

THE FRONT ANNUAL
TOURISM MARKETING
REPORT 2010

WHAT IS DRIVING CONSUMER DECISIONS IN THIS TIME OF RECESSION?

PREPARED FOR FRONT
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FRONT

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INTRODUCTION

The following document is the first in a series of annual tourism marketing reports, commissioned by Front from the prestigious Christel DeHaan Tourism and Travel Research Institute of University of Nottingham. The report collates consumer insights, trends and patterns that directly affect the travel sector and makes predictions on what is in store for the industry as a whole in 2010.

Dr Scott McCabe, principle author of the report and lecturer in Tourism Management & Marketing at the Christel DeHaan Tourism and Travel Research Institute, has analysed the most relevant data and information from a variety of respected international sources over the past three years.

Front

Front is an integrated communications agency, providing clients with services including advertising, design, both on and offline, strategic and tactical marketing planning. With extensive experience in the tourism industry working with clients such as Visit Britain, Visit England, Welcome to Yorkshire, the National Railway Museum, and the Royal Horticultural Society.

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KEY CONSUMER INSIGHTS

‘overall volume of holidays and spending is down’

‘Escapism remains the primary motivating factors’

‘consumers are knowledgeable and sophisticated’

‘consumers are willing to shop around for the best deals either independently or through a travel agent/tour operator.’

‘Communications therefore needs to remain recession sensitive but recession free.’

- Consumers will continue to prioritise holidays in disposable household income as the UK moves out of recession; however overall volume of holidays and spending is down and forecast to remain lower than pre-crisis levels throughout 2010.
- Consumers will take fewer numbers of holiday trips, and to closer and/or cheaper destinations. Holidays will be more intensively researched and they will be based and planned on a specific budget.
- Escapism remains the primary motivating factors behind all forms of travel (domestic/overseas holidays and days out) and it becomes all the more important in these stressful times.
- Holiday consumers are knowledgeable and sophisticated, using their previous experiences of destinations of all types (domestic, overseas, day trips) in the information seeking and decision making processes.
- The internet and user generated content are both growing in importance as sources of information for consumers. However, they have not replaced traditional sources of information but are used in addition to them.
- The overall market for package holidays is stagnating, but the gap between consumers who independently organize holidays versus those who opt for packaged holidays is currently split fairly evenly, suggesting that consumers are willing to shop around for the best deals either independently or through a travel agent/tour operator.
- Cost transparency has proved a winning formulation and it can largely be attributed for the increasing success of the all-inclusive holiday market.
- Consumers are turned off by constant reminders of the economic situation and what it means in terms of their own spending. Communication therefore needs to remain recession sensitive but recession free.

INTRODUCTION BACKGROUND CONTEXT

The UK's outbound and domestic tourism markets have experienced steady growth due to high consumer confidence, economic growth, high disposable incomes and a strong Sterling (Tourism 2023).

Such is our love affair with holidays that according to Mintel (Oct, 2007) a major foreign holiday is ranked first (23%) and a short break holiday second (22%) in terms of priorities for discretionary expenditure. This places holiday expenditure as a priority over and above all other categories of discretionary expenditure such as clothes, eating out, home improvements, garden, debt, furniture and the car.

The growing trend in holiday taking behaviour has been a gradual move away from the traditional 'annual' holiday to position whereby many consumers take multiple, often shorter holidays throughout the year. Less than one in five holidaymakers now take just the one holiday, with the number of holidaymakers taking three or more holidays doubling in the last five years (Mintel, March 2008). The rise in the multiple holiday trips coincides with a fall in the durations of holiday times.

Demand for short breaks has been driven in part by an increase in supply, much of which can be attributed to the growth in the number of low-cost airlines and of the city break destinations they offer. More than a fifth of consumers simply search for cheap flights on the internet as a source of information for holidays (Mintel, March 2008). For many holidaymakers, the chance to get away is the priority. The place visited appears to play a less important role in the decision making process.

However, it is not only overseas destinations that have benefited from the change in holiday patterns, domestic tourism has also benefited over recent years. Half of all holidays taken in the UK are now for one or two night's duration (Visit Britain, 2008).

'Such is our love affair with holidays that according to Mintel (Oct, 2007) a major foreign holiday is ranked first (23%) and a short break holiday second (22%) in terms of priorities for discretionary expenditure.'

