



Destination UK

Driving growth in the UK hospitality and leisure sector



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About this research

The research is based on a bespoke survey of British and international holidaymakers from Opinium.

The total sample size for the domestic market was 2,010 UK adults (aged 18+) who holiday in the UK. The fieldwork was undertaken between 20 February and 2 March 2017.

The international survey was based on online interviews with 1,004 US adults, 1,003 German adults, 1,001 French adults, 1,003 Russian adults, 502 Saudi Arabian adults, 1,004 Australian adults, 1,004 Republic of Ireland adults and 1,002 Chinese adults (aged 18+) who have travelled internationally in the last five years. The fieldwork was undertaken from 22 February to 9 March 2017.



Executive summary

This report is based on survey results and exclusive insights from holidaymakers across the globe, exploring changing visitor preferences and highlighting the UK's most popular holiday destinations and the biggest opportunities for British tourism and leisure providers.

An attractive holiday destination

2017 is set to be another record-breaking year for the UK's hospitality and leisure sector, with both domestic tourist expenditure and international visitor numbers set to grow.

Indeed, the growth of the staycation means that demand from domestic visitors is on the rise, with more than a third of British adults choosing to holiday closer to home this year through personal preference rather than limitations around cost. British holidaymakers also appear to have increased budgets for their domestic trips, with 30% planning to spend more on leisure activities than in previous years. Almost half of respondents think that leisure experiences in the UK have improved in the past five years.

The increased convenience and value for money are proving a strong draw for the domestic market and creating opportunities for hospitality and leisure providers to connect with audiences more likely to visit again in the future.

More than one third of British adults are choosing to holiday closer to home this year.

Meanwhile, the decreased value of sterling, better value for money compared with previous years and popularity of shows such as Game of Thrones and The Crown has made the UK an increasingly attractive destination for overseas travellers.

More than 60% of over 7,000 international holidaymakers surveyed said they were more interested in visiting the UK than they were a year ago. Almost all respondents (97%) were interested in visiting the UK now, or in the future.

But, while the impact of Brexit has, at least temporarily, boosted the UK's international appeal due to the weaker pound, the three in five holidaymakers who are more likely to visit today than 12 months ago cited a range of reasons for their answer. Providers' investment in advertising has not gone unnoticed, with 29% noting this increased visibility, while 30% simply have more money available to spend on holidays. Exploring Britain's unique culture, history and landmarks proved the most popular experience for international visitors, while those from Saudi Arabia were most likely to visit in order to shop in the UK's many and varied retailers.



London remains the most popular destination for international travellers. 67% of overseas visitors chose the capital as their first-choice destination, and recent figures show that a record 18.6 million overnight visits to London were made in 2015, with the number expected to increase year on year.¹

There is, however, also a strong pull among the international market to Scotland and Wales, demonstrating opportunities for providers all across the UK to capture the imagination of international audiences. The most popular destinations for domestic visitors are Cornwall and Scotland, followed by the Lake District, Wales, Yorkshire and London.

Areas of spending

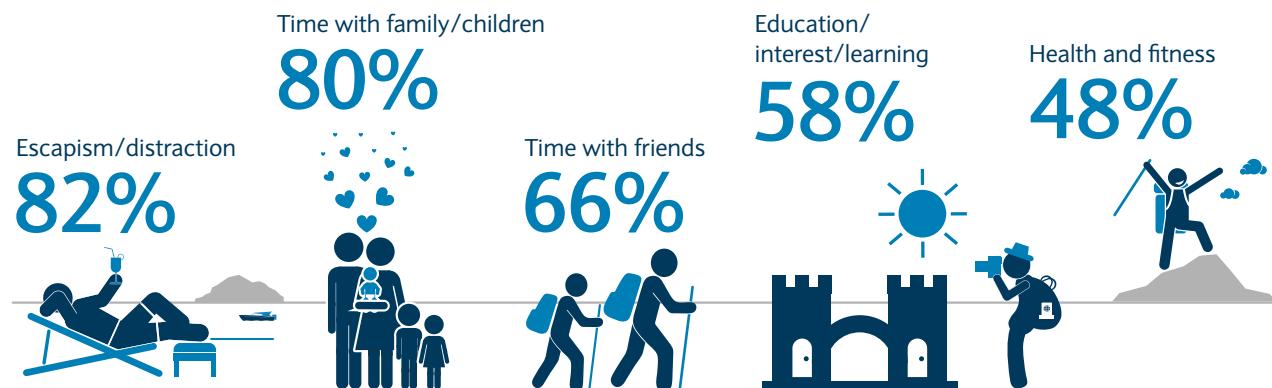
Our survey has shown that accommodation, eating out and shopping are the areas that both domestic and international visitors are the most likely to spend their budget on. With an average budget of £952 for their holidays in the UK, British visitors spend £309 on accommodation and £152 on buying food and drink for meals out or at the hotel/accommodation (compared to £104 for those buying food and drink for self-catering accommodation).

Overseas visitors plan to spend an average of £3,443 for their holiday in 2017, including flights, accommodation, food, drinks and all activities. The Asian market is particularly lucrative, with visitors from China spending more than £5,000 on average for their holidays.

As for American guests, all respondents expressed a preference for staying in a five-star or luxury hotel.

Enjoying Britain's diverse range of bars, restaurants and cafes is an important experience for international guests, with inbound tourists spending an average of £340 during their stay on meals out or at their hotel. And, while the average figure for the domestic market is more modest, UK holiday-makers are more likely to be staying only for short breaks, compared to the longer stays of international customers.

Features and motivations that are important in leisure time for UK holidaymakers



A unique experience?

Visitors from both across the UK and further afield are expecting more from their holidays, with one of the key emerging trends showing a demand for experience-led breaks that allow guests to escape everyday stress and spend time with friends and family. As many as 44% of British visitors are more likely to choose a hotel with an emphasis on food, and the growing focus on industry partnerships can open new doors for providers in enticing their guests with high-quality, fresh and locally sourced produce.

The growth of new service providers such as Airbnb and high-end holiday rental sites such as Onefinestay is a significant consideration for the UK hospitality and leisure sector. And, while fewer than one in ten of UK respondents plan to use Airbnb for their holiday this year, it is essential for hospitality specialists to be aware of the increasing impact of such competitors. International visitors are comparatively more likely to use a peer-to-peer rental provider such as Airbnb when booking holidays. Much can be gained, however, from tapping into visitors' appetite for new, high-quality and highly personalised holiday experiences.

The technology challenge

Introducing new technology can be daunting for businesses, but the growing demand for services such as online hotel room selection and smartphone check-in illustrates an increasingly tech-savvy audience and can provide opportunities for providers to streamline their customer experience.

¹Office for National Statistics, Travel Trends Report 2015.



Mike Saul

Head of Hospitality and Leisure
Barclays

A changing tourism landscape

The UK – long renowned for its appealing landscapes, cities of culture and engaging history – has always held a strong appeal for international visitors, but it is its place in the hearts of its domestic tourists that is undergoing a revival.

Increasing numbers of domestic visitors are generating levels of demand not seen over recent years, creating opportunities for leisure and tourism providers to offer access to the best British food, heritage and experiences in order to capture a corner of this growing market.

The new face of the staycation

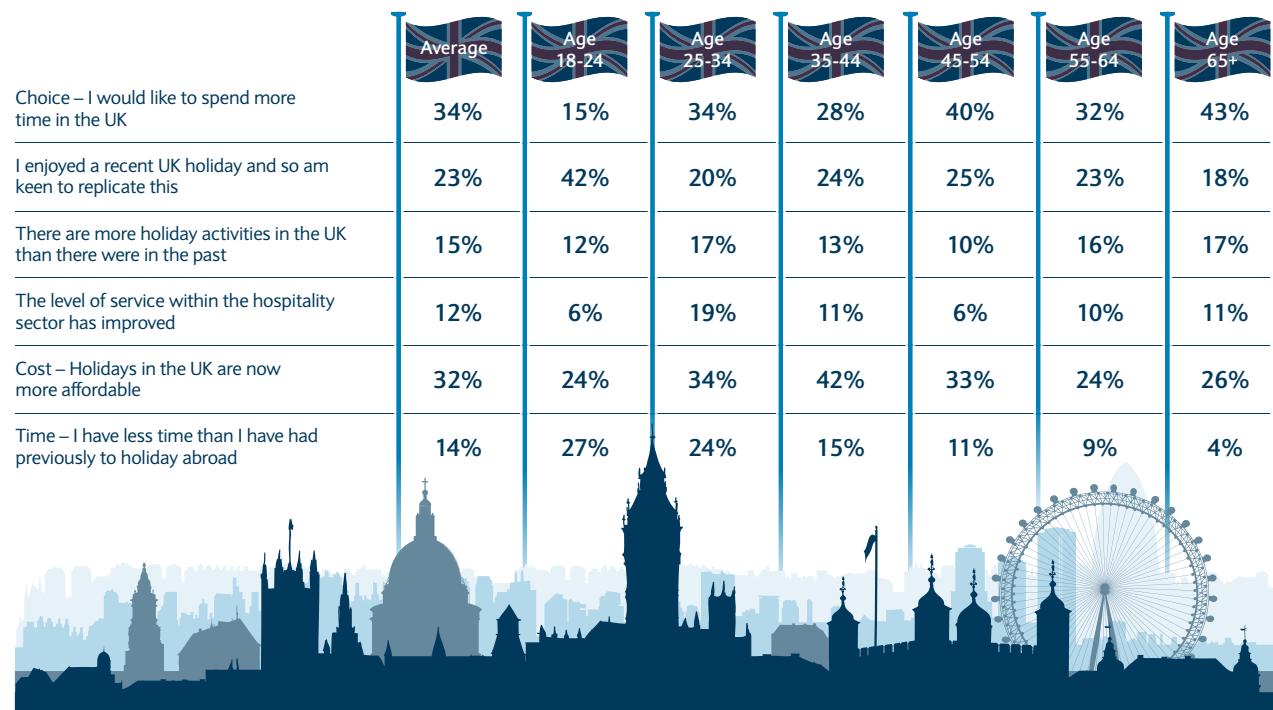
Results from our recent survey of more than 2,000 UK holidaymakers showed that 54% of adults who opt to holiday in the UK do so as a result of their own choice, while also taking into account practicalities such as time and cost. 35%, however, cite no barriers to them taking holidays overseas but simply choose to remain in the UK.

This is hugely positive for British providers, demonstrating that holidaying in the UK is not simply a grudge purchase by those unable to afford an overseas holiday but a decision based on the quality, value, and convenience of holidaying closer to home.

Holidaying in Britain has a number of perks for domestic visitors. Half of those who chose to spend more of their leisure time in the UK believed it was significantly more convenient in terms of travel, food and language than travelling overseas. Value for money is also an important consideration for British staycationers. For those who base their location choice on cost, almost two fifths (39%) believe that the UK offers better value for money as a destination.

The hospitality and leisure sector is, however, sensitive to change, and simple factors such as fuel price can have a significant impact on spend within the sector, particularly for short breaks and, notably, in more remote locations.

