BETA
British Educational
Travel Association

Unlocking the Value

OF YOUTH, STUDENT & EDUCATIONAL TRAVEL

Foreword

Great Britain has traditionally been viewed as a world class destination for young travellers to study, tour and work.

International travel for the younger generation is not a bucket list wish, it is a high priority, it provides powerful life experiences, cultural awareness and is an education in itself. Travel transcends gender, nationality and age and is proven to provide young people with a better future as a global citizen.

The inbound youth, student and educational travel sector is currently worth £22.3 billion per annum to the UK economy and these young travellers represent 38% of all inbound traffic to the UK.

But our world class industry is not growing at the pace that it once did. Our competitor destinations are thriving due to more government support and a greater understanding of the importance of youth mobility and the lifetime benefits it can deliver.

This report aims to highlight the importance and value of this sector, to promote the UK as a must visit destination for young travellers as part of our long term strategy to connect with Government and other influencers and to call upon them to better support our industry and the businesses operating within it.

The UK needs to improve its welcome, review its complicated visa policy and remove international students from net migration figures, thereby enhancing its ability to welcome the brightest and best to its shores.

The economic and cultural return for Britain from this type of travel is felt over a lifetime through inward investment, global trade, employment, tourism and the overall competitiveness of Britain in the world. Young people stay in a destination longer than an average traveller and they spend money directly with local businesses, which increases the economic impact. It is essential that the UK unlocks the barriers to growth to allow this sector to flourish at the rate of our global competitors, to build upon our reputation as a must visit destination and to grow our market share.

It is BETA's intention to widely share the contents of this document as a tool to drive interest and growth into the market and we would like to thank all of those members and stakeholders that have come together to support and sponsor this project.

Board of Directors
British Educational Travel Association (BETA)

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Introduction

Accelerating globalisation, a growing share of world's population with access to increased financial resources, and an unceasing appetite to travel are the three primary driving forces behind the consistent upswing in the number of international travel arrivals. Over the last decade, global tourism has expanded at a steady annual rate, outperforming industries such as retail and manufacturing.

In this context, youth travel has been a growing phenomenon that is increasingly challenging to ascribe to a specific age group. Previous BETA reports focused on the 11-35 age bracket, but in line with the current industry standards, BETA decided to use a broader age span to increase compatibility of their present and future research with national and international research projects.

In monetary terms, youth travel is currently valued at £161 billion globally. Notwithstanding, its benefits extend far beyond direct and indirect, and instant and future, economic connotations. Young travellers contribute to the social fabric of local communities, embody a great source of talent and innovation, and finally, are the travellers of the future.

Habits and affiliations formed at an early age are very likely to impact their future travel endeavours, and this human trait is acknowledged by a number of destinations and local tourism organisations who realise the importance of youth travel and its burgeoning status.

The UK has traditionally been at the forefront of the youth and student travel. Its rich history, renowned landmarks, world-class education, as well as the provision of a variety of career opportunities, lure millions of young people to its shores every year.

On a mission to explore the status quo of international youth and student travel to the UK, the British Educational Travel Association (BETA) published a cross-sector analysis of the benefits of youth, student, and educational travel to the UK economy in their 2011 'Britain's Shining Opportunity' report.

Much has changed since then. The UK's youth, student and educational travel sectors have been confronted with a string of internal and external challenges. Despite the popularity of the UK, changes to the visa policy, currency fluctuations, political and socio-economic instability in some important source countries, and increasing promotional efforts by other destinations have taken their toll on the UK's growth and its ability to reach its fullest potential.

Prompted by these developments, BETA commissioned StudentMarketing, an independent market research specialist and a UNWTO Affiliate Member with individual memberships in ESOMAR World Research, to conduct a complex evaluation of the UK as a travel, study, and work destination for youth travellers faced with these new realities.

The initiative quickly expanded into an extensive exercise that assessed the market size and value, mapped out customer preferences and market trends, identified opportunities for UK's future growth as well as evaluated the UK's position within an international frame.

This combined collaborative effort by these two organisations, involved exhaustive research: launching a global-scale primary data collection initiative and a review of existing secondary sources. The breadth and depth of this extensive exercise dwelt on the new data brought to bear, sourcing inputs from 336 organisations and analysing the habits of a minimum of 1.5 million young travellers.

The resulting report answers critical questions such as why young people choose the UK, what they seek and what is the outlook for the UK. It provides British organisations with the most recent and detailed cross-sector business intelligence tool, grounds for lobbying the government and policy makers, and a platform through which to raise the profile of the industry.

