Llywodraeth Cymru
Welsh Government

Welcome to Wales:

Priorities for the visitor economy
2020 – 2025

Summary of Evidence Base

Version: January 2020

Cymru Wales

TOURISM INDUSTRY IN WALES

VISITORS 2018

£6.3BN SPEND

INTERNATIONAL VISITS

941,000

£405M

DAY VISITS 2018

96M

£4,009M

GB OVERNIGHT STAYS

10.02M

£1,853M

64% holidays

25% visiting friends/family
8% business – 3% other

INTERNATIONAL VISITS 2016-18

IRELAND – 17%
FRANCE – 8%
GERMANY – 8%
USA – 8%
NETHERLANDS – 6%
AUSTRALIA – 5%
POLAND – 5%
SPAIN – 5%
ITALY – 4%
CANADA – 3%

BUSINESS

6% GVA*

11,500 TOURISM BUSINESSES

£3,064M IN 2016

*Tourism's contribution to the economy of Wales – 6% of all Gross Value Added in the Welsh economy = £3,064 million in 2016.

EMPLOYMENT 2018

9.5% OF TOTAL WORKFORCE

132,300 EMPLOYED

39,000 16-24 YEAR OLDS

18,300 DISABLED

9,400 NON-WHITE ETHNICITY

ACCOMMODATION

12,000 ESTABLISHMENTS

560,000 BEDS

Sources: Great Britain Tourism Survey, GB Day Visits Survey, International Passenger Survey, Welsh Government Priority Sector Statistics on employment, Visit Wales Bedstock records. Icon made by Freepik from www.flaticon.com.

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Introduction

This document provides a high level summary of the key insights and trends that have informed the new **Welcome to Wales: Priorities for the visitor economy 2020-25**. It is based on an extensive analysis of data on the visitor economy since 2012, including trends in visitation, performance of the tourism sector and impacts on the wider economy and wellbeing in Wales. There are separate documents available with more detailed evidence of the trends impacting the **GB Domestic Market, International Markets** and **Strategic Performance of the Visitor Economy in Wales**. Sources of further information are listed at the end of the document.

The report is split into the following sections:

- Strategic performance
- The visitor economy in Wales
- Brand performance
- The visitor experience
- Domestic market trends & performance
- International market trends & performance
- Business tourism trends & performance.


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Strategic performance

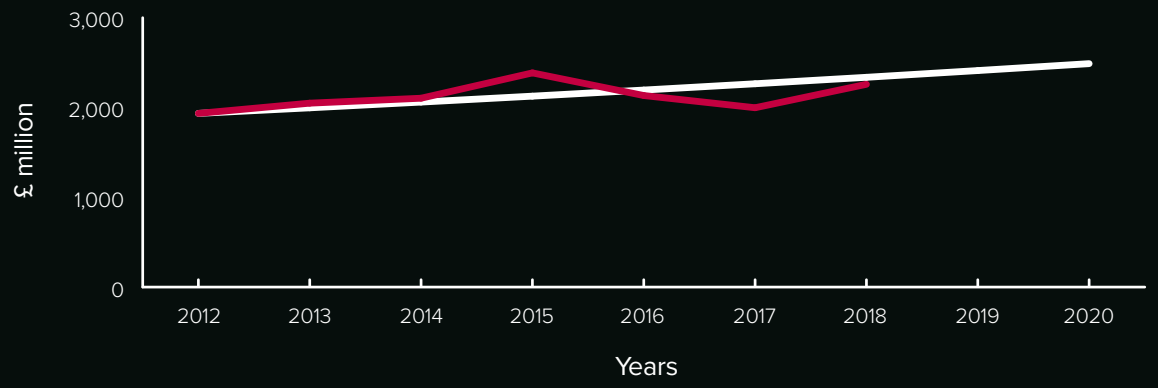
The industry is broadly on course to meet the target to grow expenditure from overnight visitors by 10% by 2020.

There was £2.258 billion of expenditure generated by overnight visitors staying in Wales in 2018, which is an increase of £324 million, or 17%, since 2012, driven by similar levels of growth in spend by overnight GB domestic visitors and international visitors to Wales.

The increase in visitor spending has driven growth for the visitor economy and employment, but there are continuing challenges to attract new visitors especially from overseas, grow visitor yields, spreading visitor growth across the year and to strengthen the Wales brand.

