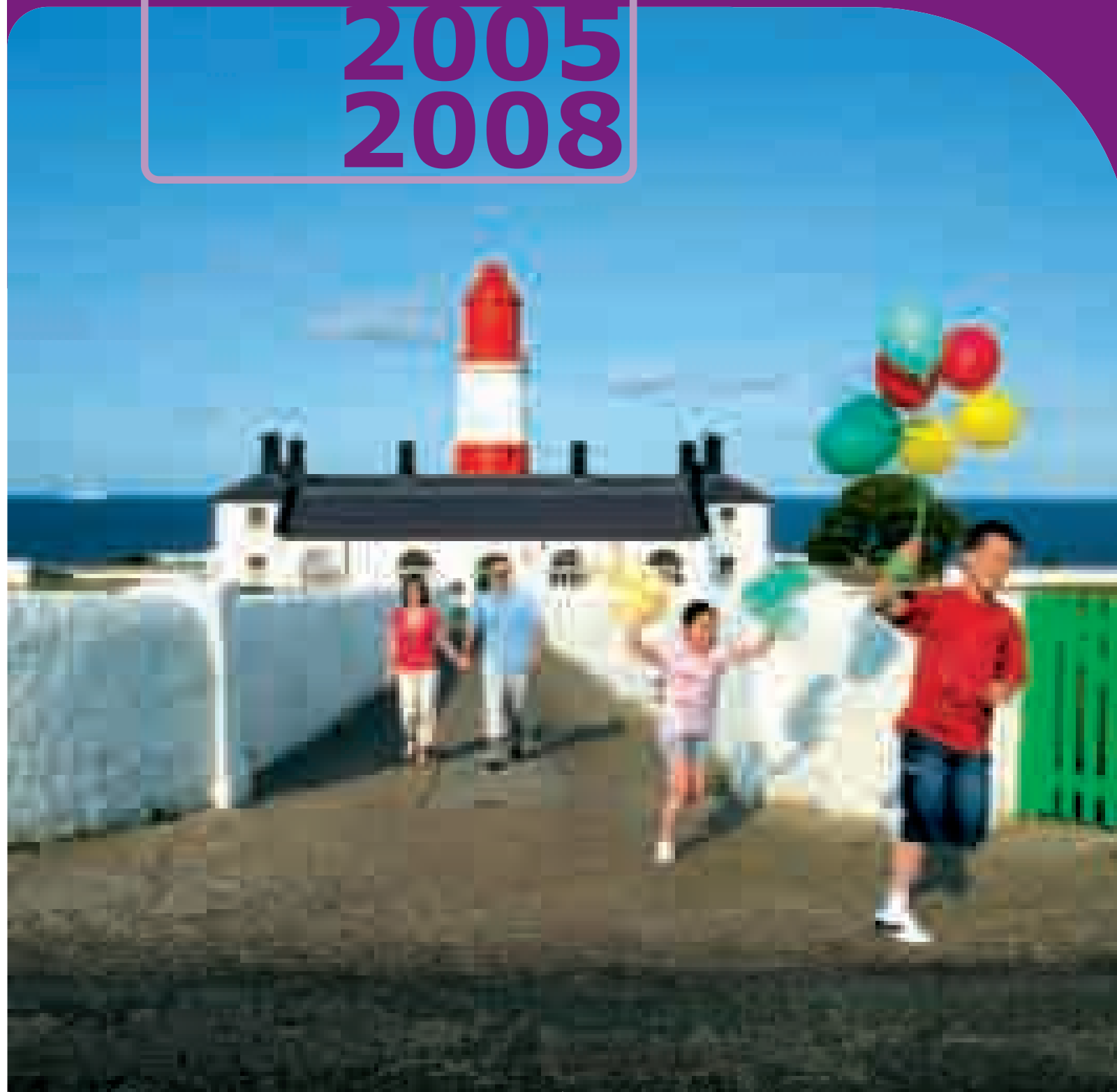


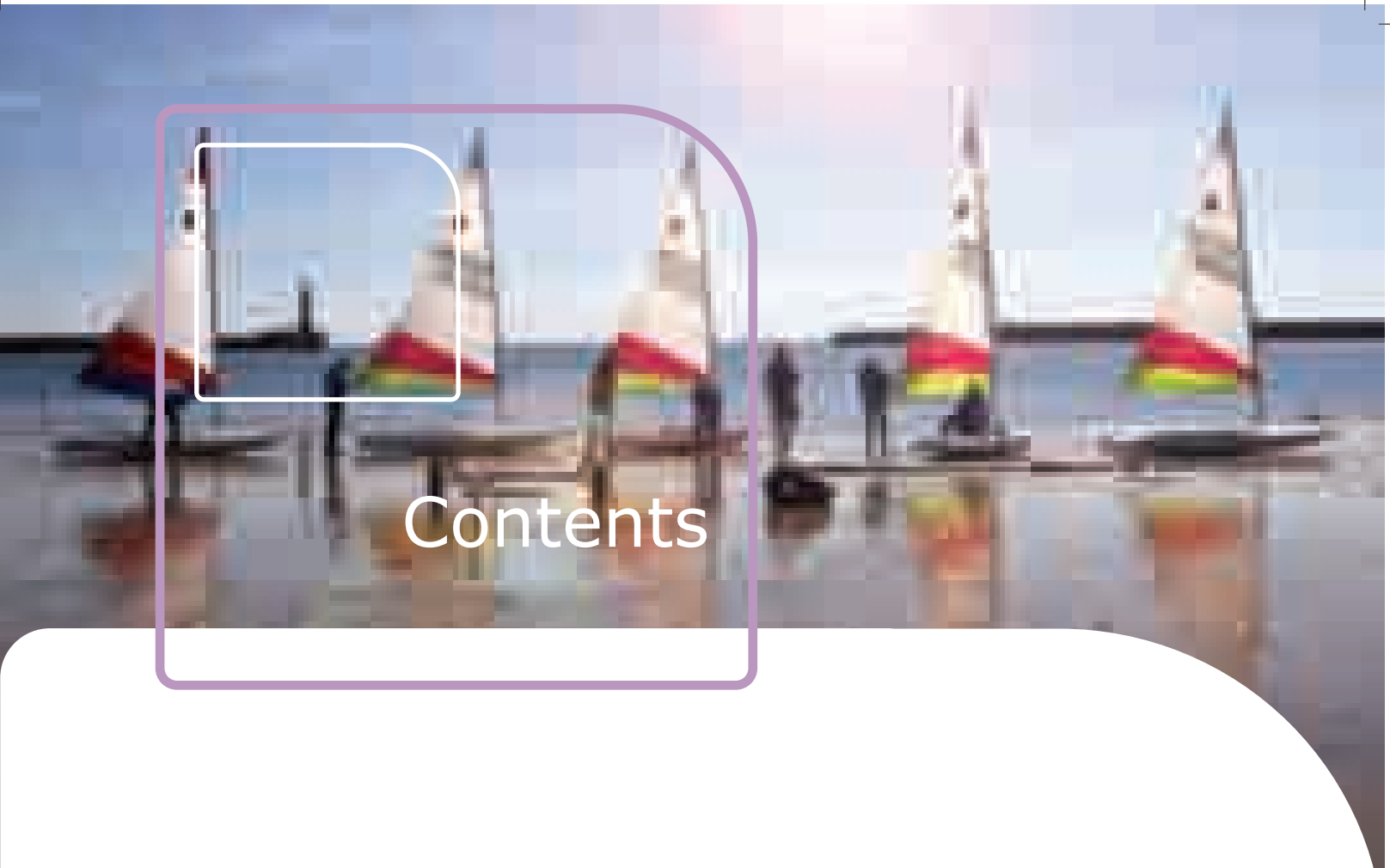
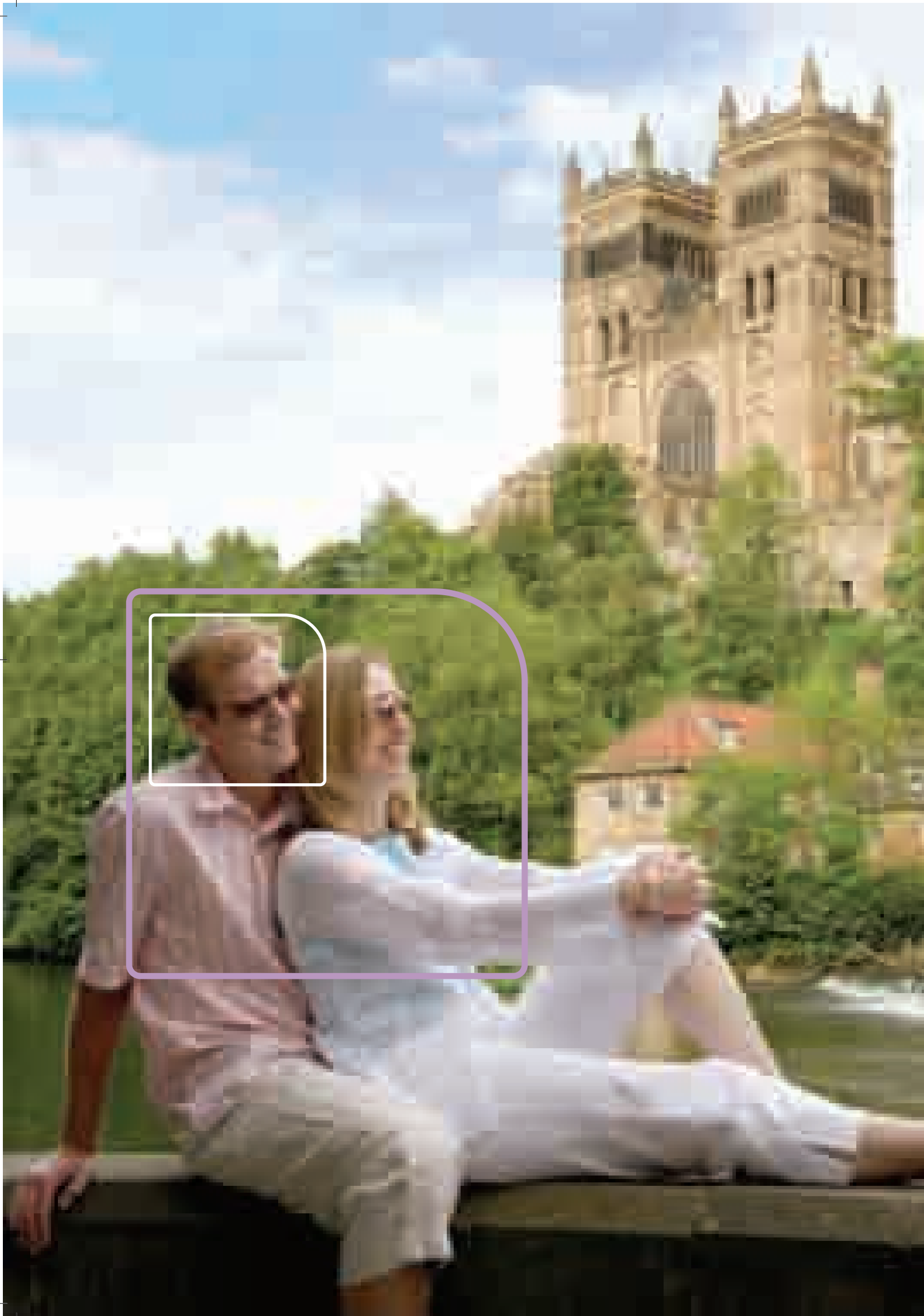


Regional Development Agency

Tourism Marketing Plan for north east
england

2005
2008





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A. Introduction



This Tourism Marketing Plan for North East England, has been prepared in consultation with tourism partners across the region. It provides direction for the Regional Tourism Team (RTT) and regional tourism partners over the period 2005/08. It is important to emphasise that the region's true strength lies in its partners working together, and this marketing plan will evolve as the RTT work with the emerging Area Tourism Partnership networks, to develop a truly competitive regional tourism product.

A1. Background

The increased investment in tourism marketing between 2005-2008 including;

- £1.75m per annum funding from One NorthEast (2005/08)
- Funding from the Northern Way Growth Strategy (2006/08)

supported by the Regional Image Campaign, heralds a new era in tourism marketing for North East England.

In addition, the restructuring of the regional tourism and tourism marketing teams and the emerging Area Tourism Partnerships, brings new opportunities for renewed vigour and it is envisaged that this plan will stimulate a renewed and more robust approach to attracting visitors to the region.

It is recognised that we operate in a highly competitive market place and that competing regions' budgets are also increasing. Therefore it is increasingly important that the region works together to identify North East England's key strengths and works smarter to promote them. A tighter, more targeted focus will enable the region to achieve a greater return on investment in both domestic and international markets, avoid duplication of effort and maximise economies of scale.

This document has been prepared using the following methodology:

- Workshops with representatives from the accommodation sector, visitor attractions, local authority tourism officers and the North East Tourism Advisory Board
- Consultations with representatives of the private and public sectors including, VisitBritain and England's North Country
- Research into competitive strengths and marketing approaches adopted by other regions/destinations.

A2. Our Ambition

The Regional Tourism Strategy analyses the performance of the region in tourism terms by considering market share and trips per head of population. It states, 'For years we have captured less than 4% of tourism expenditure in Britain. This is simply not good enough'.

The Regional Tourism Strategy has four main objectives to which this Marketing Plan will contribute:

- to attract more domestic and overseas tourists to the region
- to increase visitors' average spend
- to increase visits throughout the year, not solely in the main holiday season
- to grow the distribution of tourism across the region

Our aim is to deliver these objectives through the delivery of high quality, dynamic marketing activity

A3. Performance in Markets

The following markets were attracted to the region in 2003. (2004 figures are yet to be ratified). Table 2 gives a breakdown of overseas visitors by market.

Table 1: Volume & Value of Visits to North East England 2003

	Trips Millions	Nights Millions	Spending £ Millions
UK residents	4.8	13.3	825
Overseas residents	0.510	5	214

Table 2: No. of International Visitors to North East England - selected countries of origin

000s	2000	2001	2002	2003	2004	% change 2000-2004
Germany	45	52	79	56	72	60
Norway	69	71	71	73	57	-17
USA	45	54	52	43	56	24
France	36	26	40	29	51	42
Irish Republic	14	28	44	34	46	229
Australia	17	22	22	21	28	65
Spain	23	16	14	34	26	13
Netherlands	27	21	27	38	24	-11
Canada	20	19	18	15	22	10
Italy	12	13	14	11	20	67

As can be seen from Table 1 domestic tourism accounts for 90% of all trips, 73% of all nights and 80% of value. Whilst overseas visitors account for a small percentage of overall trips, they stay longer thus generating a higher value per trip. In addition some 31 million day trips were taken in the region spending a further £800 million.

