Impact of economic downturn on attitudes and behaviour of international tourists to Britain

- US, France, Germany, Spain, Ireland, Netherlands

Undertaken for: Visit Britain
VisitLondon

Market Research Findings: February 2009

Olive Insight

Journey through document

- Aims, scope and method
- The economic climate, how it is affecting lives - attitudes towards the credit crunch & impact on spend
- The economic climate and how it is affecting lives - behaviour changes due to the credit crunch
- Britain/ London in vacation repertoire and impact of the economy on this
- Barriers and levers to visiting Britain, recession busting initiatives
- Conclusions

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Aims, Scope and Method

To provide clear indication of the potential effects of the economic downturn on attitudes and behaviours re tourism in the US, France, Germany and Spain, with key measures also in Ireland and Netherlands

- To understand the contextual climate and general economic landscape
  - thus putting attitudes and behaviours to vacations into context
- To ascertain the effect of the downturn on short breaks/ vacations, including those to Britain
- To explore & identify the key barriers and potential levers for vacations in Britain, including the exchange rate
- To provide guidance on incentives to overcome perceived (economic) barriers

3 sequential phases

Gathering

VB office credit crunch audit

Market sizing **Omnibus**

Identifying

Global Online Quantitative to:
- understand climate
- ascertain strength of levers and barriers
- identify markets of most and least potential

We are here

Optimising

Face to face Qual:
- evaluate and facilitate development of recession busting messages /activities
- and ways to communicate to most fertile markets

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Research details

Omnibus - Establishing target profile

1000 Online interviews with nationally representative sample in each of US, France, Germany, Spain

To establish the profile of those who:

•Have travelled abroad in last 3 years
(in US, outside Canada, Mexico, Caribbean)

•Do not reject Britain as a holiday destination

•(In US) Hold a valid passport (46% do)

11-18 December 2008

Quantitative Measurement of attitudes and behaviours

500 Online interviews among established target profile in each of US, France, Germany, Spain, and 1000 among a nat rep sample in Netherlands and Ireland

'Qualifying' sample accounts for:
82% of Irish population
70% of Dutch population
66% of German population
60% of Spanish population
55% of French population
23% of US population

US: 20-27 Jan 2009 (mop up 26 Feb)
France, Germany, Spain 28Jan – 3 Feb 2009
Netherlands & Ireland – 27 March – 8 April 2009

7 in 10 Americans have not travelled abroad in the last 3 years. Two-thirds to three-quarters within Europe have travelled abroad, higher in Ireland. Britain is rejected as a holiday destination by c 10% - lower among Spanish

	USA	France	Germany	Spain	Nether lands	Ireland
Sample Base	*999*	*1001*	*1000*	*1000*	*1419*	*1216*
% who have NOT travelled abroad in last 3 years *(In USA, outside Canada, Mexico, Caribbean)*	72	38	29	36	25	8
% who would not consider visiting Britain (England, Wales & Scotland) for a vacation/ holiday	11	11	10	6	5*	10*

* In Netherlands and Ireland, this is % of those having travelled abroad in last 3 years who would not consider going to Britain

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The Economic Climate and how it is affecting lives

- attitudes towards the credit crunch and its impact on spend

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Most already 'feeling the pinch'; Irish, US & Spanish tend to feel their country is one of the most affected

- The majority '**have started to feel the pinch/ feel the effects**' of the credit crunch, particularly in US
  - 70% in US
  - 60% in Spain
  - 60% in Germany
  - 54% in France

  (was 54% in UK)

- Ireland, then US and Spain most likely to '**think the country I live in is one of the most affected**'; Netherlands least so
  - 77% in Ireland
  - 59% in US
  - 57% in Spain
  - 23% in Germany
  - 20% in France
  - 7% in Netherlands

Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (2036: c 500 per country). Figs shown '*Strongly agree/ Slightly agree'* with statements

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Shared pessimism over the direction & duration of the downturn, and a focus on personal not global impact

- 7 in 10 feel 'it is going to get worse before it gets better'

  75% in US
  71% in Spain
  69% in France
  64% in Germany
  (was 80% in UK)

- Across all countries, c three-quarters feel recovery will start within 2 years (half think within 18 months, one-quarter within next year)

- Most are 'more worried about the cost of living than global economy'

  65% in Spain
  62% in France
  59% in US
  58% in Germany
  (was 70% in UK)

Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (2036; c 500 per country). Figs shown '*Strongly agree/ Slightly agree*' with statements

Fear of what's ahead highest in Ireland and US, lowest in Germany and Netherlands

Very high levels of concern in US *(esp among working men, 25-44 yr olds, home owners & those with kids)* and in Ireland *(esp among women, 25-34 yr olds, with kids, low income)*

- 79% in both countries 'very concerned about the credit crunch'
- 76% of Irish, 68% in US 'are concerned about unemployment/job security'
- 66% in Ireland and 55% in US 'worry about making ends meet'

High concern in France and Spain, especially over job security *(esp among the 45yrs +)*

- 79% in France, 69% in Spain 'concerned about unemployment/ job security'
- 68% in Spain, 60% in France 'very concerned about the credit crunch'
- 49% in France, 45% in Spain 'worry about making ends meet'

Relatively low concern in Germany and Netherlands

- 40% in Germany and 36% in Netherlands 'v concerned about credit crunch'
- 39% Germany and 21% in Netherlands 'worry about making ends meet'
- 36% in Netherlands and 28% in Germany 'are concerned about unemployment/job security'

Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (2036: c 500 per country). Figs shown '*Strongly agree/ Slightly agree*' with statements

Some evidence of (increasing) irritation at media coverage, which is felt to fuel the crisis

- The French are most likely to ‘think it is being blown out of proportion by the media’

  51% in France
  41% in Germany
  32% in US
  32% in Spain

  (was 38% in UK)

- A sizeable proportion across each country are ‘fed up with hearing about it’ *(highest in Ireland and Netherlands; research conducted 2 months later)*

  (was 49% in UK)

  71% in Ireland
  66% in Netherlands
  52% in Spain
  43% in Germany
  43% in France
  39% in US

Q1. To what extent do you personally agree or disagree with the following statements about the economic downturn or credit crunch? Base: All (2036: c 500 per country). Figs shown ‘*Strongly agree/ Slightly agree*’ with statements

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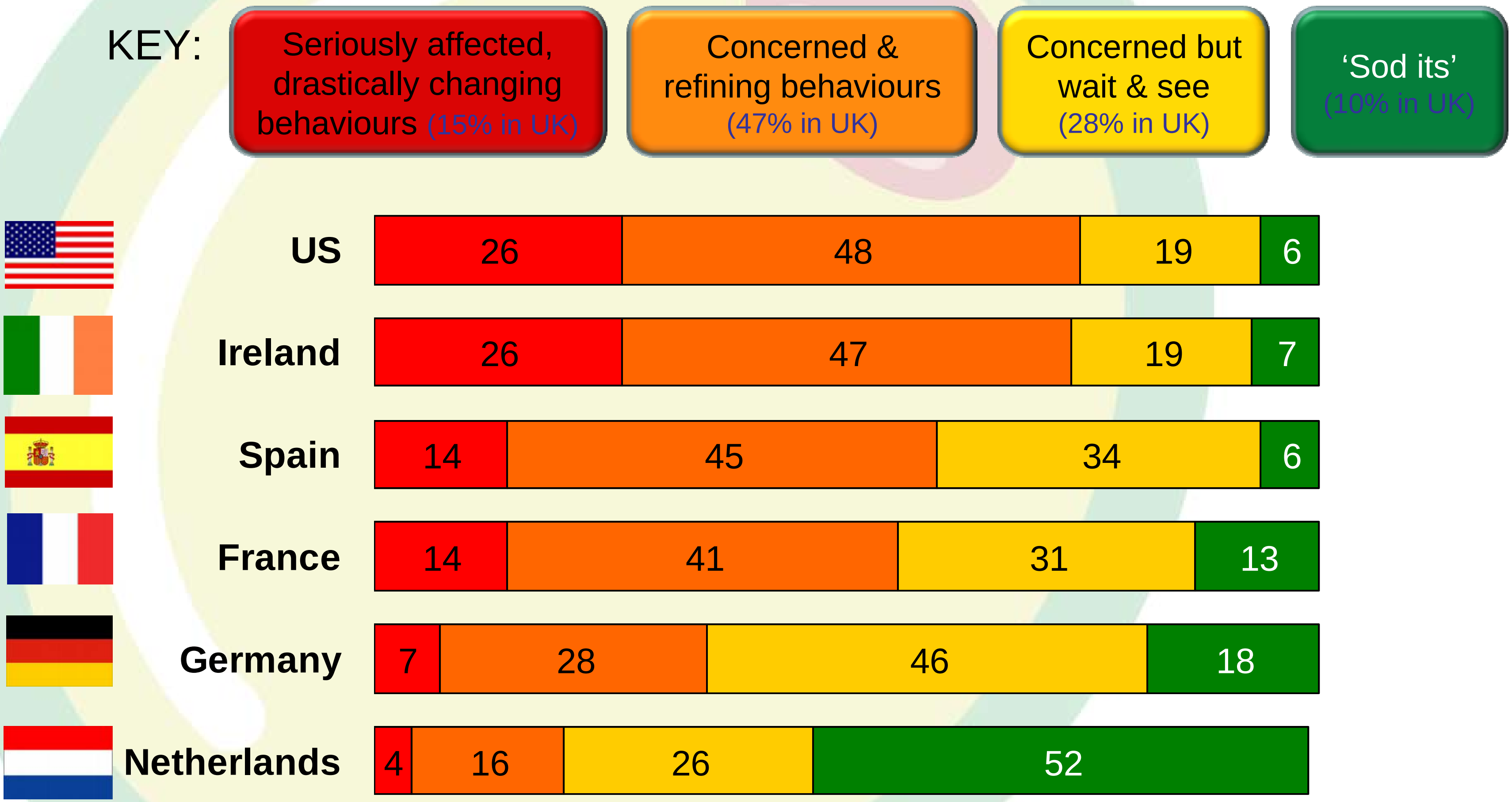
Most impact/ behaviour change in US & Ireland, least in Germany and especially Netherlands

Extent to which affected by economic situation



Q3. Which of the following best describes your feelings about the economic downturn or credit crunch? Base: All (2036; c 500 per country)
(1)It's seriously affected me and I've already had to make a lot of changes to my spending and behaviour
(2)It's affected me a little and I've made a few changes to my spending and behaviour
(3)It hasn't affected my yet but I'm concerned it might do so soon It hasn't affected me yet and I'm not really worrying about it

Most severe cut backs in US with majority of Spanish and French cutting back at least a little

Extent to which cutting back on spending

Q4. As a result of the current economic climate, are you (or family living with you) cutting back on your spending?
Base: All (2036: c 500 per country)

What this means...

