



# **Consumer Market Research**

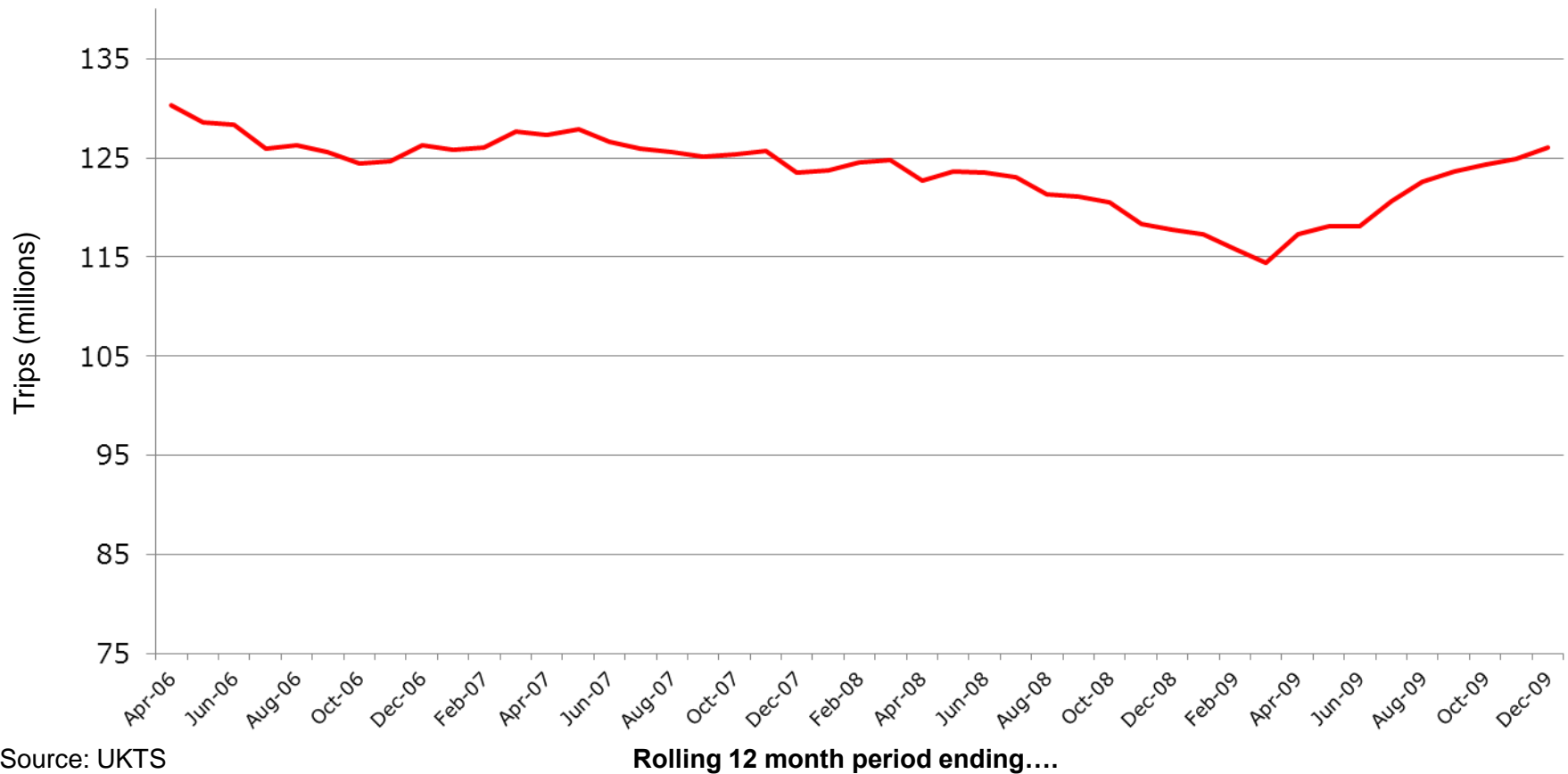
## **The Staycation Effect and Implications for Marketing**

# Agenda

- 2009 Performance Overview
- 2010 Year to Date
- The “Staycation”
  - The wider context
  - Understanding the staycation
  - Impact of the staycation
- Summary

# In 2009, overnight travel recovered from the previous year's steep decline

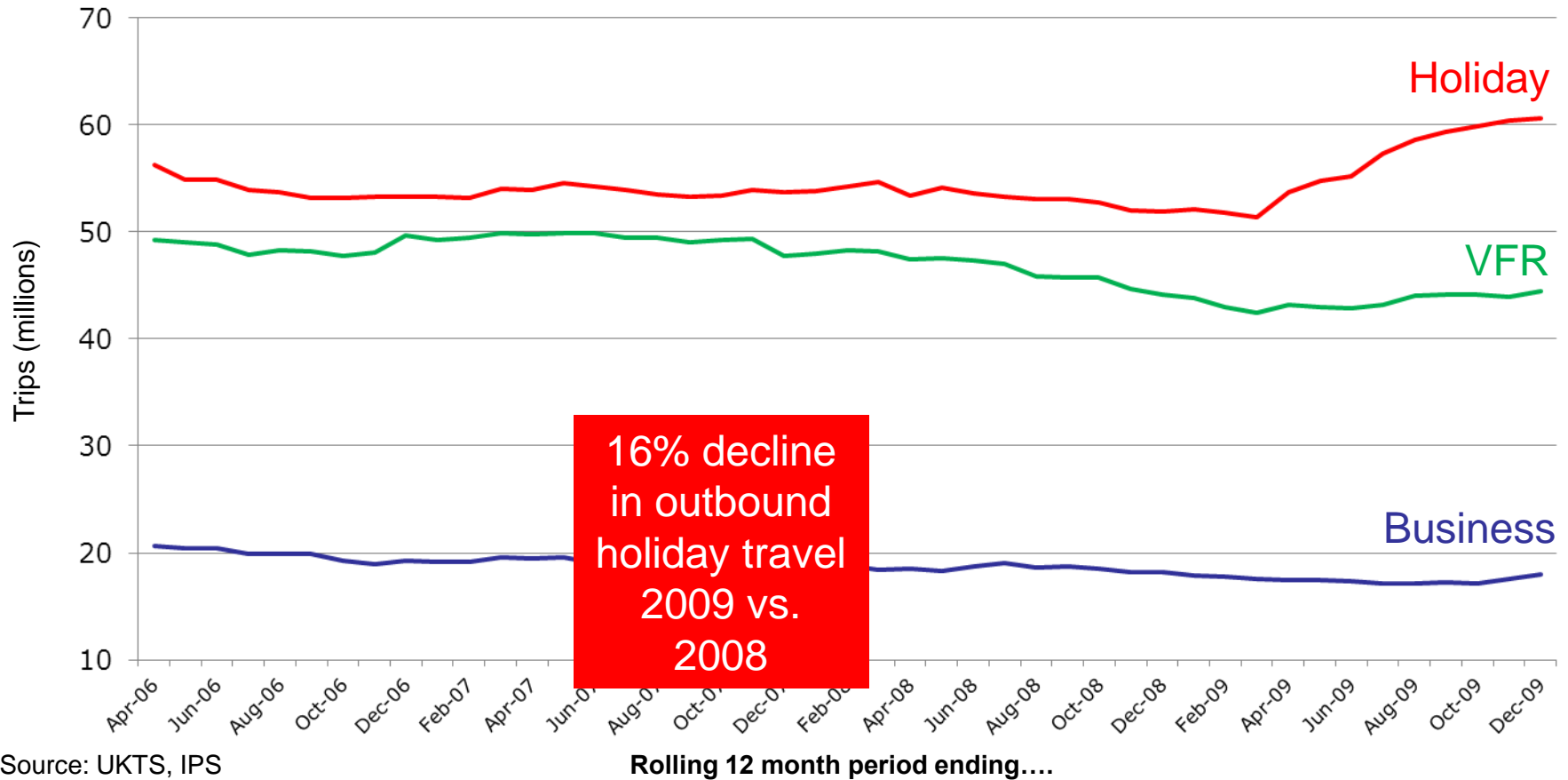
## UK Domestic Overnight Tourism – All Trip Types