TOURIST CONSUMER TRENDS TO LEAD US OUT OF RECESSION

Global recession, rising oil prices, increases in passenger APD taxes have all had an impact on the travel and tourism industry. In addition, the highly publicised collapse of XL Leisure Group which left numerous passengers stranded abroad and many others

without a holiday shook consumers' confidence. The travel and tourism industry, like many other consumer markets, are facing uncertain times and consumer confidence has been hit by the ongoing economic crisis.

CONSUMER CONFIDENCE

'there is evidence to suggest that consumers are becoming a little more optimistic in relation to the economic crisis.'

'So whilst people may be concerned about the state of the economy, their own economic situation and what this means in terms of spending, they do not want to be constantly reminded about it.'

Consumer confidence has undoubtedly taken a knock reducing the number of outbound trips (Europe, -13%) between June - August 2009 (Davies, 15 Oct 2009). On the other hand evidence of visits made to the UK by overseas travellers, referred to as inbound tourism rose by three per cent to 7.7 million during the same period as overseas travellers took the opportunity to benefit from the weakened pound (Davies, 15 Oct 2009).

In terms of consumer spending, evidence from previous periods of economic recession has demonstrated that they tend to follow a particular pattern. Often they are slow starters but they tend to have long tails (Flatters, Oct 2008).

Thus whilst the recession may have not had a major impact on the behaviour of consumers so far, any changes in behaviour herein are likely to remain for a period of time (often years). So whilst economists may signal when the recession is over and recovery has begun, consumers are unlikely to reflect this immediately in their patterns of behaviour.

However, there is evidence to suggest that consumers are becoming a little more optimistic in relation to the economic crisis. The number of people believing that the situation will get worse before it gets better has reduced from a high of 80% in Feb 09 to 61% in Jun 09 and a fifth now believe that the country is over the worst of it (Visit England, 2009). Similarly, whilst there has been no change in the proportion of people cutting down on spending in general over the same period (73%), there has been an increase in the proportion of those not expecting to do so (from 9% in Oct 08 to 15% in Jun 09) (Visit England, 2009).

One further factor that is important to note in relation to confidence and the impact of the recession is that the number of consumers who are 'fed up of hearing about it' is on the increase (49% in Oct 08 to 54% in Jun 09) (Visit England, 2009). So whilst people may be concerned about the state of the economy, their own economic situation and what this means in terms of spending, they do not want to be constantly reminded about it.

TO GO OR NOT TO GO

Consumers regard holidays as a necessity not a luxury. For the majority of people holidays are an escape from busy working lifestyles, a chance to relax and to increase quality time with their families and to enjoy a change of scenery (Mintel, 2009; Travel Nation, 2009). So whilst experiencing adventure and pursuing activities remain enjoyable, it is the 'escapism' afforded by a holiday that is valued the most.

In fact, there is some evidence to suggest that during periods of increased stress caused by economic pressures the importance of taking a holiday increases (Travel Nation, 2009). The need to escape becomes ever more prevalent and it is likely to be prioritised over other motives for travel.

Therefore in time of recession it is likely that messages which focus on 'escapism' are more likely to evoke the greatest response from consumers.

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SUNSHINE

Along with relaxation and escape, the allure of 'sunshine' cannot be underestimated. Many consumers have become accustomed to the guaranteed sunshine experienced abroad and this factor, together with the general disappointment felt when the promised 'barbeque summer' failed to appear is perhaps one reason that there has been a 41% spike in bookings in October

according to Hotelly.com (Hatch, 30 Oct 2009). However, it may also be the case that consumers may be choosing to travel at cheaper times of the year, trading their peak summer holiday for an Autumn break. Nevertheless, 'sunshine', or more accurately, 'guaranteed sunshine' is something valued highly by the holidaying public.

CUTTING BACK NOT CUTTING OUT

‘Whatever people are giving up – be it moving house, or a new car – they are not giving up their summer holiday.’

‘the overall message is clear; people are tightening their belts and this will continue to have an impact on volume and value of tourism activity for 2010.’

“Our own research shows that consumers would rather forfeit other ‘luxuries’ in their life during the current economic downturn than forego their annual holiday. Whatever people are giving up – be it moving house, or a new car – they are not giving up their summer holiday.”

*Tim Williamson, customer director,
TUI Travel, UK and Ireland
(Source: Mintel, May 2009)*

Other than the home, consumers prioritise holiday spending over and above all other forms of discretionary spending. People are willing to cut back spending in other areas of their lives (eating out, gym membership, upgrading car) in order to afford a holiday (Travel Nation, 2009). Consumers in the AB social group are among the most likely to cut other areas of discretionary household costs in favour of holidays (44.6%), along with part-time workers (46.4%),

those living with 5 to 9 year-olds (48.7%) and those living in four-person households (46.5%) (Mintel, May 2009).