1. Most severe impact being felt in US and Ireland; also more likely than Europeans to be modifying spend behaviour

2. High level of concern in France and Spain, particularly re job security. Over half making at least some change to spend behaviour

3. Germans and particularly Dutch least concerned; they feel other countries more harshly impacted, and fewer concerns re job security or making ends meet

The Economic Climate and how it is affecting lives

- behaviour changes due to the credit crunch

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Savings being made/ planned in many areas; vacations one of top targets for cuts

*% of **total** sample who **have** cut back/**are planning** to cut back in area shown*

75%
Food
Higher in Spain (81%)

75%
Entertaining/ little luxuries
Higher in Spain (82%)

67%
Clothes

64%
Vacations
Higher in US & Spain (70% &67%)

66% **Fuel**
Higher in France (77%)

49%
banking/ savings
Higher in Spain (81%)

42%
Home/ Home Improvements
Higher in US (53%)

46% **major purchase**

17%
Education
Higher in US (20%)

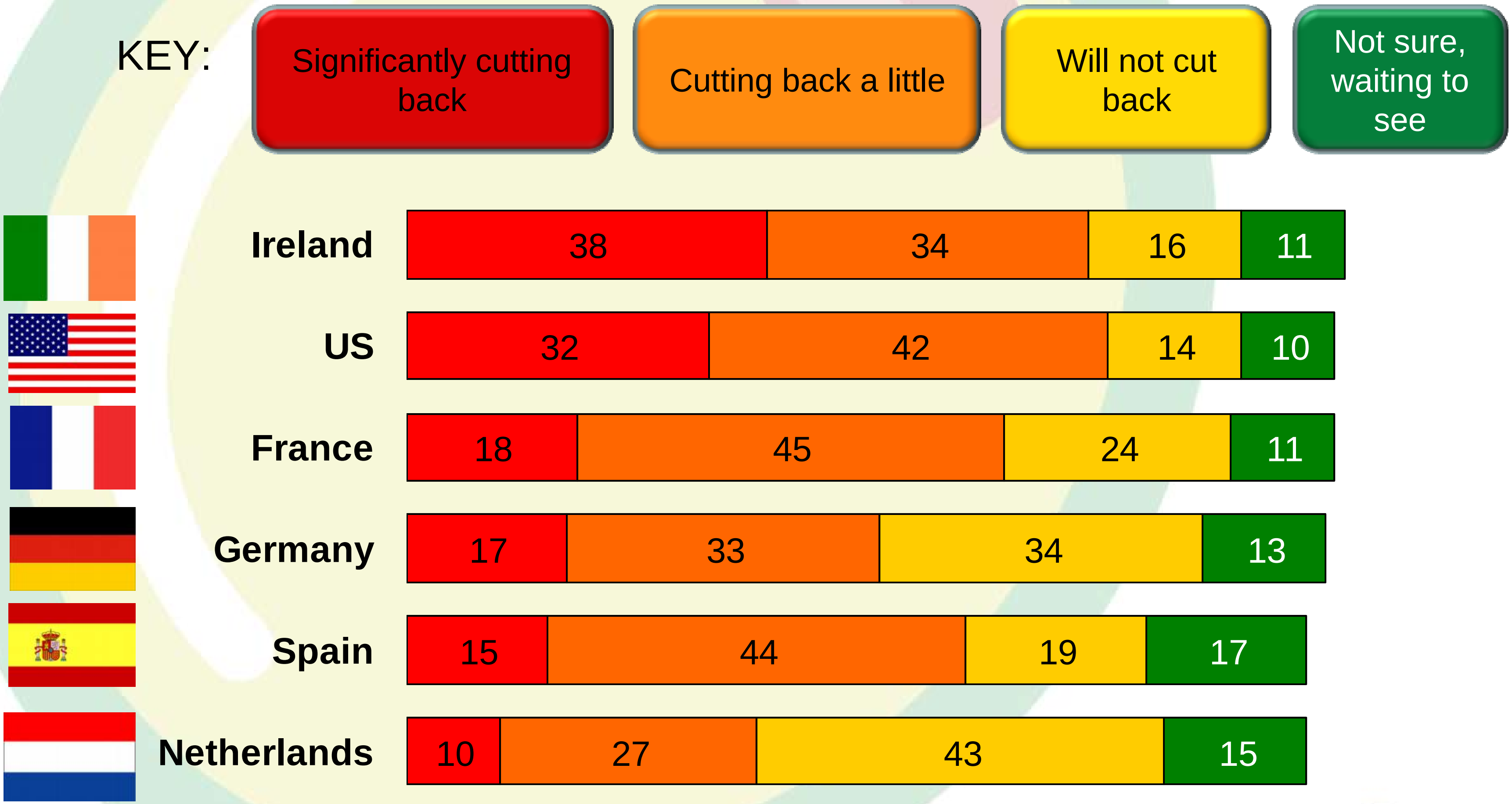
Vacations more likely to be cut among:

- US & Spain than France (62%) or Germany (57%)
- Those aged 45+ yrs (71%)

Q5a. How are you cutting back / planning to cut back on your spending? Base: Rebased on all (2036: c 500 per country).

In next 12 months, most severe cut backs on vacations in Ireland and US; Netherlands by far least likely to cut

Extent to which cutting back on spend on VACATIONS in next 12 months



Q6a. As a result of the economy, will you be cutting back the amount you would otherwise have spent on vacations in the next 12 months?
Base: All (2036: c 500 per country)

Half will make savings on vacations by cutting their frequency/ duration; more likely than compromising quality once there

How will you cut down your spend on vacations?
(Figs shown rebased to be on TOTAL sample)

Esp among US (65%) vs 44% France/ Spain, 38% Germany

Reduce frequency49%
(shorter time 25%, fewer hols 22%, not take 11%, short break instead of long 11% , daytrip not overnight 9% cheaper time)

Go at cheaper time of year
26%

US 31%
France 29%
Spain 23%
Germany 20%

Book carefully
35%
(look harder for deals, spend more time choosing)

Cheaper location
29% (US 40%)
(cheaper destination, closer to home)

Cheaper travel
32% (US 45%)
(cheaper airline, cheaper way)

Spend less while there 33%
(US 42%)
(on food/drink, on shopping)

Cheaper accommodation
25%
(downgrade accomm, stay with friends)

Esp among US women

Esp among <25s, no kids

Q6b. How will you cut back your spend on vacations?
REBASED TO: All (2036: c 500 per country)

What this means...

1

Vacation spend is one of the top (prompted) targets for cost-cutting
-More so in Ireland and US than particularly Netherlands
-More so among the over 45s

2

Savings will be made primarily by cutting down the frequency/duration of vacations

3

Savings will also be made by more careful booking/planning to secure offers/ cheaper travel – less likely to compromise on spend once on holiday

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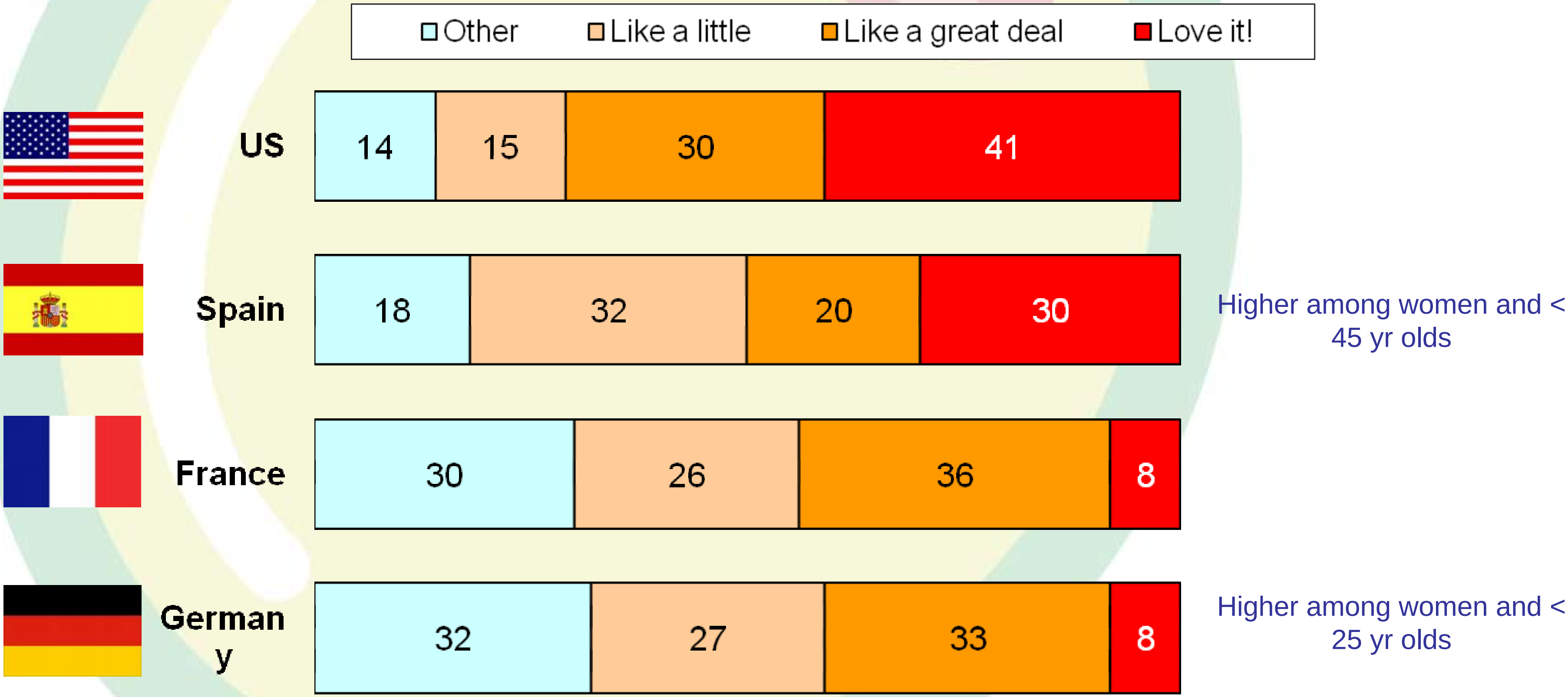
Britain/ London in vacation repertoire and impact of economy on this

Those in US and Spain most favourably disposed towards visiting Britain; particularly younger women