Although the region presently only attracts a small percentage (1.8%) of total inbound visitors to the UK, the number of visitors from Ireland, Germany and Italy have grown considerably over the past few years. Although visitors from The Netherlands and Norway, traditionally strong markets for North East England, have fallen, the region still has the largest market share of Norwegian visitors attracting 13% of all visits to the UK. While Dutch visitor traffic through the region is strong, knowledge of the regional product is low. The challenge within this market is to build North East England's brand profile and retain visitors within the region. Full analysis of individual markets can be found in Appendix 1.





B. Market Analysis

B1. Partnership Working

There are a number of organisations who share a strategic responsibility for the promotion and development of tourism within the UK. It is recognised that it will be critical for the region to work with these partners in order to maximise the potential of the North East England brand.

These organisations include:

- **VisitBritain (VB)** - responsible for marketing Britain to the leisure and business tourism market overseas. VisitBritain promotes Britain in 35 established and emerging markets with over 300 different campaigns and promotions per year.
- **Enjoy England Marketing Team** is an arm of VisitBritain with responsibility for marketing England domestically and in France, Germany, Ireland and the Netherlands.
- **England's North Country (ENC)** - markets the North of England (North East, Yorkshire and North West) to overseas markets with its key target markets being Germany, Nordic Region (Sweden, Norway, Denmark and Finland), France, Italy, Spain, Belgium, Ireland, Netherlands, Canada, USA and Australasia.

B2. Regional Tourism Team

A dedicated regional international marketing team and significantly increased investment in overseas markets will enable the region to punch above its weight and raise the region's profile within ENC and VB marketing activity, which historically due to limited budgets has not been possible.

The regional international marketing team will develop proactive North East England marketing programmes across key international markets, which support ENC and VB activity, enabling the region to obtain maximum impact.

This will be undertaken with regional tourism partners and it is recognised that major travel operators within the region including easyJet, RyanAir, Flybe, bmibaby, Hapag-Lloyd, American Airlines, FjordLine, DFDS Seaways, GNER and Virgin, will be critical for success.

B3. Market Segmentation

In the development of this plan we considered all tourism markets available to the region.

- Domestic Leisure Tourism
- Overseas Leisure Tourism
- Discretionary Business Tourism
- Non-Discretionary Business Tourism
- Day Visitors
- Visiting Friends & Relatives/Staying with Friends & Relatives

The tourism visitor marketplace can be divided into different sectors and then segmented further still. Traditional segmentation techniques including geographic, socio-demographic, life stage and psychographic, are now being supplemented with lifestyle, attitudes and personal values to define groups of people. This latter model has been used recently by VisitBritain in segmenting the domestic tourism market. This has resulted in a targeting by VisitBritain of three specific market segments described as;

- **Cosmopolitans** - very active in all holiday markets and look for new experiences. They are high spenders and are prepared to pay a premium for what they want. They lead busy lives and short breaks are 'a time for living' when they step out of a routine and buy 'an experience'. They expect all holidays to deliver

relaxation, which they associate with 'well being' and 'doing my own thing'.

- **Discoverers** - independent in mind and action and are less likely to be looking for relaxation on holiday. They associate relaxation with pampering spas, health farms and luxury experiences and whilst happy to experience these things given the opportunity and occasion, these factors are not part of the group's core motivations. They buy on function and value and are interested in new options including educational experiences.

- **High Streets** - likely to base their holiday and destination choice on the tangible descriptions of the amenities and facilities on offer. They are cost focused and often respond to special deals. They care what other people think and are happy to buy packaged options.

Together these groups represent 50% of the English population, and research shows that these segments are repeated in key international markets.

In segmenting tourism markets for North East England these various models have been overlaid on each other, allowing the team to choose a combination of different segmentation methods according to the market being considered.





B4. Prioritising Markets

For a market segment to be worth considering it must first be discrete, that is it must be easily identifiable from other segments. It should be measurable; viable i.e. the return must exceed the investment; appropriate when measured against the product offer and preferably sustainable, (create some repeat visitation).

In keeping with these factors we have developed a set of criteria against which all potential markets can be assessed:

- Product/market fit (based on visitor expectations)
- Average spend
- Seasonal spread
- Environmental impact
- Likely return on investment
- Market size
- The position of the market in the "communications life cycle" for North East England
- Current market trends
- Access to North East England
- The extent to which the segment is courted by other UK/overseas destinations.

B5. Target Market Analysis

The following markets were analysed against the segmentation models and the assessment criteria set out above, to assess their potential for North East England;

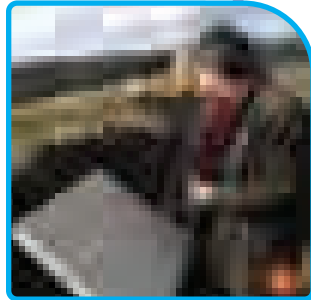
- **Domestic Leisure Tourism**
 - Short breaks - countryside and city based
 - Main stay touring holidays
 - Day visitor market
- **Overseas Leisure Tourism**
 - Short breaks - countryside & city based
 - Main stay touring holidays
- **Overseas Markets**
 - Europe (short haul)
 - Germany, Netherlands, Norway, Denmark, Italy, Ireland, Spain, France, Eastern Europe
 - World-wide (long haul) - USA, China and Japan
- **Special Interest Markets and Themes**
 - Walking, cycling, adventure tourism, golf, gardens, gourmet
- **Discretionary Business Tourism**
- **Cruise Market**

Analysis of all of the above areas can be found in Appendix 1. The findings of this analysis were used to prepare the marketing plan set out in this document.

B6. Objectives

The regional tourism marketing objectives contribute directly towards the objectives set by the regional tourism strategy. In addition each campaign will have a set of specific targets that relate to return on investment. Overall we will be looking to achieve a return of £20 for every pound invested in domestic markets and £30 for every pound invested in overseas markets, in line with VisitBritain performance targets.





C. Marketing Plan

C1. North East England - Unique Selling Points

The core themes of Coast & Countryside, History & Heritage and City Culture as identified in the Regional Tourism and Regional Image Strategies will be central within all tourism marketing.

The unique selling points for tourism in North East England have been identified through market analysis and visitor research as follows;

- undiscovered and dramatic landscapes
- unique history and heritage - including the region's Maritime, Christian, Railway and Industrial heritage
- vibrant cityscapes/urban culture
- renowned North East welcome

Regional marketing campaigns will focus on elements of the regional product that have the strength to create interest amongst the target market and build brand and product awareness. This will complement the local marketing activity, which communicates to the visitor the wealth of attractions and experiences on offer across the region.

Events Programme

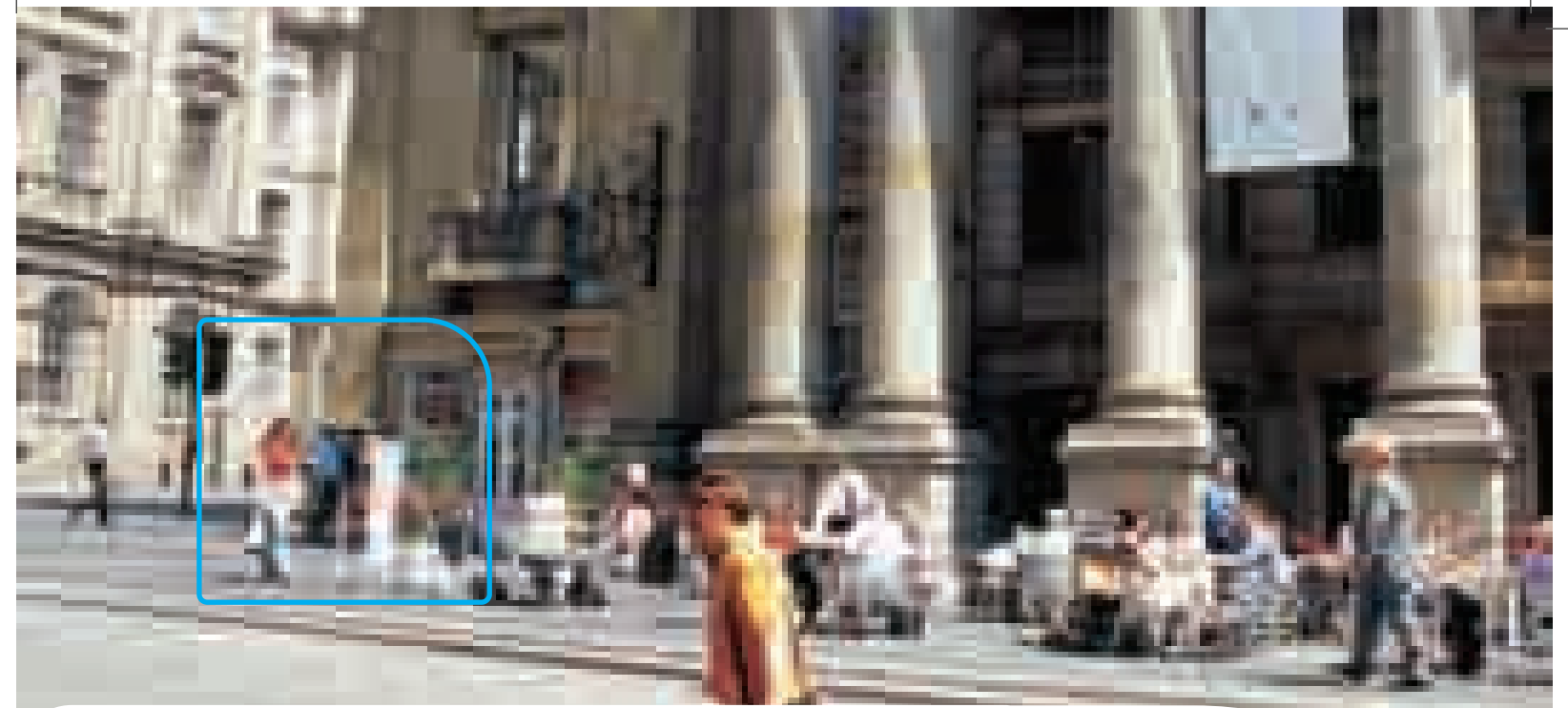
The culture¹⁰ programme, delivering world-class events throughout the region, and other high profile regional events, will be built into all marketing campaigns and activity. Event listing will be included in key marketing literature and at visitnortheastengland.co.uk that will link to sub-regional sites. This will help to promote the diverse range of activities on offer in the region including events and key attractions.

C2. North East England - Brand Proposition

Brand Personality

All marketing campaigns and promotional literature will feature a strong brand personality. The aim will be to ensure that materials and campaigns produced by the marketing team are instantly recognisable and that through this, the profile of North East England is significantly increased.

The diverse beauty of our countryside and coast, entrepreneurial spirit reflected in our history and heritage, and our fantastic city culture and iconic architecture will be reflected in all marketing campaigns. Underpinning all messages will be the warmth of the people in the region and our world-renowned welcome. Emotive copy will be used to bring the North East England experience alive.



Brand Architecture

All tourism campaigns will reflect the regional image campaign brand architecture (please see pages 10 and 11 for examples of regional image advertising). However, a palette of colours specific to tourism will be developed to ensure tourism marketing materials have a distinctive look and feel. The 'Northumbria - North East England' logo will appear on all marketing materials and advertising, until the end of 2005 when the word 'Northumbria' will no longer be incorporated and the regional identifier brand 'North East England' will be used on all materials. Stunning imagery of the region and vibrant selling copy will be central to all marketing materials.

C3. Outline of the 2005/6 Marketing Plan

The Marketing Plan has been divided into the following sections.

- Main UK Marketing Campaigns
- Themed/Special Interest UK Marketing Campaigns
- Overseas Marketing Activity
- Business Tourism Activity
- Website and Emarketing Activity
- Group, Travel Trade and Schools Marketing

C4. 2005 Marketing Activity

During the period January - September 2005 the Tourism Marketing Team has undertaken the following activity:

Walking Campaign

- 50,000 guides distributed nationally
- Regional media press coverage obtained across key titles
- National media schedule included 300k press inserts in The Times, Sunday Times, Independent and The Guardian accompanied by classified advertising in the quality nationals and specialist magazines
- Supporting website and online activity
- Following a highly successful launch a second guide was issued

National Advertising Campaign

Launched in conjunction with the walking campaign, activity included:

- Classified adverts in quality nationals such as Daily Telegraph, Sunday Times, Mail on Sunday as well as in specialist magazines - National Trust, National Trust Family Magazine, GNER Livewire, The Independent, Heritage & History Today
- Over 2 million inserts (postcard & A4 8pp colour) placed in national media



Local Advertising Campaign

Development of a campaign to target local people and encourage them to move around the region during the summer and early autumn to visit attractions and attend events. The campaign is being delivered in partnership with the regional media.

