



## **Developing internationally-ready product and reaching the market**

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# Overview

- What is inbound tourism and why is it worth considering?
- Discover England Fund – the story so far.....
- Developing an internationally ready product
  - Product development at VisitBritain
  - What is a bookable product
- Reaching the market
  - The international distribution landscape
  - How VisitBritain can help you reach an international audience

# What is inbound tourism and why is it worth considering?

Inbound tourism allows you to diversify your markets and access new areas of business that may balance out regular domestic business patterns.

There are many benefits to inbound tourism including:

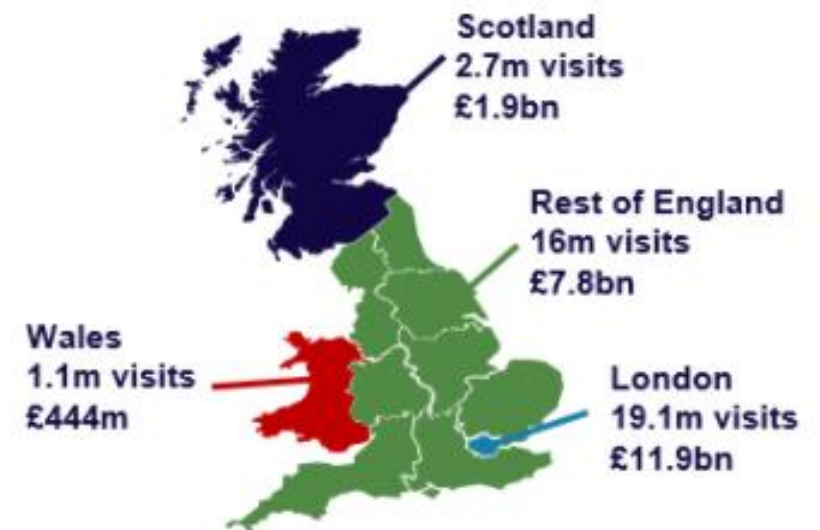
- International travel patterns are not focused around weekends and may level out **seasonality** problems
- **Spreading risk** across a range of international markets can minimise the impact of any changes in the domestic or a single international travel market
- Tapping into inbound distribution networks opens up **new forms of distribution** and gives millions of potential travellers around the world easy access to your product
- International travellers provide a **higher yield and spend**, on average, **three times more** than domestic travellers on each trip
- **Booking lead times** are usually longer, allowing better business planning

## Why is Inbound Tourism so important?

The UK tourism economy is worth **£127 billion** a year – around **9% of GDP** – and incorporates more than **200,000 SMEs**. It is expected to grow by **3.8%** a year by 2025 – faster than the digital industry!

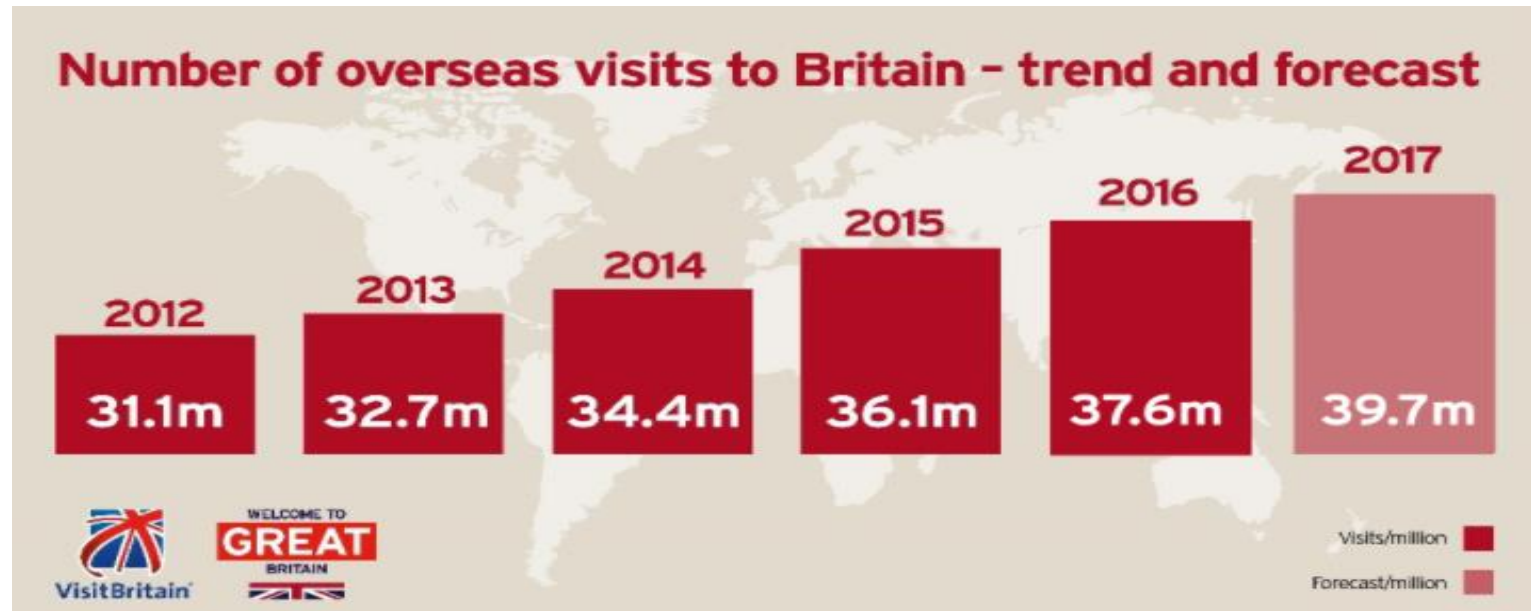
In 2016 Britain saw a record **37.6 million** inbound visits (up 4%) with spending **up 2% to £22.5bn** – a new record.

