Bristol Celebration of Connectivity

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- Current Status of US Market
- Trade Insights
- Media Insights
- Road to Recovery

US Market Snapshot

The American market pre-pandemic

Visits to the UK (million)

Spend to the UK (£ billion)

- Number one market for inbound volume and value – 4.5 million visits and £4bn spend in 2019
- Record Q4 2019 with 1 million visits showing potential to attract visitors in shoulder season
- Holiday records – 2.2 million visits and £2.2bn spend in 2019
- VFR represents just under one quarter of all visits (23%)
- Americans spend more per visit (£930 vs £696) and per night, compared to global average
- Visitors tend to stay 6 nights per visit but shorter trips are also becoming more popular

Source: International Passenger Survey by ONS ★: Record

Forecast for Inbound US market to UK

Year	Visits (000)	YOY % change	Indexed to 2019	Spend (£m)	YOY % change	Indexed to 2019
2018	4,571	-1%		4,025	-7%	
2019	4,499	-2%	100%	4,184	4%	100%
2020	924	-79%	21%	877	-79%	21%
2021	1,169	27%	26%	1,124	28%	27%
2022	2,204	88%	49%	2,157	92%	52%
2023	3,080	40%	68%	3,066	42%	73%
2024	3,872	26%	86%	3,921	28%	94%
2025	4,520	17%	100%	4,658	19%	111%

- In 2020 the US declined by an estimated -79% for both visits and spend to the UK.
- When visit numbers are indexed to 2019, we can see that it'll take a few years for full recovery.
- By 2022, half the amount of pre-pandemic visits are expected with full recovery around 2025. A full recovery from a spend perspective is also expected by 2025.

Source: VisitBritain/IPS/Oxford Economics. Forecasts are a combination of Oxford Economics and VisitBritain Models. US forecast updated 10th Mar 2021

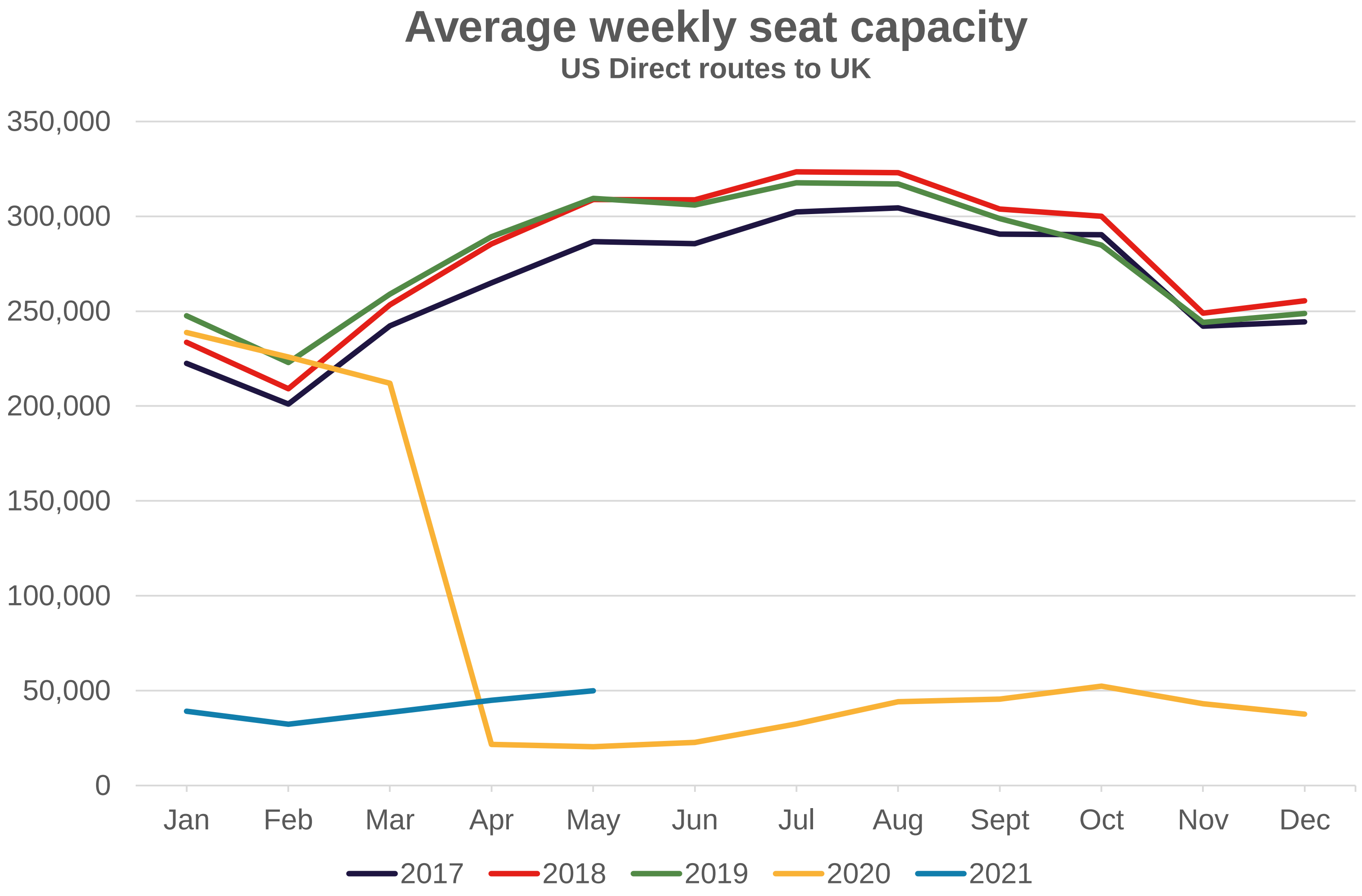
Outbound USA trips to Europe – UK share

2019		2020		2021		2022	
Market	% of US inbound to Europe	Market	% of US inbound to Europe	Market	% of US inbound to Europe	Market	% of US inbound to Europe
France	13%	France	19%	France	16%	France	14%
United Kingdom	12%	Italy	15%	Italy	15%	Italy	13%
Italy	11%	United Kingdom	13%	United Kingdom	8%	United Kingdom	10%
Spain	9%	Germany	9%	Spain	8%	Spain	9%
Germany	8%	Spain	5%	Germany	7%	Germany	7%
Ireland	5%	Netherlands	5%	Ireland	6%	Ireland	6%
Netherlands	5%	Ireland	4%	Portugal	3%	Netherlands	3%
Portugal	3%	Austria	4%	Greece	3%	Greece	3%
Greece	3%	Poland	2%	Netherlands	3%	Portugal	3%
Switzerland	3%	Portugal	2%	Switzerland	3%	Switzerland	3%
Poland	3%	Switzerland	2%	Sweden	3%	Sweden	3%
Austria	2%	Greece	2%	Poland	3%	Poland	3%
Denmark	2%	Sweden	2%	Austria	2%	Denmark	3%
Czech Republic	2%	Denmark	2%	Denmark	2%	Austria	2%
Hungary	2%	Turkey	1%	Turkey	2%	Norway	2%

