

Written evidence – Visit Britain (PTC0038)

Key points:

- Tourism is a significant economic contributor, worth £127bn, and accounting for 3.1m jobs across every nation and region.
- Cities are an important part of Britain's tourism offering, welcoming millions of visitors travelling both domestically and internationally. However, they have been particularly impacted by the lack of international inbound visitors.
- Consumer sentiment research indicates visitors feel more confident returning to rural and coastal destinations for their post-pandemic trips. There is work to be done in restoring confidence to consumers that cities are safe to travel to.
- City destinations and their attractions are often reliant on international visitors. While borders remain closed, businesses lose out on the income generated by higher spending international visitors.
- Lack of business events has further impacted city centre hospitality, as these events usually take place outside of the usual tourism season and provide year round demand for accommodation and catering.
- VisitBritain's summer domestic marketing campaign has chosen to focus its paid activity on the promotion of cities to aid these destinations in their recovery.

1. Towns and cities contributed significantly to the economic value of inbound and domestic tourism pre-pandemic, but have been hit hard by the pandemic.

- a. Inbound tourism is much more city-focussed than domestic. The top four cities for inbound alone (London, Edinburgh, Manchester, Birmingham) saw more than 26m inbound visits in 2019, with London alone accounting for £15bn worth of spend.
- b. Cities/towns account for 44% of overnight domestic visitor spending (£10.8bn), while leisure day trips to cities/towns account for £36.4bn.
- c. In 2019 there were 8.7 million inbound business visitors to the UK, spending £5.8bn. High value MICE (Meetings, incentive, conference visitors) are especially likely to stay in large cities.
- d. Inbound tourism will be slow to recover with spend not reaching 2019 levels until 2024 (Appendix 1), meaning cities whom are reliant on inbound tourism will face a tougher recovery period.
- e. Cities have seen the biggest hit on hotel occupancy throughout the pandemic, with revenue per hotel room down 62% on 2019 levels compared to a 39% in seaside hotel room revenue (Appendix 2).
- f. In a survey of members ALVA (Association of Leading Visitor Attractions) found many major city based attractions had seen dramatic drops in visitor numbers, especially from international visitors. Royal Museums Greenwich saw a 96% decline in visits in 2020 (70% of its visitors are overseas) moving from 9th most visited attraction in UK to 130th, while the Tower of London experienced an 85% decline in visits in 2020 (66% of its visitors are overseas). Edinburgh Castle, usually the most-visited paid attraction in Scotland, saw an 87% drop in visits in 2020.¹

2. As we look to recovery, our domestic consumer sentiment research demonstrates visitors are favouring rural and seaside destinations, as well as outdoor activities and attractions. There is a challenge to boost consumer confidence and encourage a return to city centre visits.

- a. In VisitEngland's most recent domestic consumer sentiment survey, only 22% of the population say that they would undertake a day trip to a Large Cities this summer, compared to 53% for a coastal town. By Autumn intent to visit a large city increases to 42%.
- b. Respondents also indicate they are more likely to visit outdoor areas (eg beaches, mountains, trails etc), outdoor leisure activities, and attractions in comparison to catering, entertainment and events (eg restaurants, cinema etc) or indoor attractions such as museums (Appendix 4).

3. While our inbound consumer sentiment demonstrates a growing appetite to book a city trip, inbound travel to Britain currently remains difficult and changeable, potentially deterring them from booking British city destinations for their trip.

- a. 70% of international travellers "will look for less crowded places to visit, even if it means missing must-see attractions."
- b. Only 57% of international travellers "would be comfortable using public transport within the destination"
- c. However, "large city" still leads intended destination type for next international trip
- d. While London was the top region to visit amongst the English regions, it was not as dominant as historic inbound data
- e. When asked about interest in activities for their next international trip, results suggest a desire amongst many to return to pre-pandemic behaviours when on holiday, with interest in "dining in restaurants/bars, cafes or pubs" near the top – though not as high as we would expect in pre-COVID times

4. To support cities in their recovery, in the context of reduced inbound visitors and consumer confidence, we have focused the paid media activity of our domestic marketing campaign on major cities.

- a. The 'Escape the Everyday' campaign, which first launched in autumn 2020, highlights the quality destinations, visitor attractions and experiences on offer across the UK to build back demand for domestic breaks.
- b. This next phase of the campaign 'Escape the Everyday – Enjoy the UK this Summer,' with the theme 'reconnecting with people and places', has a focus on cities and city visitor attractions as well as regional gateways which have been particularly hard hit by the lack of international visitors and that rely on overseas visitors and their spending.

¹ <https://www.alva.org.uk/details.cfm?p=453&codeid=846>

- c. More than 50,000 businesses across the UK have signed up to the 'We're Good To Go' industry standard reassuring customers, staff and local residents that the correct procedures and processes are in place to welcome them back safely.

5. Following long periods of closure during the height of the pandemic, many retail businesses are already facing financial pressure. Without the lure of tax-free shopping to encourage international visitors to return and spend, high streets may lose out to rival destinations.