In 2016 Wales saw spending **up 9% to £444 million** – also a new record! Visit numbers also grew – **up 11%** compared to 2015 at **1.1 million**, but not quite a record (2006 is the record visit year)

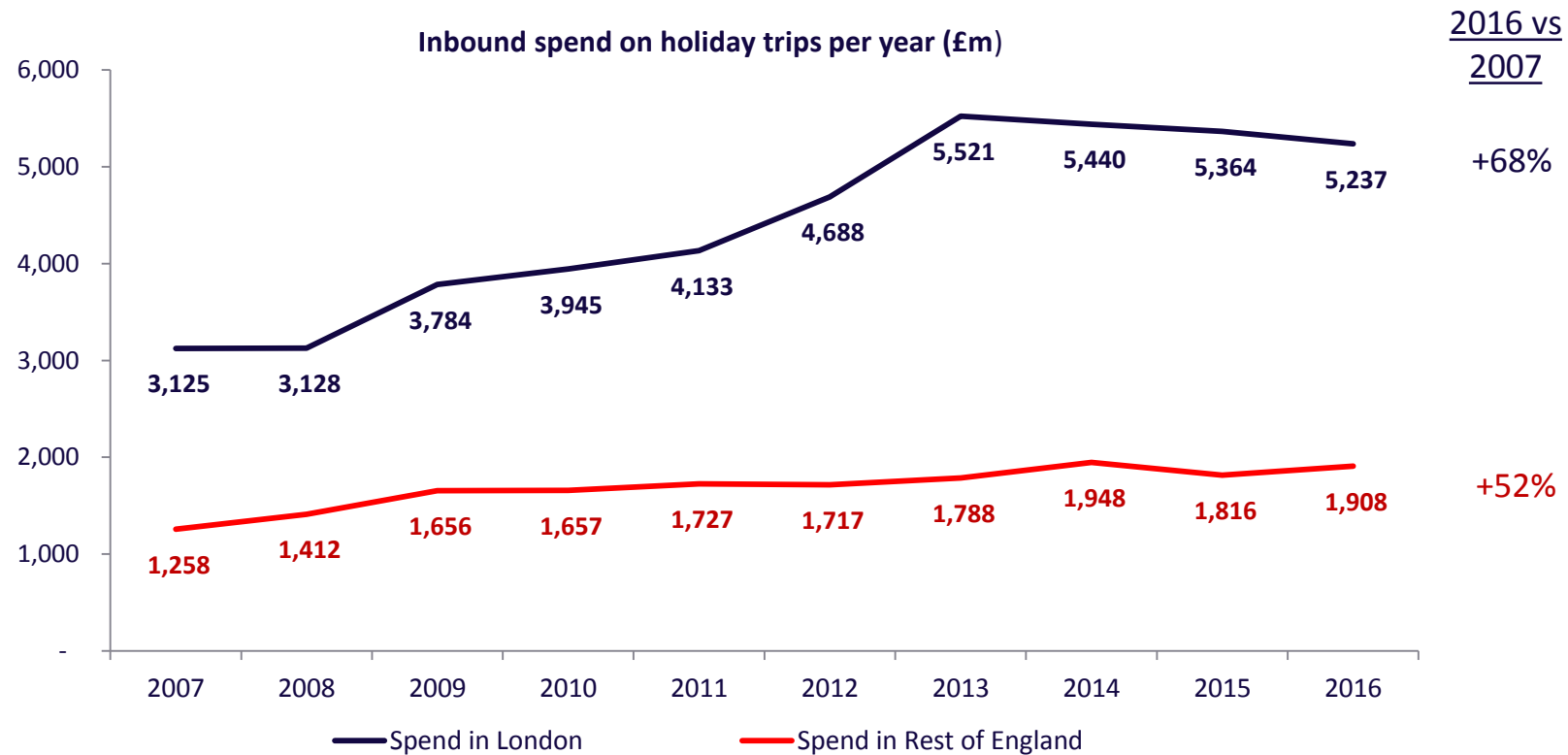


## The opportunity for future growth

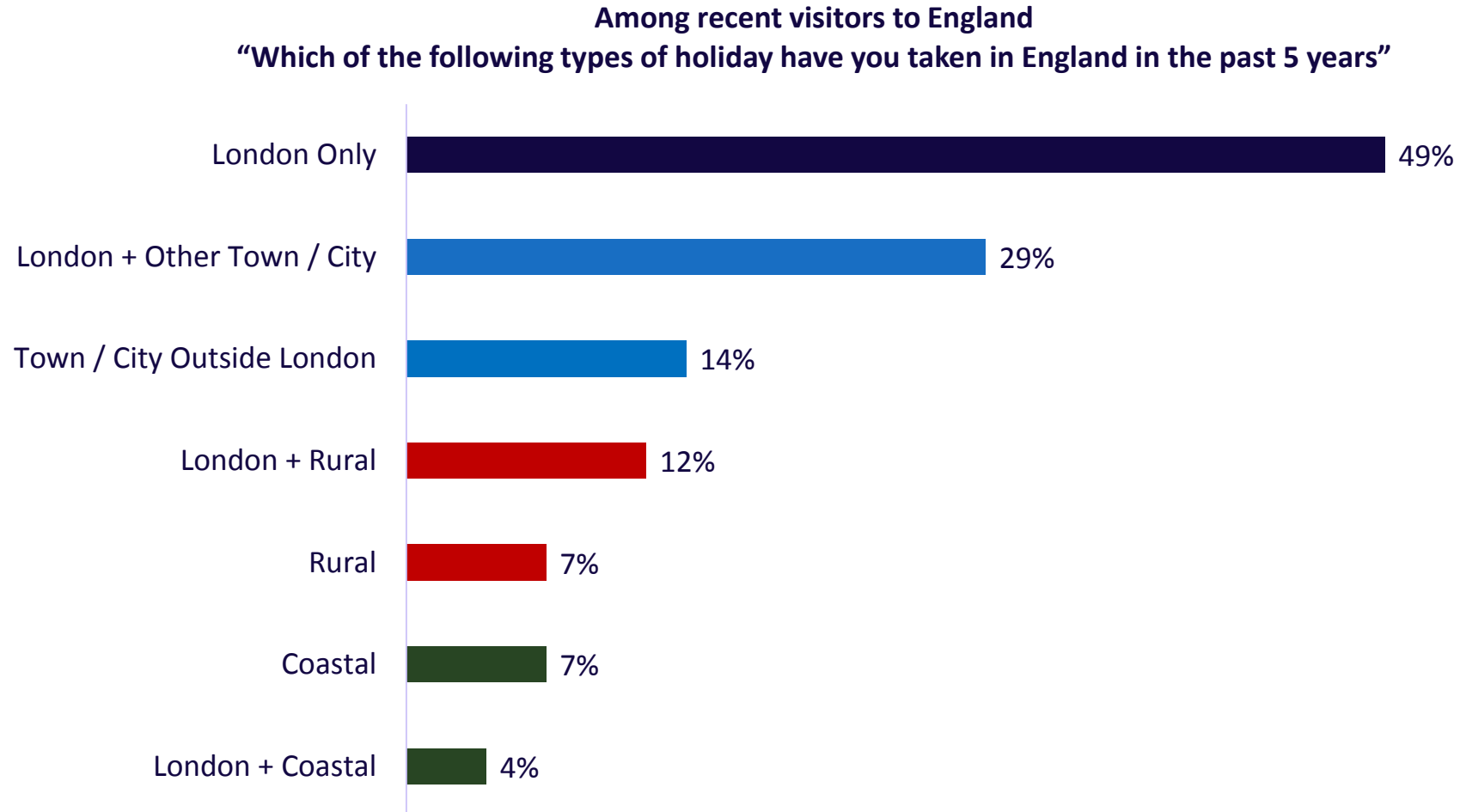
- The opportunity for further growth is huge – but we face stiff competition. International tourism is fiercely competitive and the UK is losing market share
- Our Competition Spends Big – In China, the world's largest outbound market – Australia **spends 37 times more** than VisitBritain.
- Inbound travel is the UK's **3rd largest service export**; the Government has a vital role in supporting these export earnings to grow.



Discover England Fund - The last decade has seen strong growth in inbound leisure spending – but England's regions have benefitted less than the capital