- Market share of USA outbound trips to Europe
- **In 2020, the UK had a similar share of outbound US trips to the previous year, but France and Italy gained significant market share. This resulted in the UK dropping its rank to 3rd position within Europe.**
- 2021 is currently forecasts to see a decrease in share for the top European destinations but this will change depending on how the virus is controlled, vaccine rollouts and travel restrictions, as well as consumer confidence to travel abroad and to the UK.

Source: Oxford Economics (10th May 2021)

Seat Capacity from US to UK improving

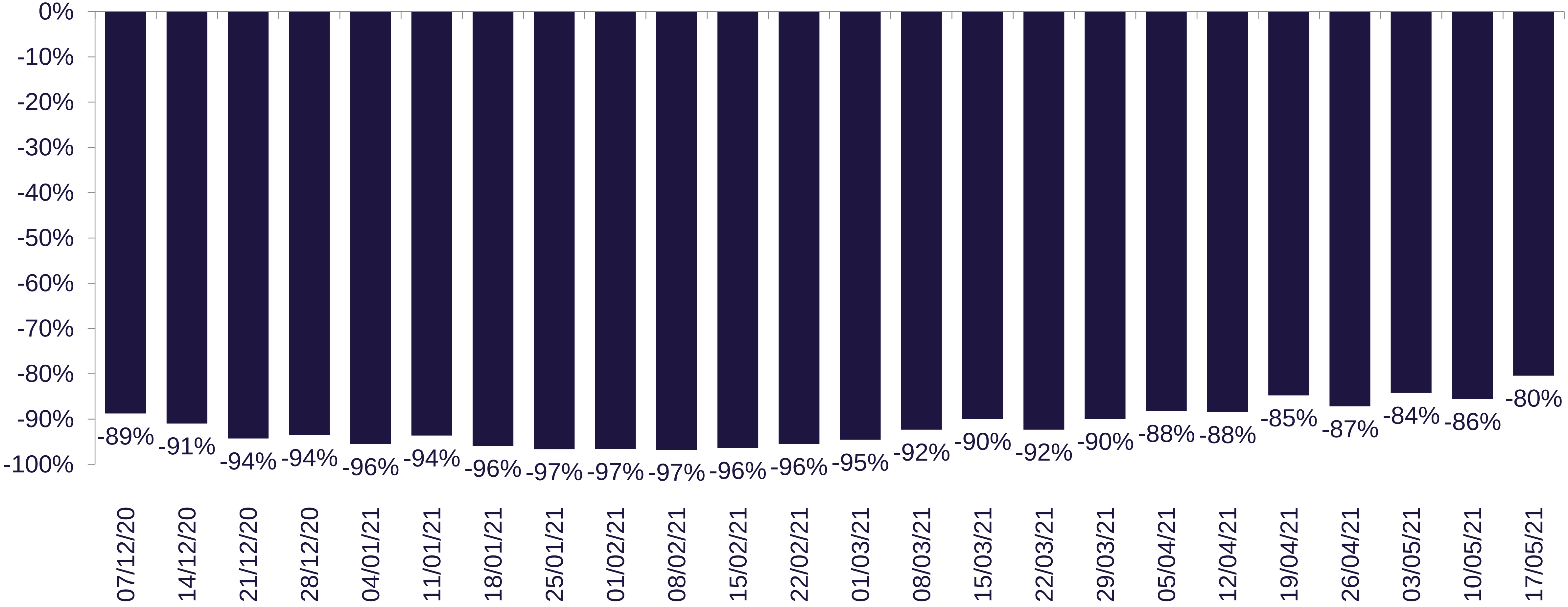


- Direct seat capacity from US to UK is currently 146% up on May 2020 at a time when the pandemic had grounded the majority of flights.
- When compared to a 'normal' year of 2019, seat capacity is still down -82%.
- In May 2021, 95% of all flights from US went direct to London Heathrow.
- Over two-thirds of flights are being served by American Airlines (34%) and British Airways (31%).

Source: Apex 2nd June 2021 (non-stop flights only).

North American Flight bookings made to UK

Bookings made in each week starting date shown, vs. those made the same time the previous year*, within the ForwardKeys database



Source: Forward Keys data up to 23rd May. NB values less than -100% imply more cancellations than new bookings. *From w/c 22nd Feb, 2-year growth is shown to compare against a 2019 baseline rather than comparing against the early part of the pandemic era.

US sentiment from our inbound tracker showed…

Strong travel sentiment	Americans continue to have strong international travel sentiment with 73% wanting to take an international leisure trip in the next 12 months, up 4pts on wave 1. One in two said they definitely would be travelling. Positive sentiment was seen more amongst those aged 18-35 years (87%) compared to those aged 55+ (58%).
Demand for holidays and VFR travel	85% of Americans said they would want to travel for a holiday but a third still wanted to visit family and friends which demonstrates there is demand for connection once the travel situation eases up.
Majority in early planning stages	Similar to the market average, 59% are still in their early planning stages, however 16% have booked their trip, the highest rate seen across all markets surveyed.
Increase in last-minute bookings	47% say they will leave booking until the last minute, while this proportion has declined from wave 1, it is still a significant shift in behaviour as pre-pandemic around 60% of the market booked 6+ months in advance.
UK is 3rd most interested market in Europe	Europe was the most popular region for American travellers' next international leisure trip (52%). And within Europe, Britain was the 3rd most considered market (25%), behind only France and Italy (both 34%).
Pre-pandemic activities still of interest	Visiting famous/iconic attractions are still top for American travellers (53%) followed by exploring history and heritage, dining in restaurants and visiting cultural attractions – in line with pre-pandemic interests. The American market is more interested in guided tours/day-excursions (39%) compared to the global total (31%).