Overnight Visitor Expenditure in Wales: Target compared with actual 2012-2018

Sources International Passenger Survey, Great Britain Tourism Survey



Potential spend in current prices to achieve 10% growth in real terms by 2020
Actual spend in current prices by staying visitors to Wales

Summary of performance against key strategic indicators

Indicator	Progress against Indicators
Visitor Spend (10% growth)	The industry is broadly on course to meet the target to grow expenditure from overnight visitors by 10% by 2020. Expenditure on overnight trips has followed the pattern in changing trip volumes, but expenditure has grown at a faster rate.
Employment	Strong growth in employment in tourism since 2012. However, average weekly earnings remain well below the average for the overall economy in Wales. Part time employment is high and increasing.
Visitor Economy (Gross Value Added)	Tourism has grown more strongly than the economy as a whole (direct GVA). However, productivity (GVA per hour) remains below average for the Welsh economy. There are pressures on profitability with increasing business costs and constrained tourist spending.
Attracting new visitors	Wales remains reliant on regular repeat visits especially by UK holiday takers. There is an opportunity to attract more first-time holiday visitors from UK and international markets. There is also potential to support currently excluded groups to enjoy a holiday in Wales.
Growing visitor yield (spend per trip)	Spend on trips remains below UK average and most purposes of trip have not had real terms growth in spend per trip since 2012.
Seasonal Spread	Trips remain more peaked in the summer months. Spare accommodation capacity exists, especially out of season. There is evidence that Visit Wales marketing is driving more shoulder-season trips.
Competitiveness (market share)	Wales has increased share of GB overnight trips and spend since 2012. Share of international trips remains around 3%, well behind nearly all UK regions.
Brand Awareness	Wales has consolidated its reputation with its core tourism strengths. There is a continuing challenge to drive stronger brand awareness with wider audiences, especially internationally. The over-reliance on domestic market remains a risk.
Visitor Satisfaction	High levels of visitor satisfaction and likelihood of making repeat visits to Wales across all visit types.

Performance of the visitor economy in Wales

The visitor economy is a major driver of jobs, wealth and growth across Wales.

The visitor economy is a key contributor and driver of the economy in Wales. There are over 132,000 people directly employed in the visitor economy around 9.5% of the workforce. In 2018, there was £6.3 billion of visitor spending generating £3 billion in Gross Value Added (GVA). This is a contribution of around 6% GVA to the Welsh economy.

The direct GVA contributed by tourism has grown much more strongly than the economy as a whole alongside growth in employment. The visitor economy benefits communities across Wales contributing to 10% or more employment in ten local authority areas and it is the main employer in five of these.

A higher proportion of employment in tourism is part time which accounts for nearly half of all employment, which has been increasing in recent years. Productivity and wages remain lower than the overall average for the economy in Wales.

When comparing to the total for all industries in Wales, the share of employment in Tourism is substantially higher for groups BAME and those aged 16-24 years, and is slightly higher for people who have a disability.

Tourism providers report strong visitor numbers and a positive outlook.

The Wales Tourism Barometer has consistently indicated that the majority of businesses have reported more, or similar, visitor levels compared to previous years. Nearly 8 out of 10 businesses reported similar or higher visitor levels during the summer of 2019. Business confidence levels have also remained positive over recent years.

Rising costs and tighter market conditions have been barriers to business performance, despite increased visitor levels.

The Wales Tourism Barometer has indicated that rising costs, including higher utility charges and increasing food and drink costs, combined with constrained visitor spending have been the main barriers to profitability and growth for businesses. More customers seeking deals and discounts and higher commissions payable to third party booking sites have also put pressure on revenue and profit margins for many providers.

Most tourism providers are reliant on visitors from the UK including Welsh residents.

The GB market typically accounts for more than 85% of staying visitors in Wales, with around a quarter from within Wales.

International visitors account for a low proportion of visitors for most businesses, typically less than 15%, with these mainly coming from Ireland, Germany, other European countries and North America. The depreciation of Sterling has been widely recognised across the industry as beneficial for attracting both international and domestic visitors.

There is significant spare capacity across accommodation sectors, especially outside of the peak summer season.

The Wales Occupancy Survey indicates considerable differences in occupancy rates between sectors and different areas. Hotels in Wales have lower occupancy rates compared to hotels across the rest of the UK, with average annual occupancy around 65-67%, around 6 percentage points lower than Scotland and 10 percentage points lower than England. The lower occupancy rates are resulting in lower revenues per available room in Wales. Average hotel occupancy rates in Wales are typically below 50% between October and March.