Cognizant of a diverse readership with varying background and knowledge of the industry, this study integrates within it a one-stop guide to international youth and student travel to the UK.

Methodology

This study is the outcome of a multi-faceted international research project conducted from September 2016 to June 2017.

The methodology was greatly influenced by the need to compare and align a number of youth and student travel sectors on an apples-to-apples basis. Individual sectors are considerably different in terms of their size and specifics, and subsequently industry recognition and measurement.

Therefore, the research employed a range of data collection methods to gather as much insight as possible, especially on less documented youth, student and educational travel sectors.

The project involved a review of secondary sources, deployment of email campaigns and online surveys, conducting one-to-one interviews as well as the launch of a targeted calling to invite respondents to engage in the exhaustive initiative.

Industry mapping initiated through desktop research, with the aim of gathering and analysing existing sector-based market intelligence, supported by StudentMarketing's internal resources. Over 170 secondary sources across the global youth and student travel segments were reviewed.

The gaps identified during this phase helped design follow-up primary research. Primary data collection was conducted using quantitative as well as qualitative methods. More specifically, two online surveys were deployed to collect inputs from inbound UK providers and international organisations sending youth and student travellers abroad. The results of these surveys constitute the cornerstones of Chapters 4 and 5.

Following the deployment of surveys, in-depth interviews were carried out with pre-selected industry stakeholders: inbound UK providers from a wide variety of sectors, travel and education agencies, leadership of global youth and student travel associations as well as other industry bodies.

The number of respondents for individual questions is displayed under each chart described as 'n'.

RESEARCH OVERVIEW

3
research methods

11
industry sectors

60
countries worldwide

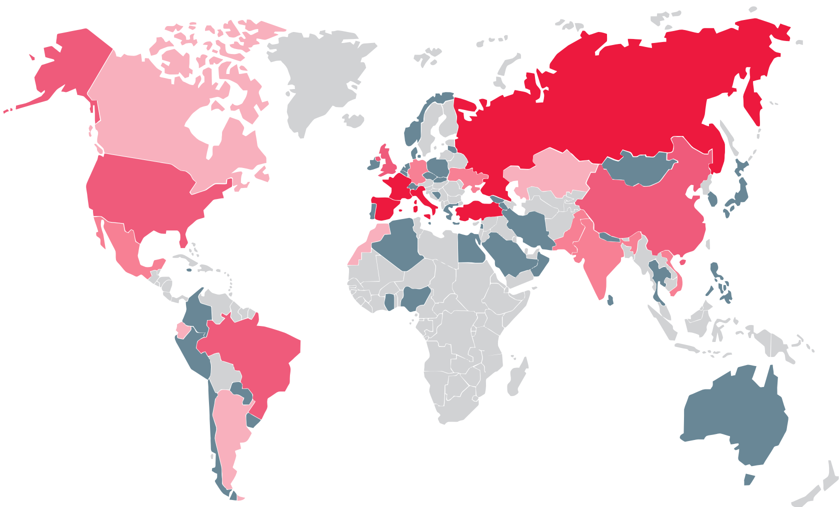
336
responding organisations

1.5 million
youth and student travellers

In total, the primary research drew conclusions from 336 organisations (106 inbound UK providers and 230 international sending organisations representing 60 countries - as displayed in the map below), and 20 interviews.

The participating institutions represented a minimum of 1.5 million youth and student travellers worldwide per annum.

GEOGRAPHICAL COVERAGE



Over 5%	
Russia	9.1%
Italy	7.2%
Turkey	7.2%
Spain	6.7%
France	5.3%

3.1% - 5%	
China	4.8%
UK	4.8%
Brazil	3.4%
USA	3.4%

2.1% - 3%	
Mexico	2.9%
Ukraine	2.9%
Germany	2.4%
India	2.4%
Pakistan	2.4%
Vietnam	2.4%

1.1% - 2%	
Canada	1.9%
Argentina	1.4%
Ecuador	1.4%
Kazakhstan	1.4%
Morocco	1.4%

1% and less	
Armenia	1.0%
Colombia	1.0%
Czech Republic	1.0%
Ireland	1.0%
Latvia	1.0%
Lebanon	1.0%
Nepal	1.0%
Netherlands	1.0%
Philippines	1.0%
Poland	1.0%
Saudi Arabia	1.0%
Switzerland	1.0%
Thailand	1.0%
Algeria	0.5%
Australia	0.5%
Belgium	0.5%
Bosnia and Herzegovina	0.5%
Chile	0.5%
Denmark	0.5%
Egypt	0.5%
Georgia	0.5%
Ghana	0.5%
Greece	0.5%
Iran	0.5%
Jamaica	0.5%
Japan	0.5%
Malta	0.5%
Mauritius	0.5%
Mongolia	0.5%
Nigeria	0.5%
Norway	0.5%
Oman	0.5%
Paraguay	0.5%
Peru	0.5%
Portugal	0.5%
Slovakia	0.5%
South Korea	0.5%
Sri Lanka	0.5%
Uruguay	0.5%

Executive Summary

Unlocking the Value of Youth Student & Educational Travel is a comprehensive analysis of the UK as a travel, education, and work experience destination for young people.