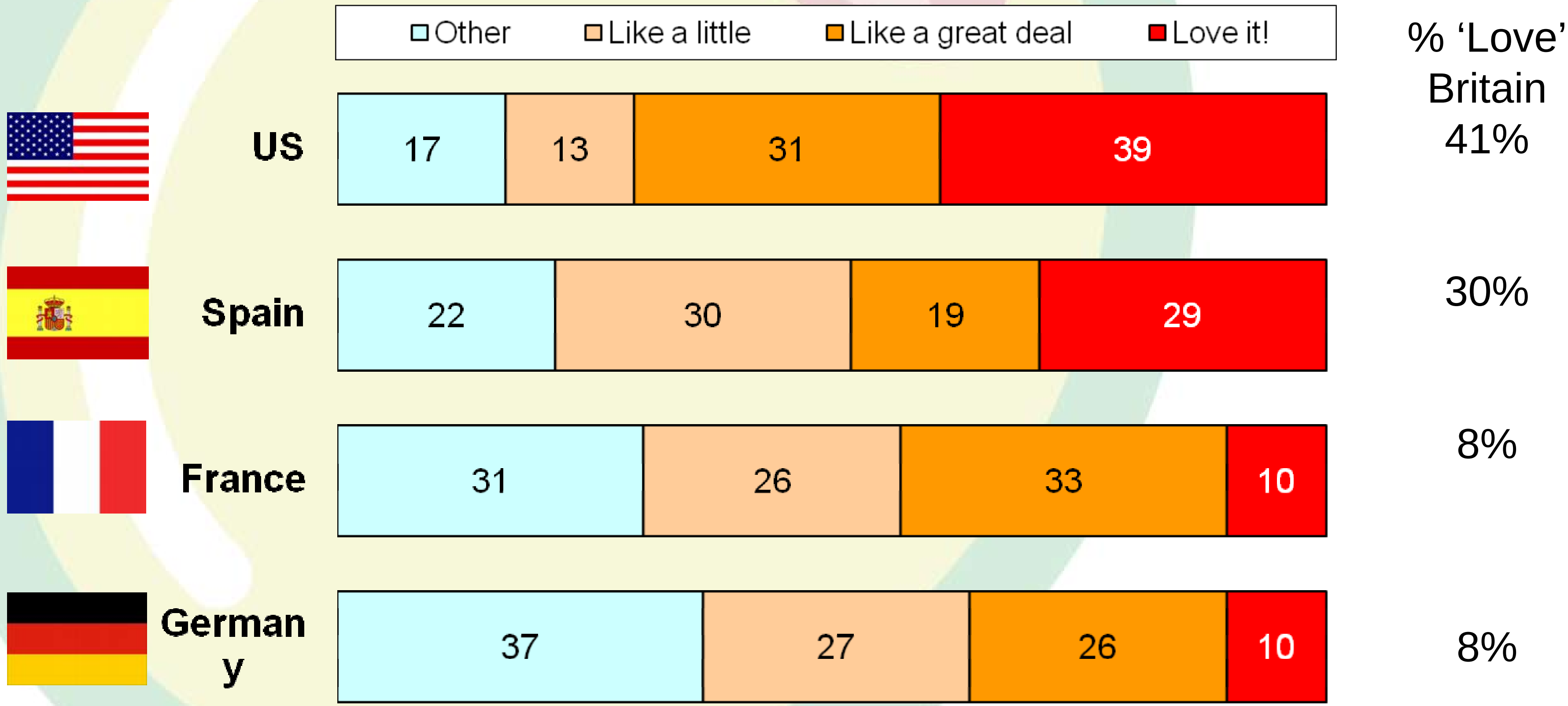
Extent to which like/dislike taking a vacation to Britain



Q15a/b How much do you (think you would) like or dislike taking a vacation to Britain?
Base: All (2036: c 500 per country)

Extent of liking/ disliking London similar to Britain as a whole

Extent to which like/dislike taking a vacation to LONDON



Q17b How much do you (think you would) like or dislike taking a vacation to LONDON?
Base: All (2036: c 500 per country)

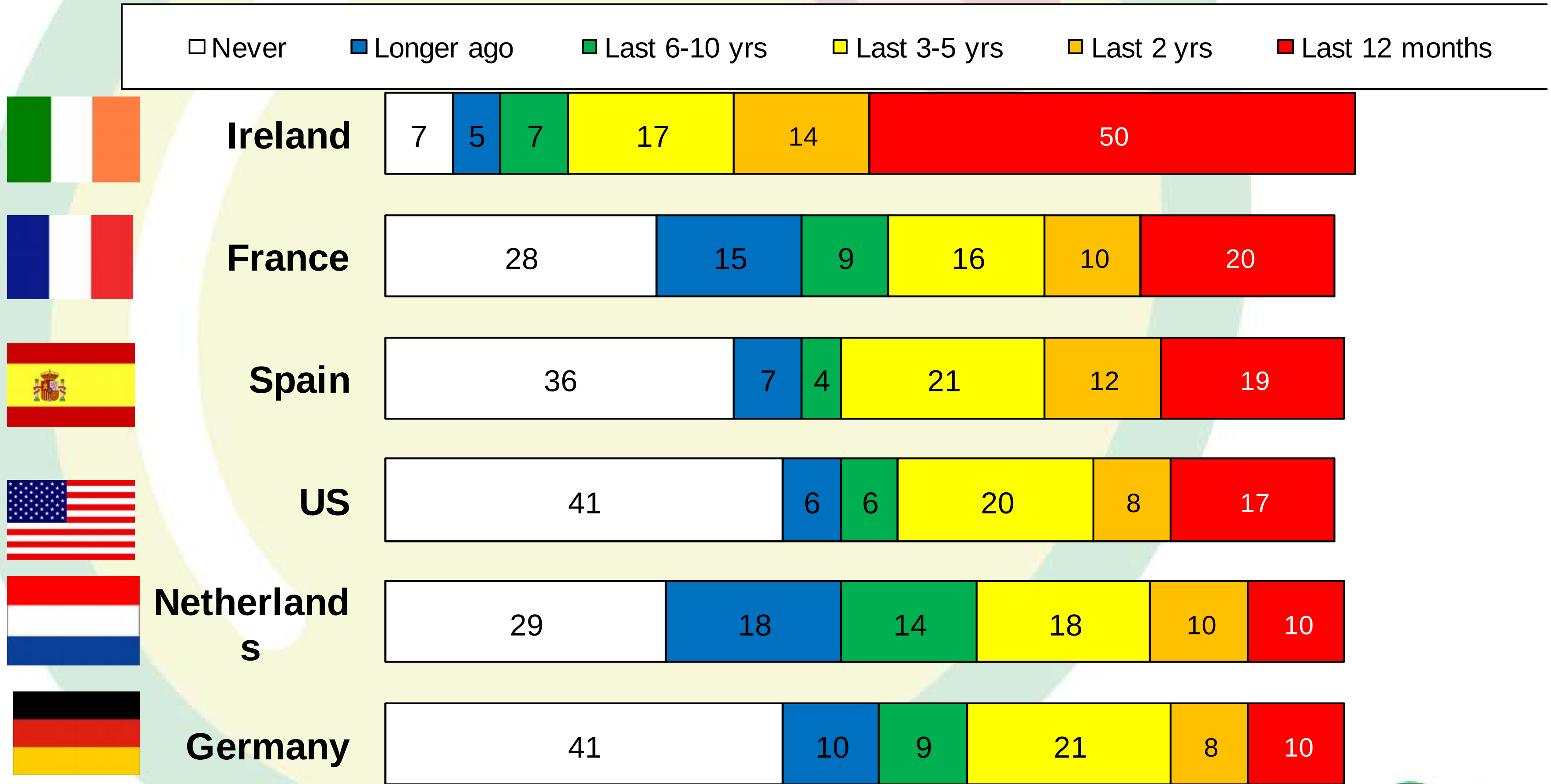
Britain compares favourably to other European countries among Americans; Italy and Spain preferred among Europeans

% saying they 'Love' or 'Like a great deal' taking vacation in each country

Q15b/ Q29/30 How much do you (think you would) like taking a vacation to each of these countries? Base: All (2036: c 500 per

Among the core market, half in Ireland, c. one in five in France, Spain and US, and c one in ten in Netherlands and Germany have visited Britain in last year

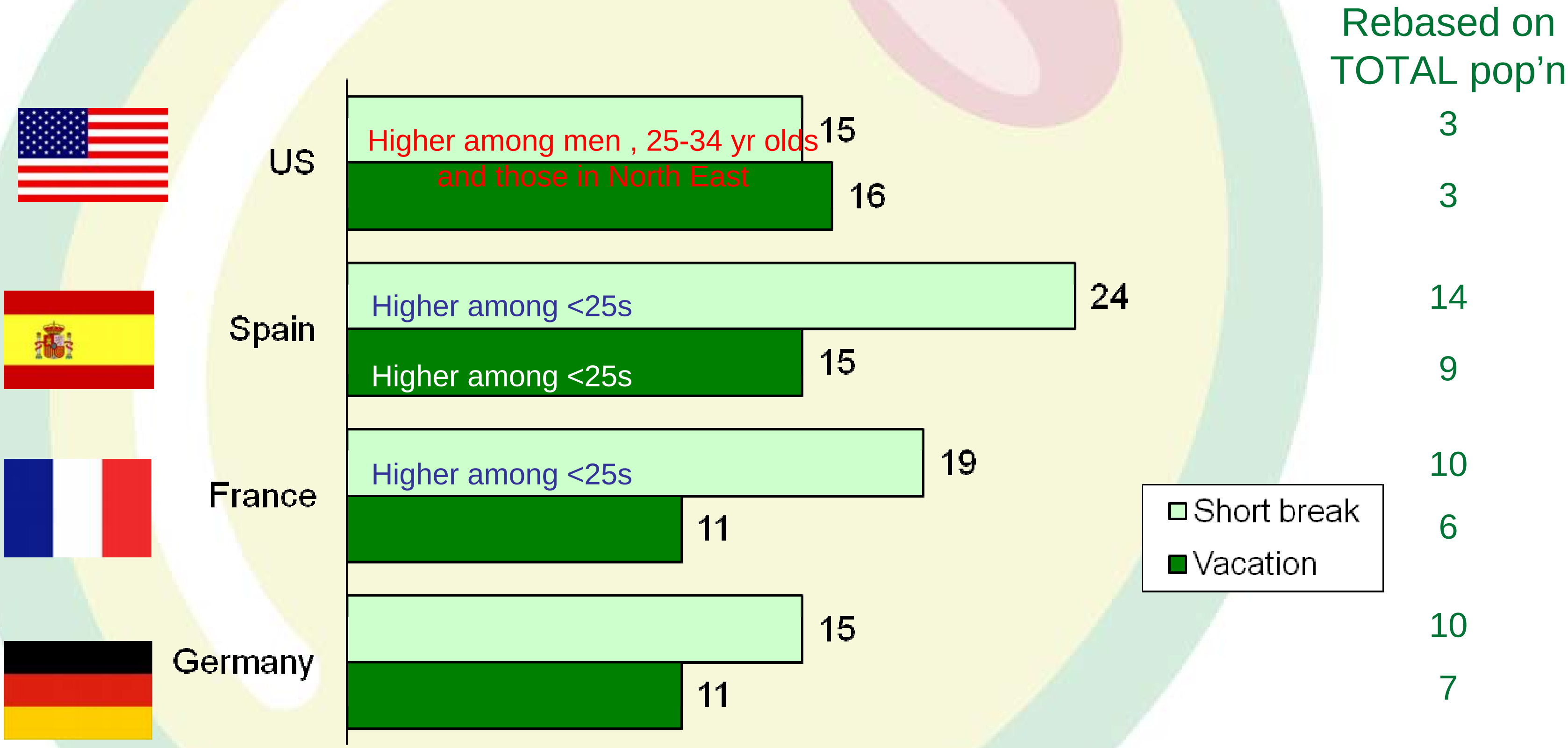
When last visited Britain for a vacation/leisure holiday of any length



Q13 When, if at all, did you last visit Britain (that is, England, Scotland or Wales) for a leisure holiday of any length?
Base: All (2036: c 500 per country)

In last 12 months, Britain more likely to have been visited for short than long break from Europeans *(NB: US sample all have valid passport, & have been outside US/Canada/Mexico/Caribbean in last 3 yrs)*

