LONDON

TOURISM REPORT 2015-2016

LONDON & PARTNERS


Euston Station
UNDERGROUND
AMT COFFEE
BEST COFFEE IN THE UK
WEST CORNWALL PASTY Co.
DOUGHNUTS & COFFEE
abokado

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WELCOME

2015: a booming year for London tourism

I'm proud to present our London & Partners Tourism Report 2015-16. London's strength as a global destination continues to grow.

The capital is the leading European city for tourism[1] and has topped the MasterCard Global Destination Cities Index for five out of the last eight years.

So it's not surprising that overnight visits to London reached a record high in 2015, with 31.5 million overnight trips compared to 28.8 million in 2014. Tourist spending also reached record levels, with £15 billion generated from overnight visits.

Most of the visitors we greeted in 2015 came from the US and Europe, with France our top European market. But it's not only international visitors who are attracted by London's cultural status – people within the UK also rate the capital as a prime destination. Domestic visitors stayed an extra 5.8 million nights in 2015 compared to 2014, representing a five-year peak.

London & Partners has recently undertaken the largest London visitor survey in recent years. We've surveyed visitors from eleven of our inbound markets and are proud to announce that London delivers, with 8 in 10 visitors expressing high levels of satisfaction with their experience of the capital. Our accommodation is rated highly and our cultural, historic and entertainment attractions capture people's imaginations. But, just as important, is the warm welcome they receive from the people and businesses that make the city's tourism industry such a success.

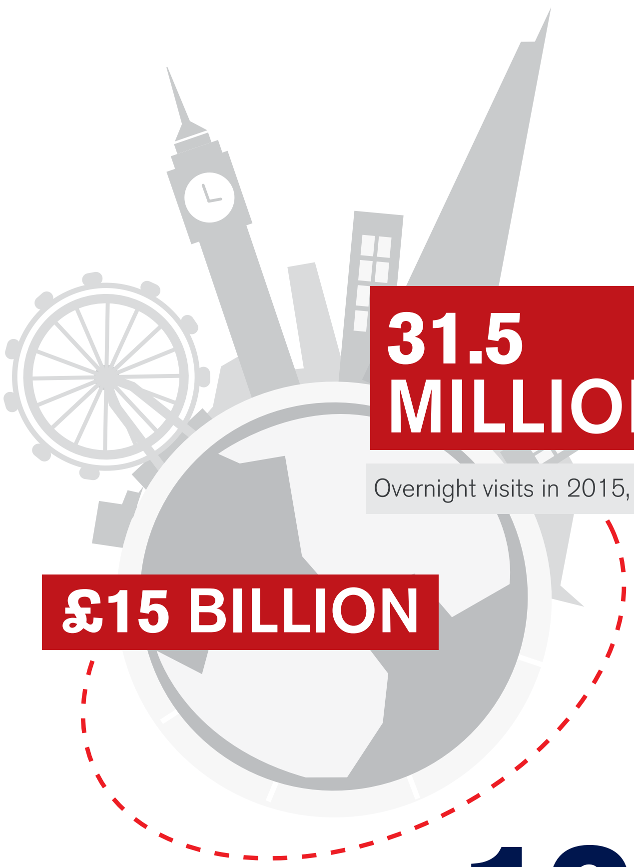
It's clear that London is a tourism powerhouse, attracting both domestic and international visitors alike. We've worked hard to project forward and, looking ahead, the outlook remains positive. We predict that visitor numbers and spend will continue to grow over the next five years – particularly from Asia, with its expanding population of world travellers.

However, we know that we can't afford to take London's success for granted. Our research has also shown that there is room for improvement - from providing access to information to source the best of what London has to offer, our hidden cultural gems, and our uniquely diverse food offer. While the recent EU referendum has made visiting London cheaper for many of our overseas source markets, this is likely to only boost the volume of overseas visitors to the city in the short term. Moreover, while global tourism has been growing each year since the financial crisis of 2009, London's overall global market share has been declining, despite the overall growth in visits to the capital[2]. We are, therefore, aware of the need to convert new visitors to London, whilst giving those who have already been to London reasons to revisit the capital.

At London & Partners, we're dedicated to promoting London as a leading global destination for tourism, facilitating greater cooperation to strengthen London's reputation as an open and welcoming, vibrant and thriving place, in order to continue attracting visitors to this magnificent city.

Andrew Cooke
Acting Chief Executive Officer

London & Partners aims to build London's international reputation and create additional jobs and growth for the London economy. Our mission is to tell London's story brilliantly. Our leisure and business tourism activities and achievements during 2016 included:



79%
satisfied with overall trip

72%
say trip exceeded expectations

75%
likely to revisit ever

59%
likely to revisit within 2 years

18.6 million overseas visits in 2015, spending a total of £11.9 billion across 108.3 million nights

31.5 MILLION
Overnight visits in 2015, spending
£15 BILLION

12.9 MILLION
overnight visits

£3.1 BILLION

from within the UK in 2015, spending £3.1 billion over 30.2 million nights

3.7 MILLION
OVERSEAS BUSINESS VISITS

SPENDING
£3.2 BILLION

LONDON RECEIVED

280 MILLION
Domestic day visits

Top 3 overseas visit markets

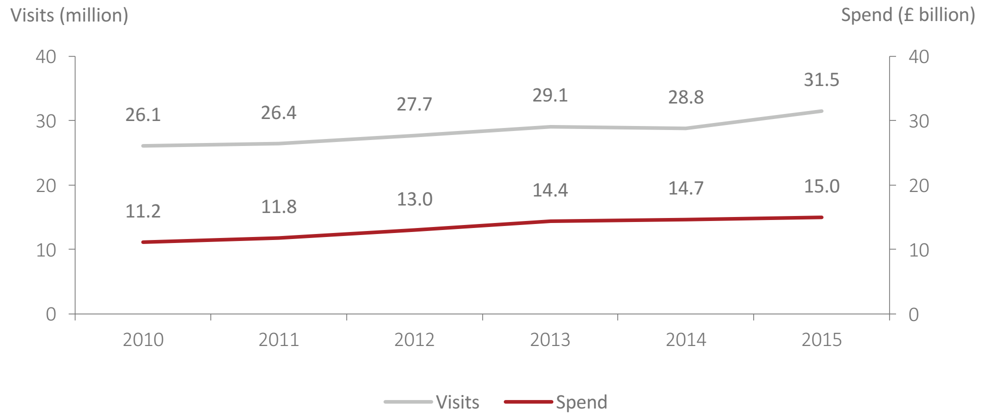
USA	2.14 MILLION VISITS
France	2.07 MILLION VISITS
Germany	1.40 MILLION VISITS

01

TOURISM TRENDS 2015

London saw visitor volumes hit a record high in 2015, with 31.5 million overnight trips recorded. This was a 9 per cent increase compared to 2014 and represents 21 per cent growth since 2010. Tourism expenditure also reached record levels, with £15 billion generated from overnight visits – an increase of 35 per cent since 2010.

Overall overnight tourism visits and expenditure in London (2010–15)



Source: Office for National Statistics, International Passenger Survey 2010-15; Visit England, Great Britain Tourism Survey 2010-15

The volume of both overseas and domestic overnight visits to London reached new heights in 2015. The capital recorded an extra 1.2 million trips from international visitors compared to the record set in 2014, as the volume of such visits reached 18.6 million – 7 per cent year-on-year growth and an increase in volume of 26 per cent compared to 2010 levels. Recovering from a dip in the volume of overnight domestic trips to London in 2014, the city received 12.9 million overnight domestic visits in 2015 – with 13 per cent growth compared to five years earlier.

While the number of nights that overseas visitors spent in the capital remained steady against 2014, domestic visitors stayed an extra 5.8 million nights in 2015 compared to the previous year, representing a five-year peak.

Overseas expenditure increased more slowly than the volume of visits from 2014 to 2015, with an additional £0.1 billion generated compared to the year before (+1%). Overseas visitor spend increased by 36 per cent from 2010 to 2015. Domestic overnight expenditure also increased more slowly than the volume of visits – with 7 per cent growth seen from 2014 to 2015, an additional £0.2 billion. The five-year rate of growth for domestic overnight spend was slower than that generated from overseas visits, at 28 per cent.

While there is a steady stream of visitors to London all year round, there is a particular peak during the spring and summer months. The capital welcomes an even share of overseas visits across quarter two (April to June) and quarter three (July to September), while the first three months of the year are much quieter for overseas tourism, with fewer than one-fifth coming to London during the new year. While the first quarter of the year is similarly quieter for domestic overnight tourism, with levels picking up as the capital enters spring, a slightly higher proportion of domestic overnight visitors come in the last three months of the year, with many presumably making the most of London's fantastic shopping opportunities and festive events in the lead up to Christmas.

Overseas and domestic overnight visits, nights and expenditure in London (2010–15)

	2010	2011	2012	2013	2014	2015
Visits (million)						
Overseas	14.7	15.3	15.5	16.8	17.4	18.6
Domestic	11.4	11.1	12.2	12.3	11.4	12.9
Total Visits	**26.1**	**26.4**	**27.6**	**29.1**	**28.8**	**31.5**
Nights (million)						
Overseas	90.3	91.5	94.3	98.1	108	108.3
Domestic	24.3	27.1	27.7	27.4	24.4	30.2
Total Nights	**114.6**	**118.6**	**122**	**125.6**	**132.4**	**138.5**
Spend (£ billion)						
Overseas	8.7	9.4	10.1	11.5	11.8	11.9
Domestic	2.4	2.4	2.8	2.8	2.9	3.1
Total Spend	**11.2**	**11.8**	**12.9**	**14.3**	**14.7**	**15**

Source: Office for National Statistics, International Passenger Survey 2010–15; Visit England, Great Britain Tourism Survey 2010-15[3]

Spread of overseas and domestic overnight visits by quarter (2015)

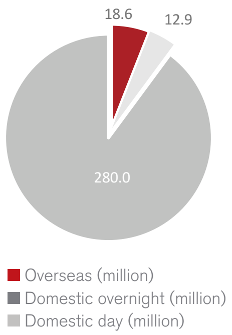
	Overseas	Domestic overnight	Overseas and domestic combined
January–March	19%	22%	20%
April–June	28%	26%	27%
July–September	28%	24%	27%
October–December	25%	27%	26%

Source: Office for National Statistics, International Passenger Survey 2015; Visit England, Great Britain Tourism Survey 2015

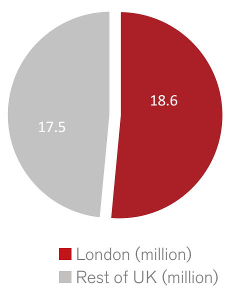
Volume of visits to London and the rest of the UK

London remains a key destination for attracting international visitors to the UK, with more than half (51 per cent) of all overseas visits to the UK taking place in the capital during 2015. The city also maintains a significant share of domestic visits; it was the destination for 10 per cent of overnight trips within the UK in 2015 and attracted 280 million day visitors, representing 18 per cent of all domestic day trips

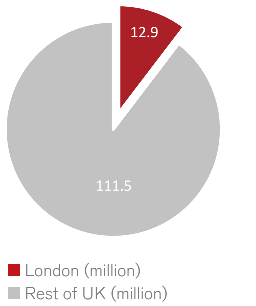
Source of London visits (2015)



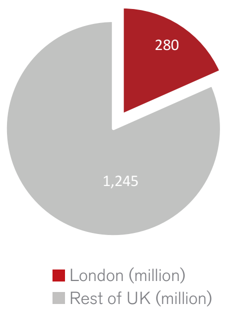
Overseas visits to the UK (2015)



Domestic overnight visits to the UK (2015)



Domestic day visits to the UK (2015)

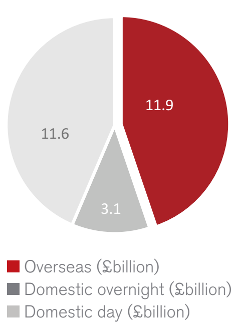


Source: Office for National Statistics, International Passenger Survey 2015; Visit England, Great Britain Tourism Survey 2015; Visit England, Great British Day Visits Survey 2015

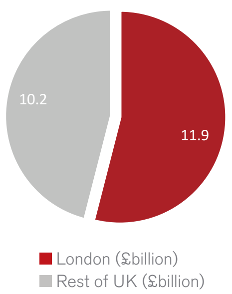
Value of visits to London and the rest of the UK

Overall expenditure generated from overseas trips to London was slightly higher than that gained from domestic day trips, despite the much lower volume of the former. Domestic overnight visits to London generated just 12 per cent of overall tourism spend in the capital. This is because average spend per trip is much higher for overseas visitors than those travelling from within the UK, due largely to longer trip lengths. The rest of the UK's tourism industry, however, relies far more on the domestic market for tourism spend, with just 14 per cent of the rest of the country's expenditure generated from overseas visits.

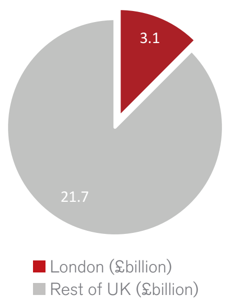
Sources of London spend (2015)



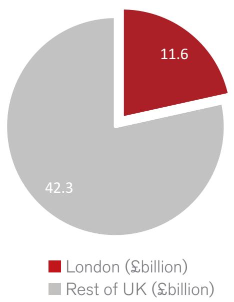
Overseas spend in the UK (2015)



Domestic overnight spend in the UK (2015)



Domestic day visitor spend in the UK (2015)



Source: Office for National Statistics, International Passenger Survey 2015; Visit England, Great Britain Tourism Survey 2015; Visit England, Great British Day Visits Survey 2015

London's strength in the global tourism market

Euromonitor placed London as the third highest ranking global city for international tourism arrivals in 2015, behind only Hong Kong and Bangkok. This demonstrates London's strength as a global tourism destination, while it is by far the leading European city for overseas tourism

Top 20 global cities for international tourism arrivals (2015)

Rank	City	Arrivals 2015 (million)	% change on 2014
1	Hong Kong	26.7	-3.9
2	Bangkok	18.7	+10
3	**London**	18.6	+6.8
4	Singapore	16.9	+0.4
5	Paris	15.0	-0.2
6	Macau	14.3	-1.8
7	Dubai	14.3	+8.0
8	Istanbul	12.4	+4.8
9	New York City	12.3	+0.6
10	Kuala Lumpur	12.2	+4.5
11	Shenzhen	11.4	-3.4
12	Antalya	10.9	-5.5
13	Rome	9.6	+8.5
14	Taipei	9.0	+5.0
15	Seoul	8.8	-6.0
16	Phuket	8.8	+8.7
17	Tokyo	8.5	+35.4
18	Guangzhou	8.0	+1.6
19	Miami	7.6	+4.8
20	Pattaya	7.5	+16.5

Source: Euromonitor Top 100 City Destinations Ranking 2015

The visitor experience

The ongoing strength of London's tourism industry was captured in London & Partner's London Visitor Survey. In 2016, London & Partners partnered with Quadrangle to conduct an in-depth piece of research into the experience of the London visitor. This covered the entire customer journey: what drove visitors to choose London as a city break destination in the first place, the researching and booking of the trip, experiences within the city, feedback on different aspects of the visit, including what visitors were satisfied with and aspects that could be improved to strengthen London's offering, and consideration of how likely they would be to return to London in the future.

The research, which was carried out during July and August 2016, was conducted via an online survey. Participants were sourced from online panels and those surveyed had to have visited London over the last 12 months, staying in the city for at least one night. The project covered eleven markets, including a combination of longstanding high volume markets for London (the UK, the US, France, Germany, Italy, Spain, Australia), markets that have shown steady long-term growth in the volume of visits to London (the Netherlands, Norway, Sweden) and an emerging market whose growth over the past few years has been exponential (China).

All data was weighted to align with the International Passenger Survey and, in the case of the UK, the Great British Tourism Survey (both weighted by age) and key drivers were ascertained by a MaxDiff approach (further detail explained in appendix).

"Almost four out of five visitors expressed high satisfaction with their visit to London"

The survey revealed high levels of satisfaction among recent visitors to the capital. When participants were asked, on a scale of zero (extremely dissatisfied) to ten (extremely satisfied) how satisfied they were overall with their visit to London, almost four out of five (79 per cent) expressed high levels of satisfaction with the city, providing a rating of eight or higher. Moreover, 72 per cent of those questioned felt the trip to the capital had exceeded their expectations, again providing a score of eight or more out of ten[4].

Fifty nine per cent of visitors indicated a high likelihood (8–10 score) that they would return to the capital over the next two years, which rose to 75 per cent when asked how likely it was that they would ever visit London again in the future. London received a high Net Promoter Score of 43. This is based on 53 per cent of visitors acting as 'promoters' of the city, providing a rating of nine or more when asked about the likelihood that they would recommend London to friends or family, with less than 10 per cent scoring zero to six for this question. Visitors to the city will help to promote the capital if they have an enjoyable experience, enhancing London's reputation among their friends and family.

Further insights from the London Visitor Survey are revealed throughout this report, highlighting London's strengths from a visitor perspective, as well as areas where adjustments can be made to further enhance the visitor experience.

02

INTERNATIONAL VISITS

London received 18.6 million overseas visits in 2015, spending £11.9 billion — both record highs.

The USA is London's largest overseas source market, accounting for 12 per cent of all overseas visits

Visits from the Middle East grew by 118% from 2010-15

China provided the highest five year percentage growth in visits to London:

202%

18.6 MILLION

INTERNATIONAL VISITS

£11.9 billion in expenditure in 2015

66%

OF OVERSEAS TRIPS to London begin in Europe

The average spend per day from an overseas visitor in London is £110

The volume of overseas visits to London has increased year-on-year since 2009

In 2015

LONDON **Welcomed**

an extra 1.2 million international visits and an additional £94 million spend compared to 2014

There were

9.2 MILLION

OVERSEAS HOLIDAY VISITS IN 2015

London received 18.6 million overseas visits during 2015, generating £11.9 billion in expenditure – both record highs for the capital. These visitors spent 108.3 million nights in the capital, slightly higher than levels seen in 2014.

Overseas visits, nights and expenditure in London (2005–15)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Visits (million)	13.9	15.6	15.3	14.8	14.2	14.7	15.3	15.5	16.8	17.4	18.6
Nights (million)	91.8	101.1	95.8	90.8	85.7	90.3	91.5	94.3	98.1	108.0	108.3
Spend (£ billion)	6.9	7.8	8.2	8.1	8.2	8.7	9.4	10.1	11.5	11.8	11.9

Source: Office for National Statistics, International Passenger Survey 2005-15

The volume of overseas visits to London has increased year-on-year since 2009, now far surpassing the initial peak of 15.6 million international trips in 2006. 2015 saw the volume of overseas visits to London increase by 7 per cent against the previous year, while expenditure increased at a slower rate (+1%), but faster than the growth in the number of nights spent in the city by overseas visitors (+0.3%). The longer-term picture is particularly positive – with growth in the volume of visits in the ten years since 2005 equating to 34 per cent and nominal growth in expenditure reaching 74 per cent.

Key regions for overseas visits to London

Two-thirds of overseas trips to London begin in Europe, with 12.3 million European visits to the capital taking place in 2015 – an increase of more than a quarter since 2010. However, European expenditure represents less than half of overall overseas spending, as average spend per visit from Europe is lower than that from any other region. The North American market makes up the second highest proportion of both visits and expenditure, and contributes a higher proportion of overseas spend than visitor volume; this is largely driven by the US market, whose overall spend in London is by far the highest of all the overseas markets.

London has witnessed the greatest percentage growth in the volume of visits from South and Central America, the Middle East and Asia. However, while significant growth in expenditure has been seen from the latter two markets since 2010, there has been an 18 per cent decline in expenditure from South and Central America during this five-year period.

Overseas markets by geographical region and market share (2015)

	Visits 2015 (million)	5-year % change	Spend 2015 (£ billion)	5-year % change	Overseas visit market share 2015	Overseas spend market share 2015
Europe	12.3	26%	5.6	29%	66%	47%
North America	2.5	18%	2.1	33%	14%	17%
Asia	1.3	47%	1.5	80%	7%	13%
Australasia	0.9	6%	0.6	20%	5%	5%
South and Central America	0.6	70%	0.3	-18%	3%	3%
Middle East	0.6	52%	1.3	118%	4%	11%
Africa	0.4	3%	0.5	-5%	2%	4%
Total	**18.6**	**26%**	**11.9**	**36%**	**100%**	**100%**

Source: Office for National Statistics, International Passenger Survey 2010-15

Key overseas source markets for London

The United States is London's largest overseas source market in terms of volume. The capital received 2.1 million visits from the US in 2015, representing 12 per cent of all overseas visits to London during that period. France is also a consistently significant market for the capital and briefly stole the top spot for the volume of visits in 2014. French visits to London represent 11 per cent of all overseas visits to the capital. Germany, Italy and Spain make up the rest of the top five, with the top four European markets contributing 31 per cent of the overall volume of visits to London during 2015.