Planned activity October to December 2005

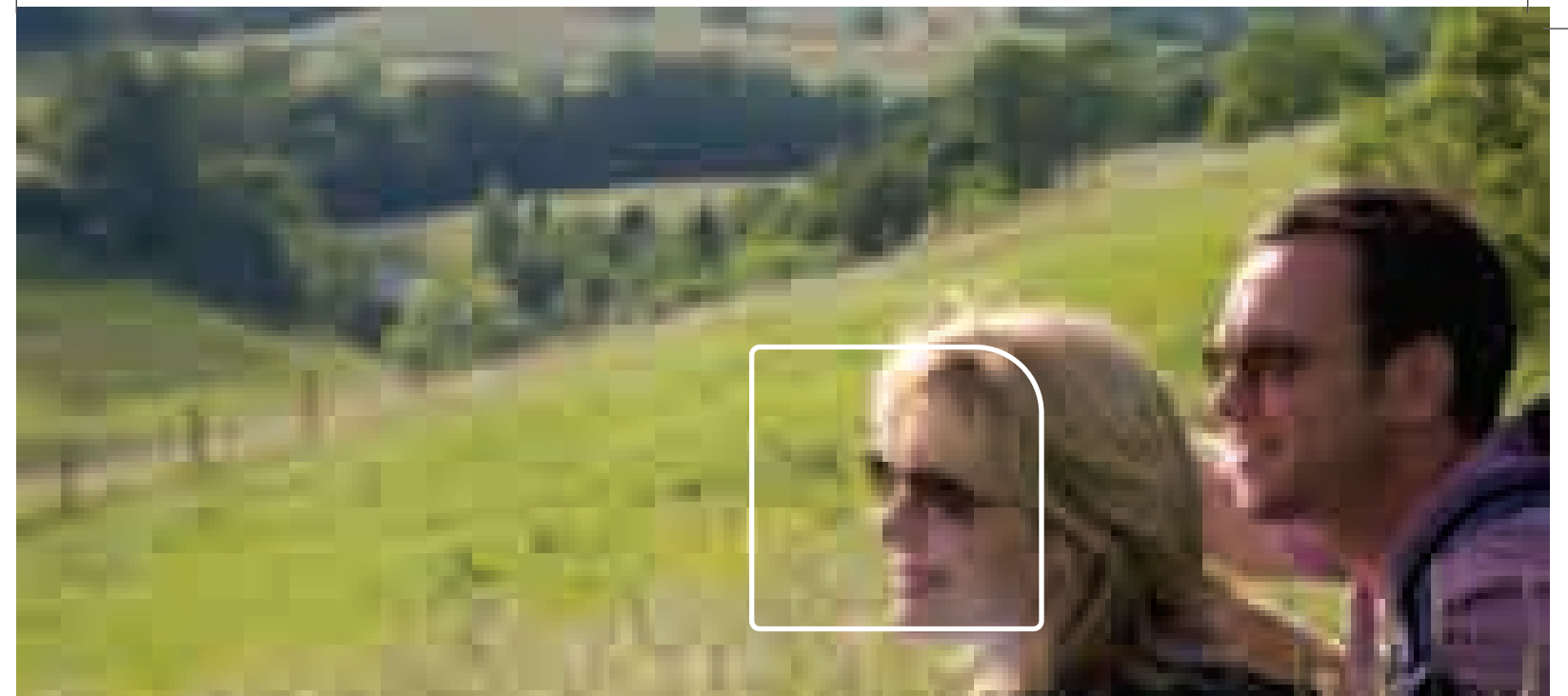
- Continued activity on the second phase of the walking campaign
- The delivery of the next stage of the national advertising campaign to raise awareness of North East England as a destination for day visits, short breaks and longer stays. This will target regional and national media and consist of a variety of display advertising, inserts and online activity
- Development of the 2006 Holiday and Short Breaks Guide

C5. 2006 Activity - Main Marketing Campaigns

Our primary aim will be to ensure a high impact market presence for North East England. This will enable us to raise the profile of the region both domestically and internationally all year round, as well as ensure the region is best positioned to target both short and long-lead times, for short-break and longer holidays.

Activity will include:

- **Year round campaign activity** - aimed at raising the region's profile and centred around two main season advertising campaigns (December to May and August to September) targeted at the longer touring holiday and short break market.
- **Short turnaround tactical activity** - this will take place at times during the year where evidence shows that the market is special offer and deal driven - January, March, June and September. We will put mechanisms in place including website and e-marketing activity and targeted reader offers aimed at meeting the needs of consumers who are looking for last minute deals. This will drive visitors to accommodation operators with late availability and ensure a better spread of expenditure across the region.
- **Special interest/Themed marketing activity** - these campaigns will complement the year round activity and focus on product areas in which the region is strong and which offer the best return on investment (ROI).



C6. Main UK Campaign

The focus of the main UK campaign will be 'Experience North East England' and will be based around the themes of countryside & coast, history & heritage and city culture.

It will be a touring campaign aimed at visitors who want to visit different parts of the region and enjoy both the region's landscape and heritage together with the urban cultural product on offer.

Main UK Campaign - Experience North East England

Market attractiveness

The survey conducted by Taylor Nelson Sofres for VisitBritain showed that the 'unspoilt countryside', 'beaches and coastline', 'history and heritage', 'urban culture', 'quality food and beverage', 'the opportunity to explore several locations by car or coach', 'interesting villages' and the 'chance to see wildlife in its natural habitat' were key motivators when selecting a destination for a short break or holiday.

The Corporate Edge research also showed that UK destinations must be able to demonstrate that they have a wide variety of activities and attractions.

There is an excellent product/market fit with what North East England has to offer and potential target segments include urban dwellers in Merseyside, Manchester, Scotland (Glasgow, Edinburgh & Lothian), Yorkshire and Humberside.

Target market

The main UK campaign will be targeted at two markets, short breakers and longer touring holidaymakers. The life stage of this market is broad; consumers are likely to be:

- Cosmopolitans/Discoverers

Comprising:

- ABC1 empty-nesters 45+
- ABC1 couples with or without children

From within:

- 3hr travel time
- urban dwellers

Planned marketing activity

This main UK Holiday campaign will have at its core North East England's unique combination of landscape and heritage. This market has recently become very fashionable and programmes such as the BBC's 'Picture of Britain' and 'Coast', are raising the profile of what the UK product has to offer. The campaign will include attractions such as Beamish, North of England Open Air Museum, Killhope Lead Mining Museum and Hartlepool Historic Quay.

Passionate people. Passionate places.

North Coast
England

Passionate people. Passionate places.

North Coast
England

Passionate people. Passionate places.

North Coast
England

Passionate people. Passionate places.

North Coast
England



The campaign will also emphasise the accessibility of the region's city culture product including art, music, theatre, museums, sport, events, café bars and restaurants. Added to this it will promote the region's rapidly expanding urban cultural product including attractions such as The Sunderland Empire, Middlesbrough Museum of Modern Art (mima), BALTIC, The Sage Gateshead, the region's museum network and the culture¹⁰ events programme.

Marketing campaigns will:

- Capitalise on the region's abundance of dramatic coastline, undiscovered countryside, Areas of Outstanding Natural Beauty, National Trust and English Heritage properties, museums, award winning attractions and world-class cultural venues and events
- Aim to encourage short breakers to consider returning to the region for a longer holiday
- Feature regional product and suggested itineraries encouraging visitors to experience different parts of the region.
- Feature a wide range of both city-based and country-based accommodation to suit all budgets

This is a year-round market, attracting visitors across all seasons.

Main UK Campaign - Activity

The 'Experience North East England' Campaign will be launched just after Christmas 2005 and will feature:

- Targeted media advertising campaign
- A 2006 Holidays and Short Breaks guide for the region - featuring excellent promotional information and photographs, together with substantial product (especially accommodation) information
- Website activity and online advertising
- Direct marketing to both the One NorthEast database and bought-in contacts
- Targeted reader offers
- UK-wide Tourist Information distribution
- Participation in Enjoy England's main campaigns where the themes complement North East England's
- Quarterly events listing
- Coverage in the ENC Holiday Guide (aimed at international markets)

Main UK Campaign - Tactical Support Activity

Tactical activity at key times throughout the year, when research suggests visitors are driven by special offers and deals, will support the main UK campaign. Activity will be focussed in January, April, June and September as follows:



January - April

There is a strong need to promote the North East for Spring breaks, running from Christmas to Easter. Analysis shows that at this time of the year the market is driven by short breaks and special deals.

This market needs to be attracted in a different way to the longer lead-time main holidays market. Short breaks tend to be booked on shorter lead times and therefore activity will be tactical in nature i.e. website, e-marketing and reader offers aimed at driving traffic direct to travel operators and accommodation providers.

June - August

This activity will utilise the main Holidays and Short Breaks guide, with a strong emphasis on promotional offers and mailings. This will promote key events and encourage short lead-time and last minute bookings.

September - November

It is vital that the North East builds a sustainable Autumn/Winter holidays and short breaks market, and that accommodation and attractions operators are able to extend the season wherever possible. This activity will provide partner support to an anticipated 200 accommodation operators and attractions.

The activity will include a hard-hitting leaflet full of short break and up to 5-night holidays at a wide variety of accommodation. This leaflet will be backed up by a microsite at visitnortheastengland.co.uk and by a major e-marketing and viral marketing campaign to drive business to the website.

The market at this time is special offer driven and we will look to develop itineraries aimed at the independent traveller that include promotional offers across restaurants, pubs, attractions and retailers. We will also work with travel and trade operators to sell the regional product and encourage them to develop packages for the region at this time of the year.



C7. Special Interest/Themed UK Marketing Campaigns

As well as running main and seasonal tactical campaigns, the following themes and activities have been considered in a competitive context:

- Walking
- Gardens
- Golfing
- Cruise Market
- Cycling
- Gourmet
- Adventure Tourism

Each of these themes was considered using the assessment criteria within the Market Analysis. (full analysis for selection shown in Appendix 1). The Regional Tourism Team will focus on the following markets initially;

Walking

Market attractiveness

Walking is the UK's number one pastime and the North East is well positioned to take advantage of this with its undiscovered and unspoilt countryside. However, it is the leisure walking market i.e. those people for whom walking is the hook when booking a break but for whom the activity only forms part of the overall experience, that offers the best ROI. This is the group that will be targeted.

Building on the success of the recent walking campaigns, a third North East Walking Holidays campaign will run from February 2006.

Target market

- ABC1 empty-nesters 45+
- ABC1 couples 25-45yrs

Planned marketing activity

Campaigns targeted at this audience will run alongside the main UK campaign. A full evaluation of 2005 marketing activity will be undertaken and recommendation made for improvements in future campaigns. Activity will include:

- Production of a walking guide featuring routes across the region. They will comprise different levels of difficulty and list pubs, restaurants and key attractions en-route
- Advertising in newspapers (local and national) and walking magazines
- Inserts in selected national newspapers
- Attendance at The Great Outdoors Exhibition during 'National Outdoor Week'
- Further development of the walking microsite within visitnortheastengland.co.uk which will also feature an accommodation search
- Work with VisitBritain and England's North Country to target international market segments where walking is a popular activity



Cycling

Market attractiveness

The region's award-winning cycling product has been rising in popularity, especially with the increase in mountain biking over the past decade and the opening of the 100,000 mile National Cycle Network. The market is now worth £285m annually.

North East England is well positioned to take advantage of the cycling market with many cycle routes passing through the region. Again, like walking, we will target the leisure cycling market, i.e. those for whom cycling is only part of the overall experience.

Routes will make the most of the region's spectacular scenery featuring attractions, accommodation and pubs en-route to test the impact of providing this information.

Suggested itineraries will also be included. It is recognised that if this is successful, product development will be needed at some attractions en-route, so that cyclists are able to leave their bicycles in a safe place while they visit.

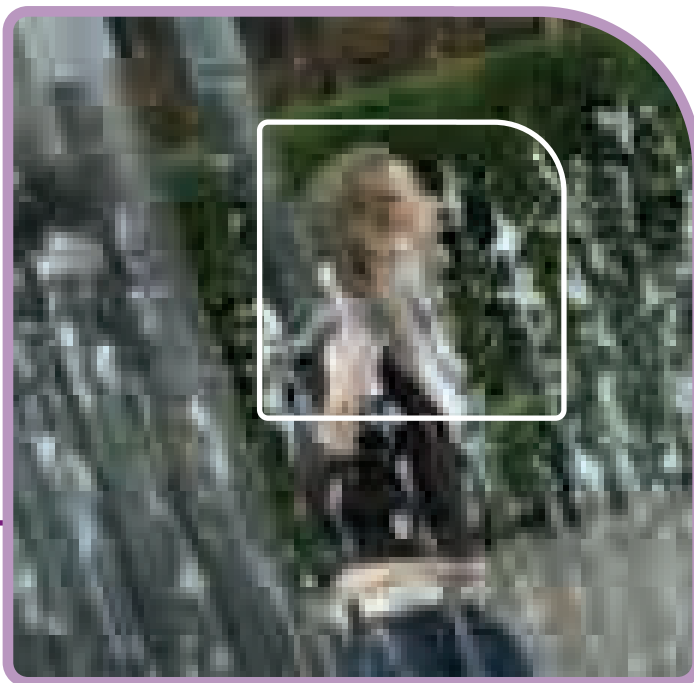
Product development is currently underway within the extreme mountain biking sector at Hamsterley Forest and Kielder Water & Forest Park. We will promote this in all marketing materials and look to develop this market further in the future.

Target market

- ABC1 couples with families
- ABC1 couples 25-45yrs DINKS

Planned marketing activity

- Cycling brochure featuring cycling routes across the region which will be tested by cyclists living in the region. They will comprise different levels of difficulty and list pubs, restaurants and key attractions en-route, and importantly information on the region's cycle shops.
- Promotion of the national cycle routes that run through the region including, Reivers, C2C, W2W, Coast & Castles, White Rose and the Three Rivers (Middlesbrough to Newcastle)
- Advertising in newspapers (local and national) and heritage magazines
- Inserts in selected national newspapers
- Development of a microsite within visitnortheastengland.co.uk dedicated to cycling theme which will feature accommodation en-route
- Work with VisitBritain and England's North Country to target international market segments where cycling is a popular activity.



Gardens

Market attractiveness

The region has a number of excellent gardens including, The Alnwick Garden, Crook Hall & Gardens and Raby Castle & Gardens as well as some excellent English Heritage and National Trust properties including Belsay Hall, Castle & Gardens, Cragside House & Gardens and Wallington Hall & Gardens. Gardening is now one of the most popular leisure pursuits in Britain, with over 27 million active participants. Of the 16m visits to gardens each year, most will be made by people on day visits from their home.

Operators offering niche garden tours have experienced high growth rates over the past five years and over the next ten years demand is expected to grow.

