Essential Ingredients for Tourism Recovery
The 3Ms Framework

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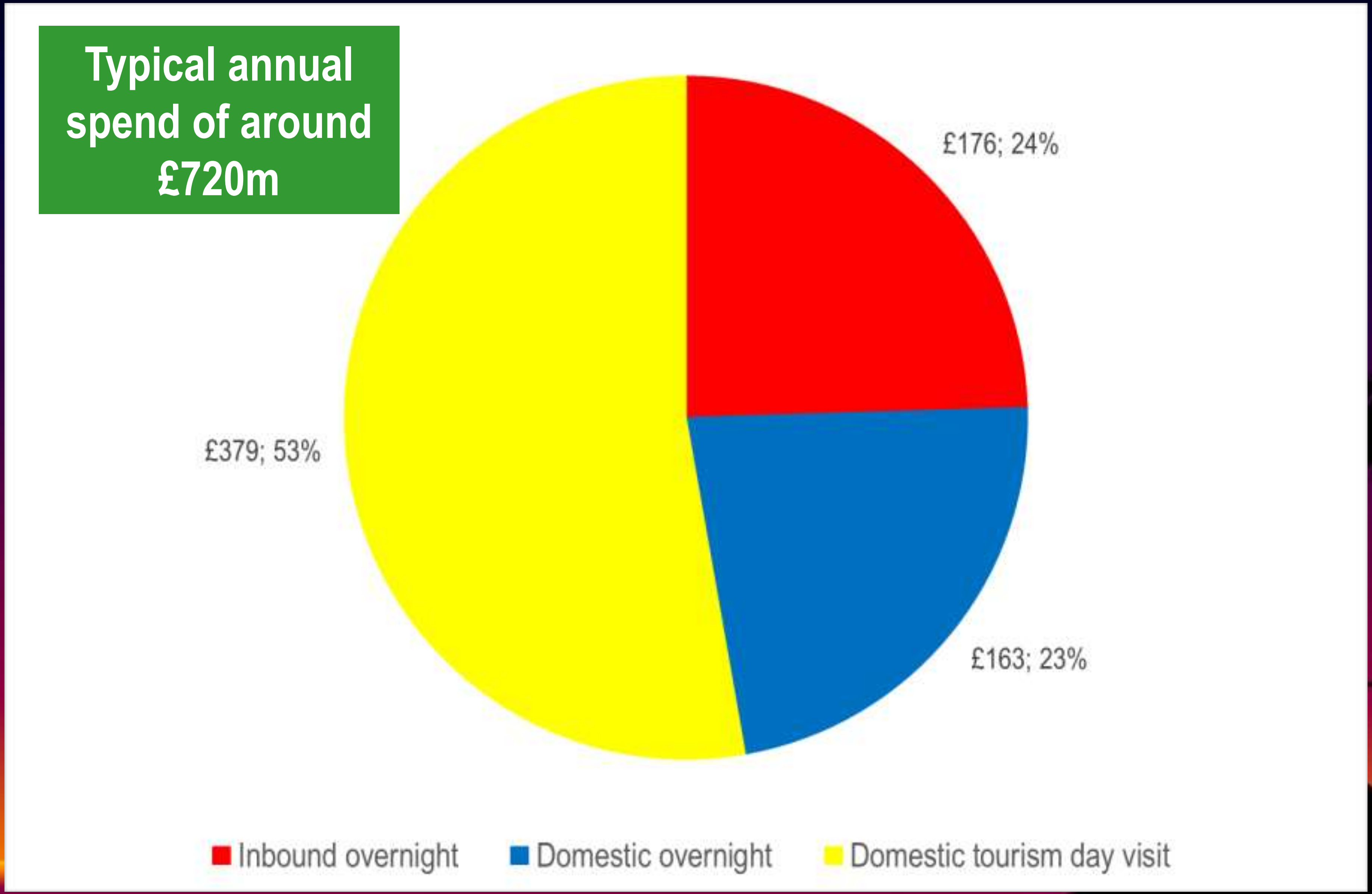
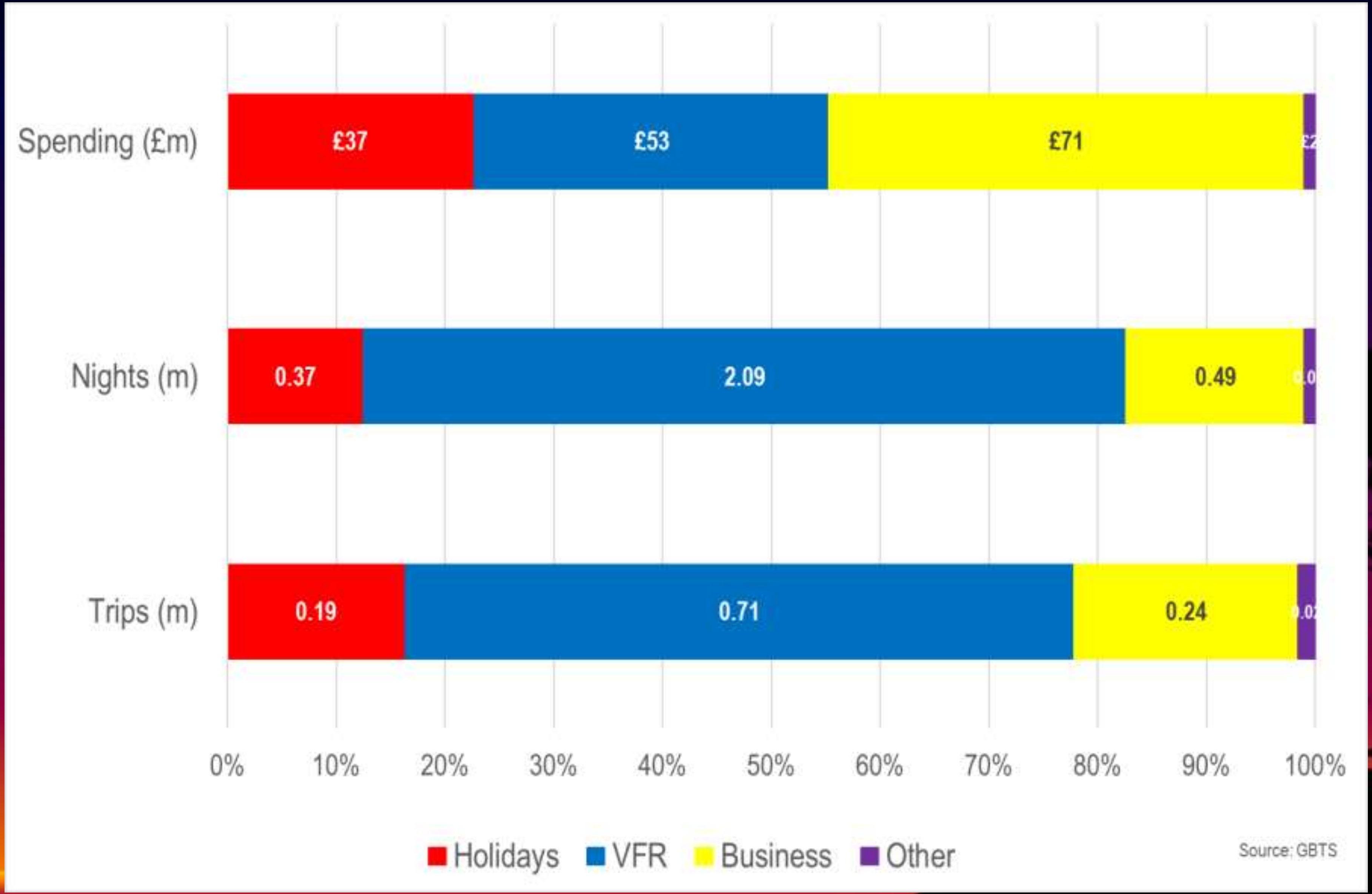
Our journey will cover…