Whilst around three quarters (73%) of UK consumers plan or have already cut back on expenditure, less than half (47%) plan to, or have already, cut back on holiday expenditure (Visit England, 2009). Other research appears more pessimistic citing that three quarters of people will cut their annual holiday budget (Davies, 7 July 2009). Despite differences in actual figures for cost-cutting, the overall message is clear; people are tightening their belts and this will continue to have an impact on volume and value of tourism activity for 2010.

CUTTING BACK ON WHAT?

According to a survey by Visit England (2009) the key targets for cutting down on holiday spending are accommodation (42%) and food and drink (40%).

Substituting expensive options for a lower budget brand is often one way that consumers seek to cut back on spending on these items. There is evidence to support this assertion in the United Kingdom Tourism Survey (UKTS, Jun 09) which states that tourist's accommodation choice has changed in the 12 months from May 08 to May 09 reflecting changes in consumers' disposable income. In relation to domestic tourism, demand has increased for self-catering and rented accommodation, Bed and Breakfast, and Guesthouses. May 2009 also witnessed an increase in low-cost camping and caravanning (up 24%) especially among households with children (UKTS, May 2009). Budget hotels in the UK are also experiencing higher demand. In a Synovate survey (2009) 70% of respondents stated they will opt for a budget hotel due to the recession. However, the rise in the use of budget hotel chains may also partly be as a result of companies cutting back on the cost of business travel.

Another big trend associated with cutting back is the increase in demand for 'all-inclusive' holidays and 17% of holidaymakers stated they would look for an all-inclusive holiday package (Visit England, 2009). Once again, this is supported through the evidence with TUI reporting that as of February 2009, sales for all-inclusive holiday packages had increased by 20% (Mintel, Apr 2009) and similar increases have occurred in the cruise holiday market.

Around a third of consumers stated that they would substitute the place to where they had hoped to travel for an alternative destination. Important trends in the international holiday market is a significant shift in demand to destinations outside the Eurozone (Turkey, Egypt, Morocco, and Tunisia are all performing very well) at the expense of traditional destinations for the UK package holiday market due to the weakness of the pound against the Euro. However, this is against a backdrop of a falling overall market for international trips. Visit England's survey of travel intentions found that 14% would substitute their holiday destination for a different country abroad, with around a fifth (23%) saying they would substitute a holiday abroad for one in the UK. However, importantly, 11% said they would go abroad rather than stay in the UK (Visit England, 2009). This latter figure highlights that for some, holidays in the UK are not perceived as the most cost-effective option.

Around a quarter of consumers continue to feel that daytrips will replace week-ends and short breaks in the next twelve months (Visit England, 2009). England's Attractions Monitor Quarterly Two Report (April-June 2009) reports that attraction visits increased by 15% overall and three quarters of all attraction locations reported a year-on-year increase in visitor admissions. Historic houses, castles, gardens and museums & art galleries appear to have benefited the most (Visit England, 2009b) witnessing a 17% and 12% increase in paid and free attractions respectively.

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TRAVELLING LESS

‘more than four out of ten people (44%) stated that despite the recession they would still prefer to take shorter but more frequent breaks.’

‘the trend is for closer, shorter, cheaper short breaks.’

Although consumers may have become used to taking frequent holidays and cherish the opportunity to travel frequently just under a third of consumers (29%) stated that they would travel less frequently in order to cut back on holiday spending (Visit England, 2009).

A reduction in the number of second and third holidays means that impulsive city breaks on low-cost airlines are a likely victim of this recession. BMI Baby have withdrawn three of their city routes and will replace them with those associated with the more traditional beach holiday (Intel, 2009). Similarly, American Express Foreign Exchange Services report a decline in demand for currencies linked to traditional mini-break destinations such as Prague and Krakow (TravelMole, 27 Oct 2009).

Holidays that are additional to the main holiday (often special interest or ‘niche tourism’) may also suffer. Evidence of this is seen in the recent closure of a well known and popular golfing holiday specialist (Davies, 26 Oct 2009).

Similarly, a reduction in sales of ski, golf and spa holidays has been reported (UKTS, June 2009 and Intel, 2009).

When consumers reduce the number of additional and special interest niche holidays they take, they may increasingly seek to include the activities and interests within the main holiday. Once again, this may have contributed to the rise in the sale of all-inclusive holidays as many of these activities are available and included within the package.