In this market we will target both the niche segment (through specialist operators offering a niche garden product) as well as the mid-age market for which research demonstrates that visiting gardens as part of the holiday experience is a growing interest. Here we will use The Alnwick Garden as a magnet attraction acting as a catalyst to grab attention in the market place. Visitors will then be encouraged to visit the rest of the region's gardening product. Research also

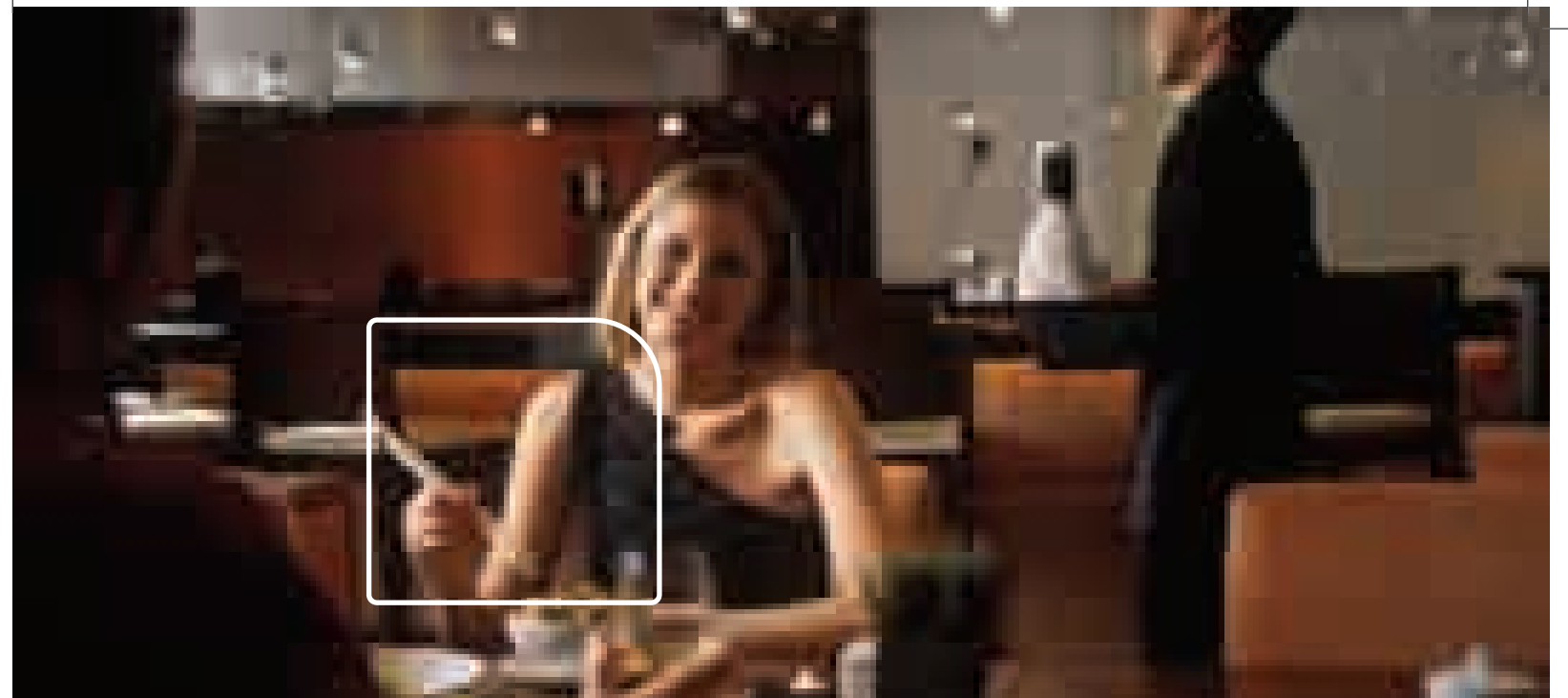
demonstrates that visitors interested in the gardening product are also likely to be interested in arts and culture.

Target market

- ABC1 50+
- ABC1 couple 25-49 travelling with and without their children
- Day visitor market

Planned marketing activity

- Brochure promoting the region's gardens and the region's gardening heritage, i.e. Capability Brown
- Inserts in selected national newspapers
- Develop a microsite on visitenortheastengland.co.uk dedicated to the gardening product
- Targeting of specialist operators to attract the niche gardens market. This will be carried out as part of the groups marketing activity - this is discussed later in this document
- Promotion in key international markets where evidence demonstrates a demand for the garden product i.e. Italy, Norway and Holland.



C8. New Product Development Areas

Working together with the regional tourism partners the following product areas will be progressed in order to assess market and product development needs.

Gourmet

It is recognised that at present the region's product is not strong enough to support a themed gourmet campaign. However, the region has many high standard restaurants and these together with the region's delicacies will be promoted within all marketing campaigns.

Golfing

It is recognised that The Seve Trophy and the Seniors tournament at Slaley will have significant impact on the profile of the region's golfing product. However, the region does not have enough high profile golf courses at present for this to be a viable special interest market. The main UK activity will include the region's golfing product as an activity which can be enjoyed as part of a short break/holiday experience.

Adventure Tourism

The North East has a strengthening product in the adventure holiday market with product development in extreme sports activity provision at Hamsterley, Kielder and The Tees Barrage amongst others. This again will be promoted as part of the main UK activity and

included in the cycling brochure. Further research will be carried out into the growth of this market in the UK and overseas, with a view to developing a dedicated campaign in the future.

Cruise Market

The cruise industry is recognised as the fastest growing segment of the global tourism industry. The increase in business is leading cruise companies to look for new itineraries and quality attractions to satisfy the existing high levels of repeat business as well as the new customer segments that are being developed. Plans are being finalised and the Regional Tourism Team will implement the findings of the working groups in this area, balanced against the economic returns.

C9. Day Visitor Activity

We will run campaigns targeted at the local audience in the region aimed at increasing activity in this market over the summer and during the main holiday periods. The campaign will promote the wealth of attractions across the region to increase visitor traffic, as well as focus on the walking, cycling and gardening themes. It will also aim to get people living in the region to encourage their friends and family to visit.



Activity will include:

- Advertising in regional newspapers
- Regional transport network advertising
- Supplements and wrap-arounds in the region's papers
- Event listing and leaflets in TICs
- Promotion on local TV and radio 'What's on in the region' bulletins

The aim of the campaign will be to support marketing activity being undertaken at both a local level and by individual attractions.

C10. Overseas Marketing Activity

A combination of ENC and VB marketing activity supported and complemented by dedicated North East England marketing activity, driven by the Regional Tourism Marketing Team, in partnership with the Regional Tourism Network, will enable the region to make a significantly increased impact in key target markets.

ENC - through an additional £4.8m Northern Way funding - will also be able to cover new markets and spend more in existing markets - this funding will be available from 2006/07. The Regional Tourism Team will work to increase the region's profile in all ENC's activity and ensure that this activity drives increased business to North East England.

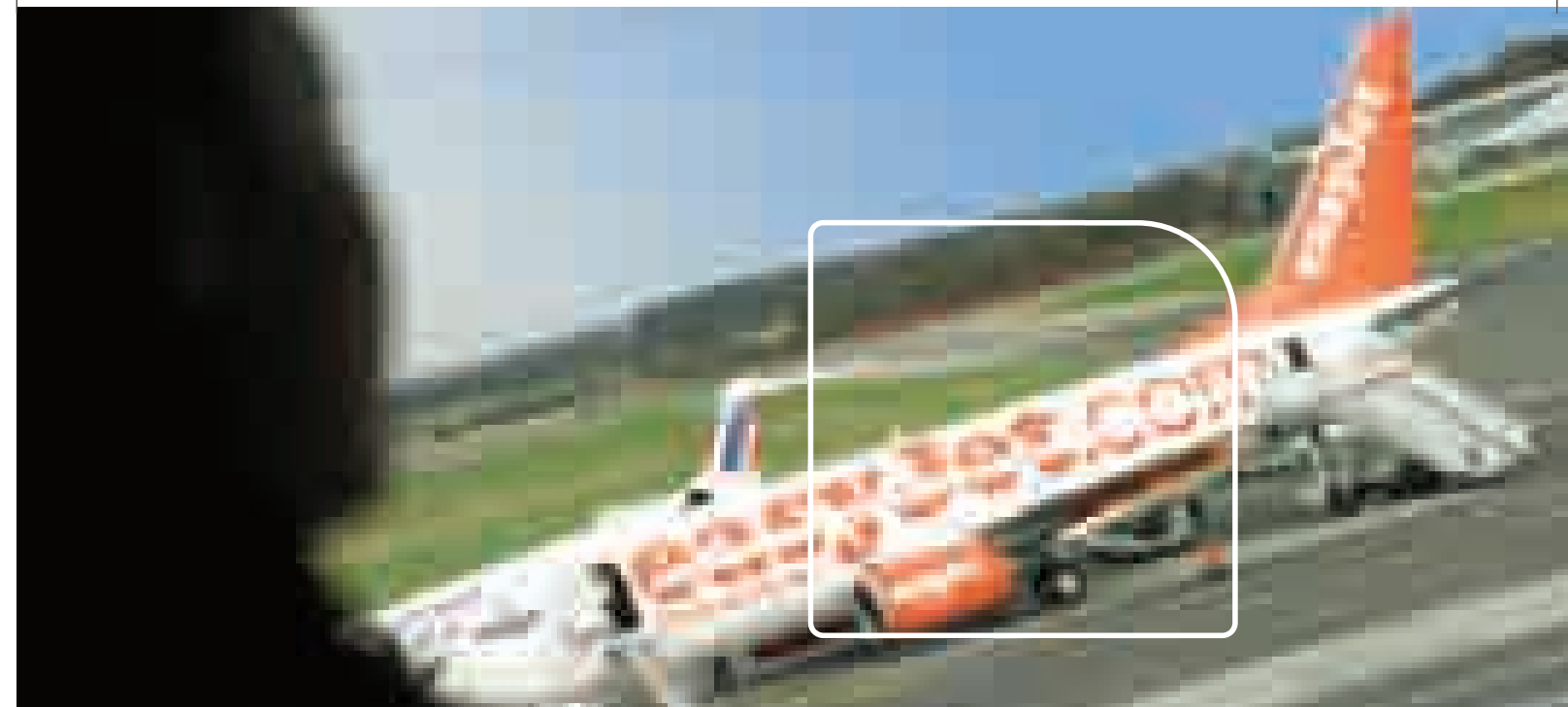
Key to the success of international campaigns will be:

- Working with sub-regional tourism organisations and destinations to profile the region's diverse product and ensure consistency of messages in line with market demand
- Good and frequent communication between the region and ENC and VB. The Regional Tourism Team will take responsibility for this communication. The RTT will work with these organisations to identify product that has strong regional focus and develop campaign themes, utilising the best of the opportunities on offer and ensuring highest ROI
- Development of packages aimed at both groups and the independent traveller. Partnership working with key transport operators and accommodation and attraction providers will be a key element of all campaigns

The Regional Tourism Marketing Team will focus activity at the main stay touring holiday market that accounts for 20% of the overall inbound European holiday market. In 2003, 37% of this market toured Great Britain by car (either their own or hired).

The following international markets were considered during the preparation of this plan; **Germany, Netherlands, Norway, Denmark, Sweden, Italy, Ireland, Spain, France, Eastern Europe, USA, China and Japan.**

The following were identified as priority markets.



C11. Priority Markets

Germany

Market attractiveness

North East England has a good product market fit with German visitors whose key motivators to travel to Britain include culture, heritage and scenery. We will concentrate on selling the region's touring product (i.e. 7+ days stay with car) to this market.

Target markets

- DINKS
- SINKS
- Affluent seniors

Activity

The tourism marketing team will work with both ENC and also with the new Enjoy England Marketing desk, which now has responsibility for these near-Europe markets to ensure significant profile within campaigns targeting these markets.

We will also work with the region's ferry operators (DFDS Seaways) and low-cost air routes (Hapag-Lloyd, easyJet) to raise the profile of North East England. This will include: gateway and on-board advertising/editorial and touring packages aimed at both groups and individuals looking for ferry/drive, fly/drive options.

Netherlands

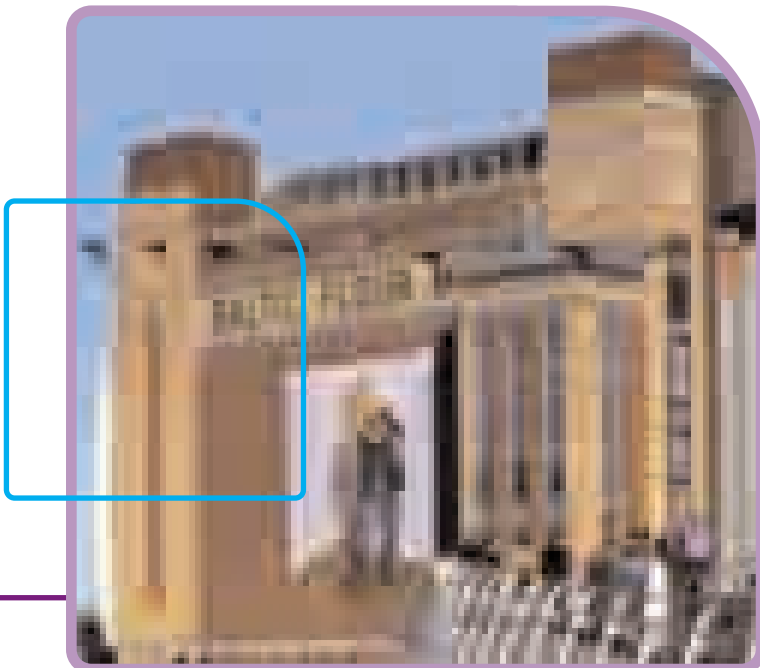
Market attractiveness

Arrival gateways at Newcastle and Durham Tees Valley airports and via the port at North Tyneside mean that access to the North East is very good. Whilst visitor traffic through the region is strong, evidence suggests that currently the majority of visitors using DFDS Seaways use the port as a gateway to Scotland and have little knowledge of the North East England product. However, top motivators to travel to Britain include culture, heritage, outdoor activities and countryside and one of the main motivational triggers for visiting Britain is the wide and varied landscape, all of which fit well with the regional product.

The Netherlands is a strong market for generating year round tourism, with 71% of total traffic taking place outside the peak July - September period (IPS 2002). Their potential for regional spread is also excellent as the Dutch are confident travellers. In addition the Dutch spend consistently higher than the world average.

Target markets

- ABC1 young couple with families
- ABC1 empty-nesters and seniors



Planned marketing activity

Our partners in this market will include ENC, Enjoy England and travel operator DFDS Seaways. We will also investigate partner opportunities in the fly/drive market with KLM which flies direct to both Durham Tees Valley and Newcastle Airports. Activities will include gateway and on-board advertising as well as the promotion of specially targeted packages.

Of particular importance will be promoting the activities that we have to offer in the region that are of interest to this market, particularly walking, cycling and the combination of landscape and heritage.

Norway

Market attractiveness

Access to North East England from Norway is good with the main arrival gateways being the ferry port at North Tyneside, which is served by FjordLine and DFDS Seaways. RyanAir's Oslo/ Newcastle route will launch in September this year.