Source: UKTS

# ...entirely due to the "staycation"

**UK Domestic Overnight Tourism – By Trip Type**



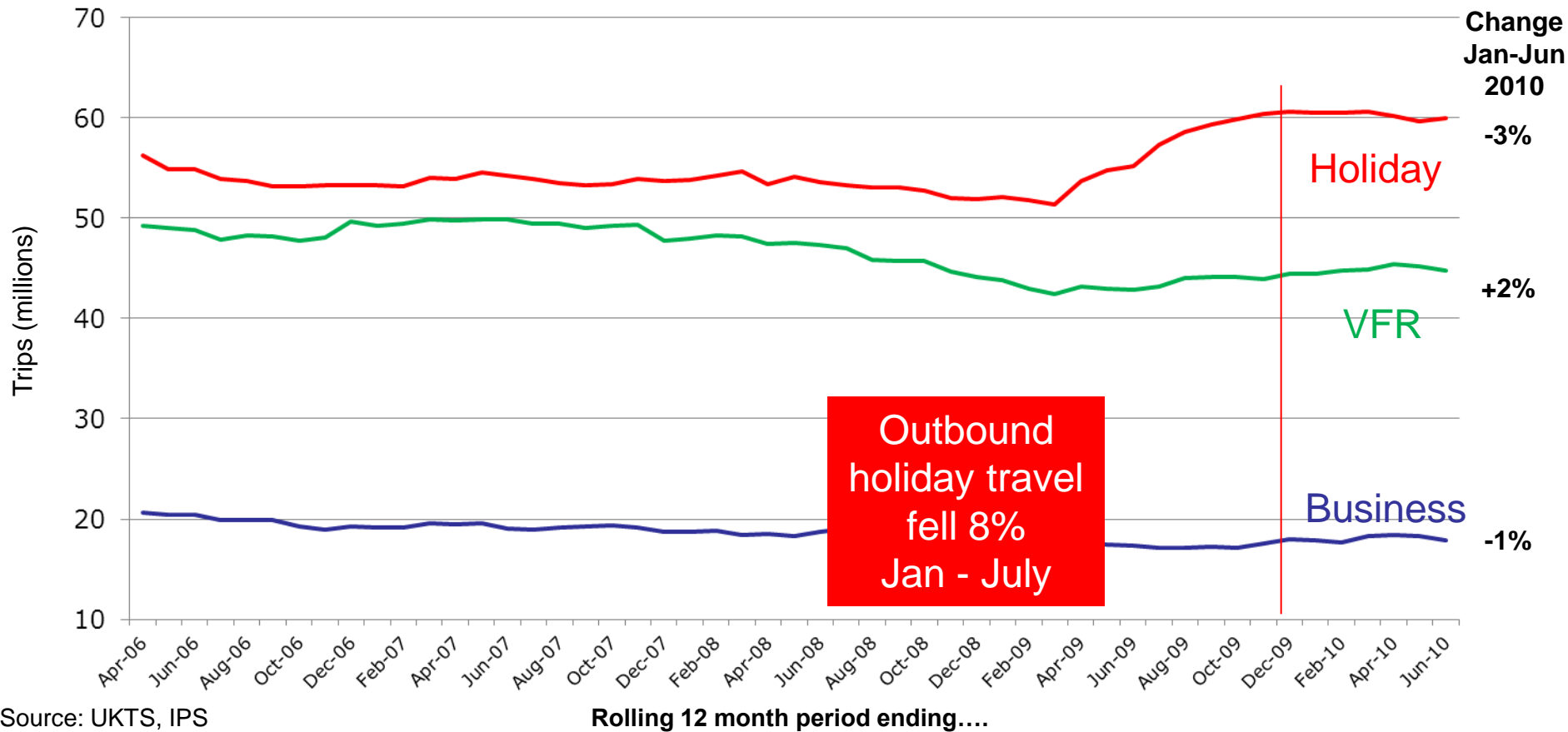
Source: UKTS, IPS

# The million dollar (pound) question

*Was 2009 a blip, or the start of a longer term trend?*

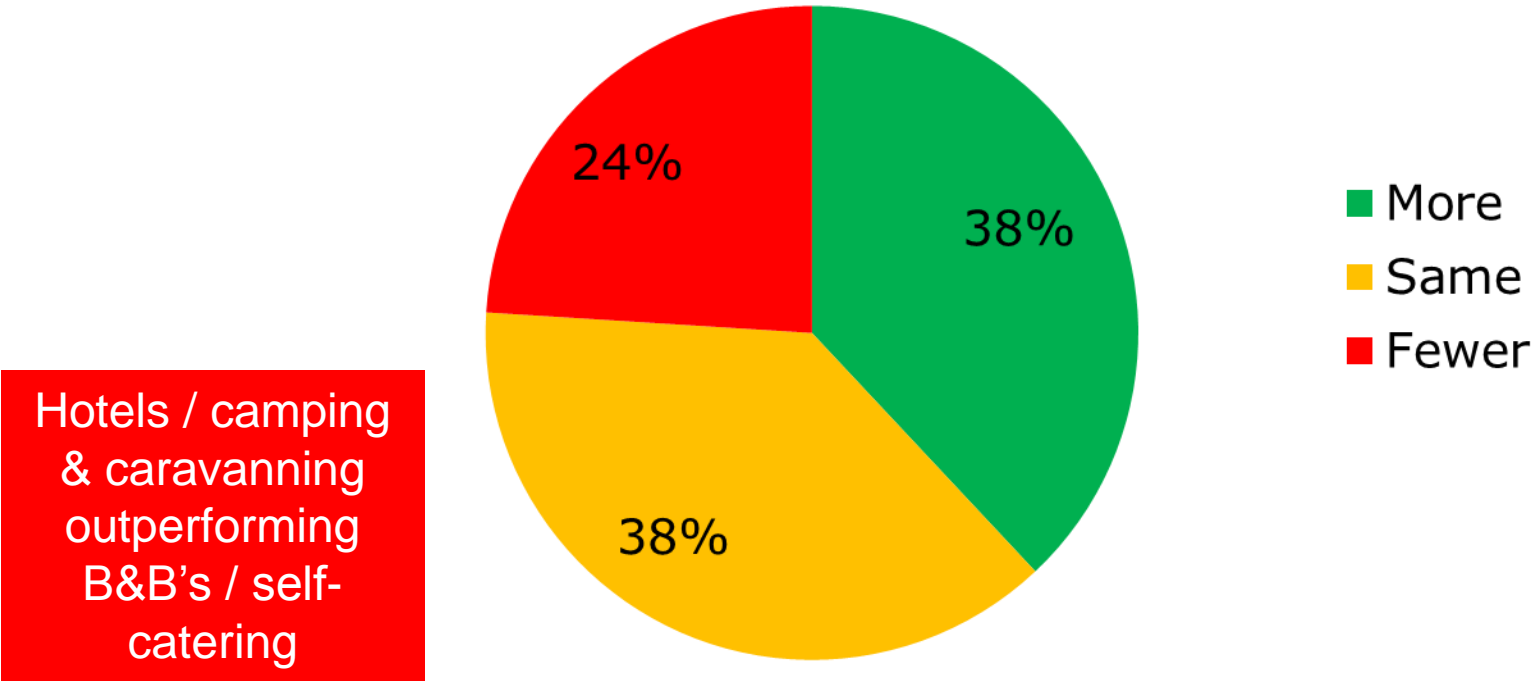
# Little change in the first six months of this year

**UK Domestic Overnight Tourism – By Trip Type**



# On balance, Summer 2010 saw an increase in guest numbers

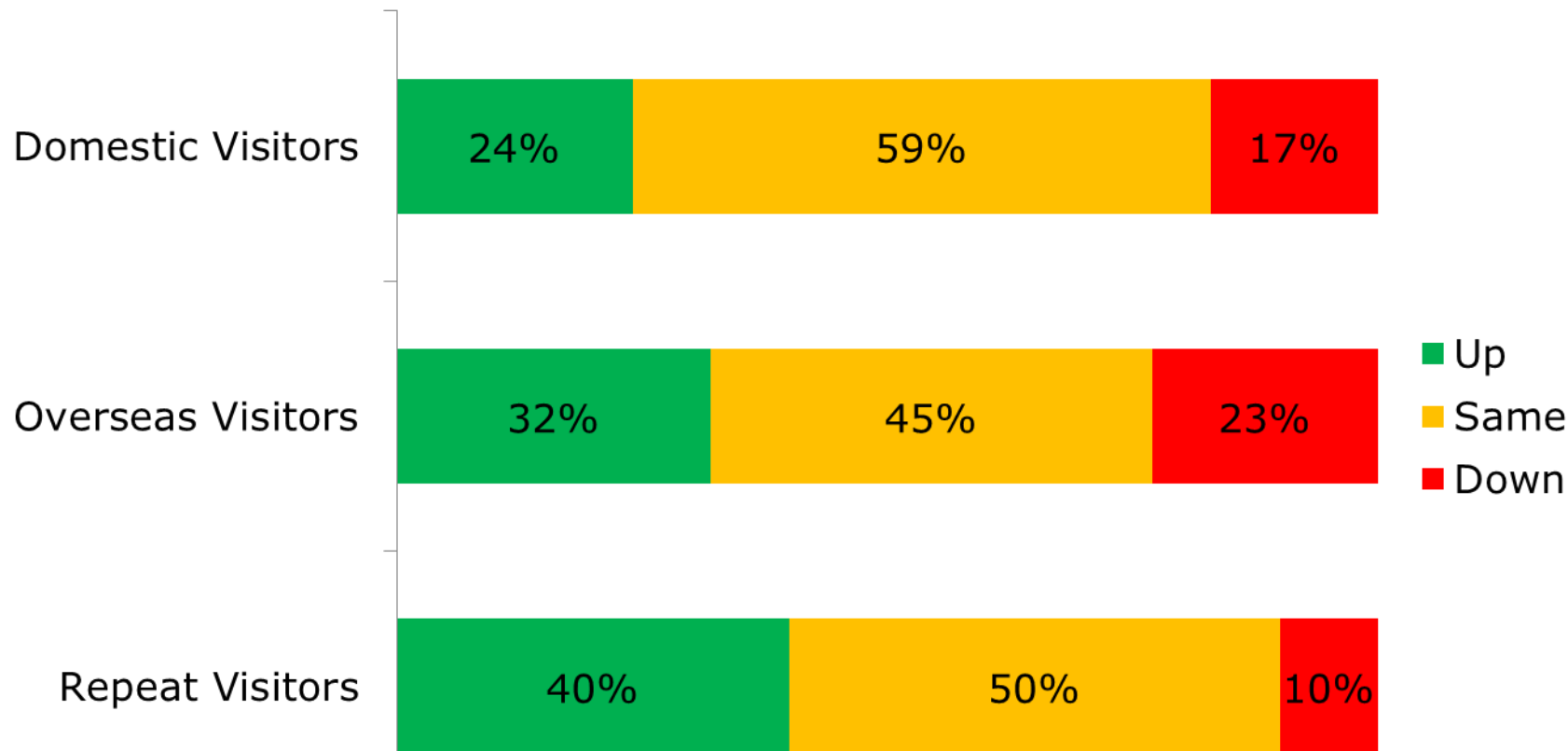
Accommodation Providers  
Number of Guests vs Last Summer



Source: VE Accommodation Monitor September 2010

# Uplift stems from stability in domestic market, increase in overseas visitors, and *more repeat visitors*

Accommodation Providers  
Change in Performance by Visitor Type



Source: VE Accommodation Monitor September 2010

## The million dollar (pound) question (2)

*Were 2009 and 2010 blips, or  
the start of a longer term  
trend?*

“Well it’s pretty grim at the moment”

