

VisitBritain – Written evidence (EBM0013)

VisitBritain

The BTA (British Tourist Authority) is the national tourism agency, operating as a non-departmental public body funded by the Department for Culture, Media and Sport (DCMS). VisitBritain promotes Britain overseas as a destination to grow tourism value and volume and is a delivery partner of the Cabinet Office's GREAT campaign. We are active in 21 markets across the globe, representing more than 70% of the inbound value to Britain and our teams are often co-located with FCDO colleagues.

As well as international marketing, we support the wider visitor economy by ensuring Britain is sold in international markets - connecting trade partners, hosting events to connect buyers and suppliers, and promoting positive stories of Britain to the international media and using our social and digital channels. Our business events team pitches for events in key sectors from AI to life sciences be hosted in the UK. The BTA also has a statutory duty to advise Government on tourism policy and provide timely research for the sector.

The British visitor economy

Tourism is usually worth £127 billion a year. The industry supports 3.1 million jobs in every part of the UK, incorporating 200,000 SMEs.

Full 2023 inbound figures have not yet been published by the International Passenger Survey (IPS) and will be available from mid-May. According to IPS, between January and September 2023, Wales received 750,000 international visitors, down 10% on 2019 figures for the same period¹. Wales is recovering post-COVID at a similar rate to Rest of England (England minus London) but behind Scotland, which has exceeded 2019 levels for international visitors.

For 2024, VisitBritain forecasts 39.5 million inbound visits and £34.1 billion spend, 97% and 120% of the 2019 levels respectively, although spend is 96% of the 2019 level when adjusted for inflation². For Wales specifically in 2024, we are forecasting 1 million international visits with a total expenditure of £600 million.

Response

The introduction of the ETA is a substantive change which will affect many visitors coming to the UK. The new system presents an opportunity to improve customer experience when crossing the border into Britain. The scheme could reduce checks at the border and speed up processing times. The data collected

¹ <https://www.visitbritain.org/research-insights/inbound-visits-and-spend-quarterly-regional>

² <https://www.visitbritain.org/research-insights/inbound-tourism-forecast>

from the ETA scheme also has the potential to be used by VisitBritain to better understand who is travelling to the country and use these insights to inform our marketing.

However, there is a challenge that the additional layer of bureaucracy could become a barrier for visitors choosing the UK as a destination and lead them to book elsewhere. Measures should be taken to mitigate this risk where possible.

This response will outline how VisitBritain has supported the rollout of the ETA so far and highlight the opportunities and challenges the ETA poses for the tourism sector.

BTA support of introduction of the ETA

VisitBritain has been working with the UK Government during the development and rollout of the ETA to ensure that visitors have a positive customer journey.

Perceptions of welcome are an important factor in holiday decision making with 87% of visitors stating that welcome is a driver when selecting a destination for an international break. The visa application process is an important element which influences how welcome a visitor may feel. For this reason, we worked with the Home Office to tailor communications around the ETA to make sure that the language is as welcoming as possible to visitors whilst ensuring the security requirements are clear.

The ETA scheme is now in place for nationals of Qatar, Saudi Arabia, United Arab Emirates, Oman, Bahrain, Kuwait and Jordan. Our teams in the Gulf have worked with the UK government to prepare the travel trade in the region for the introduction of the ETA.

VisitBritain's CEO and regional director gave interviews to leading media in the Gulf regarding the ETA and tourism. This press coverage including an interview in the leading newspaper The National with a reach of over 6 million daily and an interview with VisitBritain's CEO in the Khaleej Times which resulted in the online and print coverage with a reach of almost 1 million, as well as over 26,000 views of the reel on Instagram.

VisitBritain supported a closed event where the Home Secretary hosted all GCC Ambassadors to celebrate the launch of the ETA where our CEO delivered a speech highlighting the importance of the GCC market to inbound tourism and the opportunity presented by the ETA.

We ran a joint awareness campaign with the Home Office on one of the Gulf's leading travel industry online portal TravTalk. The "Discover why Great Britain is Brilliant in 2024" campaign included banner advertising, direct mailings and social media posts. As part of the campaign, we hosted a webinar with the Home

Office to over 300 travel agents, showcasing Britain as a destination and briefing on the requirements of the ETA.

We also used our trade events to educate industry on the ETA during trade educational visits - inviting key buyers from the GCC to Britain to experience tourism products and ETA process firsthand. Additionally, we shared the ETA toolkit across our network in the Gulf including with key B2B accounts, our PR newsletter network and included the ETA announcement in all VisitBritain regional press releases and story pitches. We have shared and promoted engaging and informative content showcasing the benefits and ease of the ETA via our existing relationships with influencers.

We amplified the launch of the scheme across our corporate social media channels and included it in our industry newsletter. There is a dedicated page to the ETA on VisitBritain's website. All of VisitBritain's communications signposted back to the official government advice.

As the scheme is expanded to other countries, we will continue to amplify UK government communications. We will continue to draw upon our global network to help educate both travel trade and consumers with the aim of ensuring that the ETA is not seen as a barrier to travel.

Opportunities and challenges

Perception

Previously Gulf nationals paid £30 to visit the UK through the Electronic Visa Waiver scheme and Jordanians paid £115 for a single-use visitor visa. The scheme has made travel to the UK easier, cheaper and more accessible for Gulf nationals. Combined with our strong airline connections, the scheme boosts our competitive tourism offer and our welcome to visitors.