Outside of the top ten, London has witnessed significant growth in the volume of visits from a number of markets over the past five years. Although visits from China still represent just 1 per cent of the share of all overseas visits, China provided the highest five year percentage growth in visits to London (202% from 2010–15). The trend continues, with the second highest percentage growth seen in 2015 compared to 2014.

Top 25 overseas markets for London by tourism volume (2015)					
Rank	**Market**	**Visits 2015 (million)**	**2010- 15 change**	**2014-15 change**	**Overseas market share 2015**
1	United States	2.14	21%	8%	12%
2	France	2.07	28%	3%	11%
3	Germany	1.4	11%	4%	8%
4	Italy	1.17	25%	-2%	6%
5	Spain	1.15	32%	17%	6%
6	Republic of Ireland	0.79	21%	28%	4%
7	Netherlands	0.69	11%	-2%	4%
8	Australia	0.63	1%	2%	3%
9	Sweden	0.55	25%	1%	3%
10	Poland	0.53	49%	19%	3%
11	Belgium	0.53	8%	8%	3%
12	Switzerland	0.5	60%	0%	3%
13	Norway	0.43	17%	-8%	2%
14	Denmark	0.42	54%	25%	2%
15	Canada	0.41	5%	13%	2%
16	India	0.28	17%	9%	1%
17	Brazil	0.26	74%	1%	1%
18	Romania	0.24	95%	39%	1%
19	Portugal	0.22	29%	17%	1%
20	South Korea	0.18	115%	11%	1%
21	United Arab Emirates	0.18	69%	19%	1%
22	China	0.17	202%	69%	1%
23	Czech Republic	0.17	52%	23%	1%
24	Israel	0.16	34%	12%	1%
25	Finland	0.16	55%	1%	1%

Source: Office for National Statistics, International Passenger Survey 2010-15

The US is by far the biggest overseas source market for visitor spend in the capital, with overall expenditure reaching £1.8 billion in 2015. This was more than twice that generated by the second largest overseas market for spend, France, and more than three times that of Germany, the third-highest ranking nation. This is in part driven by a combination of the large volume of US visits and the longer average length of stay for a US trip than a visit to London from the European markets (5.5 nights compared to 4.3 for both France and Germany), with the US also entering the top 20 overseas markets for spend per visit in 2015.

China entered the top ten for overall spend in London in 2015, with 254 per cent growth in nominal spend from the Chinese market witnessed since 2010. Significant percentage increases in overall spend have also been seen from the Middle Eastern markets, whose average spend per visit is significantly higher than other markets. For example, Kuwait is the biggest market for spend per visit, with £3,121 average spend per visit in 2015, compared to an average of £641 across all overseas markets.

While year-on-year increases in the number of trips was seen from 2014 to 2015 for 22 of the top 25 markets for volume of visits, a year-on-year decline in overall spend in the capital was witnessed for eight of the top 25 biggest spending markets, with a drop in overall spend witnessed for the top three European markets. This highlights a decline in the average spend per visit across some markets, despite the increase in the volume of trips to the capital in 2015.

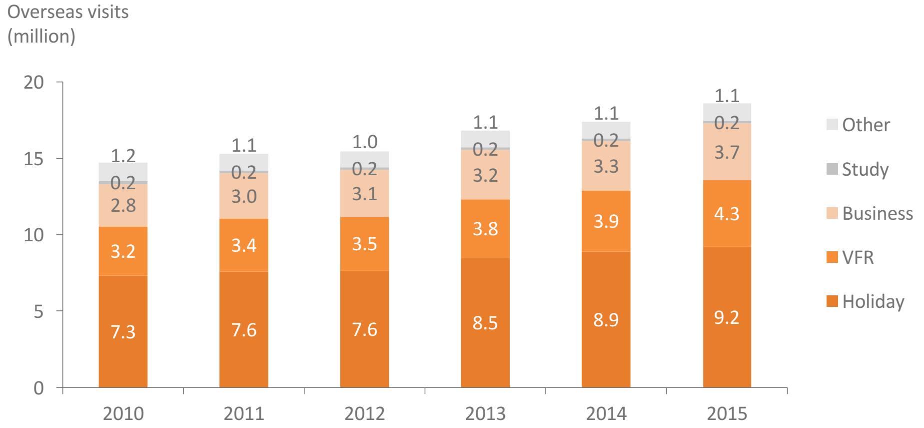
Top 25 overseas markets for London by tourism volume (2015)					
Rank	**Market**	**Spend (£ billion) 2015**	**2010–15 change**	**2014-15 change**	**Overseas market share 2015**
1	United States	1.81	40%	9%	15%
2	France	0.76	40%	-3%	6%
3	Germany	0.55	18%	-12%	5%
4	Italy	0.54	23%	-16%	4%
5	Spain	0.51	27%	1%	4%
6	Australia	0.51	17%	-10%	4%
7	Sweden	0.37	77%	12%	3%
8	Switzerland	0.33	105%	8%	3%
9	Saudi Arabia	0.32	212%	27%	3%
10	China	0.31	254%	109%	3%
11	United Arab Emirates	0.3	73%	1%	3%
12	Republic of Ireland	0.29	11%	14%	2%
13	Netherlands	0.28	4%	-8%	2%
14	Kuwait	0.26	246%	-36%	2%
15	Norway	0.24	18%	-21%	2%
16	Canada	0.24	0%	6%	2%
17	Israel	0.22	211%	154%	2%
18	Singapore	0.21	175%	47%	2%
19	India	0.2	-5%	-15%	2%
20	Brazil	0.2	69%	1%	2%
21	Denmark	0.2	37%	20%	2%
22	Belgium	0.19	10%	6%	2%
23	Poland	0.17	5%	18%	1%
24	Hong Kong	0.16	92%	18%	1%
25	South Africa	0.14	30%	5%	1%

Source: Office for National Statistics, International Passenger Survey 2010–15

Purpose of overseas visits to London

Overseas holiday visits represented 50 per cent of all overseas trips to the capital in 2015, while the number of trips taken to London to visit friends and relatives (VFR) made up 23 per cent of all overseas visits. The proportion of business visits reached 20 per cent of all overseas trips, after a 13 per cent year-on-year increase in the volume of such visits was seen compared to 2014. In fact, the volume of each trip type in 2015 increased against 2014. While VFR saw the second largest year-on-year growth (+10%), the volume of holidays grew at the slowest rate, seeing a 3 per cent increase in volume compared to 2014. This is similar to the five-year picture, during which time the volume of VFR and business visits has increased most rapidly (+35% and +34%, respectively), while the number of overseas holiday trips taken to the capital has increased by 26 per cent since 2010. During this period, the volume of short-term study visits has fallen by 11 per cent, a decline of 22,000.

Purpose of overseas visits to London (2010–15)



Source: Office for National Statistics, International Passenger Survey 2010-15

Overseas trips taken to London to visit friends and relatives last, on average, more than one and a half times longer than holiday visits. However, the average spend per visit and per day is much lower for such trips than for any other visit type – in part because they typically do not involve paying for accommodation. While business trips tend to be half a day shorter than the average holiday visit, these trips are generally the most lucrative for the capital. The average spend during an overseas business trip to London is one and a half times higher than expenditure during an overseas holiday visit, driven by a high average daily spend of £196.

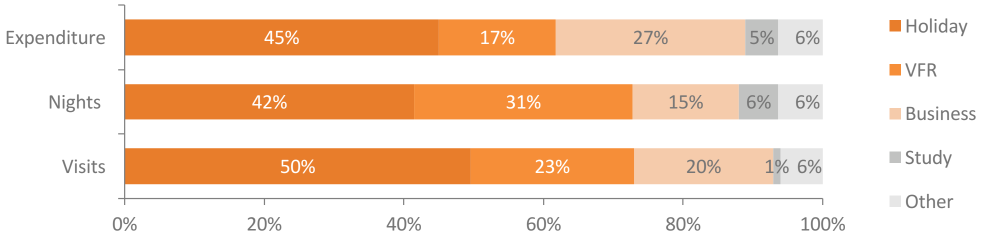
Average overseas expenditure and visit length by purpose (2015)

	Average length of visit (days)	Average spend per visit	Average spend per day
Holiday	4.9	£582	£119
Visiting friends and relatives	7.8	£459	£59
Business	4.5	£874	£196
Study	33.8	£3,099	£92
Total average (inc other)	**5.8**	**£641**	**£110**

Source: Office for National Statistics, International Passenger Survey 2015

In 2015, holiday visits represented a higher share of overseas visits to London than its share of expenditure and number of nights. While visits to friends and relatives accounted for 23 per cent of all visits and 31 per cent of all nights spent in the capital by overseas visitors, these trips generated less than a fifth (17%) of spend. Business visits, on the other hand, represented one-fifth of overseas visits, just 15 per cent of nights, but more than a quarter of overseas expenditure in London.

Overseas visits, nights and expenditure in London by purpose (2015)



Source: Office for National Statistics, International Passenger Survey 2015

In 2015, London received 12.9 million overnight trips from within the UK, spending £3.1 billion.

280 MILLION
DOMESTIC DAY TRIPS TO LONDON

Domestic overnight visitors to London stayed an average of 2.3 nights in 2015

Domestic day visits generated £11.6 billion spend in 2015 - almost as much as all overseas visits combined

Spend from overnight domestic trips has increased year-on-year since 2011

2015
WAS A RECORD YEAR for domestic overnight visits to London

Overnight domestic holiday visitors spend **£238** on average during a trip

03

DOMESTIC VISITS

2015 was also a record year for domestic overnight visits to London, as the capital witnessed a recovery after a brief dip in the volume of such visits during 2014. There were 12.9 million overnight trips to the capital from elsewhere in the UK, which generated 30.2 million bed nights and £3.1 billion expenditure in 2015 – another record for London.

Domestic overnight visits, nights and expenditure in London (2015)

	2010	2011	2012	2013	2014	2015
Visits (million)	11.4	11.1	12.2	12.3	11.4	12.9
Nights (million)	24.3	27.1	27.7	27.4	24.4	30.2
Spend (£ billion)	2.4	2.4	2.8	2.8	2.9	3.1

Source: Visit England, Great British Tourism Survey 2010-15

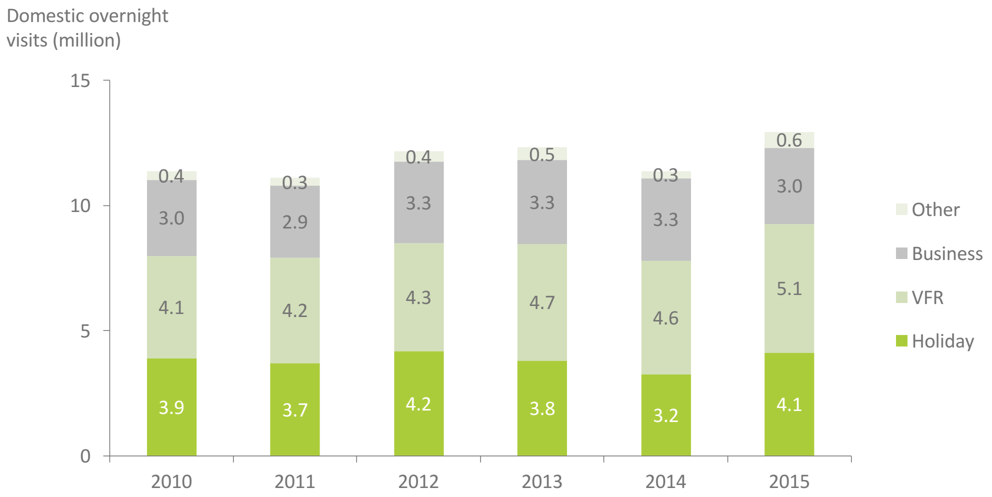
While the volume of overnight visits and nights spent in the capital by domestic visitors has been uneven over the past five years, expenditure from such trips has increased year-on-year since 2011, with a 28 per cent nominal increase in spending from 2010 to 2015.

Purpose of domestic overnight visits to London

Despite similar uneven year-on-year growth in domestic holiday visits, there was a 5 per cent overall increase in the volume of such trips in 2015 compared to 2010. The number of domestic overnight VFR trips to the capital has grown each year since 2011, with the exception of 2014 when there was a decline, followed by a recovery in 2015. The volume of VFR trips to London grew by 26 per cent between 2010 and 2015. As with holiday trips, the volume of domestic overnight domestic business visits has similarly been up and down over the past five years, and this was the only visit type for which the number of domestic overnight trips fell from 2014 to 2015 (-8%).

As with overseas visitors to the capital, the highest average spend per day among domestic overnight visitors comes from those who visit London for business. However, at £144 per day, their expenditure is only marginally higher than the average daily spend the capital receives from domestic overnight holiday travellers. The longer length of the average domestic overnight holiday visit means that these trips tend to be most lucrative to the capital, with average expenditure per visit around £35 more than that generated by the average domestic overnight business trip, and more than double the expenditure per VFR trip.

Purpose of domestic overnight visits to London (2010–15)



Source: Visit England, Great British Tourism Survey 2010-15

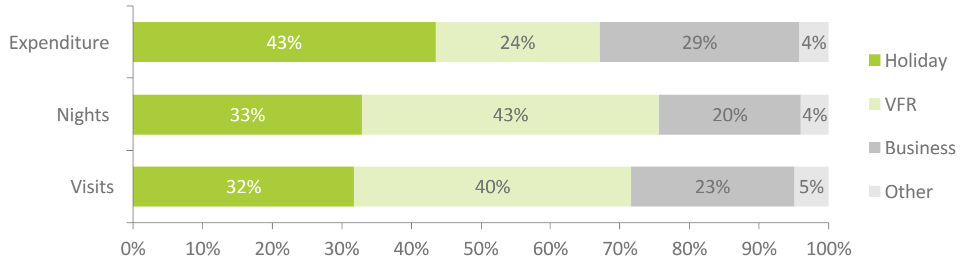
Average overseas expenditure and visit length by purpose (2015)

	Average length of visit (days)	Average spend per visit	Average spend per day
Holiday	2.4	£325	£135
VFR	2.5	£142	£57
Business	2	£291	£144
Total average (inc other)	**2.3**	**£238**	**£102**

Source: Visit England, Great British Tourism Survey 2010-15

In 2015, domestic overnight holiday visits to London were responsible for the highest proportion of expenditure from all domestic overnight trips (43%) while representing less than a third of the volume of both domestic overnight visits and nights. While VFR trips equated to 43 per cent of nights spent in London by domestic trip-takers and 40 per cent of visits, these were responsible for just 24 per cent of spend. As with overseas VFR trips, this is in part due to the fact that many such trip-takers will not be paying for accommodation; instead staying with friends or relatives. Business trips made up 23 per cent of domestic overnight trips and just one-fifth of nights, but were responsible for 29 per cent of expenditure due to the higher average spend per day that such trips generate.

Domestic overnight visits, nights and expenditure in London by purpose (2015)



Source: Visit England, Great British Tourism Survey 2015

Domestic day trips

Every year, an enormous number of individuals living within the UK choose to visit the English capital just for the day. In 2015, there were 280 million such visits, the highest volume seen since the peak for domestic day visits during 2012, when London hosted the Olympics. Both visits and spend generated from such visits have grown year-on-year since 2013, with neither quite yet matching the 2012 record. However, domestic day trips remain lucrative to London, generating £11.6 billion in 2015 – just £0.3 billion less than expenditure from all overseas visits combined.

Domestic day visits and expenditure in London (2011 –15)

	2011	2012	2013	2014	2015
Visits (million)	273	315	261.7	274	280
Spend (£ billion)	9.8	12.9	9.2	10.7	11.6

Source: Visit England, Great British Day Visits Survey, 2011-15[5]

In 2015, the number of overseas business visitors to London reached a record high, with 3.7 million arrivals. Spend from overseas business visitors reached £3.2 billion in 2015 — another record.

£3.2
BILLION
SPEND

LONDON

68%
of London's overseas business visits come from Europe

22%
of overseas business spend from the US

3.7 million
overseas business visitors

55%
stay in luxury accommodation

96% of business visitors had been to London previously

04

BUSINESS TOURISM

In 2015, the number of overseas tourists visiting London for business reached its highest ever level. After gradual increases in the volume of international business visitors there were 3.7 million arrivals, surpassing the previous 2006 peak for overseas business trips to the capital by a margin of 1 per cent.

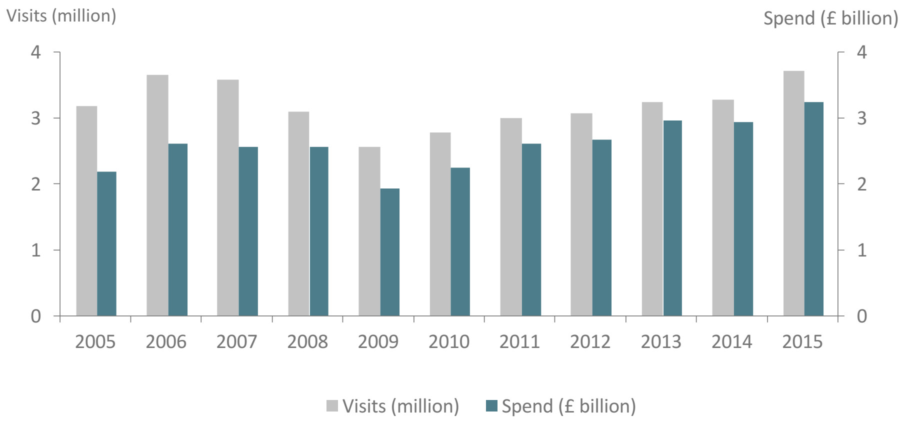
The number of nights that overseas business visitors spent in London in 2015 increased significantly against the past few years. At 16.5 million, this represented 20 per cent growth against 2014 and 39 per cent more nights than in 2010. This was also 5 per cent more nights than the previous 2006 peak. After a dip in nominal expenditure in 2014, spend from overseas business visitors reached £3.2 billion in 2015 – another record.

Overseas business visits, nights and expenditure in London (2005–15)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Visits (million)	3.2	3.7	3.6	3.1	2.6	2.8	3	3.1	3.2	3.3	3.7
Nights (million)	13.4	15.8	15.2	13.1	11	11.9	13.2	14.3	13.9	13.8	16.5
Spend (£ billion)	2.2	2.6	2.6	2.6	1.9	2.2	2.6	2.7	3	2.9	3.2

Source: Office for National Statistics, International Passenger Survey 2005-15

Overseas business visits and expenditure (2005–15)

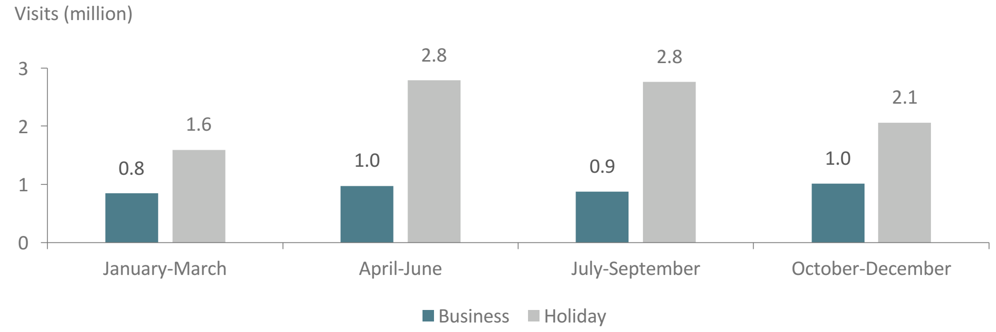


Source: Office for National Statistics, International Passenger Survey 2005-15

While overseas leisure tourism peaks during the spring and summer months, business tourism remains relatively steady across each quarter. In 2015, quarter four (October–December) saw the highest proportion of overseas business visits, at 27 per cent. However, this was just 4 per cent more than in quarter one, where the lowest volume of overseas business visits was recorded. For holiday visits, on the other hand, just 17 per cent of arrivals occurred in January–March, while 60 per cent of holiday arrivals were recorded in the middle two quarters of the year.