Bed and Breakfast have a lower annual average hotel occupancy rate of 35-39%. Self-Catering occupancy rates are an annual average of 55%-60%. There is a highly seasonal pattern with both types of accommodation and significant capacity remains in the shoulder seasons and winter. There are relatively high occupancy rates for static caravan and holiday homes with very limited spare capacity in the peak summer months. In contrast, there is considerable spare capacity in touring caravan, camping and youth hostels throughout the summer and shoulder periods.

Future challenges and opportunities for the visitor economy

- Drive growth in visitation all year round to more effectively utilise capacity, drive up revenue and profitability.
- Increase the proportion of full time employment in the visitor economy.
- Drive up productivity to increase average earnings and gross value added.
- Encourage greater spending by visitors and tourism providers to support local producers and suppliers.
- Promote tourism to support regeneration and employment across Wales as part of the Foundation Economy.
- Attract, retain and develop highly skilled staff by promoting fair work, training and attractive career paths.

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Wales tourism brand performance

There has been considerable progress in developing a unified branding that promotes Wales as a place to live, work, study, invest and visit. This has consolidated Wales' reputation as a tourist destination. Brand tracking of the UK holiday market indicates that Wales continues to be associated with a variety of holiday types. Holidays to experience scenic countryside and coast, nature and wilderness as well as relaxing holidays with friends and family are most strongly associated with Wales. Adventure activities are also more strongly associated with holidays in Wales, reflecting the recent investment in new product experiences and associated brand marketing campaigns.

Wales' strongest reputation is a relaxing and beautiful place to visit with a distinct and authentic culture. However, many of these associations are also shared with other destinations, such as Scotland, the Lake District and the West Country.

Wales has weaker associations as a destination that is stylish or romantic, suitable for younger people and a place to visit all year round. Festivals, events, arts and cultural attractions are also less widely associated with Wales. Scotland and England are more widely associated with heritage holidays than Wales.

There is less available evidence of the perceptions of Wales amongst international visitors. However, general awareness and knowledge of Wales is believed to remain weaker than more established destinations in the UK, particularly amongst more distant markets and people who have not travelled to the UK recently.

Specific regional and local destinations within Wales are also generally less well known than the leading tourism destinations in other parts of the UK. This is important as visitors taking short breaks are likely to have a specific destination in mind when deciding where to visit.

The Wales Visitor Survey 2016 indicates that the majority of visitors believe that Wales represents a sustainable tourism destination for holidays and breaks. The survey also reveals a clear majority of visitors feel it is important that their trip provides an experience that is distinctive to Wales and that they couldn't have anywhere else.

Future challenges and opportunities for the Wales tourism brand

- Further promoting Wales' keys strengths as an authentic and distinctive destination offering a variety of heritage, cultural, nature, adventure and wellbeing experiences.
- Strengthening weaker aspects of the brand by portraying Wales as an exciting, contemporary place to visit full of festivals, events and cultural experiences.
- Strengthening potential visitors' appreciation of the many distinct and attractive destinations within Wales.
- Promoting compelling reasons to visit all year round.
- Continue to build a competitive destination brand by investing in innovative market-facing products, enhancing the visitor experience and investing in strengthened brand promotion to target audiences.

The visitor experience

The Wales Visitor Survey indicates high levels of visitor satisfaction.

The Wales Visitor Survey in 2016 revealed high levels of satisfaction with most aspects rated highly, especially the natural environment, places to visit and the welcome. There were weaker ratings around quality and availability of public transport, value-for-money, shopping, town centre environments, public toilets and accessibility for people with an impairment. Trips generally exceeded expectations, more so for international visitors, and there were high levels of repeat visit intentions and likelihood to recommend a visit to others. The findings of the 2019 survey will be considered further.

A high proportion of visitors feel that is important to have a distinct Welsh experience.

The majority of visitors agreed it is important to have a distinct Welsh experience. Heritage sites, attractions and food and drink are most likely to be seen as providing a distinctively Welsh experience. Fewer visitors feel that their accommodation is distinctly Welsh. Around half of visitors feel it is important to see or hear the Welsh language with international visitors tending to be more interested in the language than domestic visitors.

Travellers are determined to make sustainable travel choices but barriers include lack of knowledge of how to travel sustainably and the availability of sustainable products.

