

How to adapt your Tourism Business for 2021

What to expect from this webinar...

1. What research has been carried out so far
2. What the data has indicated in terms of change in sentiment, intent and actual travel for UK residents
3. What are the macro global trends
4. How can tourism business adapt to those changes and turn them into opportunity.
5. What is the short to medium term outlook and what does that mean for tourism business in Scotland
6. What practical actions can tourism business take to be in the best position to remain sustainable and recover

What research has been carried out so far?

- COVID Customer Segmentation
- Consumer Sentiment Research
- Scenario Planning
- Environmental Scanning & Trends Research

Customer Segmentation

UK segments during the COVID-19 pandemic

During the pandemic, it has become clear that the factors that previously identified key segments for Scottish tourism are being affected by the current COVID-19 situation.

As part of the joint UK Consumer Sentiment Tracking (VisitScotland, VisitEngland and Visit Wales). Some new segments have been developed to help the tourism industry to understand consumer attitudes and behaviour towards travel and leisure during the current crisis.

[UK Segments during the Covid 19 pandemic \(visitscotland.org\)](https://visitscotland.org)

Consumer Sentiment – Monitoring Performance

The national tourist boards within Great Britain have commissioned tracking research to measure UK residents' holiday intentions.

The original tracking was in place from the end of May to mid-August 2020.

Due to the ongoing uncertainty caused by the pandemic, additional tracking will take place during September 2020 to January 2021.

From September, UK level reports will be available fortnightly with a Scotland specific report being available monthly.

[Impact of COVID-19 on our UK and Ireland Markets - Research | VisitScotland.org](https://www.visitScotland.org.uk/research/impact-of-covid-19-on-our-uk-and-ireland-markets)

Scenario Planning

One valuable technique to prepare for an uncertain future is Scenario Planning.

Scenarios are a powerful tool. They're particularly useful in the development of strategies to navigate extreme events seen recently.

Scenarios enable businesses to plot a course between the uncertainty and confusion which often strike in troubled times.

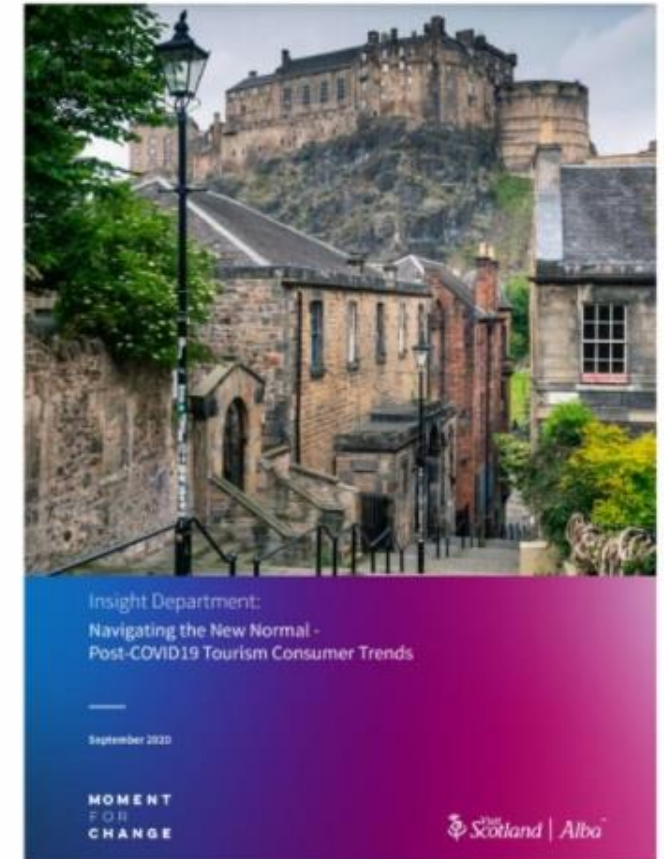


[COVID-19 Scenario Planning Toolkit for Tourism | VisitScotland.org](https://www.visitScotland.org)

