



TRAVEL DISTRIBUTION

Highland Tourism Conference 28/11/23

Content

- Why travel distribution is important
- The Visitor Journey
- Online Distribution and Tech
- Offline/Travel Trade distribution
- Product Development – Online/Offline
- Online & offline – What's right for your business



Travellers have changed



Travel demand is back

- 2023 – consumers continue to prioritise travel over other categories of spend putting their money where their mood is - prioritising health & wellbeing & connection
- The 'wealth effect' of affluent travellers
- Air connectivity nearly back to pre-pandemic levels.
- Scotland benefiting from favourable US exchange rates.
- Slight increase in propensity for UK households to holiday at home (easier to plan).



Changed consumer behaviour

- Emergence of new audiences – solo travel is on the rise esp in 65+, gen Z/millennials avg 2.2 more international trips 21/22 than 65+ and larger groups travelling together, from friendship groups to multigenerational families
- Cost of living impact – value for money is a key driver for destination selection. UK travellers looking for cost saving opportunities.
- Sustainability, inclusivity and personalisation are emerging drivers of importance
- Holidays off-the-grid: travellers are eager to disconnect
- YOLO / GOAT / Bucket-list travel – distance is not a barrier
- Travellers are adding in multiple destinations - not just travelling to one place at a time. 64% long haul; 32% short haul

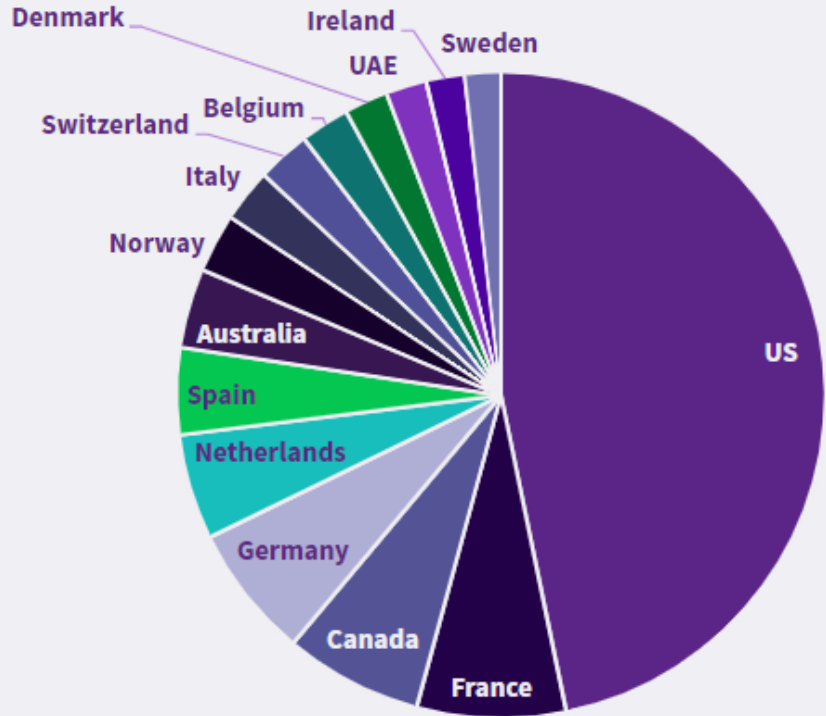


Changed booking habits

- Booking windows: Long-haul has returned to pre-pandemic levels; short-haul/UK market has a high percentage of last-minute breaks.
- 67% of Global Travellers book things to see and do in advance
- The role of word of mouth from friends and family fuels and inspires tourist behaviour, regardless of destination
- Partners remain a key source of inspiration and trust throughout the stages of the tourism journey
- Use of intermediaries such as Travel Agents, Tour Operators and online travel sites, remains high and package bookings (1 in 3 visitors) remain strong for some of our largest inbound markets. Bookings typically 1.7 x more in value.
- 90% of Expedia travellers are looking for sustainable booking options. While 7 in 10 consumers will pay more when making a travel choice that is more inclusive to all types of travellers

Travel Distribution

Spend by Top 15 Countries (80% of Int'l spend)