## The challenge: limited experience of regional product



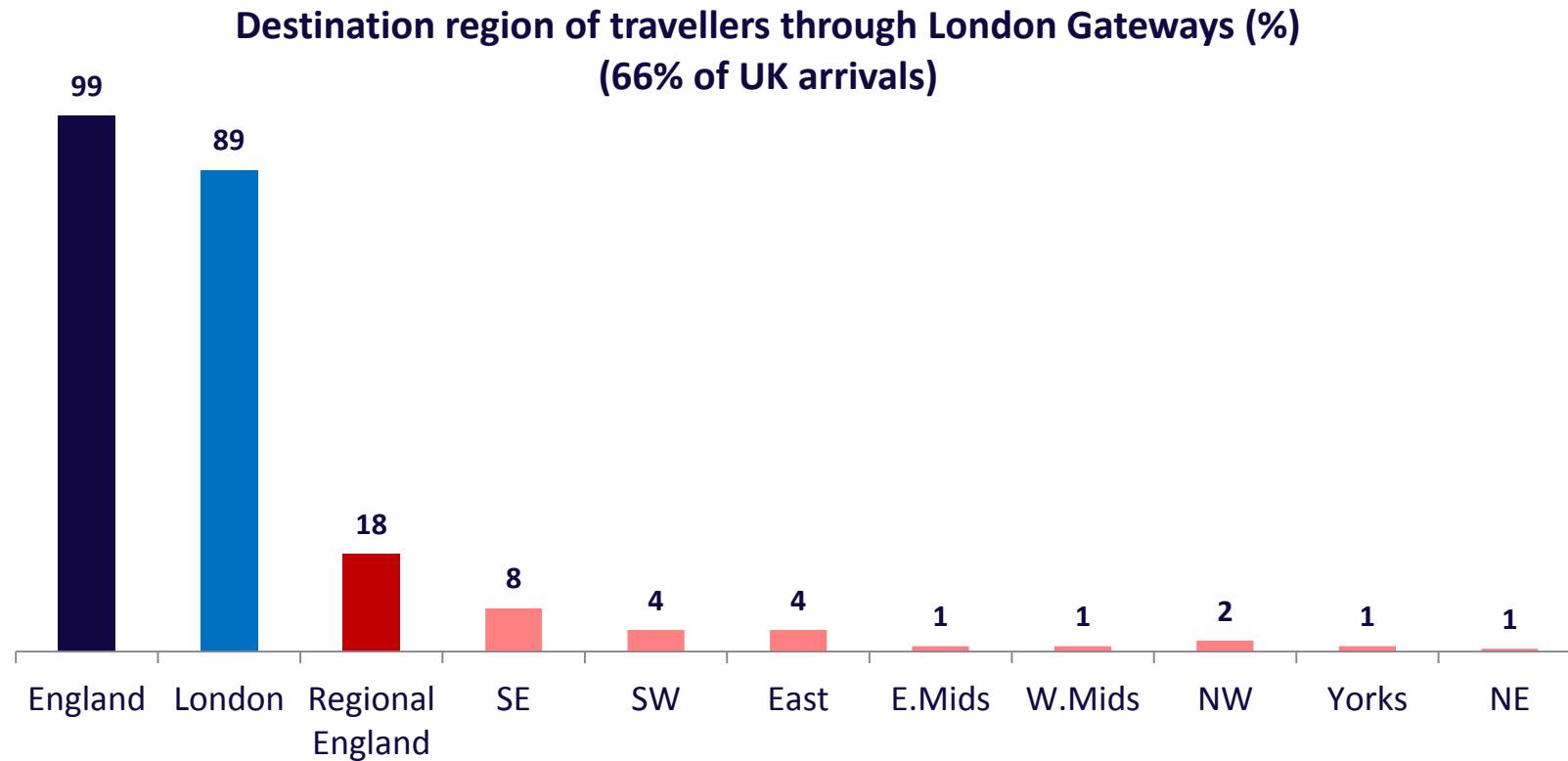
## The opportunity: appetite to explore beyond the capital

“Which locations would you consider visiting as part of a holiday to England”