- Reminder of ‘normal’ tourism in Hertfordshire
- The 3Ms framework
- The actors that will shape the future
- What this might mean for different market segments
- Q&A

Tourism spending in Hertfordshire (annual average 2016-18, £m and % share)



Domestic Overnight Tourism in Hertfordshire (annual average 2016-18)



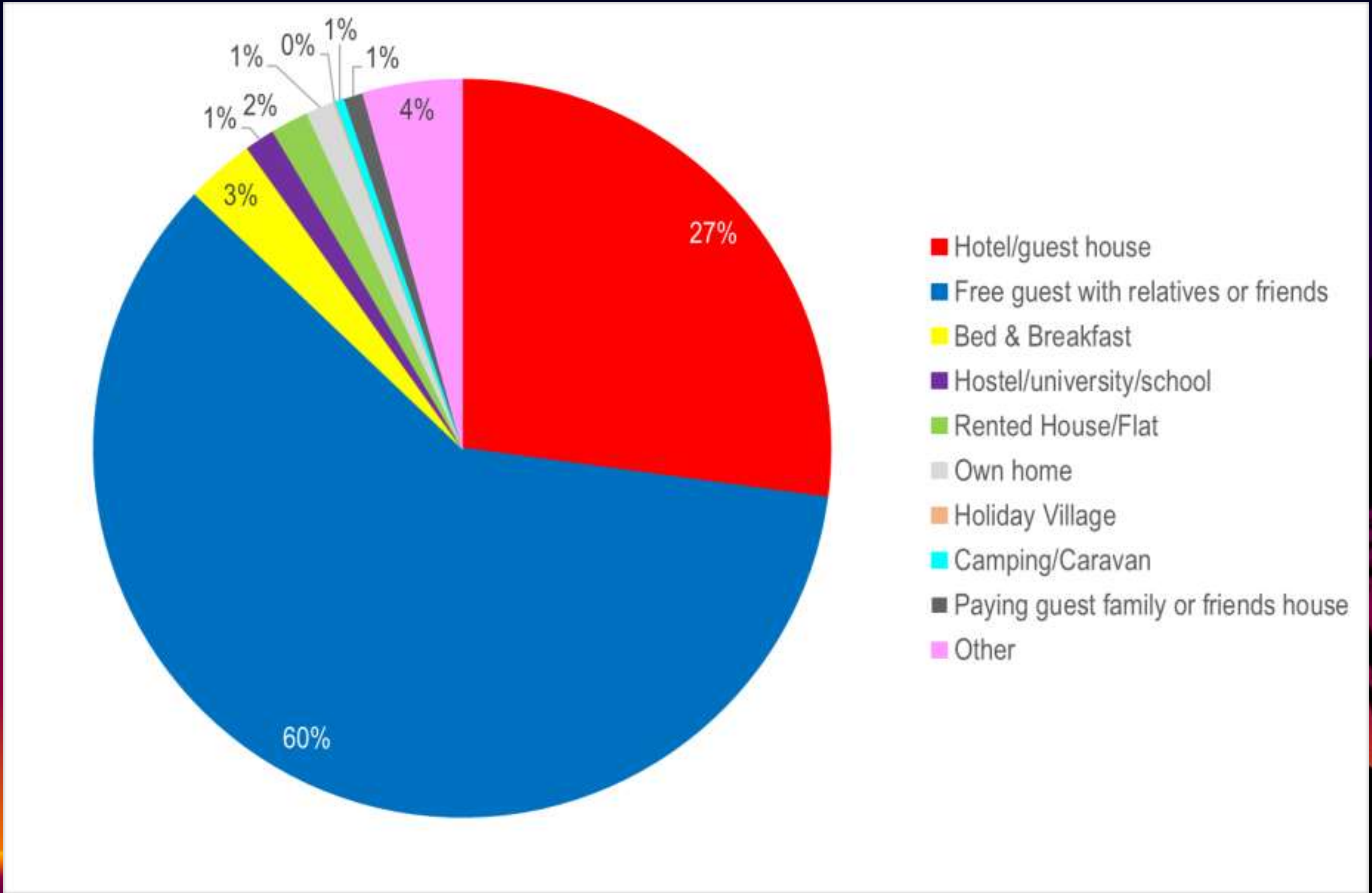
Domestic Tourism Day Visits in Hertfordshire (annual average 2016-18)