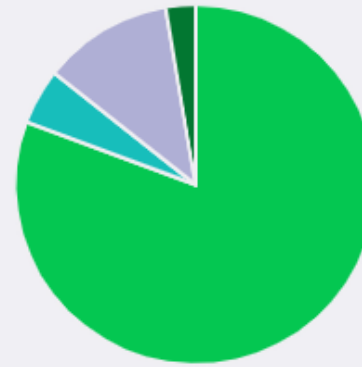


* Doesn't include China due to travel restrictions

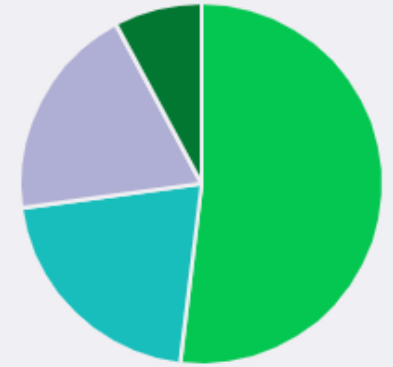
Source: GBTS 2022, IPS 2022



Visits



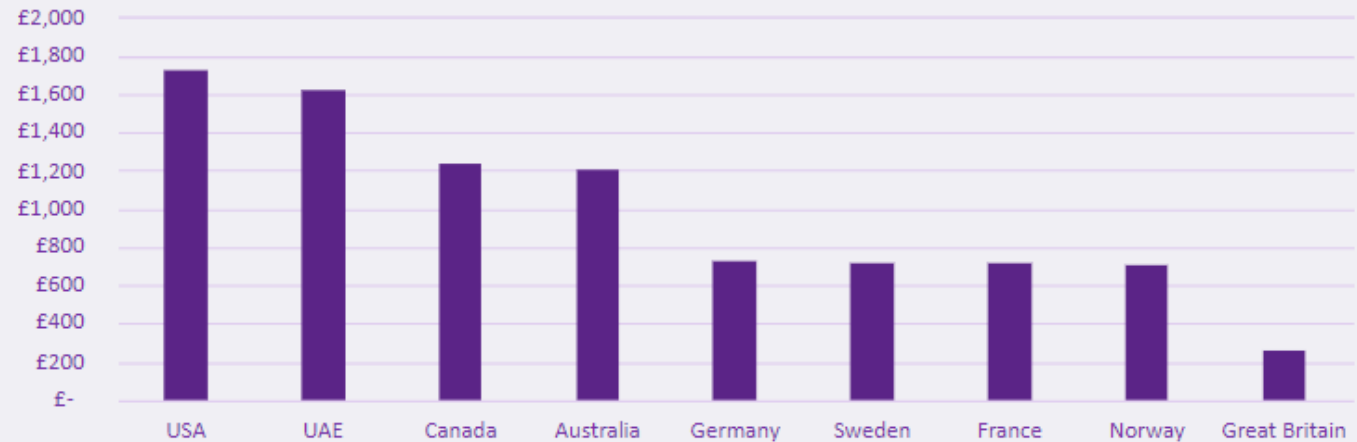
Spend



■ GB ■ North America ■ Europe ■ Rest of World

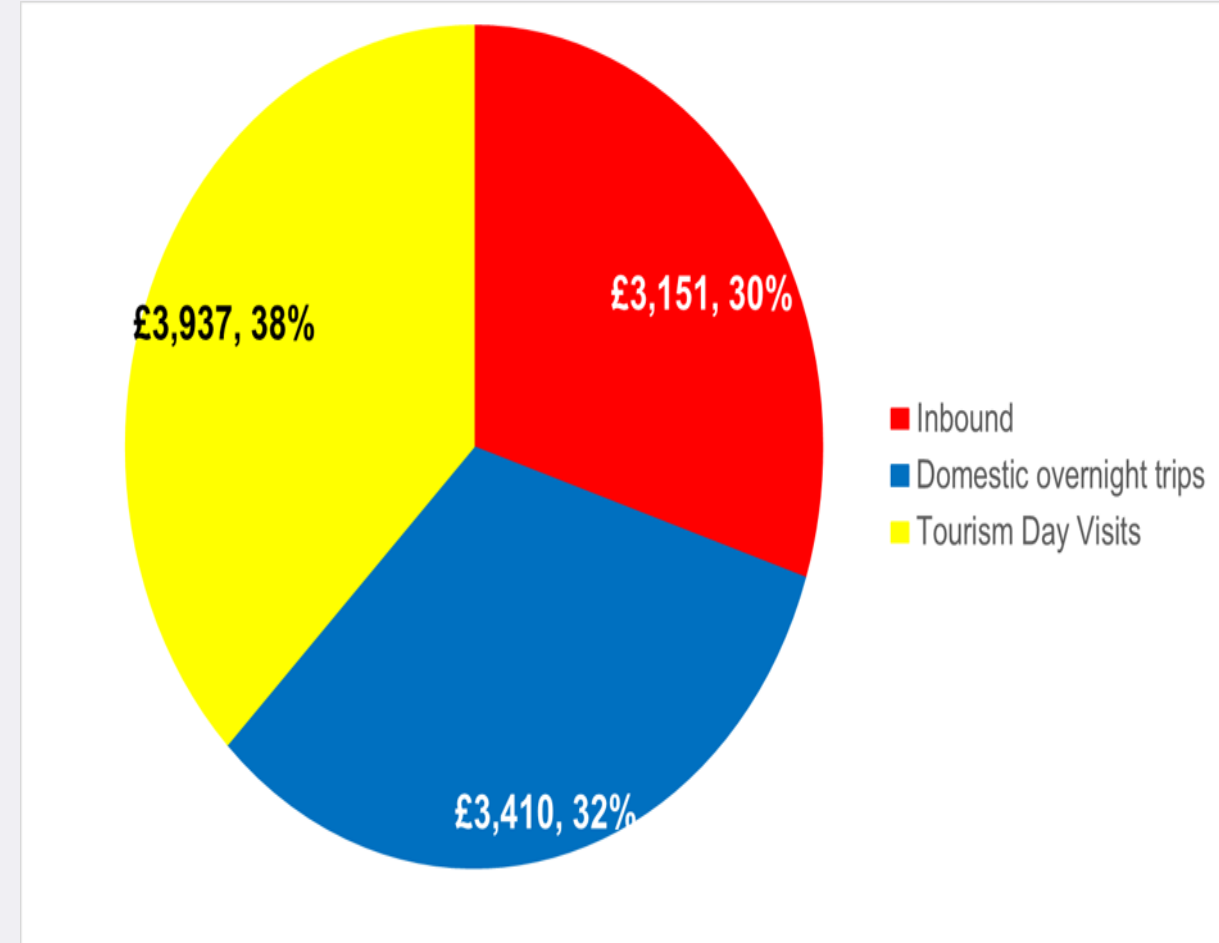
GB accounts for 81% visits and 52% spend