Around three quarters of global travellers believe that people need to act now to make sustainable travel choices including demand for eco-friendly accommodation and growing concerns around the environmental impacts of flying (1). However, recent UK market research (2) finds that there is still a gap between good intentions and travellers modifying their behaviour or actively seeking sustainable holiday choices. This indicates that travellers could be persuaded to travel more sustainably if they are better informed and if sustainable travel choices are made easy and better promoted.

Strong Interest in Experiential Travel.

Recent research by Visit England (3) indicates there are high levels of interest across markets for participating in experiential activities whilst on holiday. This interest is spread across a wide range of different types of experiences and interest is much higher than participation, indicating opportunities for growth. There are higher levels of interest and participation in more mainstream experiences including food and drink tasting/tours, guided nature experiences, spa experiences and experiencing life behind the scenes. There are lower levels of participation in creative and skills-based learning (i.e. cookery courses, photography). Specific wellness experiences such as yoga and meditation classes, as well as volunteering, have more limited niche interest. Participation and interest in experiential travel is generally stronger for GB domestic holidays than international visitors and availability of experiences and activities is a stronger driver of destination choice. Recent research by Mintel indicates that over half of domestic holiday takers felt inspired to visit a place after seeing it on a TV programme or film (8).

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Domestic market trends & performance

Recovery of UK holiday market driven by trips abroad and growth of domestic short breaks.

There was record spending of £69.3 billion on overnight travel by UK residents in 2018, primarily driven by strong recovery of outbound-trips, but growth in spending slowed in 2018. Holiday taking by GB residents has grown since 2012, primarily driven by holidays taken abroad and short breaks taken in GB.

Staycations peaked with 59 million trips taken in 2017, but fell back in 2018. The increase in domestic holidays has largely been driven by a switch to short breaks, accounting for around two thirds of domestic holidays. Mid-length holidays (4-7 nights) make up around 30% of domestic holidays, but these have seen little growth since 2012. Spending on domestic trips has fallen in real terms. This is a concern for Wales which has a lower spend per trip than GB as a whole.

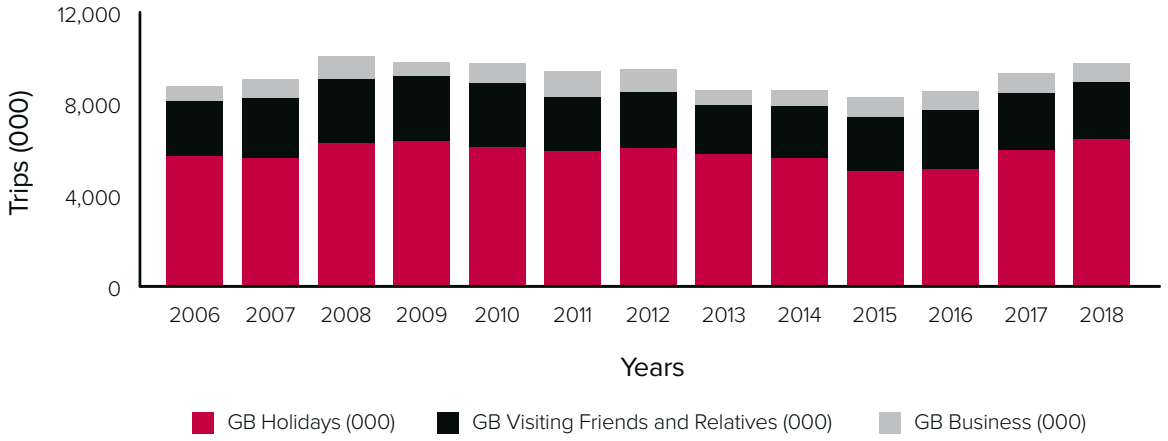
Strong competition for the domestic visitor but Wales has slightly grown its share of holidays.

The South West of England is the most popular holiday destination for GB residents attracting one fifth of all domestic overnight holidays. Wales, Scotland, North West England and South East England all have a similar share of around 10-12% of holiday trips.

There was a strong performance from the domestic market for Wales in 2018, with just over 10 million trips taken and expenditure of £1.85 billion. These were a little lower than the record levels in 2015, but a recovery of performance after dips in 2016 and 2017.

Overnight Trips by GB Residents to Wales by Purpose of Trip

Source Great Britain Tourism Survey



There has been a longer term increase in holiday trips to Wales by GB residents but levels have fluctuated since 2012. In 2018, holidays reached a record 6.4 million trips and £1.3 billion spend and growth has continued into 2019.