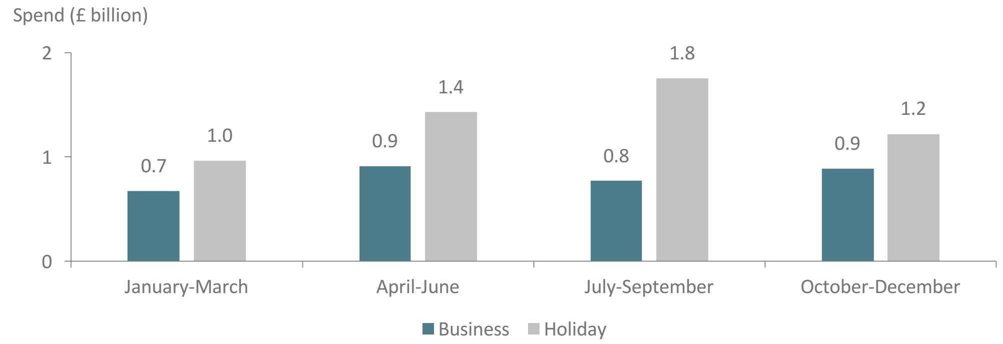
There is also less fluctuation across each quarter in overseas business expenditure compared to holiday spend. In 2015, 28 per cent of overseas business spend was generated in quarter two (April–June) and 27 per cent in quarter four (October–December). The period in which the lowest spending occurred was quarter one (January–March) for both overseas business and holiday visits (21 per cent and 18 per cent respectively). As with the volume of visits, 60 per cent of holiday expenditure in 2015 was concentrated within the middle two quarters, with a third occurring in July–September.

Quarterly overseas business versus holiday visits (2015)



Source: Office for National Statistics International Passenger Survey 2015

Quarterly overseas business versus holiday expenditure (2015)

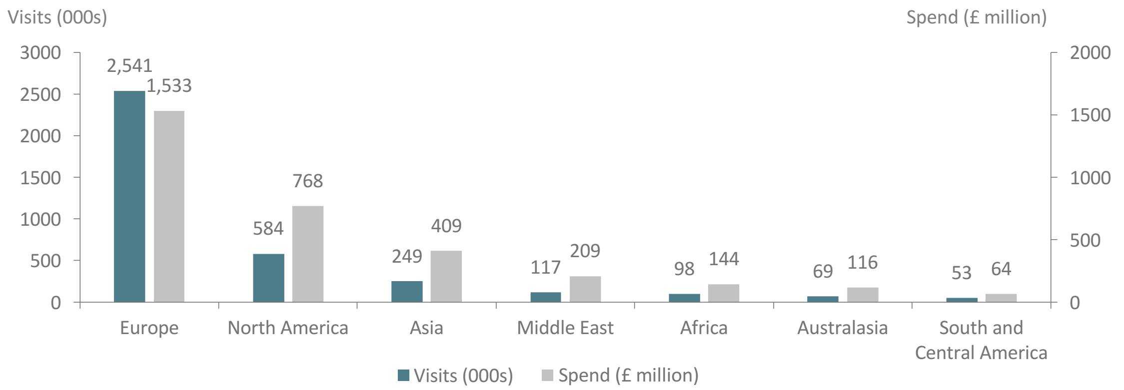


Source: Office for National Statistics International Passenger Survey 2015

Key regions for overseas business visits to London

The European markets dominate London's overseas business tourism, representing 68 per cent of the volume of overseas business visits in 2015. However, Europe under-indexes in terms of expenditure, with business visitors from the region responsible for 47 per cent of overseas business spending in the capital in 2015. North Americans represent less than a fifth of overseas business visits to London (16%) but almost a quarter of business expenditure (24%). Both the Asian and Middle Eastern markets were responsible for around double the share of overseas business spend in the capital compared to their share of the volume of business visits in 2015.

Business visits and spend in London by overseas geographical region (2015)



Source: Office for National Statistics International Passenger Survey 2015

Business visits and spend in London by overseas geographical region

	Visits 2015 (000s)	5-year % change	Spend 2015 (£ million)	5-year % change	Overseas business visit market share 2015	Overseas business spend market share 2015
Europe	2,541	43%	1,533	60%	68%	47%
North America	584	14%	768	34%	16%	24%
Asia	249	23%	409	58%	7%	13%
Middle East	117	39%	209	59%	3%	6%
Africa	98	25%	144	-12%	3%	4%
Australasia	69	-19%	116	-8%	2%	4%
South and Central America	53	87%	64	120%	1%	2%
Total	**3,712**	**34%**	**3,243**	**45%**	**100%**	**100%**

Source: Office for National Statistics International Passenger Survey 2010-15

The US is London's largest overseas market for volume of business visits, representing 14 per cent of the capital's overseas business tourism in 2015. While London is yet to see a return to the US's 2009 peak for business visitor volume (589,000), levels in 2015 were the highest seen since then. European markets dominate the rest of the top ten in terms of overseas business volume. London has seen the volume of business visits received from France, Spain, Ireland, Poland and Belgium each increase by more than 50 per cent over the past five years. While Germany is ranked third for overseas business visits to London, its growth has been slower (+9% 2010–15) and there was a 4 per cent decline in the volume of such visits from Germany between 2014 and 2015.

Top 25 overseas markets for London by tourism volume (2015)

Rank	Market	Visits 2015 (thousand)	2010–15 % change	2014-15 % change	Overseas business visits market share 2015
1	United States	528	18%	18%	14%
2	France	350	57%	13%	9%
3	Germany	271	9%	-4%	7%
4	Spain	212	51%	57%	6%
5	Republic of Ireland	210	72%	37%	6%
6	Netherlands	183	44%	-4%	5%
7	Italy	176	27%	5%	5%
8	Poland	159	100%	47%	4%
9	Belgium	124	59%	38%	3%
10	Switzerland	113	46%	-16%	3%
11	Denmark	78	55%	9%	2%
12	Sweden	77	-2%	3%	2%
13	Romania	73	182%	25%	2%
14	Norway	68	21%	6%	2%
15	India	67	0%	-6%	2%
16	Canada	56	-13%	10%	1%
17	Australia	50	-21%	-4%	1%
18	United Arab Emirates	43	55%	20%	1%
19	Japan	42	16%	-2%	1%
20	Portugal	42	29%	2%	1%
21	Czech Republic	41	48%	33%	1%
22	South Africa	41	37%	29%	1%
23	Turkey	41	53%	8%	1%
24	Singapore	39	66%	21%	1%
25	Finland	39	38%	40%	1%

Source: Office for National Statistics International Passenger Survey 2010–15

The US is by far the capital's largest market for overseas business spend, responsible for more than a fifth of all overseas business expenditure in London in 2015. The US's overall business spend in London was almost three and a half times that from France, London's second highest ranked overseas business market for overall expenditure. Predictably, most of the highest ranking markets for overseas business spend are aligned with the largest markets for business volume. However, Sweden features much higher in the rankings for business spend compared to volume, after London experienced significant five-year and one-year growth from this market. Australia features too, despite the large drop in business spend in London from Australian business visitors from 2014 to 2015.

Top 25 overseas markets for London by business tourism value (2015)

Rank	Market	Spend 2015 (£million)	2010–15 % change	2014-15 % change	Overseas business expenditure market share 2015
1	United States	705	41%	16%	22%
2	France	207	133%	10%	6%
3	Sweden	140	186%	158%	4%
4	Germany	130	18%	-29%	4%
5	Spain	125	75%	57%	4%
6	Republic of Ireland	111	104%	23%	3%
7	Italy	109	54%	24%	3%
8	India	101	-4%	-5%	3%
9	Switzerland	87	78%	-23%	3%
10	Netherlands	85	18%	-17%	3%
11	Australia	79	-14%	-41%	2%
12	Singapore	67	113%	10%	2%
13	Belgium	66	72%	55%	2%
14	United Arab Emirates	62	47%	19%	2%
15	Canada	62	-12%	-8%	2%
16	South Africa	55	41%	-8%	2%
17	Poland	49	47%	122%	2%
18	Hong Kong	49	88%	8%	2%
19	Norway	44	15%	-15%	1%
20	Denmark	43	26%	-5%	1%
21	China	38	23%	-13%	1%
22	Japan	38	11%	-17%	1%
23	Israel	37	93%	76%	1%
24	Saudi Arabia	36	18%	10%	1%
25	Russia	36	-21%	-13%	1%

Source: Office for National Statistics International Passenger Survey 2010–15

Meetings and events

London's strength as a top destination for business meetings has grown over the past few years, and the capital continues to develop its position in the sector. London has moved up the International Congress and Convention Association (ICCA) rankings, which measure regularly held association meetings of more than fifty people that rotate among at least three cities. While London was ranked the 14th biggest city for number of annual association meetings in 2010, in 2015 the capital moved up to fifth place, with 171 meetings held.

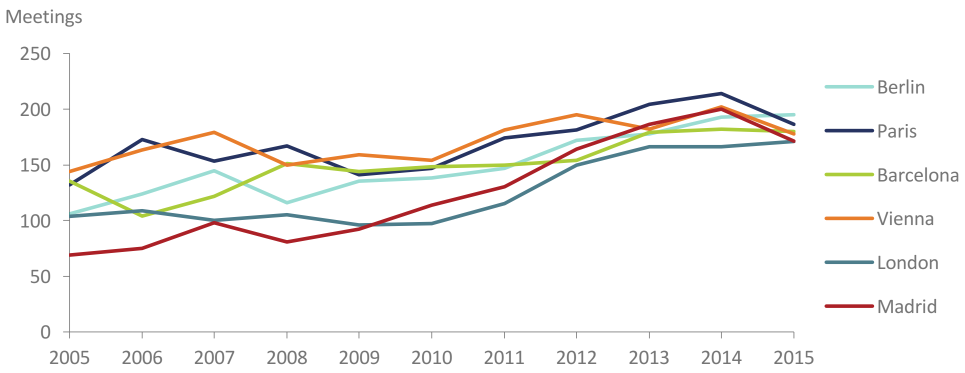
Top 10 cities for volume of association meetings

Rank	City	No. Meetings
1	Berlin	195
2	Paris	186
3	Barcelona	180
4	Vienna	178
5	**London**	171
6	Madrid	171
7	Singapore	156
8	Istanbul	148
9	Lisbon	145
10	Copenhagen	138

Source: ICCA Report 2015

There has been a 76 per cent increase in the number of association meetings held in London since 2010 – the strongest five-year growth of the 2015 top five cities. At 64 per cent, London's ten-year growth in such meetings has been faster than that of Paris, Barcelona and Vienna. And with a 3 per cent increase in meetings from 2014 to 2015, this also puts London ahead of the rest of the top five for growth during this one-year period.

Number of meetings in top global cities (2005–15)



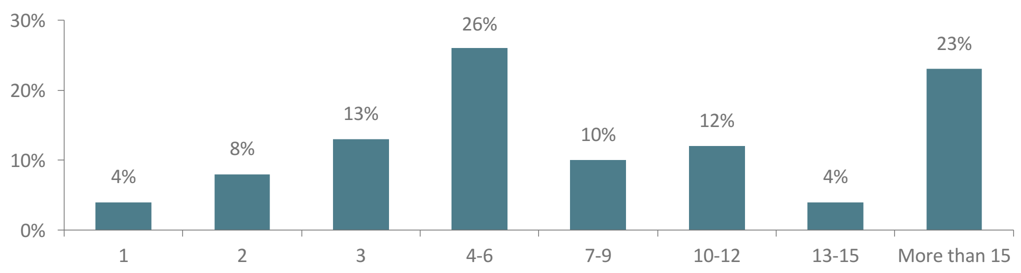
Source: ICCA

Business visitors' perceptions of London

Business travellers make up 10 per cent of the overall sample questioned within the London Visitor Survey, and some key differences can be seen in their experiences of visiting the capital when compared to those visiting for leisure. Business visitors are more likely than those visiting London for other purposes to solely remain in the city during their visit to the UK (42% versus 31% of overall visitors).

They tend to be familiar with London, with many having previously visited on numerous occasions. Just 4 per cent indicated that their recent visit had been their first time in London, compared to 14 per cent of all visitors. Twenty six per cent had visited London between seven and fifteen times in total, more than double the 10 per cent of leisure visitors who had been this frequently. A further 23 per cent had taken a trip to London on more than fifteen occasions, compared to 12 per cent of overall visitors. Business visitors are therefore key to London's tourism industry, with some individuals potentially taking numerous trips to the city during short periods of time.

Number of total visits to London, business visitors



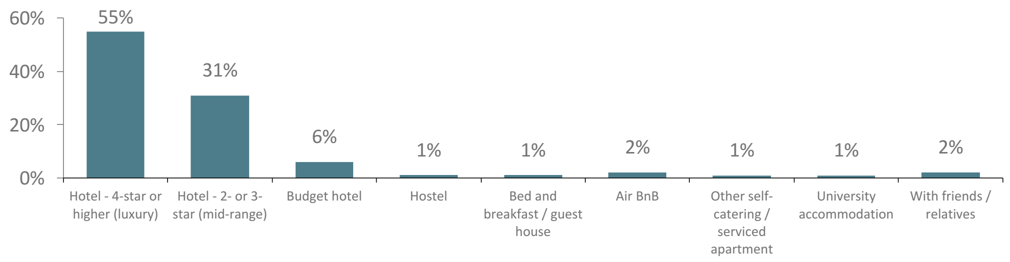
Source: London & Partners, London Visitor Survey 2016[6]

Accommodation

Those who visit London for business tend to stay in more upmarket accommodation; 55 per cent stayed in a luxury hotel (4-star or more) during their recent trip to the capital and just 6 per cent in a budget hotel.

Satisfaction with accommodation was largely in line with other visitors, with 54 per cent of overall business visitors indicating that they were highly satisfied with where they stayed, compared to 56 per cent of all visitors. However, business visitors are more likely than visitors overall to agree that accommodation staff were helpful and friendly (78% versus 75% overall) , that their accommodation was conveniently located (92% business versus 79% overall) and that it exceeded expectations (53% agreement, compared to 51% overall), demonstrating that London's hotels are succeeding in the provision of customer service and in delivering other key services to their business clients.

Type of hotel stayed in while in London, business visitors



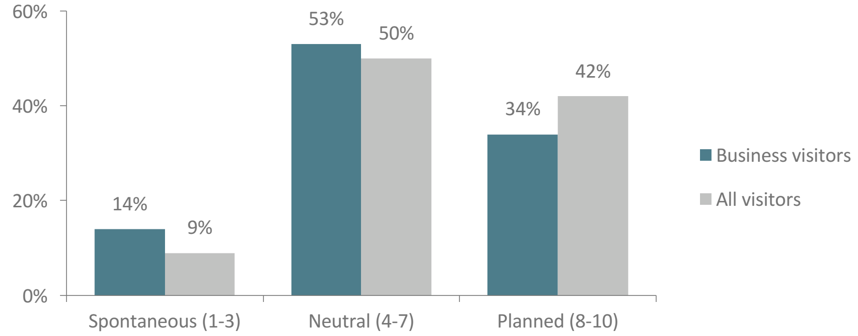
Source: London & Partners, London Visitor Survey 2016[7]

Leisure time

When business visitors have time within their schedules to dedicate to leisure activities while in the capital, many tend to be spontaneous when deciding how this is spent — perhaps grasping last minute opportunities when a break in their business schedule arises. Fourteen per cent of business visitors indicated that the leisure time they spent during their trip was unplanned, compared to 9 per cent of all visitors, suggesting that there is an opportunity to guide this group's leisure time after they have arrived in the city. However, 34 per cent are advance planners. While this is lower than the 42 per cent of all visitors who planned their leisure time in advance, it does highlight that promoting attractions and cultural activities within sources aimed at business visitors could potentially capture the third who like to map out how they will spend their leisure time prior to arriving in the city. For those business visitors who do plan out their leisure time, they tend to be last minute researchers. Around one-fifth started planning leisure time just a few days before arrival (compared to just over one in ten of all visitors), a further fifth a week before arriving (compared to 16 per cent of all visitors) and just one in ten more than a month before arrival, compared to more than one-fifth of all visitors.

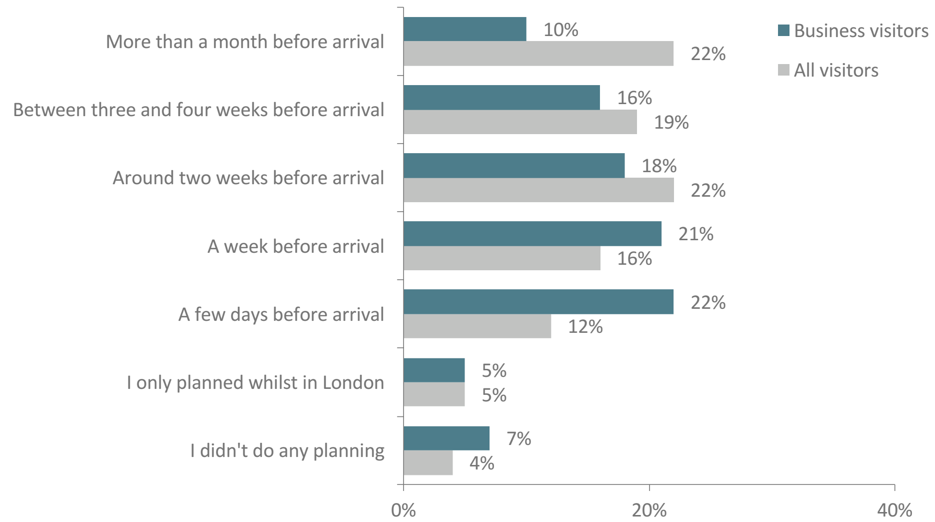
While business visitors are more frequent visitors and higher spenders while in London, there is some room for improvement in terms of their overall experience of the city. This cohort was slightly less satisfied with their visit to London compared to all tourists. Seventy per cent of business visitors were highly satisfied with their trip to London, compared to 79 per cent of all visitors. While this is still relatively high, it indicates that there is work that can be done to increase satisfaction further — and perhaps result in converting more of such visitors to leisure tourists — even if for just a brief, unplanned period of their trip.

Whether leisure time is planned



Source: London & Partners, London Visitor Survey 2016[8]

Planning window for visit to London



Source: London & Partners, London Visitor Survey 2016[9]

Culture remains a key driver for London visits. Events and shopping also often form a key part of the visitor experience, while many are exploring outer London and beyond during their trip. There is scope for improving perceptions of food and in the provision of visitor information.

75% booked own trip to London

7 in 10 visitors extremely or fairly likely to visit London outside of summer months in future

6/10

VISITORS experienced London's historic landmarks and architecture

48% ate at an English pub in London

82% of visitors really enjoyed the event they attended

80% agree London offers a good variety of attractions

Highest satisfaction is with luxury hotels (69%)

84% agreed London offers a varied shopping experience

73% ventured to outer London during their trip

65% took a trip outside of London

05

THE VISITOR EXPERIENCE

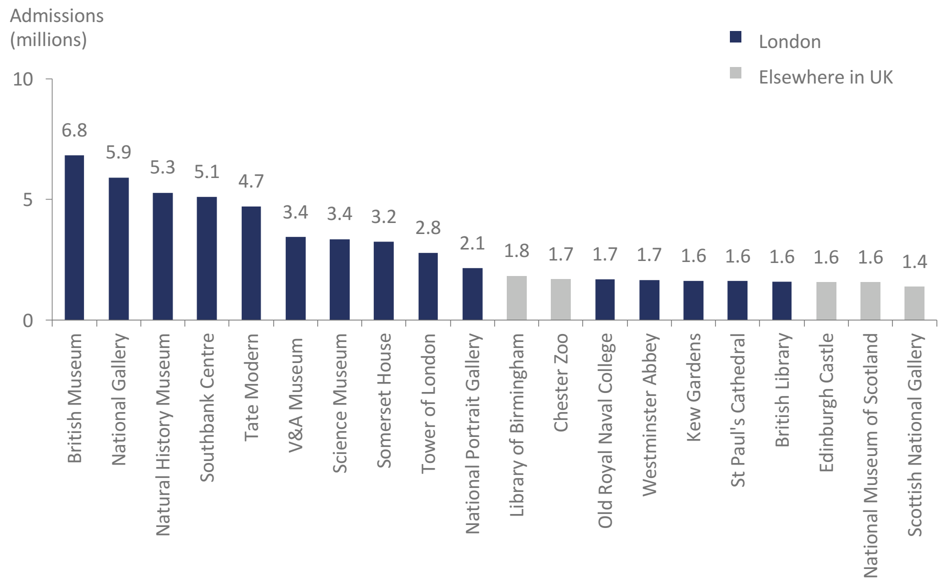
a. Culture

London's status as a cultural capital is one of its most valuable selling points for tourism. The city is unrivalled in its extensive cultural offering, making this a key driver for visits to the capital. Historic landmarks and architecture, attractions, parks and waterways, and museums and galleries all feature in the top five drivers for visiting the capital, while theatre, music and performance is the tenth highest driver. This is unsurprising, given that all of the UK's top ten attractions are situated in London – and most of the top 20. The city's world-famous museums, galleries, performance venues and family attractions all contribute to the cultural offering being a key motivator for visiting.

