



Insight Department: Trends 2018

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 Visit
Scotland | *Alba*™

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Introduction

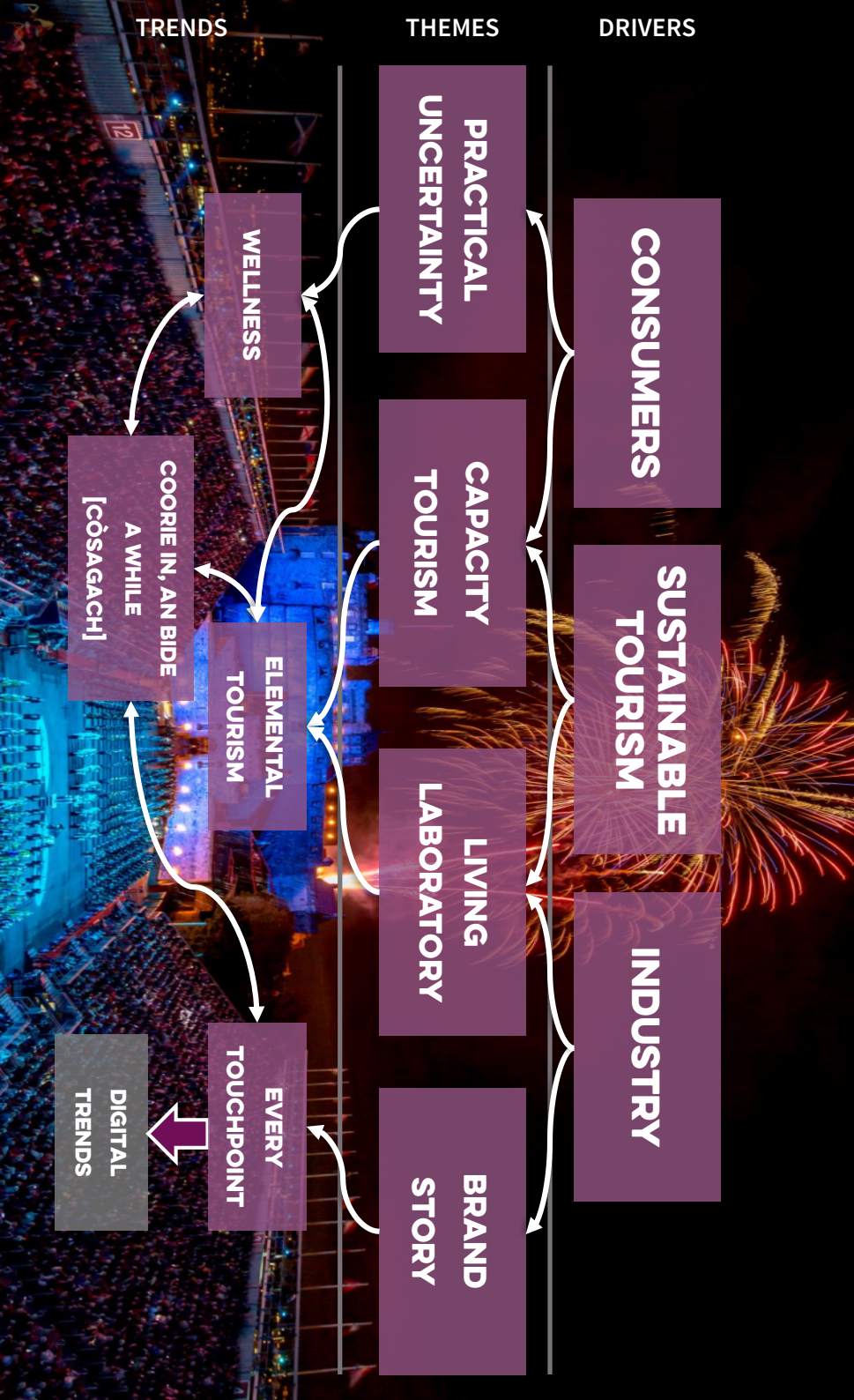
In today's rapidly changing world, having an informed outlook is vital. The tourism and hospitality sectors are increasingly sensitive to consumer trends and economic conditions. The VisitScotland Insight Team combines in-depth perspectives using industry knowledge to allow Scottish Tourism to meet the challenges of today's marketplace.