Source: International Covid-19 sentiment tracker wave 2 TCI/VisitBritain/VisitScotland/Visit Wales/London & Partners published April 2021 (fieldwork 24th March – 5th April 2021) Note: Sentiment data is from a tracking study, and results may change in subsequent waves

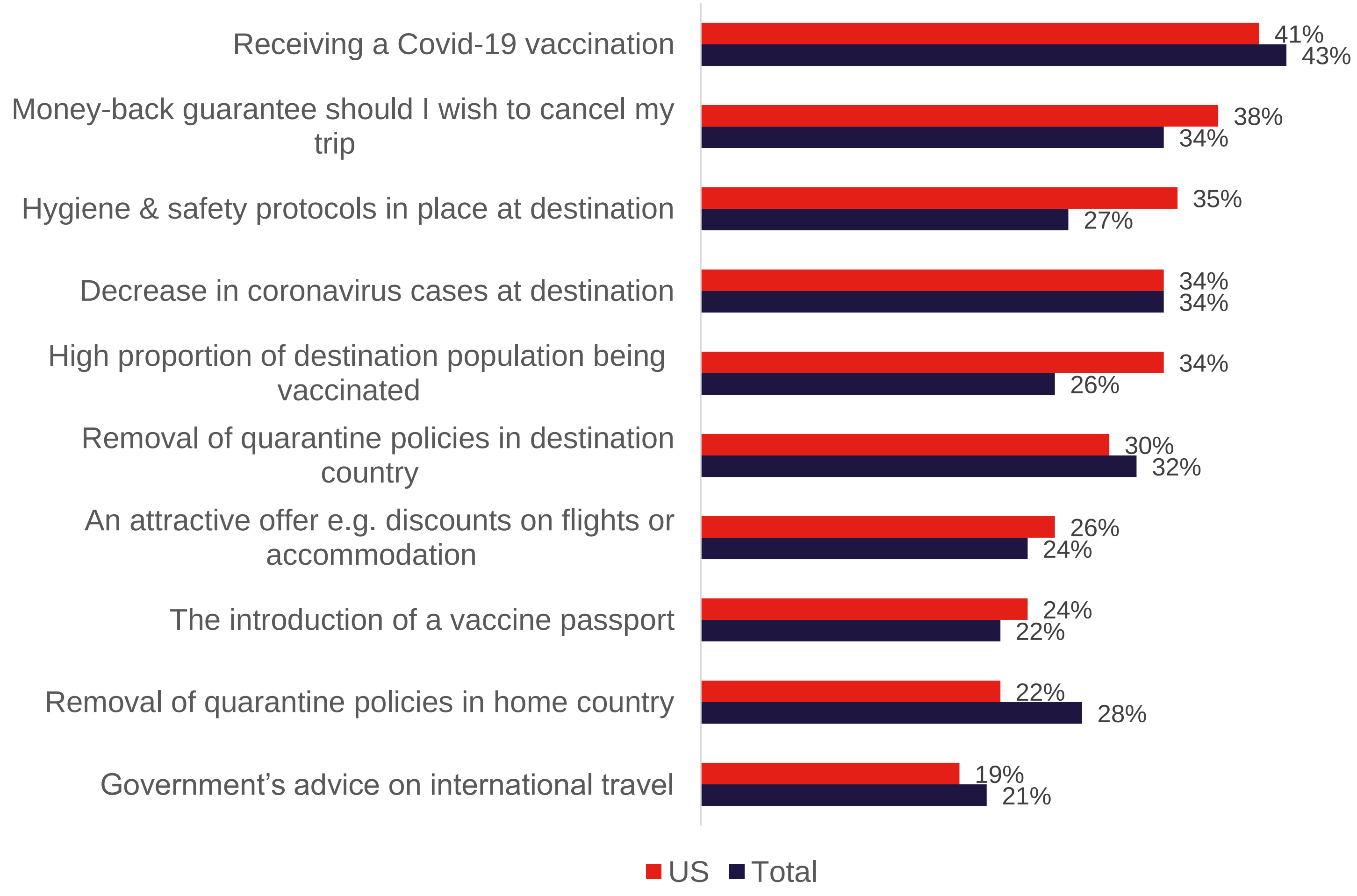
Booking Horizons for next international leisure trip

	Total	Long-haul average	USA
April 2021	2%	2%	3%
May 2021	4%	4%	4%
June 2021	6%	6%	5%
July 2021	9%	8%	7%
August 2021	11%	9%	10%
September 2021	10%	8%	6%
October 2021	9%	10%	6%
November 2021	5%	6%	6%
December 2021	7%	8%	5%
Jan-March 2022	8%	10%	9%
Apr-June 2022	7%	7%	10%
Jul-Sept 2022	7%	5%	7%
Oct-Dec 2022	3%	4%	4%
2023/beyond	3%	3%	3%
Don't know yet	11%	10%	13%

- July/August 2021 looked like the most popular time to travel internationally (17%), however 23% would consider travelling from Sept-Dec and 30% would wait until next year.
- Americans are more likely to not yet know when they will go on their next international leisure trip.

Source: International Covid-19 sentiment tracker wave 2 TCI/VisitBritain/VisitScotland/Visit Wales/London & Partners published April 2021 (fieldwork 24th March – 5th April 2021)

