

Helping the UK Tourism Industry to Bloom



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The UK tourism sector has never been so bountiful. In fact, you could say it is positively blooming. With higher visitor numbers and greater contributions to the UK economy than ever before, alongside some very real opportunities ripe for the picking, you could be forgiven for thinking we should be sitting back and simply watching the garden grow.

In this article Mark Modena from Winning Moves – a consultancy that is renowned for driving organisational growth and business performance, particularly in the tourism sector – comments on the opportunities, as well as the challenges facing the sector. He also sets out how high quality, impactful support for tourism businesses could make the UK tourism industry ‘best in show’.

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The growth of the UK tourism sector: Putting down roots

The tourism and hospitality industry is characterised by its vibrant diversity, both in the locations it's found and the broad range of activities and businesses that make up the sector. From hotels and restaurants to theme parks and heritage sites, the players are varied and anything other than a homogenous group, even those seemingly operating in the same area often have marked points of difference.

It's probably fair to say that the significant social and financial contribution that tourism and hospitality brings to the UK has probably never been so visible and appreciated as today, and rightly so. The Government's Tourism Action Plan clearly demonstrates the value of the industry to the UK economy, with its continued growth trend directly generating over £62bn in Gross Value Added (GVA).

In fact, when the broader measure of tourism is included – incorporating supply chains plus government/private investment – the contribution to the UK was calculated to reach almost £127 billion in value added in 2013, an 8 per cent real increase since 2010, and has continued to escalate since. Under this definition, in 2013 the sector generated 9 per cent of UK Gross Domestic Product (GDP), supporting over 3 million jobs, which equates to 10 per cent of UK employment.

This positive picture has been sustained. 2015 saw more international visitors to the UK than ever before, while domestic visitors enjoying a staycation spent more than previously. And for 2017, Visit Britain are forecasting almost a 6 per cent increase in overseas visits, and a mighty 9 per cent increase in visitor spend.

So, everything in the garden appears to look pretty rosy. Well, there is certainly plenty to be positive about and good reason for optimism looking forward, with numerous opportunities, including:

- The UK being financially more attractive following the recent fall in the value of sterling.
- The rise of 'staycations'.
- Consumers moving from buying products to experiences, leading to, for example, short breaks becoming ever more popular.
- Tourism is a growing market, in which 'a rising tide lifts all boats'.
- Security threats discouraging tourists from travelling abroad (this is also sadly a threat to the domestic city break market of course).

However, the sector also faces some major challenges if the success enjoyed in recent years is to be sustained.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/548795/Tourism_-_A_five_point_plan_250816_NEW.pdf

² https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/Documents/2016-17_bta_business_plan_270516_online_version.pdf

Sector challenges: Every rose has its thorns

Winning Moves has worked with literally thousands of tourism and hospitality businesses over the years, and we have undertaken in depth research and evaluation of the sector. From this it is evident that there are common threats and problems that need to be tackled. This is far from an exhaustive list, but some of the most prominent issues include:

Brexit

The general uncertainty this is causing, but particularly in areas such as potentially higher costs and increased tariffs (which could lead to Britain having the highest duty rate in Europe), impact on the UK's image, managing visas for tourists, and employing migrant workers from abroad (who make up around a quarter of the workforce, a proportion that is likely to continue to rise as unemployment falls).

Quality & Differentiation

It is essential for tourism businesses to keep enhancing the quality of their offer, recognising that continual refreshment and renewal is needed to meet the high expectations of ever more discerning and vocal guests. Accepted wisdom suggests that it's anything between 5 and 10 times costlier to acquire new customers than keep existing ones. This means that significant focus should be on retention and loyalty.

Skills Shortages

21% of tourism and hospitality businesses have reported that their staff lack sufficient skills to meet business needs (against a national average of 15% for UK economy as a whole), which undermines the sector's productivity. This is exacerbated by high levels of labour turnover, which costs the sector £274m annually. Labour turnover also diverts existing investment in training and development away from where it is needed most - addressing critical skill gaps.