However, according to Travel Nation (2009) more than four out of ten people (44%) stated that despite the recession they would still prefer to take shorter but more frequent breaks. The trend for multiple holidays should prove resilient throughout the current recession, however, the trend is for closer, shorter, cheaper short breaks.

STAY CLOSER TO HOME

Recent research conducted by Travel Nation (2009) found that in these uncertain economic times half of the consumers surveyed stated that they would be more likely to holiday closer to home (either in the UK or Europe). VisitBritain's research suggests that domestic holiday destinations may have already started to see the benefit of this change in holiday behaviour. Domestic tourism overnight trips increased 35% in 2009 (Visit Britain, 2009b). The Director of Travel Navigator, Ben Moxon states "these figures are a reflection of the times. People are downsizing and also becoming increasingly independent and this will be food for thought for many operators" (Davies, 7 July 2009)

THE TRIED & TESTED

New, undiscovered and unexplored destinations are perceived as more of a risk. Therefore, in order to ensure that holidays meet expectations, consumers are likely to return to previously tried and tested destinations.

From this perspective they are perhaps more likely to respond to messages of "rediscovery" rather than "discovery".

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DRIVING A HARD BARGAIN

A third of consumers stated that they would look harder for special offers and deals and a just under a quarter will spend extra time planning to get the best price (Visit England, 2009). Furthermore, Travel Nation (2009) report that whilst it would appear that there are no significant changes in the factors affecting destination choice during this current period of uncertainty, the one significant change is that all factors have become more important. This signals that consumers are investing a lot of emotional commitment into their holiday planning and decision making.

It is likely therefore that the time taken to search for information on travel and holidays (already considerable) is likely to increase further. Consumers are likely to make a more considered choice and be less impulsive. It is likely that this 'considered choice' will also include the use of price comparison websites as part of the search process, with 64% of internet consumers stating that they will use one in the future (Mintel, Sep 2008).

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COST TRANSPARENCY

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An related issue is cost transparency. Consumers are increasingly sceptical of being able to book travel and holidays at the ‘advertised’ price. So transparency refers to the costs advertised reflecting the true costs paid. However whilst costs relating to travel ‘to’ the destination remains the prime consideration in decision making, the costs relating to expenditure whilst ‘on holiday’ have increased in importance (Travel Nation, 2009; Visit England, 2009). Hence cost transparency also relates to knowing how much the cost of all elements will be in advance of travel.

Cost transparency is the key selling factor of all-inclusive holidays and the reason for their increasing popularity. Other service providers may do well therefore to look at ways in which ‘cost transparency’ can be offered within their own operations.

TO PACKAGE OR NOT TO PACKAGE?

‘The resurgence of package holidays as opposed to independently organised holidays may therefore be short lived and messages of security/stability will have a limited impact until the confusion in the market is clarified.’

According to Mintel (May, 2009), anxiety about losing money on a holiday, or being stranded abroad, is probably the most important factor driving the resurgence in package holidays. It is driven by the need for reassurance during times of economic uncertainty. Similarly a survey by Thomson found that over 90% of holidaymakers said that having their holiday financially protected was important to them (Thomson and First Choice Trends Report 2008-09). However, the survey also reported that a quarter of consumers thought their money was protected when they booked a scheduled or low-cost carrier. Thus although protection may be important, there is widespread confusion about what is and is not covered.

Furthermore, the Thomson survey was conducted immediately following the collapse of XL and Zoom (2008) when the consequences of airline failure were still fresh in the mind of the public. However, it would appear that consumers have short memories where such incidents are concerned as concern about the reliability/stability of tour operators and airlines has diminished from a high of 36% in Oct 2008 to 21% in Jun 2009 (Visit England, 2009). The resurgence of package holidays as opposed to independently organised holidays may therefore be short lived and messages of security/stability will have a limited impact until the confusion in the market is clarified.

STAYING 'GREEN?'

Unlike the previous recession in the 1990s where concern for the environment plummeted, early indications suggest that present concern is relatively stable (Travel Nation, 2009; Mintel, 2008). Nonetheless where consumer spending is squeezed during a recession, people are unlikely to pay a premium for 'green' or 'ethical' travel services (Flatters, 2009). However, 'green' and 'ethical' behaviours that save money are likely to prove popular.

Babej and Pollak (2008) report that self-image matters. Consumers who are struggling may not want it to show, and so they will make trade-offs so that they can keep up appearances. This is perhaps the thinking behind the 'staycation' concept promoted by the Guardian Green Travel (2009), which encourages holidaying at home. It provides consumers with a means to consciously trade down whilst retaining cultural capital.