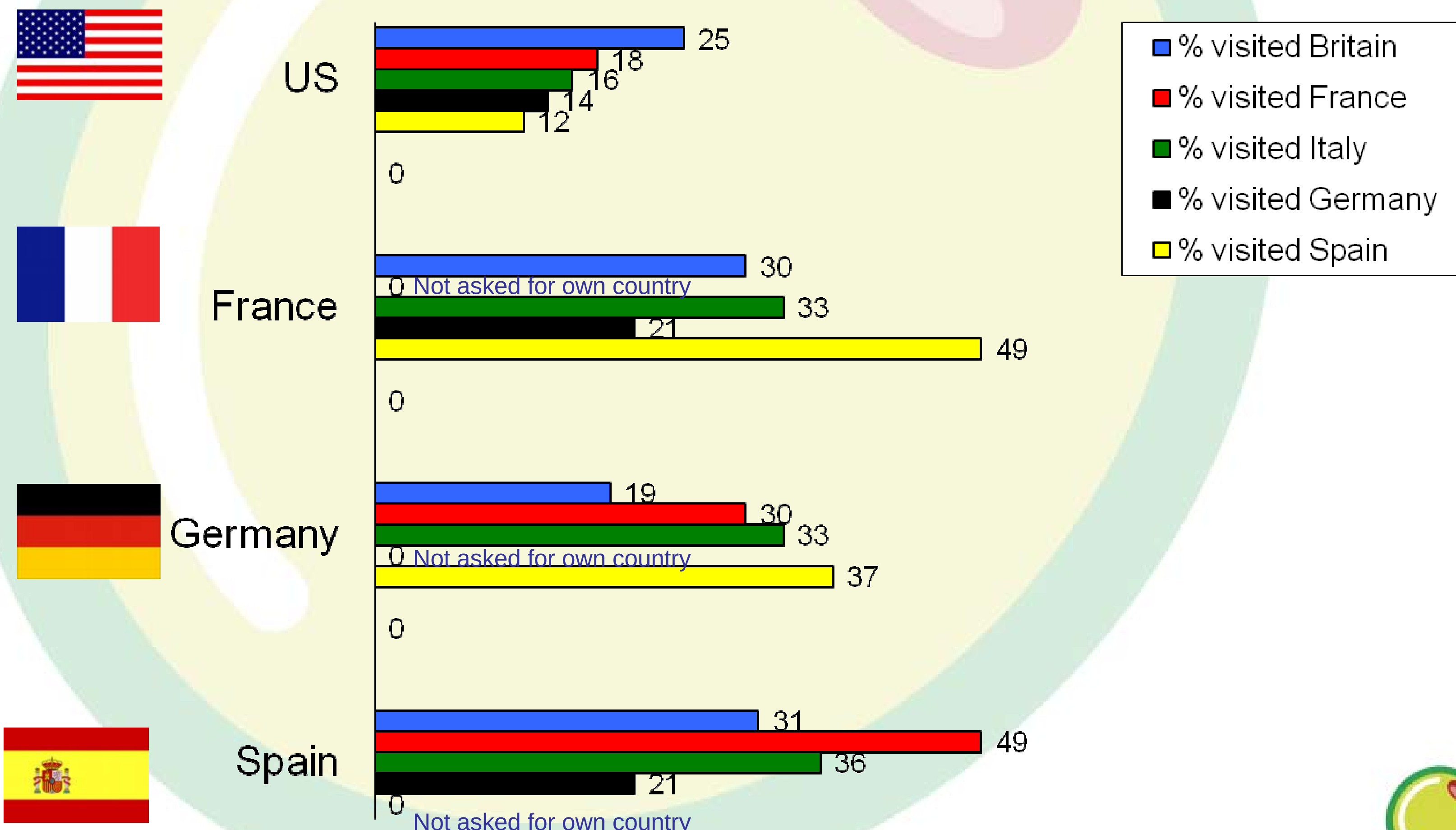
% having taken Short break (<5 nights) / Vacation (5+ nights) to Britain in last 12 months



Q7a in the last 12 months, how many of each of the following vacations have you taken?
Base: All (2036: c 500 per country)

Britain top European destination from US, but less likely to be visited from Europe than Italy, France or Spain

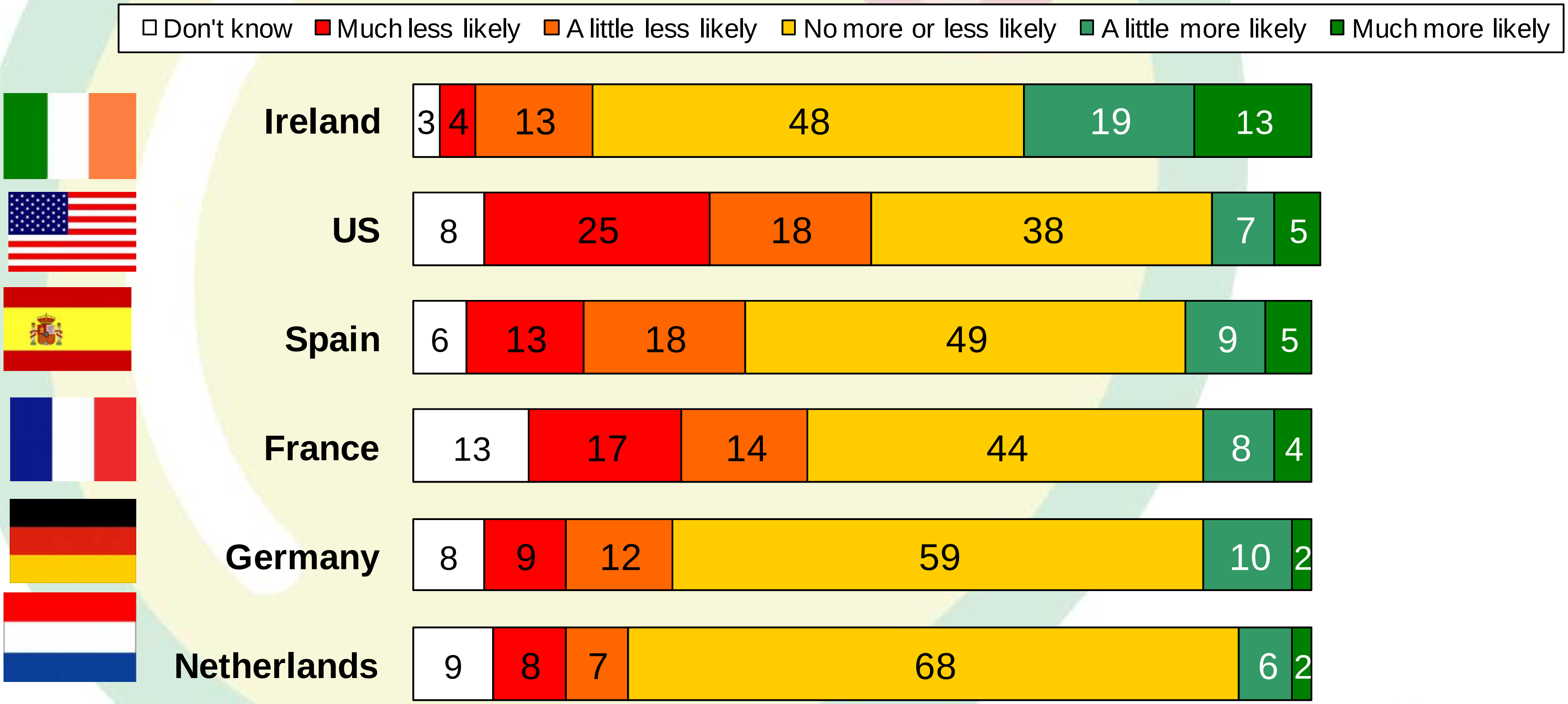
% OF CORE TARGET MARKET having visited each country for vacation of any length in last 2 years



Q13/25 When if at all did you last visit…country…for a vacation of any length? Base: All (2036: c 500 per country)

Economic downturn discouraging greater proportion than encouraging except for Ireland

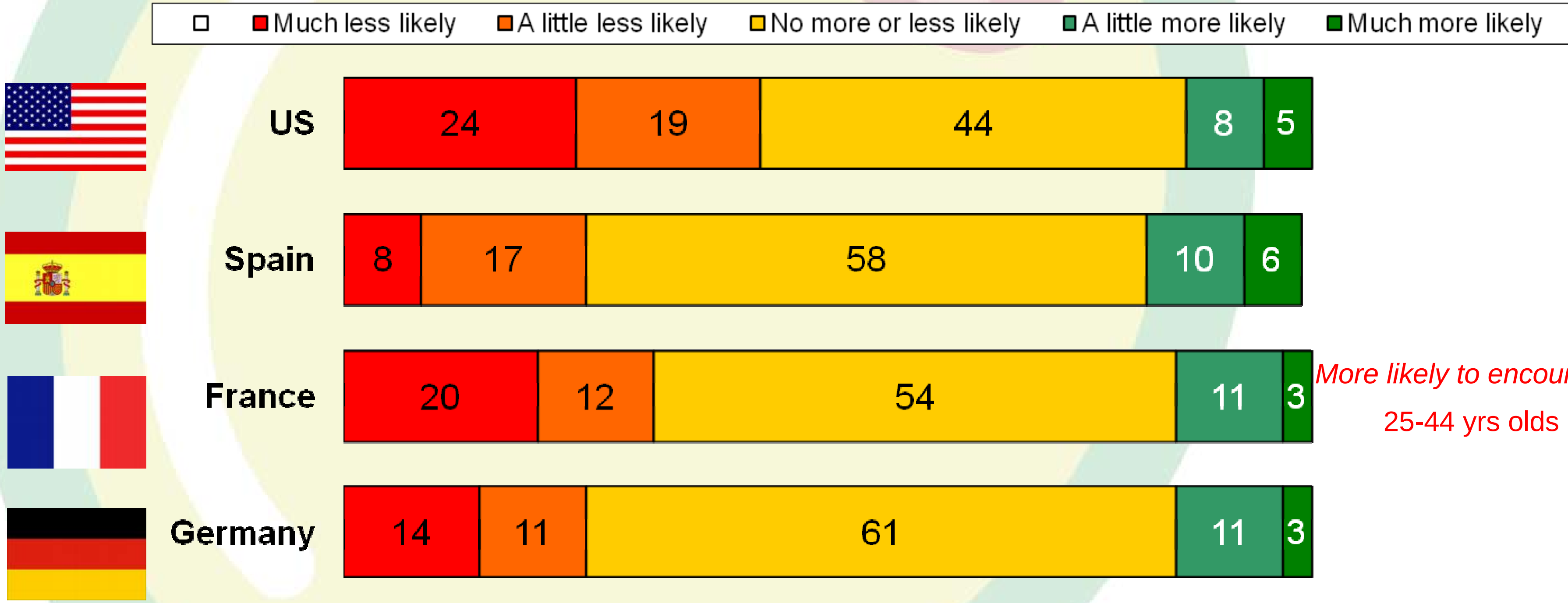
Effect of economic downturn on propensity to visit Britain for vacation of any length in next 12 months



Q14d Has the economic downturn made you any more or less likely to visit Britain for a leisure trip/ vacation of any length in the next 12 months?
Base: All (2036: c 500 per country)

Impact on propensity to visit London similar to Britain as a whole

Effect of economic downturn on propensity to visit LONDON for vacation of any length in next 12 months