Productivity

Despite the growth in employment and GVA being seen, poor productivity is undermining economic performance and overall profitability. For example, sector GVA is significantly lower than comparable size industries, such as construction, manufacturing and retailing.

Lost Opportunities

There are specific sector challenges that should be addressed by improving the operational capability of tourism businesses. This would help to work on areas such as filling quiet times, extending the season, improving occupancy levels, increasing visitor spend and improving e-business, social media and on-line marketing skills.

Changing Population Make Up

Although this represents an opportunity as well as a challenge, the needs of an ageing population and in particular the new trend for multi-generational family trips are changing. The impact has real implications for businesses, not least accommodation providers.



Reaping what you **SOW**

We know that barriers can be hurdled, and opportunities optimised by businesses that receive high quality, targeted support.

And that turning round businesses at a micro-level, contributes to tourism at a macro level. However, if we've learnt anything about tourism and hospitality businesses across the last 20+ years, it's that one size doesn't fit all. They are diverse and whilst predominantly micro and small, come in all shapes and sizes. Consequently, support provided has to be based on objectively diagnosed need, and be tailored to their individual needs and future aspirations.

increase productivity, help drive growth, enhance resilience, inspire innovation

Our main support goals are to increase productivity, help drive growth, enhance resilience, inspire innovation and generally help businesses stand out from the crowd. We encourage networking to share experiences, and facilitate supply chain and collaborative relationships to flourish.

We are able to boast a unique mixture of proven human and technical support resources, including the following:

Tourism and Hospitality Benchmarking Tool

Powerful and unique resource with variants developed for all types of tourism business, ranging from hotels to attractions and heritage sites. It's an excellent way to look over the fence and compare how you are doing against your competitors, without giving away any trade secrets!

Support from Expert Tourism and Hospitality Coaches

We have brought together a highly experienced team of quality checked coaches. They have 'been there and done it' in the industry, but most importantly remain at the leading edge of where the sector is going. Between them they can help with every imaginable facet of running a successful tourism business, providing a sounding board and highly effective advice.

Large Portfolio of Sector Events

There are far too many to list here, but focus areas include skill development, marketing including use of social media, productivity, innovation, growth, management and leadership. These are usually delivered in the form of inspirational, participative master classes, workshops and webinars.

The services listed are usually offered as part of a structured programme of support, often public sector and ERDF funded, which we have significant experience of managing. Please contact us any time to discuss requirements or just to chat about ideas for the future.

CASE STUDY

Destination Staffordshire – ‘Coming up roses’

Staffordshire is home to some of the UK's top tourism destinations. Think Alton Towers, think The Potteries, think The Peak District. And Staffordshire Council's 'Destination Staffordshire' is serious about keeping it on the tourism map. To this end, Winning Moves was invited to design and deliver an important programme of business support to Staffordshire's tourism businesses, running until 2019. This commission followed on from successfully delivering the inaugural suite of support between 2013 and 2016.

As the high-profile Destination Management Organisation for the area, it's essential that the support provided is of the highest quality and makes a real difference, whilst hitting the required outputs.

Through a uniquely designed programme of support, ranging from light touch through to more intensive interventions, we are well on the way to achieving many positive impacts on Staffordshire's tourism industry. Visitor Economy Manager, Graeme Whitehead, said *"This is the second iteration of our tourism support programme. Last time around the support had significant, positive impact on the sector. This time we want to achieve more, which is why we are offering an enhanced support package including up to 4 days of 1-2-1 coaching, alongside 130 specialist workshops, masterclasses and webinars"*.



supporting 150 businesses, creating jobs,
providing over 3,500 hours of expert
one-to-one consulting

Get in touch

To find out more about how we can help you to support your network of tourism businesses please get in touch with Mark Modena on marka@winningmoves.com or +44 7595 821979; he would love to hear from you.

GET IN TOUCH

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