VisitBritain (2009) report an increase in domestic tourism and an increase in consumers opting for camping holidays. However, it is unknown whether these changes have been as a result of the need to cut back on travel spending through substituting behaviour or as a result of cultural or attitudinal shift towards environmental concerns.

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CONCLUSIONS

‘important that holiday’s deliver the best possible experience’

‘they cannot afford for them to be a disappointment.’

‘Value for money is the priority’

‘Trust and transparency’

‘Planning and booking a holiday are extended parts of the holiday experience therefore tourism operators/ agents need to provide a professional offering in product and service to maintain a positive customer-business relationship.’

Prioritising holidays above other discretionary spending means that it is more important that holiday’s deliver the best possible experience (Travel Nation, 2009). Furthermore where consumers have sacrificed other pleasures they cannot afford for them to be a disappointment.

Value for money is the priority as consumers actively and intensively search alternatives to keep their holiday in line with their budget. Trust and transparency are vital as the sceptical consumer will increasingly evaluate the options and will plan ahead to ensure holiday affordability.

Yet, a sophisticated consumer market like the UK tourism consumer expects to interact with sophisticated promotion material. Planning and booking a holiday are extended parts of the holiday experience therefore tourism operators/agents need to provide a professional offering in product and service to maintain a positive customer-business relationship.

APPENDIX

Background to the report: trends in consumer travel behaviour

Booking patterns

Domestic holidays have always traditionally been independently arranged. This pattern has increased further to the point whereby 70% of all domestic holidaymakers made their own travel and accommodation arrangements (Mintel, Dec 2007). The consumer base for the domestic holiday market is dominated by two key demographic groups: the over 55s and couples without children (Visit Britain, 2008).

Experienced consumers aided by ease of access to online travel and tourism websites and the expansion of low-cost air travel has also led to an increase in the popularity of independently organized holidays overseas and in the last four years the number of holidaymakers making their own travel arrangements has doubled (40%) (Mintel, April 2009). Advancements in technology allowing 'dynamic packaging' have allowed consumers to customise their holiday experience and to deal directly with travel suppliers. As a result high street agents have suffered, as has the traditional 'package holiday'.

Despite the popularity of independently organised travel the package holiday is far from being redundant and recently there has been a small resurgence in popularity through the expansion of the 'all-inclusive' concept. Previously the 'all-inclusive' model had been the domain of long-haul destinations. However the model has been introduced into many of the mainstream Mediterranean destinations and sales of all-inclusive holidays have risen by 32% over the last five years (Mintel, April 2009).

Although the majority of holidaymakers still book within three months of departure (57%), there has been a steady increase in those booking more than six months in advance from 15.3% in 2002 to 25.5% in 2007 (Mintel, March 2008). Part of this increase can perhaps be attributed to the move towards independently organised holidays which requires greater planning from consumers. The planning cycle is considerably less for short breaks rather than a long holiday which suggests there may be a degree of impulsiveness where short breaks are concerned.

Combi – holidays

'Combi-holidays' is a trend over recent years whereby a variety of 'activities' are combined with a holiday. Included here are physical activities such as golf, cycling, diving, and yoga, activities which involve learning on holiday along with activities that have more of a cultural orientation such as

gastronomic tourism. Although these holidays are usually classified as 'niche' market sectors and individually they only account for a small proportion of all holidays, collectively it is estimated that the 'combi-holiday' market accounts for around 20% of the market share (Mintel, May 2009b).

The popularity of these types of holidays coincides with a gradual move away from sedentary beach based holidays in the sun to those which include a more active element.

Days Out

The most popular locations for 'days out' are generic locations rather than specific attractions with the seaside, city/towns and retail complexes leading the way (Mintel, 2006; VisitBritain, 2008). For around a third of day's out, the main motivation is simply to explore an area (VisitBritain, 2008).

The second most popular destinations for a day out can be loosely grouped together as 'tourist attractions'. Of these, the most popular and the most frequently visited are those that are related to the UK's cultural heritage such as historic sites and castle, stately homes and palaces, and cathedrals and churches. The next most popular group of tourist attractions are museums, art galleries and gardens, followed by theme parks, zoos and safari parks. At the lower end of the scale, around 15% of consumers had attended a country show or fair and around 10% had attended a festival (Mintel, 2006; Foresight, Sep 2008).