	Volume (m)	Value (£m)
Broxbourne	1.1	£50
Dacorum	3.0	£43
East Herts	2.4	£42
Hertsmere	1.4	£15
North Hertfordshire	3.6	£57
St Albans City	2.6	£50
Stevenage	2.5	£44
Three Rivers	0.4	£6
Watford	1.9	£44
Welwyn Hatfield	1.7	£28
Total	**20.6**	**£379**

Inbound Overnight Tourism in Hertfordshire (annual average 2016-18)

	Visits (000s)	Nights (000s)	Spend (£m)	Nights per Visit	Spend per Visit
Holiday	92	408	£30	4	£326
Business	100	491	£49	5	£485
VFR	272	2,112	£80	8	£295
Study	3	44	£3	15	£832
Other	12	108	£15	9	£1,211
Total	**479**	**3,163**	**£176**	**7**	**£368**

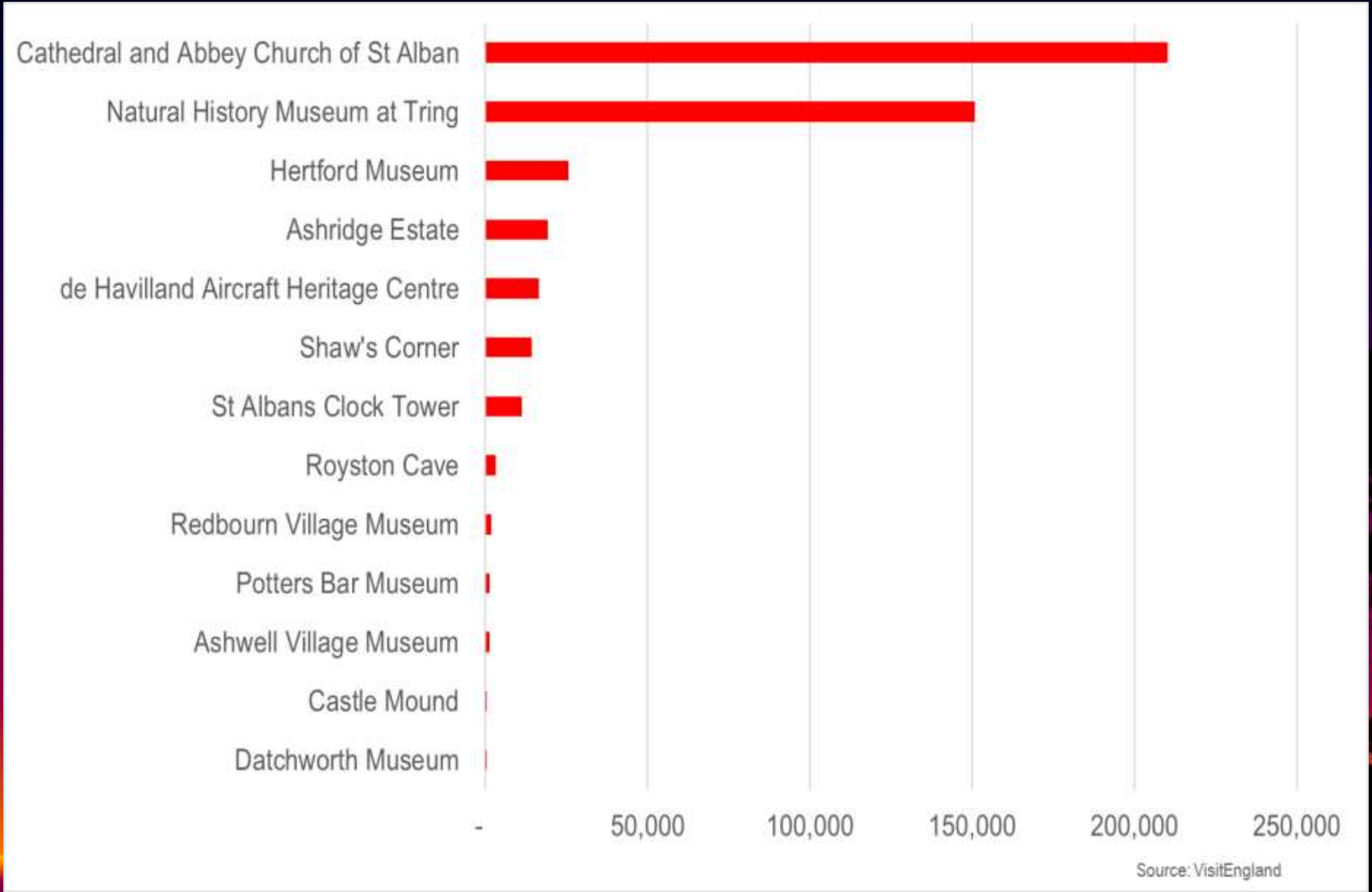
Inbound Overnight Tourism in Hertfordshire (annual average visits 2016-18)