Average spend per visit



Why build international demand

- International visitors critical to business recovery – to build back tourism sustainably
- On average US visitors spend **4x** more than a UK visitor; EU visitors **spend twice** as much
- Promoting internationally to a range of key markets will mitigate against fluctuating economic challenges – reducing risk for over reliance on one market
- Working with intermediaries (travel trade & digital online) to selling Scotland – so they can act as your in-market voices
- Scotland has a relatively low share of total outbound tourism from our key international markets, so opportunity to influence the right growth for Scotland (people, communities and visitors)



Customer Journey

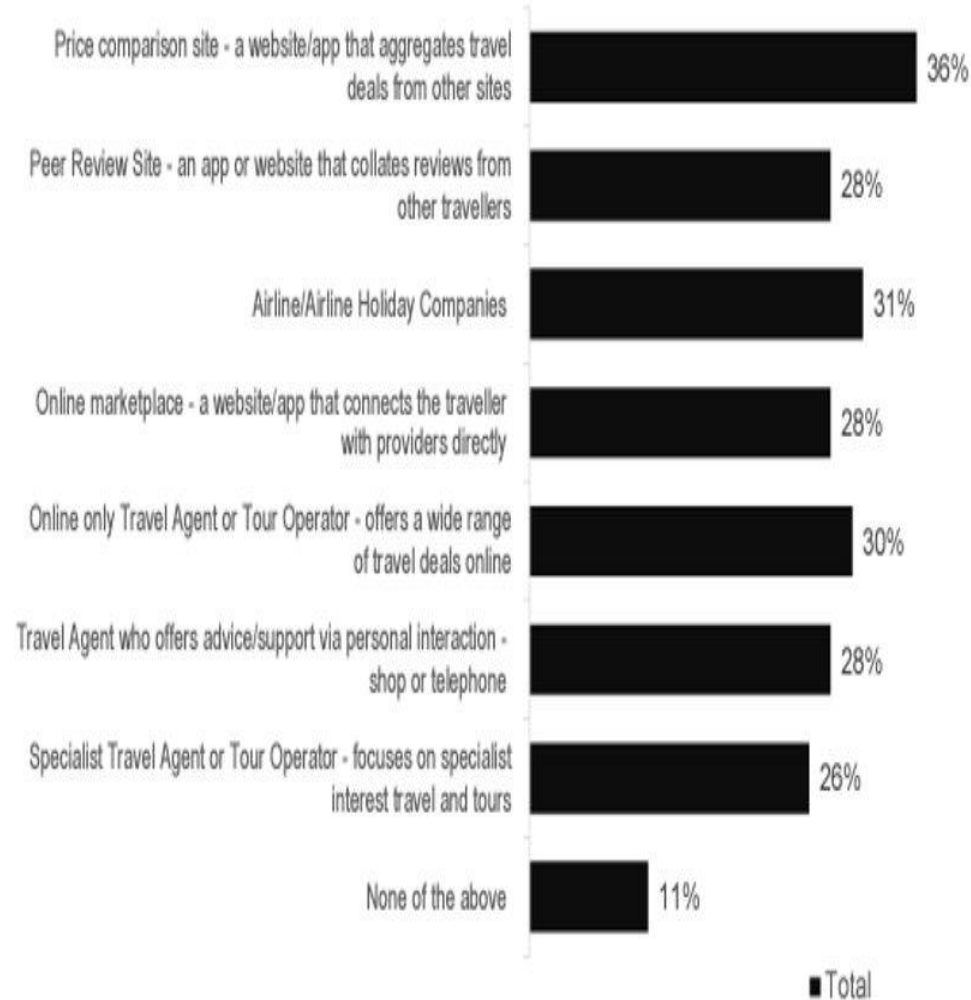


Where Visitors Research

Many Information sources

- Important to understand your target market
- Important to understand different strengths of each channel

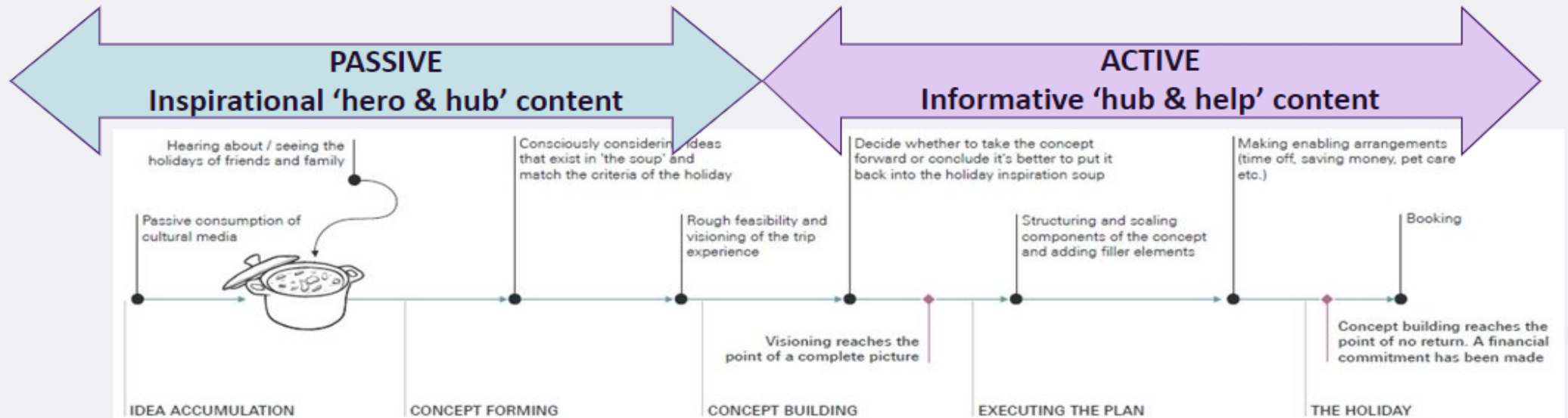
Resources Used In The Planning Phase of the Customer Journey (ordered to be consistent with the Inspiration phase for easy comparison)