In terms of the elements that are deemed the most important in making a day out enjoyable, nearly half of all respondents stated that an attractive setting or environment and good local food and drink were the most important. The next two most important elements were the availability of lots of things to do and new experiences (Foresight, Sep 2008).

The key motivating factors for a day out were the creation of good memories and the refreshing effect that getting away for the day had on the individual, whilst the key barrier deterring consumers from taking a day trip was cost (Foresight, Sep 2008).

The Green and ethical tourist

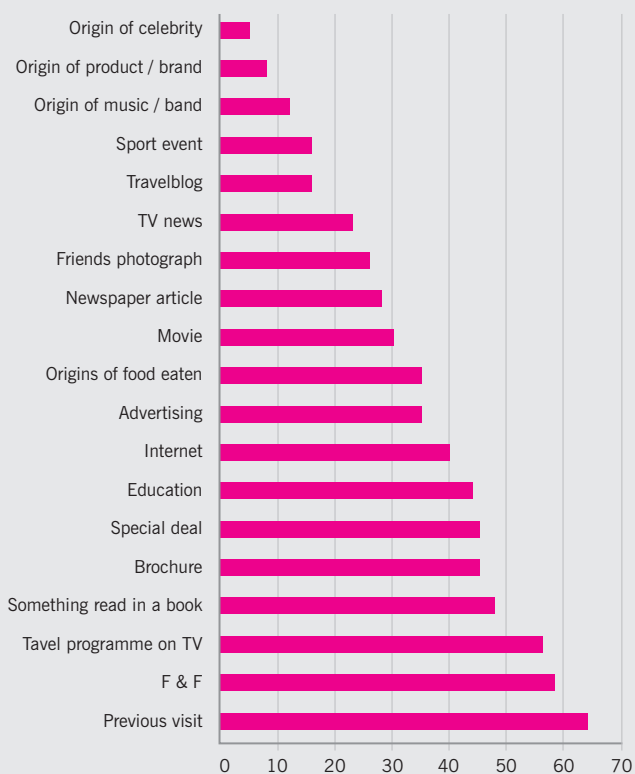
The British Social Attitudes Survey (Economic and Social Data Service, 2009) claimed 70% of participants agreed that air travel has a serious effect on climate change. With mass media coverage, the effects of air transport on the environment are affecting consumer decision making with regards to tourism travel and transport. More informed, sophisticated and educated tourists are actively choosing alternative means of travel and tourism products such as domestic holidays and travel by train. A Responsibletourism.com survey suggests holidaymakers are attracted towards more local, domestic, authentic travel, using operators promoting responsible tourism (Responsibletourism.com, 2004).

A new interpretation of traditional camping which keeps the ethical consumer conscious holidaymaker happy is 'glamping' (Times Online, August 2007) and this particular form of travel has been made particularly popular among the younger generations by supermodel Kate Moss and actress Sienna Miller at Glastonbury 2009 (The Independent, June, 2009).

Inspire Me

The graph below depicts the many ways in which consumers may be influenced or inspired to choose places for a holiday.

What inspires holiday choice?



Source: Foresight, August 2009

The informed Tourist

A Motley Fool(2008) highlighted that people spent more time researching and planning their holiday than they spent on researching for a mortgage. More than a third of the sample invested ten hours researching their holiday options whilst only a fifth would spend the same time on their mortgage. So whilst fifteen years ago tourists relied on their travel agent as both a source of information and through which bookings were made, the availability of a wider range of sources and the swing towards more independently organised travel has turned the tourist into a detective (Mintel, Mar 2008).

This is an important point of note for providers of travel services. In a crowded market place, consumers are faced

with a blizzard of choice. Service providers need to make the hard legwork of search and research as easy as possible, providing consumers with a simple, clear path through the marketing clutter.

Collecting the evidence

Whilst sources for information and ideas vary depending on whether consumers are seeking a day out, a domestic holiday or travel abroad, perhaps unsurprisingly, it is word of mouth that remains consistent across the three. Word of mouth is relatively more important for information and ideas about days out (47%) than it is for holidays abroad (34%) or domestic holidays (20%) (Mintel, 2006; Mintel, 2007; Foresight, Aug 2009).

For all types of travel there is a heavy emphasis on previous experience and it is an important source of information for more than a third of people (37%) (Mintel 2006; Mintel, 2007; Foresight, Aug 2009; Keynote, 2009). This reinforces the fact that the travel industry is now dealing with a more sophisticated, experienced and knowledgeable consumer base than ever before. A fact of which, service providers would be wise to take heed.