Main reasons for spending more time in the UK on holiday than previous years

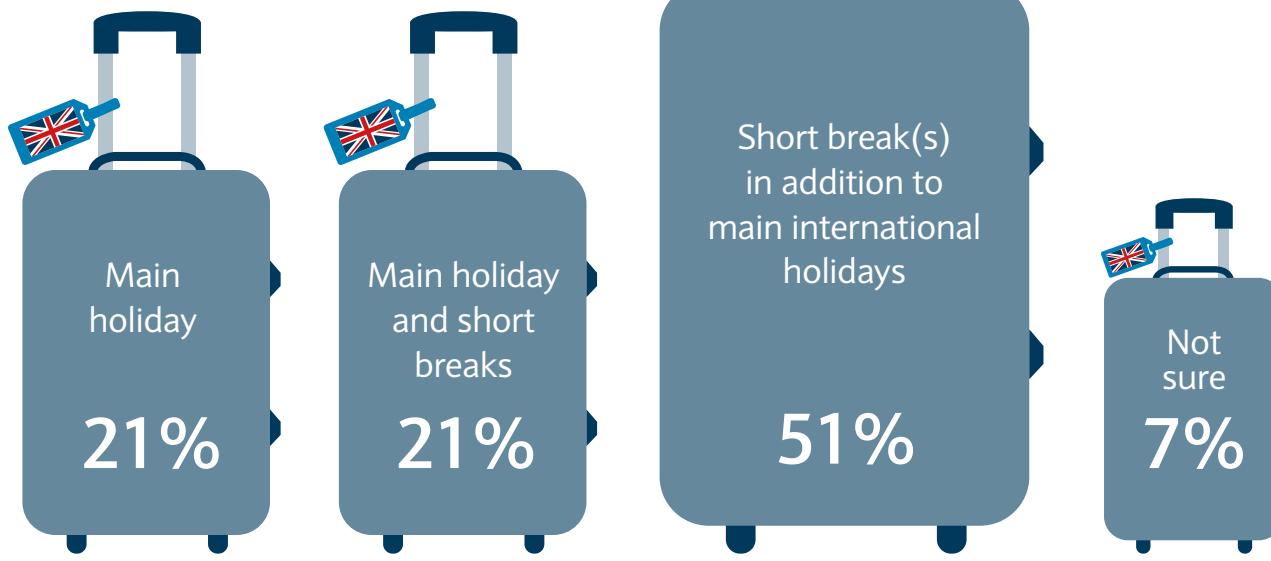


City break or country retreat?

When it comes to holiday types, domestic visitors are enjoying both culture-filled city breaks and escaping to the countryside. The results of our survey revealed that 40% of people planning a UK-based holiday this year are organising a city break, while 37% would prefer to visit and stay in a rural location.

The south west of England is the most popular region for domestic holidaymakers, with 30% planning a visit there compared to 22% who hope to spend time in Scotland and 20% whose holiday plans include a trip to Wales. When exploring specific locations, Scotland and Cornwall were at the top of the visitor destination list, followed by the Lake District, Wales, Yorkshire and London.

How British holidaymakers characterise UK holidays?



This contrasts with findings among international holidaymakers, the majority of whom (67%) chose London as the place they would most like to visit.

The growing popularity of holiday parks is also enticing visitors, particularly in the domestic market, to more rural and coastal locations. This is especially apparent for longer breaks, where cost considerations such as fuel prices are offset by length of stay. Southern and coastal holiday parks are proving popular for visitors in touring vehicles from mainland Europe, who often choose such accommodation as a first-night stop from which to continue exploring the UK.

Holiday destinations ranked by region – UK visitors (Top 5)

Regions	%
South West	30%
Scotland	22%
Wales	20%
Yorkshire and Humberside	20%
London	18%

Holiday destinations ranked by region – international visitors (Top 5)

Specific places	%
London	67%
Scotland	44%
Wales	29%
Northern Ireland	24%
Yorkshire and Humberside	17%

While hotels remain one of the top accommodation options for visitors, the flexibility and choice offered by holiday cottages and self-catering apartments are attracting growing numbers of travellers. The number of domestic holidays taken in a rental property increased by 20% from 2009 – 2014,² and the rise of providers such as Airbnb looks to ensure this trend continues over the coming years.

²Mintel Group Ltd, Holiday rental property – UK Report, 2014.

The perfect escape

Britons are leading increasingly busy lives, often juggling the competing and growing demands of work and family life. As a result, many view their holidays within the UK as a chance to escape the pressures of daily life and spend quality time with loved ones.

When asked about the features that are important in leisure time, 82% of respondents rated escapism/distraction as an important motivator, closely followed by the opportunity to spend time with family (80%). These were followed by the chance to spend time with friends (66%), the opportunity to pursue an interest or take part in something educational (58%), and health and fitness activities (48%).

82% of respondents rated escapism/distraction as an important motivator for their holidays in UK.

These findings highlight an important factor for leisure providers around what visitors are looking for when booking a holiday, and provide an opportunity for tourism businesses to tailor their offering to ensure guests have the opportunity to fully escape the hectic pace of everyday life.

There is also a high demand for experience-led breaks that allow families to spend quality time together while exploring new places, learning new skills, playing sports or enjoying some relaxation. Holiday parks are already geared up to provide all-inclusive experiences to the traditional family market, but they also cater for those visitors who simply want a base from which they can explore.

³VisitBritain Inbound Visitor Statistics, 2016.

⁴VisitBritain 2017 Inbound Tourist Forecast.

While these experiences are generally all-inclusive at holiday parks, other tourism and leisure providers may benefit from exploring ways to incorporate appropriate experiences or activities into convenient product packages in order to upsell to visitors.

The international attraction

Revenue generated by international visitors to the UK is at an all-time high, with the annual spend for 2016 totalling £22.16bn.³ This growth looks set to continue, with visitor spend for 2017 forecast to increase to £24.1bn.⁴

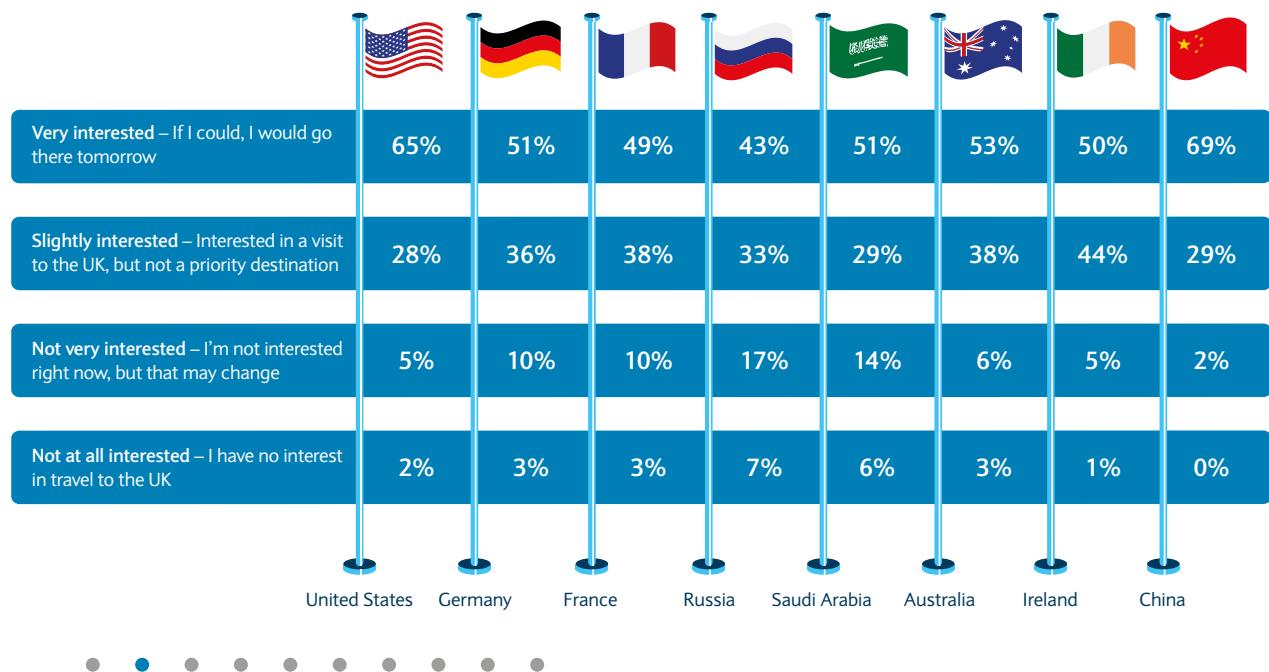
Indeed, the United Kingdom continues to garner favourable opinion as a holiday destination among international travellers. Our recent survey of thousands of travellers across the world found that 97% of holidaymakers from

the US, Germany, France, Russia, Saudi Arabia, Australia, Republic of Ireland, and China are interested in visiting the UK or may be interested in the future.

Every Chinese visitor surveyed was enthusiastic about visiting the UK. While visitors from Russia displayed the least interest, this figure still sat at 93% for those who may be interested in taking a holiday in the UK. More than 60% of respondents were more interested in visiting the UK than they were 12 months ago, echoing the findings among domestic visitors.

The value for money offered in the UK is an important consideration for overseas guests. Of all international respondents, 31% said they were more interested in visiting the UK than they were a year ago, citing the main reason as better value for money due to the fall in value of the pound.

How interested would you say you are in visiting the United Kingdom?

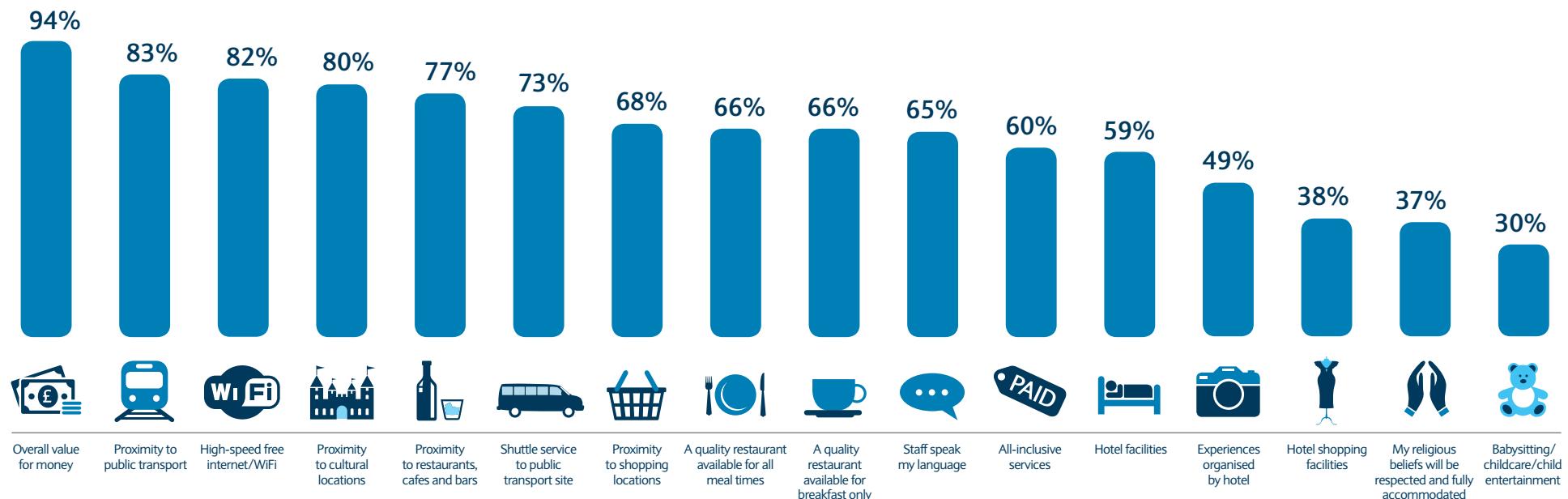


A further 30% said the main reason they had become more interested in the UK as a holiday destination was due to having more disposable income available for travel.

These findings show the attraction of a more favourable exchange rate for international visitors following the United Kingdom's vote to leave the European Union.

They are also tentatively optimistic for hospitality and leisure providers previously uncertain as to how the Brexit vote would impact visitor numbers, and provide an opportunity for tourism businesses to tap into more substantial visitor budgets. Of the providers surveyed, 38% believe that the people of the UK will be more welcoming to tourists following the UK's departure from the European Union.