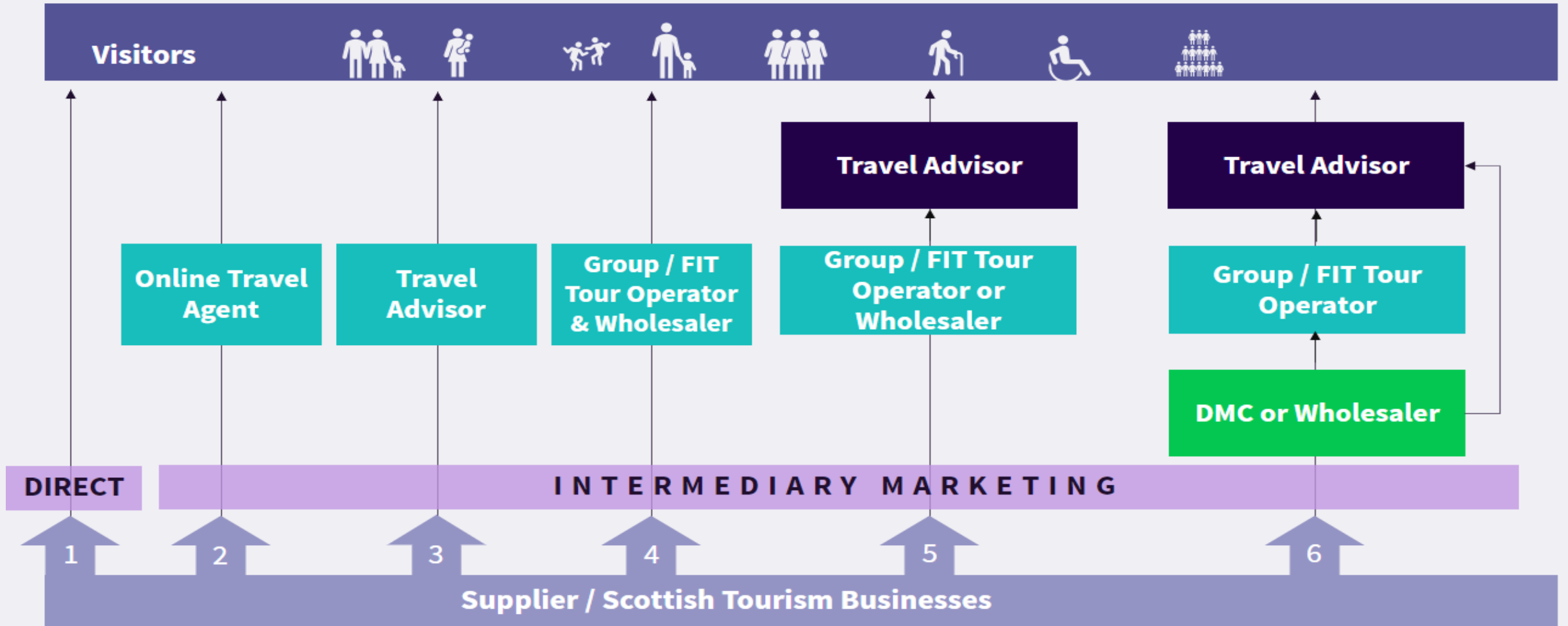
12: Thinking about what you would do at each stage, which of the following applies to the inspiration, deciding and planning stages? Multiple Response
Base: Total Global N=22,840, 677 Weighted
Blue numbers are significantly higher than comparative base @ 95% confidence

BUT IT'S A LONG PROCESS..DREAMING, PLANNING & BOOKING CYCLES

	5 years +	2- 5 years	18-24 months	12-18 months	6-12 months	4-6 months	1-3 months	Trip
DE:	<i>Idea Accumulation / Concept Forming</i>				Plan		Book	
FR:					Plan		Book	
US:				Plan		Book		
CA:					Plan	Book		
CN:					Plan		Book	
AUS:			Plan			Book		