Printed media in the form of brochures for holidays and leaflets for days out remain an important source for information and ideas. They are relatively more important for days out (32%) than for overseas holidays (25%) or domestic holidays (14%) (Mintel, 2006; Mintel 2007). There were peaks for brochure usage among households with three or four persons (at 41.5% and 40.3%, respectively) and those living with children aged 10 to 15 (45.4%); C2s were the most likely social grade to use them. Mainly due to the lack of internet skills, brochures also remain popular with the over 65s (40.6%) (Mintel, Mar 2008).

However, the tourist as detective has predominately been facilitated by a growth in online access. Two thirds of homes in the UK now have high speed internet access (Mintel, Sep 2008). It is perhaps not surprising therefore that the internet has become one of the dominant sources of information in relation to days out and holidays.

In terms of other sources for information and ideas there appears to be a general split between holidays (domestic and overseas) and for days out. For holidays consumers appear to use a fairly narrow range, dominated by the sources previously mentioned, whilst sources for information and ideas for days out are far more wide spread. Features in newspapers, advertisements in the press or in the street all score a low response from holidaymakers (less than 10%) as a source for information and ideas, whereas their importance is far more evident for days out (Mintel 2007; Keynote, 2009).

For days out, advertisements in the printed press appear to be of greater importance than that of other advertisement forms such as the TV, or posters (23% v 21% v 13%

respectively). However when the figures polled for newspapers 'what's on listings' are taken into account (30%) the relative importance of the printed press as a source for information and ideas becomes all the more evident (Mintel, 2006).

However, according to a survey from VisitBritain (Foresight, Sep 2008) more than 50% of respondents stated that they used no information sources at all prior to taking a day out and less than 10% of respondents agreed with the statement 'I don't know what there is to do for a day out in the local area'.

For day trips it would appear that providers are dealing with a highly knowledgeable consumer base requiring minimal information.

There is one final point of note to make in terms of sources for information and ideas. Nearly half of the UK population (45%) stated that a special deal had inspired their choice of destination (Foresight, Aug 2009) whilst a fifth (22%) had searched for cheap flights on the internet (Mintel, March 2008). This reinforces the notion that much of the travel and tourism industry is price led whereby destination is often secondary.

The online investigator

Whilst use of the internet for research on days out and holidays has seen a massive increase in recent years it has not replaced traditional sources of information. Rather, the use of the internet as a source of information is in addition to other sources previously used. Only 18% of people rely on the internet as the sole source of information (Mintel, Sep 2008).

The internet has also not replaced traditional booking methods. Two out of three travellers who researched travel online subsequently made their booking in some other way (Mintel, Sep 2008)

However internet usage continues to be influenced by age (from 49.6% of 16 to 19 year-olds to 13.4% over-65) A third of the population, predominantly older consumers, not connected to the digital revolution rely on the traditional ways of researching and booking holidays, via tour operator/ agents (Mintel, March 2008).

Nonetheless, as the younger generations increasingly grow up using the internet it is likely that growth in the internet of the internet for travel and holidays will increase.

A word of warning

The majority of internet users visit between two and five sites when searching for travel and the number one reason for doing this was to compare prices. A further 20% of internet users visit six or more sites (The PhoCusWright Travel 2.0

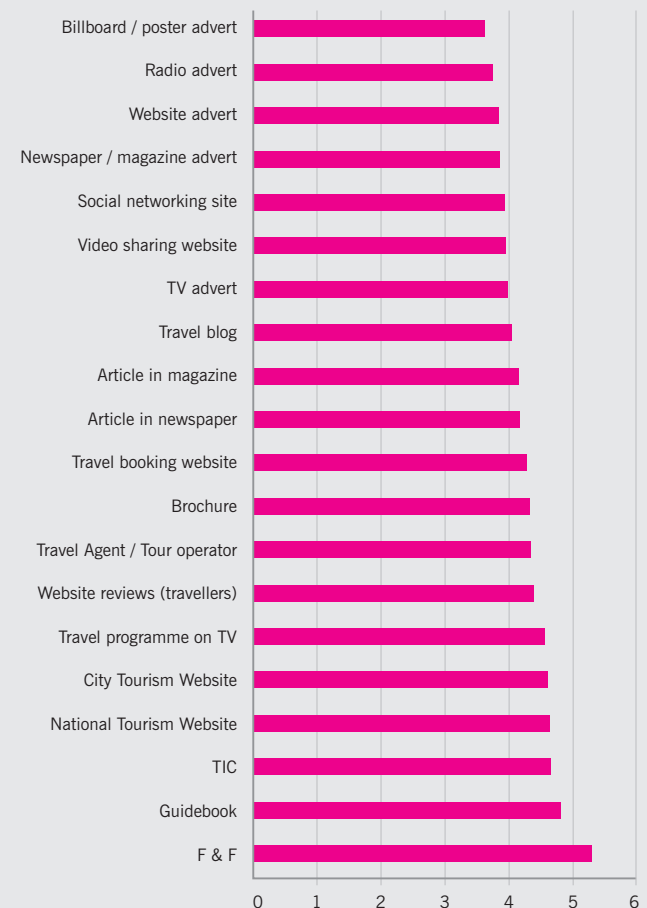
Consumer Technology Survey, 2009). Other research has suggested that internet users visit up to seventeen websites whilst planning a holiday (Highland Business Research, Jan 2009). Despite discrepancies in the actual number of websites used the message is clear. In an increasingly competitive environment, competition is just one click away. Even the best websites therefore have just a few seconds to successfully signpost the prospective visitor and seven seconds in the number that is frequently quoted (Highland business research, Jan 2009).