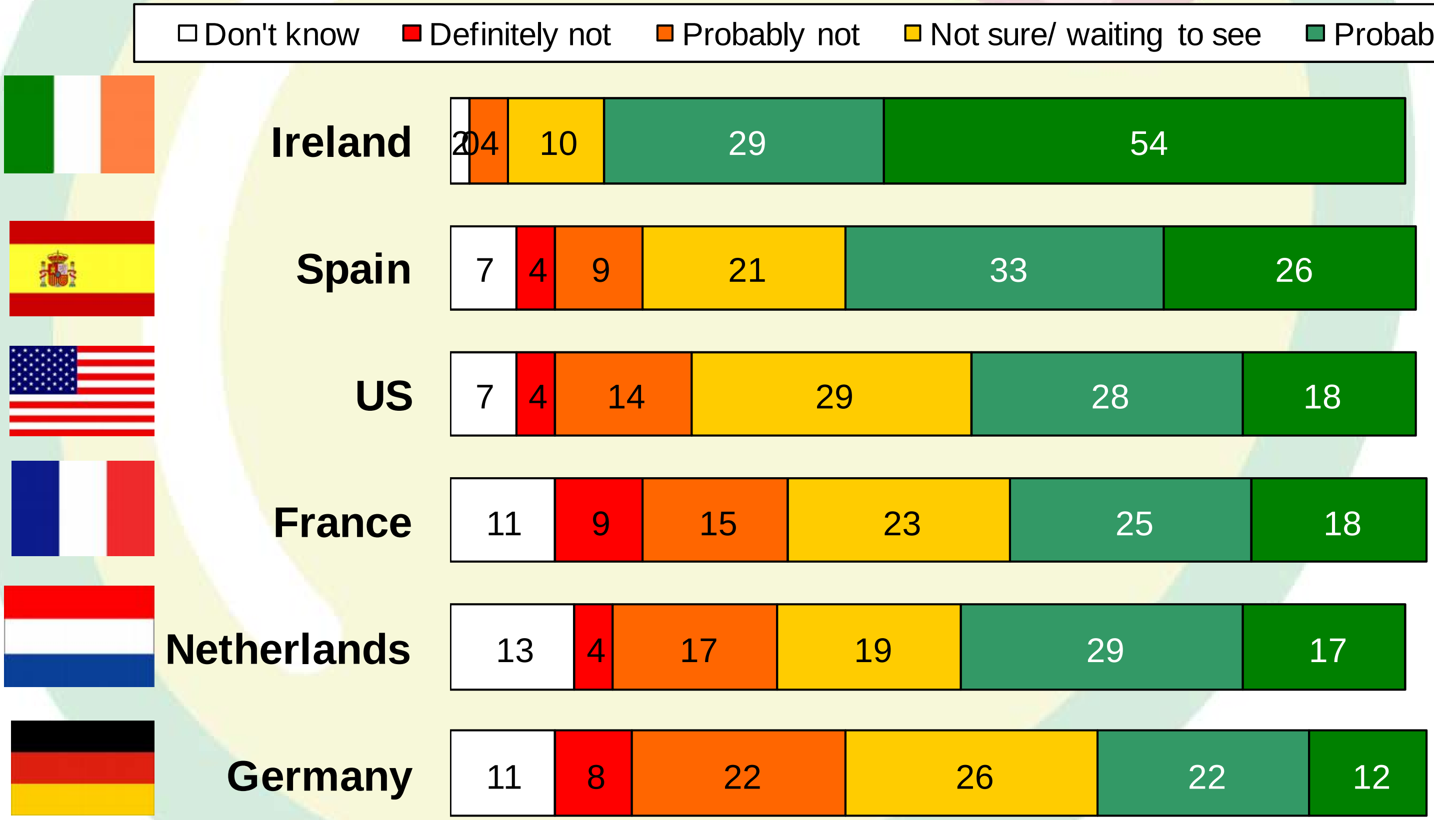
More likely to encourage:

25-44 yrs olds

Q17a Has the economic downturn made you any more or less likely to visit LONDON for a leisure trip/ vacation of any length in the next 12 months? Base: All (2036: c 500 per country)

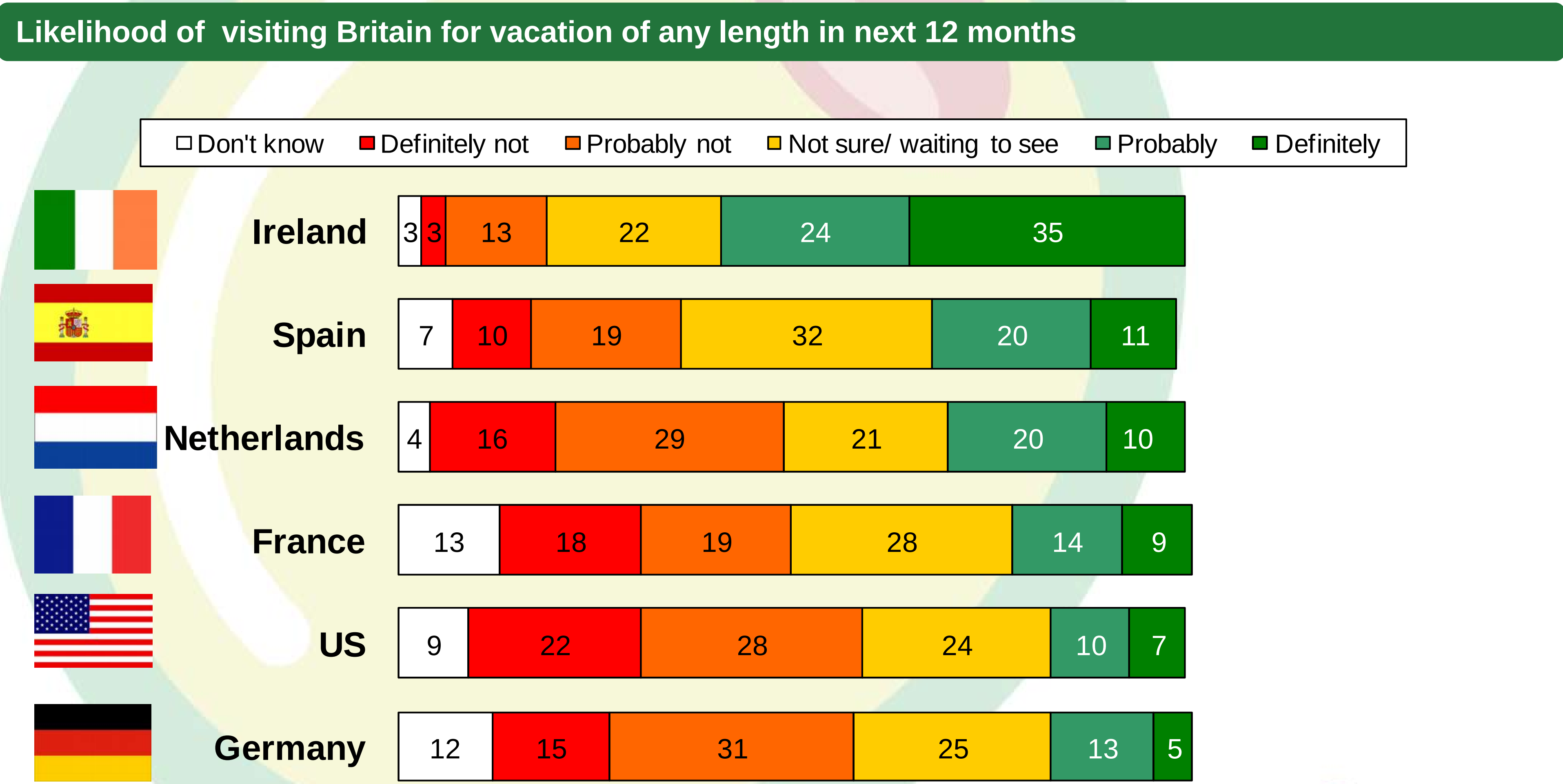
Irish most likely to visit to Britain in next 5 years, and around half in Spain, US, France & Netherlands probably will

Likelihood of visiting Britain for vacation of any length in next 5 years



Q14a Will you visit Britain on a holiday of any length in the next 5 years?
Base: All (2036: c 500 per country)

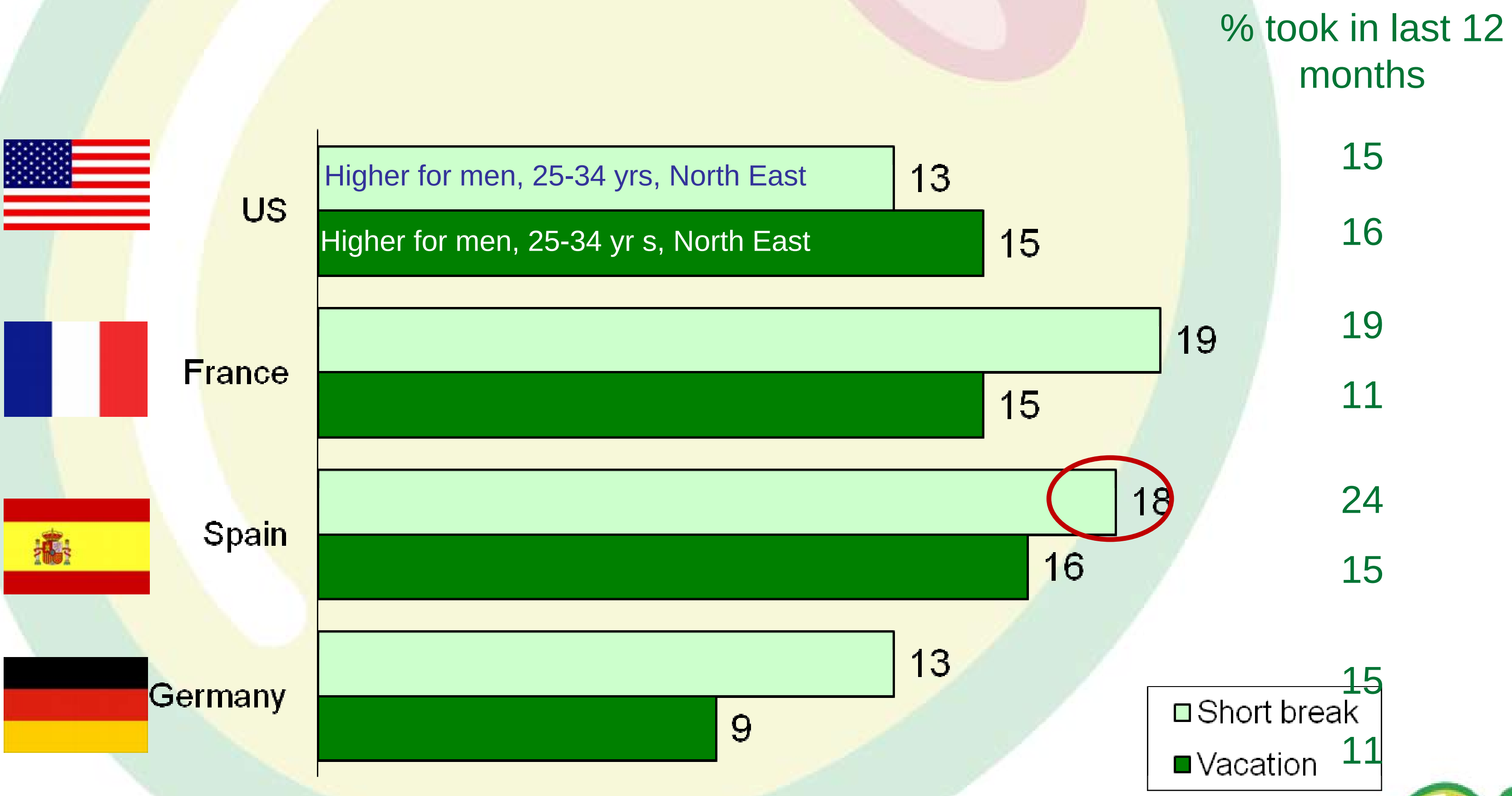
Over half of Irish likely to visit to Britain in next year