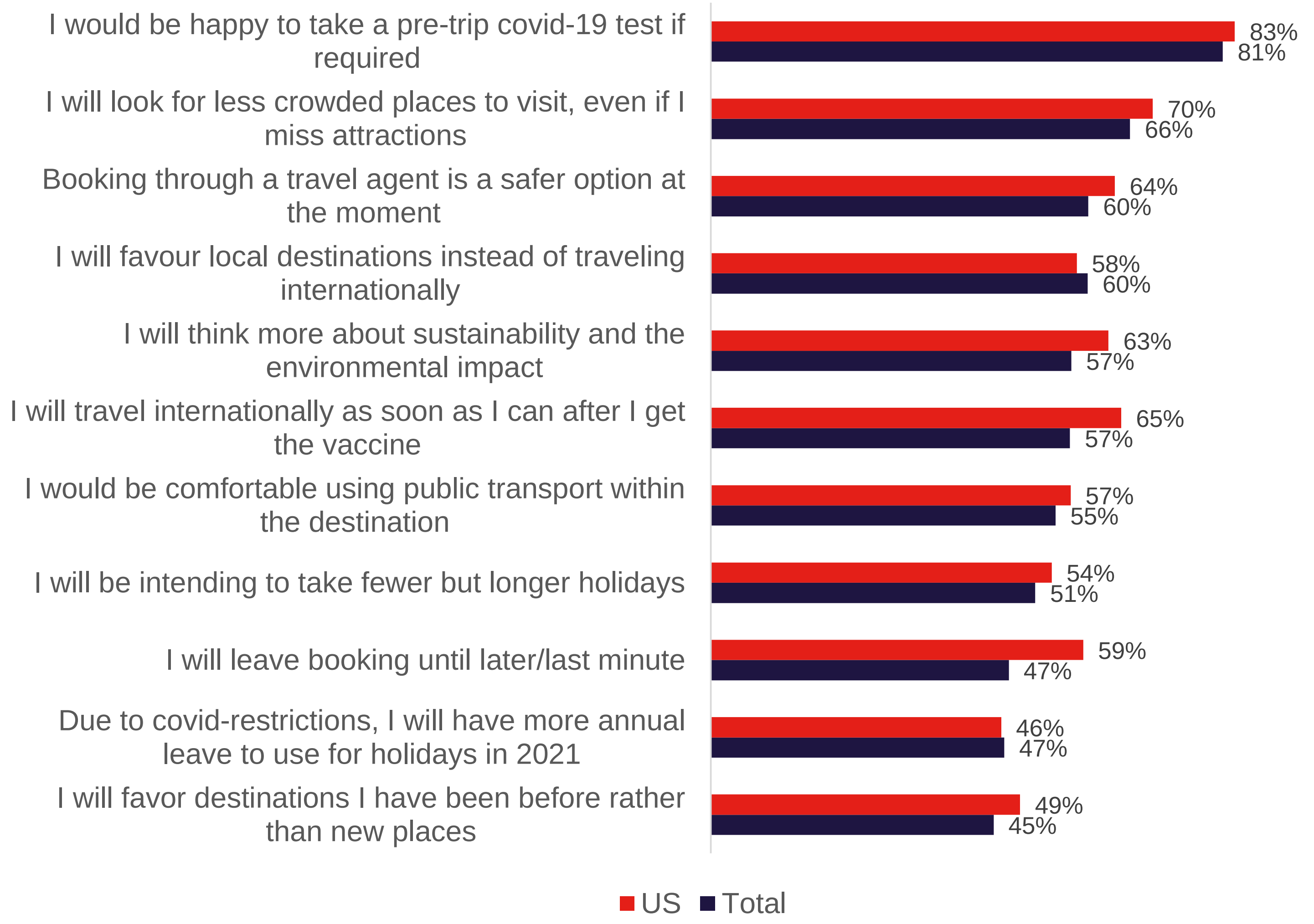
Key influences in international travel - next 12 months



- The top trigger* for booking was receiving a COVID-19 vaccine which is a positive given progress of vaccinations in the US.
- Money-back guarantee is still important to Americans showing they want to book with confidence.
- Americans are also closely watching a destination in terms of safety protocols, the number of cases and the vaccination rate said to be of importance by around one third.

Source: International Covid-19 sentiment tracker wave 2 TCI/VisitBritain/VisitScotland/Visit Wales/London & Partners published April 2021 (fieldwork 24th March – 5th April 2021) *% completely & somewhat agree

Attitudes towards travel



- Most Americans would comply with taking a pre-trip COVID-19 test.
- Fewer Americans are concerned with crowded places - down 4pts on wave 1 and 8pts lower than the Long haul average whilst 60% will still favour local destinations in the US.
- 60% agreed booking through an agent was a safer option whilst 57% said they would think more sustainably about their next trip, but this was 14pts lower than the Long haul average.

Source: International Covid-19 sentiment tracker wave 2 TCI/VisitBritain/VisitScotland/Visit Wales/London & Partners published April 2021 (fieldwork 24th March – 5th April 2021) *% completely & somewhat agree

Travel Trade

North America Travel Trade Survey Series

Bristol International Balloon Festival, Bristol, England

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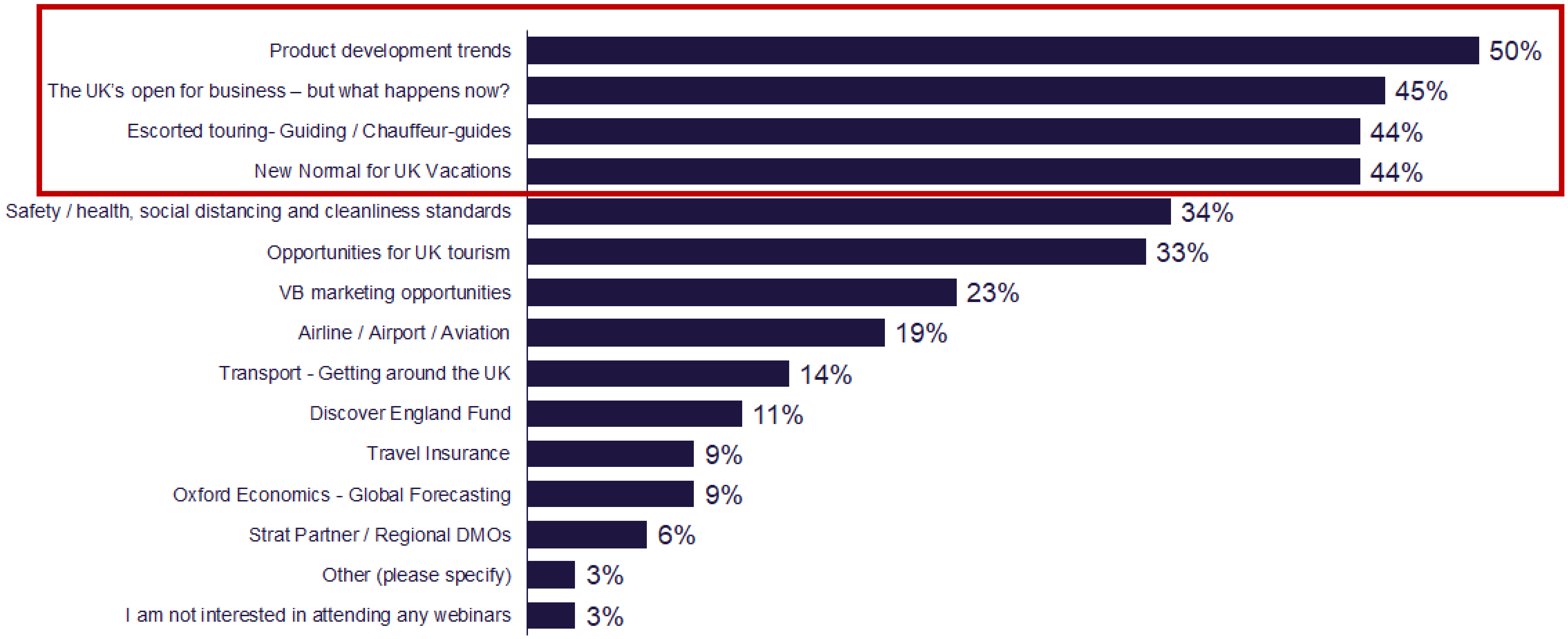
Webinar Topics

Q: What topics would you like to be covered in future webinar episodes? Please choose up to 5 topics.