England's North Country is currently the most popular destination outside London. Norwegian's see Britain as a comfortable and familiar destination and top motivators to travel include: culture, heritage, sport, countryside, shopping and to experience the British way of life.

Target markets

The cosmopolitan segment dominates this market, which can be further broken down to:

- Empty-nesters - main touring holiday or short break with friends
- Couples ABC1 25-45 with families

Planned marketing activity

We will partner on a campaign with VisitBritain and FjordLine, and work with DFDS Seaways to target the main stay touring and short breaks market. This will include gateway and on-board advertising as well as the promotion of specially targeted packages.

Of particular importance will be promoting the activities that we have to offer in the region i.e. walking, cycling and gardens. Norwegians view the experience as very important and want to engage in activities such as attending a musical, festivals & events and food & drink.

The culture¹⁰ events programme, sporting events and venues such as The Sage Gateshead, Sunderland Empire and Middlesbrough Museum of Modern Art (mima) will be strongly promoted.



Additional Nordic Region activity

There are many social, economic and cultural similarities between Norway and other Nordic countries, and this provides an opportunity to maximise marketing resources. Therefore in addition to activity in the Norwegian market we will be a major partner with VisitBritain and ENC in their Nordic region campaign covering Norway, Denmark, Sweden and Finland. This will maximise North East England brand exposure in these markets.

To support this we will also undertake marketing activity in Sweden in order to maximise visitors via the DFDS Seaways Gothenburg-Kristiansand-North Shields' route. Joint marketing activity with DFDS Seaways will include features in DFDS marketing literature and PR. As trends show that travel in this market is increasingly last minute, the campaign will also include deal-driven tactical activity at key points during the year, via e-mail and direct mail activity.

Italy

Market attractiveness

Italian visits to the UK have grown by 25% since 1999 and the long term forecast to 2009 shows the Italian market growing by a further 25%. Both Newcastle and Durham Tees Valley airports see Italy as a priority development market.

Top motivators for travel to Britain include British culture & heritage, sightseeing; city lifestyle experiences including exhibitions and galleries, music, shopping; business meetings, incentives and conferences.

DINKS and SINKS markets seek a participative experience and there is considerable appeal among these segments for countryside and coast experiences. Older travellers enjoy cultural heritage and gardens with castles and historical attractions amongst the top motivators.

Target markets

- Youth 16-24
- ABC1 DINKS and SINKS

Planned marketing activity

As a growing market, and one that can be attracted via low-cost airlines, "development marketing" will be undertaken in Italy. This initially will centre around the Milan and Rome suburbs, where target market analysis shows a fit with the North East England product.

In the early stages the majority of this activity will be undertaken with the support of VisitBritain and ENC. However, we will aim to support this activity by developing relationships with RyanAir to look at opportunities including gateway and on-board advertising as well as targeting Italian travel press.



Ireland

Market attractiveness

Visits to North East England from Northern Ireland and the Irish Republic saw strong growth in 2004 after a fall in the previous year. However, travelling from Ireland to North East England is difficult outside of the low cost airline routes, which has resulted in demand mostly in the city-based short-breaks market.

The North West (especially Manchester and the Lakes) and Yorkshire remain preferred destinations with the Irish, due in part to close proximity. However, trends suggest that visitors are looking for new holiday options and opportunities exist to attract more traffic to North East England.

Target markets

- ABC1 25-45 DINKS ABC1 45+
- ABC1 45+ empty-nesters

Planned marketing activity

We will look to undertake some marketing within Ireland in partnership with the two regional airports, RyanAir, Flybe and bmibaby in order to establish the demand for the North East England touring product via fly/drive packages.

We will also work with England's North Country to target those visitors arriving via north west ferry ports.

North America

Following the announcement of the direct flight between New York (JFK) and Newcastle in August this year, the Regional Tourism Team will work together with American Airlines and Newcastle Airport to develop a marketing campaign aimed at the North American Market.

Within this market we will work closely with VisitBritain's New York office with particular emphasis on developing the lucrative VFR and group travel markets.

International Support Activity

All international marketing activity will also be supported by: attendance at key trade shows, proactive PR, press & trade familiarisation visits, targeted newsletters and dedicated websites with translation where necessary.

In addition to this work we will look to develop campaigns aimed at the VFR markets particularly in the USA, Ireland and Germany where VFR traffic to the region is strong (see Appendix 1 - Overseas Markets). This activity will include PR, editorial presence and viral e-marketing which have proved to be the most effective marketing tools in the recent VisitBritain VFR campaign.



Increased funding available through The Northern Way Growth Strategy (2006/09) will enable the region to consider long-haul destinations such as Australasia as well as further development in the North American market. The Regional Tourism Team will work with regional partners, ENC, NorthWest Development Agency and Yorkshire Forward to take forward plans for these markets.

Feasibility studies will also be carried out into emerging markets such as Eastern Europe, China and Japan with a view to entering these markets in the longer term.

C12. Business Tourism Activity

The North East's product for the conference, meetings and events market includes NewcastleGateshead, the Tees Valley, Durham City, academic institutions, venues such as The Sage Gateshead, and destination hotels such as Slaley Hall, Matfen Hall and Seaham Hall. These destinations and operators will all be promoting themselves strongly in the conference market. Northumberland also has a strong conference product and is looking to build upon its current market share.

The Regional Tourism Team will meet with sub-regional partners and a separate report discussing this market will be published later in the year. This will set out how One NorthEast will look to add value to the work already being undertaken regionally.

C13. Website and E-marketing Activity

A regional tourism ICT system (a redeveloped Destin-e) will provide North East England with the capability to manage and distribute its tourism product instantly and drive our web and e-business activity. The new regional tourism website visitnortheastengland.co.uk will provide visitors with all the information and tools required to research, choose and book their visit to the region.

We will be developing an e-marketing plan that will consider the following elements for delivery:

- Information that is electronically accessible to all
- Translation of sites into key languages
- Thematic and campaign microsites (websites which are linked to the main site but contain specific campaign information)
- Accommodation, Attraction and Event bookings
- Search engine optimisation to improve the ranking of our web pages in the results generated by Search Engines through the choice of targeted Key Terms relevant to the subject matter
- Ensuring product data and editorial content is syndicated to other distribution and sales channels to expand online networks such as EnglandNet, VisitBritain and England's North Country
- E-marketing campaigns
- Viral marketing
- SMS campaigns
- Tailored itineraries and 'My North East England' planners



- Interactive tourist guides downloadable to mobile devices such as mobile phones and Personal Digital Assistants (PDAs)
- Use of cd and dvd brochures
- Facility to provide feedback on our web offerings
- Management information such as the provision of web and campaign performance information

Our aim is to provide the region with world-class eTourism services and sales channels that differentiate North East England from our national and international competitors. We will make our region an easy to book destination to achieve and maintain a true competitive advantage.

C14. Group, Travel Trade and Schools Marketing

We will refresh the existing groups product in the region developing new itineraries to attract existing operators back to the region and encourage repeat business. In addition to this we will proactively target the high value / luxury segment of the group market.

Activity will include;

- Promotion of the region's history and heritage product to upmarket operators
- Work together with specialist operators to identify the viability of new niche packages i.e. gardens, golf, art, music etc
- Work with travel operators including FjordLine, DFDS Seaways and airline carriers to promote the region's touring product
- Continue to work with cruise operators in the USA and Europe to attract the luxury cruise market to the region
- Group travel and schools marketing through two separate guides, and complemented by an expanded and themed set of information packs
- An expanded range of Group Travel Roadshows held outside the North East
- "Points North" and "Look and Learn" newsletters, both in print and on the web (and e-marketed to an expanded database of over 15,000 key contacts)
- Attendance at the main travel trade exhibitions, including Great Days Out (Feb.), BTTF (March), Coach Tourism (May) and ExpoCoach (Oct.)
- A "key account sales" approach, where top tour operators are contacted on a regular basis, in order to persuade them to (a) package new North East destinations, (b) run more regular tours, (c) try new accommodation options, or (d) feature itineraries to new events.



C15. Attractions and Regional Tourism Information

There is a need for a comprehensive series of regional tourism promotion and information literature, and websites, which will complement the short break and holiday promotions. The following suite of marketing literature will be produced by the Regional Tourism Marketing Team;

Consumer Focused Literature

- Experience North East England - Holiday and Short Breaks Guide
- Quarterly Events Programme/ Listing
- 'Time out' style pocket guide publication
- Walking Guide
- Cycling Guide
- Gardens Guide
- Group Travel Guide
- Educational Guide

Website and e-marketing

- visitnortheastengland.co.uk including specific autumn and spring campaign microsites and information on themed markets i.e. cycling, walking and gardens
- Viral marketing campaigns alongside seasonal and themed activity

This activity will be enhanced by sub-regional attractions and events guides. Within the sub-regions, this will be complemented in the "print hierarchy" by individual attractions' brochures and existing town mini-guides.

C16. Tourism PR

2005 saw a PR agency employed to work with One NorthEast's in-house resources to maximise PR for the North East tourism product. This PR exposure will be maintained, and an important part of it will be to work with the tourism businesses to maximise opportunities.

Activity will include;

- Journalist familiarisation visits to the region to encourage increased press coverage
- Activity targeting specialist press to support campaign activity in niche markets
- Dedicated press area at visitnortheastengland.co.uk
- Maximise editorial opportunities around planned advertising in key regional and national titles
- E-marketing targeted at registered press
- Work with key partners including VB, ENC and travel operators to identify joint PR opportunities
- Secure editorial coverage in themed magazines i.e. Guardian's gardening supplement etc.

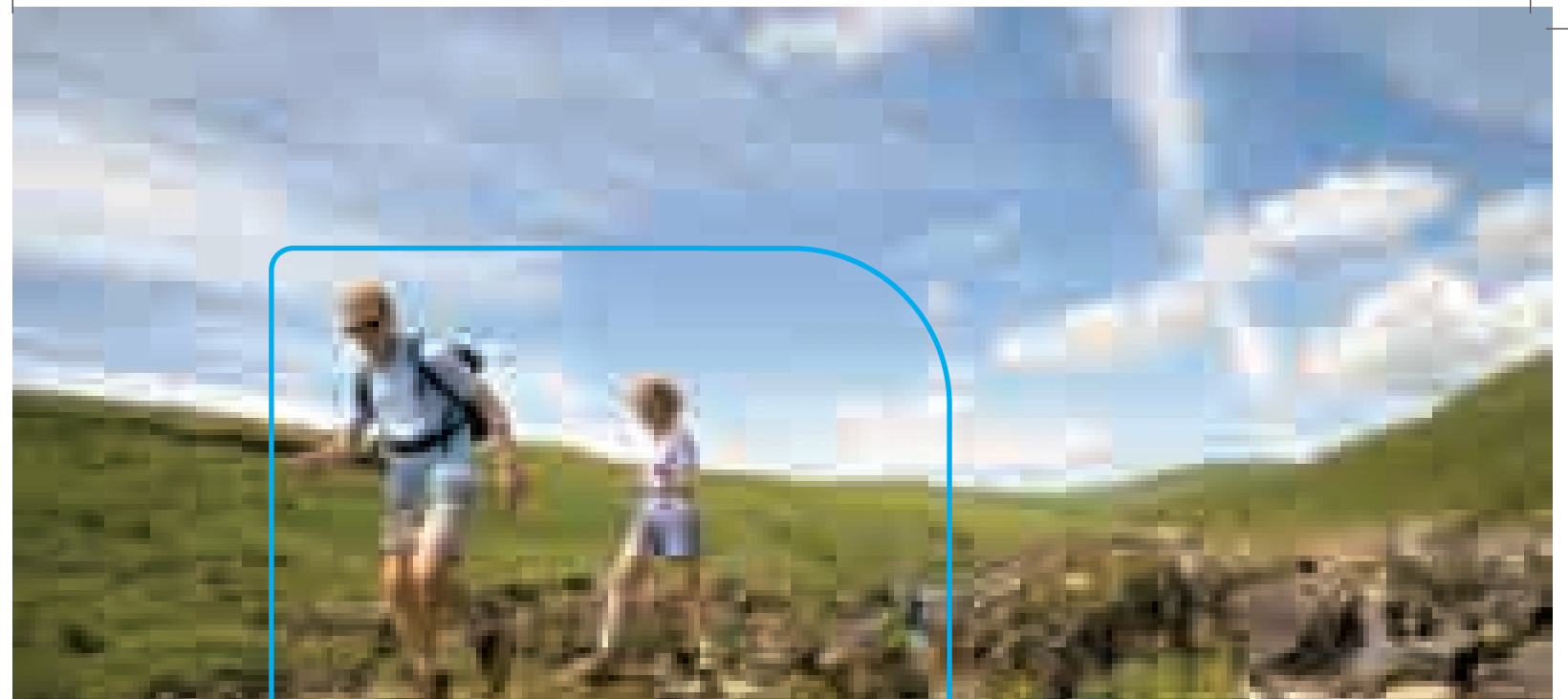
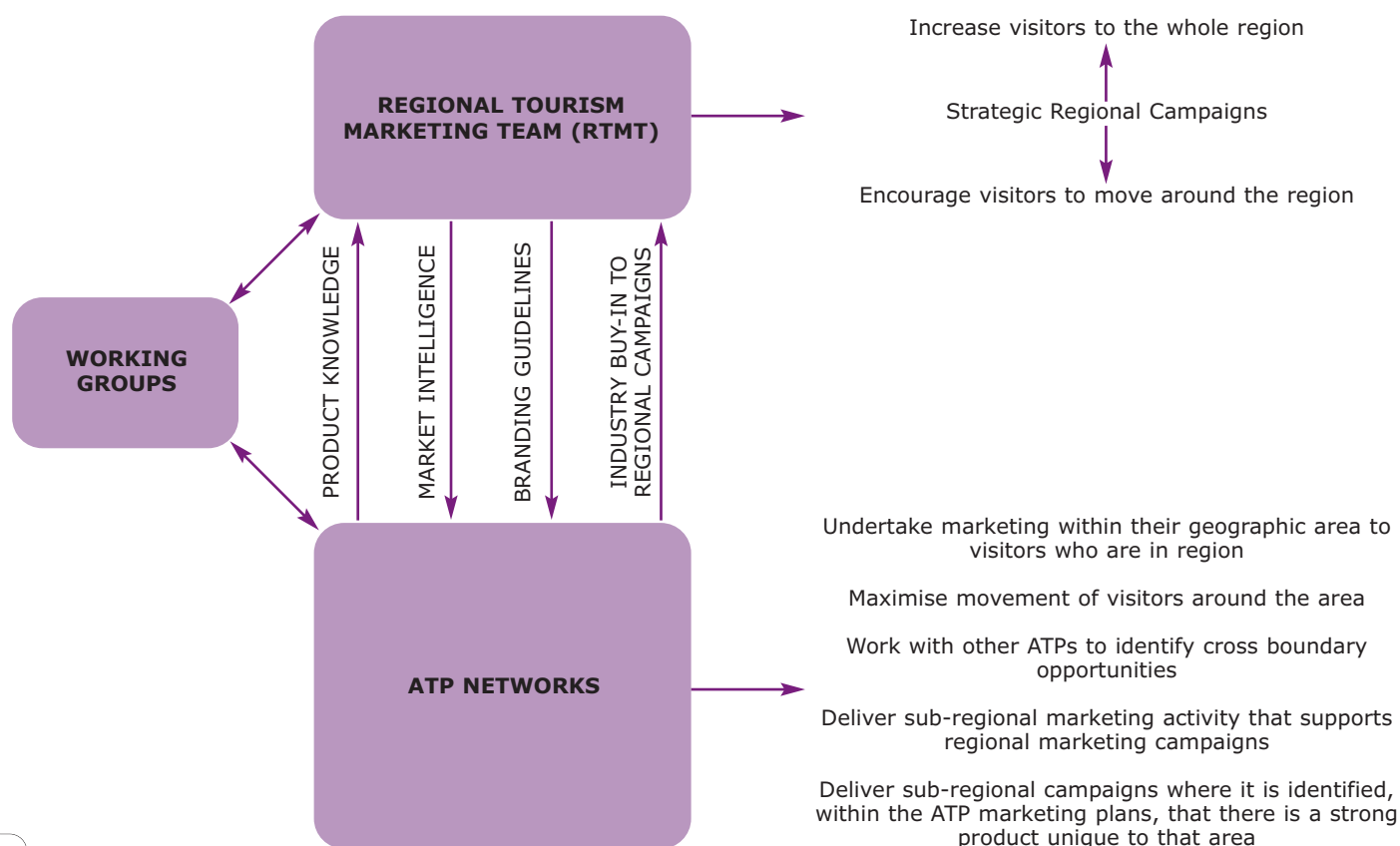