In this our annual trends review, VisitScotland have studied the consumer environment and highlighted key trends developing within the tourism sector. The trends highlighted within this document are intended to stimulate thought in the tourism industry throughout Scotland, allowing stakeholders to be responsive to developing consumer behaviour that may affect their business throughout the year.

The ever-changing nature of the consumer environment, through technological advances and societal shifts, means that stakeholders need to be aware of what may impact their business. Trends 2018 by VisitScotland provide stakeholders with guidance on possible developments within the consumer environment for the coming year.

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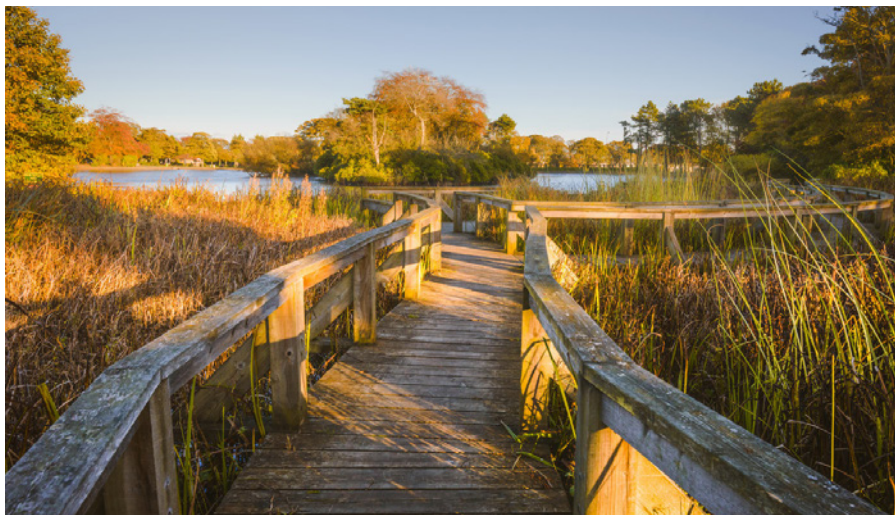




Methodology

Since 2013 VisitScotland's Trends team have produced our annual trends publication to inspire, and demonstrate thought leadership for tourism businesses in Scotland. The goal of the annual trends publication is to inform and inspire tourism businesses to think about their markets, customers and products and respond to the changing environment around them. This is achieved through a process of continual environmental scanning, a process that systematically surveys and interprets relevant data to identify opportunities, threats, levers and barriers to the tourism industry.

For the Trends 2018 document, a multi-layered approach was conducted to better understand and interpret the trends for the future. This approach was adopted to better understand the origins of the trends, as well as provide further context as to how the trend may develop over time. These layers have been identified as; Drivers, Themes, and finally Trends.



Drivers of Change

The mega catalysts, which define the system under investigation.

CONSUMERS & DEMAND

Market and demographic changes are challenging traditional thinking in terms of tourism behaviour. Emerging markets and 'millennials' are merging with established traveller groups.

SUSTAINABLE TOURISM

Emphasis on establishing the delicate balance between environmental,

economic, social & cultural growth will define tourism policy in the future.

INDUSTRY & SUPPLY SIDE ECONOMICS

With the influences of changing consumers, sustainable objectives & the role of digital technology as enabler's of tourism product development, providers and infrastructure will evolve to respond in order to remain competitive.



Themes

The general direction which frames trend development.

PRACTICAL UNCERTAINTY

Recent social and political changes across the globe has awoken consumers to the fact that change is afoot. From the announcement of Brexit, to the leadership changes in UK, USA, and strong interest in political developments across the European Union, consumers are aware that these changes are impacting on their spending behaviour. The impact of Brexit in particular is yet unknown. However, almost immediately, the tourism industry within the UK was recognising a shift in consumer behaviour. The announcement of Brexit had an immediate impact on exchange rates, which saw an increase in both short and long haul overseas travellers to Scotland. Subsequently, more UK outbound trips were taken in reaction to Brexit. Despite consumer confidence being low, domestic consumers have decided to travel abroad, possibly recognising and learning from recent history that similar consumer conditions are likely to lead to austerity, making it more difficult to holiday abroad, as well as potential difficulties travelling due to the possibility of visa restrictions after Brexit takes place.