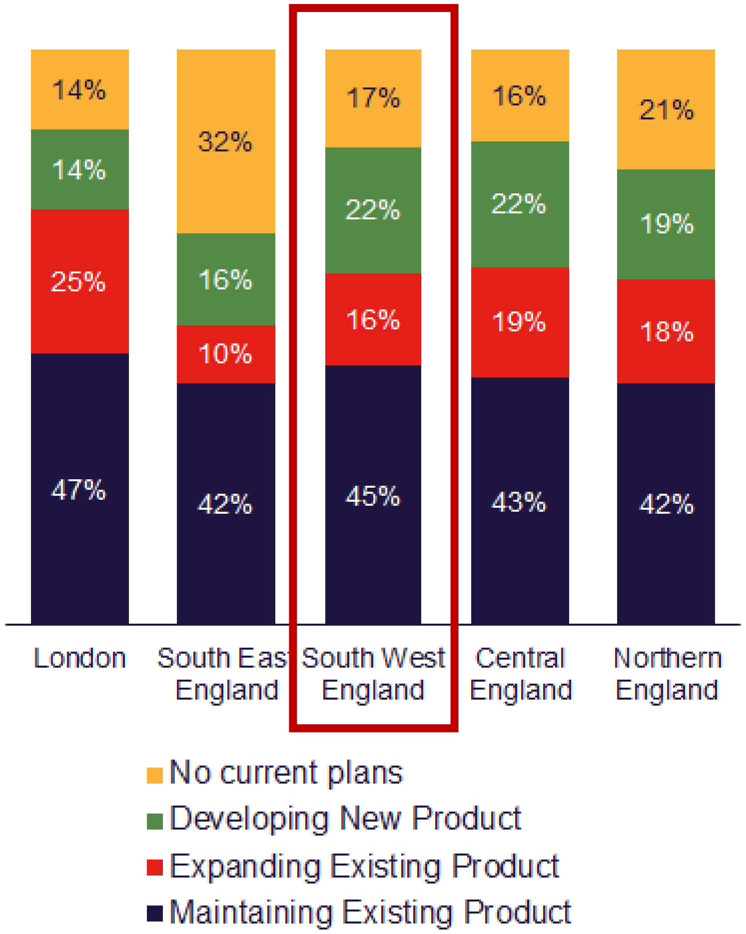


VisitBritain US & Canada Travel Trade Survey Wave 3. Sample: All (80).

Product Development in England

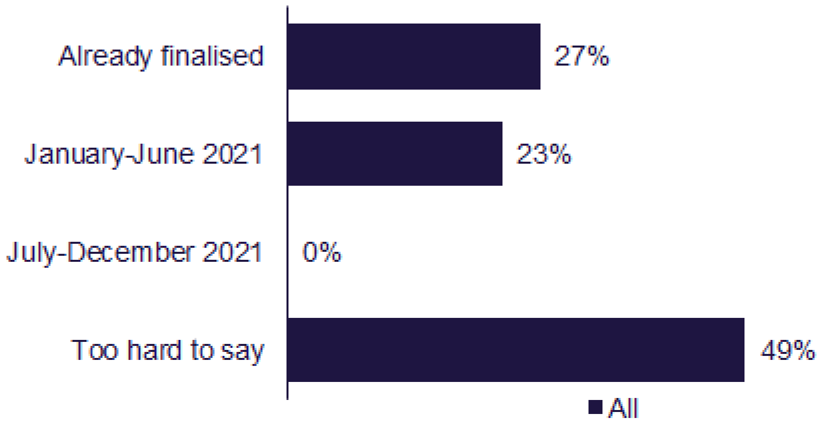
Q: What does product development currently look like for the following regions of the UK? England.

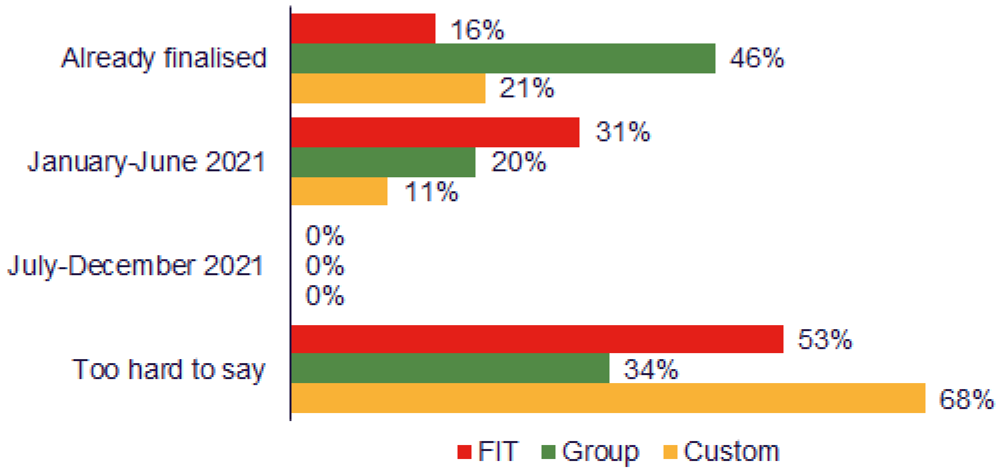
- **Maintaining existing product:** just under half of operators are maintaining existing product across all England regions.
- **Expanding existing product:** For London, ¼ are expanding existing product, whilst less than 20% in all other regions are doing so – only around 10% in the South East.
- **Developing new product:** Around 1 in 5 are developing new product in the South West, Central and Northern England. For London and the South East this is slightly lower.
- **No current plans:** A significant proportion have no current plans about product development – around 1/3 for the South East and 14-21% for other regions.