If you were to pick a hotel in the UK, how important would the following offers be? (International visitors)



Capitalising on culture

The UK's unique landscapes, history and world-renowned landmarks continue to appeal to overseas travellers, with 51% of international visitors saying the main reason they would visit is for the culture of the famous landmarks. As many as 44% of visitors wanted to learn more about the country's history and visit the numerous museums, while 41% are particularly interested in the natural landscape.

Of the respondents surveyed, Chinese visitors would spend the most (£715) on cultural activities. When considered alongside an increased focus on visitor experience, tourism and leisure providers have an opportunity to draw on their cultural and geographical connections in order to provide a more comprehensive customer experience.

Great expectations

International and domestic visitors – as well as the various demographics within those groups – can have very different requirements when booking holidays. Among international visitors, 94% listed value for money as the most important factor when selecting a hotel in the UK, while 83% said it was important for their accommodation to be close to public transport. As many as 82% of overseas visitors placed high importance on the provision of free high-speed internet.

Of the international guests, American, Russian and French visitors also put an emphasis on a hotel's proximity to cultural locations, while 90% of US visitors said proximity to cafes, bars and restaurants was an important consideration when selecting a hotel.

This was followed by visitors from the Republic of Ireland, 85% of whom wanted their chosen accommodation to be close to a good selection of bars and restaurants.

Furthermore, some international visitors also place a high importance on the option of choosing food from their home country during their stay. This is most prevalent among guests from China (77%) and Saudi Arabia (62%), compared to 46% on average.

Catering for a diverse, multicultural audience is one of the key challenges for British tourism providers, but one which can also present new and exciting opportunities to attract visitors from new markets.

Creating an environment that promotes respect and accommodation for various religious requirements can open the doors to more international guests, particularly from territories such as Saudi Arabia and the US. Taken alongside the sizeable budgets these markets set aside for holidays, it is vital for providers to regularly review their approach to, and consideration for, multiple religions and cultures.

The technology tightrope

When exploring the use of technology in the visitor experience, the survey results found that 66% of domestic visitors would be more likely to choose one hotel over another if they were offered the opportunity to select their room location prior to arrival. This was more important for international visitors, 73% of whom wanted the chance to pre-select room location, with the figure being even higher for Chinese and Russian holidaymakers (85% and 80% respectively).

Indeed, the appropriate use of technology in tourism businesses can work well to streamline visitor experience and minimise unnecessary administration. As an example,

half of international visitors confirmed an interest in checking into their accommodation via smartphone and therefore avoiding the front desk. This was particularly notable among guests from China (82%), Saudi Arabia (74%) and the US (67%).

Providers should, however, be aware that technology can prove divisive among customers. The option to check in via smartphone, for example, is significantly less appealing to guests from Australia (38%), France (36%) and Germany (31%) and may reduce the opportunity to build relationships with guests through face-to-face communication.

Recognising loyalty

With the UK's hospitality sector booming and thousands of bars, restaurants, hotels, spas, entertainment venues and leisure providers to choose from, international visitors have a wealth of choice at their fingertips. Building relationships and maintaining a dialogue with customers is therefore crucial in encouraging repeat business and gaining valuable feedback on visitors' experiences.

Of the international visitors surveyed, 57% selected membership of a rewards or loyalty programme as an important factor in choosing their hotel, compared to 44% among domestic visitors. Of the overseas market, American and Russian visitors in particular were more attracted to hotels with loyalty programmes, with 73% and 61% respectively citing it as an important factor when choosing their accommodation.

Additionally, four in 10 UK visitors said they would be more likely to choose one hotel over another if the provider remembered the guest's previous preferences, while 32% would favour a hotel where staff knew the guests by name. This significant lean towards providers who offer the personal touch to guests is notable in an era where the use of technology that reduces guest and hotel staff contact is seemingly on the rise. The value of repeat business can regularly be seen by tourism providers across the country. Park Holidays, which features as a case study in this report, estimates that around 45% of its customers have visited more than once over the previous three years.

Gordon Ramsay Group, which runs 31 restaurants globally, invests large amounts of resources and time into developing new Customer Relationship Management (CRM) initiatives. The company aims to engage customers on a one-to-one basis and encourage repeat business across the group.



Exploring visitors' spending patterns

For domestic visitors, accommodation accounts for the largest proportion of the holiday budget, with visitors estimating an average spend of £309 on hotels, bed and breakfasts or alternative accommodation.

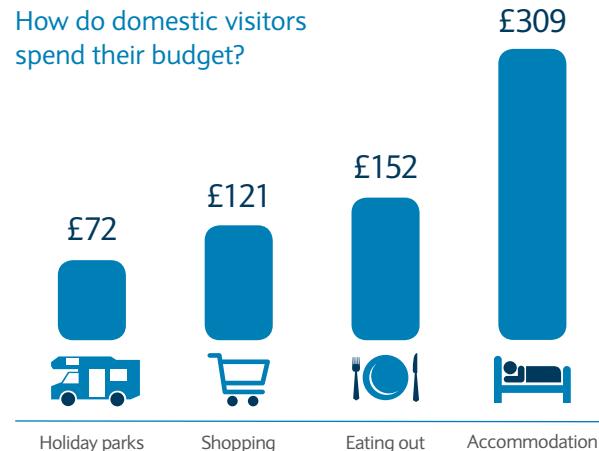
The figure is highest among respondents aged 55-64 years old, who spend an average of £369 per trip on accommodation, while those aged 18-24 spend £211 – the lowest spend in this category.

Eating out or at the hotel, or buying food and drink for self-catered accommodation, is the next biggest spend, with respondents estimating outgoings in these areas of £152 and £104 respectively. When broken down to explore regional differences, visitors from Scotland spend the most on meals for eating out or at their hotel.

The UK's big spenders

Shopping remains a popular activity for domestic tourists. Visitors spend an average of £121 on shopping during their trips within the UK, with this figure rising to £134 among men. The average shopping spend for women is below average, at £109. Shopping budgets are most generous for holidaymakers in the 35-44 age bracket, who spend an average of £144.

Men reported spending more across the majority of leisure and hospitality categories, including visiting the cinema and the theatre (£57 compared to £36 among women), watching professional sport (£61 v £27), visiting a theme park (£50 v £37) and using a health club or gym (£36 v £22).



Younger generations reported a higher spend on holiday parks and theme parks, with families with children aged 4-6 years old spending more than £200 on visiting holiday parks. Theme parks are particularly popular with respondents from the North East of England, while people from the Midlands spent the lowest amount in this category. Young people are also increasingly experience-driven, with those in the lower age categories spending the most on health clubs, and more than half spending more on experiences than during the previous year.

International budgets

Spending by international tourists for the past year has been growing steadily, hitting £22.35bn by the end of 2016.⁵

Indeed, international visitors set aside sizeable budgets for holidays. Our survey results show that overseas tourists estimate their overall travel budget for their planned holidays in 2017 to be £3,443, which includes flights, accommodation, food, drink and all activities.

Of the respondents surveyed, those in China had the biggest holiday budget, estimating they would spend around £5,424 on their holidays this year. Visitors from the Republic of Ireland, comparatively, had the most modest holiday budget, estimating an average spend of £2,086.

⁵VisitBritain Monthly Inbound Update January 2017.

Estimated overall travel budget for holidays this year

Country	Mean (£)
China	5424.87
US	5230.41
Australia	4247.81
Saudi Arabia	2836.51
Germany	2650.86
France	2469.32
Russia	2175.66
Ireland	2086.11

When it comes to the spending patterns of international visitors, hotels and accommodation are where tourists spend the most, with our survey results showing the average spend on accommodation to be £667. Americans would spend the most on hotels and accommodation – £972 compared to a £890 spend by Australians – and be the most likely of all the international visitors to stay in a five-star or luxury hotel (24%).

In for a penny

Aside from accommodation, international visitors spend the largest amount of their holiday budgets – £453 – on shopping, particularly for clothing and accessories. Overseas travellers would expect to spend an average of £282 on clothing and accessories when visiting the UK. Retailers hoping to capture a slice of the international market could see strong results by focusing on British products that offer originality and exclusivity to overseas shoppers.

American and Chinese visitors are the most likely to shop for clothing and accessories, spending £591 and £361 respectively. German travellers, meanwhile, spend only £171 in this category – the smallest amount of those surveyed.

A taste for British

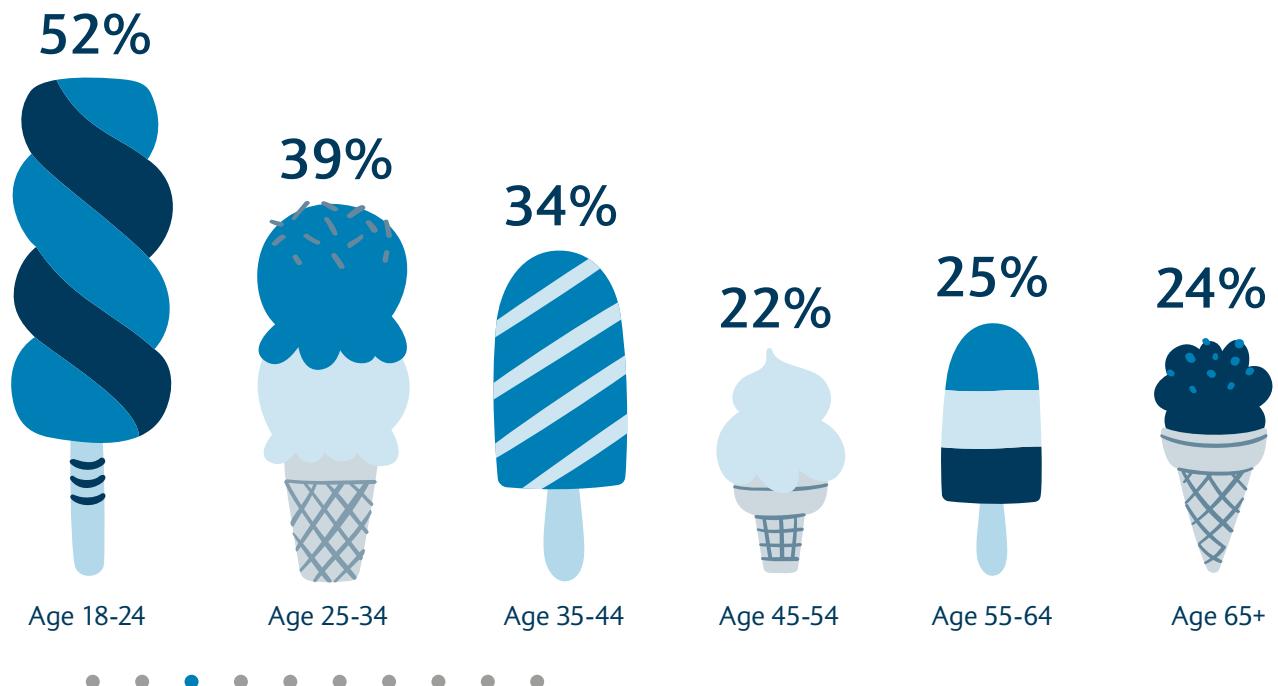
Food, drink and eating out also remain a lucrative market when it comes to the overseas traveller, with the average visitor budgeting £339 on buying food and drink for meals out or at their hotel/accommodation.

This is higher than the amount spent by domestic visitors, who estimated a spend of £152 on eating out or meals at the hotel (or £104 for those buying food and drink for self-catering accommodation).

However, such figures must be considered alongside the length of visitor stays, as international customers are more likely to stay for longer, while UK holidaymakers often opt for short breaks. Among British visitors, 51% consider their holidays in the UK as short breaks, compared to just 21% who are likely to stay in the UK for their main holiday. Australian visitors, by comparison, are likely to stay for an average of 14 days, and American visitors for eight days.