Patience is not a virtue when it comes to the internet and an increasingly experienced and internet-savvy consumer base are unlikely to be tolerant of slowness and confusion. For service providers that have not yet embraced the online world, but may be considering it as part of their future strategy, investment must be fully embraced as consumers will be intolerant of half-hearted measures.

Reliability and trust

The perceived degree of trust and reliability afforded to various sources of information are plotted on the graph below using a scale of 0 to 7 (with 0 the least trusted and 7 the most trusted).

Reliability of source for holiday destination information



Source: Foresight, Nov 2008

The importance of social networks

As noted previously, word of mouth remains one of the key sources for information and ideas about days out and holidays and as the table above demonstrates, it is also deemed the most reliable source of information. However, with advancements in technology comes a new source of information in the form of user generated content (UGC) and it has been likened to a form of 'extended word of mouth'.

User generated content is used by 40% of online travel researchers with ratings and reviews/recommendations dominating (Jupiter, 2008). Of this latter type of UGC site, TripAdvisor holds the dominate position accounting for 75% of the market share (Hitwise, 2009). One in every four internet users visited a review site before making a purchase (comScore and The Kelsey Group, 2007). The use of review websites is set to increase with more than half (53%) of consumers citing that they will use one next time they book a holiday (Travel Nation, 2009).

For those using UGC, reviews/ratings from other travellers were a major influence of travel decisions. Three quarters of users stated that reviews had an influential effect on purchase decisions (comScore and The Kelsey Group, 2007). The influence of UGC appears to be the most important when it comes to accommodation. UGC is nearly twice as influential as brand and almost three time mores influential than family/friend recommendation.

The trust afforded by consumers towards user reviews is an important consideration for service providers especially when research by Opinion Matters reports that one in four holidaymakers do not trust travel agents (Fearis, 16 Sep 2009) and as the table demonstrates, user reviews are deemed more trust worthy than agents/operators and travel brochures. Reputations and brand goodwill are being moulded in the online space (Mintel, Sep 2008).

On a positive note however, whereas the views and opinions of friends and family have long since been a trusted source of information service providers have previously lacked any control. However, online reviews afford free access for all and the most successful providers are likely to be those that embrace and respond to this new form of communication, using it in creative ways.

The websites belonging to National and City tourism organisations, tourist information centres and guidebooks are also all rated fairly highly as reliable sources, possibly as consumers may associate them with a degree of 'independence' not found in many other sources.

The credibility of tourism marketing?

A recent survey by Travel Nation (2009) reports an overall lack of trust in price-led campaigns. More than half (51%) do not pay attention to prices advertised by airlines as they can rarely book at those prices. Nearly two thirds of respondents (58%) are deterred from travelling with a company in the future when they have been unable to book at the price advertised. Two thirds (66%) of respondents believed that the companies who advertise prices that people have little chance of booking give the whole industry a bad name.

It is unsurprising to note therefore that the sources ranked in the lowest positions in the table in terms of trust and reliability are the various forms of advertisements, with billboard/poster adverts appearing to be the least trusted.

It would appear then that whilst consumers may have previously responded to 'price led' campaigns, negative experiences means that consumers are becoming increasingly sceptical and this style of communication is unlikely to evoke a massive response. Restoration of trust through transparency in pricing should be a priority for service providers perhaps through the promotion of prices with 'no hidden extras'.

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