Q14b Will you visit Britain on a holiday of any length in the next 12 months?
Base: All (2036: c 500 per country)

Compared to last 12 months, short breaks from Spain are most hit vacation types

Likelihood of taking vacations to Britain in next 12 months
% Definitely/ Probably taking Short break (<5 nights) / Vacation (5+ nights) to Britain



Q7b In the next 12 months, will you be taking…?
Base: All (2036: c 500 per country)

The economy is the reason for c. one-quarter not taking trips to Britain; lower in Germany

- Around one-third in US and one-quarter in Spain and France are not taking break/vacation in Britain due to the economy

% NOT taking short break / vacation to UK	% of these saying its due to economy	
71%/67% in US	50	(34% of total sample)
60%/ 63% in Spain	44	(26% of total sample)
64%/70% in France	34	(23% of total sample)
70%/76% in Germany	22	(17% of total sample)

- Of these:
  - around 60% say they'll take an alternative to the SHORT break to Britain
  - and 1/3 to ½ will take an alternative to a LONGER vacation to Britain

  (In each case usually within their own country)

Q8a Are you not taking these vacations due to the current economic situation or another reason?
Q8b (If due to economy) Will you take a different type of vacation instead?
Base: Those not taking each type of vacation (Lowest base size per country = 290 at Q8a, 80 at Q8b)

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The economy is however also stimulating some visits to Britain

- Overall about 1 in 10 are taking **short trips** to Britain because of the economy

% taking short break to UK due to economy

16% of total sample

9% of total sample

7% of total sample

5% of total sample

(being a mix of *replacements* for shorthaul, own country, or longhaul vacations – less likely to be *additional* trips

- And 1 in 10 **longer vacations** to Britain are thanks to the economy

% taking longer vacation to UK due to economy

10% of total sample

9% of total sample

7% of total sample

4% of total sample

(chiefly replacing long/ shorthaul alternatives)

Q9a Are you taking these vacations due to the current economic situation?
Q9b (If yes) Would you otherwise be taking…(list of holiday types)
Base: Those taking each type of vacation (Lowest base size per country = 119 at Q9a, Total base at Q9b = 169)

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US visitors will stay for slightly longer per trip and be more likely to have children with them than are uropean visitors

- About half of those planning to visit Britain in the next 12 months expect to do so once for varying lengths of stay:

US	average 5 nights per visit
Europe	average 3-4 nights per visit

- US most likely to visit with children, Europeans without:

Plan to visit:	US	France	Germany	Spain
Alone	12%	9%	19%	7%
With children	40%	24%	10%	21%
With partner	59%	66%	60%	65%
With other adults	23%	25%	29%	30%

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Q19 How many times are you likely to go to Britain in the next 12 months? Q20 How many nights would you spend there?
Q21 Who would you be likely to go with? Base: Those planning to visit Britain in next 12 months (515: 90+ per country).

US visitors will also visit a wider variety of locations than European visitors

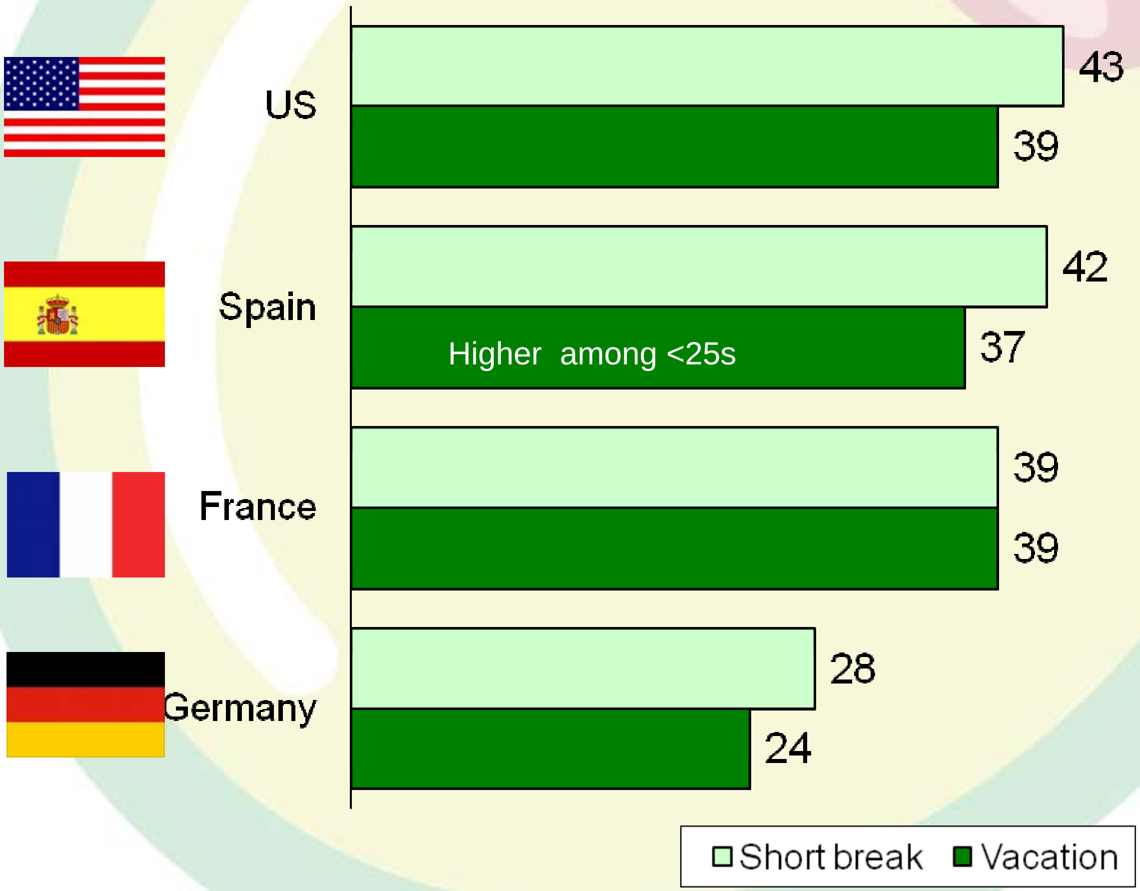
- US most likely to visit a variety of locations *(22% will visit England, Scotland AND Wales)*; Europeans primarily England:

Plan to visit:	US	France	Germany	Spain
London	75%	77%	70%	79%
Other English towns/cities	41%	16%	20%	15%
English countryside (no kids/no other adults)	42%	12%	17%	9%
English seaside	27%	7%	19%	11%
Net: Any England	95%	91%	94%	92%
Scotland	36%	16%	14%	28%
Wales	26%	7%	2%	8%
(ONLY London	20%	54%	47%	48%)

Q22 Where will you be likely to visit?
Base: Those planning to visit Britain in next 12 months (515: 90+ per country).

Around 4 in 10 visiting Britain will spend less than they would have done due to the recession

% ‘Definitely/ Probably’ cutting back amount would otherwise have spent on these vacations to Britain in last 12 months



Q10a Will the economic climate cause you to cut back the amount you would otherwise have spent on these vacations?
Q10c In which ways? Base: Those taking each type of trip (lowest = 119 per country)

Most cuts will be made by looking harder for deals and travelling at cheaper times; though shopping, eating out, and entertainment will also be cut back

How expenditure will be cut on short breaks/ longer vacations to Britain

US

Look for deals
Go at cheaper times
Cheaper travel
Spend less on eating out

Spend less there on accommodation, travel, entertainment/ sightseeing

Spend less on shopping, and travel when there

Spain

Look for deals
Go at cheaper times
Spend less on shopping

Book earlier
Go for shorter time
Cheaper travel
Spend less there on entertainment/ sightseeing, accommodation/ eating out

France

Go at cheaper times

Look for deals
Spend less there on eating out & shopping
Plan to get best price

Spend less on accommodation
Book with cheaper co/ spend less on travel to get there

Germany

Look for deals
Go at cheaper times
Spend less there on shopping

Look for cheaper way to get there

And for <35s, cheaper accommodation

Q11 In which of these ways will you cut back the amount you would otherwise have spent?
Base: Those taking each type of trip and cutting down spend (lowest = 75 per country – most 150+)

What this means...

1. Those in US and Spain most favourably disposed to vacations in Britain/ London

2. However, due to greater economic impact, short trips from Spain likely to be hardest hit

3. Around 4 in 10 visiting Britain plan to spend less on the vacation; more by looking for deals/ cheaper travel than compromising once here

Barriers and levers to visiting Britain, recession busting initiatives

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Of factors prompted, ease of getting to Britain is the main attraction to visiting

Factors encouraging visit s to Britain (prompted)

US	Spain	France	Germany
EASE of getting there (29%) Personal circumstances (21%) No/ quality of deals (17%) Exchange rate (14%)	EASE of getting there (38%) Personal circumstances (27%) No/ quality of deals (27%) COST of getting there (14%)	EASE of getting there (31%) Personal circumstances (25%) Exchange rate (18%) COST of getting there (15%)	Personal circumstances (27%) Exchange rate (15%)

Q16b Which, if any of the following currently encourage you to visit Britain?
Base: All (2036: c 500 per country)

Ease of getting there is also the main (prompted) attraction to visiting London

Factors encouraging visits to LONDON (prompted)

US	Spain	France	Germany
EASE of getting there (26%) Personal circumstances (23%) No/ quality of deals (17%) Exchange rate (13%)	EASE of getting there (39%) Personal circumstances (28%) No/ quality of deals (22%) COST of getting there (14%)	EASE of getting there (33%) Personal circumstances (21%) Exchange rate (18%)	Personal circumstances (30%) Exchange rate (14%)

Q17d Which, if any of the following currently encourage you to visit London?
Base: All (2036: c 500 per country)

However, costs within Britain and deals available for vacations here are less favourably viewed than for other European countries

- Cost within the UK is felt to be higher than in other European countries
  - 61% feel ‘the cost of things once in Britain is more expensive than other European countries’

    (Highest among the French (68%), lowest the Americans (44%)

- Deals to other European countries are viewed more favourably than those to Britain:
  - 58% feel ‘there are good deals available for vacations to other European countries’
  - 40% that ‘there are good deals available for vacations to Britain’

    (Though in US, more similar level of agreement with each)

Q16c. To what extent do you personally agree or disagree with the following statements about taking a vacation in Britain? Base: All (2036: c 500 per country). Figs shown ‘*Strongly agree/ Slightly agree*’ with statements

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Air fuel prices are not causing people to feel Britain is a cheaper place to visit – in US they are thought to make it more expensive