How Visitors buy their holiday



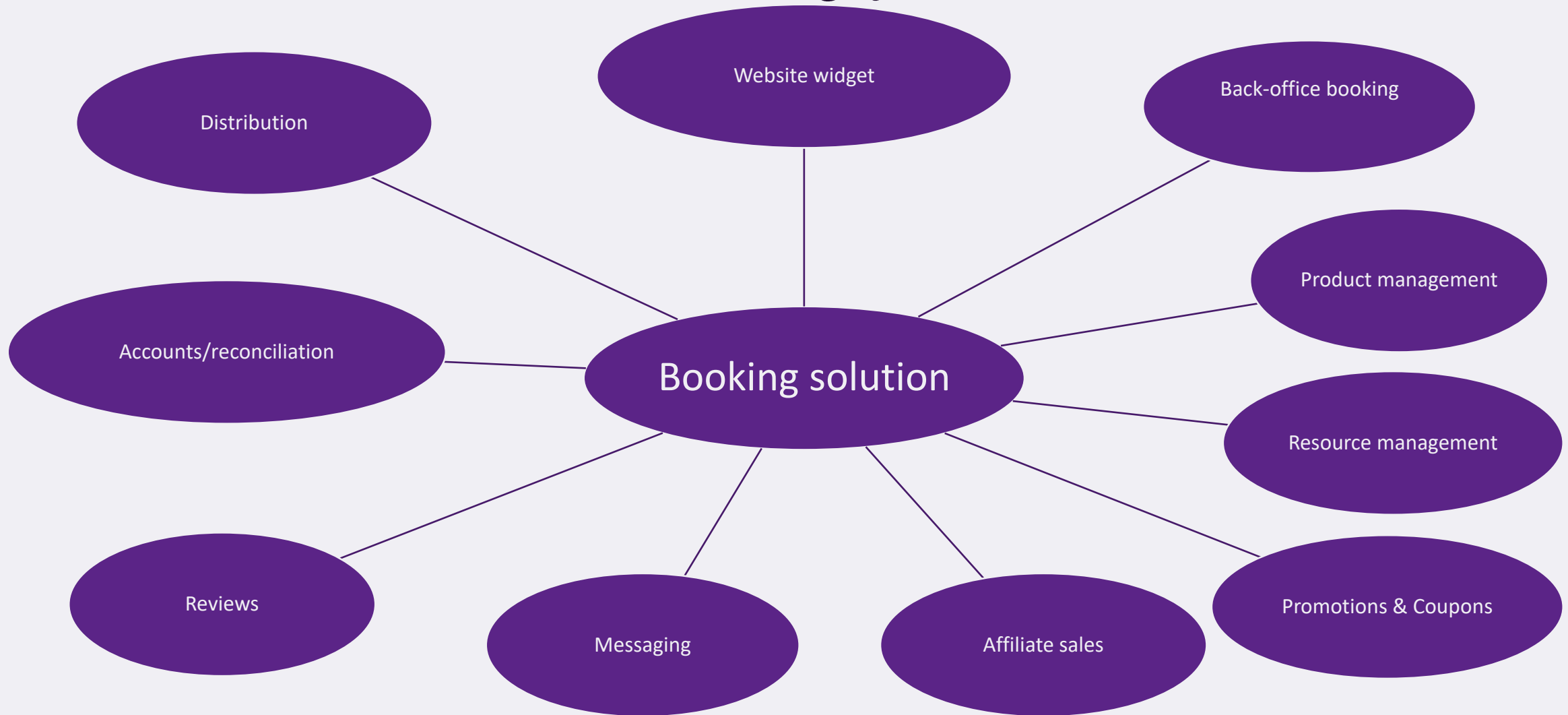
Travel Distribution

Online

- It starts with Tech
- Working with
Online intermediaries

Connected Distribution

Booking systems - benefits



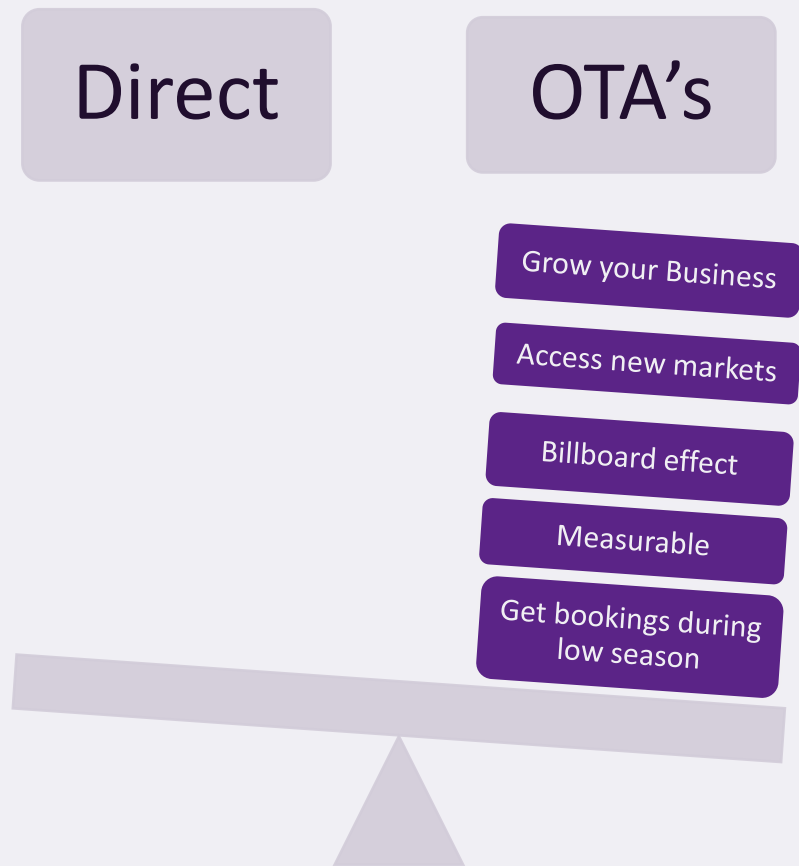
Travel distribution

