Would like to visit if money was no object | 7 | 8 | 8 | 6 | 6 | 6 | 5 |
| Is rich in natural beauty | 23 | 24 | 22 | 22 | 22 | 20 | 20 |
| **CULTURE** | **3** | **4** | **6** | **4** | **4** | **4** | **5** |
| Is an interesting and exciting place for contemporary culture such as music, films, art and literature | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Excels at sport | 7 | 8 | 8 | 5 | 6 | 5 | 4 |
| Has a rich cultural heritage | 6 | 7 | 7 | 7 | 7 | 7 | 7 |

Source: Anholt GfK Nation Brand Index

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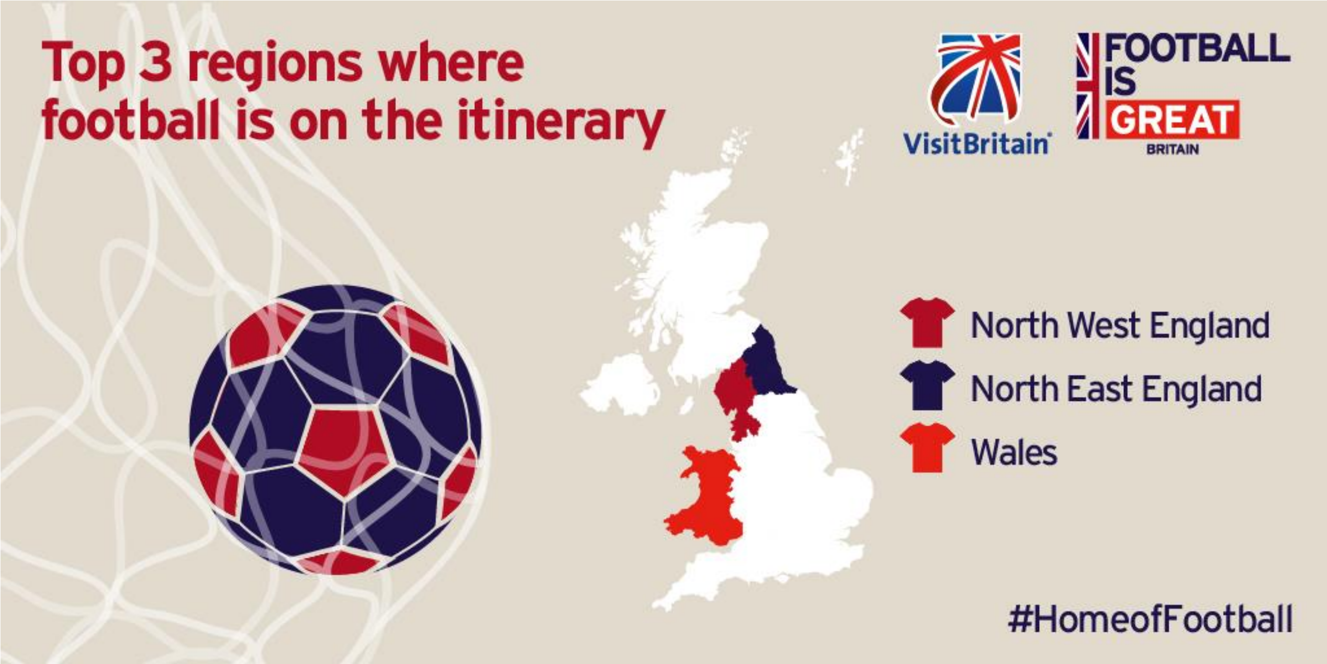
# UK brand

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|
| **OVERALL NBI** | **3** | **4** | **4** | **3** | **3** | **3** | **3** |
| **TOURISM** | **4** | **5** | **5** | **4** | **4** | **4** | **3** |
| Is rich in historic buildings and monuments | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Has a vibrant city life and urban attractions | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Would like to visit if money was no object | 7 | 8 | 8 | 6 | 6 | 6 | 5 |
| Is rich in natural beauty | 23 | 24 | 22 | 22 | 22 | 20 | 20 |
| **CULTURE** | **3** | **4** | **6** | **4** | **4** | **4** | **5** |
| Is an interesting and exciting place for contemporary culture such as music, films, art and literature | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Excels at sport | 7 | 8 | 8 | 5 | 6 | 5 | 4 |
| Has a rich cultural heritage | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| **PEOPLE** | **6** | **6** | **6** | **4** | **4** | **4** | **4** |
| If visited, the people would make me feel very welcome | 14 | 13 | 13 | 12 | 13 | 10 | 13 |

Source: Anholt GfK Nation Brand Index

# 7. FOOTBALL


Source: International Passenger Survey / VisitBritain




Source: International Passenger Survey / VisitBritain


Source: International Passenger Survey / VisitBritain

# 8. CULTURE

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Source: Culture / VisitBritain