With that being said, domestic tourism has remained buoyant with day trips in particular increasing in recent times. This also highlights consumer's hesitancy to spend big on say a long weekend away in Scotland, but rather spread the cost over multiple day trips.

Further to this, consumers have been influenced by the media coverage of the hysteria surrounding Brexit, and it's uncertain aftermath. Topics such as the economy, security, and safety have all impacted on consumer decision making recently, and is likely to continue until the socio political landscape is clearer.

It is evident that consumers are making practical decisions based on the knowledge they are being fed from media outlets. With stories of economic uncertainty and an increase in tourism activity, consumers are trying to engage as much as possible despite tougher economic conditions.

Living Laboratory

Scotland's landscape is an essential tourism asset, and one of the core attributors to our overall product. Along with history, heritage and culture, Scotland's landscape plays an integral role in building desire and inspiration for visitors both domestic and international to travel.

Imagery of our landscape has been used extensively and historically to promote destinations across the nation, and with tremendous success in VisitScotland's 'Spirit of Scotland' campaign.

Consumers now seek not only to visit these incredible sites, but also harbour aspirations to take similar photographs of destinations used in the marketing by VisitScotland. This in turn generates indirect promotion of Scotland when the imagery is then shared via social media channels, creating emotional connections that inspires consumers.

However, Scotland's landscape potential should not only be associated with rural areas, urban areas also play an integral role in delivering an inspiring tourism experience for tourists to Scotland. The urban experience delivers consumer's needs in terms of culture, social engagement, and activity. Scotland's cities offer a wealth of diversity in terms of tourism product. From Glasgow's

shopping and night time economy, Edinburgh's renowned cultural landmarks, and the future developments of V&A Dundee and Aberdeen Exhibition and Conference Centre (AECC), there is a wealth of opportunity for consumers to indulge in tourism activity across the country.

The rural experience in Scotland can also help to harness a desire for both physical and spiritual wellness. With connections with both nature and wilderness, Scotland's rural landscape offer endless opportunities to promote both a physical and mental detox from fast paced living.



Capacity Tourism

‘Great minds think alike and fools seldom differ’. Getting away from it all is a reason so commonly cited amongst our visitors as one of the main drivers for coming to Scotland but can you really get away from it all if you’re going to the tourist hot spots?

Scotland has some fairly impressive statistics, with a land mass of almost 80,000km², 787 unique islands, 282 Munro’s and over 10,000 kilometres of coast line, it’s a small country with a lot of attributes. Ask a Scot where their favourite place is in Scotland and you’d be surprised that few will say the Fairy Pools on the Isle of Skye or Glen Etive. While there’s no denying that those places are beautiful, the one thing that the 5 million people of Scotland know is that amongst the vast landscape of their country, there is beauty in almost every place you go.

From Loch Naver to the Galloway Forest Park, there is plenty to see and do in Scotland that might not feature on the most popular attractions in Scotland but after all the most popular doesn’t necessarily mean the best. If a contributing factor to your customer’s holiday is to feel the peace and tranquillity of Scotland, then the most popular attractions won’t necessarily be the best for them. Knowing the best things that your area has to offer, the best and not

necessarily the most popular, shows your guests that you’re not just pedalling the same tourist attractions to them as to everyone else but you have considered their needs and you are able to show them the gems that only the locals know.

Scotland is a notoriously welcoming country and our friendly locals often make a visitors trip. Losing the support of those who are lucky enough to live in or around our popular tourist destinations could change the perception of Scotland as a friendly nation because after all, whilst tourism is a vehicle that supports many rural communities, it can also impact upon those who live there.