Need to address seasonality and shorter trips.

Wales has an increasing share of overnight holidays taken in the peak summer months with nearly half of domestic overnight trips to Wales taken in June, July and August.

The switch to domestic short breaks is impacting on Wales' previous reliance on longer holidays. Short trips of 2 or 3 nights are now the most popular length of domestic holidays. Mini breaks (single night) are of growing popularity across GB as a whole and account for over 20% of domestic holiday trips.

Seaside holidays performing more strongly in Wales and rest of GB.

The seaside attracts a half of all holiday visitors to Wales and has been the main driver of recent growth in trips to Wales. City breaks have been the main driver of growth in domestic short breaks but growth in Wales has been slower than across GB as a whole. The volume of holiday trips to countryside areas and small towns has been falling.

Relaxing, sightseeing and walking are the most popular activities, but many visitors also undertake a combination of different activities.

The most popular activities undertaken on trips to Wales are relaxing (28%), short walks (24%), sightseeing on foot (19%), visiting a beach (25%), longer walking (15%), centre based walking (12%), sightseeing by car (11%) and visiting historic sites (10%). All other activities are undertaken on fewer than 10% of domestic overnight trips, with specific adventure and outdoor activities including cycling, horse riding, mountain biking, golf, fishing and water-sports undertaken on 3% or fewer trips. However, some niche markets and products offer the opportunity to attract higher spend and first time visitors as well as building a diverse and appealing brand profile for Wales.

Car use continues to dominate travel by domestic visitors.

The car is more frequently used for domestic travel to Wales (70%), than for trips taken in rest of GB (65%). A lower proportion of travel to Wales is by public transport with 16% of journeys by train and 4% by bus or coach.

Traditional types of accommodation continue to be used by most visitors to Wales.

Domestic visitors to Wales are more likely to use commercial accommodation compared to GB as a whole. A range of accommodation is used depending on the purpose of the trip. Use of alternative forms of accommodation including Airbnb, hostels, serviced apartments and glamping are still used by a minority of visitors. However, around one in ten travellers say they are likely to use a lodging service such as Airbnb, which is perceived to offer unique, flexible, convenient and affordable accommodation. Airbnb (6) report that Wales has been the fastest-growing UK region in the year ending June 2018 with 13,600 listings and 467,000 inbound guests, a fifth of which were families. However, this is around a third the level of usage in Scotland and South West England.

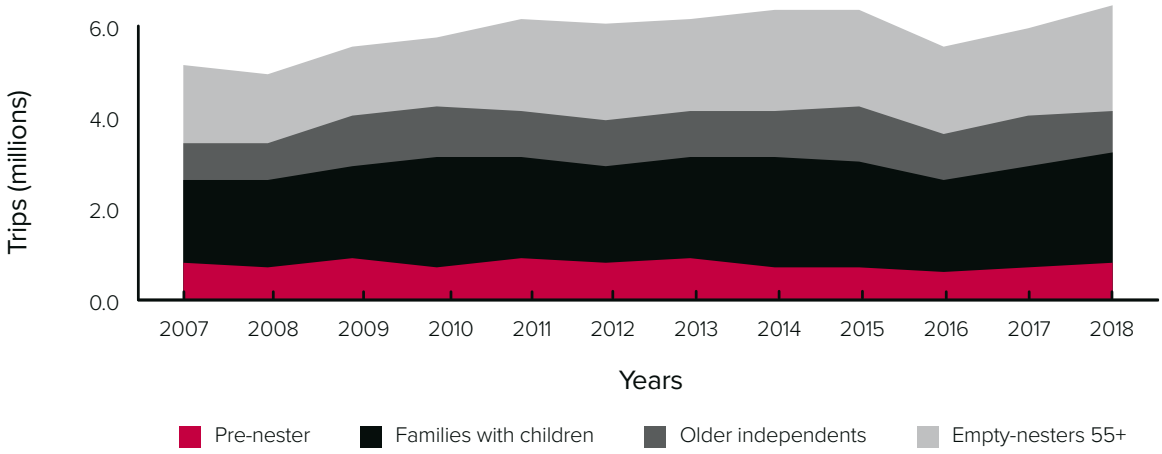
Older visitors and families are the mainstay of holiday visitors to Wales.

There has been a pronounced shift to older holiday visitors to Wales since 2006, following the trend for the overall domestic holiday market. The main driver of growth in domestic holidays is visits from older empty-nesters and families with children.

