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Inbound tourism: The what, why, & how

What is inbound tourism and why is it so important?

How is it different to domestic tourism?

How do I find out who is travelling to England?

“Marketing Manchester was looking to strengthen Manchester’s proposition as Gateway to the North for international visitors. By creating and supporting a range of new bookable products, we wanted to give international visitors more reasons to visit the city, stay longer and discover more of the North of England. We carried out research, developed products to meet our customer needs and introduced these to distribution partners. Our efforts are already having an impact, and we recognise that international business will grow in the years ahead as we continue to support and promote our bookable products through our ongoing marketing programmes.”

Nick Brook-Sykes, Director of Tourism, Marketing Manchester

What is inbound tourism?

Inbound tourism covers all international tourist traffic entering a country. It is also known as ‘export tourism’ (England is the export), because although tourists enjoy their travel experience within England, they are paying for it using foreign currency.

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Benefits of inbound tourism

- International travel patterns are not focused around weekends and may level out seasonality problems
- Spreading risk across a range of international markets can minimise the impact of any changes in the domestic or a single international travel market (ensures you don’t have all your eggs in one basket!)
- Tapping into inbound distribution networks opens up new forms of distribution and gives millions of potential travellers around the world easy access to your product
- International travellers provide a higher spend, on average, three times more than domestic travellers on each trip (2017 IPS figures)
- Booking lead times are usually longer, allowing better business planning
- The opportunity to meet people from a range of cultures and backgrounds can be extremely rewarding – many life-long friendships get established from around the globe!

Why is inbound tourism so important?

As a nation, tourism is worth £127 billion annually to the UK economy, creating jobs and boosting economic growth across its nations and regions. Inbound visitors to the UK spent £24.5 billion in 2017, and £21 billion of that was spent in England.

For you, inbound tourism gives the opportunity to be part of this, to diversify your markets, and access new areas of business that may balance out regular domestic business patterns.

What is the difference between inbound and domestic tourism?

Domestic tourism currently accounts for approximately 77% of all tourism value in England. International visitors to England make up the remaining 23%.

International tourists usually travel for longer and spend more money than domestic travellers – hence the appeal!

The vast majority of English operators concentrate on marketing their product domestically and then market to international travellers once they have secured a foothold at home.

While marketing your product to international travellers has many benefits, there are a number of differences between domestic and international tourism markets and it is important to understand these and tailor your business accordingly.



Domestic Market

- Travellers are familiar with England
- Lower marketing costs
- Traveller needs have many commonalities across segments
- Distribution system is consistent across the one market and operators often deal with consumers directly
- Simpler, short break style itineraries
- No language or cultural barriers
- Easy market to enter and return on investment established more quickly

International Market

- Travellers may have limited knowledge of England
- Higher marketing costs
- Traveller needs vary in each market and segment
- Distribution systems vary in each market
- Complex itineraries
- Language and cultural differences
- Long term investment to recoup costs

What do I need to consider in advance?

Overseas markets are very competitive. Not only are you competing against companies that provide similar products, you are also competing against other international destinations.

Always compare your product offering internationally. What do you consider when you are choosing a holiday overseas – what destination and what experiences are you going to enjoy and why, what stands out and for what reason, how do you compare?

Now reverse this and consider how your product would stand up with the same analysis.

Selling your region, and educating travellers about your destination and its attributes is often the first step in selling your product. You will need to commit to selling the destination and then your product to entice international travellers. Putting the destination on the map comes first.

For example, if you operate walking tours in Norfolk, then it makes sense to work with others to raise awareness of Norfolk as a destination, in the first instance. This way consumers can understand where it is, how to get there and why it might appeal to them. This sets the scene for your walking tours. Working with destinations, gateways, and existing touring routes make this possible.

Successful inbound marketing requires a large investment of time and money and is based on establishing and maintaining good business relationships. In contrast to the domestic market, it may take several years before you earn a return on investment for your international marketing. Therefore, it is important to have a long-term marketing strategy when considering the inbound market and consistently maintain the relationships.

How do I know who is travelling to England?

Visitor arrival details are published on a monthly, quarterly and annual basis by the Office of National Statistics (ONS). VisitBritain/VisitEngland publishes forecasts for UK inbound travel twice a year.

The details are captured in the International Passenger Survey (IPS) - a continuous survey which covers all major air, sea and tunnel ports, providing detailed information on the numbers and types of visits made by people travelling to and from the UK.

Each year VisitBritain/VisitEngland sponsors questions on the International Passenger Survey to understand more about visitors to the UK.

All results are published on the VisitBritain/VisitEngland research pages. You can search by market, date range, and region to look for the level of information to help you understand tourism trends to your area of England.



For more information: [visitbritain.org/inbound-tourism-performance](https://www.visitbritain.org/inbound-tourism-performance)

Also refer to *Section 5 - Know your markets* and *Section 7 - Tourism industry research* for more detailed information on understanding your potential target markets.



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