Working with Online travel agents

- The 6 benefits
- Costs and implications



6 benefits



Costs and implications

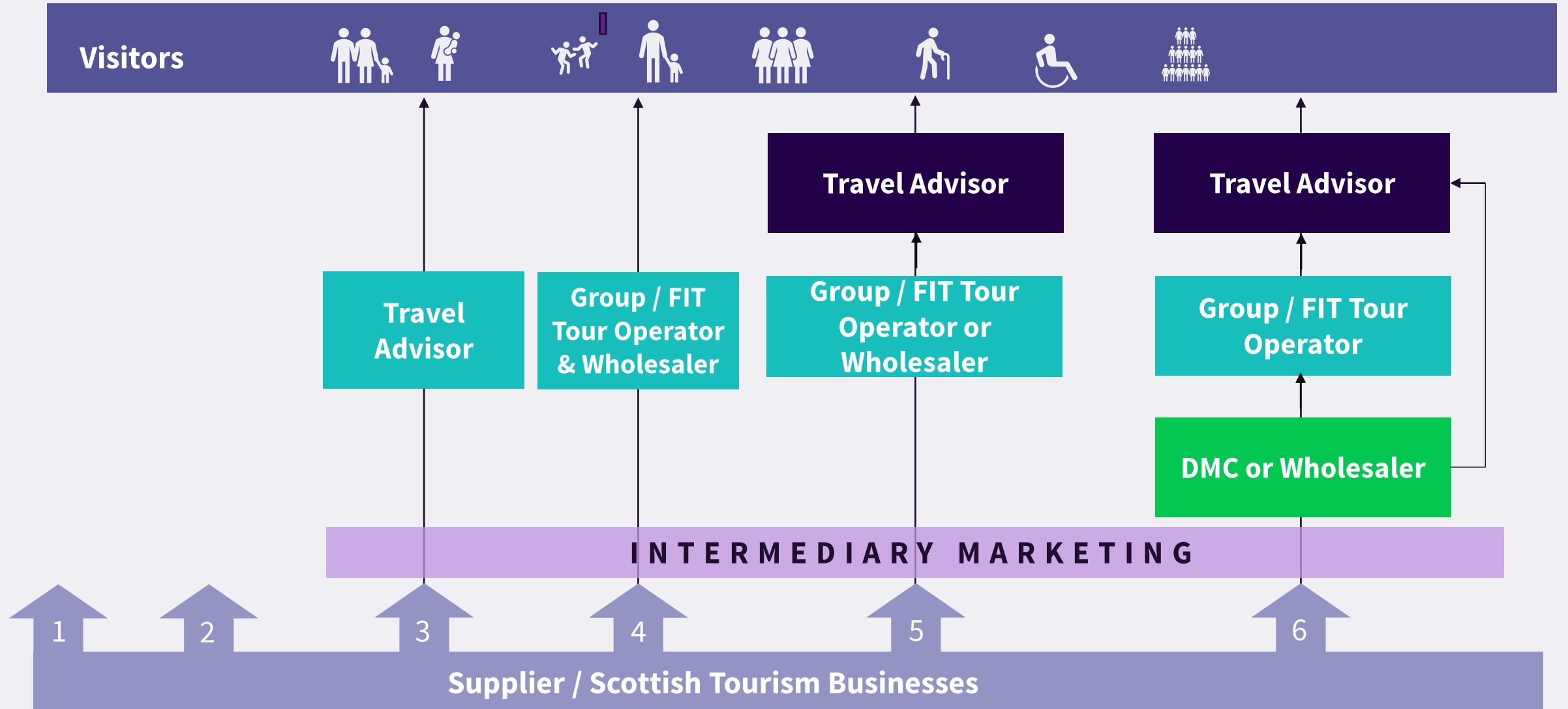
- Commision
- Limited customer data
- Terms & Conditions
- Brand awareness
- Managing reviews
- Operational Impacts