Drivers to visit London

Source: London & Partners, London Visitor Survey 2016[10]

Top 20 UK attractions (Association of Leading Visitor Attractions membership)

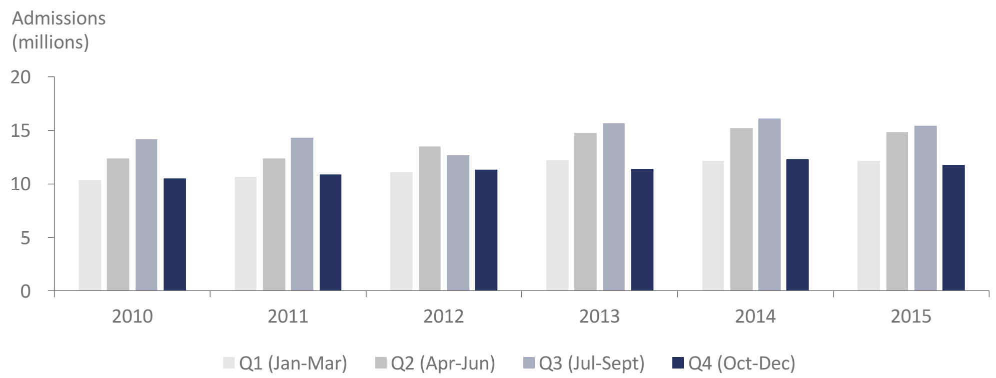


Source: Association of Leading Visitor Attractions, Visits made in 2015 to visitor attractions in membership with ALVA[11]

Attendance at London's attractions

In 2015, London's top attractions received 57.7 million admissions. Levels seen were similar to those in 2013 during the first nine months of the year, while in the last three months, visits were up 3 per cent compared to quarter four (October-December) 2013—despite expectations that the Paris attacks might lead to a steep decline in visitor numbers to top European cities. The five-year picture is also positive, with 2015 admissions increasing by 14 per cent compared to 2010. Quarter four 2015 admissions were up 12 per cent against quarter four in 2010, while quarter two (April–June) admissions represented a 20 per cent increase against quarter two 2010.

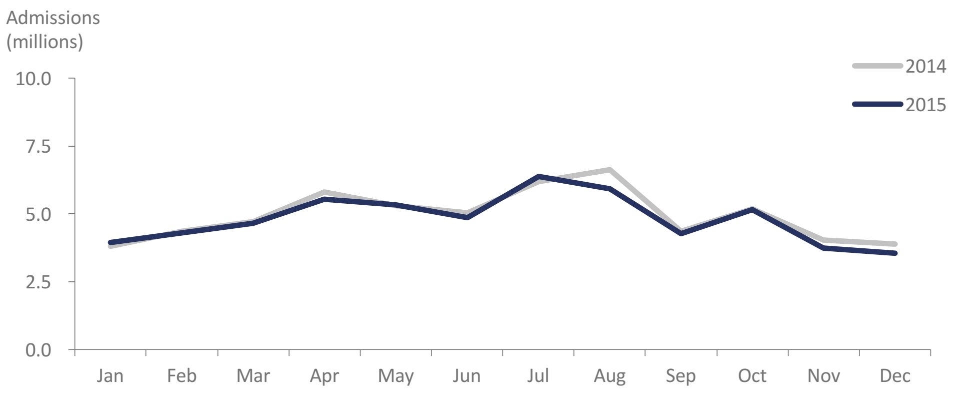
Quarterly admissions to top London attractions (2010–15)



Source: London & Partners, London Attractions Monitor Annual Review 2015[12]

Admissions during 2015 represent a 3 per cent decrease on the record 59.3 million admissions recorded in 2014. Monthly year-on-year increases occurred in January (+4%), May (+1%) and July (+3%). However, decreases against 2014 were seen across each of the other nine months. The highest performing month in 2015 was July, with 6.4 million admissions, which was slightly at odds with 2014 when the peak in admissions occurred in August.

Monthly admissions to London's top attractions (2015 versus 2014)



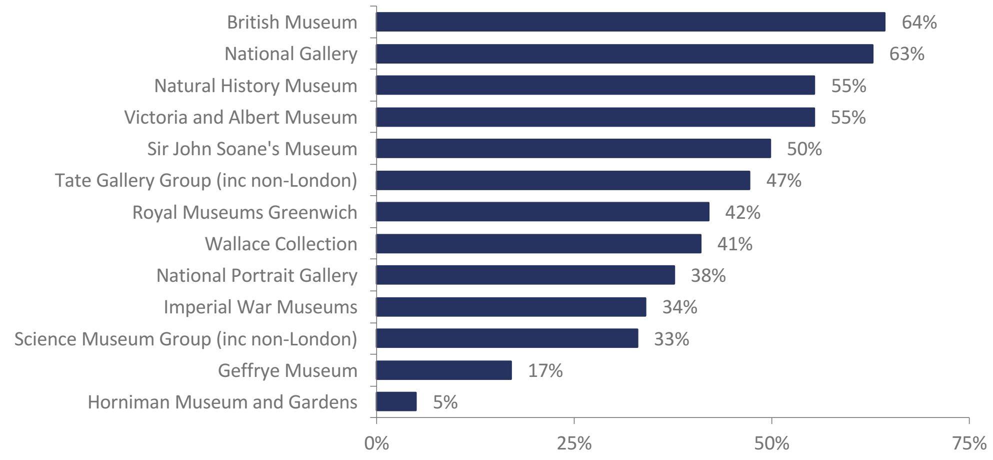
Source: London & Partners, London Attractions Monitor Annual Review 2015

Popularity with overseas visitors

The popularity of some of London's biggest museums and galleries is partly down to a significant proportion of admissions from overseas visitors. International visitors were responsible for almost two-thirds of admissions to the British Museum and National Gallery in 2015 and accounted for more than half of visits to the Natural History Museum and Victoria and Albert Museum (V&A). Popular temporary exhibitions such as the Natural History Museum's 'Wildlife Photographer of the Year' and the V&A's sell-out 'Alexander McQueen: Savage Beauty' ensured that the capital's attractions maintained strong appeal to international and domestic tourists, and Londoners alike.

The appeal of London's top attractions to overseas visitors continues to grow in the case of most museums and galleries. The National Gallery and Natural History Museum have both witnessed enormous five-year growth in the volume of international visitors stepping through their doors, with increases of 159 per cent and 101 per cent, respectively, since 2009-10. However, it's not just the capital's biggest tourist attractions that are popular among overseas visitors. Some of London's more niche attractions have also seen their appeal to the overseas market grow during this period, with Sir John Soane's Museum recording 156 per cent growth in the number of overseas admissions since 2009-10, outer London attraction The Horniman Museum and Gardens seeing an enormous 202 per cent increase, and the Geffrye Museum gaining an additional 69 per cent in overseas admissions. Of the attractions whose admissions are recorded by the Department for Culture, Media and Sport, only the Royal Museums Greenwich saw a decline in overseas visits during the five-year period.

Proportion of overseas visitors to leading London attractions (2014-15)



Source: Department for Culture, Media and Sport Performance Indicators 2014-15

Trends in number of overseas visitors to leading London attractions

Attraction	Number of overseas visits 2014/15	% change since 2009/10
British Museum	4,296,000	21%
National Gallery	4,100,000	159%
Tate Gallery Group (inc non-London)	3,731,000	16%
Natural History Museum	3,005,663	101%
Victoria and Albert Museum	2,067,800	74%
Science Museum Group (inc non-London)	1,760,000	86%
Royal Museums Greenwich	984,216	-23%
Imperial War Museums	957,000	31%
National Portrait Gallery	783,000	10%
Wallace Collection	175,412	4%
Sir John Soane's Museum	58,260	156%
Horniman Museum and Gardens	37,519	202%
Geffrye Museum	18,389	69%

Source: Department for Culture, Media and Sport Performance Indicators 2014-15

London's theatres

In 2015, admission levels at London's West End theatres remained steady against 2014 and gross revenue increased by 2 per cent. There were 14.7 million attendances to the 53 West End theatres under Society of London Theatres (SOLT) membership, while revenue hit £634 million, an increase of £10.2 million against the previous year. In 2015, the average ticket price increased 2 per cent, from £42.29 in 2014 to £42.99, which SOLT highlights illustrates continued demand and a reduction in discounting, evidencing the increasing popularity of London theatre.

Attendance and revenue at West End theatres (2015)

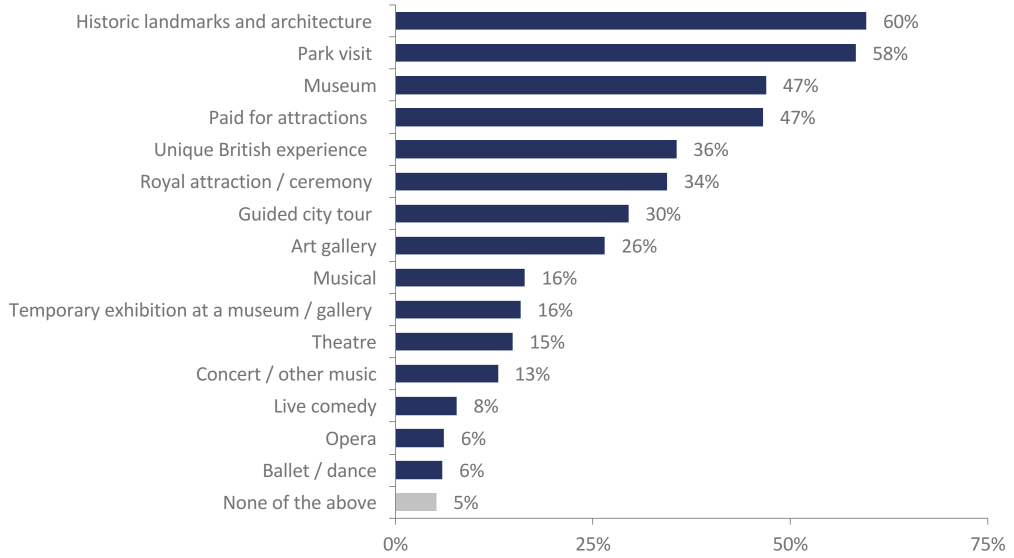
	2014	2015	% change 2015 vs. 2014
Attendances (million)	14.7	14.7	0%
Revenue (£ million)	£623.6	£633.8	2%

Source: Society of London Theatre, Box Office Data Report 2015[13]

Culture: London's key strength

The London Visitor Survey confirmed the significant role that London's cultural scene plays within the visitor experience. Culture is key to the London visitor's itinerary: six in ten visitors to the capital experienced London's historic landmarks and architecture during their trip, while a similar proportion visited a park. Almost half of visitors went to a museum, while a similar share of those visiting London attended a paid for attraction.

Cultural experiences during the trip to London



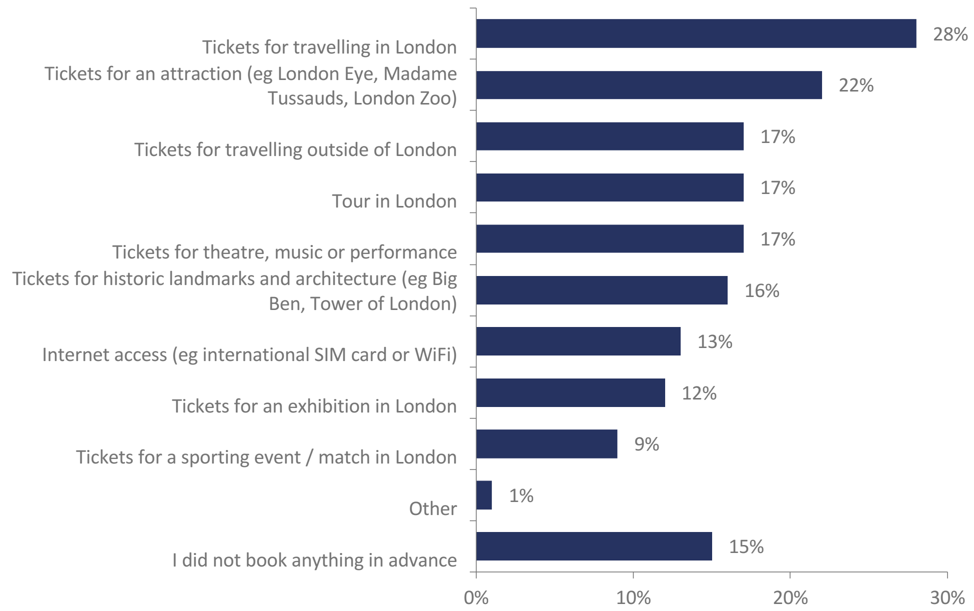
Source: London & Partners, London Visitor Survey 2016[14]

Wide experience of cultural attractions and events is linked to high levels of satisfaction with both London overall, and with London's culture. Those expressing high levels of satisfaction with their visit and whose trip to London exceeded expectations are more likely to have attended more of the listed attractions or experiences. Just 4 per cent of those who were highly satisfied with their overall trip did not go to any of the attractions, and 4 per cent of those who felt that the trip exceeded their expectations. The same pattern is seen among those most satisfied with aspects of London culture.

Advance booking

Many visitors book cultural events in advance of leaving home for London, particularly when wishing to experience paid for attractions. More than one-fifth of visitors to London booked tickets to an attraction in advance of leaving home. Almost one-fifth pre-booked tickets for theatre, music or a performance, and a similar proportion pre-booked tickets for a tour of London, or for historic landmarks and architecture. Around one in ten booked tickets to an exhibition, and a similar share purchased tickets for a sporting event or match in advance.

Cultural events purchased in advance of travel



Source: London & Partners, London Visitor Survey 2016[15]

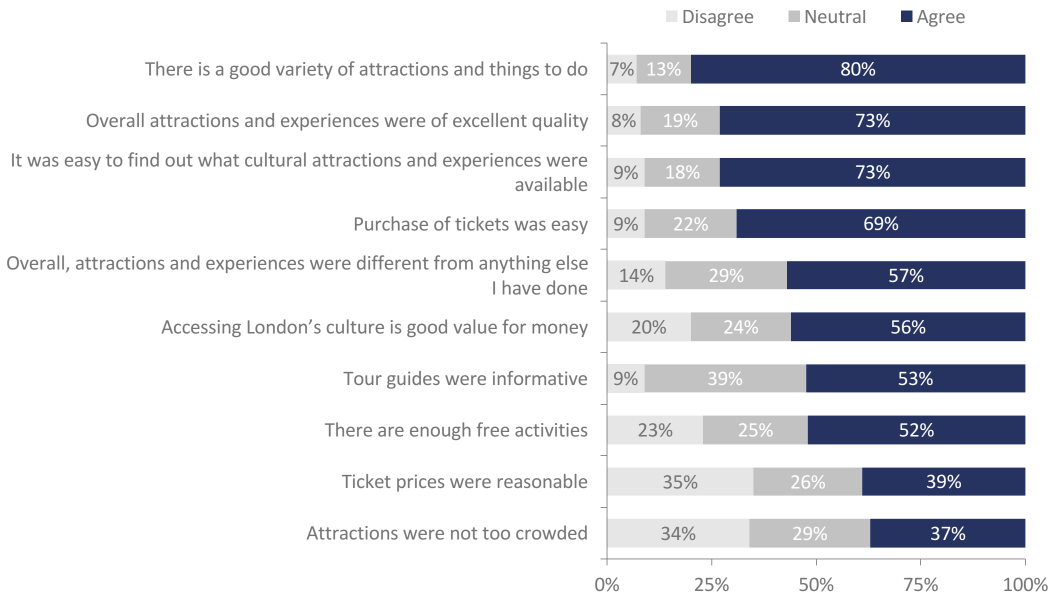
Satisfaction and advocacy

While visitors to London are generally satisfied with the cultural attractions and experiences that the capital has to offer, areas for improvement identified include reducing ticket prices and over-crowding at attractions, and the provision of easy access to free activities.

Eight in ten visitors agree that there's a good variety of attractions and things to do in the capital. Almost three-quarters found it easy to discover the range of cultural attractions available to them, while a similar proportion felt that the overall cultural experience was of excellent quality. Seven in ten agreed that the purchase of tickets was easy.

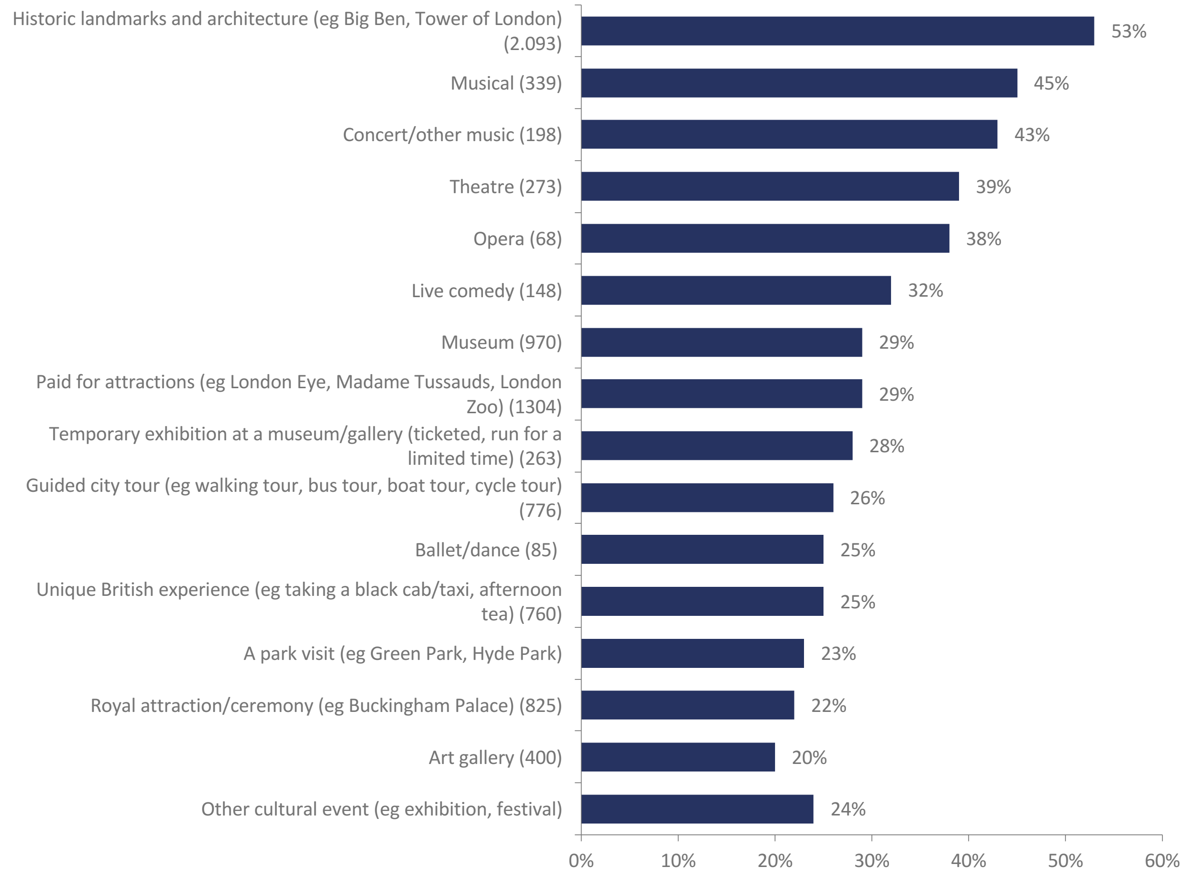
Almost six in ten thought that overall, attractions and experiences were different from anything else they had done, while a similar proportion believed London's culture offered good value for money. More than half agreed that tour guides were informative and a similar proportion that there were enough free activities, although almost a quarter disagreed with the latter. Ticket prices and crowding were viewed less favourably, with more than one third of visitors feeling that ticket prices were not reasonable and a similar proportion that attractions were too crowded. London's historic landmarks and architecture are top of the list of recommendations. More than half of people visiting London would recommend these to friends as their top recommendation. More than two-fifths would recommend a music-related experience as the number one experience to have in London. Art galleries and a royal attraction or ceremony were the experiences least likely to be top of the list for recommending to friends visiting London.