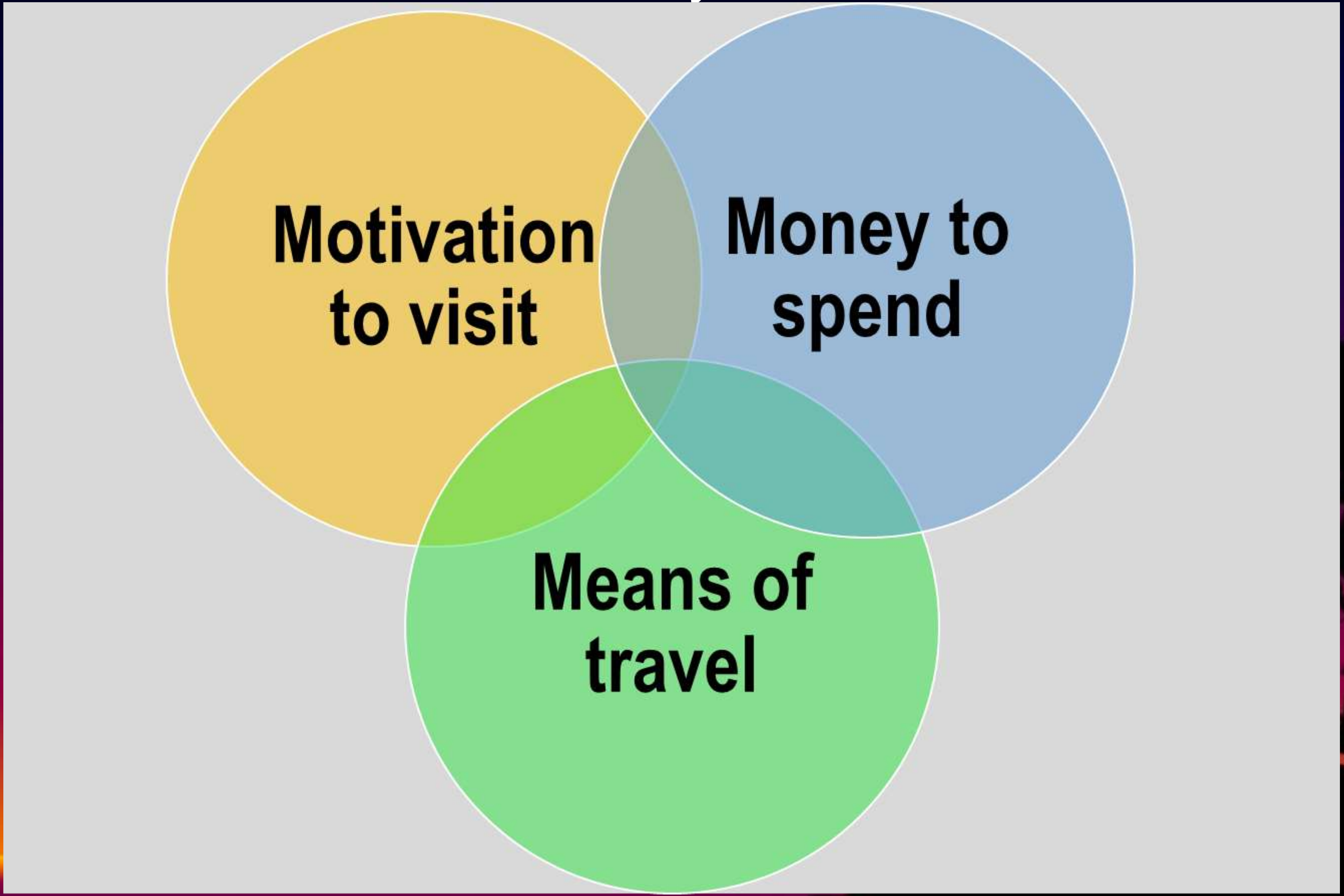
Inbound Overnight Tourism in Hertfordshire (annual average 2016-18)