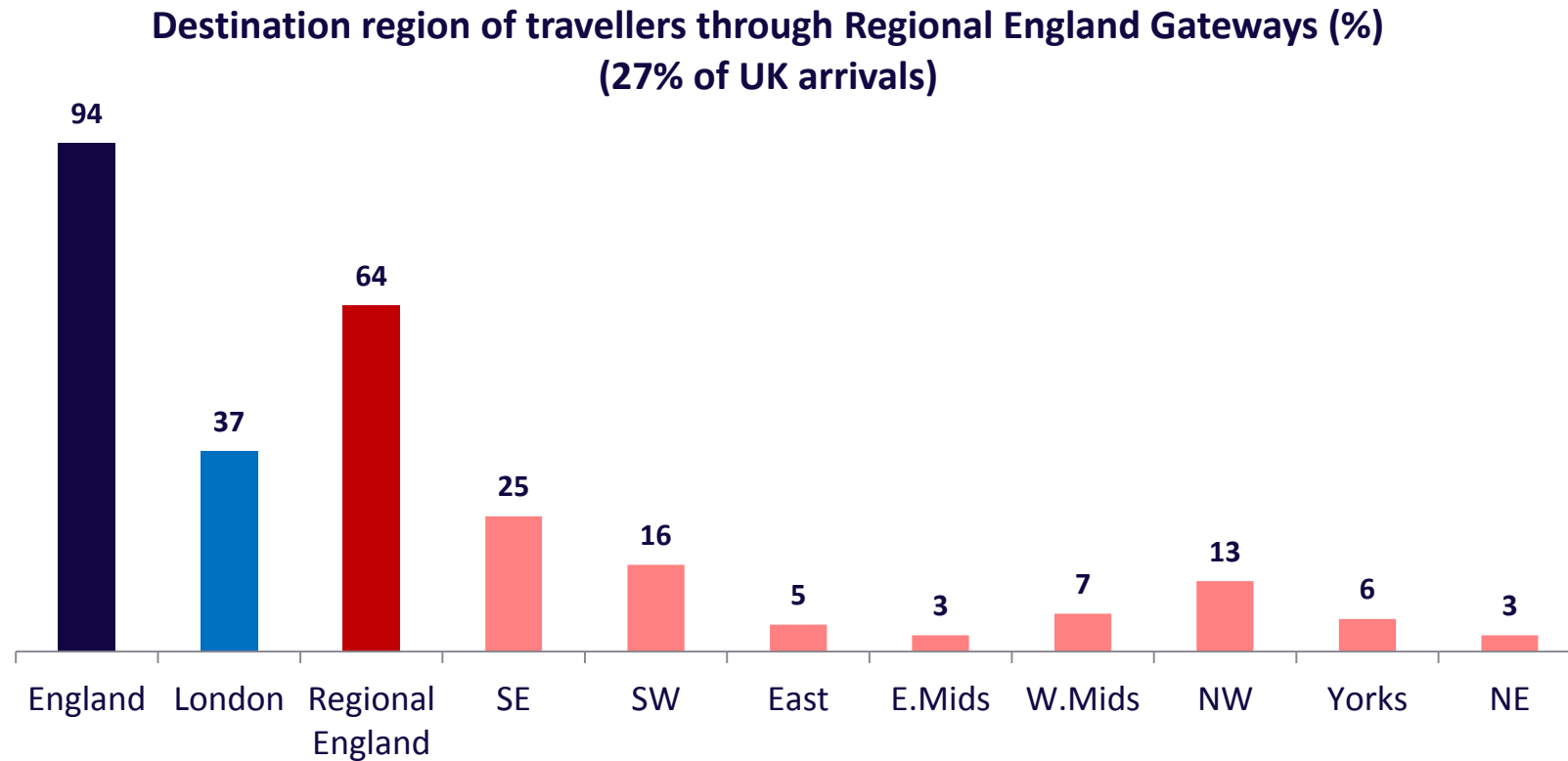


## The role of transport and route development (1) Most leisure travellers arrive in London – but only 1 in 5 travel outside the capital



## The role of transport and route development (2)

### Regional arrivals are far more likely to spend time outside London



## Discover England Fund – a year on .....

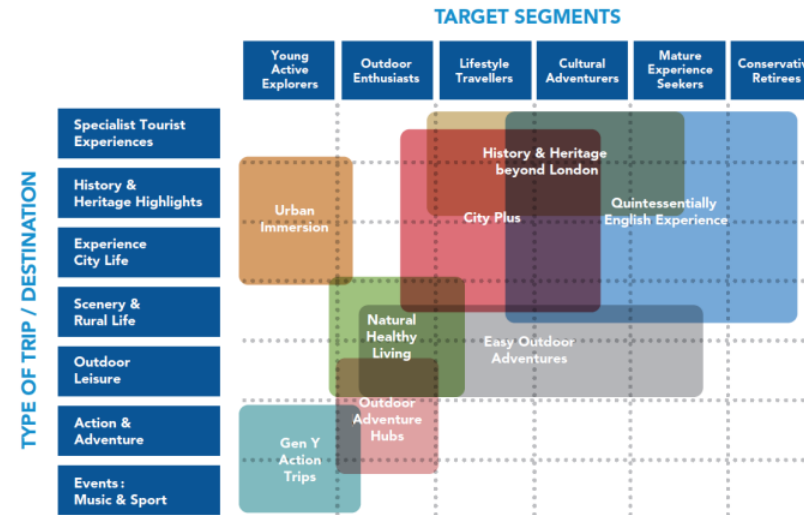
- **Year 1 - early successes from Pilot projects**
  - 20 new products produced
  - 14 commercially ready & trading
  - 4 In-depth scoping projects
  - 39 familiarisation trips delivered by the end of June 2017
- Engaged over 1,200 individuals across of workshops and events
- 160 bookable itineraries/clusters of product were identified
- 23,250 downloads of mobile applications

An aerial photograph of a large, irregularly shaped lake. A prominent, dark, forested island is situated in the upper left portion of the lake. The surrounding land is covered in dense, green forest. The word "DISCOVER" is overlaid in the center of the image.

**DISCOVER**

# Challenges, Lessons and Learnings

- Encouraging Innovation
  - 26 projects in 2 rounds of Pilot projects to trial innovative concepts.
  - Mangrove, Innovation Consultants created an innovation framework and worked with applicants.
- Challenging the industry
  - Bidder support from across VisitEngland/VisitBritain teams.
  - Consultancy support.
  - Seed Funding at application stage.



# Challenges, Lessons and Learnings

- Reaching all Tourism stakeholders
  - Cross industry collaboration a key criteria of the fund.
  - Creation of assets for the whole industry.
  - Strategic support from VisitEngland and VisitBritain teams
- Mapping the gaps
  - Geographical
  - Thematic
  - Target markets
  - Target market segments

		Europe				North American		
Markets		Belgium	NL	France	Sweden	USA	China	GCC
DEF Yr 2 Large Scale DMO:								
Great West Way	GER, NL, USA							
Connecting the Coast	Ger, Fr, NL							
L&P - Open Jaw	GCC, China, Australia							
Marketing Manchester - Gateway	USA							
Walks of England	NL, Ger, (Fr and USA)							
English Heritage Cities	USA							
England's National Parks	Australia, GER							
US Connections	US							

## Building New Partnerships

- A key criteria for all Discover England Fund projects.
- Collaboration and Partnerships essential in providing the international visitor with a world class joined-up experience.
- DMO Collaboration has enabled product consistency across geographies and efficient knowledge sharing.
- Private Sector Partnerships have been key to delivery attractive bookable product.
- Successful partnerships have drawn together:
  - Transport providers
  - Accommodation providers
  - DMCs
  - Ground Handlers

# Challenges, Lessons and Learnings

- Getting Product Development right



- What is Product Development?
- How to reach the international consumer.
- Products must be bookable!