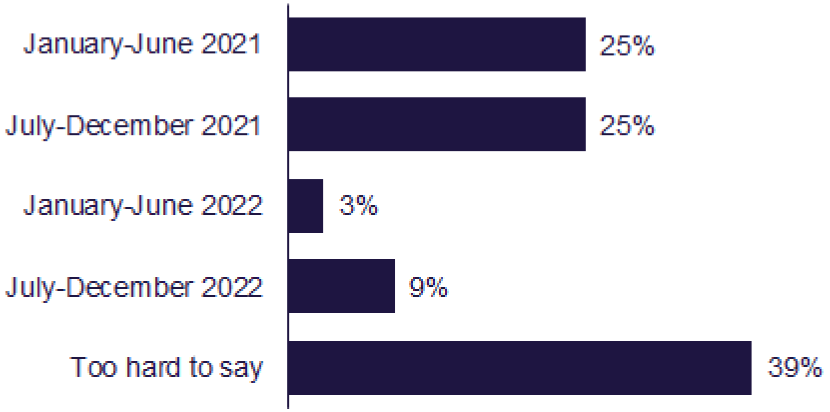
Finalizing contracting/development period 2021-2022

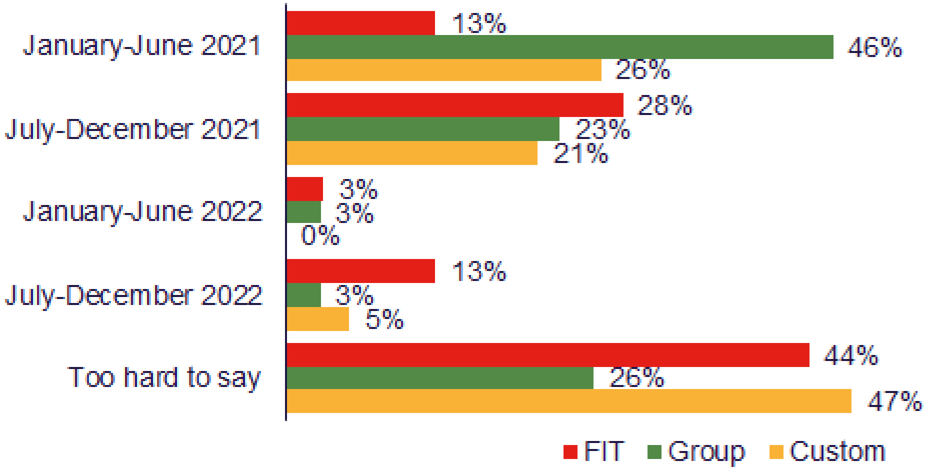
Q. When will you finalize your product contracting / development period for **2021?**





Q. When will you finalize your product contracting / development period for **2022?**

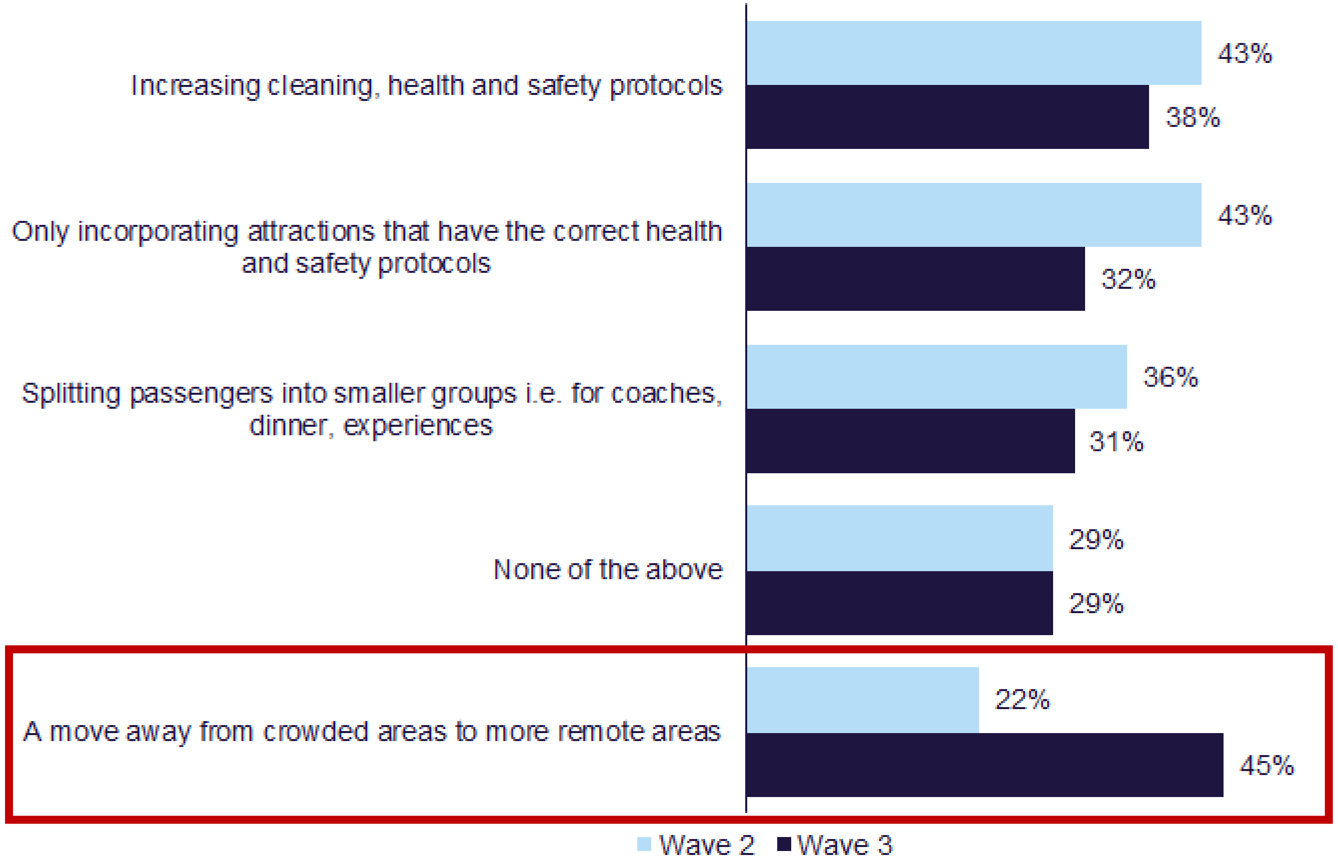




VisitBritain

Changes to future tours

Q: Have you made any of the following changes to your future UK tours? Please select all that apply.