- a. Tourism is a varied industry which supports many other sectors through its supply chain, including retail. Our research shows the importance that many overseas visitors to the UK place on shopping, especially for visitors from our high spending markets such as China, Gulf states, and the US.
- b. Britain's high streets and shopping outlets are major draws for international visitors, with 55% of inbound visitors shopping during their stay in Britain, worth £18.6bn to the UK economy. In London the number of international visitors shopping during their trip rises to 64% of visits.

Figure 2: Activities undertaken in cities by inbound visitors (2018)²

Activity asked about	Number of visits that involved activity (000)	% of all visits	Amount spent in UK (£m)*
Dining in restaurants	25,690	63%	£20,632
Shopping	22,402	55%	£18,674
Going to the pub	16,881	41%	£12,394
Socialising with the locals	12,867	31%	£10,237
Visiting parks or gardens	12,581	32%	£10,295
Visiting museums or art galleries	11,198	29%	£9,476
Having a traditional afternoon tea	5,605	14%	£6,035
Going to bars and nightclubs	5,107	12%	£5,082
Visiting a spa/beauty centre	1,013	2%	£1,718

- g. China for example, is our second most valuable inbound market after the US, worth more than £1.7bn billion to the UK economy. Shopping is the number one activity for Chinese travellers in the UK, and these high spend visitors are three times more likely to buy bags than the average visitor and twice as likely to buy jewellery and other personal accessories. As a result, one job is created in our tourism industry for every 22 Chinese visits, making China a particularly important market to continue to attract to this country.

² <https://www.visitbritain.org/activities-undertaken-britain>

- h. Looking more widely at the luxury travel across a number of inbound markets, well over half of these believe shopping is an important part of their holiday experience, and those from the Gulf and China believe Britain largely meets their shopping needs.

About VisitBritain and tourism industry context:

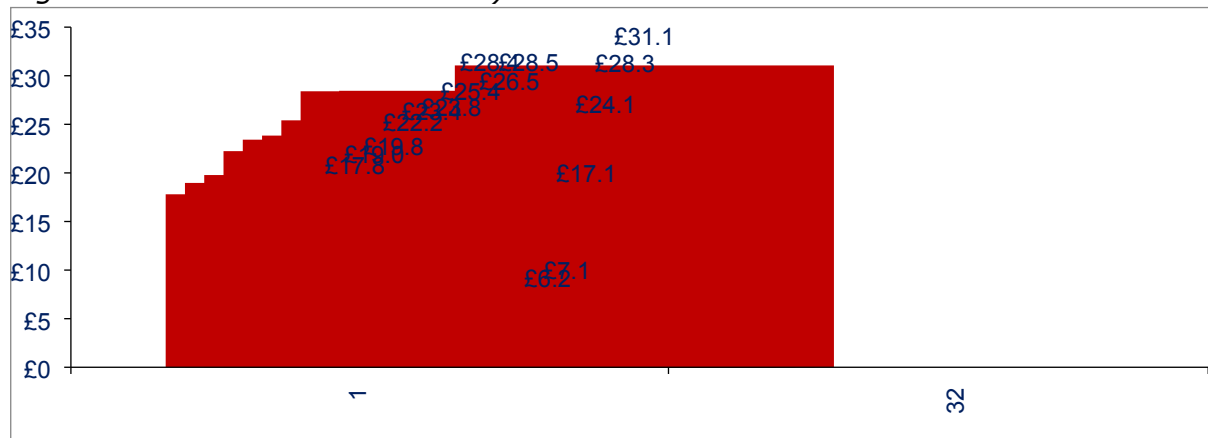
VisitBritain/VisitEngland are the National Tourist Board and an arm's length body of DCMS. We have a statutory duty to promote Britain internationally and England domestically as a destination for leisure and business travel, and have a role in advising the Government on Tourism Policy.

Tourism is usually worth £127bn a year, around 9% of GDP. It is the UK's third largest service export, and accounts for almost a third of all hotel investment in Europe. Tourism is a key driver of the levelling up agenda. The industry supports 3.1m jobs in every part of the UK, and incorporates over 200,000 SMEs.

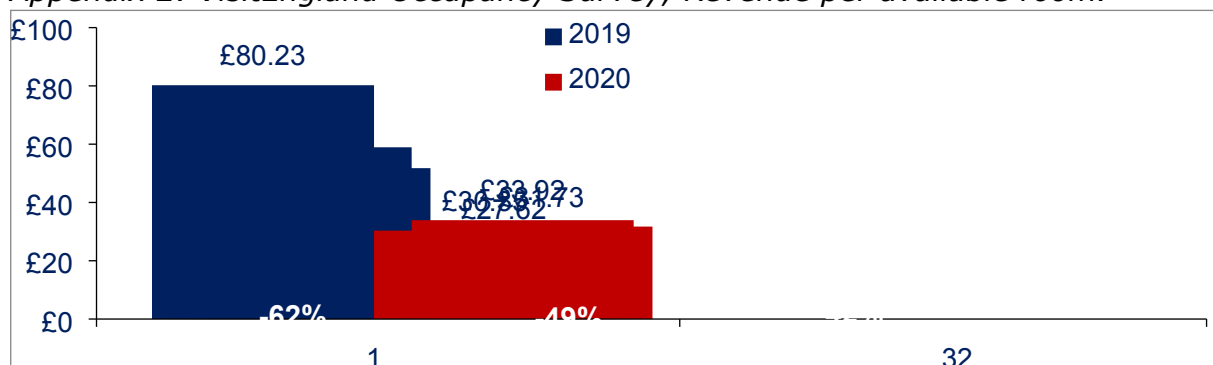
VisitBritain's forecasts for 2021 predict a decline from £28.4bn inbound visitor spend in 2019 to £6.2bn in 2021. Domestically we predict a decline from £91.6bn spend in 2019 to £34.0bn in 2020 – a loss of £57.6bn.