Everyone from VisitScotland to local businesses have a responsibility to the natural landscape that we are all so lucky to call home. By preserving all of our natural assets, we keep what makes Scotland so magical safe for future generations and also show visitors that Scotland is more than the top 10 things to do in the guide books. Nobody wants tourist curfews or upset local communities, not when there is so many unbelievably beautiful parts of Scotland that have the capacity for extra visitors.

Brand Story

With increased digital presence comes a time for increased information on individuals and businesses. Now more than ever, consumers are researching products in innovative ways to evaluate the experience they may have. From word of mouth, to various forms of social media, consumers have multiple routes to gain information on products to help with their decision making process.

Businesses therefore need to be aware of their digital footprint, but also be conscious that the story behind their existence is important. Niche and specific business models have flourished in recent years with their attachment to consumer needs. Be it vegetarian/vegan restaurants, to glamping pods, the tourism industry has reacted to trends to capitalise on consumer desires.

But what differentiates one niche business from another? With the extensive research now being available and therefore conducted by consumers, businesses are recognising the importance of displaying a strong brand story to help further their association with quality and value for money.

Recently, we have seen the success of provenance and authenticity as drivers for consumer behaviour, with many looking for local products that feel real to

consumers. This is very much prevalent within the tourism industry today, with the success of food and drink brands seen as a precedent to developing compelling brand stories. Both gin and craft beer have been incredibly successful in Scotland recently due to not just producing a quality product, but by enticing consumers with inspiring and engaging content, which leaves them seeking further information, and often identifying themselves with the brand.

Businesses should look to assess their brand awareness and impact, evaluating if their marketing really says what they want to tell consumers. Research does indicate that consumers are still seeking to experience local and quality tourism products, and developing compelling brand stories only help to strengthen the connection between businesses and consumers. Consider if your story could resonate with like-minded individuals, and could differentiate your product from your competitors.

Trends

A recurrent idea that defines an actor or groups behaviour.

WELLNESS

SEEKING SANCTITY IN A CHAOTIC WORLD

As previously documented in Trend publications by VisitScotland, the fast paced digital age we live in is driving consumers to interact with technology on an almost constant basis. From searching for hotel or restaurant recommendations, to communicating through social media, consumers are constantly presented with product marketing or information that previous generations could not comprehend only a few years ago. The pace and development of technology has shifted tremendously, providing endless streams of data that measure micro moments of time within your consumer journey. This information whilst being useful to some, can also be used for personalisation, or over-personalisation, depending on your view point, leading consumers to become oversaturated or desensitised to marketing.

Further to this, various studies have raised concerns about the impact this new fast paced technology is having on our mental health. From dwindling short term memory, to creating anxiety, consumers are now more informed about the impact social media, smartphone technology,

and digital marketing practices have on our mental health, as well as our online identities. Whilst this technology is extremely beneficial to both consumers and tourism stakeholders, it is widely recognised smartphone usage in particular should be used more efficiently. This has led to a rise in interest in a variety of wellness tourism activities, particularly faith and spiritual recreations.

Research from the Scotland Visitor Survey has shown that visiting cathedrals and churches are amongst the most popular activities for both long and short haul visitors to undertake whilst visiting Scotland. Although this may be associated with a strong religious rhetoric from markets such as USA, France, or Spain, who have strong ties to Christianity, these attractions can also draw visitors due to the serenity and tranquillity associated with such venues. The Forth Valley area, including Stirling and Falkirk, and Orkney in particular indexed highly for propensity of visits for those interested in religious buildings. It could be said that the association these destinations have as more rural destinations in Scotland could contribute to the increase in interest by visitors.

DRIVERS

- A long term trend, wellness has become a main stream tourism catalyst.
- In a world where life pressures are almost constant achieving a healthy mind and body are now incorporated into everyday activity.
- Both physical and spiritual wellness are sought by the consumer.

OPPORTUNITY

- Scotland's innate offering engages directly with the consumer's requirement for wellness.
- Spas, mass participation sporting events, walking, nature and food provenance all contribute to the wellness trend.
- The urban escapade stands next to the rural gateway.
- Ensuring that the delivery of your product is tuned to the consumers "vibe" is key to capitalising on wellness.