C17. Area Tourism Partnership (ATP) Network

The structure of tourism in the region will develop over the next few years. Area Tourism Partnerships will be set up for each sub-region.

ATPs will have responsibility for tourism marketing that complements existing activity being undertaken by individual organisations. They will also look to identify cross sub-regional opportunities where product synergy exists with other ATPs in the network. An example of this could be NewcastleGateshead working together with Durham to develop a city-culture/heritage product.

Diagram 1: Regional Tourism Communication Channels



Critically there will be a two-way communication process between each ATP with the Regional Tourism Team (RTT), please refer to Diagram 1. Key members of each ATP will sit on a regional tourism working group.

Groups will work together;

- with the RTT to gain an understanding of the product in each sub-region
- with members of the working group to identify product which has a regional focus, for inclusion within regional campaigns
- to ensure all sub-regional marketing materials reflect the North East England brand architecture, in a way that is credible for sub-regional products

The working group will also enable all partners to influence the regional agenda through consultation. A discussion paper on the ATP network will be published later in the year.

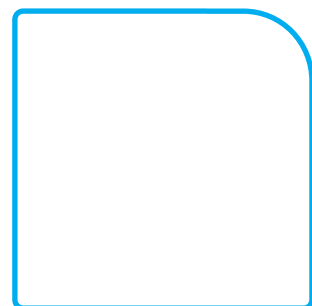
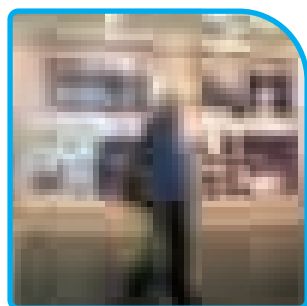
A Partner Marketing Fund

Once the ATP structures are in place a £60K 'Partner Marketing Fund' from the regional marketing budget, will be set up to encourage new initiatives. The fund will be equally split between the four sub-regions and will be used where additionality can be proven.

Criteria against which initiatives will be judged are:

- fit with regional tourism priorities
- ability to attract additional levels of business
- ability to encourage visitor dispersal throughout the region
- ability to help build North East England's brand profile

Overall the initiatives must be new activity that would not otherwise take place.



C18. Measurement and Research

Measurement and evaluation of marketing campaigns and tactical activity will be of paramount importance.

Key promotional initiatives will be researched in terms of the impact they have had on the marketing objectives set and the result that has been achieved.

Key evaluation activities will include:

- Use of ENC and VB evaluation results
- Full scale visitor survey
- Specific conversion research on the main campaigns, in addition to response tracking
- Brand tracking
- Website surveys
- Potential visitors requesting information will be sent questionnaires to establish effectiveness of marketing literature
- Number of trade visitors hosted and resulting new regional product/programmes developed
- Number of media hosted and resulting coverage achieved
- Response tracking will measure take-up of all direct response advertising and direct mail to monitor its effectiveness
- Together with regional partners we will monitor hotel occupancy levels, tracking patterns over time to enable detailed scrutiny

- Market research into existing and new market segments, both domestic and international
- Research into the ways visitors use promotional material, specifically holiday guides

Results will be used to determine future marketing activity.

C19. Action Planning

Detailed annual marketing action plans will be produced for each target market. These will be regularly communicated to tourism partners.

Summary

This plan signifies the beginning of an exciting era for tourism in North East England. The success of the Regional Image Campaign together with increased funding and a dedicated Regional Tourism Team ensure that we are ready to move forward and promote the region on a worldwide stage. As a region we are now much better connected to the rest of the UK and Europe and the new American Airlines route is a real milestone marking the region's coming of age.

This marketing plan will act as a basis from which the region will move forward, and the Regional Tourism Team will work together with our sub-regional partners to develop a truly competitive regional tourism product.

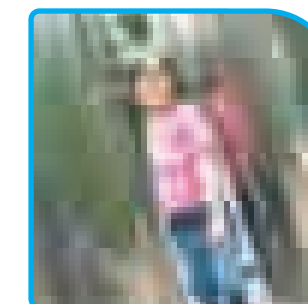


Glossary of Terms

ENC	England's North Country
VB	VisitBritain
RTT	Regional Tourism Team
ATP	Area Tourism Partnerships
TIC	Tourist Information Centres
ROI	return on investment
DINKS	double income no kids
SINKS	single income no kids
DINKY	double income no kids yet
VFR	visiting friends and relations
SMS	short messaging service
BTTF	British Travel Trade Fair
RTMT	Regional Tourism Marketing Team

Sources of Data

- Taylor Nelson Sofref (TNS) Brand Tracking Survey - VisitBritain 2002
- VisitBritain Forecasts for Inbound Tourism 2005
- VisitBritain Overseas Market Intelligence Reports - April/May 2005
- VisitBritain Country Profile www.tourismtrade.org.co.uk
- Through Irish Eyes - Irish Attitudes towards the UK - 2003
- England's North Country - Strategic & Marketing Plan 2003 - 2006
- The British on Holiday at Home Report - Mintel 2004
- International Passenger Survey 2003 & 2004
- Great Britain Leisure Day Visits - Countryside Agency 2004
- Arkenford Segmentation - Insights Report



Appendix 1

Detailed Market Analysis

Domestic Leisure Tourism, Short Breaks

Short breaks account for approximately 65% of all holiday trips. Short breaks can be countryside based or city based.

- **Countryside Based**

Market profile: cosmopolitans/discoverers
ABC1 empty-nesters 45+ / ABC1
DINKS
3 hrs travel time / urban dwellers

According to VisitBritain, 81% of people on a short break take part in some kind of outdoor activity. With the majority of people living in urban environments in Britain, taking part in an outdoor activity or an activity in the countryside is a widely recognised way to 'get away from it all'. An outdoor break can be a walk or gentle cycle ride of a couple of hours, a good lunch, and a visit to a historic building, garden or church.

The region has a competitive product in soft and hard outdoor activities, including golfing, cycling, walking and shooting among others, as well as water-based activities, sailing, canoeing, fishing and rowing. In addition the beaches, gardens and heritage products appeal to this market.

The TNS survey conducted by VisitBritain showed that the 'unspoilt countryside', 'beaches and

coastline', 'history and heritage', 'quality food and beverage', 'the opportunity to explore several locations by car or coach', 'interesting villages' and the 'chance to see wildlife in its natural habitat' were key motivators when selecting a destination for a short break or holiday.

North East England has an excellent product/market fit in this market with potential target segments including urban dwellers in Merseyside, Manchester, Scotland (Glasgow, Edinburgh & Lothian), Yorkshire and Humberside.

- **City Based**

Market profile: cosmopolitans/high streets
ABC1 empty-nesters 45+ / ABC1
DINKS / ABC1 singles
3 hrs travel time

Domestic city breaks outnumber inbound city trips 5:1 and the market is forecast to grow from 23.9 million trips in 2004 to 36.5 million in 2009. Spend on city breaks is also predicted to grow by 39% in real terms to be worth £6.2 billion in 2009. City based short break trippers' value lots of places to visit, good quality food and drink, and high quality accommodation.

The region has a competitive product in this respect, led by NewcastleGateshead with its

cultural attractions, cultural and sporting events, shopping and restaurants, and Durham as a heritage city. Added to this is an emerging regional cultural product including attractions such as The Sunderland Empire, Middlesbrough Museum of Modern Art (mima), the region's museum network and the culture¹⁰ events programme.

City breaks can be taken all year round. Competition is strong, but NewcastleGateshead is performing well as is Durham in the Heritage City market lying 7th in Superbreak's most popular Heritage City destinations.

Domestic Leisure Tourism, Longer Holidays

According to research (Mintel2004) 37% of domestic trips taken in 2002 were long holidays.

Consumers of longer holidays in North East England are likely to be of a similar profile to the country based short break market. They are motivated primarily by the countryside and coast product and tend to stay in rural areas, however they do often include a visit to a city as part of their overall holiday experience. Consumers tend to be older (with two thirds over 50) than the short breaks market and are high spenders.

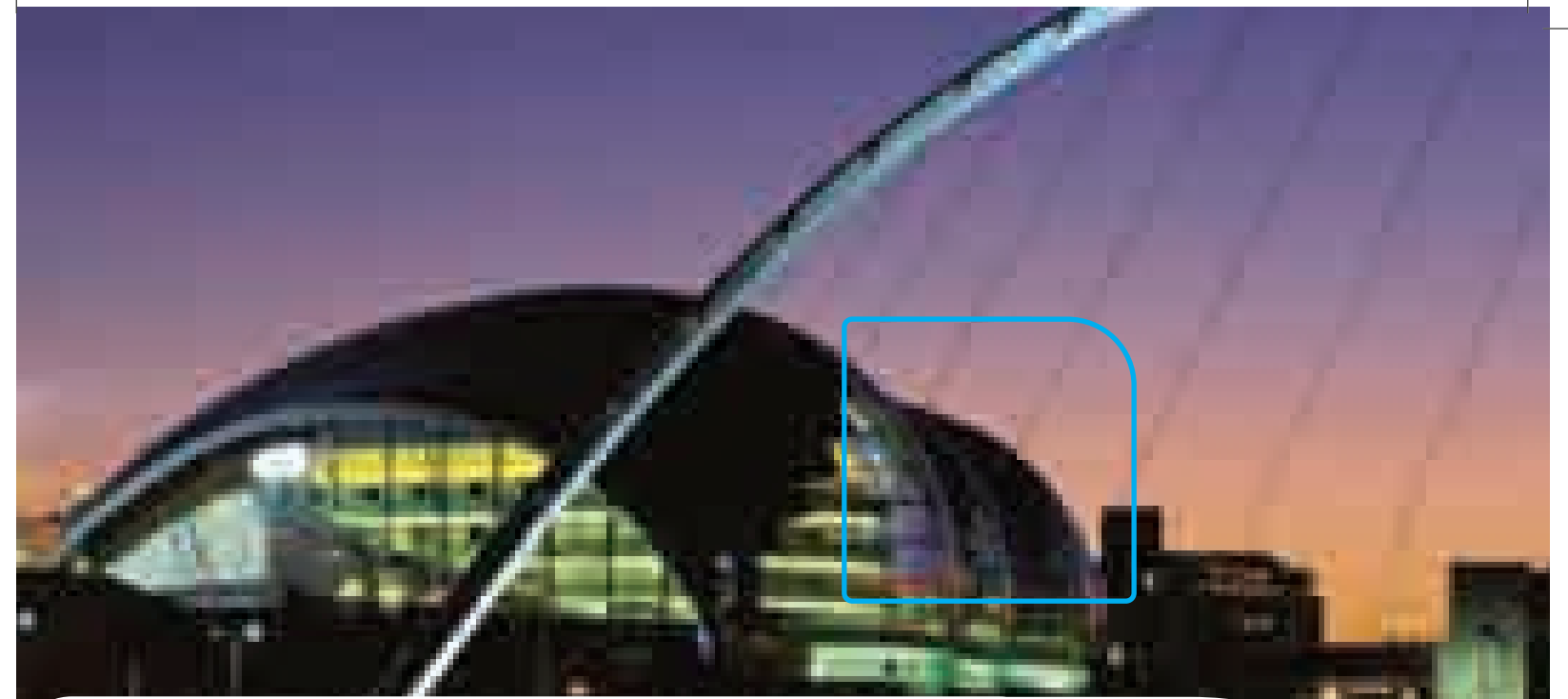
Overseas Leisure Tourism

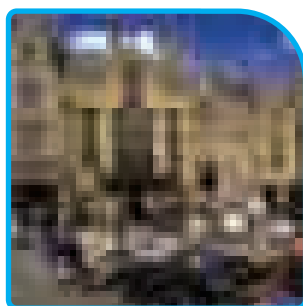
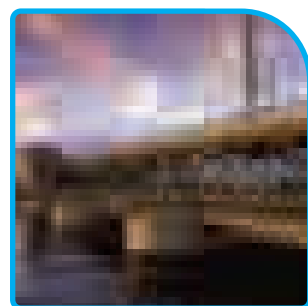
In the UK 2004 was a good year for inbound tourism and VisitBritain forecasts for 2005 suggest an, 'ongoing release of pent up demand following three years of crises between 2001-2003'. International visitor numbers have remained buoyant following the July 7th bombings, however the impact of these events will not be able to be measured fully until early 2006.