Environmental Scanning & Trends

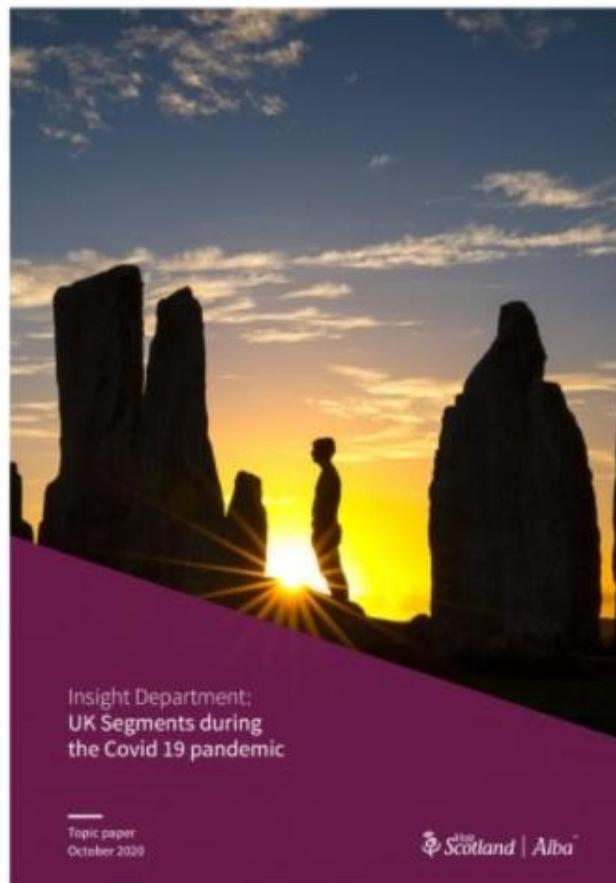
Environmental scanning is the ongoing tracking of trends and occurrences within an organisation or industry sector's internal and external environment that bear on its success, currently and in the future.

Environmental scanning systematically surveys and interprets relevant data to identify external opportunities and threats that could influence future decisions.




[Insights - navigating the new normal \(visitscotland.org\)](https://visitscotland.org)

COVID-19 Segments



This segmentation is primarily an attitudinal one based on different statements measured as the pandemic has progressed.

Segment	Percentage of Population	Likelihood to take UK domestic breaks
 Life Goes On	33%	Strong likelihood
 Pragmatic Policy Supporters	20%	Medium likelihood
 Covid Cautious	32%	Medium likelihood
 Covid Impacted*	8%	Low likelihood
 Anxious Appreciator Hermits*	7%	Low likelihood

There are 2 main ways in which this is happening.

- Government restrictions alongside consumer attitude to (Covid) risk are now the predominant factors affecting travel
- This alongside the financial impact of the Covid-19 pandemic on the economy and people's lives

Consumer Sentiment

Trips taken between July and September

- As of early October, **30% of U.K. residents had taken an overnight short break or holiday in the U.K.** since July, 24% of Scotland residents. 3 in 5 U.K. trips were for a holiday, the majority of the remainder to visit friends or relatives (VFR).
- Overnight stays in Scotland were **predominantly for a 'holiday'** – 77% compared to 63% of all U.K. trips.
- Hotel was the most popular choice for an overnight Scotland holiday, followed by caravan/camping and commercial self-catering.
- **The Highlands**, the Glasgow area, Edinburgh area and the West Coast were the three most popular areas.
- 'City or large town' and '**countryside or village**' were the two most popular types of destination for an overnight stay between July and September, followed by **mountains or hills** and traditional coastal/seaside towns.
- Nearly **8 in 10 (77%) of all Scotland residents** that have taken an overnight trip since **July did so in Scotland**, rising to 86% of Scotland residents that took a holiday.

Consumer Sentiment – Mood of the Nation

Latest Research as of January 2021

- The proportion believing ‘the worst is still to come’ regarding the coronavirus situation almost doubles to 62%
- Only 8% expect life will ‘return close to normal’ by end March (versus 14% last wave) while just 33% expect this by end June
- There’s been a significant decline in the proportion who expect to take ‘the same or more’ domestic overnight short breaks between now and end March, compared to normal.
- The south west remains the leading destination for winter and spring trips, followed by Scotland, London and the north west.
- As any winter trips are now unlikely to happen, looking forward to spring the leading destinations people intend to visit are ‘countryside/village’ (33%) and ‘traditional coastal/seaside town’ (29%) perhaps signalling a return to normal seasonal leisure trips.



Scanning & Trends - What is the new normal?