The world of Travel Trade

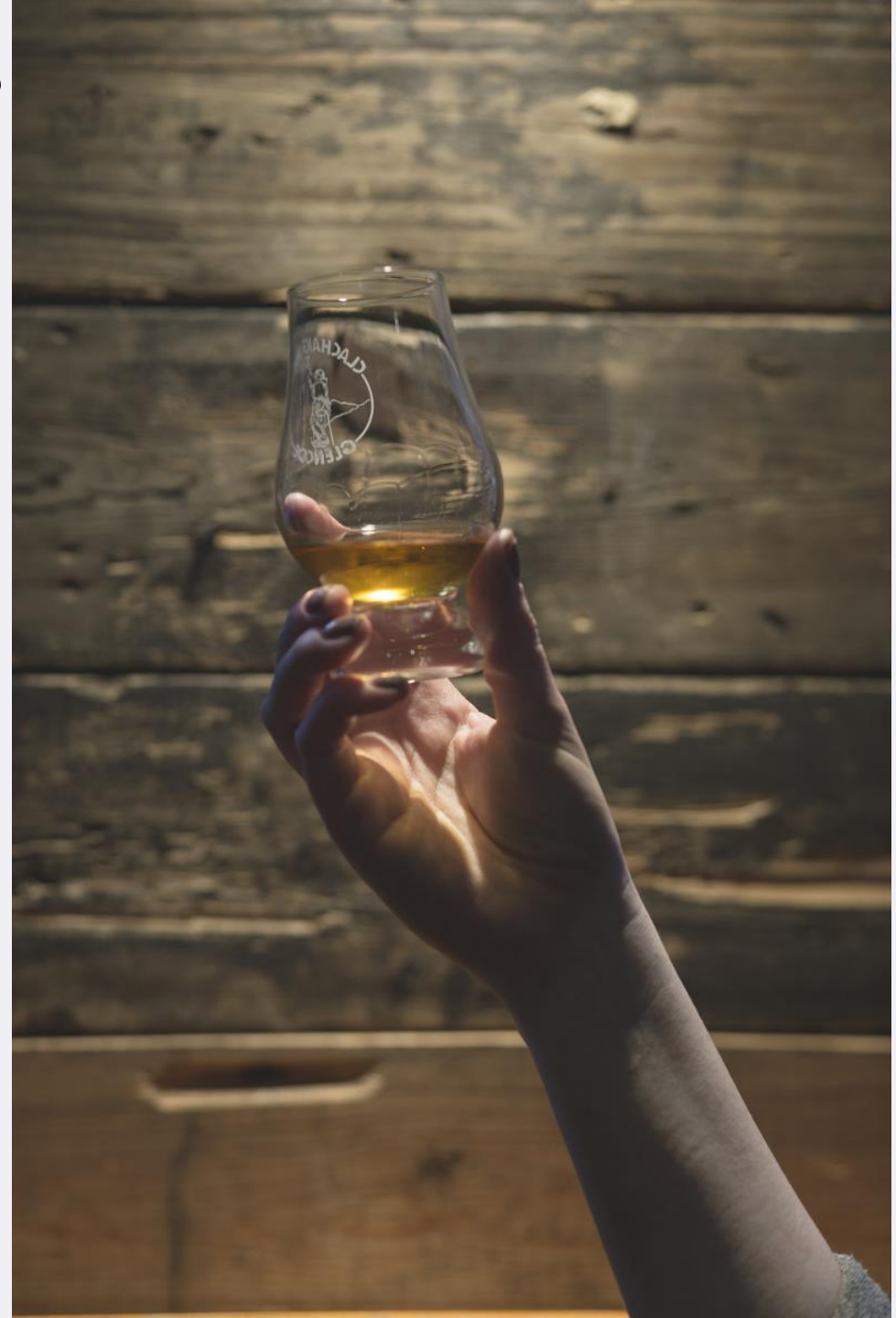
From global Destination Management
Companies, Tour Operators and
Travel Advisors

HOW VISITORS BUY THEIR HOLIDAYS



WHY CONSIDER THIS ROUTE TO MARKET?

- Additional business when you need it
- Off-peak business
- Visitors that meet with your business operational limitations for example, farms
- Repeat business, (weekly, monthly)
- New markets (reducing risk)
- Controlled business growth
- Pricing to make a profit
- New business relationships





Seasonal experiences – to help extend season, and deliver Scotland holidays all year round



Quality experiences that match their expectation
(price/value/comparison to other destinations)

Clients want to
'meet locals – passionate about what they do'



Clients looking to
'explore new places to do what they enjoy & discover new experiences'



WHAT DO TRAVEL TRADE NEED?

- Trade rates – commissionable or net
- Quality experiences that are delivered consistently
- High level of customer service and helpful staff
- Collateral – clear and easy to understand
- Flexibility for cultural nuances for different markets
- Regular person to contact at the business who understands travel trade.

**Looking for unique experience seasonal products
(businesses) to work with**



Product Development

Using trends, insights to
create bookable product to
drive additional revenue and
out of season business