Coorie in, an bide a while (Còsagach)

WHO NEEDS HYGGE WHEN YOU CAN HAVE CÒSAGACH?

2016 saw a boom in the trend of Hygge; a Danish word with no direct English translation. Hygge could be described as a type of cosiness and comfort that engages a feeling of contentment or well-being.

In 2015, over 4 million domestic tourists mentioned relaxing as an activity that they undertook when in Scotland. With tranquil seascapes, vast open spaces and many warm and welcoming pubs, Scotland is a perfect place for your well-being, so perfect in fact that a word of Scottish origin has been dedicated to that feeling of being snug, sheltered, or cosy; Còsagach.

In a world where everything from mobile connections to shopping deliveries are constantly vying to get quicker, there is a growing phenomenon for slowing down and taking care of your own well-being. Whilst Scotland has a vast array of outdoor activities and visitor attractions, it has also plenty of breath-taking views to enjoy from the comfort of your accommodation or a local pub or restaurant.

Scotland is a country where Còsagach can be achieved in all seasons, but it's winter when it comes into its own. It's no secret that Scotland can have, at times, rather harsh and ferocious weather. In the winter when the storms rage and the waves crash

against the rocks, there is nothing more satisfying than being curled up in front of the fire, book and hot toddy in hand, listening to the weather outside. Scotland is also a popular place for domestic ski tourism and after a full day out in the snow, going to a cosy pub and relaxing in a friendly setting, induces feelings of warmth and snugness.

So how does this have any impact upon tourism? Whilst tourists come to Scotland to experience the scenery, landscapes, history and culture, 23% of visitors reported being attracted to Scotland to get away from it all. Scotland is world renowned for its hospitality and friendly locals, so going above and beyond the average offering and creating environments which induce a feeling of warmth or cosiness will make visitors feel welcome and allow them to fully unwind and relax.

Promoting your business as a place where, alongside the numerous attractions and activities, it is also the perfect place to relax and unwind will keep all members of diverse parties and families happy. It offers the opportunity for tourism businesses to market themselves to the 4 million domestic tourists, who like to relax when in Scotland, in a uniquely Scottish way. For those who come to Scotland to do one of the many outdoor

pursuits, having a warm and snug place to come back to after a long and tiring day completes the visitor experience. Scotland's diversity for activities during the different seasons allows it to be a 365 day a year visitor destination.

DRIVERS

- Well-being is an interest that isn't going anywhere anytime soon
- Relaxation and feeling of warmth identified as desirable traits for tourism products
- Long winter nights, which should be enjoyed

OPPORTUNITY:

- Creating a 365 day tourism season
- Offering relaxing and unwinding as an activity
- Opportunity to highlight Scotland as a warm and inviting place



Elemental Tourism

UTILISING NATURE'S PLAYGROUNDS

It is well known and acknowledged that one of Scotland's core attractors for tourism is the unique and breath-taking landscape. All across the country, consumers are spoilt for choice with the volume of incredible photo opportunities that are simply incomparable with any other destination in the world. Scotland is perceived as a dream destination for many of our international visitors, and this has been driven by the global marketing activities conducted by VisitScotland to attract visitors to our beautiful landscape. However, in recent times we have unfortunately encountered difficulty with the increased volumes of tourism traffic to destinations that are struggling to meet capacity demands, and therefore having an adverse impact on the enjoyment of the overall tourism product.

Destinations such as Skye and North Coast 500 have been phenomenally successful with exponential growth of consumers visiting Scotland to capture their moment with the landscape and scenery. However, many have begun to question whether the increased attention has or will begin to spoil the overall experience or natural environment.

The question has to be asked of how the Scottish tourism industry cooperates to ensure that the benefit of tourism is not only accessible to all destinations within Scotland, but profitable. As the Scottish landscape is so diverse and picturesque across the whole landscape, there is an opportunity for collaboration to drive traffic across the whole of the country to combat over-crowding, tackle capacity issues, and address the balance of tourism provision across the rest of Scotland's unique and beautiful destinations.