Agreement with statements about cultural experience in London



Source: London & Partners, London Visitor Survey 2016[16]

Cultural events rated most likely to recommend to friends to visit



Source: London & Partners, London Visitor Survey 2016[17]

b. Accommodation

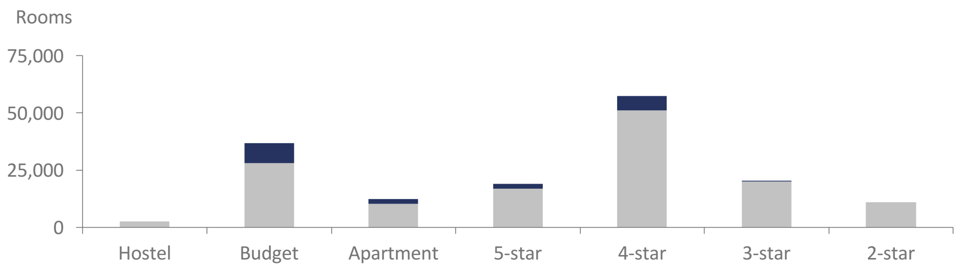
London's hotels have the highest occupancy rates in Europe, reaching 82 per cent in 2015[18]. Further growth is anticipated throughout 2017, largely driven by domestic demand[19]. Much is being done to accommodate this rising demand, with developments in the pipeline for 2016–19 adding close to an additional 20,000 rooms to the city's capacity.

By the end of 2015, there were 1,525 hotel establishments in London, offering 139,819 rooms. Almost half of London's hotel rooms (49%) are either four-star or five-star, although the highest proportion of hotels (23%) fall under the 2-star category. However, of the 144 projects in the pipeline for London up until 2019, 45 per cent of rooms in development are in budget establishments, representing an additional 8,918 rooms for the capital. Thirty one per cent of developments in the pipeline for 2016–19 are four-star hotels, which will add an additional 6,088 rooms, as hoteliers seek to cater for all budgets.

	Existing rooms	Existing %	Pipeline rooms (2016–19)	Pipeline %	Combined existing and pipeline	Combined existing and pipeline %
Hostel	2,610	2%	0	0%	2,610	2%
Budget	27,913	20%	8,918	45%	36,831	23%
Apartment	10,213	7%	2,023	10%	12,236	8%
5-star	16,797	12%	2,278	12%	19,075	12%
4-star	51,158	37%	6,088	31%	57,246	36%
3-star	20,011	14%	419	2%	20,430	13%
2-star	11,018	8%	0	0%	11,018	7%
Total	139,720		19,726		159,446	

Source: AM:PM Hotels[20]

London existing hotels and pipeline (2016–19) by star rating



Source: AM:PM Hotels

Geographic profile of hotels

The majority of London's hotels are located in the inner boroughs, with 60 per cent of establishments and rooms situated across six boroughs: the City of London and Westminster (where almost a third of hotels are based), Camden, Islington, Kensington and Chelsea, and Hammersmith and Fulham. A quarter of hotels are located in the outer boroughs, with 11 per cent of rooms situated in outer West London, incorporating Ealing, Hillingdon and Hounslow.

Much of the development planned for the next few years is also focused in the centre of London, with 70 per cent of room developments set to be located in the inner boroughs. Hackney, Tower Hamlets and Newham, in the East, are set to see the biggest increase in number of hotel rooms by 2019. However, plans for development between 2016 and 2019 will add almost 6,000 additional rooms to the outer London boroughs, with much of the development concentrated in the outer west.

	Existing rooms	Existing %	Pipeline rooms (2016–19)	Pipeline %	Combined existing and pipeline	Combined existing and pipeline %
City of London/ Westminster	43,436	31%	4,677	24%	48,113	30%
Camden/Islington	20,719	15%	1,851	9%	22,570	14%
Hackney/Tower Hamlets/ Newham	12,770	9%	4,851	25%	17,621	11%
Kensington and Chelsea/ Hammersmith and Fulham	19,142	14%	156	1%	19,298	12%
Wandsworth/Lambeth/ Southwark	11,477	8%	2,231	11%	13,708	9%
Outer north	2,399	2%	756	4%	3,155	2%
Outer northeast	1,613	1%	0	0%	1,613	1%
Outer northwest	2,879	2%	117	1%	2,996	2%
Outer east	1,099	1%	143	1%	1,242	1%
Outer south	3,085	2%	491	2%	3,576	2%
Outer southeast	2,764	2%	461	2%	3,225	2%
Outer southwest	3,074	2%	378	2%	3,452	2%
Outer west	15,263	11%	3,614	18%	18,877	12%
Total	**139,720**		**19,726**		**159,446**	

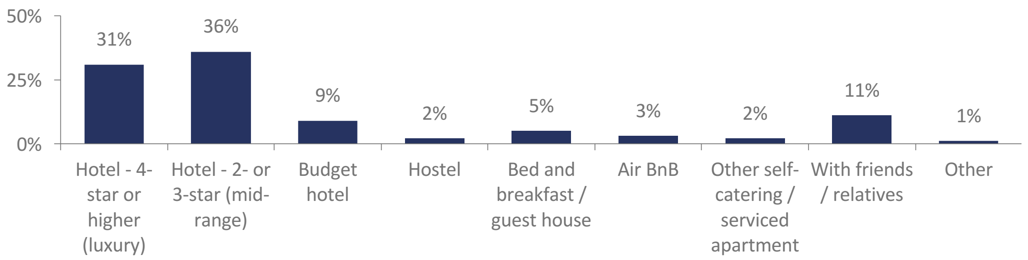
Source: AM:PM Hotels

Visitor insights around accommodation

There is no single area of central London that a majority of visitors are drawn to staying in during their visit, with a fairly even spread seen across the centre of London. Popular areas include Oxford Circus, Regent Street, Piccadilly Circus and Leicester Square (14%), the London Eye, the Royal Courts of Justice, and St Paul's (12%), Hyde Park, the Royal Albert Hall, and Knightsbridge (12%), King's Cross, and the British Museum (11%) and Green Park, Buckingham Palace, Big Ben, and Westminster (10%).

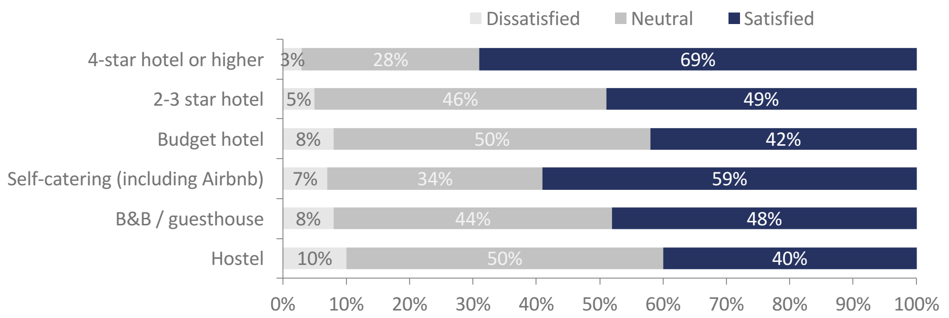
Three-quarters of visitors stay in a hotel during their trip to London (76%). The most popular hotels are mid-range (36% in a 2- to 3-star hotel), followed by luxury accommodation (31% in a 4-star or higher hotel). Around one in ten visitors stay with friends or relatives, and a similar proportion in budget hotels. Very few stay in a B&B or guesthouse, self-catering, hostels or university accommodation.

Type of hotel stayed in while in London



Source: London & Partners, London Visitor Survey 2016[21]

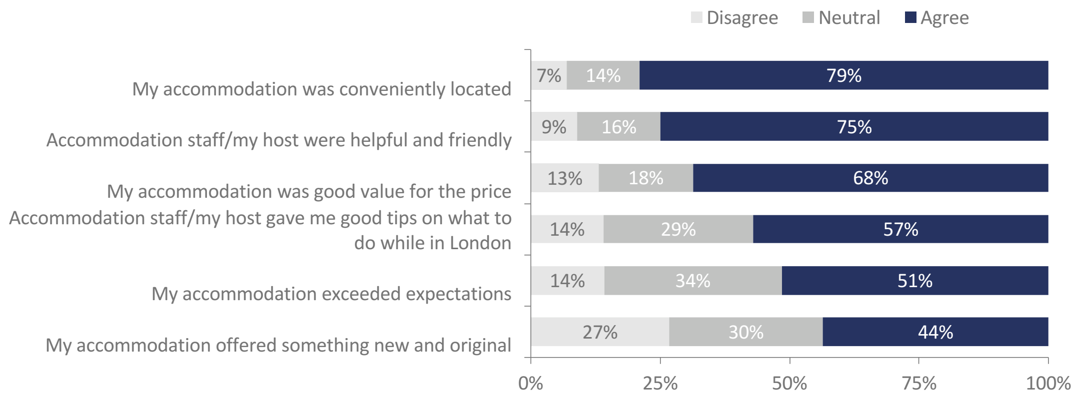
Satisfaction with accommodation in London by type of hotel



Source: London & Partners, London Visitor Survey 2016[22]

Although most visitors are satisfied with the location, staff and value of accommodation in London, they do not see it as exceeding their expectations, or offering a new and original accommodation experience. Eight in ten visitors agreed that their accommodation was conveniently located, and three-quarters that accommodation staff or their host were helpful and friendly. Around seven in ten felt that their accommodation offered good value for the price. However, only half believed that their accommodation exceeded expectations, and even fewer that it offered something new and original. This highlights that, despite high satisfaction with many aspects of accommodation in London, improvements can be made to further enhance the visitor experience of accommodation in the city.

Agreement with statements about accommodation



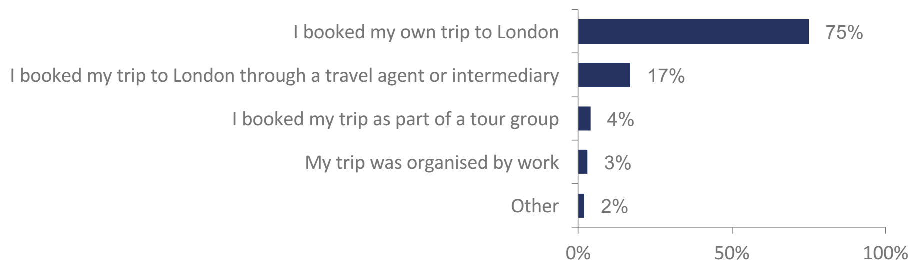
Source: London & Partners, London Visitor Survey 2016[23]

c. Visitor booking and information

Planning and booking

The majority of visitors booked their trip to London themselves rather than enlisting the help of a travel agent. Overall, three-quarters of respondents to the London Visitor Survey booked their own trip to London, while less than one-fifth booked via a travel agent or intermediary.

Booking method for trip to London

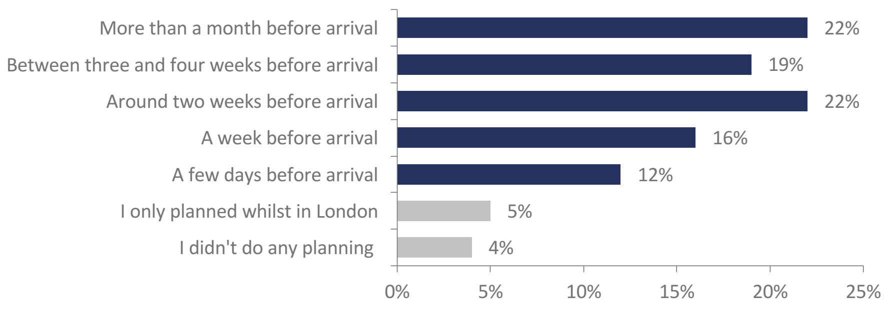


Source: London & Partners, London Visitor Survey 2016[24]

Room for improvement:
"Being able to register an upcoming visit on a website, upon which you would be sent helpful information (i.e. maps, guides, brochures, etc) and some free or discount tickets. This might save searching lots of different websites to come up with the same information."

Visitors started planning for their trip to London well in advance of arrival. More than one-fifth researched or planned what they would like to do during their trip around two weeks before arriving, a further fifth between three and four weeks beforehand, and a similar proportion more than a month before the visit. Very few waited until their arrival in London to start planning trip activities, or did not do any planning at all.

Planning window for visit to London



Source: London & Partners, London Visitor Survey 2016[25]

A number of sources were explored when researching in preparation for the visit to London, with much of the activity concentrated online. Two-fifths of visitors who did some planning or research before arrival read online reviews, while a similar proportion spoke to friends or family for recommendations. One-third visited www.visitlondon.com and a similar proportion made use of other websites with content about London. Around a quarter bought a guidebook, one-quarter read travel magazines and/or brochures, while a similar proportion looked on social media for recommendations about the city. One-fifth of visitors downloaded an application with London content.

Sources used to plan visit to London

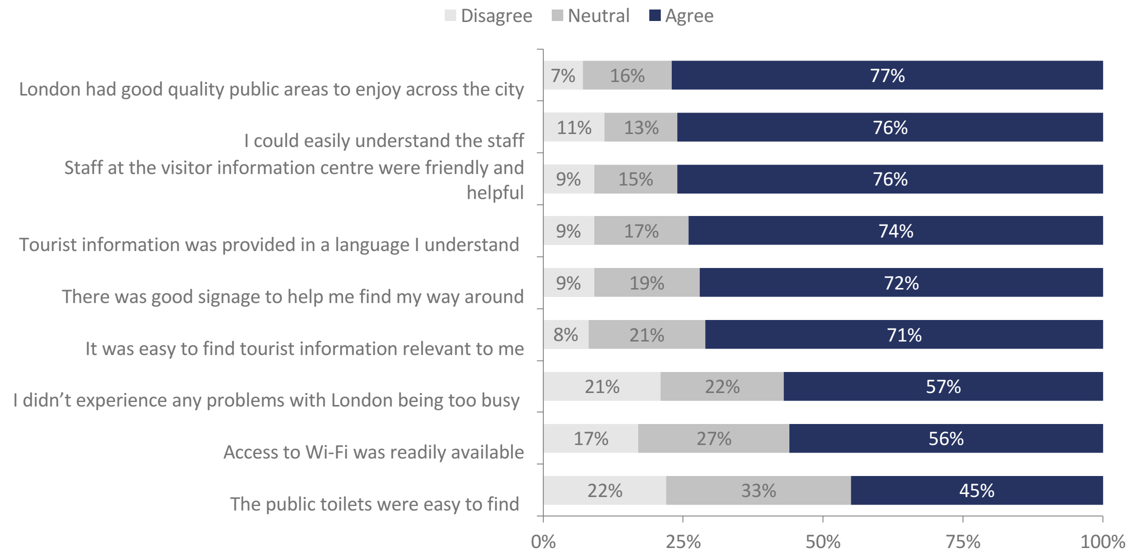
Source: London & Partners, London Visitor Survey 2016[26]

Satisfaction

While most visitors are satisfied with the tourist information available and how it is communicated to them, there is an opportunity to increase satisfaction by facilitating even easier access to relevant tourist information throughout all aspects of trips to London.

Three-quarters of visitors to London thought staff at visitor information centres were friendly and helpful, a similar proportion found such staff easy to understand, while three-quarters also agreed that tourist information was provided in a language they understood. Seven in ten visitors agreed that it was easy to find tourist information relevant to them. More than three-quarters thought London had good quality public areas to enjoy across the city, and more than seven in ten agreed that there was good signage to help them find their way around. However, one-fifth of visitors got caught up in congestion in London, a similar proportion thought public toilets were hard to find, while 17 per cent struggled with access to Wi-Fi.

Agreement with statements about visitor information



Source: London & Partners, London Visitor Survey 2016[27]

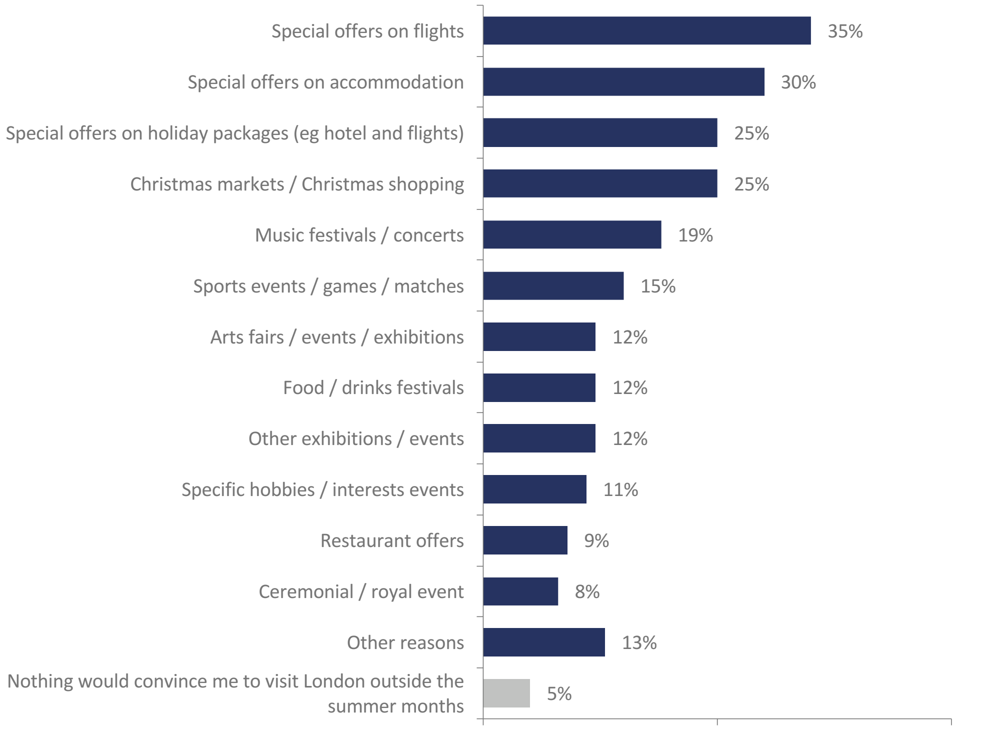
Potential for encouraging off-peak travel

As there is a higher proportion of visitors to London during the middle of the year, the survey questioned visitors about how likely they would be to return to London during off-peak months. Overall, seven in ten said they would be either extremely or fairly likely to consider visiting London outside of the summer months in the future.

Off-peak travel is not rejected by the majority of visitors who visited London during the peak months, with only 9 per cent stating that they were extremely or fairly unlikely to visit outside of June, July or August. Promotions and financial incentives were highlighted as the biggest drivers for a potential off-peak trip, with key motivators including special offers on flights, accommodation, or holiday packages.

Christmas markets are also of importance in encouraging off-peak travel, with one-quarter of visitors indicating that these would be a potential motivator. Promoting off-peak offers, or a visit to London at Christmas, are potentially key ways that visitors could be encouraged to visit the city during the slightly quieter months. Just 5 per cent of peak time travellers said that nothing would convince them to visit London outside of the summer months, highlighting that there is significant potential to spread tourism visits more evenly across the year.

Potential motivators for off-peak visits



Source: London & Partners, London Visitor Survey 2016[28]

d. Events

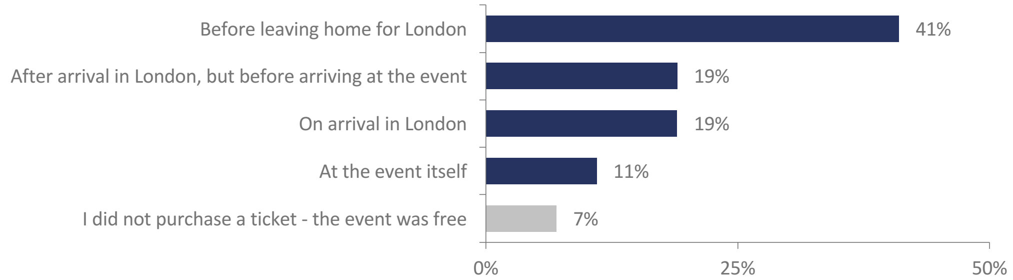
Events form a key part of the visitor experience in London. Following the huge success of the 2012 Olympic Games, the city's sporting, cultural and music offer has grown even stronger.

Around one in ten visitors described the main purpose of their recent visit to London as being for an event, with a mix of business and culture. However, while events are not always the principal driver of a visit to London, more than one-third of visitors attended at least one event during their stay (35%). The most popular events were a trip to an art or museum exhibition, a live football match and a theatre or musical show.

Advance booking

Many visitors plan their attendance at an event and book tickets in advance of their arrival in London. Two-fifths of those who attended an event during their visit purchased the tickets before leaving home for London.