When specifically considering spending money, for international visitors, food comes just behind clothing and accessories as the shopping category they are most likely to spend money on. The average international visitor would budget £281 – excluding money allocated for meals out – for food during their stay.

Visitors with more spend on experiences this year, compared with previous years



One size fits all?

Tourism and leisure providers are being continually challenged by conflicting demographic preferences. And, as the generational gap widens, it is more important than ever that businesses understand their customer in order to tailor their most attractive offering to the appropriate market.

Preference on alternative services

Our survey results found younger hotel customers to be significantly more interested in technology than older guests. In the 18-24 demographic, 51% said they were more likely to choose one hotel over another if it offered check-in facilities via smartphone, compared to only 27% on average. Similarly, 44% of 18-24 year olds would be interested in hotels that enabled them to control their rooms via a smartphone app, compared to an average of only 17% across all age groups.

Other factors, such as the availability of childcare, can also reveal different preferences among guests. One third (33%) of 25-34 year olds would be more likely to favour a hotel with babysitting services. However, this dropped to 25% among 35-44 year olds and 15% on average. Indeed, the provision of such services could act as a deterrent for older guests, who may prefer a quiet, adult-only hotel, and requires delicate management on the part of providers in getting the balance right for guests.

Such 'Marmite' options – which seem to attract as many new guests as they deter – also include opportunities to meet other guests (18% compared to 20%) and functionality to control hotel rooms by the guest's smartphone (17% compared to 15%).

Preference for smartphone check-in (UK visitors)



The use of facial recognition technology is also an area on which respondents are divided, with 17% of British respondents saying it would attract them to a particular accommodation provider, while 16% said it would put them off.

And, while there might be a growing demand for greater choice of alcohol in certain entertainment and leisure venues, the issue of the availability of alcohol in locations such as cinemas and bowling venues split the opinion of respondents. Just under a quarter (23%) of British visitors deemed the availability of alcohol in cinemas as an attractive proposition, compared to 26% of respondents who would be deterred by it. This is particularly more popular with young people (48% of those aged 18-24) – and with people from London (36%).

Comparatively, 22% of domestic visitors were enthusiastic about the availability of alcohol in bowling venues, while the same number was opposed to it. Such findings may, however, be explained by the type of venue and clientele, and could vary between smaller, boutique-style locations and larger chains.

Overcoming barriers to booking

Among all the factors international travellers must consider when booking a holiday to the UK, Britain's visa process can be one of the biggest obstacles.

Visitors from Saudi Arabia were the most likely to be deterred by the UK's visa process (38%), compared to 34% of Russian visitors and 31% of potential holidaymakers from China. As Brexit necessitates more stringent border controls for EU nationals, providers need to be aware that international guests may be sensitive to the potential for tighter processes and longer waits likely to stem from increased pressure on Border Force.

And, although air travel has reduced in price in recent years, the cost of long haul flights and accommodation were cited as additional barriers to visitors from China, Saudi Arabia, Australia and Russia. A decline in personal finance is also a key reason for holding off on international travel to the UK.

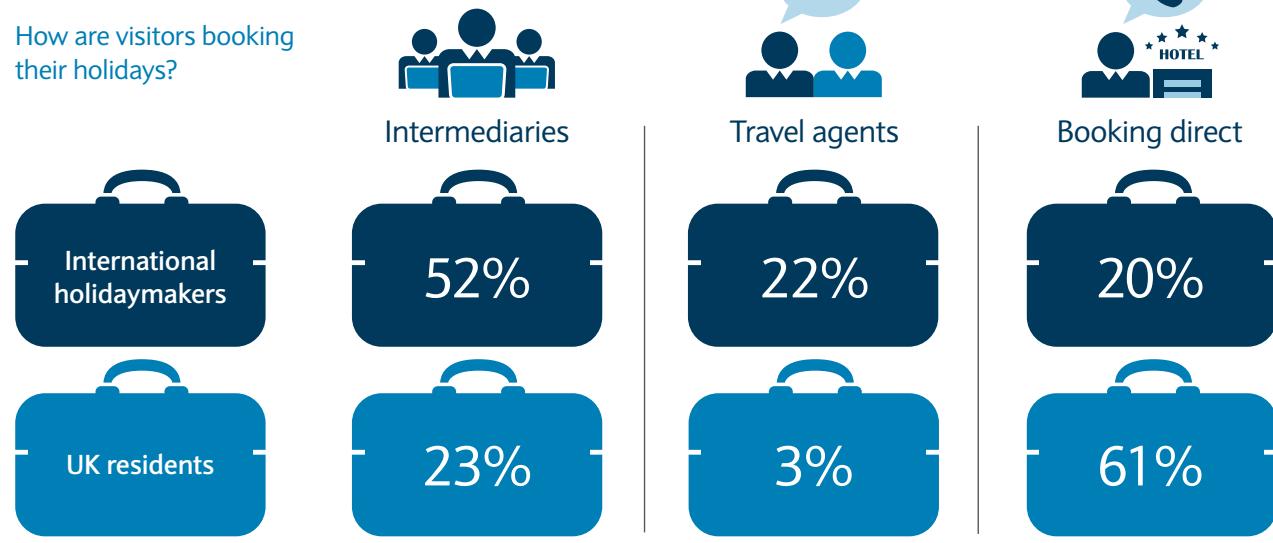
Online and on the move

The last decade has seen a significant rise in the number of domestic visitors booking their holidays online, with the figure rising from 32% in 2007 to 76% in 2017. Of visitors booking online, the number using a smartphone or tablet has doubled from 3% to 6% and 5% to 13% respectively, highlighting a requirement in the market for a strong digital presence and mobile-friendly websites. The most popular booking method for international visitors is through intermediary websites such as Expedia, with 52% opting to book through such a site, compared to 22% who would book through a travel agent. Among overseas travellers, 20% would book directly with the provider in the UK.

The popularity of holiday websites can prove challenging for providers hoping to connect with potential customers directly, but often gives visitors reassurance that they are getting the best price available. Such websites can also enable providers to tap into markets that they may not have previously targeted through marketing or advertising. Nearly two thirds (61%) of UK holidaymakers now say they are likely to book a trip directly with the provider, up from 47% in 2007 and 55% in 2013.

While online booking is on the rise, providers must be considerate of a significant number of visitors who still prefer to book over the phone or in person, particularly among international customers. Visitors from the US made twice as many holiday bookings by phone (8%) than the average across all the respondents (4%), highlighting a continuing demand for the human touch throughout the booking process.

How are visitors booking their holidays?



The experience economy

Emerging trends in the hospitality and leisure sector, which are apparent across both British and international markets, include the growing popularity of hotels with an emphasis on food and curated experiences.

Among domestic visitors, 44% agreed that an accommodation provider with an emphasis on food would make them preferable over others, raising the question of whether partnering with high-quality restaurants could improve the overall customer experience for guests.

Other trends that UK holidaymakers displayed interest in include curated visits and experiences (33%), hotels with an emphasis on customer experiences such as ice hotels or glamping (31%) and immersive cinema experiences (27%). But, while domestic tourists are increasingly attracted to providers offering unique, high-quality experiences, they are not necessarily enthusiastic about organised opportunities to socialise with other visitors.

The sociable sector

Exploring the international data in more detail, visitors from the US are the most sociable, with 61% saying they would be interested in opportunities to meet other guests compared to 38% on average.

Guests from Australia and Republic of Ireland, however, are more likely to be deterred by social activities, making it important for providers to understand their customer needs and strike the right balance between organised activities and space for guests to create their own experiences. Splitting results by demographic, there is a clear lean towards organised social activities by younger generations.

Types of opportunities to meet others

	US	Germany	France	Russia	Saudi Arabia	Australia	Ireland	China
Organised light exercise and sport	7%	5%	4%	3%	21%	3%	3%	9%
Drinks evenings and cocktail making	15%	20%	11%	14%	0%	17%	18%	10%
Large communal tables for meal times	8%	8%	9%	6%	10%	6%	4%	13%
City tours and visits with other hotel guests	27%	22%	24%	33%	15%	22%	15%	9%
Co-working space at the bar or poolside	7%	5%	6%	2%	4%	5%	3%	7%
Social areas such as cinemas, games rooms, club rooms	14%	7%	9%	4%	14%	9%	9%	15%

A home from home?

Among competitors tapping into this shift towards experiential visits is Airbnb, which enables guests to book authentic experiences with local hosts. Airbnb is providing increasing competition for more traditional hospitality and leisure providers. Of British holidaymakers, 20% would consider Airbnb alongside other options, and 21% would consider using the service although felt it unlikely they would book their holidays through it. It is, however, important to exercise caution when assessing the impact of experiential, 'home-from-home' accommodation providers, particularly for the domestic market. Just 7% of UK visitors in this report plan to use Airbnb for their holiday this year, and 24% of domestic tourists say that they have never heard of the provider.

The international tourism audience, by contrast, is witnessing a significant growth in holidays booked via Airbnb, with 66% of overseas travellers saying they would consider using the service if there was appropriate accommodation available. This is particularly prevalent among Chinese visitors, and 90% would consider using a service such as Airbnb, followed by 78% of Americans.

The growing influence of experiential providers, while creating challenges for traditional hospitality and leisure providers, can also raise awareness of the growing demand for tailored, highly personalised experiences across the sector.

Strategies for success

To take advantage of increasing domestic and inbound tourism, businesses might consider the following:



Be proud of the UK

The country retains its strong attraction as a holiday destination with renowned history and culture, to both domestic and international travellers. The political turmoil has had little impact on travel to the UK. The industry should be proud of, and leverage, the country's cultural assets to attract and retain visitors.



One size doesn't fit all

Different demographic groups have diverse requirements and preferences when it comes to holidays and leisure experiences. For example, some offerings, such as mobile check-in, may only appeal to certain groups of people. Hospitality and leisure providers need to develop a range of products and services to match different expectations.



Connect locally

Our survey shows that one third (30%) of holidaymakers expect to spend more on leisure activities this year than in prior years. Shopping accounts for the third-largest proportion of spending after hotel, food and drink spend.

Leisure operators should connect with local providers and retailers to develop packages of offerings that offer wider and richer choices.



Adaptable customer experience

The rise of online and mobile booking continues apace, with over three quarters (76%) of consumers willing to book online.

However, 15% of visitors still prefer to book in person or by telephone – rising to 24% of consumers over 65.

While it is obviously vital to develop user-friendly and streamlined online booking for consumers, it is important not to overlook traditional booking methods, such as face-to-face and telephone booking.



Cater for international tastes

Overseas holidaymakers can have different social and religious requirements from domestic travellers. Having services recognising these needs, such as free shuttle buses to airports, could help operators stand out from the competition. Start with simple offerings, such as free WiFi.



Act decisively on feedback

Feedback takes many forms, from face to face to online, and it has become increasingly important for businesses to understand and react to it, and promptly.

A robust strategy for tracking and responding to feedback will ultimately enhance the guest experience and help improve the possibility of repeat visits, as well as referrals and recommendations of your business to other consumers. The skill is to identify what the most appropriate type of feedback is and to then have an effective process to manage and respond to it.

Case study: Park Holidays

Park Holidays is tapping into a growing trend amongst British holidaymakers of choosing to stay a little closer to home.

A growing number of holidaymakers are choosing to holiday in the UK. While previously a lot of demand for British-based family holidays was price-led, the demand is increasingly quality-led. Tony Clish, Commercial Director of Park Holidays, says the result is that the company has been able to invest in high-quality holiday homes with better heating, insulation, kitchens and bathrooms, making theirs a more appealing product and encouraging more repeat business.