Appendix

Appendix 1: Tourism Economics forecast for inbound spend recovery (2021 is higher than VisitBritain forecasts).



Appendix 2: VisitEngland Occupancy Survey, Revenue per available room.³



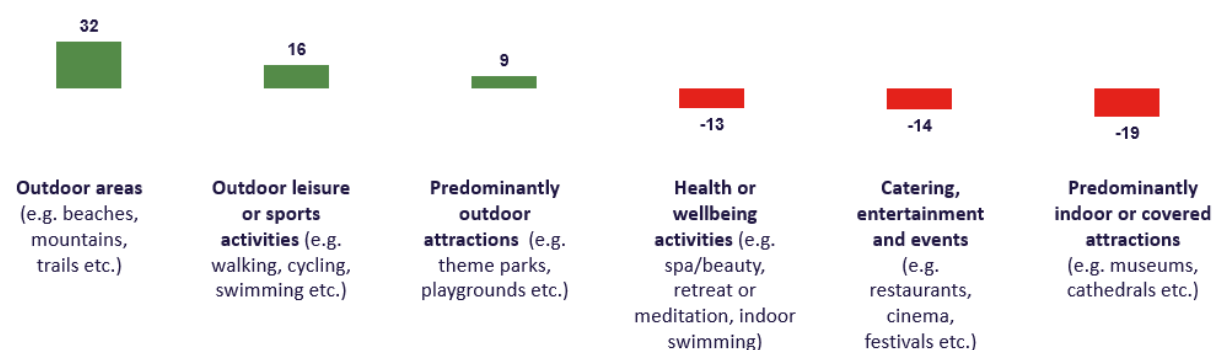
Appendix 3: Number of domestic nights and spend in cities/large towns in GB⁴

Destination Type	Nights (Million)	Spend (£Million)
England (City/Large Town)	108.249	£9,086
England (Small Town)	51.593	£2,880
Scotland (City/Large Town)	17.024	£1,483
Scotland (Small Town)	10.140	£636
Wales (City/Large Town)	3.868	£276
Wales (Small Town)	5.515	£326

³ <https://www.visitbritain.org/accommodation-occupancy-latest-results>

⁴ https://www.visitbritain.org/sites/default/files/vb-corporate/gb_tourist_annual_report_2019_final.pdf

Appendix 4: Leisure venues and activities more or less likely to visit/do as lockdown restrictions are lifted, Net: 'more likely' minus 'less likely'.⁵



Appendix 5: Top towns for 'staying visits' by inbound visitors⁶

	2019		2018		2017	
	Town/city	Visits (000s)	Town/city	Visits (000s)	Town/city	Visits (000s)
1	London	21,713	London	21,072	London	21,708
2	Edinburgh	2,206	Edinburgh	2,515	Edinburgh	2,194
3	Manchester	1,661	Manchester	1,548	Manchester	1,432
4	Birmingham	1,112	Birmingham	1,119	Birmingham	1,109
5	Liverpool	845	Glasgow	882	Glasgow	855
6	Glasgow	771	Liverpool	824	Liverpool	836
7	Brighton / Hove	647	Bristol	615	Bristol	604
8	Bristol	636	Oxford	580	Oxford	601
9	Oxford	581	Cambridge	576	Cambridge	572
10	Cambridge	462	Brighton / Hove	478	Brighton / Hove	509
11	Bath	401	Cardiff	376	Cardiff	400
12	Cardiff	382	Bath	375	Bath	392
13	Leeds	338	Leeds	352	York	345
14	York	297	Inverness	322	Inverness	320
15	Newcastle-upon-Tyne	282	York	315	Leeds	304
16	Inverness	275	Aberdeen	244	Newcastle-upon-Tyne	294
17	Stratford-upon-Avon	271	Nottingham	236	Aberdeen	281
18	Nottingham	245	Reading	229	Nottingham	262

⁵ <https://www.visitbritain.org/covid-19-consumer-sentiment-tracker>

⁶ <https://www.visitbritain.org/town-data>

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19	Coventry	245	Newcastle -upon- Tyne	226	Windsor	246
20	Reading	237	Leicester	218	Reading	239

6 July 2021