- Air fuel prices are not proving an attracting to Britain

US	49% think air fuel prices make visiting UK more expensive,	20% cheaper
Spain	32%	23%
France	25%	12%
Germany	22%	13%

Q16c. To what extent do you personally agree or disagree with the following statements about taking a vacation in Britain? Base: All (2036: c 500 per country). Figs shown '*Strongly agree/ Slightly agree*' with statements

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The cost of accommodation, food/ drink, and travel here are key deterrents from visiting Britain, plus, for US, the exchange rate

Deterrents from visiting Britain (prompted)

US

£ of getting there (58%)
(esp among <25s)

£ of accom'ation (43%)
Personal circs (36%)
Exchange rate (35%)
£ of food & drink (34%)
£ attractions (31%)

£ vs other European countries (29%)
No/quality of deals (19%)

Spain

£ of accom'ation (39%)
£ of food & drink (37%)

£ of getting there (30%)
(esp among <25s)

£ vs other European countries (28%)
£ attractions (25%)

France

£ of accom'ation (54%)

£ of food & drink (33%)
The weather (31%)
£ vs other European countries (28%)
£ of getting there (26%)
(esp among <25s)

£ attractions (23%)
Personal cirs (20%)

Germany

£ of accom'ation (39%)
£ vs other European countries (35%)
£ of food & drink (32%)
£ of getting there (31%)
(esp among <25s)

Personal cirs (29%)

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Q16a Which, if any of the following currently deter/put you off visiting Britain?
Base: All (2036: c 500 per country)

Similar deterrents from visiting London

Deterrents from visiting LONDON (prompted)

US

£ of getting there (50%)

£ of accom’ation (39%)
Personal circs (40%)

£ attractions (31%)
£ of food & drink (31%)
Exchange rate (29%)

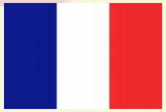
£ vs other European cites (21%)
No/quality of deals (18%)

Spain

£ of accom’ation (41%)
£ of food & drink (35%)

£ vs other European cities (28%)
£ attractions (27%)
£ of getting there (24%)
Personal circs (21%)

France



£ of accom’ation (53%)

£ of food & drink (31%)
£ vs other European cities (29%)

The weather (24%)
£ of getting there (24%)
£ attractions (22%)

Germany

£ of accom’ation (38%)
£ vs other European cities (34%)
£ of food & drink (33%)

£ of getting there (27%)
£ attractions (27%)

Personal cirs (24%)

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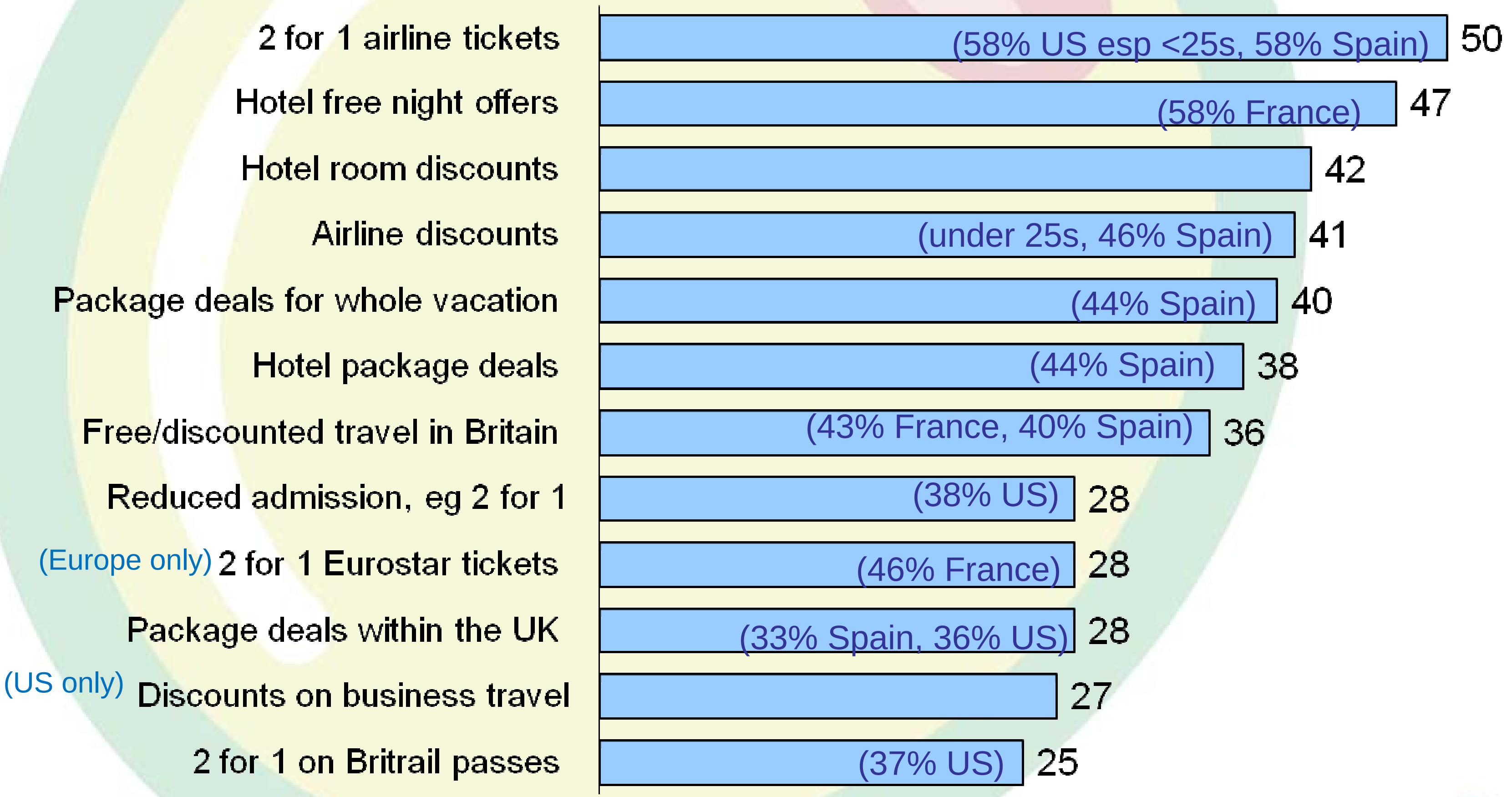
Q16a Which, if any of the following currently deter/put you off visiting London?
Base: All (2036: c 500 per country)

Offers most preferred counteract the key deterrents: travel, accommodation, and subsistence savings. (Spanish and US most motivated, Germans least)

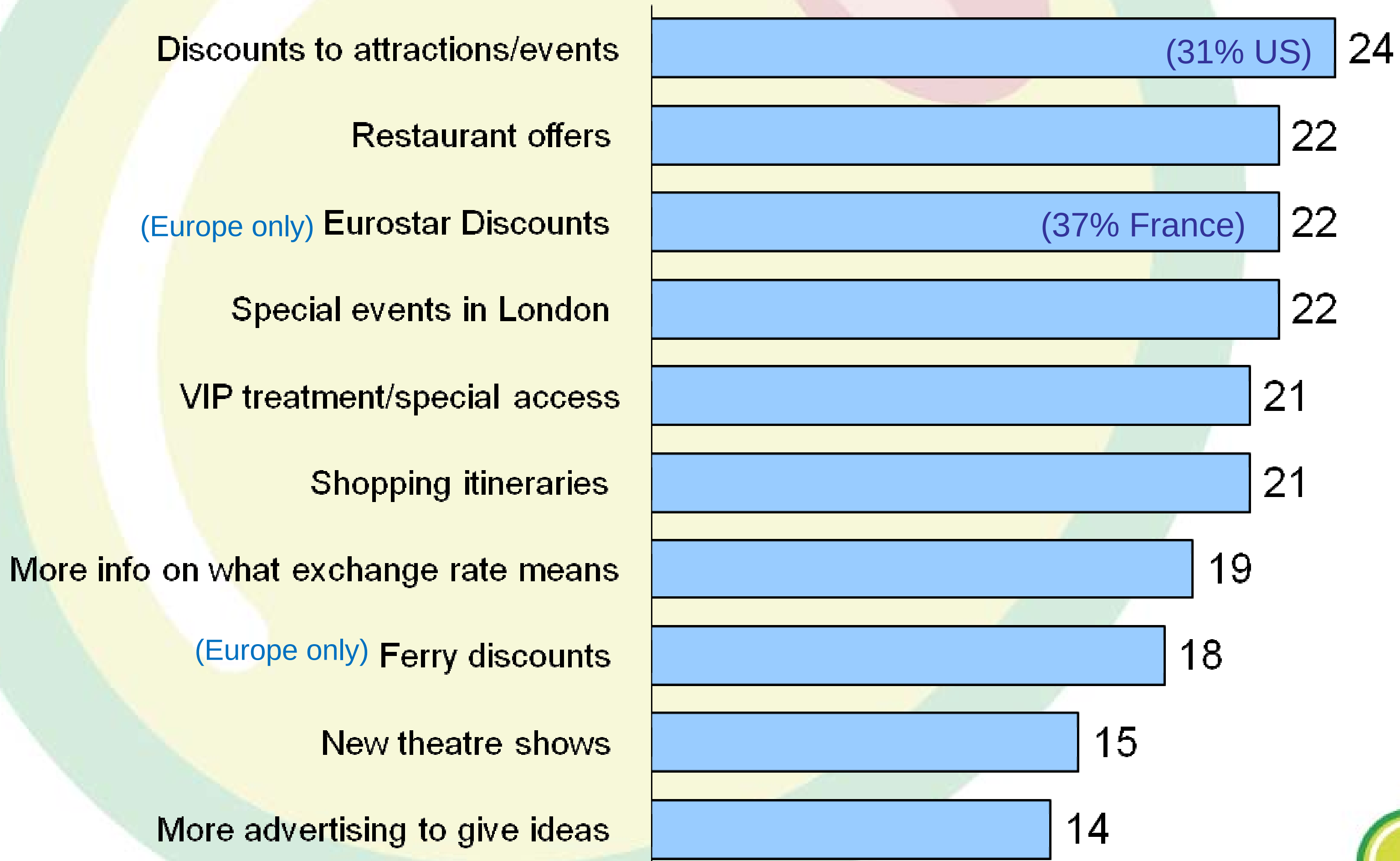
% stating would be encouraged to visit Britain 'a great deal' by:



Q23. To what extent would these encourage you to visit Britain? Base: All (2036: c 500 per country). % based on those asked each incentive

Offers with lower encouragement include those for restaurants/ shows/ events – often less attractive unless full details known

% stating would be encouraged to visit Britain 'a great deal' by:



Q23. To what extent would these encourage you to visit Britain? Base: All (2036: c 500 per country). % based on those asked each incentive

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Travel and accommodation saving the key attractions across each country