	Visits (000s)
Ireland	42
USA	42
Spain	38
France	38
Germany	36
Netherlands	28
Poland	26
Australia	20
Italy	18
Canada	16

Top attractions in 2018



Ingredients essential for recovery



Motivation to visit

- We will continue to value our leisure time
- “Having fun and laughter” is a key motivator, but now tempered by anxiety
- Changed perception of risk versus reward may impact:
  - Destination choice
  - Accommodation choice
  - Activities participated in
- A changed holiday experience will influence advocacy

Money to spend

- Economically the worst is yet to come
- Any lessons from 2009?
- Refund worries may dissuade booking ‘big trips’
- A minority will have benefited from lower outgoings

Means of travel

- Private versus public transport choice
- Trimmed airline networks and frequencies
- Fares with fewer flights and fewer passengers
- A changed long-haul customer experience
- Practical and psychological barriers (Government advisories, border virus tests, quarantine on outbound or inbound journey, access to travel insurance, risk getting stranded)
- Transport “at” as well as “to/from” the destination
- Public transport viability

3Ms cast of actors

The virus

- It’s not going away
- Vaccine uncertainty
- The rise and fall of “R” and case numbers
- Effective treatments
- Attitude towards risk versus reward
  - Government
  - Business
  - Society

Government: National, Regional, Local

- Lockdowns
- Consistency
- Longevity of economic support schemes
- Higher borrowing or higher taxes, or both?
- Renewed pressure on all tiers of public spending

International Community

- Not its finest hour
- Pressure on internationalism
- Coordinated or scattergun travel protocols?
  - Government advisories
  - Temperature checks / virus tests
  - Apps / Immunity Passports
  - Quarantine
  - Face coverings

Economic Activity

- Fewer businesses
- Higher unemployment
- Inflationary pressure?
- Paradox of thrift
- Homeworking versus commuting
- Step change in use of virtual meeting technology

Visitor Economy Businesses

- Lower demand
- Restricted supply
- Operational challenges (Timed ticketing, queue management, signage, one-way systems, elevators, food & beverage, PPE, cashless transactions, cancellation policy, marketing comms)
- Economic viability
- Different, or differently behaving, customers
- Reputational issues
- Skills need updating
- Short-term opportunity to diversify