SENSE OF BELONGING



MEETING LOCALS



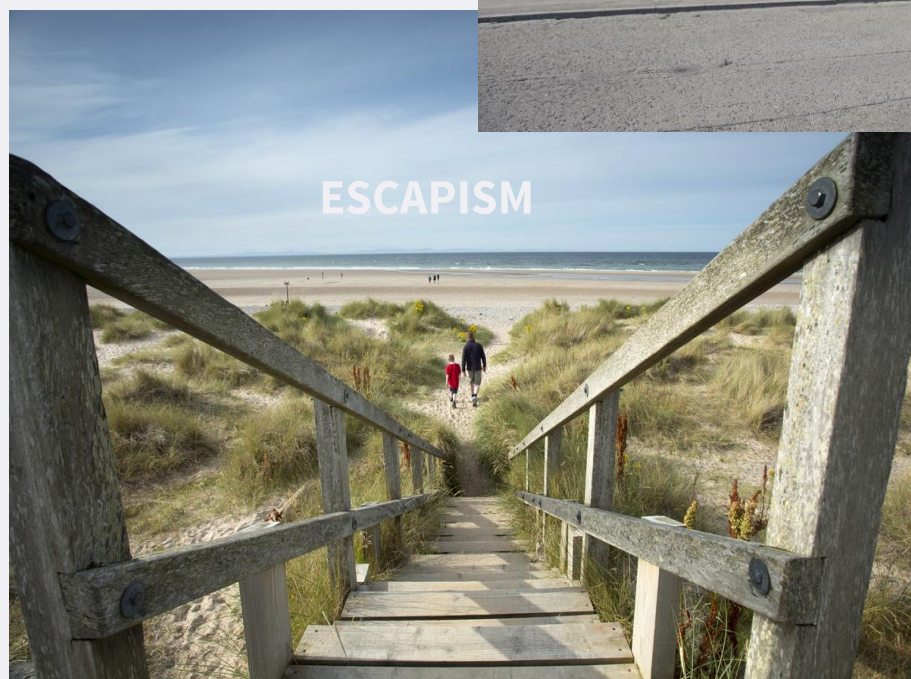
STORIES – HISTORICAL DRAMA



DRAMATIC LANDSCAPES



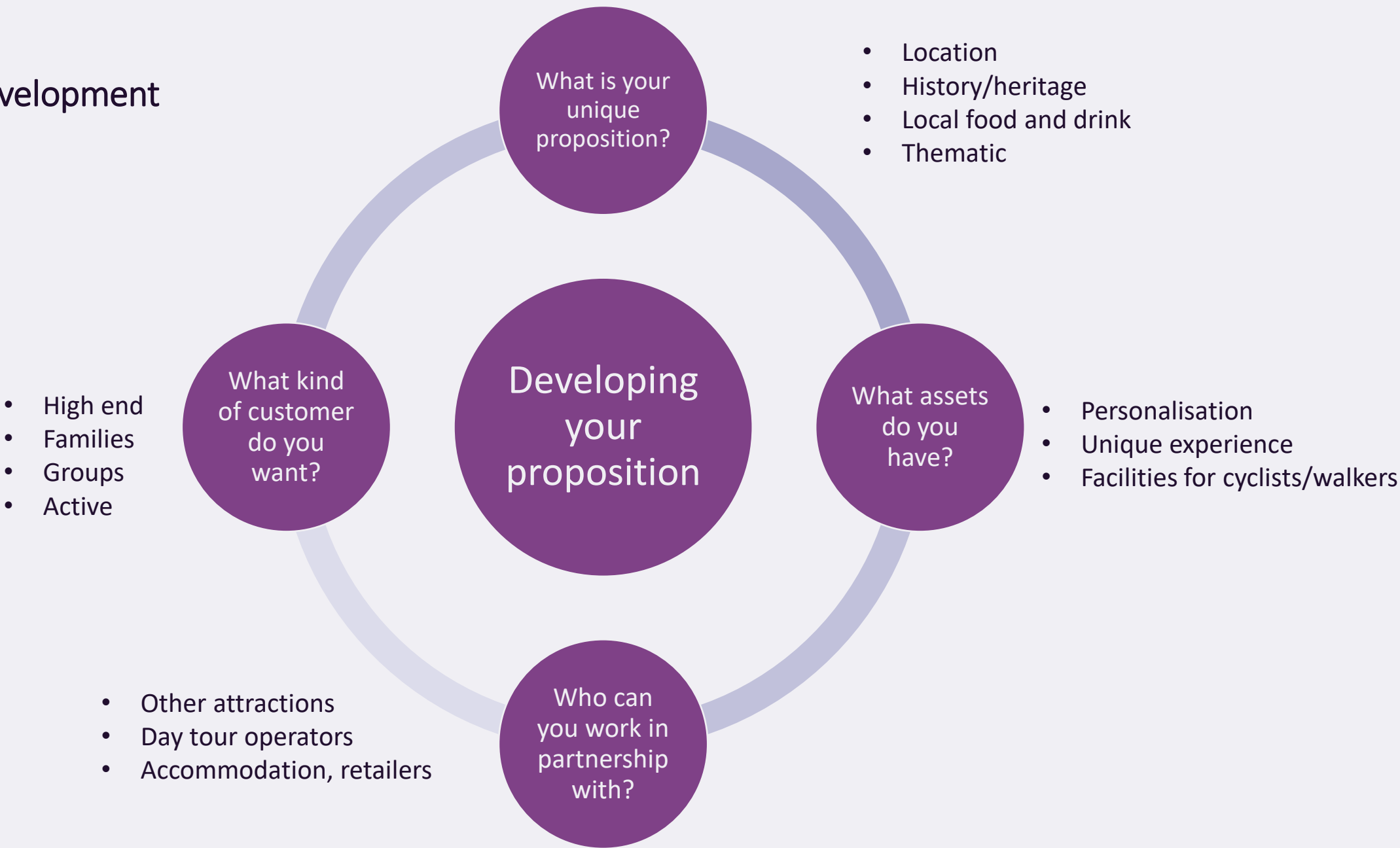
ESCAPISM



**DE-STRESSING
RECONNECTING**



Product development



What's right for your business

Online & Offline/Travel Trade

What's right for your business

Travel Trade/offline & On-line Digital Distribution

Travel Trade/Offline Distribution

- Opens up higher spend; equalling more profitability
- Can be shaped to meet your business operational limitations e.g. Farms
- Once contracts are agreed allows you to budget, invest and plan ahead with confidence
- Off peak business
- Additional business when you need
- It will take product development and quality focused implementation , relationship building, time and some investment

Online Digital Distribution

- It's a relatively low development cost, performance based channel
- It's a good way to test new products, new markets
- It's a channel to market which is growing rapidly
- With the right technology its easy to manage even remotely
- It can drive additional direct/no cost bookings
- It can have a relatively short implementation to booking timescale
- It also requires product development, online distribution knowledge, flexibility. Some investment

What is right for your business– other questions to ask yourself.

Travel Trade/offline & On-line Digital Distribution

- Have you capacity and capability now, or do you want time to build capacity and capability
- Are there other local business who are already selling online or through travel trade
- Is there an anchor/big attraction/activity that I can benefit from their awareness and pulling power
- Can you get to your business other than by car
- Is your product a standout in your region
- Can you resource short lead time demand or do you want a more managed longer lead time
- Is your product best suited to a specific demographic – younger/older- mobile/less mobile - adrenaline/soft adventure
- Do you want to test a product for demand and operational improvements

MAKE IT WORK FOR YOUR BUSINESS