When tickets were purchased for events



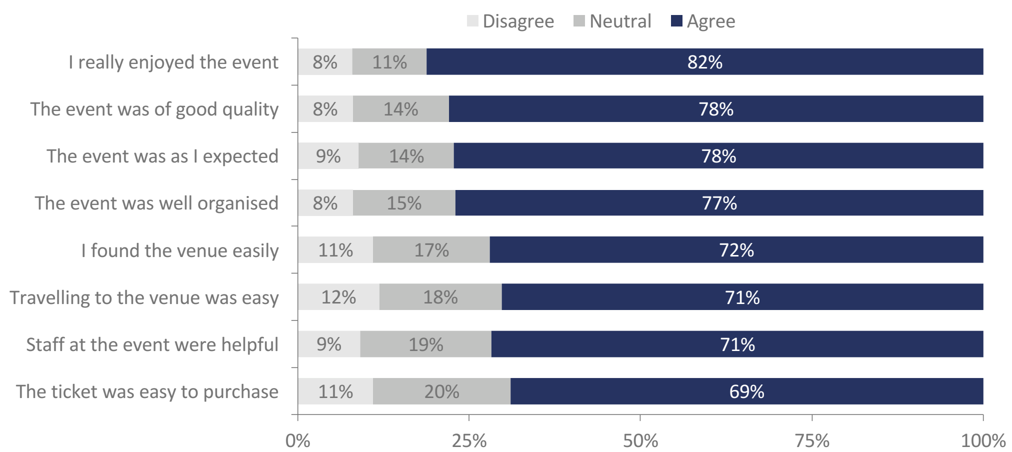
Source: London & Partners, London Visitor Survey 2016[29]

One-fifth bought them on arrival in London, and a further fifth did so once in London, but ahead of the event. Just one in ten purchased their tickets at the event itself, and fewer than one in ten did not need to purchase a ticket, as the event they attended was free.

Experience at events

Overall, visitors were very positive about their experience of attending events during their stay, although some would have benefitted from more help with the practical issues of booking, travelling and finding the venue. Around eight in ten agreed that they really enjoyed the event, while similarly high proportions felt that the event they attended was of good quality, as expected, and/or well organised. Although visitors were also mainly positive about the practical aspects of the event, around one in ten were slightly more critical. Around seven in ten found the venue easily, while similar proportions found travelling to the venue easy, felt that staff at the event were helpful and/or agreed that the ticket was easy to purchase. For each of these aspects, however, around in one in ten visitors disagreed with the statement, indicating that some improvements could be made to enhance the event goers' experience further.

Agreement with statements about events experience

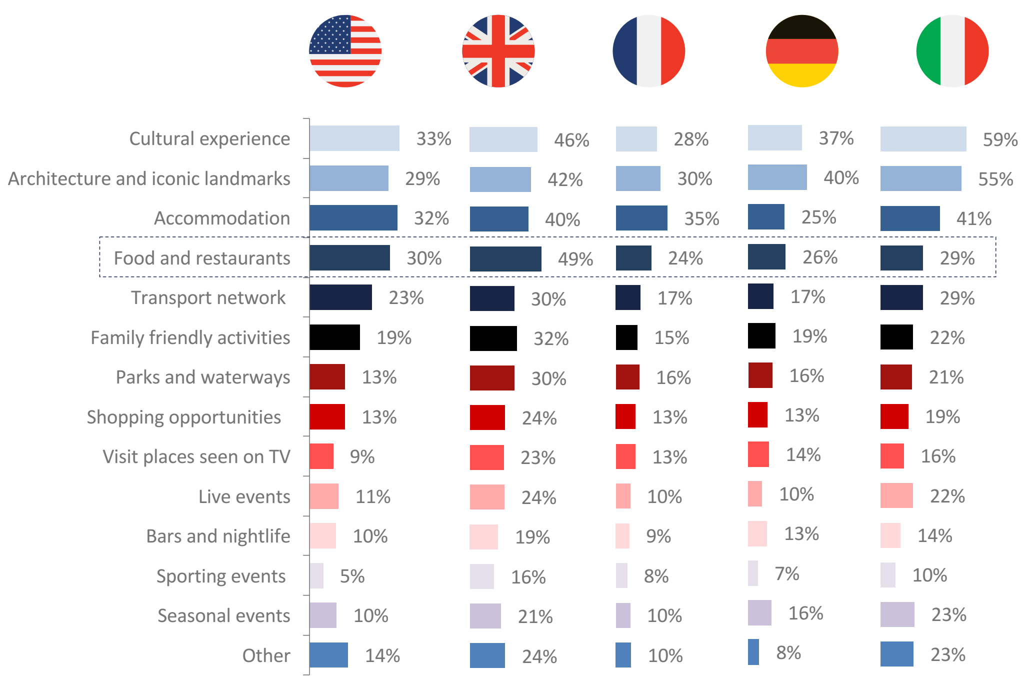


Source: London & Partners, London Visitor Survey 2016[30]

e. Food

London is the city with the highest concentration of the UK's restaurants, with more than a quarter situated in the capital[31]. With more than 8,000 restaurants - including 65 Michelin-starred establishments – London's food offer is strong. Its diversity is a particular selling point, with 70 world cuisines available across the capital. London is home to iconic eateries such as The Ivy, Claridge's and The Ritz. Moreover, celebrity chefs, including Jamie Oliver, Gordon Ramsey and Marco Pierre White, have flagship restaurants in the capital, broadening its appeal to Londoners and tourists alike. One of London's top restaurants, The Ledbury, made the top 20 at the World's 50 Best Restaurants Awards in 2016, ranked 14th[32]. There is a strong connection between food and tourism. When considering a city break, a destination's food offering is often a key factor in selecting where to visit, with the US in particular placing a great deal of importance on this.

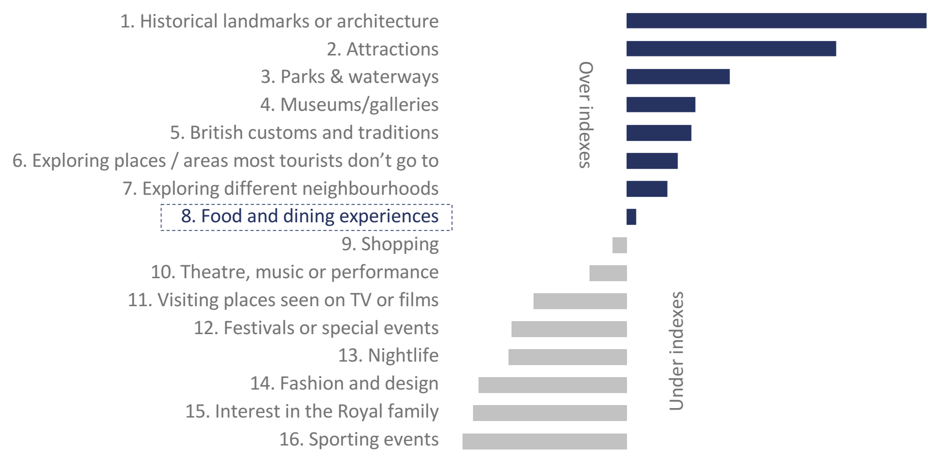
When considering a city break, which of the following are important? (Very important only)



Source: London & Partners Leisure Visitor Segmentation 2015[33]

Despite the strength of London's food and restaurant industry, food ranks only eighth overall out of sixteen key drivers to visit the capital, suggesting that it is not the most influential factor on a decision to visit the city. However, it does over-index as a driver, meaning that it has some significance.

Drivers to visit London

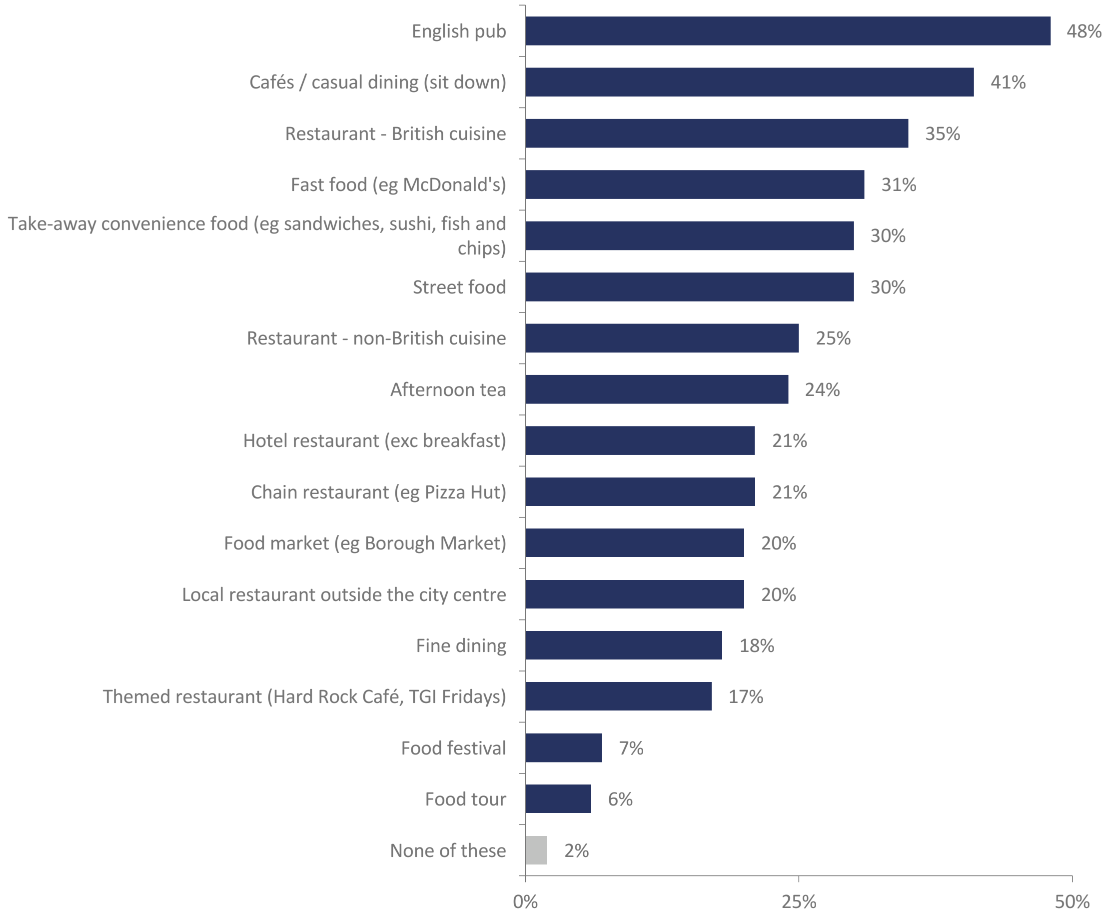


Source: London & Partners, London Visitor Survey 2016

Visitors' dining experiences in London are varied; they tend to experience a range of food types during their trip to the capital. Almost half ate at an English pub during their visit, two-fifths opted for casual dining and one-third ate at a restaurant offering British cuisine. Three in ten visitors sampled fast food, and similar proportions had a takeaway, or street food, during their visit to London. Dining experiences such as food tours and food festivals featured much lower on the list, with only small proportions of visitors encountering these during their trip to London.

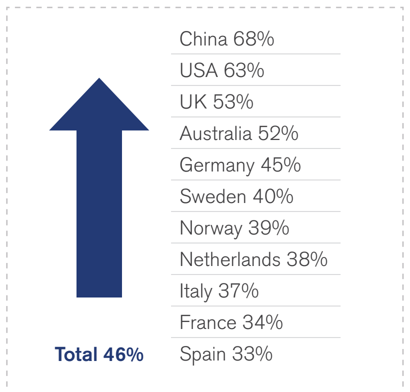
Satisfaction with London's food and dining experience is low compared to all other aspects of the trip. Less than half of visitors were satisfied with their experience of food in the capital, while one in ten expressed outright dissatisfaction; giving their satisfaction with food a rating of four or less out of ten. While food has little impact on overall trip satisfaction, it can drive advocacy – visitors satisfied with food are more likely to be 'promoters' of London. Improving perceptions and experience of food can therefore potentially encourage more visitors to recommend a trip to the capital.

Type of food and dining experienced during trip to London



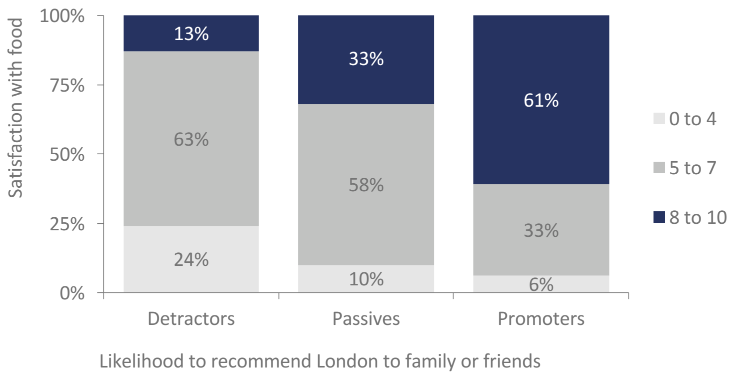
Source: London & Partners, London Visitor Survey 2016[34]

Satisfaction with food by market



Source: London & Partners, London Visitor Survey 2016[35]

Satisfaction with food v.s likelihood to recommend London



Source: London & Partners, London Visitor Survey 2016[36]

Levels of satisfaction with London's food offering vary quite significantly across markets; Chinese and US visitors expressed the highest satisfaction, while visitors from some of London's key European markets were less satisfied.

There is also a link between satisfaction with London's food and dining experience and whether visitors conducted research in this area. Those most satisfied with their dining experience used a range of both on and offline sources to plan their trip, while those least satisfied did no research.

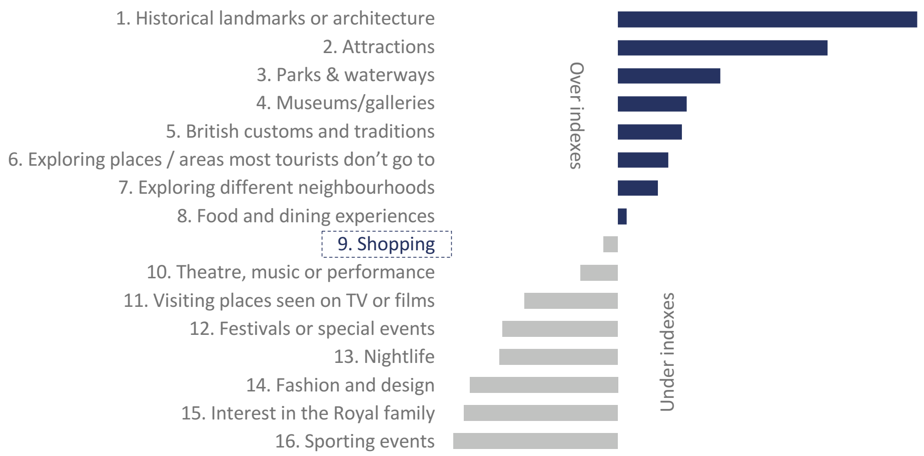
If visitors could be encouraged to research food and dining in advance of their visit to London, and provided with more information to help them to find good food options, this is likely to improve their experience of food and potentially increase the number of 'promoters' of London.

The Visit London app can help here, as it includes information on London's best dining experiences, with recommendations included to suit all tastes and budgets.

f. Shopping

Shopping is a popular activity among visitors to London, despite not ranking very high as an overall driver for visiting. Two-thirds of visitors shopped in stores when in London, higher than the proportion who visited a pub during their trip to the capital. Half shopped at markets, such as Camden or Portobello, placing them ahead of bars and boat tours in terms of visitor activity.

Drivers to visit London

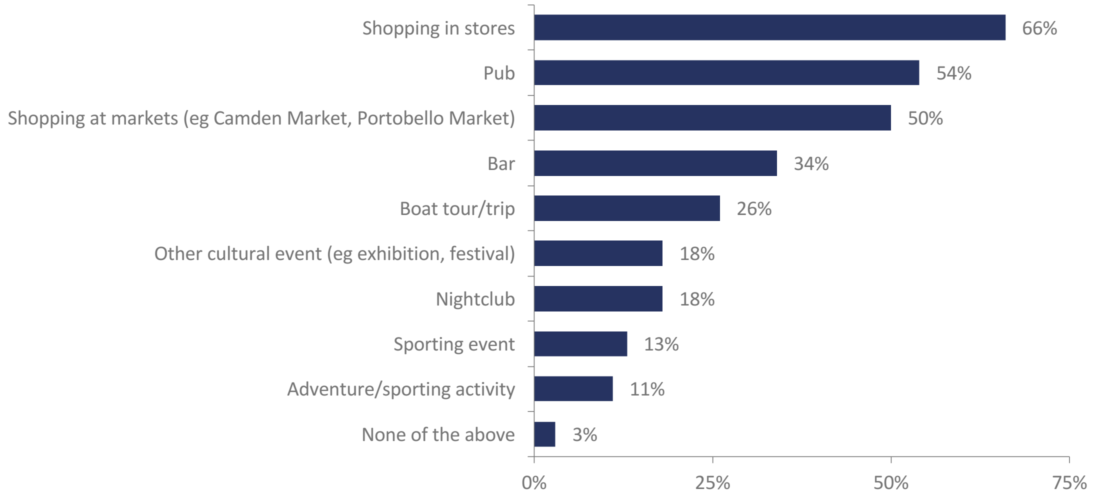


Source: London & Partners, London Visitor Survey 2016

"The London Culture was amazing. The fashion was also amazing and I believe London to be the fashion capital of the world. So the shopping was also wonderful and the access Londoners have to stores is great."

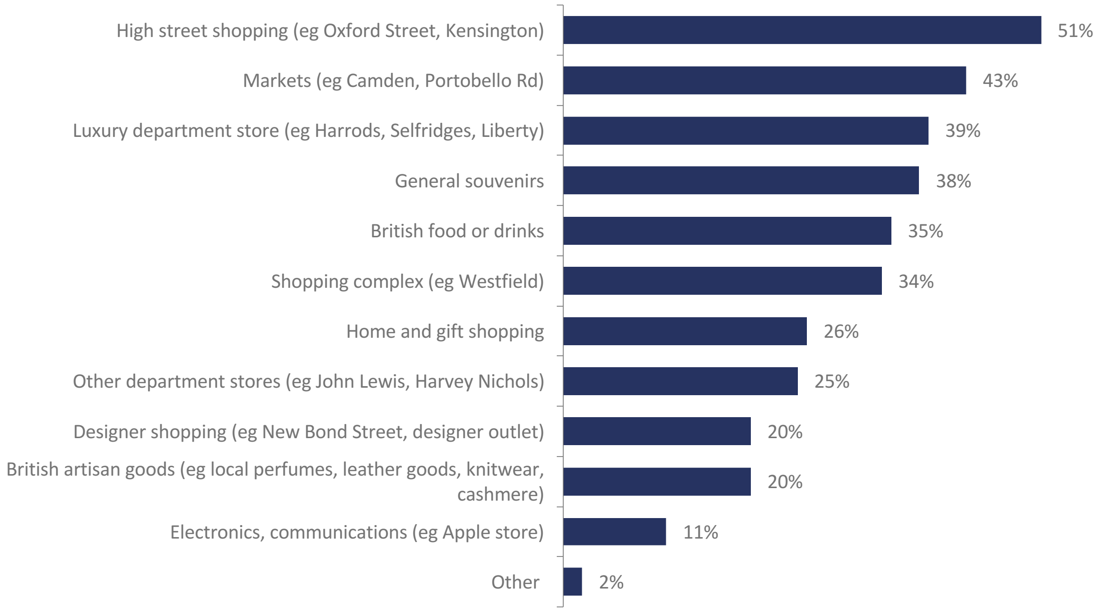
Shopping activity among visitors is varied, with no single shopping type necessarily seen as a 'must experience' activity by those coming to London. Instead, a range of experiences are popular. Half of visitors went high street shopping, hitting places like Oxford Street and Kensington for high street brands. Around four in ten visited markets, and a similar proportion went to luxury department stores such as Harrods, Selfridges and Liberty. Close to four in ten shopped for general souvenirs and more than one-third for British food or drinks. Around a third visited a shopping complex in the capital, such as Westfield. Just one in ten visitors shopped for electronics in London.