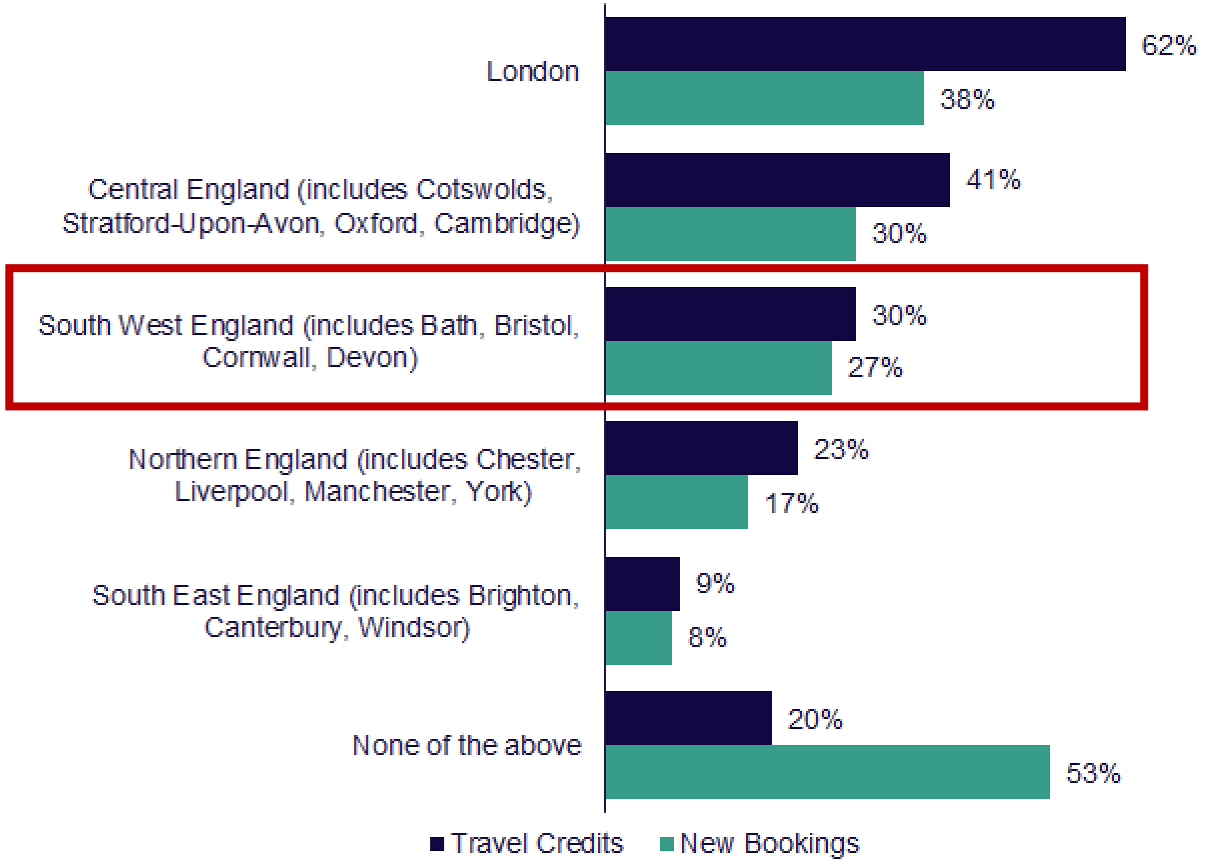
- Similar patterns seen in relation to Wave 2, although more respondents are now citing a move away from crowded areas to remote areas.
- Most cite changes in cleaning, health and safety protocols (38%).
- A third will only incorporate attractions which have the right protocols in place, and will split passengers into smaller groups.
- Just under a third say they aren't implementing any of the changes mentioned.

VisitBritain US & Canada Travel Trade Survey Wave 3 (Sample – 77), Wave 2 (Sample – 14).
Please note the different samples when comparing multiple waves of data.

Bookings for 2021: FTCs vs New Bookings -- England

Q: What UK regions are you seeing rebooking's/redemption of Future Travel Credits, and new bookings for in 2021? England.

- Overall, there are more rebooking's using travel credits than there are new bookings.
- London is the most popular English region - nearly two thirds of operators said that they had seen bookings for London but this was higher for new bookings (62%) compared to travel credit redemptions (38%).
- Central England and the South West follow, with around one third of operators reporting bookings, although there were more travel credit redemptions for Central England.
- Around 1 in 5 cited bookings for Northern England, whilst operators cited fewest bookings for the South East.
- 1 in 5 operators said no travel credits had been used across England, whilst more than half said there were no new bookings across England.