# The Wider Context

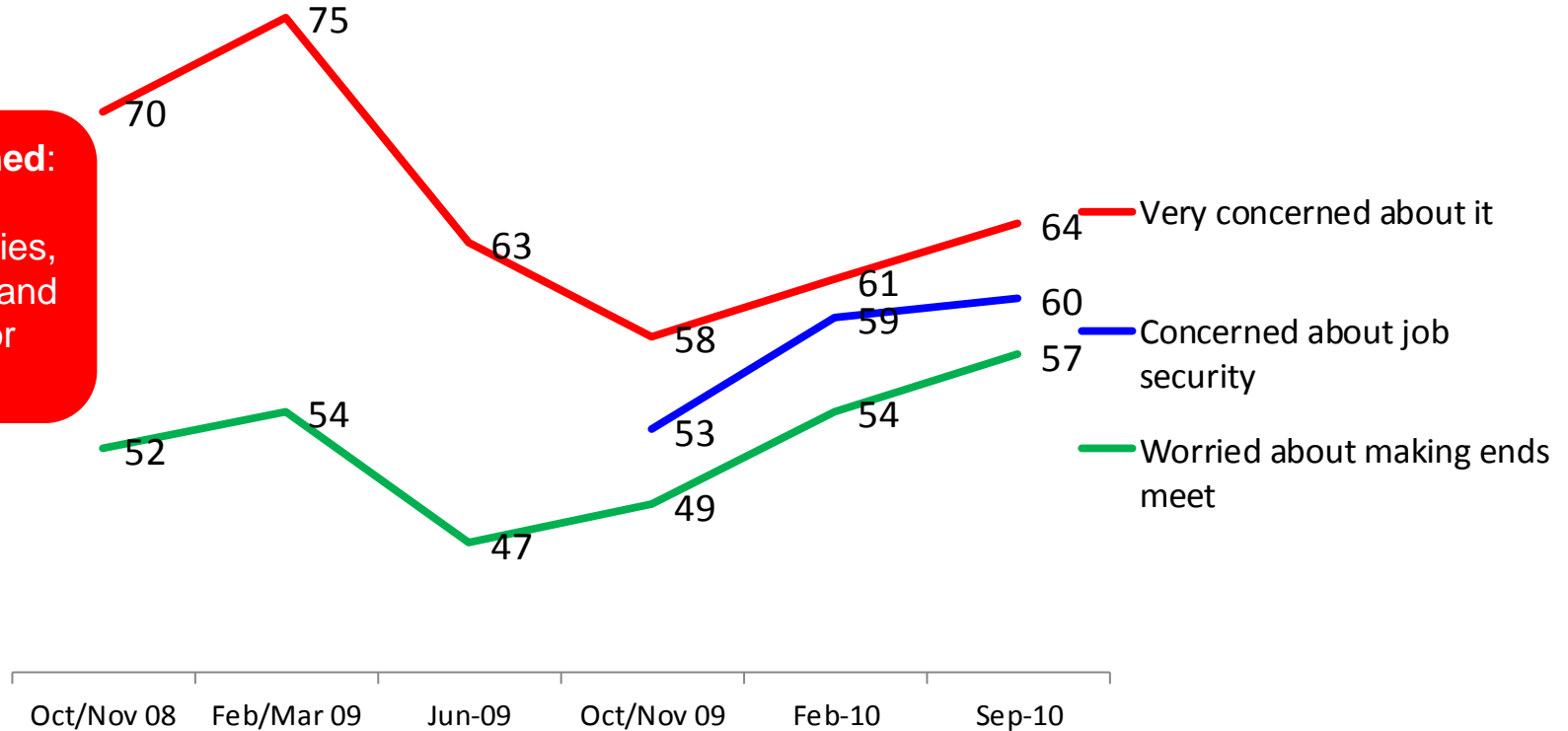


# Raised levels of concern over economy and its personal impact

% 'Strongly Agree' / 'Slightly Agree' with each statement

**Most concerned:**

Women, Families,  
18-35 yr olds, and  
Public sector  
workers



Source: Credit Crunch Research Waves 1 – 4, Staycation Research Waves 1- 2

If we had the money we would have gone abroad. but we don't so we have to make most of it

# Understanding the “Staycation”



# What did we find out about “staycationers”?

- In 2009, 25% of the population

“I went on so many holidays last year... here as well as abroad..it was great”

## 13% “Switchers”

- Replaced a foreign holiday with one at home
- High proportion of families
- More worried about job security and credit crunch
- Main motivations were financial situation and exchange rate

## 15% “Extras”

- Took more domestic breaks – but not as substitute for others – also more foreign hols
- Younger profile
- Less affected by credit crunch than average
- Main motivations were exploring / going somewhere new, and personal circumstances

“I had to go on holiday in this country because money was well short”

## ...other influencing factors

- Media highly influential on decisions to holiday at home
- Often cite reports and articles of increase in domestic tourism
- Many cite exchange rate issues and airport security
- Underlying feeling / macro trend of 'locality' / local pride

## ...however

- England perceived 'not cheap'
- Chosen in the downturn because easy to predict spend
- Increasing cost of flying (air passenger duty) for short breaks
- Jobs fears – “need to be indispensable, close to work”
- Three-quarters rated their holiday in England as 'excellent' or 'very good'

### Watchpoint:

Although people don't openly admit it, it is clear media influencers combined to increase propensity to domestic breaks in 2009 – need to maintain profile ongoing

I'll probably do the same a bit of England and a bit of abroad...but it really depends on what happens and what comes my way

# Impact of the Staycation



# The English holiday was seen as engaging and involving...

- Families found themselves doing things together
  - parents showing their kids what they used to do on holidays, discovering things together
- Pre families doing more
  - different / new / unfamiliar things
- For some the English holiday was surprisingly good
  - had enjoyed much more than expected
  - was incredibly memorable (vs. bland beach holidays)
  - made them feel proud of their country
- Over 80% rated their break as excellent or very good

## Watchpoint:

Experiences very different from a holiday abroad, building and reinforcing perceptions of England as a great place to visit

# Though not all so positive...

- Some of the Switchers who had to sacrifice their trip abroad less enamoured with their English holiday
- They often still enjoyed but less thrilled than those who made an active choice to holiday in England
- A holiday in England is not the same product as '2 weeks in the sun' and this led to some disappointments:
  - couldn't just relax
  - needed to find things to do and sort out self
    - Vs all inclusive overseas packages

## Watchpoint:

Experiences very different from a holiday abroad and if seek to mirror them can be a little disappointed