Welcome back

With many visitors opting to return, the company now puts a lot of emphasis on encouraging guests to come back, providing opportunities to rebook the same holiday at the same price for 12 months' time before they leave. They also offer repeat customers the chance to own a holiday home within the park grounds, along with a sublet service for the months they wouldn't need to use it, therefore encouraging more regular visits and generating increased income.

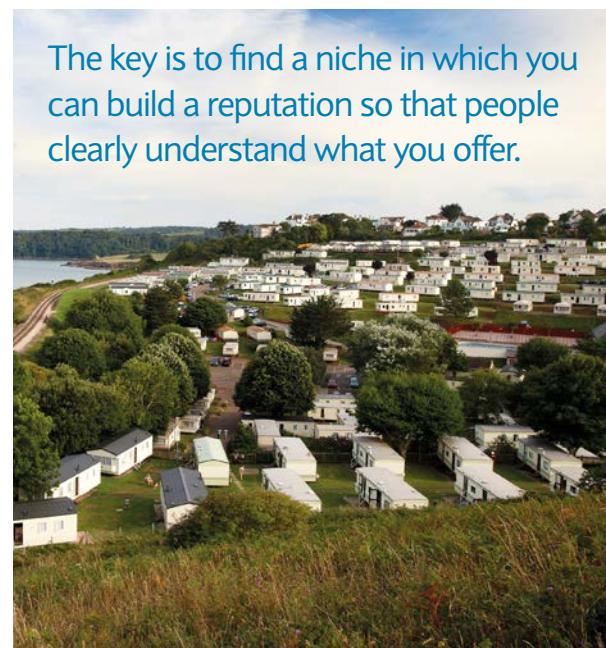
Going the distance

While British tourism companies are enjoying increased visits from domestic travellers, additional factors such as the length of visitor stay and fuel prices can affect visitor numbers. Whereas holidaymakers are happy to travel for three or four hours for breaks comprising of one or two weeks, Tony has found that guests will rarely drive for more than one or two hours for a short break. As a result, the main growth in short breaks has been greatest close to the large conurbations, such as in Essex, Suffolk and Kent.

Fuel prices can also have a notable impact on business. When fuel prices were high, consumers chose to holiday closer to home and visitor numbers declined in remote areas.

Know your niche

With UK-based tourism providers facing an ongoing battle against holidaymakers choosing to holiday abroad, the key, says Tony, is to find a niche in which you can build a reputation so that people clearly understand what you offer.



The key is to find a niche in which you can build a reputation so that people clearly understand what you offer.

It is also important to adapt to changing demands in order to maximise your visitor numbers. While Park Holidays is particularly suited to the family market, the requirement outside school holidays is more about providing a base for visitors holidaying without children. As a result, those times will see less of a focus on kids' entertainment and more adult-oriented events such as live music or bingo.

Capturing the continentals

As recent results have shown, many overseas visitors are choosing to stay in the UK's large cities – London, Edinburgh and Cambridge being amongst the most popular – and providing a challenge for providers based in coastal areas such as Hastings, Great Yarmouth and Torquay.

The main business from overseas travellers, says Tony, is from people coming in on ferries to Dover from the 'low' European countries such as The Netherlands, Belgium, Northern France and Northern Germany in touring caravans. Such customers often use nearby parks such as Kent as their first night stopover and, while it is not a big market, the company is happy to be involved in bringing overseas visitors into the UK.

Tony Clish

Commercial Director, Park Holidays UK Ltd



Case Study: Gordon Ramsay Group

The Gordon Ramsay Group has the structure in place to help its UK restaurants maximise lucrative opportunities from the inbound market.

To engage existing customers – and target new demographics – companies must get creative in providing market-appropriate initiatives and experiences, says Stuart Gillies, Chief Executive Officer of the Gordon Ramsay Group (GRG). And while some regional markets retain their distinct tastes, the international audience is becoming less international than it used to be.

It's a small world

As a result of increased mobility between Britain and the European and Asian capitals, the Group has kept the menu and style of its Bread Street Kitchen concept very similar in London, Hong Kong, Singapore and Dubai. That style of offering has become relatively global, offering an instantly recognisable product to the capital's international visitors.

Today, however, the market is such that customers might want a three Michelin star experience one day and a couple of starters in the more informal Bread Street Kitchen the next. It's hugely important, therefore, for providers to consider that their guests might not all be different per se, but that each individual guest has a different set of needs on any given day.

Allowing individual restaurants to operate independently and stand alone as separate concepts within a collection of other providers is key, says Stuart. The Group works closely with its partners around the world to attract new customers and showcase the range of different concepts and dining experiences on offer.

Partnerships of trust

The Gordon Ramsay Group has long understood the benefits of partnering with the right tourism provider.

The Group aims to establish and nurture strong relationships with customers. This begins with the very first time a customer hears about the restaurant, and continues through to their first dining experience and subsequent visits. The Group's partners are critical in enabling it to provide a consistent, high quality service internationally, while ensuring that each restaurant still provides a unique experience and strengthens customer relationships through every interaction.



The customer requirement for a seamless experience between hotels and the restaurants within them makes it essential for partners to share a vision in order to deliver an authentic and quality experience. Stuart draws on the offering in Caesar's Palace as an example, where the Gordon Ramsay Pub and Grill has used British favourites as a unique selling point and expanded to include a takeaway fish and chip bar that now serves around 1,000 customers a day.

Please come again

When promoting your product, there is simply no substitute for giving people a fantastic, value-for-money experience, stresses Stuart. But getting customers in the door is the first step in building trusted relationships and encouraging repeat business across the Group's other restaurants.

Airport and tourist-focused collateral can be very effective in drawing inbound visitors to GRG sites near to popular London landmarks in the first instance. The Group estimates that around 30% of guests repeat their dining experience year on year. With 31 restaurants internationally, the Group works hard to make sure it remains on the radar of the increasingly mobile global audience, who want to continue their culinary journey as they travel the world.

Stuart Gillies

CEO, Gordon Ramsay Group

GORDON RAMSAY GROUP

Key Takeaways

- The increased convenience and value for money of holidaying in the UK are driving a rise in the number of staycations for Britons, with more than one in three expecting to spend more time on holiday in the UK this year
- Short breaks are the main types of holiday for domestic visitors, while 21% plan to have their main holiday in Britain
- The UK has a significant appeal for international travellers. International visitors spend an average of £3,443 on their holidays to the UK. Visitors from China and the US have the largest budget for their holiday
- While there is a trend for domestic holidaymakers booking directly with providers, over half of international travellers still prefer using intermediaries such as Expedia
- Younger generations are willing to spend more on experience and activities, while people aged 55+ spend the most on accommodation and eating out
- Male visitors spend more than females across the majority of hospitality and leisure categories, including shopping, watching professional sport, visiting cinemas or theatres, using health clubs, visiting theme parks and playing sports such as golf
- British tourism providers need to consider multiple and changing international travellers' preferences, such as free WiFi, transportation and religious or cultural requirements
- The use of appropriate technology can attract visitors and streamline customer experience, but must be balanced with the 'Marmite effect' of some features, which can deter as many customers as they attract.