US	France	Germany	Spain
2 for 1 airline (58%) Hotel free nights (51%) Package deals for whole vacation (47%) Hotel package deals (44%) Airline discounts (44%) Hotel room discounts (41%) Complimentary/ discounted travel in Britain (41%) Reduced admission, eg 2 for 1 (38%) 2 for 1 Britrail passes (37%) Package deals in UK (36%) Discount tickets to attractions/events (31%)	Hotel free nights (58%) 2 for 1 airline (46%) 2 for 1 Eurostar(46%) Hotel room discounts (44%) Complimentary/ discounted travel in Britain (43%) Hotel package deals (40%) Eurostar Discounts (37%) Package deals for whole vacation (36%) Airline discounts (34%)	2 for 1 airline (37%) Hotel free nights (37%) Package deals for whole vacation (36%) Airline discounts (35%) Hotel room discounts (33%)	2 for 1 airline (58%) Hotel room discounts (52%) Hotel free nights (47%) Airline discounts (46%) Hotel package deals (44%) Package deals for whole vacation (44%) Complimentary/ discounted travel in Britain (40%) Package deals in UK (33%)

Q23. To what extent would these encourage you to visit Britain? Base: All (2036: c 500 per country). Showing all 30%+)

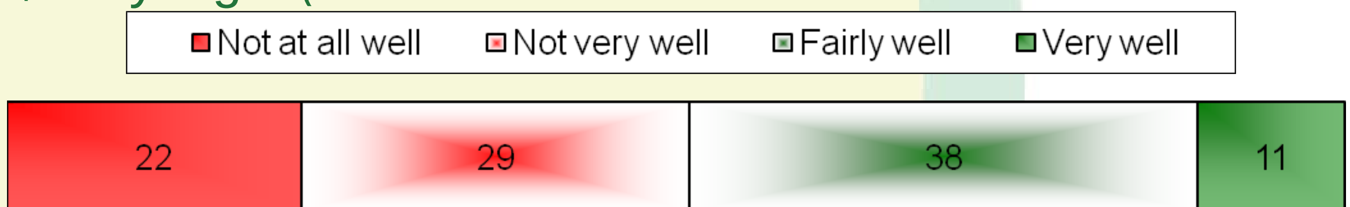
Online travel agencies are the preferred source of info about offers across all countries

US	France	Germany	Spain
Online travel agencies (51%)	Online travel agencies (36%)	Online travel agencies (35%)	Online travel agencies (47%)
TV Advertising (37%)	Airline websites (34%)	Travel agents (28%)	Travel agents (46%)
Travel magazines (36%)	Eurostar website (30%)	Travel related email newsletters (26%)	Review websites (37%)
Airline websites (36%)	Travel agents (30%)		Airline websites (36%)
Printed newspaper travel sections (30%)	TV Advertising (27%)		National or regional tourist board websites (31%)
Hotel websites (30%)	Online banner ads (26%)		TV Advertising (31%)
Travel agents (28%)			Guidebook related websites (30%)
Travel magazine websites (28%)			London websites (28%)
Review websites (27%)			Travel magazine websites (25%)
London websites (27%			

Q24 Where would you prefer to hear about special offers like this for Britain? Base: All (2036: c 500 per country). (Showing all 25%+)

The exchange rate is not particularly well known in US and people tend to feel they'd get fewer £ to $ than reality

- Half (49%) in US believe they know the exchange rate to £ at least 'fairly well' (higher among men, 25 – 34 yr olds, and those in North East)
- Even those feeling they know the rate well tend to underestimate how many £ to $ they'd get *(at the time of research there were between £7 and £7.4 to $10)*



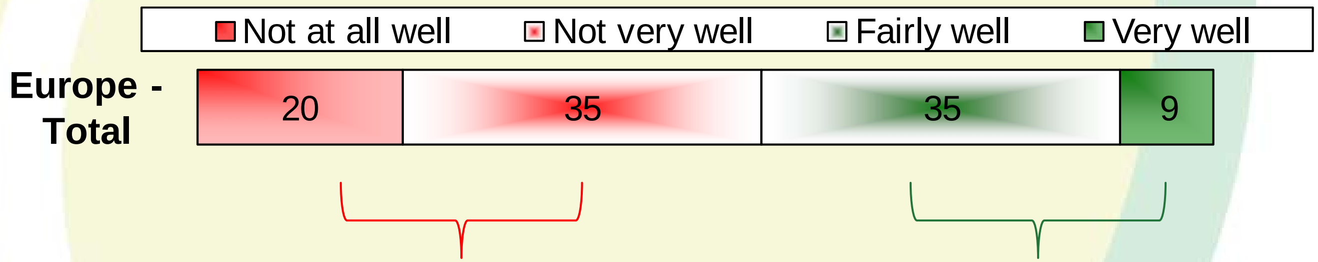
- % think $10=:

<£5	18	15
£5- £6	5	10
£6.01 - £7	13	29
£7.01-£8	10	11
£8.01 -£10	6	1
Over £10	17	17
Outliers (<£3/ >£20)	*6*	*8*
Can't estimate	*25*	*9*

Q18ai How well would you say you know the current exchange rate with the British pound? Base: All (527)

The exchange rate is even less well known in Europe (excluding Ireland), and people tend to feel they'd get fewer £ to Euro than the reality

The exchange rate is quite poorly known in Europe (excluding Ireland) – just 44% claim to know it at least 'fairly well' (53% in Netherlands, 48% in Spain, 37% in France and 32% in Germany – higher among men in each country), and even these tend to underestimate how many £ to Euro they'd get *(at the time of research there were between £9 and £9.3 to 10 Euro)*



% think10 Euro =

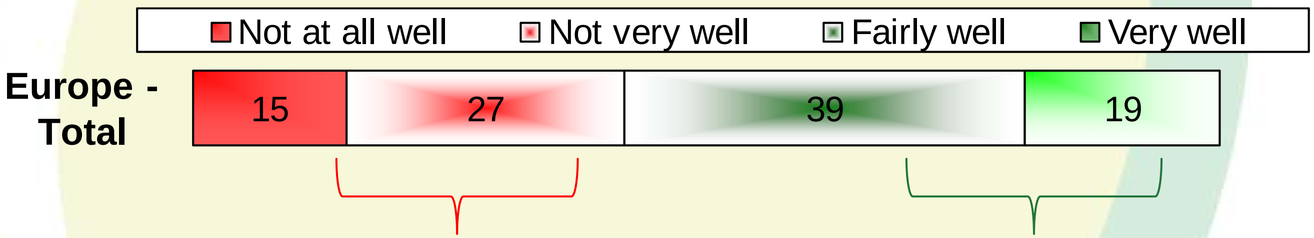
<£8	36	27
£8.01-£9	6	27
£9.01-£10	7	20
>£10	13	15
Outliers (<£3/ >£20)	*6*	*4*
Can't estimate	*33*	*8*

(Asked in France/Spain/Germany only)

Q18ai How well would you say you know the current exchange rate with the British pound?
Q18aii What do you think the current exchange rate is – how many British pounds do you think you would get for 10 Euro?
Base: All European countries EXCLUDING IRELAND(2036: c 500 per country).

The exchange rate is poorly known in Europe, other than in Ireland, and people tend to feel they'd get fewer £ to Euro than the reality

The exchange rate is well known in Ireland, but poorly known in other European countries – 58% claim to know it at least 'fairly well', inflated by high awareness in Ireland: (93% in Ireland know it at least fairly well, 53% in Netherlands, 48% in Spain, 37% in France and 32% in Germany), though even these tend to underestimate how many £ to Euro they'd get *(not asked in Ireland/ Netherlands and at the time of research there were between £9 and £9.3 to 10 Euro)*



% think10 Euro =

<£8	36	27
£8.01-£9	6	27
£9.01-£10	7	20
>£10	13	15
Outliers (<£3/ >£20)	*6*	*4*
Can't estimate	*33*	*8*

(Asked in France/Spain/Germany only)

Q18ai How well would you say you know the current exchange rate with the British pound?
Q18aii What do you think the current exchange rate is – how many British pounds do you think you would get for 10 Euro?
Base: All 5 EUROPEAN COUNTRIES(2036: c 500 per country).

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Even at the believed exchange rate, Europeans feel Britain is a cheaper place to visit... US opinion divided

- Based on their *estimated* exchange rate, Europeans (esp Spanish) on balance feel it makes Britain cheaper to visit, with US opinion divided...

Spain	52% think exchange rate makes visiting UK cheaper,	20% more expensive
France	47%	24%
Germany	33%	15%
US	28%	40%

- ...and two thirds of Irish, c. three in ten in Spain feel more likely to visit Britain due to the exchange rate

Ireland	66% more likely to visit Britain due to estimated exchange rate	2% less likely
Spain	32%	15%
Neth' lands	29%	4%
France	22%	10%
US	17%	29%
Germany	18%	10%

Q18b Over the last few months would you say the exchanger ate makes Britain: 6much cheaper to visit, a little cheaper to visit, ….much more expensive to visit? Q18c Does the current exchange rate make you any more/less likely to visit Britain?
Base: All (2036: c 500 per country). Figs shown '*Strongly agree/ Slightly agree*' with statements

Being made aware of the exchange rate increases likelihood of visiting Britain and improves the value perception among c 4 in 10 – higher in Spain

- When told the current exchange rate, around one in 10 additional people within each country are more likely to visit Britain

Spain	43% more likely to visit Britain due to exchange rate	(+ 11% points)	– women +15%, <25s +16%
US	26%	(+ 9% points)	
France	29%	(+ 7% points)	
Germany	26%	(+ 8% points)	– <25s +17%

- ...with a significant proportion in each country believing Britain to be better value once told the exchange rate

Spain	55% think Britain is better value than thought	10% worse value
US	34%	19%
France	40%	13%
Germany	35%	13%

Q18d The current exchange rate is… Does this make you any more/less likely to visit Britain? Q18e And does it make you think that Britain is any better or worse value than you thought? Base: All (2036: c 500 per country).

What this means...

1

Key barriers to VB/VL are cost of getting here, cost of accommodation, cost of food & drink here

2

The most motivating offers counteract these barriers:
-2 for 1 airline tickets/ airline discounts
-- hotel discounts
-- package deals for vacation/hotel

3

Poor awareness of exchange rate; once communicated, propensity to visit VB/VL increases, esp among:
-Spanish, esp <25 yr olds
-<25 yr old Germans

Conclusions

Conclusions

1 Impact of economic downturn being felt more severely in Ireland, US and Spain than France or particularly Germany or Netherlands
   - Most behavioural change in US
   - Least in Germany and Netherlands where concern re job security is relatively low

2 Savings being made /planned across many areas; vacations one of the key targets for cuts
   - 64% say they'll spend less on vacations
   - Higher among 45 yrs +

3 Vacation spend will be cut by
   - Reduced number/ duration
   - Spending time planning, looking for deals
   - Rather than compromising quality once there

Conclusions

4 Britain and London particularly liked as destination from US and Spain (esp among <25yr olds who’ve NOT visited Britain)

5 Economic downturn discouraging greater volumes than encouraging

6 Around 4 in 10 visiting Britain will cut down spend on the vacation

- By looking for deals
- By going at cheaper times
- And also cutting spend on shopping/ eating out

Conclusions

7 The key barriers to vacations in Britain/London are
- Cost of getting here
- Cost of accommodation
- Cost of food & drink

8 The proposed offers most motivating address these barriers
- Airline savings
- Accommodation savings
- Package deals

9 Groups most receptive to these offers are from Spain, and <25 yr olds

10 Low understanding of impact of exchange rate; propensity to visit increases with awareness; particularly among Spanish and <25 yr old women

Thank you!

Any questions please contact:

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