# Expectations in early 2010

## Switchers

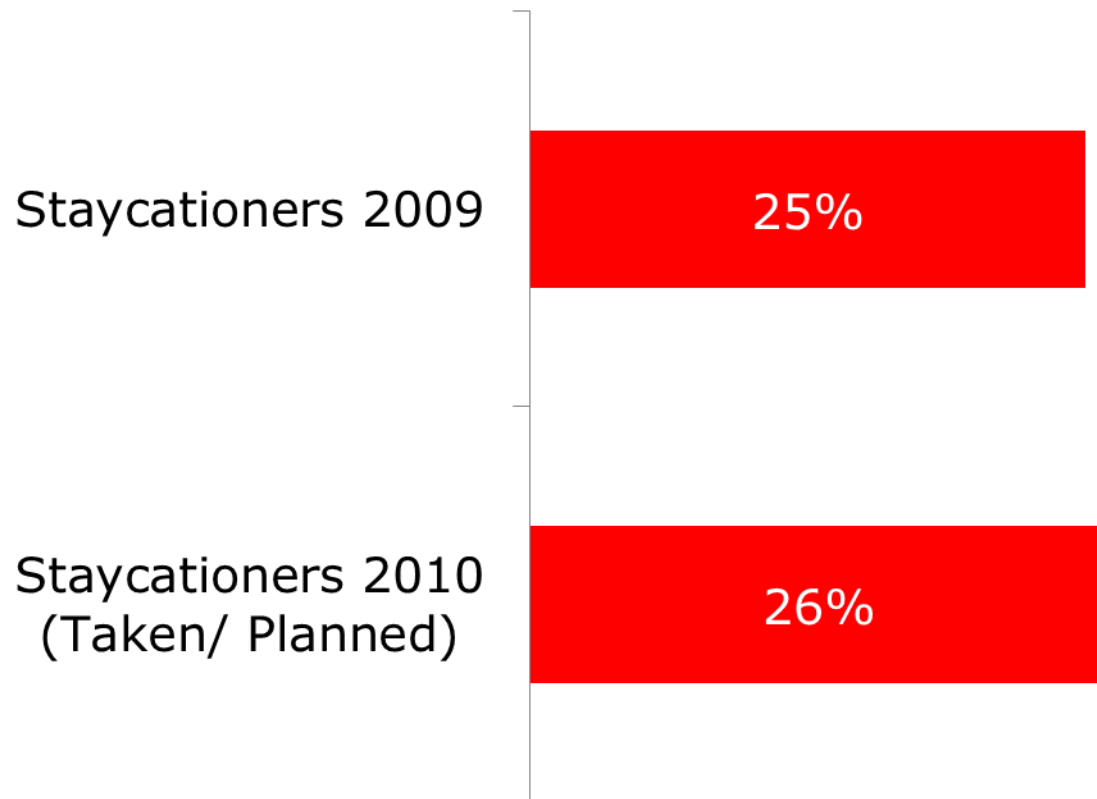
- Either last year had surprised them and opened eyes
- And/ or still feeling affects downturn
- Likely to continue to take domestic breaks
- But may split longer trips into two shorter ones
- Some still yearning for 2 weeks in sun and will switch back when they can

## Extras

- Interest often (re)awakened
- Have broad portfolios of abroad and UK
- Excited by last year's experience
- Keen to find new experiences / discoveries
- Could be permanent change

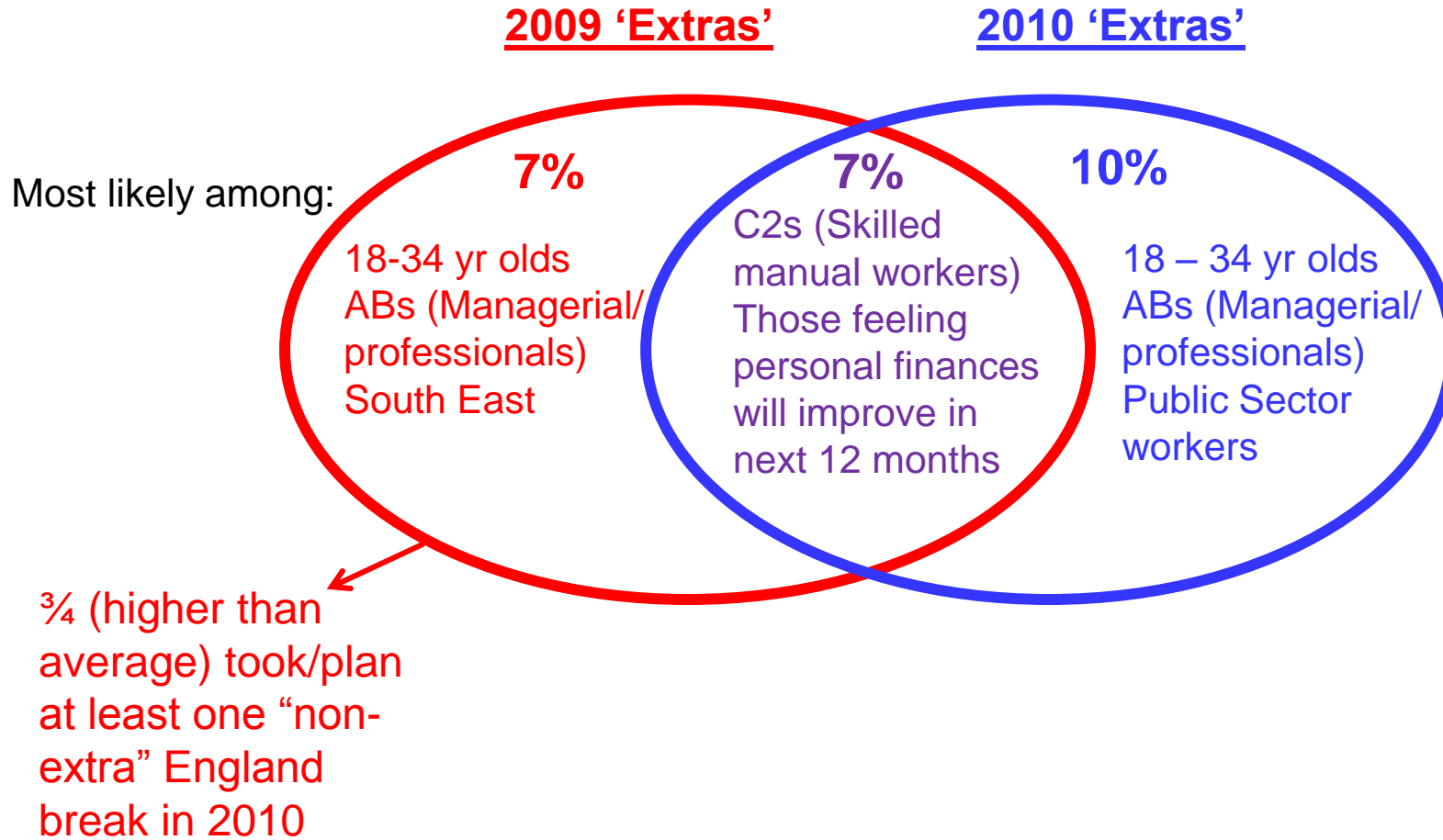
# Overall staycationer incidence unchanged in 2010

Total Number of “Staycationers” (Switchers and Extras)