Popularity of shopping amongst other experiences in London



Source: London & Partners, London Visitor Survey 2016[37]

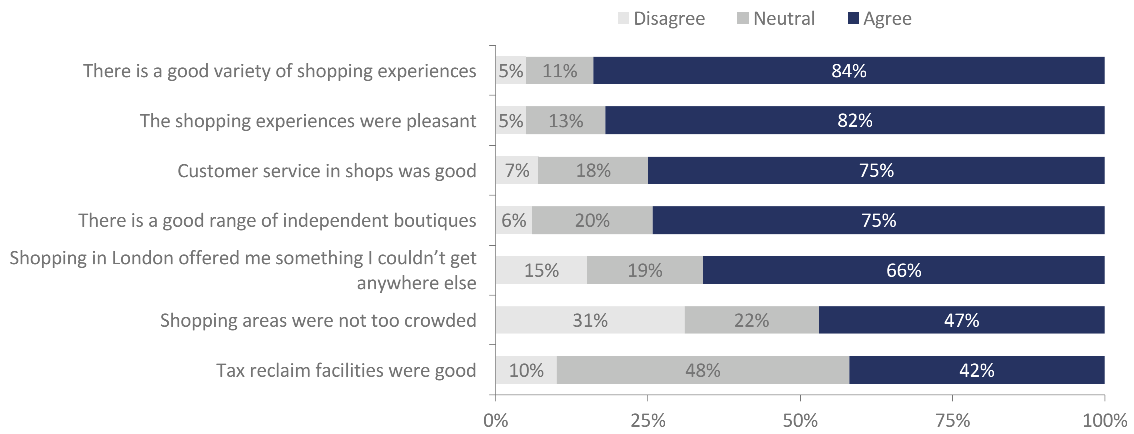
Types of shopping experienced by visitors to London



Source: London & Partners, London Visitor Survey 2016[38]

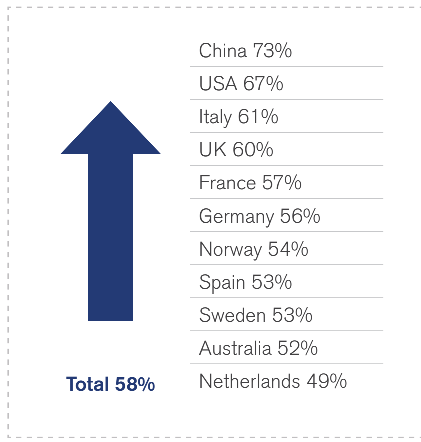
Overall, visitors enjoyed shopping in London. They found enough variety to meet their needs, with 84 per cent agreeing that the capital offers a good variety of shopping experiences and three-quarters satisfied that there is a good range of independent boutiques in London. Shopping experiences were found to be pleasant, with 82 per cent agreeing that this was the case. Visitors were also happy with the customer service they received in London's shops, with three-quarters agreeing that they enjoyed good service. Two-thirds of visitors felt that London's shopping experiences were unique, offering them something that they could not get anywhere else. However, one-third felt that shopping areas in the capital were overcrowded.

Agreement with shopping statements



Source: London & Partners, London Visitor Survey 2016[39]

Satisfaction with shopping by market



Visitors from China and the USA were most satisfied with their shopping experience during their visit to London.

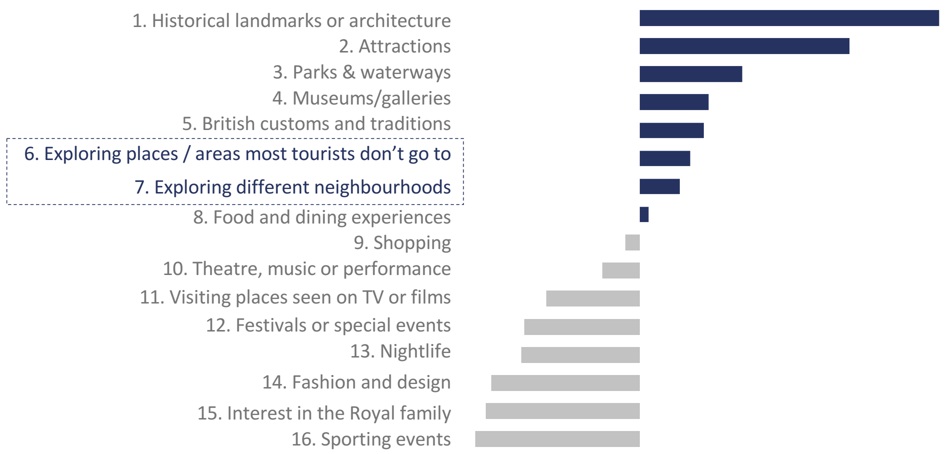
Those from Italy and the UK also over-indexed in terms of satisfaction with shopping in London.

Source: London & Partners, London Visitor Survey 2016[40]

g. Outer London: appeal and experience

While the majority of London's most popular tourist attractions are based in the centre of the capital, visitors are increasingly venturing beyond zone one, or at least indicating a strong appetite to do so. Visitors to the city are demonstrating a wish to get off the beaten track and have a different experience of London — exploring places most tourists don't go to and exploring different neighbourhoods are both above average as drivers for visiting the city.

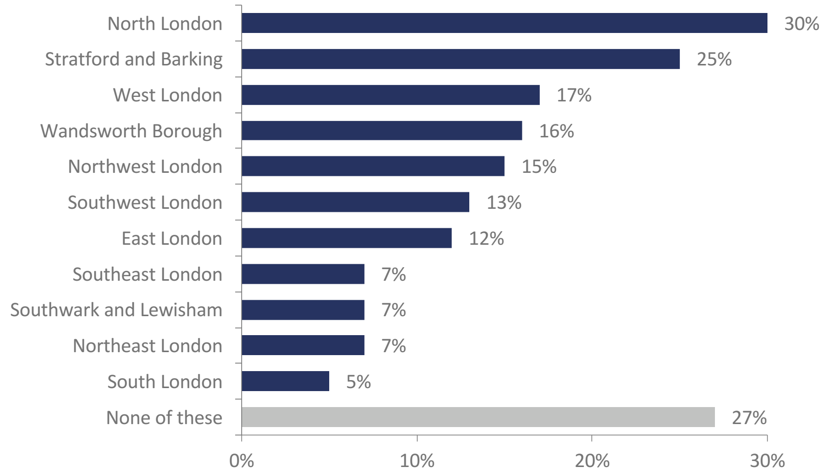
Drivers to visit London



Source: London & Partners, London Visitor Survey 2016

Almost three-quarters of visitors to London ventured outside of the centre during their trip. Half of these visitors either went to north London, or Stratford and Barking. West London, Wandsworth borough and northwest London were also popular.

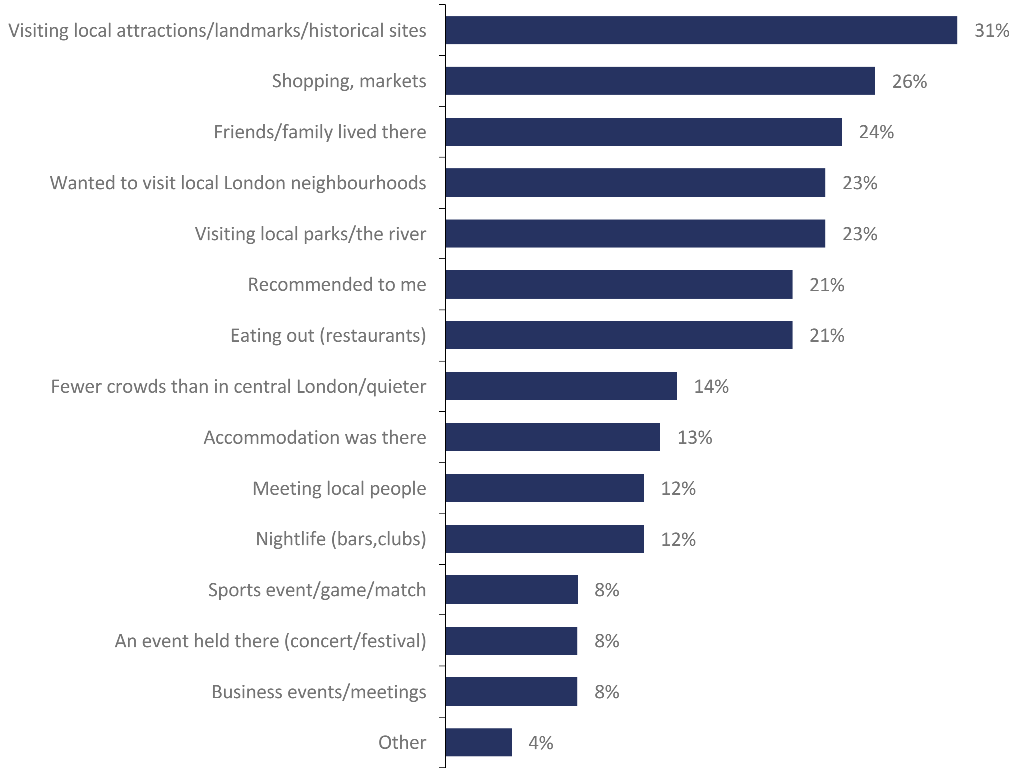
Areas visited outside of central London



Source: London & Partners, London Visitor Survey 2016[41]

Of those who visited areas beyond central London, three in ten did so to see local attractions, landmarks or historical sites. Around a quarter went shopping, while a similar proportion went to see friends or family who lived in that part of town. Almost a quarter who ventured to outer London went to visit local parks or the river, while a similar proportion simply wished to pay a visit to a local London neighbourhood. Around one-fifth went to these areas to eat out, while a similar proportion chose to explore outer London based on a recommendation. Fewer than one in ten left central London for a business event or meeting, another kind of event (such as a concert or festival), or for a sports event, game or match.

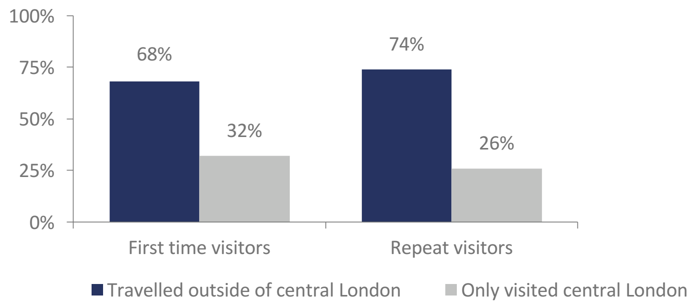
Reasons for visiting areas outside central London



Source: London & Partners, London Visitor Survey 2016[42]

Repeat visitors are slightly more likely to visit areas in outer London than first timers, with three-quarters doing so, compared to around seven in ten first time visitors to the capital. This suggests that some focus their first visit on seeing the centre of the city, ticking off most of the 'must see' attractions, before choosing to venture further afield on a next trip.

Whether visited areas outside central London, by first time or repeat visitor

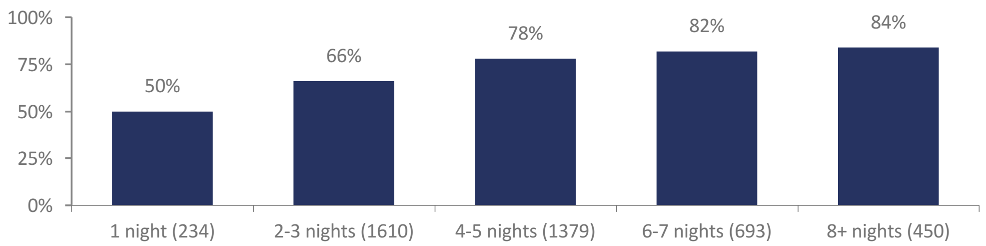


Source: London & Partners, London Visitor Survey 2016[43]

The likelihood of venturing outside central London during a trip increases with the length of stay, with 84 per cent of those in the capital for eight or more nights visiting one or more areas outside of the centre. However, the proportion of those staying for just one night who go outside of the centre is not insignificant, with half of such visitors doing so. If visitors could be persuaded to return to the capital and stay longer, this might encourage dispersal, and vice versa. By promoting dispersal, this should encourage both first time and repeat visitors to stay longer in the capital.

The main reasons for lack of outer London dispersal during a trip were time constraints, or a desire to prioritise central London on this visit, again reinforcing the point that promoting dispersal may encourage visitors to stay longer next time. Around half who did not visit any areas outside of central London said that they did not have much time to do so during their recent visit, while four in ten wanted to prioritise central London during that particular trip. Lack of knowledge about outer London areas or how to access them do not appear to be issues for most visitors, with just one in ten feeling that they did not know much about what there is to see or do outside of central London, and tiny percentages expressing concern about getting to these areas. Few mentioned having concerns about expense or safety. Moreover, only one in six of the 27 per cent who had not taken a trip outside of central London during this visit were not interested in visiting any of these areas at all.

People who visited areas outside central London, by length of stay



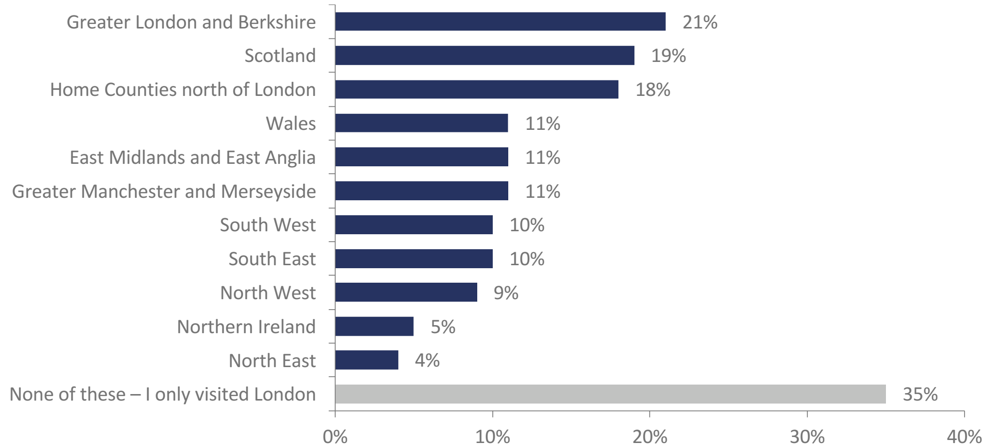
Source: London & Partners, London Visitor Survey 2016[44]

h. London+ appeal and experience

London has long been a gateway to the rest of the UK. When taking a trip to London, visitors frequently make the most of the opportunity by extending their visit beyond the capital and visiting destinations across the rest of Great Britain. Alternatively, some visitors start off in other UK regions and visit London before they return home. According to research previously conducted by London & Partners, London+ visitors (those who visit London as part of a wider trip to the UK) are estimated to generate 1.6 million international visits a year and to spend just over £641 million per annum in the UK nations' economies.[45]

The London Visitor Survey found that two-thirds of those visiting London also visit areas outside of the capital during their stay, with Greater London and Berkshire, Scotland and the Home Counties north of London coming out as the most popular destinations.

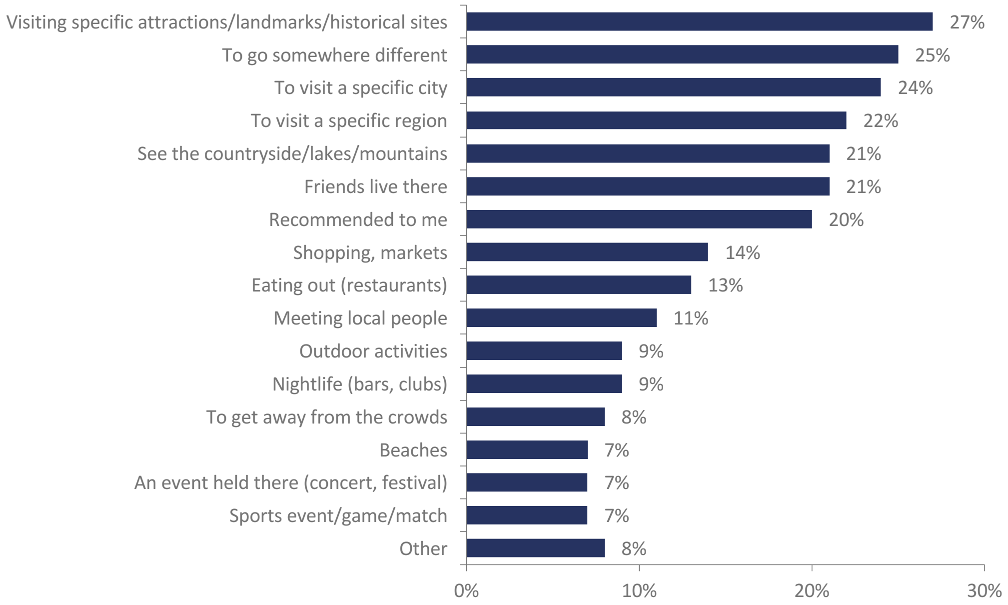
UK areas visited as part of a London + trip



Source: London & Partners, London Visitor Survey 2016[46]

Reasons for visiting areas outside of London were varied, but specific attractions, landmarks or historical sites were the top draw — similar to the drivers to visit both outer London and the capital in general. However, beyond this desire to see the different attractions the UK has to offer, it's evident that there is an appetite to explore more of Great Britain. One-quarter of visitors went outside of London as they wished to go somewhere different, while similar proportions did so because they wanted to visit a specific city or region. One-fifth of visitors who went outside of London wanted access to something not on offer to them when basing a trip solely in the city — in the form of countryside, lakes and mountains. Others were driven to visit other areas of the UK to see friends, or had been inspired by recommendations.

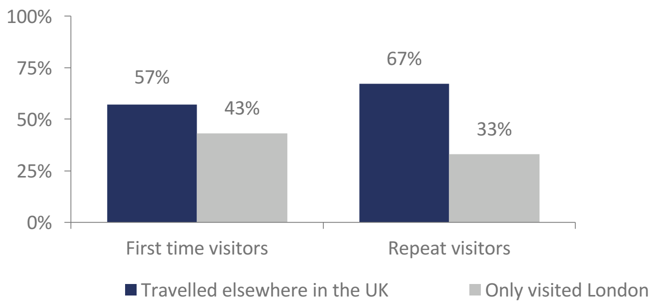
Reasons for visiting areas elsewhere in the UK



Source: London & Partners, London Visitor Survey 2016[47]

As with those visitors who went outside of central London during their visit, those in London for a repeat visit were more likely to venture outside of the capital to other parts of the UK than first time visitors to London. However, more than half of first time visitors also went elsewhere in the UK during their trip.

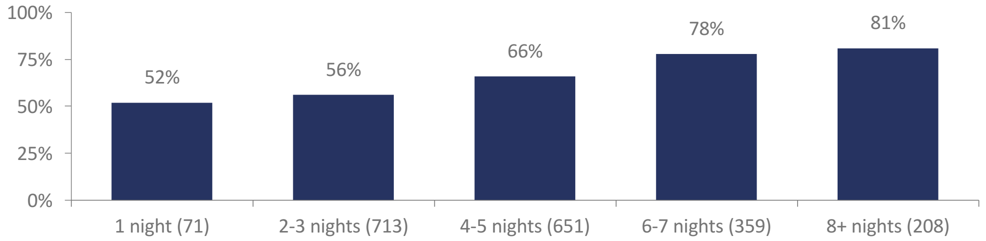
Whether visited UK areas outside of London, by first time or repeat visitor



Source: London & Partners, London Visitor Survey 2016[48]

The likelihood of going elsewhere in the UK as part of a trip to London increases with the length of stay, as was the case with those who went out of central London during their visit. Eighty one per cent of those whose trip lasted eight or more nights went outside of London, compared to 52 per cent of those who stayed for just one night – albeit still a significant proportion.

People who visited UK areas outside of London, by length of stay



Source: London & Partners, London Visitor Survey 2016[49]

Among the one-third of visitors who remained solely in London during their recent trip, the main barrier for not venturing outside of the city was time, with more than half citing this as the reason, while around two-fifths wanted to prioritise London on this particular visit. Just over one tenth highlighted that they had not wanted to drive in the UK. Very small proportions of visitors mentioned issues around safety, expense and lack of knowledge or access to other UK areas. Just one tenth indicated that they had no interest in visiting any UK areas outside of London, highlighting the strong appetite for a London+ trip among visitors to London.

We've taken this visitor feedback into consideration and have partnered with Mastercard to develop the Visit London app. Packed with ideas and inspiration, the official London city app helps visitors to make the most of their time in the capital while on the move. Features include offline maps and directions to help visitors navigate the city; handpicked lists of the best things to see and do; big-hitter attractions and hidden gems; great deals and offers; and the city's best eats to suit all tastes and budgets.

The free app is now available on iPhone. Android is coming later this year.
To find out more, go to visitlondon.com/app

06

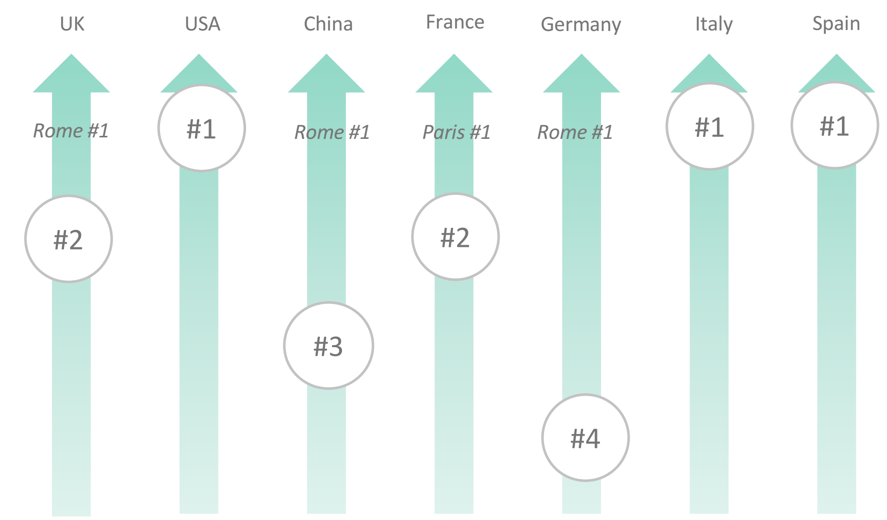
FUTURE OUTLOOK

Outlook post-Brexit

The outlook for London's tourism industry remains strong, despite the challenges the capital will potentially face in the wake of the UK's decision to leave the European Union. In light of the EU Referendum, London & Partners commissioned GfK to undertake a leisure tourism sentiment research project to gauge leisure visitors' perceptions of London as a destination. This revealed that London is still a top choice as a city break destination amongst key markets, with only Paris and Rome offering strong competition.