- Working closely with project leads and wider industry to align strategic vision.
- Substantial calendar of industry engagement including workshops.
- VisitBritain Product Development and Distribution team leading on dissemination of learnings in this area.



# Developing an internationally ready product



## Product Development at VisitBritain

**The range and calibre of tourism product offerings are what attract tourists to a destination.**

The Product Development team at VisitBritain **adds value** by working to identify **gaps and opportunities** in Britain's tourism landscape with the aim of **broadening our product offering** in line with our corporate objectives of incremental visitations, spend and regional spread.

We work with the wider tourism industry, encouraging **collaboration**, and advising them on their product development and distribution.

Based on **insights** we ensure new products meet the needs of **international tourists** and connect UK tourism suppliers with the **travel trade**.

By advising suppliers on the most **effective distribution channel** we help create a new route to the international marketplace, supporting them to **contract and sell new products** and provide tools for **education and engagement**.

## Product Development strategy 2017/18



### Discover England Fund

Supporting the DEF team with delivery of successful bids in terms of development, advice & distribution (in market & through partners).



### Commercial Partnerships

Supporting product development & distribution opportunities through our Commercial Partnerships.



### Thematic – Food & Drink

A cross government partnership with DEFRA and DIT mapping food hubs across Britain showcasing heritage, modern and innovative food & drink products and experiences.



### The Great Rail Project

A cross government initiative working with the rail industry & attractions to encourage international visitors to explore the UK using rail & incorporating 'final mile' solutions.



### Thematic – Luxury

Identification of luxury travel experiences featuring a curated collection of authentic and unique product and experiences across Britain.



### Gateway Proposition

Leveraging key gateways (air/port/rail) as a hub and spoke model for product development

## Product Distribution strategy 2017/18



Distributing new products across key markets through:

- Strategic Commercial Partnerships
- Intermediaries by market
- DMCs & Ground handlers
- Retail
- Trade and consumer events



Product mapping to key markets & audiences against the areas of focus:

- Thematic - food & drink
- Thematic - luxury
- DEF - Year 1 & 2-3
- Rail
- Gateway



Developing the strategy to support new product development through commercial & intermediary partnership agreements:

- contracting of new product
- trade training & education
- engagement and advocacy
- promotion & tactical



Commercial workshops to ontrain key commercial skills to the UK industry:

- DMOs
- DEF
- Food & Drink
- Gateways

# Product Development Stages

## OPPORTUNITY

CUSTOMER PAIN POINT

PROBLEM TO SOLVE

MARKET SHARE

## RESEARCH AND INSIGHTS

TARGET MARKET(S)