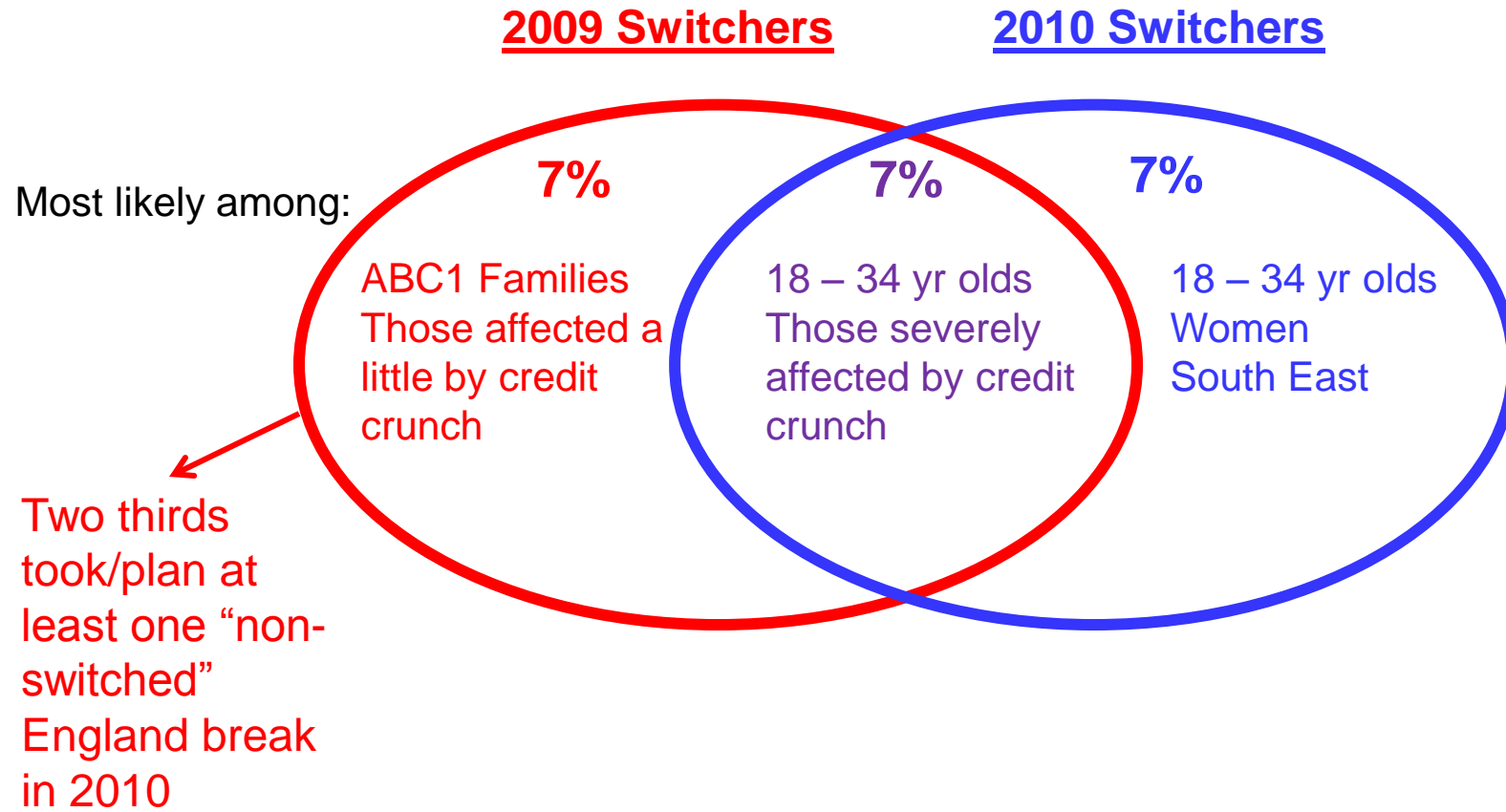
Source: Staycation Research Waves 1 and 2

# Half of 2009's Extras also taking more domestic holiday in 2010



Source: Staycation Research Wave 2

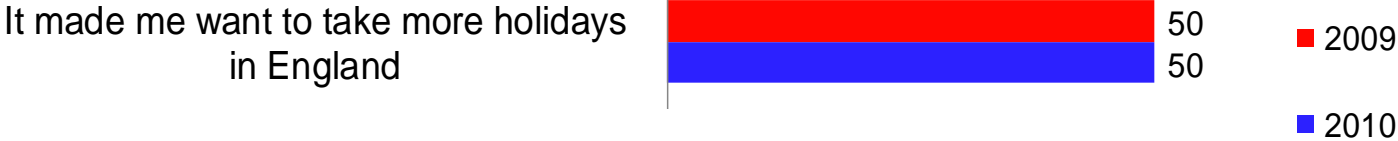
# ...and half of 2009 Switchers also switched (or plan to switch) in 2010



Source: Staycation Research Wave 2

# Around half of “switchers” say that their break made them want to take more English holidays

“Switchers” attitudes to taking a holiday in England rather than abroad  
% ‘Agreeing with each statement

