

# United Kingdom Travel Trade Research



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Context: Summary Report

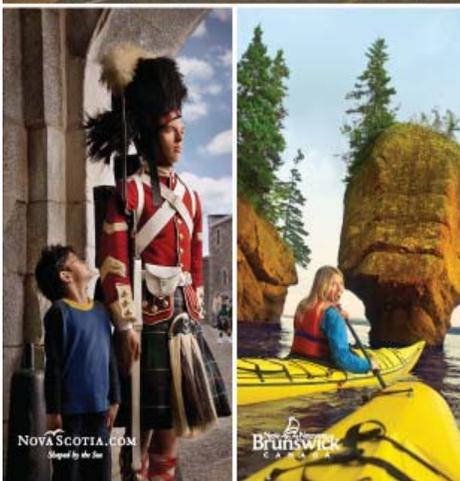
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## Research Objectives & Methodology



The UK Travel Trade Research Project was designed to assess market and product conditions for packaged travel from the UK. It included interviews with some 30 UK-based tour operators, both group and FIT, along with a

number of Canadian receptive tour operators active in the UK market and Atlantic Canada. The research was conducted in the late summer of 2009 by The Economic Planning Group.



## Key Findings

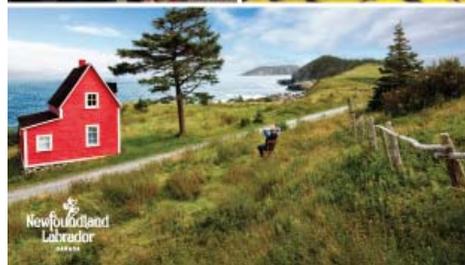
### UK Market for Packaged Travel

Customers of UK tour operators can generally be characterized as follows:

- Mid to high income or affluent older adults; there is also a family segment which is seen to have future growth potential.
- Well-educated
- Well-travelled
- Seeking 3.5 – 5 star experiences
- Expect quality and value for money
- Take 2 – 3 trips a year
- Often have a list of destinations to visit they are working through

As a result of the recession and the relative decline in the value of the British pound, value for money has become a key factor in destination and trip selection. Destinations offering great value have been doing relatively well, particularly if they have trendy appeal and a strong market presence, such as South America and South Africa.

Canada was often mentioned as one of the destinations that was doing poorly in the UK market due to currency exchange issues and perceptions of poor value for money.



Advance booking times for long haul trips have decreased significantly, down from 6 months or more to 1 – 3 months and even only weeks in advance.

The Internet will be of ever increasing importance to long haul travellers – for research and booking. Long haul travellers have usually selected their destination before they approach tour operators. They use the Internet to explore destination options, find out what there is to do and see, and research prices. Their communication with tour operators is often about confirming their selections and making sure they are getting the best deal.

### Where Does Canada Fit?

Atlantic Canada faces some significant challenges in attracting the UK long haul market, according to the tour operators interviewed. Lack of consumer awareness – of the region and what there is to see and do here, is by far the biggest challenge. Others include:

- Concerns about price/value in Canada generally
- Challenges with air access and high fares
- Limited marketing
- Strong competition from destinations around the world that market aggressively to UK long haul travellers.

The good news is that Atlantic Canada does have many of the types of products that the UK traveller is seeking, and they are generally of good quality. These include:

- Wildlife viewing (whale watching in particular)
- Nature
- Scenic touring
- Soft adventure activities such as walking, sea kayaking
- Good food
- Inns and B&B accommodations

The tour operators interviewed had very little in-depth knowledge of Atlantic Canada – only half had been to the region and only a very few had been to all four provinces. As a result, suggestions for new and improved products were limited. Those made included:

- More wildlife experiences, particularly whale watching, moose viewing
- ½ day, easily accessible soft adventure activities, ‘teasers’, not intensive experiences
- More activities for families

Those familiar with the region identified the short operating season (specifically businesses and attractions opening late in the year and closing early) and accommodation issues as key product weaknesses.

Overwhelmingly, the travel trade representatives indicated that the challenge is in awareness and marketing not product development. They suggested:

- Deciding on one or two iconic images and sticking with them to help build market awareness and an image of what the region has to offer. Images such as whales, scenery, great drives were suggested.
- More, and more consistent marketing and promotional efforts to increase consumer awareness. Position Atlantic Canada as being ‘on the doorstep’, focusing on its proximity via a short flight.
- More FAM tours and education of tour operator staff.
- Increased joint marketing activities with the travel trade.

Other barriers, such as air access and price, and perceptions of a lack of price/value will also need to be addressed.