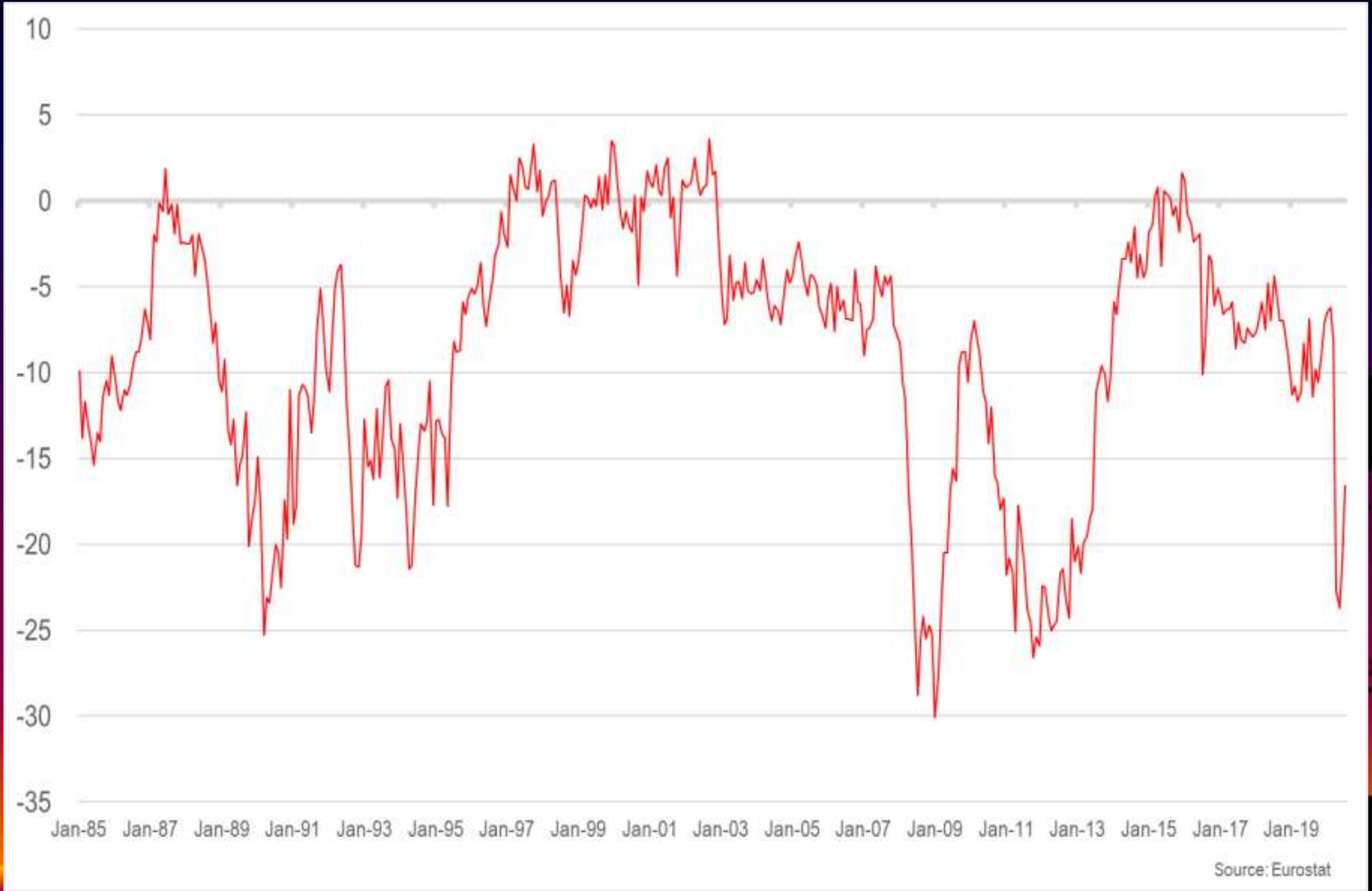
Local Residents

- Income pressure narrows travel horizons
- Apprehension narrows travel horizons
- Eat-in or take-away or home delivery?
- Attitude towards visitors

Visitors

- Seek less crowded destinations (feature)
- Accommodation preferences reassessed (feature)
- Transport options reassessed (feature)
- Still want value for money (benefit)
- Still want a warm welcome (benefit)
- Still want a great experience (benefit)

UK Consumer confidence



The fourth M: Market segments

	Summer 2020	Autumn 2020 to Spring 2021	Summer 2021
Local day-trip	↑	↑	↑
Longer distance day-trip	↗	↑	↑
Day trip for an event	↓	→	→
Short-break for a holiday	→	→	↗
Short-break for an event	↓	→	→
Short-break to visit friends or relatives	↗	↑	↑
Longer holiday (4+ nights)	→	→	→
Destinations perceived as crowded	↓	↓	↘
Destinations perceived as uncrowded	↗	↗	↑
Indoor activities	↓	↘	→
Outdoor activities	↗	↗	↑
Easy access by car / easy to park	↗	↗	↗
Public transport provides best access	↘	↘	→
Requires short-haul flight	↘	↘	→
Requires long-haul flight	↓	↓	↘
Younger visitors	→	↗	↑
Older visitors	↘	↘	→
Families	→	↗	↗
Tour groups	↓	↓	↘
Self-catering	↗	↑	↑
Full-service accommodation	↓	↘	→
Cruise	↓	↓	↘
MICE	↓	↘	→

Most Promising
↑
↗
→
↘
↓
Least Promising

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