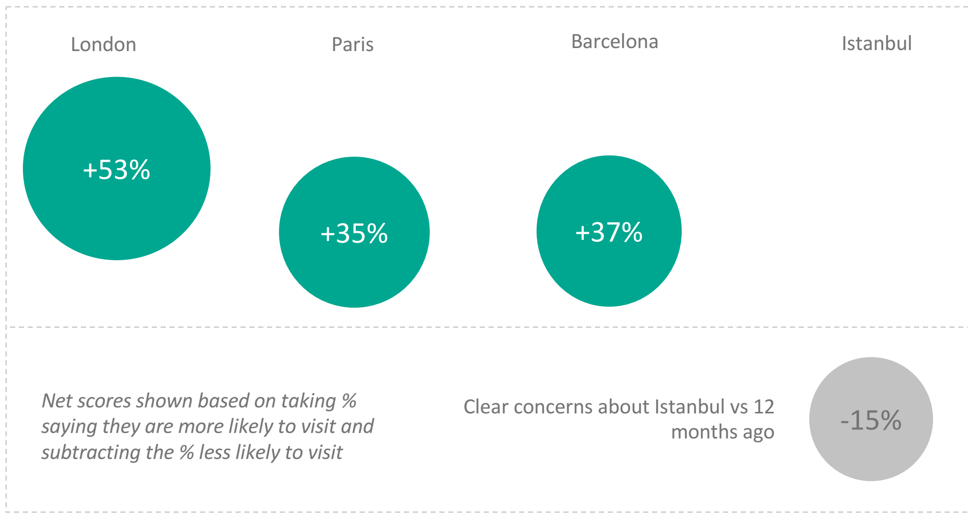
In fact, intention to visit the capital has improved over the past twelve months, with 53% (net) indicating that they would be more likely to visit the city now compared to one year ago.

London consideration ranking vs other European cities



Source: London & Partners, London Leisure Tourism Sentiment Survey, 2016[50]

Change in visit intention vs 12 months ago



Source: London & Partners, London Leisure Tourism Sentiment Survey, 2016[51]

This chimes with findings from the London Visitor Survey, which revealed that 31% of visitors felt they were more likely to visit London since the EU Referendum, while just 13% said they were less likely. Most visitors were neutral regarding the impact that Brexit was likely to have on their propensity to revisit the capital in the future, suggesting that it is not a key priority to travellers when selecting their city break destination.

Tourism projections

London & Partners has partnered with Addy Kassova Audience Strategy (Akas) to develop a projection model for visits to London.

A range of key industry data and information sources were reviewed during this process. These included existing forecasts for inbound visits and arrivals to London, the UK and Europe, such as those from Tourism Economics, the UNWTO long term forecast to 2030, the World Bank's country level arrivals and departures data, and a range of other industry reports. The model is grounded in GDP-based projections from the IMF World Economic Outlook Database (October 2016), with adjustments based on the historic relationship between source market GDP growth and volume of visits growth to London. The visits volume data was sourced from the ONS International Passenger Survey.

The model has the advantage of taking into account exchange rate movements reflected in the IMF growth forecasts. Therefore it is able to assess the impact of the recent falls in the pound's exchange rate following the EU referendum. Overall, inbound visits to London are projected to increase from18.6 million in 2015 to 21.8 million in 2020, a 17.5 per cent increase, representing a compound annual growth rate (CAGR) of 3.3 per cent. Interestingly, the model projects that with stable exchange rates at 2015 levels, London would revert back to its long-term average CAGR of 2.6 per cent between 2015 and 2020.

Future outlook for London's top twenty inbound markets

Visits from the US, London's largest overseas market for tourism volume in 2015, have been increasing year-on-year since 2010, with a CAGR of 3.9 per cent. However, there is still room for further growth, as the number of arrivals from the US market has not yet recovered to reach levels seen prior to the economic recession. There is a potential opportunity to emphasise that it has become cheaper to visit London from the US since the decline of the British pound after the EU Referendum. It is projected that growth in the volume of visits from the US to London will continue steadily over the next few years, with a CAGR of 4.0 per cent from 2015 to 2020, equating to an increase in visits of 21 per cent overall during the five-year period. 2017 is potentially a spike year with growth reaching 7 per cent. 2020 could see volumes surpass the 2006 peak of 2.54 million US visits to the capital, reaching 2.6 million.

Strong growth is also anticipated from other key European markets, with CAGRs hitting 4.2 per cent in Italy and in Spain. In general, growth from Europe is likely to be subdued in 2016, as a result of the weak Euro in 2015 when visitors would have been planning their 2016 trips. However, the model anticipates a sharp pick up in 2017 as the pound's decline, after the EU Referendum vote, makes visiting London cheaper.

Outside Europe, among the top twenty markets for volume of visits to London in 2015, growth projections are strongest for India. India is the second fastest growing outbound market after China, and the fastest in terms of percentage growth, with the UNTWO predicting that outbound world visits from India will reach 50 million by 2020. It is anticipated that London's share of these visits will remain significant.

Five-year London tourism projections: top 20 overseas markets for volume of visits in 2015 (millions)

Rank	Market	2015	2016P	2017P	2018P	2019P	2020P	5-year projected growth	5-year project CAGR
1	USA	2.14	2.22	2.38	2.46	2.53	2.60	21%	4.0%
2	France	2.07	1.92	2.04	2.08	2.14	2.20	6%	1.2%
3	Germany	1.40	1.40	1.49	1.52	1.56	1.60	14%	2.7%
4	Italy	1.17	1.29	1.36	1.38	1.40	1.43	23%	4.2%
5	Spain	1.15	1.22	1.30	1.34	1.37	1.41	23%	4.2%
6	Irish Republic	0.79	0.79	0.85	0.89	0.92	0.95	20%	3.8%
7	Netherlands	0.69	0.79	0.85	0.87	0.89	0.92	33%	5.8%
8	Australia	0.63	0.63	0.69	0.71	0.74	0.77	22%	4.1%
9	Sweden	0.55	0.48	0.50	0.51	0.53	0.54	-3%	-0.6%
10	Poland	0.53	0.47	0.50	0.52	0.54	0.57	7%	1.3%
11	Belgium	0.53	0.48	0.51	0.53	0.54	0.55	4%	0.9%
12	Switzerland	0.50	0.54	0.58	0.59	0.60	0.61	21%	4.0%
13	Norway	0.43	0.37	0.40	0.40	0.41	0.42	-3%	-0.5%
14	Denmark	0.42	0.43	0.46	0.47	0.48	0.50	18%	3.4%
15	Canada	0.41	0.42	0.45	0.47	0.48	0.50	22%	4.0%
16	India	0.28	0.27	0.30	0.32	0.34	0.37	34%	6.1%
17	Brazil	0.26	0.22	0.25	0.25	0.26	0.27	4%	0.8%
18	Romania	0.24	0.27	0.30	0.31	0.32	0.34	43%	7.4%
19	Portugal	0.22	0.26	0.27	0.28	0.29	0.29	31%	5.6%
20	South Korea	0.18	0.16	0.17	0.18	0.18	0.19	4%	0.8%
	Total	**18.58**	**18.66**	**19.95**	**20.55**	**21.17**	**21.83**	**17%**	**3.3%**

Source: Akas - Addy Kassova Audience Strategy and London & Partners

Regional sources of growth

In 2015, European visitors made up two-thirds of all overseas visits to London. The capital has long been a popular city amongst Europeans, and aircraft seat capacity into the city reflects this. In 2015, 77 per cent of direct flights to London were from Europe (excluding the UK), representing 67 per cent of seat capacity from all overseas direct flights into the capital. There are a large number of direct weekly flights from London's top four European source markets for tourism, with the number of flights to London in 2015 led by Spain (1,323 direct weekly flights to London), Italy (832 weekly flights), Germany (759) and France (660, with significant additional capacity represented by the Eurostar)[52]. London is anticipated to remain a popular city break destination for European visitors, with 16 per cent growth in visits from the region anticipated between 2015 and 2020.

Five-year overseas London tourism projections: by region (millions)

Market	2015	2016P	2017P	2018P	2019P	2020P	5-year projected growth	5-year project CAGR
Europe	12.43	12.48	13.30	13.65	14.03	14.43	16%	3.0%
Americas	2.55	2.64	2.83	2.92	3.01	3.10	21%	4.0%
Asia and the Pacific	2.14	2.14	2.33	2.43	2.54	2.65	24%	4.3%
South and Central America	0.58	0.55	0.60	0.62	0.64	0.66	15%	2.8%
Middle East	0.52	0.52	0.57	0.59	0.61	0.63	23%	4.2%
Africa	0.36	0.32	0.33	0.34	0.35	0.36	-1%	-0.2%
Total	**18.58**	**18.66**	**19.95**	**20.55**	**21.17**	**21.83**	**17%**	**3.3%**

Source: Akas - Addy Kassova Audience Strategy and London & Partners

The strongest growth, however, is anticipated to come from Asia, with a 24 per cent increase projected in the number of visits to London from this region between 2015 and 2020. This is largely driven by high increases expected in the volume of visits to London from China, continuing trends seen in recent years. According to IPS data, China was the fastest growing inbound visitor market for London from 2010 to 2015, with a 202 per cent increase in the volume of Chinese visits to the capital seen during this period – a 25 per cent CAGR. The proportion of Chinese outbound travellers has also been increasing rapidly – from 2.4 annual departures per 100 Chinese people in 2005, to 7.2 per 100 in 2015. Yet Chinese visits to London have been increasing at a slower rate than the total number of Chinese outbound travellers, meaning that the proportion of visits directed at London has declined – with the capital taking a share of around just 0.1 per cent of all Chinese tourists[53].

However, there is huge potential to further increase the growth in the number of Chinese visitors coming into London. Goldman Sachs predicts that the number of Chinese passport holders will increase by 100 million over the decade, equivalent to almost one and a half times the number of outbound tourists from the US today. It is anticipated that this will lead to a significant increase in Chinese visitors across the globe, including to European destinations.[54] As the UK is not part of the Schengen Zone, concerns are often expressed that Chinese visitors may skip the British Isles during a European multi-destination trip, instead concentrating on places within France, Italy and Germany. The UK government is therefore working to ease the visa application process for Chinese visitors. Since 2015, a UK-Belgian Visitor Service enables Chinese visitors to both Belgium and the UK to make their UK and Schengen visa applications together. Moreover, since early 2016, visitor visas for tourists from China have been valid in the UK for two years, rather than six months. There are plans to introduce a new ten-year multiple entry visit visa for the same price. Mobile fingerprinting services are also to be extended to an additional fifty cities to make it easier for the Chinese to apply for a visa.[55]

With all of this considered, it is anticipated that there will be 227,000 visits to London from China by 2020, an increase of 36 per cent against 2015 and representing a 2015 to 2020 CAGR of 6.3 per cent. Robust Asian growth is also supported by 2015 to 2020 CAGRs of over 6 per cent projected for Hong Kong, Malaysia and Indonesia, as well as the aforementioned India.

Healthy growth is also projected from North America. Both the USA and Canada are projected to have CAGRs of 4 per cent between 2015 and 2020. A further source of significant anticipated growth is the Middle East, driven by high growth from countries on the Gulf Coast such as Qatar, Kuwait and Bahrain and robust growth from the United Arab Emirates and Saudi Arabia. Between 2015 and 2020, the CAGR for Qatar, Kuwait and Bahrain is expected to exceed 6 per cent, while the United Arab Emirates and Saudi Arabia have projected CAGRs of more than 4 per cent for the same period.

All in all, although the capital faces its challenges, appetite for visiting the city remains strong. While feedback from visitors suggests that some improvements are required to make a trip to London even more special, the high satisfaction visitors continue to gain from their experiences in the city, and the capital's position as a bucket list destination for so many people, will help it to maintain its position as a top tourism destination for years to come.

Appendix

MaxDiff Methodology

Maximum Difference Scaling (MaxDiff) is a trade-off comparison technique used to estimate the underlying relative importance or preference of a set of features.

Respondents are not asked to explicitly rank from a list of benefits – rather, they are asked to select, from a list of five attributes, which one is most important and which is least important. This repeats ten times with various combinations of attributes, ensuring respondents see an attribute at least three times. The result is that the relative importance of each attribute is derived statistically rather than explicitly stated by respondents. The output is expressed as an index where the average is 100.

Key benefits:

- Allows for a greater discrimination between features than standard ranking methods
- Avoids 'everything is important' results often seen when respondents asked explicitly what they value
- Simpler for respondents to complete

Footnotes

1. Euromonitor Top 100 City Destinations Ranking 2015
2. International arrivals (UNWTO) compared with London visit levels (International Passenger Survey)
3. Some numbers in this table, and throughout the report, add up to more (or less) than the total given, due to rounding
4. Similar satisfaction groupings are used throughout the report, with 0–4 indicating dissatisfaction or disagreement, 5–7 taken to be neutral, and those providing a rating of 8–10 viewed as satisfied or in strong agreement with the statements posed. Note that for some questions, a 1-10 scale was used. For these, the following groupings are used: 1-3, 4-7, and 8-10.
5. Data for day visits available from 2011 only
6. S1Q6. In total (including your most recent trip), approximately how many times have you visited London? (Base: all business, 424)
7. S1Q13. What type of accommodation did you stay in while in London? If you stayed in more than one type, please select where you spent the majority of your time. (Base: all business, 424)
8. S3Q1. Thinking about the leisure time you spend in London, would you say that was... (1–10 scale: 1 – completely unplanned, spontaneous – decided what to do on the spot, 10 – completely planned – had decided and organised exactly what to do every day) (Base: all business, 424)
9. S3Q2. After booking your travel, approximately how long before your arrival did you start researching/ planning what you would do during your trip to London? (Base: all business, 424)
10. Drivers derived via a MaxDiff approach (see above appendix for further explanation)
11. ALVA figures do not include some of London's largest attractions (eg Coca Cola London Eye), which would also make the UK top 20
12. Based on data from 44 London attractions. Further attractions excluded if full annual data unavailable for each year considered in the analysis
13. SOLT's 2015 numbers are based on a 52-week year, while 2014 was a 53-week reporting year
14. S4Q4A. Which of the following did you visit/ experience during your visit to London? (Base: all respondents, 4,434)
15. S3Q4. Which, if any, of the following did you or your office book in advance of leaving home for London? (Base: all respondents, 4,434)
16. Visitors asked to rate agreement with each statement.
17. S5Q1. Rank order most likely to recommend to friends to visit… (Base: all answering culture – specific bases shown in brackets after each attraction/experience). Chart shows attractions when rated as most likely to be recommended.
18. STR data, cited in London & Partners and JLL, London Hotel Development Monitor: uncovering hotel opportunities, 2016
19. STR, Tourism Economics: London hotels expected to perform better in 2017, 2016
20. Figures pulled from the AM:PM hotel supply and pipeline database 05/09/2016
21. S1Q13. What type of accommodation did you stay in while in London? If you stayed in more than one type, please select where you spent the majority of your time. (Base: all respondents, 4,434)
22. Breakdown of responses from S1Q13, against: S4Q5. Please rate your level of satisfaction with the following aspects of your visit to London: accommodation. Please give a rating from 0-10 where 0 is 'extremely dissatisfied' and 10 is 'extremely satisfied.' (Base: all except those staying with friends and relatives, 3,873)
23. S8Q3. Please use the grid below to indicate which of the two statements most accurately describes your London accommodation experience. (Base: all answering accommodation, 2,017)
24. S1Q8. Which of the below best describes your trip to London? (Base: all respondents, 4,434)
25. S3Q2 After booking your travel, approximately how long before your arrival did you start researching/ planning what you would do during your trip to London? (Base: all respondents, 4,434)
26. S3Q3. Which, if any, of the following did you do in preparation for your trip to London? (Base: all who did some planning/research before arrival, 4013).
27. Visitors asked to rate agreement with each statement.
28. S14Q2. Which, if any, would make you more likely to visit London during these months? (Base: all visiting during peak time, 1,187)
29. S6Q3. When did you purchase tickets for the event? (Base: all answering events, 1,563)
30. Visitors asked to rate agreement with each statement
31. Horizons data, cited by EY and The Caterer, Restaurant and Casual Dining Insight Report, 2014
32. http://www.theworlds50best.com/list/1-50-winners
33. Q17. When you are considering a city break, which of the following are important? Chart relates to those who selected code 5 only, very important (Base: UK, 1001; US, 987; France, 292; Germany, 301; Italy, 195)
34. S7Q1. What food/dining options did you experience during your visit to London? (Base: all answering food, 2,020)
35. S4Q5. Please rate your level of satisfaction with the following aspects of your visit to London: The London food/ dining experience. (0-10 scale). (Base: Total: 4,434; China: 410; USA: 404; UK: 410; Australia: 400; Germany: 406; Sweden: 400; Norway: 400; Netherlands: 400; Italy: 400; France: 402; Spain: 402)
36. Breakdown of overall response to S4Q5 with S15Q2. How likely are you to recommend London to family or friends? (0-10 rating) (Base: all respondents, 4,434)
37. S4Q4b. And which of the following did you also visit/ experience during your visit to London? (Base: all respondents, 4,434)
38. S13Q1 What type(s) of shopping did you do during your recent trip to London? (Base: All answering shopping, 2,542)
39. Visitors asked to rate agreement with each statement
40. S4Q5. Please rate your level of satisfaction with the following aspects of your visit to London: The London shopping experience. (0-10 scale). (Base: All who answered shopping, 3,430; China: 355; USA: 300; UK: 255; Australia: 313; Germany: 307; Sweden: 309; Norway: 342; Netherlands: 281; Italy: 318; France: 317; Spain: 323)

41. S4Q3. Now please indicate which, if any, areas outside central London you visited during your trip? Please include any you stayed in, visited attractions or events in, but please do not include areas that you may just have passed through, eg the airport (Base: all respondents, 4,434)
42. S11Q1. You mentioned earlier that you visited some areas outside central London. What were the main reasons for visiting this/ these area(s) of outer London? (Base: all who visited areas outside Central London, 1,442)
43. Breakdown of overall response to S11Q1 with S1Q6. In total (including your most recent trip), approximately how many times have you visited London? (Base: all respondents, 4,434 - first time: 664, repeat: 3,746)
44. Breakdown of overall response to S4Q3 with S12Q3 How many nights did you spend in London on your recent visit? Individual bases shown on chart
45. London & Partners, Understanding the London+ Visitor 2015
46. S12Q1. Please look at the map and indicate which, if any, of these areas outside London, in the UK you visited during your stay. (Base: all answering dispersal, 2,012)
47. S12Q2. And what were the main reasons for visiting this/these area(s) outside London? (Base: all who visited areas outside of London, 1,316)
48. Breakdown of overall response to S12Q2 with S1Q6
49. Breakdown of overall response to S12Q1 with S12Q3. Individual bases shown on chart
50. This was an online study, recruited using respondents from online panels. Fieldwork was conducted 20th September - 2nd October 2016. In total we completed 1750 interviews across the markets shown in the chart; 250 interviews per market. S.30 How likely are you to consider visiting the following European cities in the next twelve months? Rome, Paris, London, Venice, Barcelona, Amsterdam, Prague, Vienna, Dublin, Madrid, Berlin, Stockholm, Lisbon, Istanbul
51. B01. Compared with a year ago, are you more or less likely to consider visiting the following cities for a break or vacation? Note: degree of post-rationalisation here as many people spontaneously give reasons for change in visit intent that do not relate to a change in circumstances or perception; eg I always wanted to go…
52. Flight Global data for 2015
53. Calculated using World Bank, UNWTO and International Passenger Survey data. Goldman Sachs, The Asian Consumer: The Chinese Tourist Boom, 2015
54. Press release, Prime Minister's Office, PM announces significant changes to visitor visas for Chinese tourists for the benefit of the British economy, October 2015

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