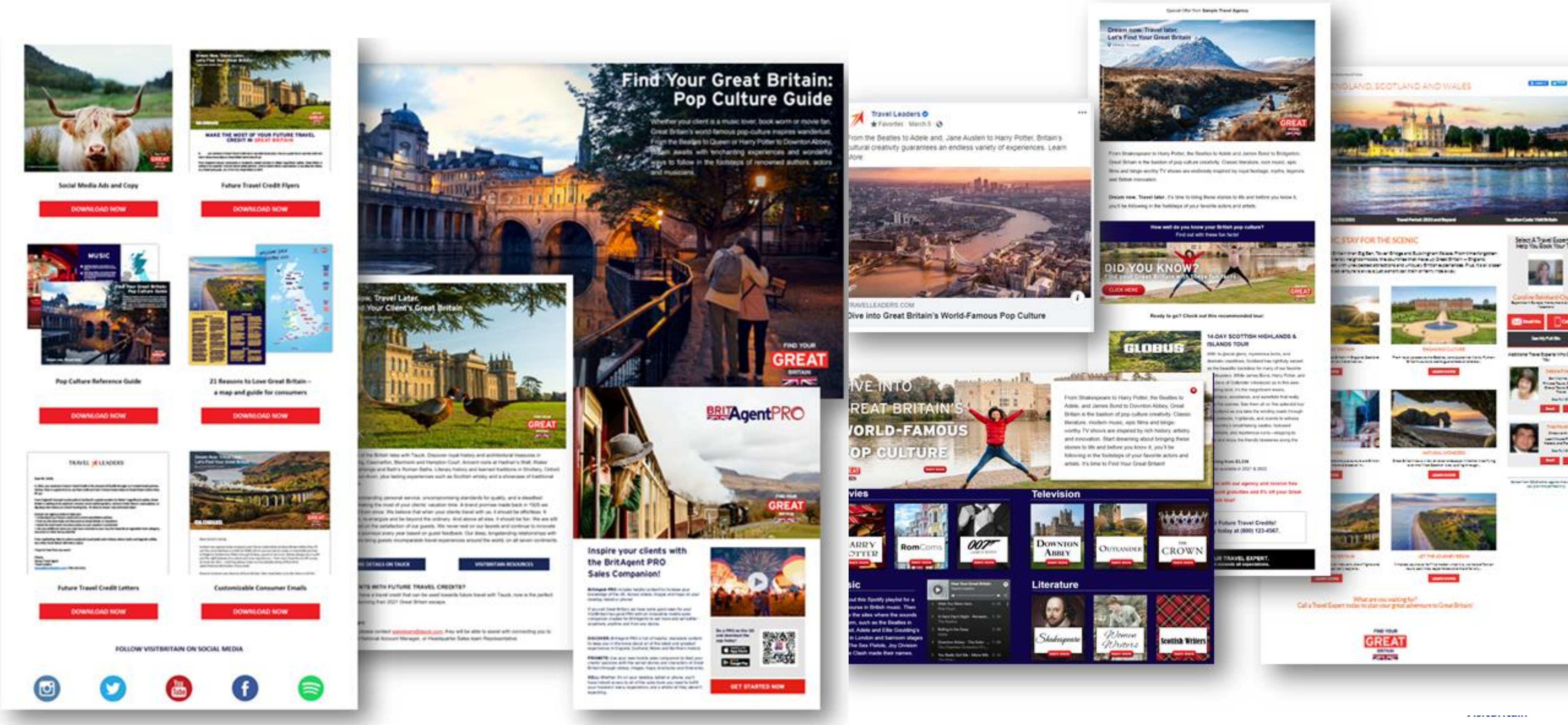


VisitBritain US & Canada Travel Trade Survey Wave 3. Sample: All (66).

The Roman Baths, Bath, England

Travel Leaders Campaign

Travel Leaders Network / VisitBritain Campaign



Preferred Suppliers

FTC re-bookings have been at a pretty steady number Jan. through Mar. for Travel Leaders, once more **countries open up** and people feel more comfortable rebooking I think we'll see **a surge in rebooked FTC reservations**.

2022 Britain sales when compared to same time in the selling season to 2019 are **+199%.**

...travelers with FTCs want to wait to rebook until the country is open. Although some travelers are itching to get out there and may opt for an open destination to use their credits, it seems leisure travelers who planned a trip previously **still want to book that same trip eventually when the country is reopened and safe for travel**

Media Insights

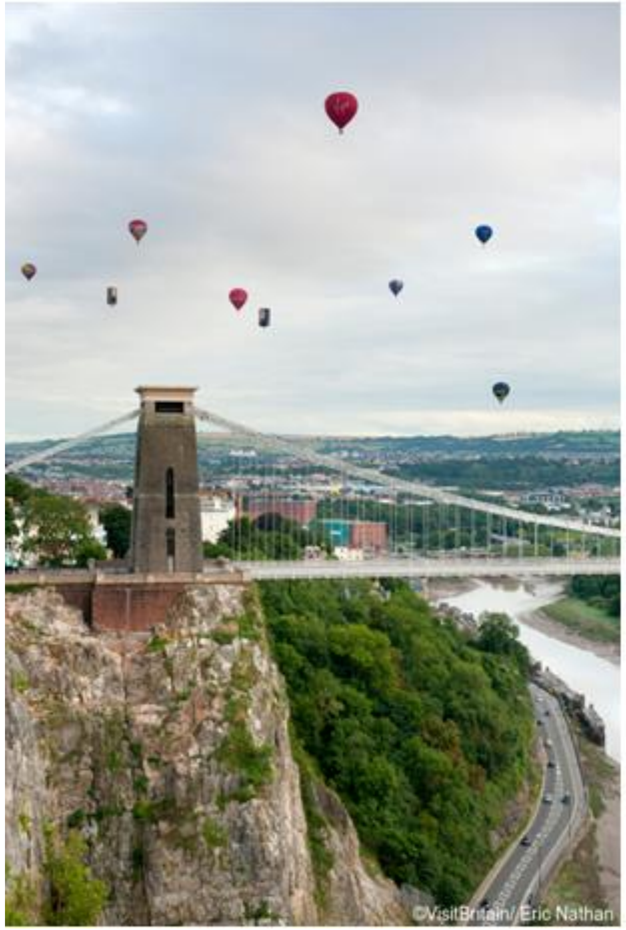
PR Landscape

- Increase in **streaming content** on major platforms (ie: Disney+, Netflix, Amazon) and launch of **new platforms** (ie: Paramount+, Peacock)
- **Film tourism** is huge for Americans, more than ever this year
- **Print media continues to reduce,** while new **digital-only outlets** have expanded
- Additional staff cuts have led to increase in freelancers
- Last year was all about **virtual experiences and armchair travel**
- Right now, coverage is dominated by **destinations that are freely open** to Americans
- Coverage continues to focus on **inspirational content and logistical information** (ie: country and visa rules, what is open, etc.)

Media Trends

Here are some trends we are spotting in the press:

REVENGE TRAVEL



ALTERNATIVE TRAVEL

OUTDOORS & WELLNESS

Road to Recovery

How to work with US Trade

RATES 2022-2023

- ✓ **Rates as far in advance as possible**
- ✓ Travellers **with FTCs are booking further in advance** to decrease chance of further changes/cxl
- ✓ When rates aren't available, travelers are booking other things

AVAILABILITY

- ✓ For availability, **base decisions on future travel demand** vs what it is now
- ✓ **Keep international markets in mind**
- ✓ Hotels: don't black out dates
- ✓ Response time

E-TICKETS

- ✓ **E-tickets are challenging for operators**; difficult to determine exact time to book a visit months in advance; labor intensive
- ✓ May avoid these products in favor of others

BOOKABLE PRODUCTS

- ✓ Continue to develop & introduce easily **bookable and readily available products and experiences**
- ✓ **They love to expand their portfolio of itineraries,** helpful when they are things can offer to enhance the experience


Thank you!