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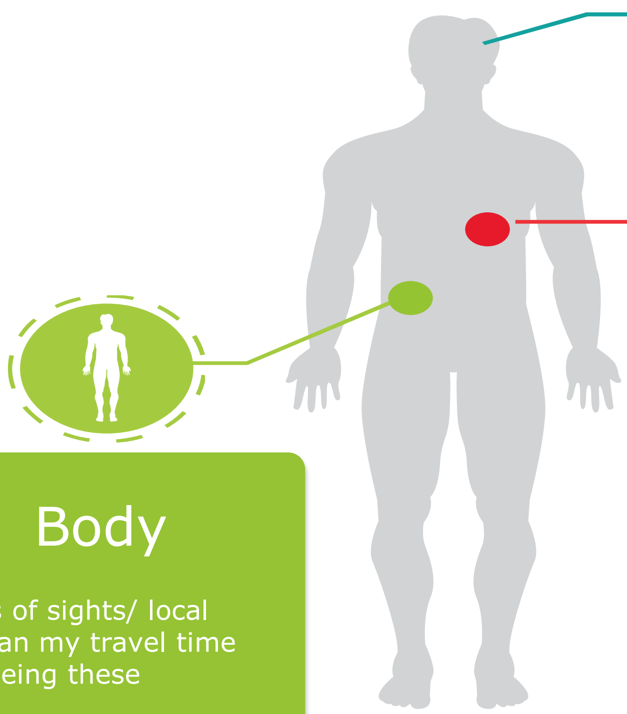
# Role of Culture in travel experience



## 97% Mind

Agree that understanding the stories behind a country's culture makes the trip so much more enjoyable

## 96% Heart

Like holidays where you can absorb the culture – doing and eating the things locals do, soaking up the atmosphere, etc

## 93% Body

Like to see lots of sights/ local attractions – I plan my travel time around seeing these

Source: Culture / VisitBritain

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# Opportunities to promote Culture

- Create intrigue through stories
- Bring myths and legends to life
- Feature the people of Britain
- Make audience the stars
- Challenge Existing Perceptions

Source: Culture / VisitBritain

# 9. SOCIAL MEDIA

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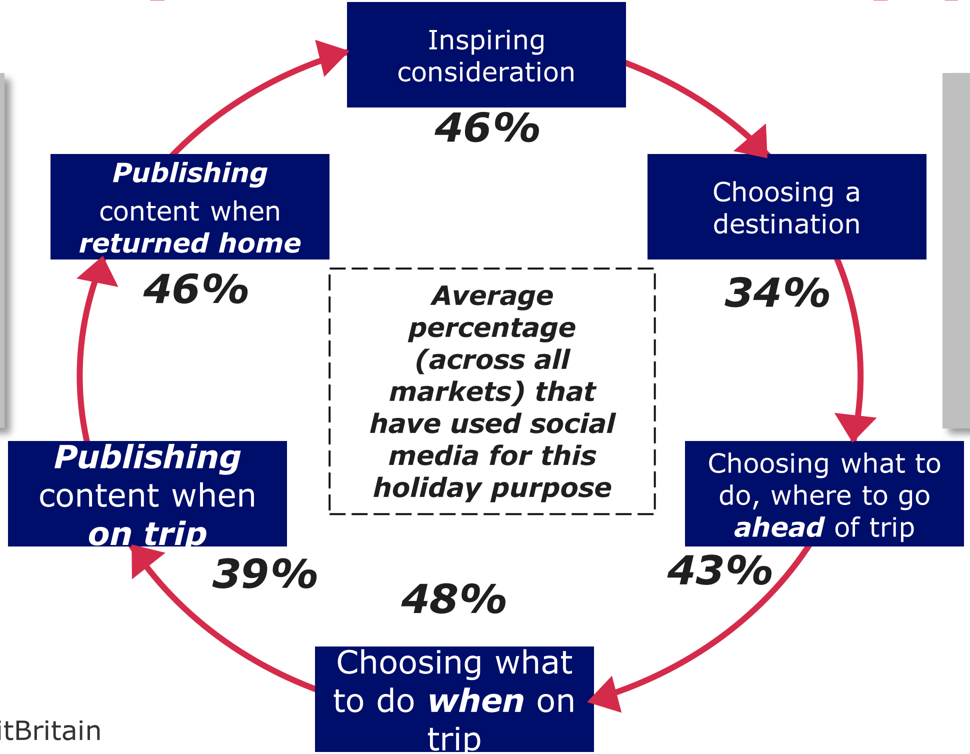
# Social media plays a role throughout the entire lifecycle of the holiday process

This side primarily about publishing / transmitting information




This side primarily about searching and receiving information (more passive)

Source: Social Media / VisitBritain

# Social Media platform considerations - holiday context

Source: Social Media / VisitBritain

# 10. KEY POINTS

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# Key points for 2015 so far:

- Good year for inbound UK visits so far
- Business visits doing well so far with increase.
- Visits from North America up and steady performance from Europe
- Strong pound is a challenge with evidence of head winds against a record 2014
- China still a growing market despite recent troubles
- Full Q2 data out Thursday!

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# VisitBritain Research

- Lots more than just numbers
  - Football
  - Culture
  - Social Media
- New VisitBritain.org
  - Visualisations
  - New tools – coming soon