

BRITISH TOURIST AUTHORITY

Report to Tourism Summit, 5 March 2002

THE MARKET

2001/2002

2001/2002 was a particularly challenging year for British tourism. The outbreak of foot and mouth disease and the way it was depicted by overseas media caused strong negative images of Britain as a destination; with visitor expenditure down 16% against pre FMD forecasts by April 2001. BTA secured an additional £14.2m from HM Treasury to fight these negative perceptions and implement recovery plans. The terrorist atrocities of September 11th changed people's attitudes to travel and tourism dramatically and hit Britain's inbound tourism industry again, with spending in October 2001 down 27% against original forecasts. **Total losses over the whole of 2001 are estimated at £2bn (15%).** BTA has worked closely with the national and regional tourist boards and the travel industry to implement recovery plans to help rebuild the value of tourism to Britain. Despite the events of 2001, there are a number of success stories and achievements to report.

Reacting to Foot and Mouth Disease

BTA reacted quickly to the outbreak of Foot and Mouth disease and set up a 3 stage recovery plan in conjunction with the travel industry and its tourist board partners. The first stage focussed on rebuttal, providing truthful and honest tourism information through ongoing PR work, and promoting Britain as an attractive destination that is 'open for business', focussing on the seven most affected countries which account for more than half the traffic to Britain – US, Canada, France, Germany, Netherlands, Belgium and Ireland.. In order to publicise this message the World Travel Leaders' Summit was organised. 40 high profile travel industry leaders from these markets toured the worst affected areas of Britain and attended VIP receptions with HRH Prince Phillip and the Prime Minister.

As a direct result of the publicity generated by the Summit, a partnership was offered by the FA Premier League, giving BTA access to 1.4billion viewers in 142 countries around the world to promote Britain and BTA's global website. This partnership will continue in 2002/03. Across the globe, BTA sat on public diplomacy groups and issued joint press releases with British Embassies and Consulates. In London, BTA was invited to sit on the Rural Task Force, to provide an international tourism perspective and advise on the economic impact of FMD. The second stage of recovery was planned to minimise the damage caused during the crucial booking period for overseas visitors by tactical promotions which encouraged visits to unaffected areas.

September 11th

The events of September 11 hit international tourism hard, both inbound to Britain and to an extent outgoing tourism by British residents. The adverse impacts on the UK tourism industry were therefore concentrated on destinations favoured by overseas visitors, particularly London which accounts for half of all visitors and half of their spending, other cities and historic towns, and 'icon' rural areas such as the Lake District, Cotswolds, parts of the West Country, Scottish Highlands, etc. Meanwhile, many rural areas (including the icon areas) have actually benefitted from fewer British going overseas, helping the recovery from Foot and Mouth Disease.

Short haul traffic has suffered less than long haul: the fear of travel and of being away from home is less, and the aggressive pricing and promotion of the low cost airlines in Europe has boosted travel. In November and December, European travel was level with 2000, while North America was down 16% and the rest of the world down 22%. The GLA family and London Tourist Board have embarked on a major domestic promotion of London, and are working with BTA on international recovery plans.

The 3rd stage of FMD recovery was re-planned to deal with the consequences of September 11th. **In January 2002, BTA launched UKOK, a high profile international marketing campaign to stimulate overseas visitors to travel to Britain in 2002.** Hand in hand with this is the Friends and Relatives initiative, backed by the Prime Minister personally, which encourages British residents to invite their friends and relatives to visit the UK, with the opportunity for them to enter a prize draw to win free flights, hotel accommodation and other travel deals. The UK travel trade have been encouraged to support the UKOK campaign with exceptional travel and accommodation offers, and to date, over 1,400 companies have come forward with highly attractive offers which are featured on the BTA's website at www.visitbritain.com/ukok. Campaign advertising and PR directs enquirers to this website.

BTA is part of the Britain Abroad Task Force (BATF), which coordinates the way in which Britain's image is projected overseas, involving the FCO, British Council, TPUK, Design Council, DCMS and others. During the year, BTA has contributed to the Task Force's work on research and planning as well as contributing its marketing experience. It worked with the same partners on the UKwithNY event which underlined Britain's support for New York and the USA. The BATF has also been used as a conduit to explain the principals and applications of the UKOK campaign to Embassies and British Council Directors around the world.

New Campaigns

Capitalizing on the global promotion of the release of the first Harry Potter film, BTA developed a campaign to promote Britain as a 'magical' holiday destination. To date the campaign has proved a great success. Requests for the *'Harry Potter - discovering the magic of Britain' map* which features the film locations across Britain on BTA's Harry Potter web pages in November 2001 increased 560% on October's statistics.