However, this is not the case for other countries which will eventually fall under the scheme. Some of our most valuable inbound markets, such as the USA, France, Germany and Spain, will need to pay for and complete the permission to travel scheme when they previously travelled without any prior authorisation.

Our research shows that there was already concern amongst Europeans about additional admin when travelling to the UK post Brexit.³ At a time where the tourism industry is recovering following the pandemic, it is vital that our processes do not negatively impact whether visitors choose to holiday in Britain.

For example, our research shows that a third of Europeans still incorrectly believe that a national ID card is valid for entry to Britain with that number rising to nearly half amongst Swiss, Belgian and French respondents. The fieldwork for this research took place in February-April 2022, circa 6 months

³ https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/icm_vb_post-eu-exitresearch_finalreport_may_2022.pdf

post the rule change on 1st October. Half a year later, confusion remains for consumers.

Messaging regarding the ETA should be rolled out as far in advance as possible as our research demonstrates that changes to travel regulations can take months or even years to become common knowledge. The dates for the introduction of the ETA to other nations should be confirmed as soon as possible to allow for comprehensive communications plans to be in place so the confusion seen following previous changes to entry requirements can be avoided.

The travel industry can play an important role in distributing messaging around ETAs to their customers, but they need certainty on the roll out timelines and information to do this.

The border is the first point of contact passengers have with the UK so a positive experience is vital to building positive perceptions of Britain. VisitBritain supports the government's ambition to make the border as seamless as possible for international passengers. Failure to properly communicate the ETA scheme to visitors could potentially cause long delays at ports of entry, placing additional pressure on Border Force.

Funding

The ETA provides an opportunity to re-structure Britain's international promotion around the world.

Brand USA receives funding via the revenue programme collected by the US government from the ESTA visa waiver which is match funded by contributions from destinations, travel brands and private sector organisations. Raising income through fees lessens the burden on the taxpayer by decreasing the amount given by government in grants to tourist boards – in line with the objectives of the current UK Government.

The ESTA costs US\$21/£17.12 with US\$4/£3.26 of that covering operating costs of the system of the Department of Homeland Security and US\$17/£13.86 being funnelled into the Travel Promotion Fund to support Brand USA.⁴

Prior to the pandemic, the organisation received '*a dollar in matching funds – up to \$100 million per year – for each dollar of contributed cash or in-kind that clears the verification process at the Commerce Department.*' Funds collected by the ESTA in excess of \$100 million go to the US Treasury to drive down the federal debt.⁵

Were the BTA to adopt a structure such Brand USA's for example, the organisation would see the cost of marketing moved from the sponsor

⁴ <https://www.federalregister.gov/documents/2022/05/20/2022-10869/electronic-system-for-travel-authorization-esta-fee-increase>

⁵ https://www.thebrandusa.com/system/files/Restoring_BrandUSA_Act_Funding_Plan_May_2022.pdf

department to a ring fenced pot financed by inbound visitors through the new ETA structure. Such reform would not only significantly increase the BTA's budget but could also produce efficiency savings for DCMS.

VisitBritain's marketing budget stands at c.£18 million annually, compared to over €80 million for Ireland, despite delivering an impressive £21 of additional spend for every £1 invested. If allocated just £1 from each ETA, VisitBritain could deliver both substantial returns for the UK economy as well as support increased ETA and Visa revenue for the Home Office.

Research would need be undertaken to understand to what extent a similar match funding model would work in British visitor economy. VisitBritain has a history of successful commercial partnerships which sets a precedent for activity of this kind. However, risk assessments on the appetite of businesses to provide match funding investment on an increased level could be carried out in pilots – in a similar way to the BTA is recently tested new commercial models in the US.

Competitive pricing

The ETA is priced higher than the ETIAS (price €7, only for adults 18-70) making our offer uncompetitive in comparison to the Schengen Zone.

Britain is already perceived as an expensive destination, and whilst the charge for the ETA is minimal, this additional cost can be a prohibitive, especially when travelling as a group or adding to the overall cost of a holiday.

'Value for money' is the top driver of influence in selecting a destination for an international break or holiday – 87% of MIDAS respondents listed it as an important factor. Only 33% associate Britain with good value for money as it surfaced in spring 2022, now particularly relevant amid high cost of living.

Long haul visitors looking to do a multi-stop trip are not incentivised to add Britain to their itinerary, while the Schengen gives them access to 27 countries at 70% of the cost. Britain will be at a disadvantage when trying to win large scale business events vs other host cities across Europe when the comparable cost for the ETA/ETIAS is considered.

Common Travel Area

The tourism sector in Northern Ireland have raised concerns regarding potential impact of the ETA on the Common Travel Area and overseas visitors moving over the border. The main gateway for overseas travellers to Northern Ireland is via the Republic of Ireland. Visitors, particularly with tour operators, base their trip on travelling across the island of Ireland.

From a tourism perspective, Northern Ireland is promoted overseas as the island of Ireland. Northern Irish tourism representatives worry that Northern Ireland

could be left off all-Ireland travel itineraries and struggle to compete as a standalone destination.

Tourism industry representatives have explained that it was not necessarily a cost issue but that extra administration and confusion can act as a deterrent and might result in potential visitors skipping Northern Ireland. This concern has not been addressed yet by the UK Government.

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