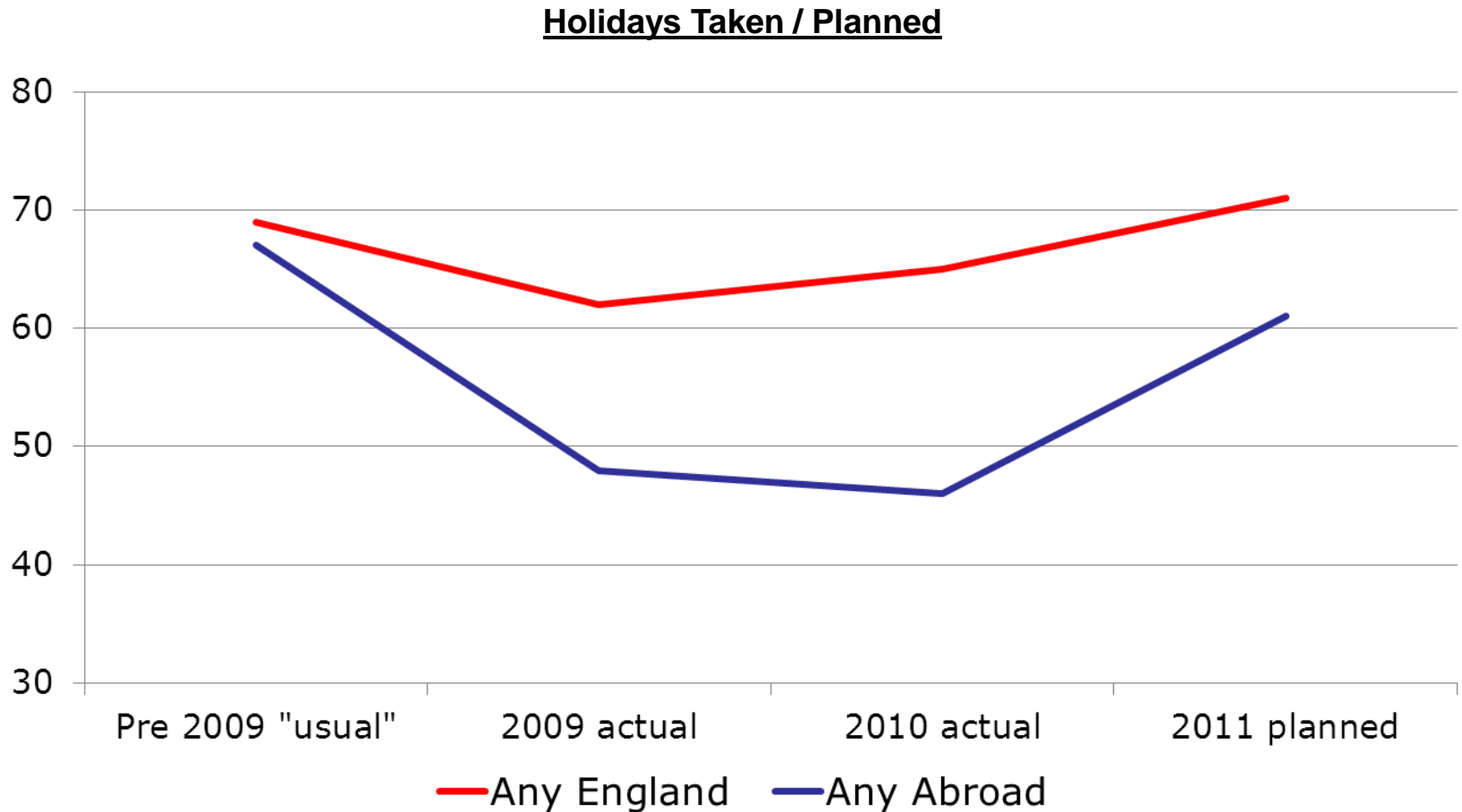


# ...but views are polarised, and a little less positive in 2010 than 2009

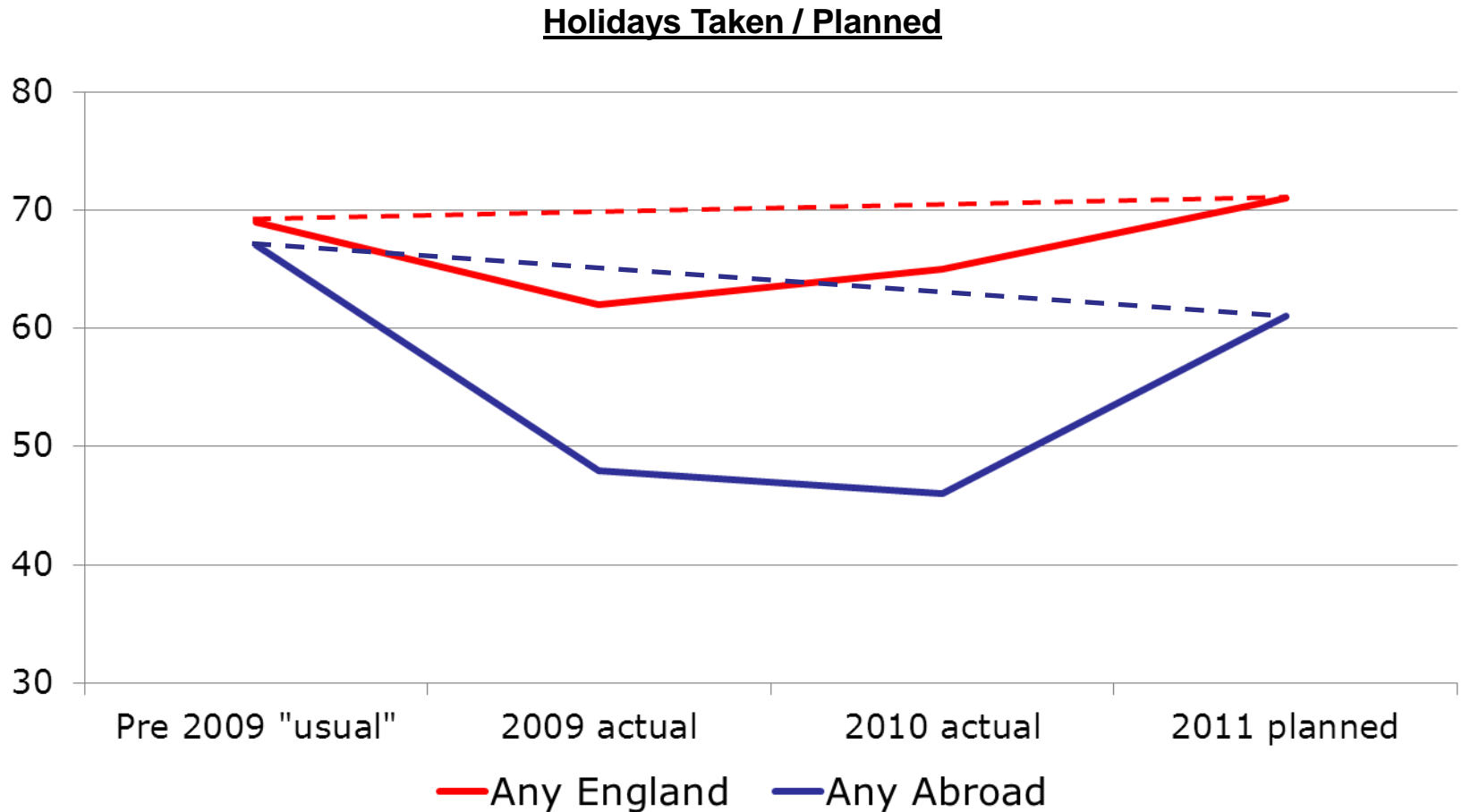
**“Switchers” attitudes to taking a holiday in England rather than abroad**  
**% ‘Agreeing with each statement**