- Consumers Drivers are and will be –
Convenience, Reassurance, Value, Inspiration, Connection
- Industry Drivers will respond with –
Innovation, Agility, Adaptation, Flexibility, Transparency, Collaboration
- Localism will become an identity, a strength and a differentiator
- Consumers and Business will be linked by social purpose
- Business will be seen as the embodiment of values and the catalysts of change

The sustainable tourism dichotomy

Pinterest 100 Trends 2020

320 Million Users

- +125% travel stories
- +107% train travel
- +73% eco-friendly travel
- +57% Agritourism
- +46% eco-friendly cities
- +32% learning vacations
- +31% eco-structures

+86% reduced carbon footprint

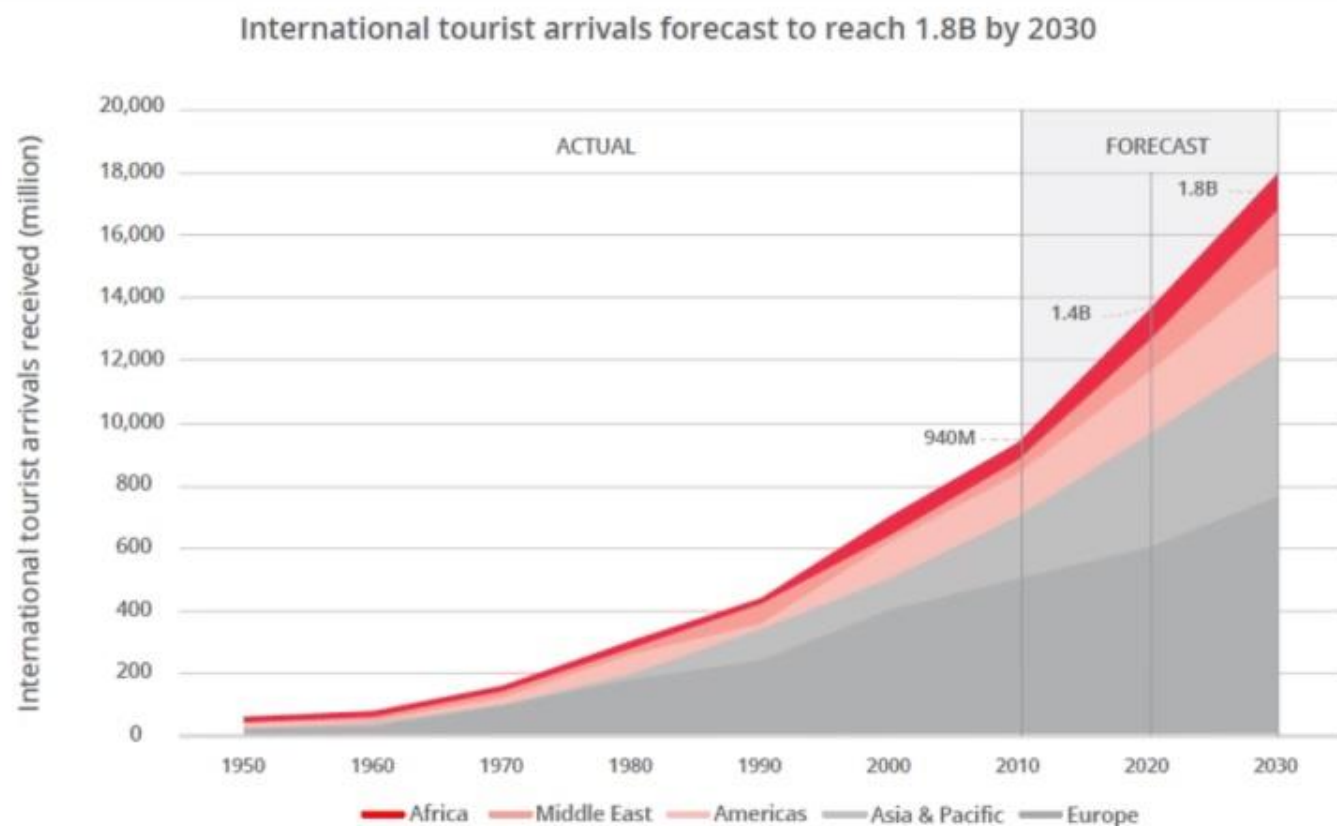


Fig 1. UNWTO tourism towards 2030: Actual trend and forecast 1950 - 2030

SOURCE: UNWTO

The behaviours that will define the new normal

- Trust
- Local
- Self Sustaining
- Personal & Minimalist
- Mental Health & Wellness
- Small Enterprises are well-suited to focusing on these behaviors and thereby appealing to the next generations of consumers.
- Driven by reputation.
- Invested in the destination.
- Decision making is based on values

The outlook for tourism in the new normal

- Time was once a precious commodity – now it will become an asset
- Slow Tourism will see travelling less but travelling better
- Need for trust between consumer and provider
- Concern for social distancing, hygiene and safety
- *Small group travel and private tours*
- *Personalisation and bespoke products*
- *Planned and curated travel*
- *Pent up demand for leisure and travel*
- **Innovation and Adaptation**

Opportunities for tourism in the next normal?