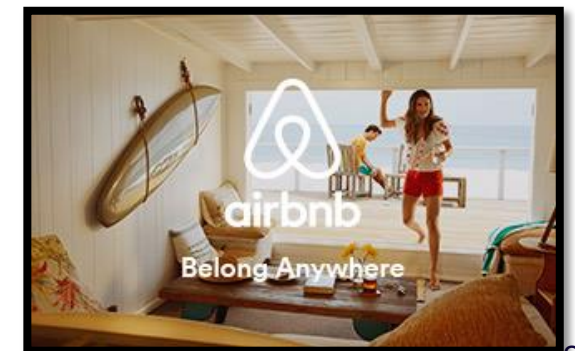
TARGET AUDIENCE

## CONCEPT FOR NEW PRODUCT/SERVICES

POINT OF DIFFERENCE

SIMPLE IS BEST

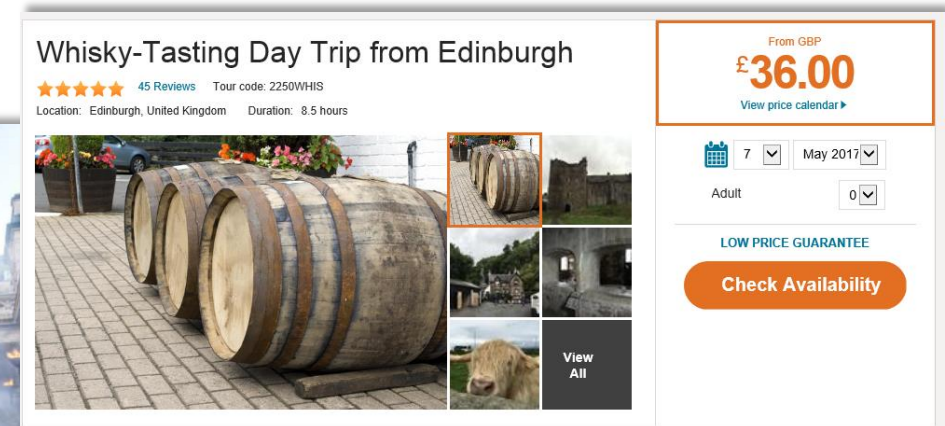
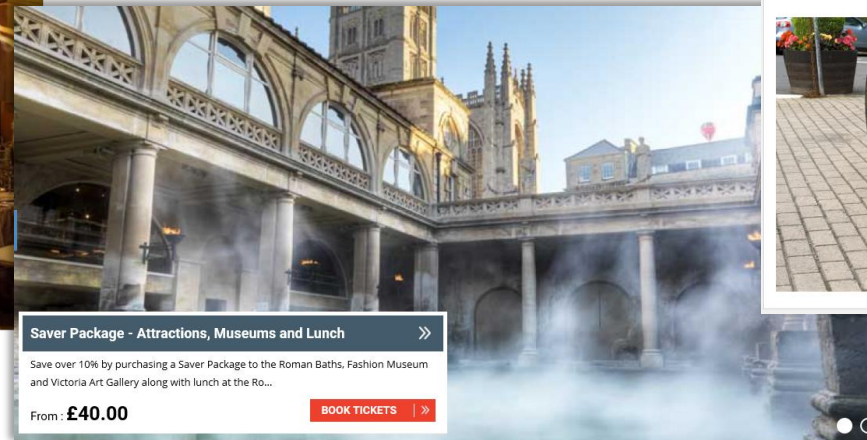
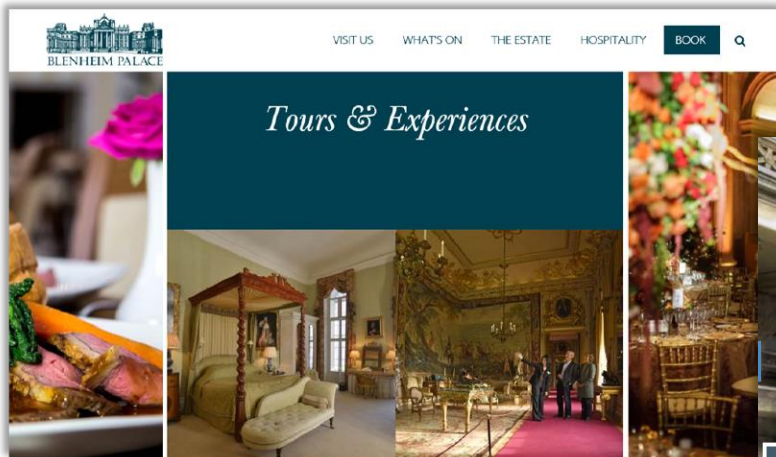
CUSTOMER DRIVEN



# What is a bookable product?

A bookable tourism product for the international consumer is:

- a specific offering which has been **developed in line with insights of the target market and consumer** i.e. language, interests, cultural considerations, dwell time
- **available for sale and commissionable for the travel trade** so it can be included in packages or through trade platforms such as OTAs





# Reaching the international market



# The international travel distribution landscape



**Destination  
Management  
Company (DMCs) /  
Ground Handlers**



**Wholesalers**



**Travel Agents  
and Tour  
Operators**



**Online Travel  
Agents (OTAs)**



# Practical Considerations when retailing via a 3<sup>rd</sup> party

- **When is it available?**
  - Are your opening times varied daily/weekly/monthly?
- **Do you require pre-booking?**
  - Do you have a limited capacity at your venues?
  - Do you require notice to have guides available?
  - Do you have connectivity via your websites?
- **Is your product offering consistent?**
  - Weekday vs weekend, seasonally is the product the same?
  - Is it affected by weather?
- **Do you currently cater to international guests?**
  - Are any elements of your product available in language?
- **Is your pricing structure consistent?**
  - How early can you set your pricing?
  - Can you commit to a 12 month pricing model?
  - If so how many pricing variations do you have?
- **What USP can you give to your partners?**
  - Faster entry?
  - Save money?
  - Free places for groups?
- **Do you want to create a pass product?**
  - All of the other points need to be kept in mind
  - Do you expect the guests to pay any additional fees on arrival at the venue? Pass vs Discount Booklet

## How can VE support businesses in becoming bookable?

- Commercialisation workshops ‘train the trainer’ style
- Launch February 2018

### Content;

- Format and locations – schedule of events
- Collateral: presentations and facilitator notes, case studies, web resources
- Niche topics
  - Thematics such as food and drink
  - Commercialising free attractions / Creating pass products
  - Working with OTAs
- Inviting DMC's/groundhandlers/tour operators/OTAs to hold sessions on their requirements