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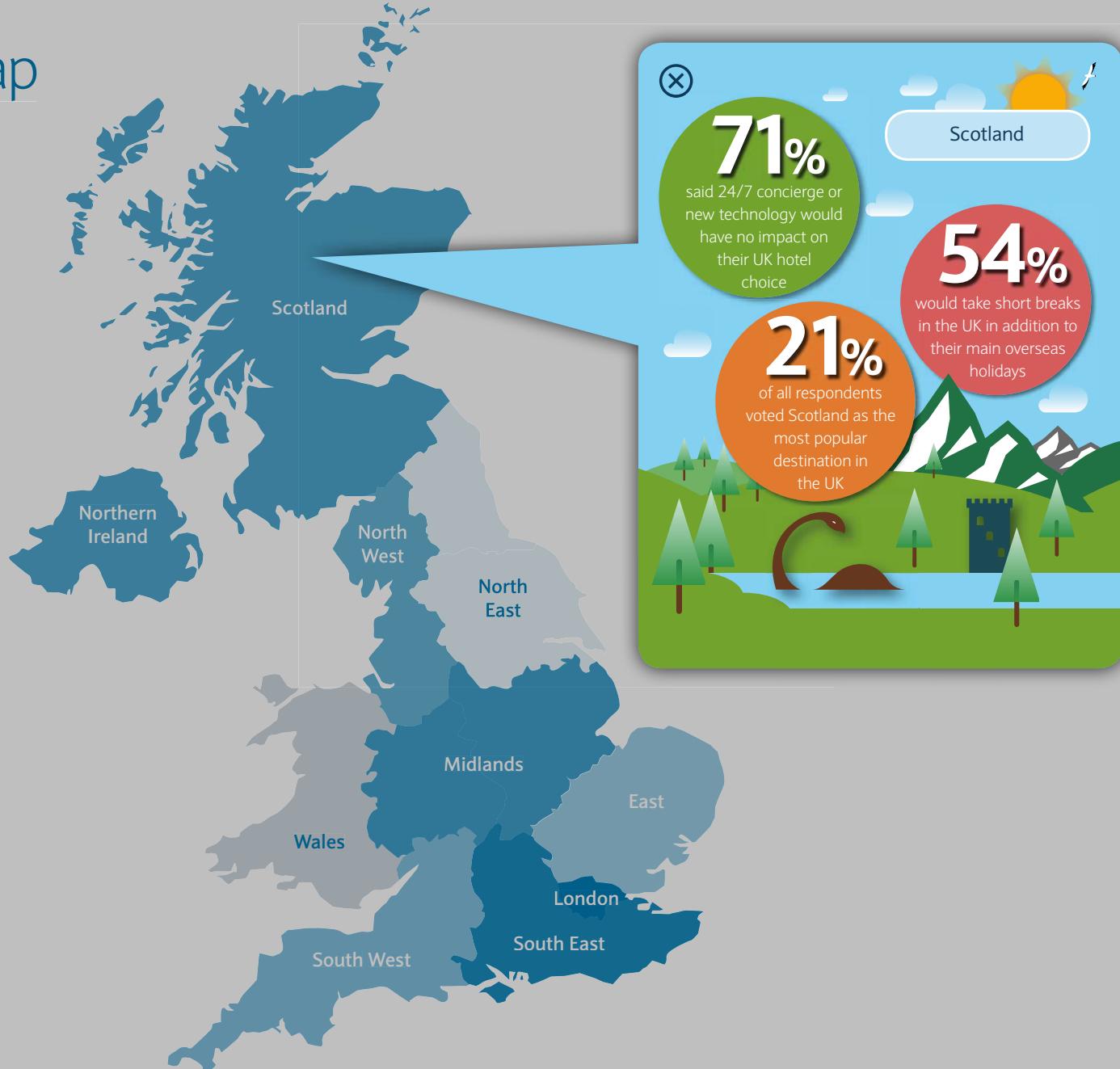
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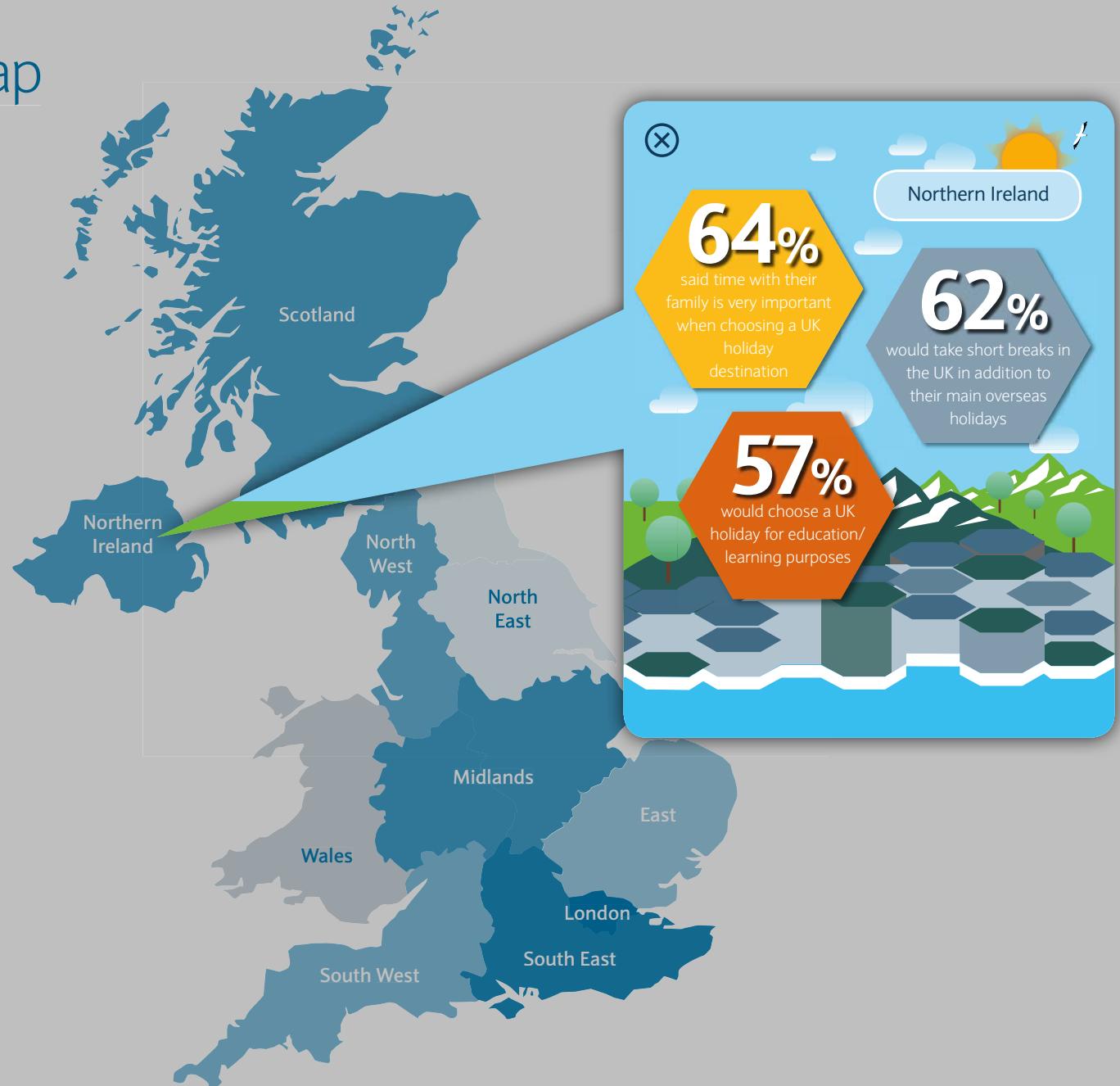
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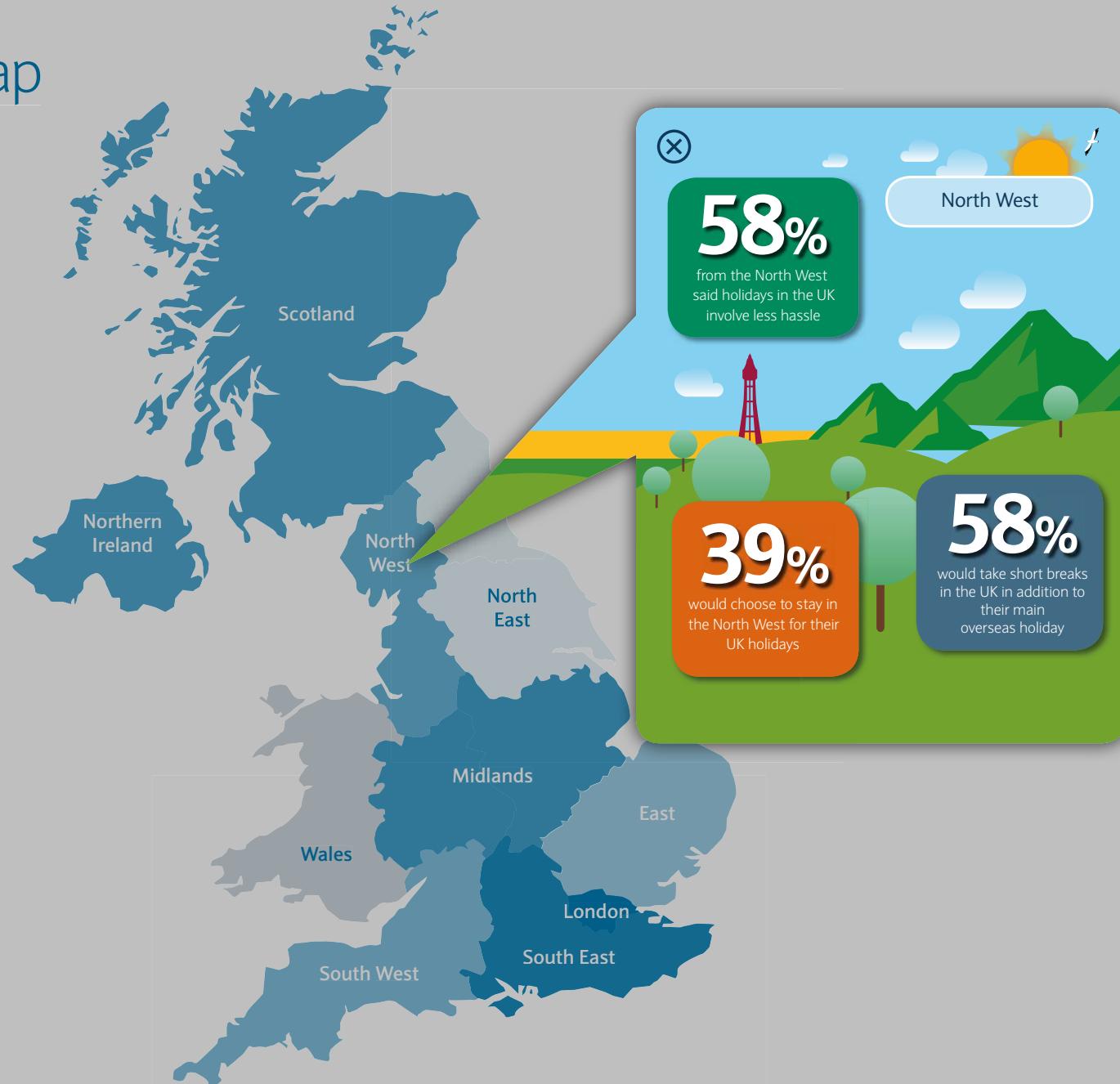
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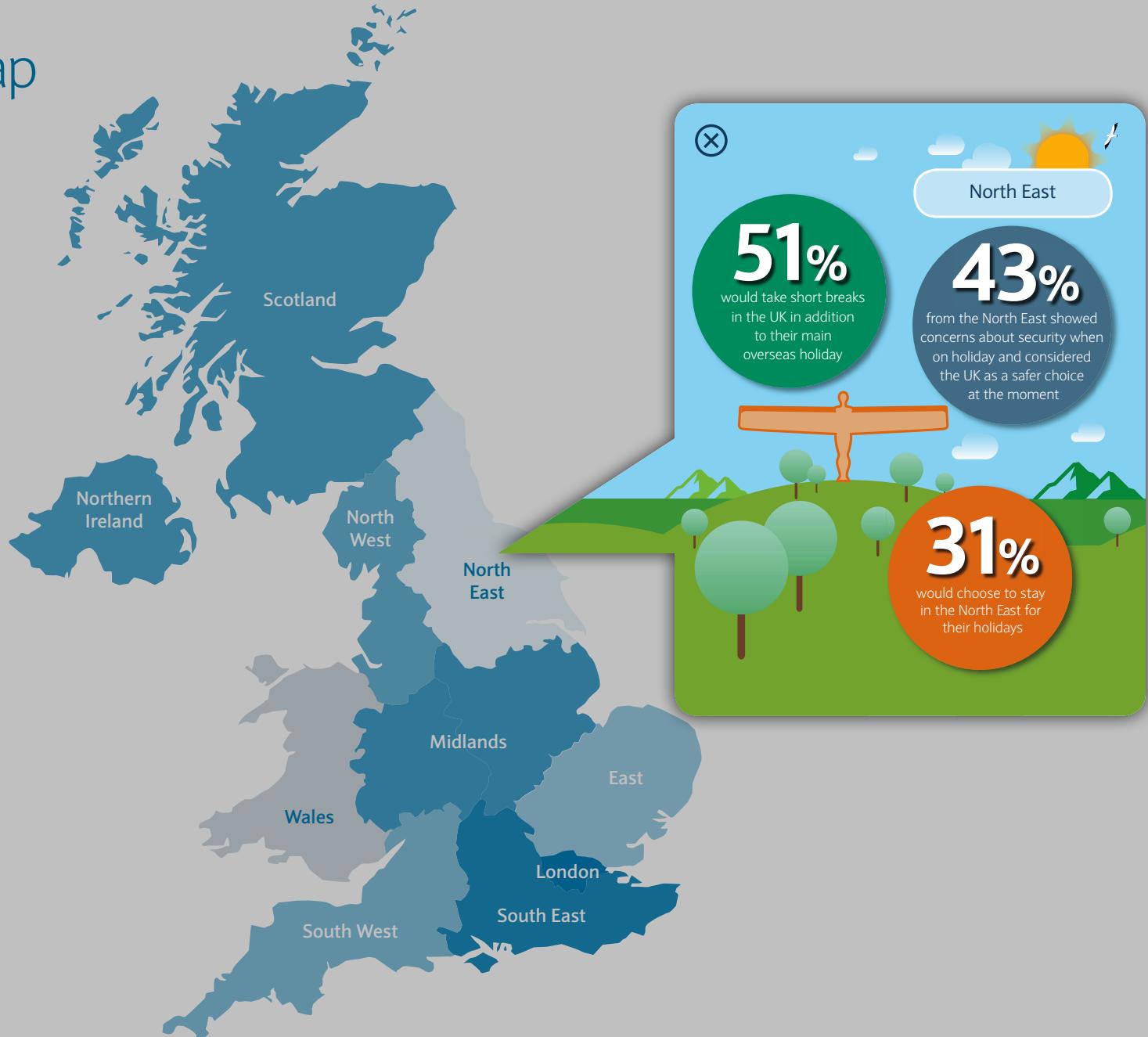