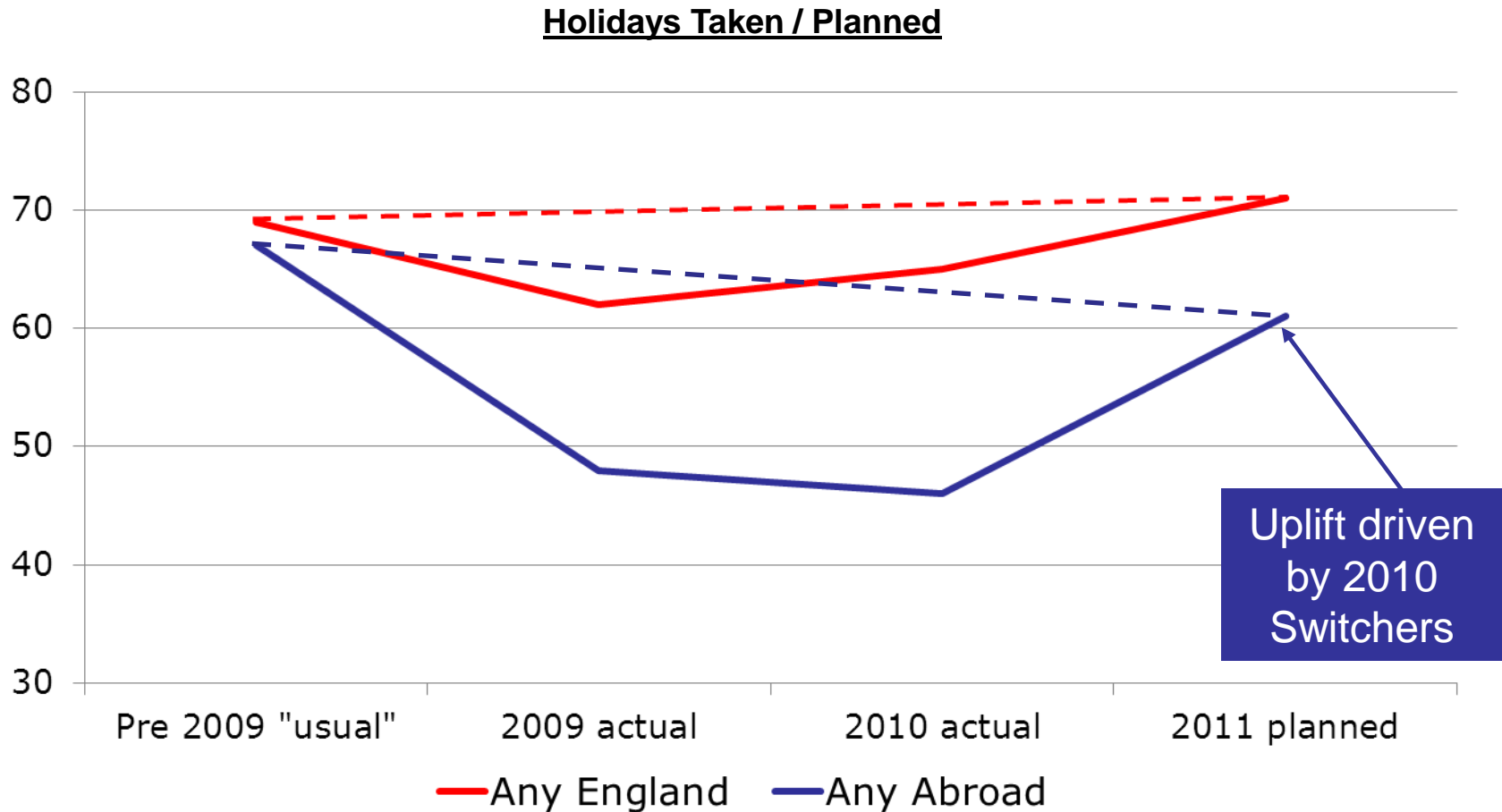
# Optimism about 2011 – but overseas trips still expected to remain below pre-recession levels



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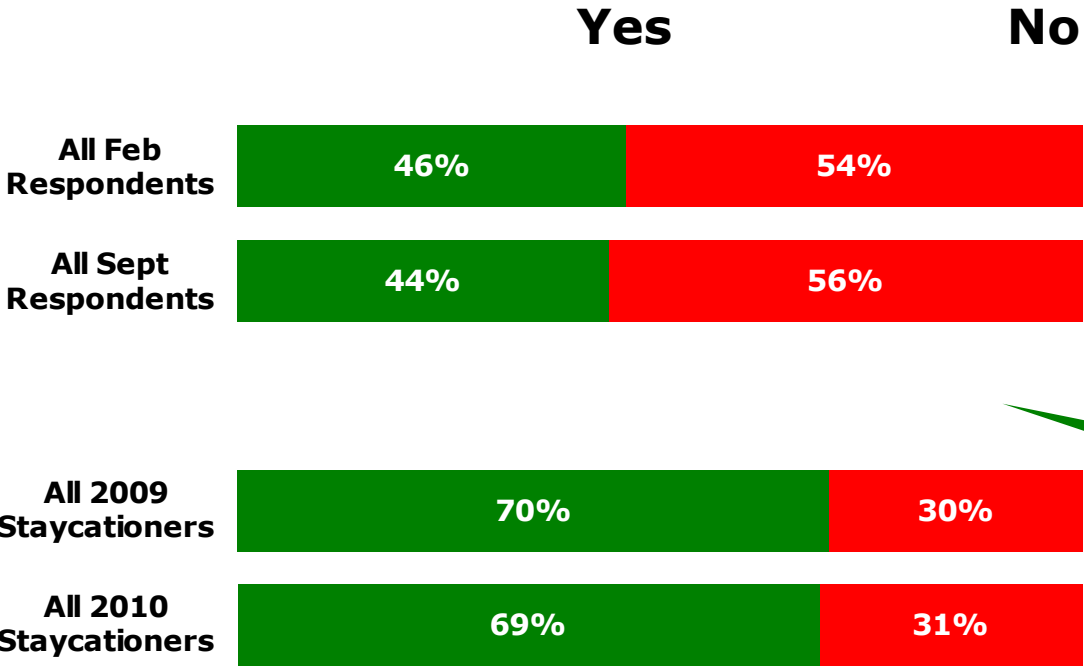


# Optimism about 2011 – but overseas trips still expected to remain below pre-recession levels



# There is continued potential for the longer term

Beyond 2010, whether will take more holidays in UK than have “normally” done in past

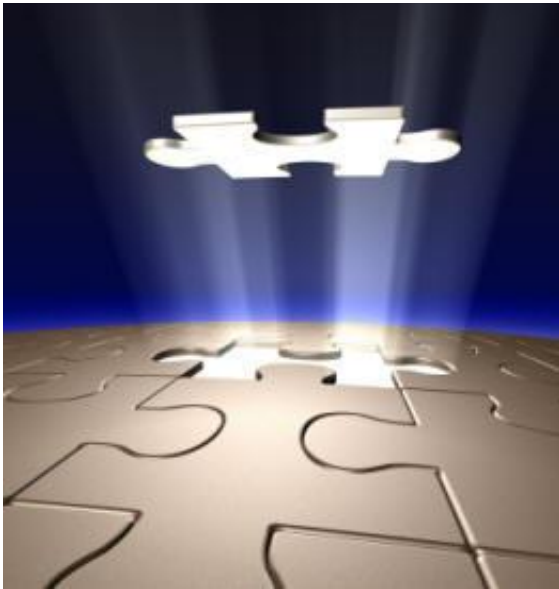


“There’s a lot to enjoy in the UK and it has taken a restriction on finances for people to realise this”

Source: Staycation Research Waves 1 and 2

It really is a wonderful country –  
we should be encouraged to make  
more of it

## In Summary



## In Summary

- 2010 set to (almost) match 2009 for domestic leisure tourism;
- Economic climate is challenging: recession is realty for many and signs of pessimism;
- Rise of 'staycation' prompted by 'Switchers' and 'Extras';
- Staycationers liked their holidays, often more than expected;
- A latent pride has been awakened in English holidays;
- It feels like it is a more serious consideration for many and more often, and should stay that way post-economic recovery;

## And finally

- 'Staycation' is happening – important to keep the domestic break as a positive top of mind choice to maintain momentum.

**Any Questions?**