Over the last 5 years Italy, Spain and Ireland have provided the greatest growth in UK inbound tourism but France and Germany still provide the greatest number of inbound visitors from Europe. Europe accounts for 69% of all inbound tourism to the UK, followed by North America with 16% and Australia and New Zealand with 3.5%.

Whilst only accounting for around 10% of total trips to North East England the overseas market accounts for over 20% of value.

The market can be split into two broad sectors:





Overseas Tourism - Short Breaks (City based and Country based)

Market profile: cosmopolitans / discoverers
 ABC1 25-34 DINKS / ABC1 35-44 young couple with families / ABC1 45-54 empty-nesters
 Direct travel links with region

As with the domestic market short breaks can be either city based or country based. The city-break market accounts for the majority of trips. 42% of visits to the UK are 1-3 night breaks, which have demonstrated sustained growth from 1998 to 2003 and account for the best seasonal spread of all visit durations.

NewcastleGateshead and Durham are both successful in the international city based short breaks market.

Country based short breaks account for 12% of the inbound European short break market. These consumers tend to book on a shorter lead-time than those looking for a longer holiday and are likely to choose a countryside hotel, B&B or self catering accommodation. An opportunity exists to target this market alongside the main stay touring market via tactical short-lead time activity.

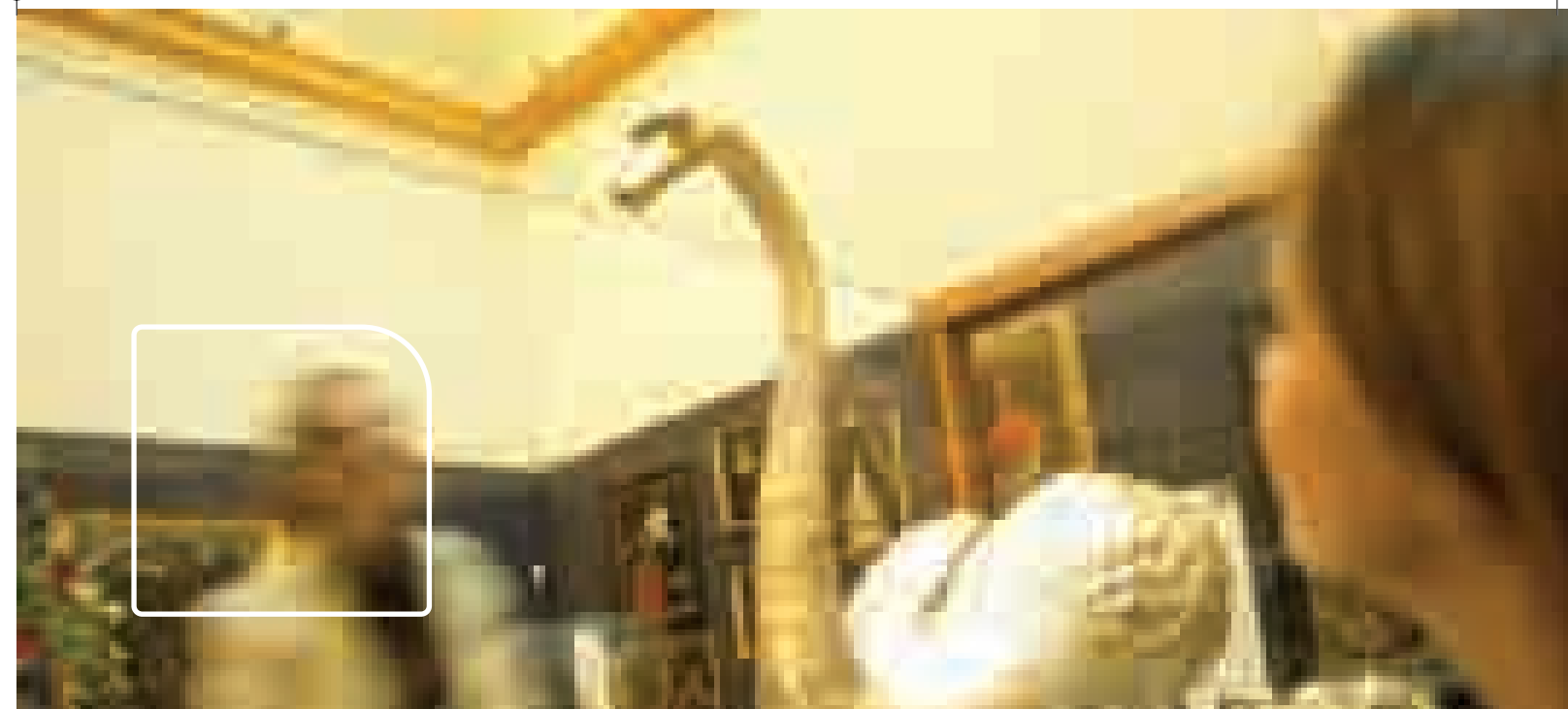
Overseas Tourism - Main Stay (Touring)

Market profile: ABC1 25-34 cosmopolitans / ABC1 25-44 independents / ABC1 45-55 empty-nesters / 55+ savvy cosmopolitans / seniors / VFR
 Fly/Ferry drivers: good connections to UK

Touring holidays account for 20% of the overall inbound European holiday market. In 2003, 37% of this market toured Great Britain by car (either their own or hired).

This market is motivated by a diverse touring product including town, country and city, living history and landscapes. Respondents to the TNS survey conducted by VisitBritain stated that whilst the 'unspoilt countryside' and the opportunities to explore several locations by car and coach were far above average in the satisfaction stakes; the beaches and the chance to see wildlife in its natural habitat scored average and below average respectively. North East England could therefore, capitalise on this opportunity by presenting its abundance of beaches and wildlife, National Trust and English Heritage properties.

There is an opportunity for a North East England touring campaign, encouraging visitors to move around the region and increase visits throughout the year, not solely in the main holiday season.



Overseas Markets

The markets listed in this section have all proven to offer an excellent product match for the North of England and are currently England's North Country target markets. A break down of the purpose of visits to North East England from selected countries, during 2004 where data is available, is included below.

Country	Business	Holiday	Other	Study	VFR	Total
Germany	33	17	7	3	13	72
Norway	5	31	16	0	5	57
USA	13	17	2	1	23	56
Irish Republic	7	11	3	1	23	46
Netherlands	11	6	2	0	6	24
Italy	7	4	0	0	9	20
Sweden	3	0	0	0	5	8

Europe (short haul)

Germany

The outlook for the German market is good. The number of 'high spenders' in Germany is still increasing and travel operators are claiming bookings are up 30-40% for 2005. Newcastle Airport places Germany as the strongest incoming market through this arrival gateway. In addition over 40% of travellers using the DFDS Seaways Amsterdam-North Shields ferry service are from Germany. North East England has a good product market fit with the Germans whose key motivators to travel to Britain include Culture, Heritage and Scenery. Visitors from Germany are most likely to be DINKS (Dual Income No Kids), SINKS (Single Income No Kids) and Affluent Seniors.

The Germans are 'world champions' in holidaymaking taking more overseas holidays than any other country. They get 5-6 weeks annual leave and are consequently a good market for extending the season. Germany was ENC's best performer in 2003 generating the highest visitor spend and a market penetration rate of 9.7%, which is a useful indicator of the degree to which potential visitors can be persuaded to visit - or those already coming can be persuaded to stay longer. As a benchmark, VisitBritain claims a global penetration rate of around 8-9%.



Netherlands

This market has not grown over the last 5 years but arrival gateways at Newcastle and Durham Tees Valley airports and an arrival port at North Tyneside mean that access to the North East is very good. Evidence currently suggests that a high number of visitors use the North East as a gateway to Scotland and have little knowledge of the North East England product. In addition the top motivators to travel to Britain include culture, heritage, outdoor activities and countryside and one of the main motivational triggers for visiting Britain is the wide and varied landscape, which fits well with the regional product. Outdoor activity and soft adventure - particularly walking and cycling offer strong marketing propositions. ENC achieved a market penetration rate of 13.1 in the Netherlands in their 2004 marketing campaign.

The Netherlands is a strong market for generating year round tourism, with 71% of total traffic taking place outside the peak July - September period (IPS 2002). Their potential for regional spread is excellent, therefore competition from other countries is high. In spite of a reputation for thriftiness the Dutch spend consistently higher than the world average. Targets include families, empty-nesters and seniors.

Norway

The outlook for Norway is good, with Britain ranking third in overseas destinations for Norwegians. The excellent access to the North East provided through the ferry port at North Tyneside makes England's North Country the most popular destination outside London. Norway has the world's largest female online population making e-marketing an important, and cost effective, channel of communication.

The Norwegians are high spending, have a tendency for off peak travel and the trend for last minute travel is increasing. Motivations for travel include language, countryside and cultural attractions and many choose holidays that are activity led. They also have a strong interest in experiential products such as golf, gardening and events. Targets include DINKS and empty-nesters.



Sweden

The Swedes see Britain as a comfortable and familiar destination and are keen to use their own cars to tour around the country. Trends show that Swedes are looking for new and innovative touring ideas and are keen to try new destinations. Top motivators to travel include: culture, heritage, countryside, gardens, sport, people and shopping.

In addition to this there are many social, economic and cultural similarities between Sweden and other Nordic countries, particularly Norway, and this provides an opportunity to maximise marketing resources.

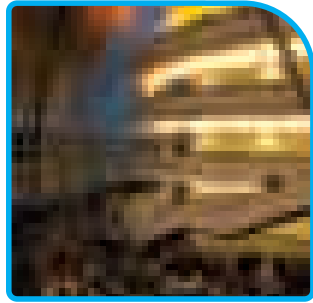
In general Swedes take 3-4 breaks a year, and the trend for travel is increasingly last minute. The market provides an excellent opportunity to achieve seasonal spread.

Denmark

There are many social, economic and cultural similarities between Denmark and other Nordic countries. This provides an opportunity to maximise marketing resources. However, the effects of rejecting the Euro has resulted in the cost of travelling to Britain rising by around 5%. Access to the North East is provided by a direct flight from Copenhagen into Newcastle Airport (SAS Airlines). Typical flight cost is £100-200 making it more expensive than a low-cost airline option.

Top motivators to travel include, culture, heritage and soft activities. There is a strong interest for experiential products such as golf, football, cultural tours, gardens and events.

Denmark is top of the world e-readiness ranking with internet penetration at around 83% allowing markets to be reached cost effectively via the web.



Italy

Italian visits to the UK have grown by 25% since 1999 and the long term forecast to 2009 shows the Italian market growing by a further 25%. Both Newcastle and Durham Tees Valley airports see Italy as a high priority market. Access through the low costs airlines is good and provides a market opportunity to attract Youth, DINKS and SINKS and discretionary business tourism. Top motivators for travel to Britain include British culture & heritage, sightseeing; city lifestyle experiences including exhibitions and galleries, music, shopping; business meetings, incentives and conferences.

The DINKS and SINKS markets seek a participative experience and there is considerable appeal among these segments for countryside and coast experiences. Senior travellers enjoy cultural heritage and gardens with castles and historical attractions amongst the top motivators.

Ireland

Visits to North East England from Ireland saw strong growth in 2004 after a fall in the previous year. Ireland has a strong seasonal spread and the low cost airlines are generating demand in this market for city break holidays, with direct links from Dublin and Cork from Durham Tees Valley Airport and Dublin and Belfast from Newcastle. However, travelling from Ireland to North East England is difficult outside of the low cost airline routes. For this reason, the North West (especially Manchester and the Lakes) and Yorkshire remain preferred destinations with the Irish, due in part to close proximity.

However the Irish market to Britain is growing, as is ENC's market share. Trends suggest that a significant number of this market are repeat visitors who are looking for new touring holiday options. This presents an opportunity for North East England to raise the profile of its touring product within the Irish market.



Spain

Spanish visits to Britain have increased significantly (76%) over the last 5 years and ENC attracts a 16% share of this market. A large percentage of this market is VFR fuelled by the 25% that are actually British nationals. Arrival gateways at Durham Tees Valley and Newcastle Airports provide some opportunity to access this market, however, the product that the market requires is based around music, fashion, lifestyle and shopping and competition is high with London, Manchester, Glasgow, Edinburgh, NewcastleGateshead and Liverpool competing in the city break market. Niche opportunities do exist in the youth and gay markets.

France

France generates the greatest number of overseas visits to the UK of any European country, the majority of which enter via one of the UK's southern ports. For this reason South East England sees the majority of visitors to the UK. Visits to North East England by the French fell sharply in 2003 but did recover in 2004, however the majority of these visits were for business.

Overall Britain does not appeal to the mass market in France as there is not a good product/market fit. The focus of ENC is on niche segments such as the youth and gay markets. Top motivators include culture, heritage, shopping and events. Short breaks are the most popular type of UK break.

Newcastle and Durham Tees Valley Airports have direct flights to Paris (Charles de Gaulle) however access to this airport from the suburbs of Paris is difficult due to volume of traffic and relative journey times.

Eastern Europe

Over the last 5 years the greatest percentage growth in UK inbound tourism has come from Europe with Eastern Europe achieving the highest percentage gains (from a very low base). The region has direct low costs flights from The Czech Republic and Hungary. VisitBritain is currently carrying out research into these growth markets.