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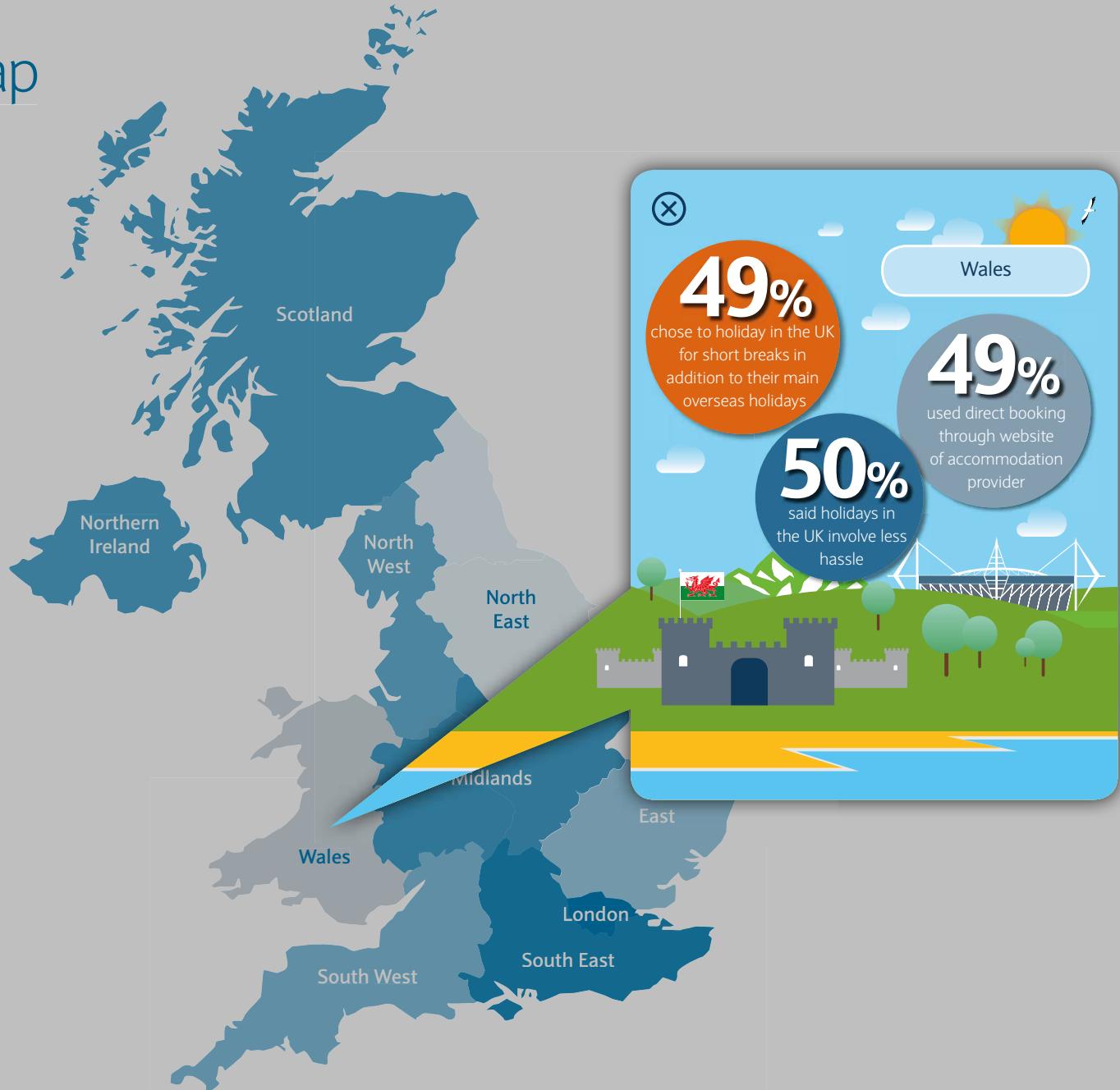
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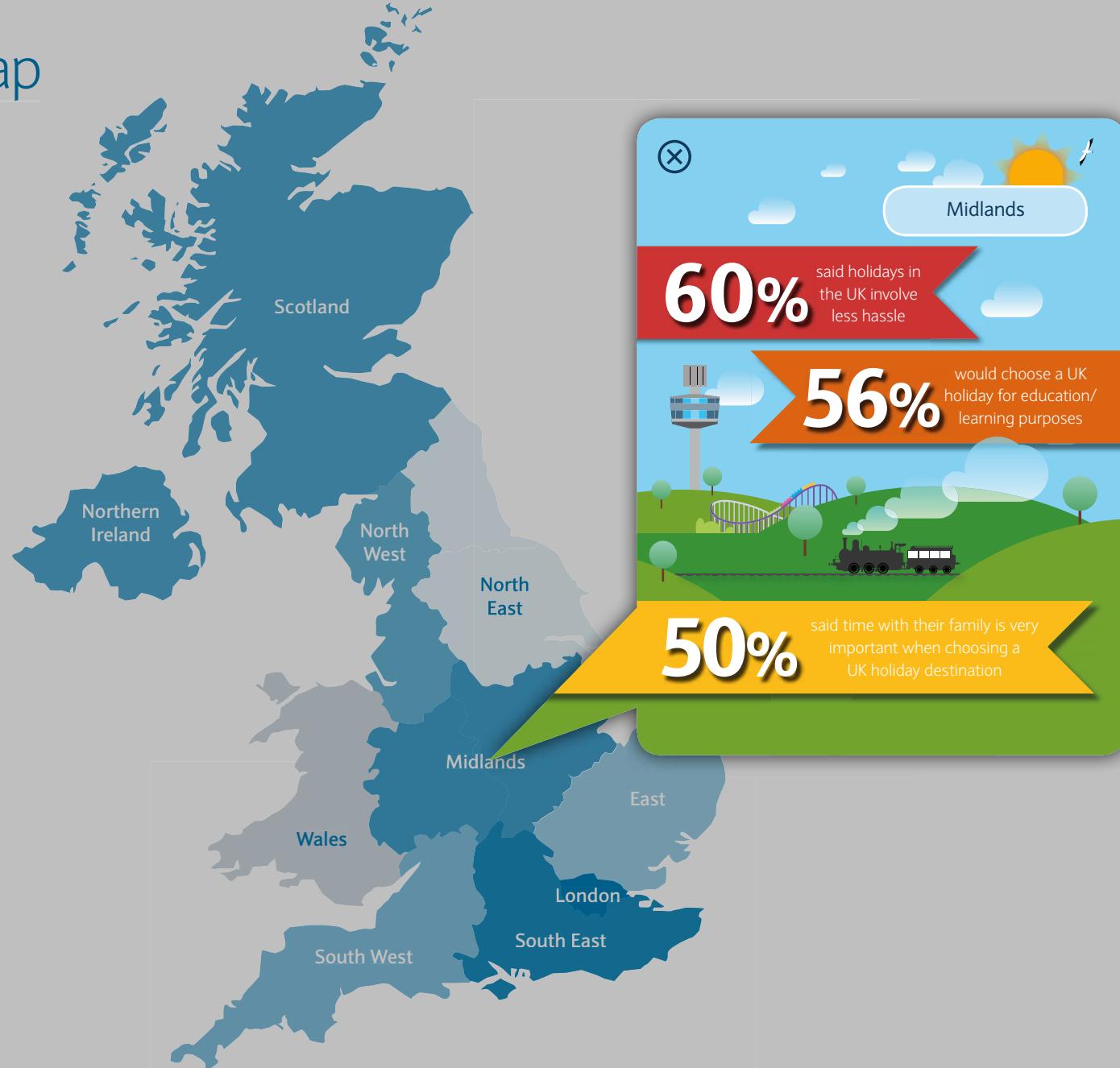
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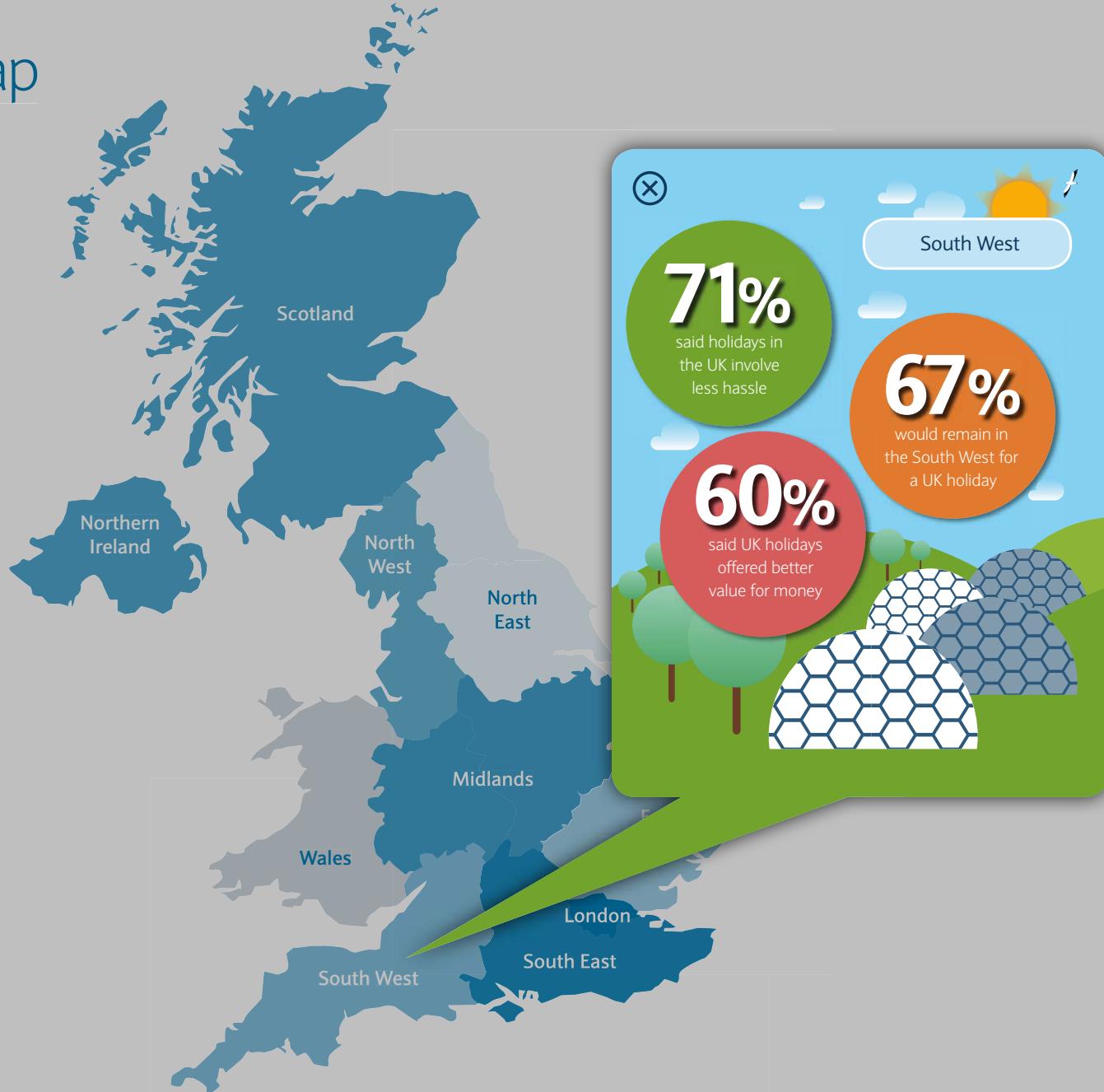