To conduct this research, the British Educational Travel Association commissioned StudentMarketing, a market research and industry strategist firm and UNWTO Affiliate Member, who evaluated the size and value of the industry to the UK.

An extensive literature review was followed by worldwide research on both inbound UK providers and sending organisations (which represent just over half of all bookings in the sector). The results draw conclusions from a respondent pool composed of 336 businesses, which cumulatively represent more than 1.5 million youth and student travellers from 60 countries.

The resulting study provides an exhaustive evaluation of the current state of the UK's youth and student travel industry, delves into its individual sectors, and elaborates on the UK's global position.

The research highlights the behaviour and motivations for young people choosing to travel, study and work in the UK. In addition, thanks to sourcing inputs from international organisations, it also analyses the preferences and perceptions of those travellers who do not opt for the UK.

AMONG THE KEY FINDINGS ARE:

- **Youth travel (people aged below 35) constitutes a considerable travel segment for the UK:**

International visits by young people represent 38% of all travel to the UK.

In 2016, youth and student travel to the UK accounted for 14.9 million arrivals, with expenditure by those travellers amounting to £22.3 billion.

However, with an average annual growth of 4.7% over the last five years, youth travel is not keeping pace with overall tourism growth to the UK.

- **Shifts in demographics and preferences are changing the face of youth travel to the UK:**

Customers are getting younger – 51% of all travellers served by responding inbound UK providers were juniors (below 18 years old).

Youth travellers tend to come to the UK in smaller groups and for a shorter period of time than before (on average 8.2 weeks), yet they stay considerably longer than the average tourist to the UK (7.4 nights), resulting in their higher spending.

London dominates the list of preferred destinations in the UK (as reported by 96% of inbound UK organisations).

- **The UK is a desired destination, but its competitors are more active in attracting the global youth:**

Until the recent weakening of Sterling, the strong currency has been driving customers away – 21% of customers initially opting for the UK chose another destination in the end, chiefly due to lower costs associated with living and studying elsewhere.

Thanks to a friendlier visa policy and an increased in-country presence and promotion, the USA, Australia, and Canada have been growing at a quicker pace than the UK, especially in the higher education sector; Ireland's popularity for English language training has also increased primarily thanks to currency fluctuations.

Since the traditional markets for the UK such as Europe (77% of all youth travel visits to the UK) have peaked or are shrinking, growth opportunities predominantly lie in Asian countries and the Middle East.

Stakeholders call for consistent messaging and branding through the use of the full spectrum of marketing platforms (both B2C and B2B channels):

The UK needs to improve its welcome, review its complicated visa policy and remove international students from net migration figures, thereby enhancing its ability to attract the brightest and best to its shores.

The UK offers a quality product, but youth-specific marketing collateral and promotional activities are lagging competitor's offerings (e.g. celebrity marketing, appealing packaging, etc.).

Familiarisation tours and trade missions are the preferred way of engaging pre-selected B2B sending organisations – the UK would benefit from increased usage of these accepted and effective methods.

Mixed impacts and perceptions of Brexit are felt throughout the industry:

Thanks to more favourable exchange rates, the short-term impacts of the Referendum on Brexit on youth travel to the UK have been rather positive, with 32% of responding UK organisations noticing an increase in the number of bookings since the Referendum.

At the same time, long-term uncertainty overshadows UK's image as an outward-looking country.

Possible changes in the visa policy and regulations might hold inbound UK providers in a deadlock – 33% of the staff at responding UK organisations are EU workers, underscoring the international character of the segment.

The industry needs more government support to get back on track:

The biggest barrier to UK's growth is a lack of government support.

Respondents praise initiatives undertaken by sector associations.

Developments in other destinations point to industry deregulation, easing of entry conditions for young people from abroad, and increasing attractiveness (e.g. through the provision of work rights, more English-taught programmes, inclusion of more nationalities under work schemes, etc.).

This document was produced with the support and sponsorship of the following **BETA members**:

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