Launched in January 2002, the *Hidden Britain* campaign is supported by a website and brochure promoting 14 rail and car itineraries around Britain. The aim of the campaign is to promote Britain as a main season touring holiday destination, by promoting 'off the beaten track' destinations and alternative forms of transport, thus contributing to BTA's Funding Agreement target to encourage regional spread. In March 2002 BTA will launch the *Britain's Royal Heritage* campaign which features as its centrepiece a map showing 50 locations across Britain which have royal connections, to promote both the Queens Golden Jubilee and Britain's royal heritage.

New media has become a fundamental part of BTA's marketing mix. The number of visits to our family of websites, built around the global website www.visitbritain.com is now far greater than the levels of contact we receive from any other source. BTA has now established 34 gateway websites, all of which are in the local language of the country concerned. Co-operation with the British Council has enabled BTA to develop gateway websites in countries where BTA is not active, such as Mexico and Taiwan. BTA has also been actively involved (as a partner) in the FCO's i-uk portal, advising on tourism content and co-operating with the portal editorial team. During 2001 BTA worked alongside Cumbria County Council, the Countryside Agency and Ordnance Survey on the www.travelcumbria.com initiative supported by DTLR. Integrated with the BTA's website, this enables enquirers to plan public transport journeys in the Lake District in detail, down to bus stop and timetable level. Users can also search for accommodation, places to visit and events.

BTA AND THE TOURISM INDUSTRY

The euro and the tourism industry

In November 2001, BTA produced a new advisory leaflet *'The euro - a guide for small tourism businesses'*. **The guidance, which was published in conjunction with HM Treasury, was designed to help small business to prepare for the introduction of euro banknotes and coins.** Demand for the leaflet has been high. Regional Tourist Boards, National Tourist Boards, regional euro forums, local authorities, trade associations and individual operators, ranging from small B&Bs to airports and larger hotels, have requested around 55,000 copies of the leaflet to date.

Exchange rate impacts on inbound tourism

BTA also produced a study on *'The Price Sensitivity of Tourism to Britain'*, which is one of the most thorough examinations of the relationship between price and income and the generation of tourism revenue undertaken in any country. The findings show that overseas visitors are highly sensitive to changes in the cost of staying in Britain: **for every 1% movement in the exchange rate which increases the cost of staying in Britain, the UK's international tourism earnings will decrease by 1.3% (£160m).**

Business Tourism

Business tourism represents almost one third (32%) of all tourism expenditure in Britain (IPS 2000). **It has grown by more than 50% over the last seven years and is the fastest growing sector of the inbound tourism industry.** BTA has taken the role of Secretary with the Business Tourism Partnership (BTP), which is supported by DCMS and the DTI. The BTP has been working with Trade Partners UK, firstly to ensure that business tourism is recognised within each of TPUK's sector strategies, and secondly, to try and improve the Inward Mission Scheme, which promotes British exports. Through the BTP, BTA has been working with the FCO to bid for conferences in Britain. For example, the British Ambassador in Prague recently hosted a reception which formed a part of a bid process supporting Glasgow, through BTA. The European Congress of Clinical Chemistry has now been confirmed for 2005, bringing approximately 4000 delegates, with an estimated benefit of £4m to the Glasgow

economy. Trade Partners UK also funds and supports www.exhibitions.co.uk, which is used extensively in BTA's overseas markets.

THE BTA

Financial Management Review

Early in 2001 DCMS completed their **quinquennial Financial Management Review** of BTA. The review concluded that the functions of BTA were necessary and should be carried out in the public sector. It also presented recommendations to help improve BTA's performance. Many of these have already been implemented and others will be taken forward in 2002/03.

Sustainable Tourism

Tomorrow's Tourism required BTA to produce a **sustainable tourism strategy**. This committed BTA to making sure that its marketing campaigns contribute to the sustainable tourism objectives of the National Tourist Boards and, through them, Government's Sustainable Development Strategy, which ultimately contributes to the targets set by DEFRA's Sustainable Development Unit. To demonstrate that the strategy has been implemented effectively, and is helping the British tourism industry to grow in a manner that meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future, BTA will provide annual reports to Government and the NTBs.

Awards

During 2001/02 BTA was recognised for its achievements in various fields. Investor in People status has been retained and a new accolade, Excellence Through People, has recently been awarded for exemplary employment practice. BTA Spain and Portugal won awards for the UK City Culture campaign and for its Tri-Lingual Information Services (Spanish, Catalan and Portuguese); BTA Italy won Site of the Year 2001 by Yahoo! Italy for the Italian version of UK The Guide; BTA Finland won the Choice of the Year 2001 for best tourist office in Finland; BTA Australia won Best National Tourist Office 2001 by the Australian Travel Industry Awards and BTA Singapore won the Travel Weekly East Golden Web Award 2001 for Best NTO website.

British Tourist Authority
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