DRIVERS

- Capitalising on Scotland's image as a natural environment.
- A counterpoint to over-tourism.
- Engages directly with the consumers desire for transformation and mobility.

OPPORTUNITY

- Using events to drive visits to new areas.
- The role “routes” play in dispersing visitors.
- Undiscovered natural beauty spots promoted through social media (Instagram).
- Natural hospitality, remove walls from accommodation blurring the inside/outside.



Every Touch Point...

HAVE YOU GOT YOUR HASHTAG YET?

Social currency is a phrase that has been bandied about recently due to the meteoric rise of social media as a channel to influence consumers. As well as brands being able to interact on a personal level with consumers, influencers close to the consumer, who are also consumers themselves, are able to alter the mind-set and perception of brands and products for one another.

Social media is the best version of your life - it's the highlights, the dramatic moments, the bits you can boast about remotely to your friends - you can tell them you're having a great time without actually having to directly tell them that. Whilst review sites might be where the consumer goes to having had a terrible time or experience of a product or place, social media is where they go to show the highlights. Making sure your business or product features on your customers highlights reel can help promote your business amongst your consumer's friends and family. It's subliminal advertising, and your consumer has just become your best asset; an influencer, advertiser and promoter of your business.

Social media is predominantly image heavy, with the likes of Instagram and Snapchat having very few words

attached to the picture. When a picture says a thousand words but a Tweet only has 280 characters, which is a more powerful way of advertising your business?

When a consumer visits your business, they might be looking for just a nice stay or meal but the modern day reality is that they might also be looking for opportunities to take pictures to let others know they are on holiday and they are staying in a nice place, doing a fun activity, eating a delicious meal or looking at a picturesque view.

Every touch point your business has with your consumer is a potential advertising opportunity. What can you do to ensure you are advertised in the best light? Ensuring consumers tag your business in social media posts prevents a nice picture of your business being unidentifiable from the hundreds of other businesses around. This tag should direct others to your social media channel and then hopefully on to your website where it's then your website's responsibility to convert them into visiting your business or purchasing your product. Making your consumers aware that you have social media channels is the first step. Looking at your business through the eye of a camera lens could help you see where

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you can improve in making your business more photogenic. This will increase the likelihood of your business appearing on your consumers social media account and therefore reaching more potential customers.

DRIVERS

- Rise in online influencers
- Social currency being the personal way to reach consumers

OPPORTUNITY

- Free advertising for your business
- Distinguish yourself from your competitors and offer something different
- Be photo worthy
- Get your own hashtag



Digital Trends

The following Digital Trends have been identified to help Scottish tourism businesses, from multi-national operators to SMEs, to utilise digital technology to their advantage. As many of the businesses within Scotland's tourism industry are lifestyle businesses, many operators have the opportunity to build upon their online presence to enhance their social media communication skills and embrace modern technology to their advantage.

AUGMENTED VIRTUAL REALITY

Allowing consumers and tourists to experience products before purchase is becoming ever more prevalent within the tourism industry. From viewing hotel rooms, to digital reconstructions of medieval castles, technology is being utilised to enhance and support the tourism experience globally.

COMMUNI-GAGEMENT

The movement towards live video interaction with your consumers via social media. Utilising social media platforms such as Snapchat, Periscope, as well as Facebook and Instagram Live, tourism businesses may have untapped resources to showcase their product.

CHALLENGING FAKE NEWS

Not everything you hear or read from various news sources or social media platforms are true. Consumers are now very savvy with how to utilise social media to their advantage. Businesses are challenging consumers to prove the validity and integrity of their products.

RETRO-TAINMENT

As fashion moves in cycles, so now is technology. 80's technology such as arcade games and computer consoles in a more refined digital format today are appealing to consumers. Providing nostalgic experiences to your consumers offer an innovative selling point to differentiate your business from competitors.

AUTHENTICITY & IMMERSION

Already developed tourism trends, consumers are searching for authentic experiences and the ability to immerse themselves in local culture. Tourism businesses should be aware of the opportunities through customisation of their products to incorporate provincial and authentic experiences to enhance the overall tourism product.

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