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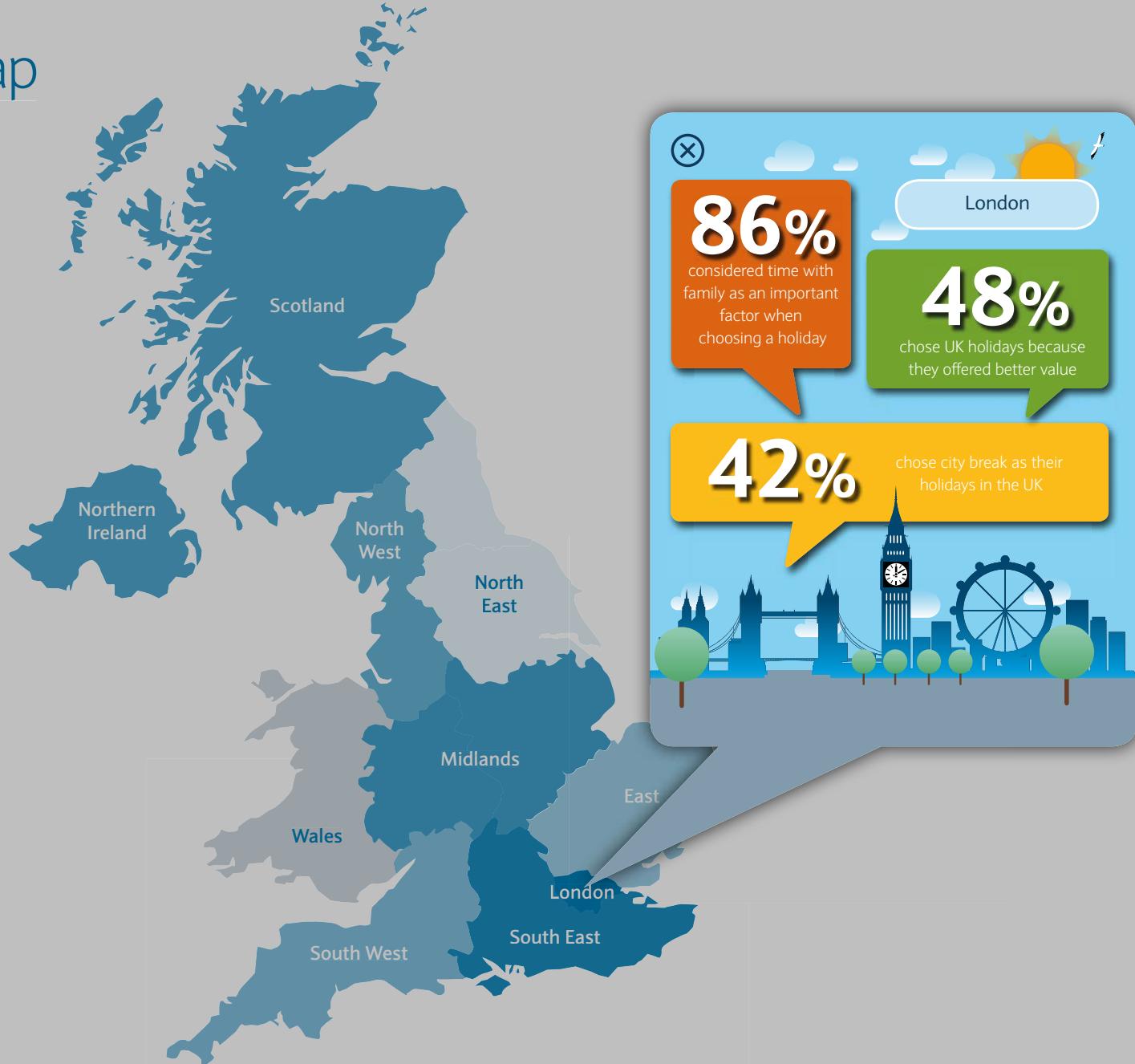
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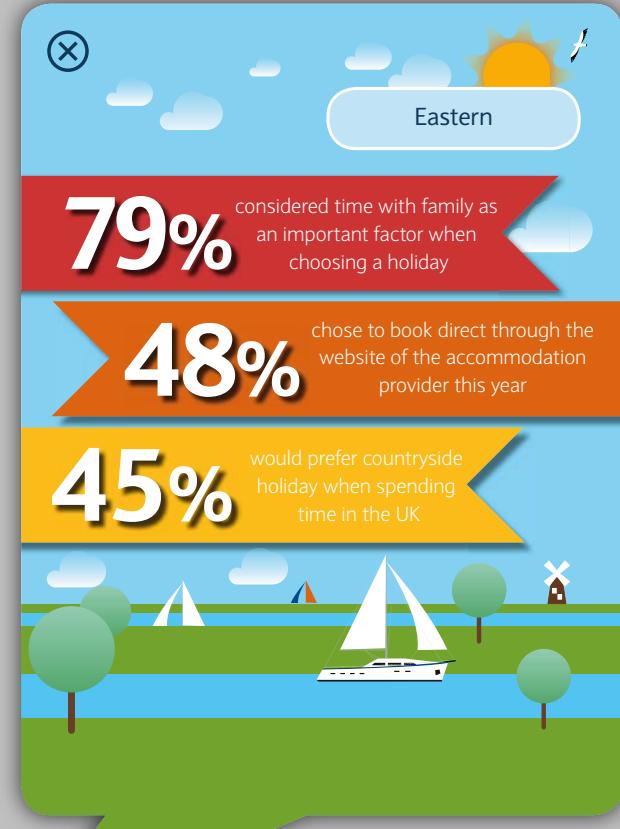
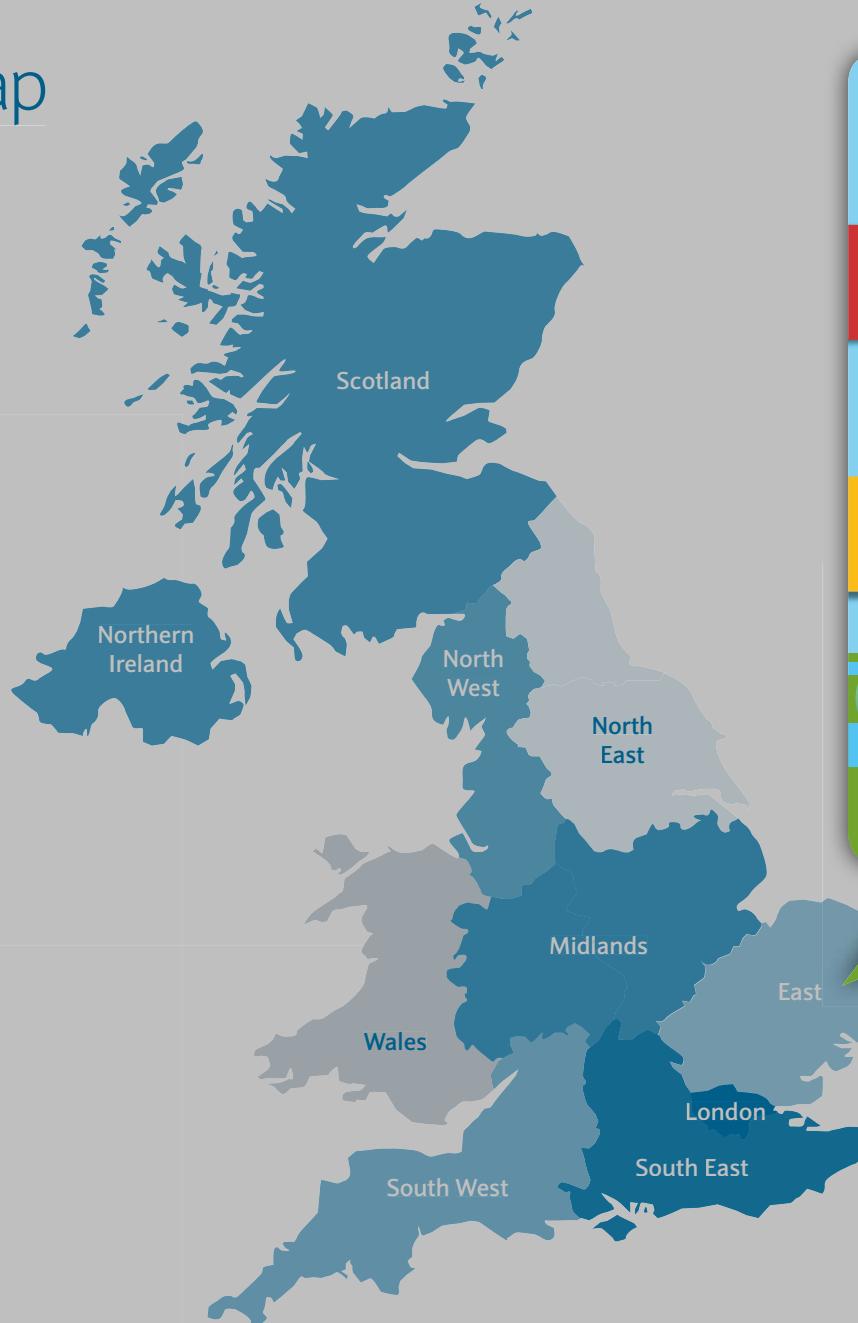
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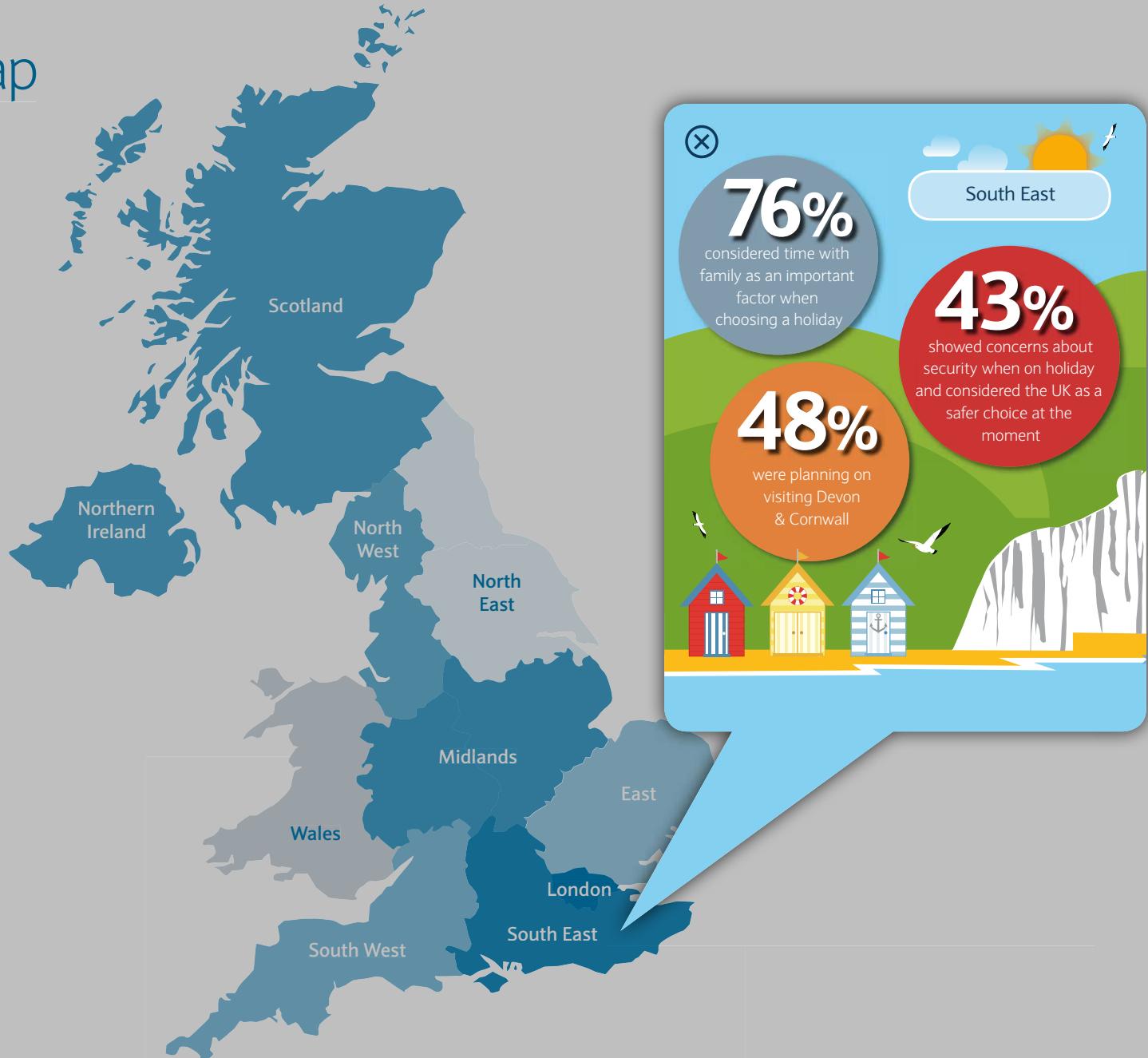
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