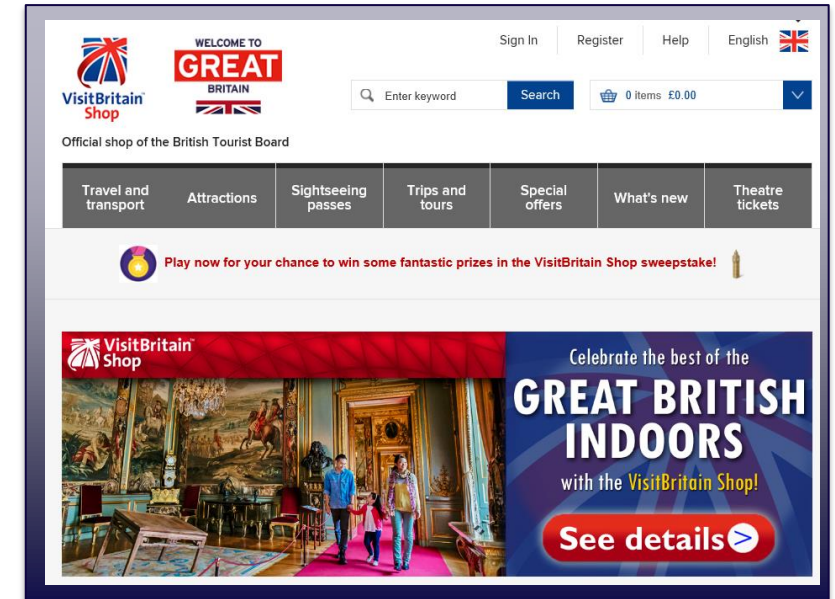
# VisitBritain Platforms

- Opportunities with VisitBritain's online shop
- VisitBritain online resources
- VisitBritain Events



# The VisitBritain Shop

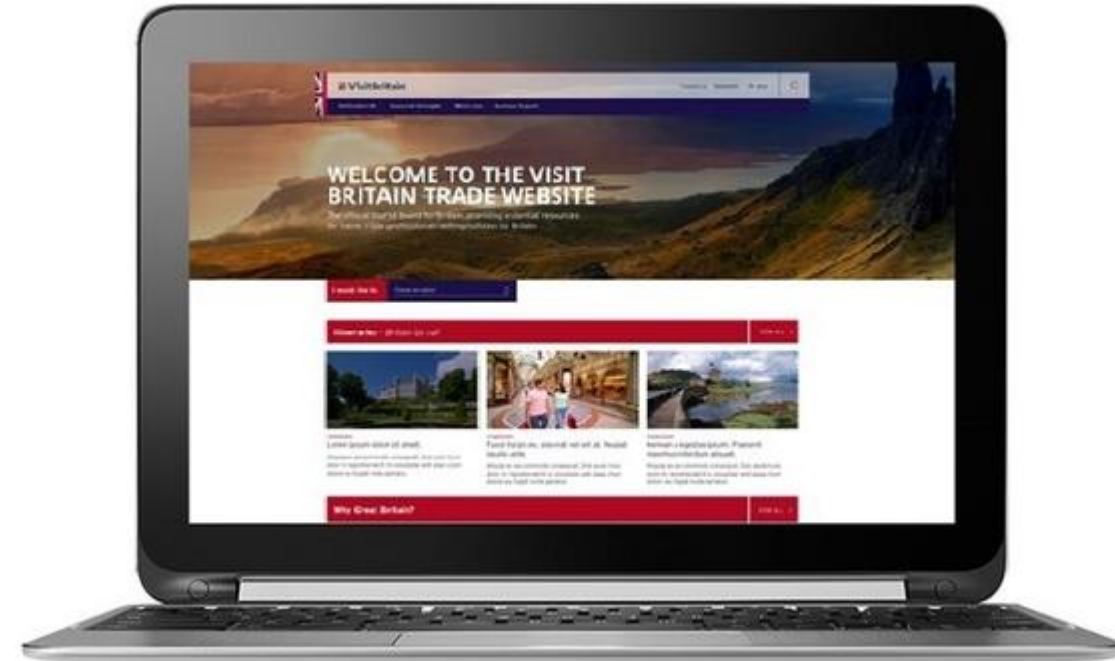
- The official **e-commerce platform** of the British Tourism Board.
- **13 online shops**, over **300 products across Great Britain** listed.
- 2016-17 strategy: focus on **20 new hubs** across the UK with exclusive/discounted deals.
- Added over **70 new products** since April 2016 alone.
- **94** countries served worldwide.
- Over **7.3 million visits** in 2016-17 (up 23%YOY) conversion up 3% YOY.
- “**Buy Before You Fly**”



Visitbritainshop.com

## VisitBritain's online platforms

- New travel trade website
- Audience – UK suppliers & International Trade
- Increased offering – new supplier directory, product development initiatives, VE,VB & partner campaigns, research & insight
- Britagent elearning program



[Trade.visitbritain.com](https://trade.visitbritain.com)

# VisitBritain Events

VisitBritain has a full calendar of events which provide a platform for UK suppliers to meet with international buyers

- Destination Britain China (21<sup>st</sup> – 24<sup>th</sup> Nov 17)
- ExploreGB (1<sup>st</sup> – 2<sup>nd</sup> Mar 18)
- ITB Berlin (7<sup>th</sup> – 11<sup>th</sup> Mar 18)
- ATM Dubai (22<sup>nd</sup> – 25<sup>th</sup> Apr 18)
- DBAPMEA – April 2018
- VIBE October 2018
- DBNA – October 2018
- WTM – November
- DBChina – November



# Thank you!

## Questions