Travel Trade Research - Stages 1 and 2 Key Learnings

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Introduction

In 2017, VisitEngland (VE) commissioned TEAM, over 2 stages, to conduct travel trade research following consultations with DEF fund applicants and other industry players:

- **Stage 1** – Research to understand the views of key travel trade players regarding the need and opportunities for product development in England, particularly outside London, to inform bids for Year 2 and 3 funding.
- **Stage 2** – Test the concepts of fourteen DEF products among a sample of international tour operators and UK based Destination Management Companies (DMCs).

Stage 1 – Business Objectives

- The research targeted tour operators in the US, Germany, France, Netherlands and Nordics and London based OTAs and DMCs.
- The business objectives were to:
  - Provide information about the **travel trade landscape in target markets**, including current demand for product, changes to the market and future trends.
  - Provide **information about the types of product that appeal to the travel trade and its customers.**
  - Help the English tourism industry to understand **barriers to including product from regional England in the travel trade offer.**
  - **Inform the development and selection of product development bids for years 2-3 of the DEF** based on the types of product that are likely to appeal to the travel trade.

Stage 1 – Summary Conclusions (1/4)

- **Three primary themes** for tour products, relevance varying by market:
  - HISTORY AND HERITAGE – including gardens, castles.
  - COUNTRYSIDE AND WALKING – another strong theme. This often crossovers with heritage (e.g. in villages, gardens).
  - TV / FILM.
- Underpinning these, the **delivery of memorable experiences is essential** across all types of package – with local distinctiveness and authenticity in all elements of a trip.

Stage 1 – Summary Conclusions (2/4)

- **Tour destinations evolve slowly over time, reflecting market demand** – primary focus on London, London + and the south of England.
- **In the Midlands and the North, tour operators tend to focus on Liverpool and Manchester, Lake District and York and Yorkshire.** They say that there is a need to increase awareness substantially amongst their potential customers, in order to create the demand for inclusion of other destinations in their programmes..
- **Scotland and Ireland are strong competitors**, with better developed and more coherent brands and products – particularly relevant for northern destinations, where there is a need to package products with Scotland.

Stage 1 – Summary Conclusions (3/4)

- Access to suitable accommodation in England is a continuing problem for tour operators, in terms of value for money, capacity, availability (in certain locations and at certain times) and willingness to contract on acceptable terms. **This is a key constraint for further development of inbound tours.**
- Among English tourism suppliers and destinations, there is a **lack of understanding about the travel trade and their needs and the needs of their customers.**

Stage 1 – Summary Conclusions (4/4)

- Destinations and suppliers need to **create true products, not ideas** – ‘off the shelf’ products which can be easily packaged and sold.
- Tour operators require **consistency of approach and simple logistics** of booking and experiencing the product.
- They will only develop new tour products where there is **clear customer interest and demand.**

Tour operators have a very clear set of requirements which tourism product developers must fulfil if they want to attract tour business on a sustainable basis – see also Checklist (follows).

Checklist for tourism product developers wishing to attract tours through the travel trade (1/2)

- Understand what the markets for inclusive tours are wanting.
- Develop ‘off the shelf’ saleable products - complete packages, not just concepts or information, that can be built easily into tour programmes.
- Ensure the consistent and sustained level of marketing to give the trade the confidence that the demand will be there.
- Work closely with product developers in other areas to develop highly attractive joint tour products and to undertake joint marketing and visitor servicing – with integrated booking, where possible.
- Take advantage of links to TV and film themes, stories or destinations.
- Ensure that visitors have memorable, authentic experiences that will differentiate the product from others and ensure repeat visits and recommendations.
- Take account of lead in times for bringing group tour product to market – average 18 months. Provide early advance information about upcoming events.