Overseas Markets - Long Haul

USA

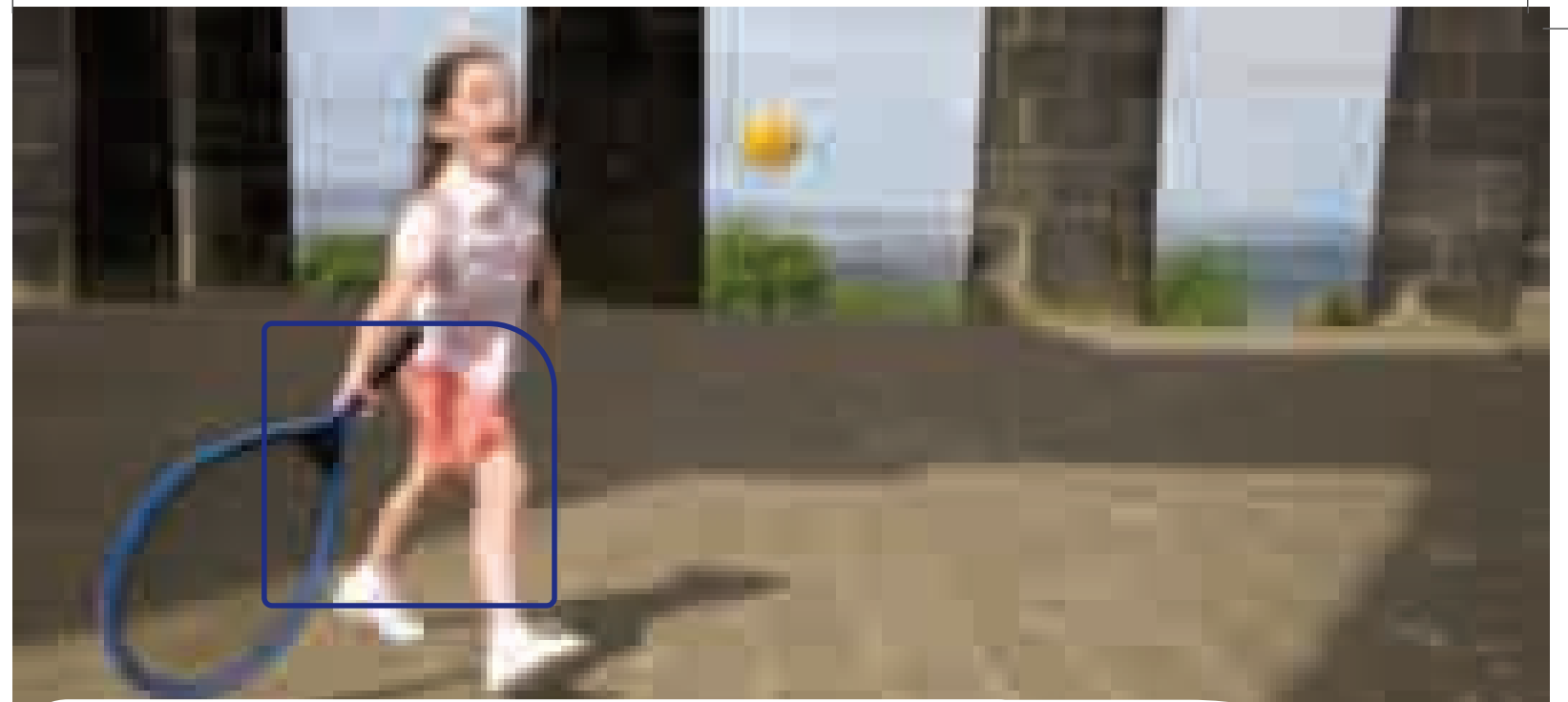
The number of US visitors to Britain has decreased since 2000 and, whilst growth is predicted for the future, the strong pound means that Britain will be perceived as an expensive destination. Currently North East England performs quite well in this market though this is likely to be driven by VFR and business tourism. It is expected that visitor numbers will significantly increase with the launch of the new American Airlines direct route from New York to Newcastle in May 2006. Top motivators to travel include culture, heritage, art, gardens and experiences. Key attractions in North East England currently include Durham Cathedral, Washington Old Hall (Ancestral home of George Washington, the 1st US president), The Alnwick Garden and Hadrian's Wall.

Competition from the cruise market and domestic destinations has led VisitBritain to take steps to place Britain in a more competitive position working with the cruise industry to attract new vessels to UK ports. The Port of Tyne together with partners across the region has been successful in this area and the port is now attracting regular cruise operators to the region.

China

China is a strong investment market for North East England but is currently ranked 16th in terms of the most popular international destination for Chinese visitors. Educational trips represent the biggest market at present with students visiting Britain to learn English at one of the country's International Language Schools.

However travelling overseas for leisure is growing rapidly with the World Trade Organisation (WTO) predicting a rise in the number of outbound visitors, reaching over 100 million by 2020. Top motivators to travel include, studying, VFR, culture, history and heritage. It is speculated that those likely to travel in the next 5 years are likely to be aged between 25-34yrs. VisitBritain recently organised a leisure familiarisation trip in London for this market and is currently working to identify long term opportunities for the UK regions. The Agency has established trading links through UKTI and these will be developed further to exploit the considerable tourism potential in the Chinese market.



Japan

The number of Japanese travelling abroad during 2002 was 16.52 million, surpassing the previous year by 1.9%. 66% of total overseas travel was for tourism purposes.

Unlike other Key European destinations e.g. France & Italy, travel to Britain is concentrated in the high season of June to September. There is ample opportunity to promote autumn and early spring travel as well as covering the high season. Overall outbound travel is still dominated by package travel but independent travellers are increasing to Britain.

The long term potential of the market is encouraging. The 65+ market holds 80% of Japan's personal savings and have an abundance of leisure time. At present in the terms of regional spread, 96% of Japanese travellers visit England and 80% visit London. Therefore there are ample opportunities to introduce other countries and regions of Britain.

More Japanese businessmen visit Britain than any other European country. The region has a large number of Japanese businesses and the opportunities presented by this market will be investigated through the One NorthEast Business and Industry Directorate.

Discretionary Business Tourism

According to VisitBritain, Discretionary Business Tourism (i.e. business visitors that choose to come to an area for a meeting or conference) accounts for 28% of all inbound visits and 29% of all expenditure. Discretionary business tourism visitors spend on average 3 times more than leisure visitors. 17% of conference delegates are accompanied by a guest who is not a delegate and 40% of delegates say they will return for a holiday or short break. Discretionary business tourism has grown by around 53% over the last ten years and is predicted to grow at a faster rate than any other market. By 2010 it is anticipated that this market will represent 45% of total inbound tourism spend, as it already exceeds inbound leisure spend.

NewcastleGateshead Convention Bureau, Tees Valley Tourism and Destination Durham are successfully competing in this market on a local, national and international basis. Further collaboration between these organisations will strengthen the product offer. Northumberland are also looking to build on their share of this market.



Day Visitors

Overall, for England the report shows that leisure day visits were down from the previous survey in 1998 by 14% from 5.2 billion trips in 1998 to 4.5 billion in 2002/3. Average expenditure per leisure day visit increased slightly from £13.20 in 1998 to £13.50 in 2002/3. However, total expenditure decreased, due to the lower number of trips, from £69.9 billion in 1998 to £61.9 billion in England for 2002/3.

The four most popular activities were going out for a meal or drink (18%), walking, hill walking, rambling (16%), visiting friends and relatives (14%) and shopping (12%). In North East England 77% of all day visits were made to a town or city.

Table 2: Volume & Value of Walking - UK Tourism Survey 2000

	Trips Millions	Nights Millions	Spending £ Millions
UK residents	4.7	19.1	897.1

2005 has seen the first major North East Walking Holidays campaign, aimed at ABC1 Empty nesters 45+ (representing potential 13.3m people and ABC1 couples 25-45yrs with/without children (representing 6.9m people).

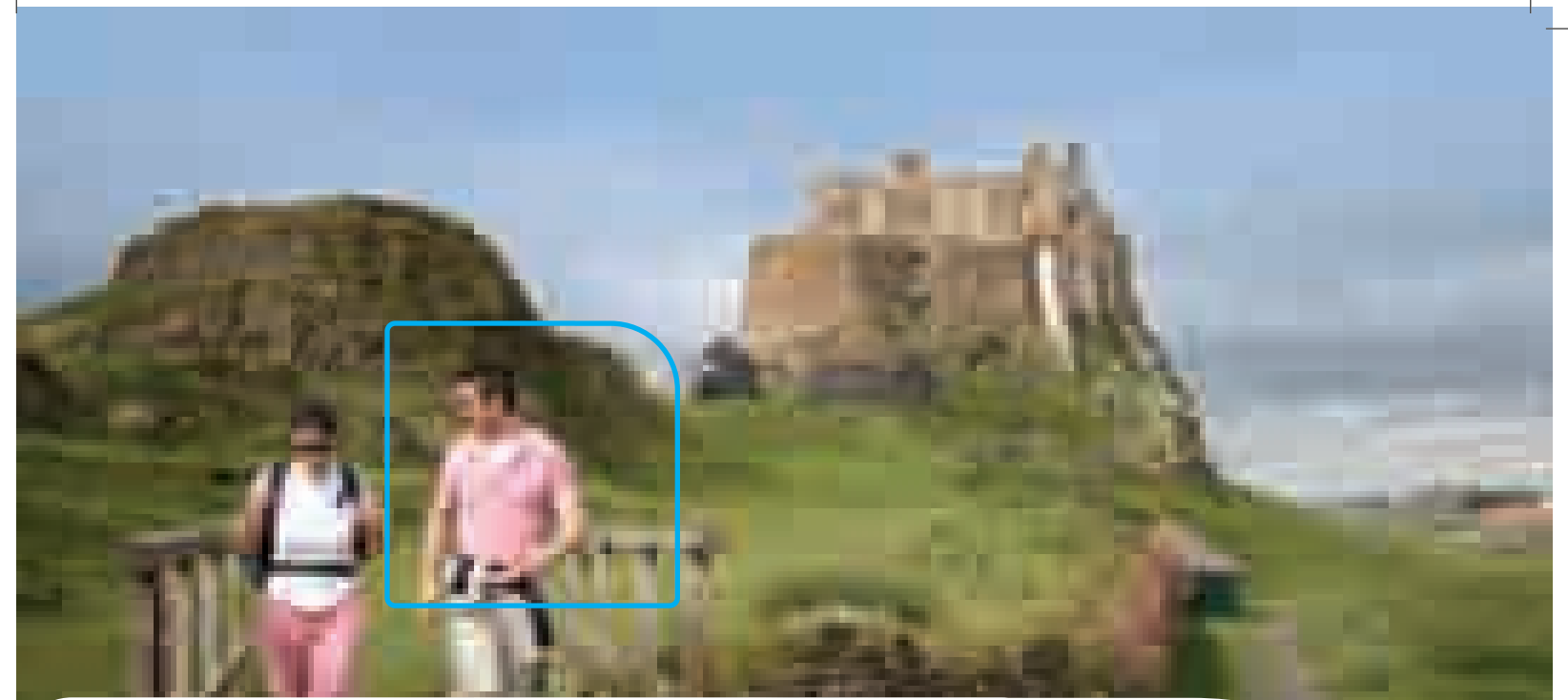
Special Interest Markets and Themes

The following themes/activities have been considered as both potential niche markets and for their ability to attract visitors to holiday in the region.

- Walking
- Adventure Tourism
- Gourmet
- Cycling
- Golfing
- Gardens

Walking

Walking is the UK's number one pastime. UK residents take over 6 million activity holidays annually in the UK generating £1.1 billion in tourism spending. Walking holidays account for over 7 in 10 of all activity holidays taken in the UK. Walking is also a common pastime in many key international markets including Germany, Norway and Netherlands.



Cycling

Cycling has been rising in popularity, especially with the increase in mountain biking over the past decade and the opening of the 10,000-mile National Cycle Network. The market is now worth £285m annually. Tourists are more likely to be male than female and predominantly aged 25 and over. Research on the C2C, which runs from Whitehaven to Sunderland, shows the route accounting for annual tourism revenue of £1.5m (Cope & Doxford 1998)

Top motivations of cycle tourists include quality of the scenery, with a preference for wild and unpopulated areas and the chance to get away from the crowds, whilst enjoying the company of close friends. The North East product fits well with these expectations. Cycling is also a popular activity undertaken by the family market, forming one of the outdoor activities undertaken as part of the holiday experience.

Adventure Tourism

55% of holiday trips for adventure activities are undertaken by the 16-34 age group. Visitors are interested in more vigorous or extreme outdoor activities such as downhill cycling and white water rafting.

The North East has a strengthening product in this respect and a future opportunity to capture market share in the adventure holiday market through product development at Hamsterley, Kielder and Tees Barrage.

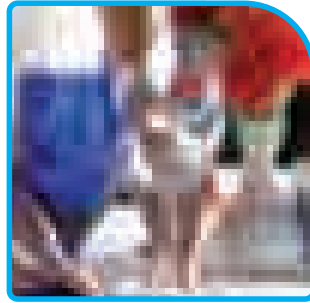
Golfing

In addition to the 0.5m holidays taken in the UK where golf can be said to be the main driver, there are a further 1.1m holiday trips where golf is an incidental activity and forms part of the holiday experience.

The former market tends towards high profile golfing destinations such as Scotland and Ireland. In the UK the golf course itself can be important e.g. Turnberry, Gleneagles, and Royal Troon. While actually playing these courses is expensive at over £100 per round it is important to the serious golfer to have 'bagged' a high profile course.

Competition is fierce in the golfing market with Scotland, Ireland, and now Wales actively pursuing growth in market share. However, opportunities exist for North East England to promote golf as part of the holiday experience and The Seve Trophy and the Seniors Tournament at Slaley Hall will have significant impact on this profile. It is recognised that in order for the region to compete in the niche golf segment more high profile courses and some additional product development will be necessary.

Overseas markets are developing with research suggesting that around 2% of overseas visitors played golf whilst in the UK and that for 1% of them, golf was a major factor in encouraging them to visit Britain. The German, Nordic and Scandinavian markets show growth potential.



Gourmet

British food and drink has enjoyed greater exposure in recent times and the quality is improving. Whilst eating out is part of almost every holiday experience, dining in top class restaurants is still a niche market activity. Although the region does not at present have a Michelin Star establishment several are imminent.

	North East	Yorkshire	North West	Heart of England	East England	London	South East	South West	East Midlands
Michelin starred establishments	0	8	8	8	2	40	14	15	7

The region's many high standard restaurants, together with the region's delicacies will be promoted within all marketing campaigns and we will look at the potential of this as a niche segment together with sub-regional partners.

Gardens

Gardening is now one of the most popular leisure pursuits in Britain, with over 27 million active participants. Each year of the 16m visits to gardens, most will be made by people on day visits from their home. Visits to gardens are growing, steadily fuelled by the popularity of programmes such as Ground Force and City Gardener. Operators offering niche garden tours have experienced high growth rates over the past five years and over the next ten years demand is expected to grow.

Visitors to gardens are predominantly active people over 50 with lots of leisure time and high disposable income. However, there is growing interest amongst younger, affluent couples, aged under 40 and travelling without their children.

The region has a number of excellent gardens including, The Alwick Garden, Raby Castle & Gardens, Crook Hall Gardens, Belsay Hall Castle & Gardens, Craggside House Garden & Estate and Wallington Hall & Gardens.



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