- Premium Brands promoting high standards of health, safety, ethics & customer service
- Warmth of human-ness through intimate “club” style product offerings (Low Vol / High Val)
- Premiumisation of individualism, personalisation, bespoke
- Offering “travel with purpose” – demonstrating community support
 - e.g. rewilding, wellness, culture, volunteering, nourishment, localism
- Restorative Immersion through spirit lifting experiences
- Delivering value for money and showing values for the money
- Embracing new ways of thinking – Post 2008 Crisis = Uber, AirB&B, WhatsApp.

Opportunities for tourism in the next normal?

- Identify your (new?) customers needs – growing domestic and family markets.
- Packaging – Look beyond your front door, who can you collaborate with for accommodation, hospitality, travel, culture, heritage, experiences, retail.
- Offering “travel with purpose” – demonstrating community support through opportunities for guests to give back through volunteering, support local business.
- Engaging content – During lockdown many became armchair travellers – customer engagement through your social media networks, blogs and digital brand. Regular inspiring imagery and stories.
- Utilise your local assets – what about the hidden gems that will spark the sense of exploration?
- Reach out to industry groups, colleagues and destination management organisations for knowledge and networking.

Examples

- Fingal, Edinburgh – Introduced a Wellbeing Manager to ensure guests have a seamless experience
- The Balmoral, Edinburgh – *The Curfew Club* – exclusive in-room experiences from movie nights to Whisky tastings.
- Fife Arms, Cairngorms – Expanded Ghillie team to provide self guided tours and reassure safety during the stay.
- Distilleries – moved to hand sanitiser production and shift to online sales.
- Meldrum House, Aberdeenshire – Pop Up pods for sheltered outdoor dining – Also Fonab Castle, Perthshire
- Soak Up on Skye & Swim Wild (Highlands) – Promoting outdoor swimming trend
- Galloway Wild Foods – Foraging workshops
- Scottish Lime Centre Trust, Fife – Purpose built dry stone walling center to cater for growing interest in crafts.

Looking to the Scenarios

SCENARIO FIVE: Five winters



This could be described as the worst-case scenario. Following the equivalent of three to five quarters of "low season" levels of performance, brought on by a perfect storm of economic recession and rolling waves of infection and subsequent lockdowns, most parts of the economy are suffering from decline in consumer spend and business closures.

Already hospitality and retail businesses have witnessed several major names going into receivership. The collapse of a major airline and/or hotel chain reinforces the challenges facing tourism.

Domestic tourism remains viable with local travellers seeking new and innovative, affordable products on their doorstep with which to escape the present realities. Physical distancing and available useable outdoor space remain the upper constraint on capacity. Urban and rural offerings appeal to different travelling segments based on confidence and income. Value for money in the offer may be a factor differentiating providers and products.

European hoteliers adapt to growing staycation demand

By Terence Baker, Senior Reporter, Europe

newsletter@hotelnewsnow.com

With money saved from not needing flights, guests who plan staycations are ready to spend close to home, but hoteliers must ensure there is something new, something exciting and even something recognizable.

■ It is "not possible" for Germany to end its lockdown on Feb. 1 as scheduled, the health minister said on Wednesday: "This virus is still too present for that, and the health care system is still too burdened."

nytdirect@nytimes.com

'No end date' to lockdown as MPs back new restrictions

Hospitality venues in England could remain closed until at least the end of March, with Prime Minister Boris Johnson telling MPs the Government will be 'extremely cautious' about lifting restrictions.... [Read more](#)

newsletter@bighospitality.co.uk

How Best to position for sustainable recovery

- Plan for the unthinkable
 - Scenario Planning Toolkit
 - Prepare a range of responses
- Scan — and wait.
 - Monitor Trends & Policy Notices
 - Develop Marketing Tactics
- Be flexible and move quickly.
 - Adapt to the changing environment
 - Adopt digital tools and transformation