Checklist for tourism product developers wishing to attract tours through the travel trade (2/2)

- Understand the requirements of the travel trade in terms of availability, rates, cancellation policy, and group requirements.
- Educate partner hotels, attractions and destinations to explain benefits and opportunities of working with operators – and their commercial requirements.
- Recognise that overseas tour visitors will have a limited length of stay in any one area. Destination products need to be one or two days and provide links to products or destinations in other parts of England or UK.
- Ensure ease of transport from/to mainline rail station(s), with special transport package
- Engage with DMCs, on whom many tour operators rely on heavily to source new product – obtain their advice on how to make the product as attractive as possible to tour operators and use them as a conduit to attract tour operator interest.
- Remember that OTAs will become an increasingly important route-to-market for out-of-London experiences.

Stage 1 – Strategic Issue

- Key decision for any new tourism development – do they want to attract tour business through the trade or not?
  - Dealing with tour operators is demanding in many different ways – prices, allocations, managing groups, etc
  - OTAs will provide an alternative route to international markets
  - Independent visitors potentially more likely to have wider regional spread

Stage 2 – Research Methodology

- The concepts of fourteen DEF products were tested with research involving interviews with relevant VB offices, and a number of tour operators, travel agents and online travel agents (OTAs).
- Interviews were conducted on a one-to-one basis (either in person or by phone).
- The following table summarises the product concepts that were tested by geographic market.

DEF Products by geographic market									
	Markets								
DEF Products	DMCs	Germany	Belgium	Nether-lands	France	Nordic	USA	India, GCC, China	Australia
Adrenaline Fuelled City Breaks	✓	✓	✓	✓	✓	✓			
The Collection	✓						✓		
Culture Coasting	✓		✓	✓	✓				
Cultural Collections in the Cities of Northern England	✓	✓	✓	✓		✓			
Cycle England	✓	✓	✓	✓					
Discover England's Great Walking trails	✓	✓	✓	✓	✓		✓		
England's Coast	✓	✓	✓	✓	✓				
Experience England - London and Cultural England	✓							✓	
Great West Way	✓	✓	✓	✓			✓		
Growing Manchester as an international gateway to the North	✓						✓		
Gourmet Garden trails of England	✓	✓	✓	✓	✓				
Make Great memories in England's National Parks	✓	✓							✓
US Connections	✓						✓		
The Waterways of England	✓	✓	✓	✓					

Markets	Interviews
DMCs	17
Germany	6
Netherlands	10
Belgium	4
France	5
Nordic	2
USA	6
Australia	3
India	3
GCC	3
China	3

Stage 2 – Summary conclusions (1/2)

- There is enthusiasm for having more England products to match the new products developed recently in Scotland, Ireland and Wales.
- Competition is intense, not only from other parts of UK&I, but also from continental Europe. The new DEF products must learn continuously from their experience and adapt their products to compete effectively.
- As might be expected, it is relatively easy to sell the products that already have awareness in the marketplace, but introducing the lesser known areas or major experience brands is inevitably more of a challenge.
- The travel trade is very diverse, as is the type of tourism that they handle. Group travel, FIT operations and OTAs all have different agendas and requirements. Understanding and responding to these differences will be critical to success.

Stage 2 – Summary conclusions [2/2]

- A wide range of 'on the ground' support activities is required – exactly as identified in the Stage 1 research. This includes action to ensure that product suppliers are 'travel trade ready' through training, presentations and introductions/networking.
- For the travel trade, it will be helpful if the DEF products can work together in their B2B activity, to reduce duplication (and frustration!), achieve economies of scale and learn from each other.
- OTAs and their 'experience platforms' provide an easy and inexpensive way to test the appeal of new products across a range of markets, once there is a 'package' to sell.
- Search terms will be important to enable new products to be 'found' by consumers – London may work better than England.

Top 3 concluding take-aways for DMOs

- DMOs need to consider **prioritising opportunities** in terms of the following Three R's: **Reliable** (available ideally every day) **Robust** (products that are likely to still be available in 18 months time – the average lifespan of a tour operator brochure) and **Replicable** (products that can be mixed and matched across various itineraries for both groups and individuals).
- **Don't overcomplicate it**ineraries. The tour operator will make the final decision as to content based on their client's needs. Be able to offer half day, full day and over night options.
- **Free entry products** can make very attractive **added value elements** that will often appeal to clients. They should be offered as recommendations to add an additional level of opportunity to add depth and feel to a visit.

Thank you!

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