Families taking holidays with children in Wales are much more likely to be 35-44 years old, living in North West England, South West England or West Midlands. They are most likely to take trips to the seaside and countryside in July and August, staying in holiday camps, caravan, camping and hostels. People taking holidays without children are much more likely to be staying in serviced accommodation, visiting city and towns and travelling out of peak season. There is growing interest in taking multi-generation holidays especially amongst parents with young children (4).

Volume of domestic overnight holidays taken in Wales by lifestage

Source GBTS



Fewer trips from younger and very old visitors, with many not taking a UK holiday.

Younger adults and older people living in Wales are less likely to take a domestic holiday. People age 16-24 have the lowest propensity to take a domestic holiday. The lower propensity of these groups to take a holiday may be due to lower interest in taking domestic holidays or other financial or personal barriers to taking holiday trips.

Opportunity to attract more first time visitors.

Wales has a core set of loyal domestic holiday visitors representing a third of active UK travellers, a similar level to Scotland.

Wales and the nearby regions of North West England and West Midlands have higher levels of regular loyal visitors to Wales. There are fewer regular visitors living in areas further afield in the UK, but most other areas have considerable numbers of people interested in visiting, representing an opportunity to grow the overall visitor base.

There are higher proportions of Scenic Explorer Couples and Pre-family Explorer segments who are regular recent visitors to Wales, but there are high levels of interest in visiting Wales across all target segments, signifying scope to attract new visitors from a broad market base.

The majority of users of the Visit Wales website living in the UK are recent visitors to Wales and users of the Visit Wales social media platforms are most likely to live in Wales, to be regular visitors or to have personal ties with Wales.

Opportunity for targeting growth from regions within easy reach of Wales for short breaks.

Holiday trips taken in Wales are much more likely to be taken by residents living within Wales and the neighbouring regions of West Midlands and North West England. There are much lower levels of holidays taken in Wales by residents living in London and South East England. However, trips from these areas have been gradually increasing in recent years and there remains substantial opportunity for growth from these areas.

Opportunity to target higher spend visitors but also grow participation by low income groups.

Growth in domestic holidays has been driven by increasing trips from A and B socio-economic groups, with people in the B group making up one in three of all domestic holidays. The mid-market C1C2 groups remain a core part of the domestic holiday market accounting for nearly half of all domestic holidays. However, there has been a fall in domestic holidays from these groups in last few years possibly due to taking holidays abroad. Trips from DE socio-economic groups make up a small proportion of domestic holiday takers and trips have fallen over the longer term, probably reflecting constrained finances.

Travellers with impairments are an important market likely to increase due to aging population.

Around one in four overnight visits and tourism day trips taken in Wales by GB residents include someone in the party with an impairment, which is slightly above the level for GB. The proportion of overnight trips with a person with an impairment is much higher on trips taken by older people. Around 10% of trips taken in Wales involve someone with a mobility impairment or long term health condition, 6% have someone with a hearing impairment and 2% someone with visual impairment. Research indicates a low number of people taking holidays with dementia in the UK (2). A lower proportion (1.7%) of international visitors have an impairment with 711,000 trips to the UK in 2018 taken by those with an impairment or travelling within a group where a member had an impairment. However, the number of visitors and spend by inbound travellers with an impairment has been growing over last eight years. (7)

Domestic holidays are still primarily booked direct with accommodation providers but online intermediaries are taking a growing share.

Around one in three domestic holidays are booked directly with the accommodation provider, whilst around a quarter use travel websites such as Expedia and Booking.com. Around 10% use a tour operator and a similar proportion book via a travel agent.

The trend towards more short term bookings continues.

Over half of domestic overnight trips are booked less than a month before the trip is taken, with a fifth in the week before travel. Longer holidays are booked further in advance than short breaks. Given the existing pattern of holiday trips taken in Wales, the largest level of bookings will be made in late spring and early summer with a smaller window for bookings at the start of the year and a steady flow of bookings being made through the spring period. There is likely to a short booking period for autumn breaks during September and early October.

Future challenges and opportunities for domestic holiday market.

- Uncertain growth in domestic holiday market depending on economic situation and future outbound travel restrictions.
- Shorter breaks generate lower spend and may restrict the potential to target markets that are a longer journey to Wales.
- Trend to more frequent, spontaneous breaks may be more weather dependent and substituted by day trips.
- Extending seasonal spread of holiday and other trips taken in Wales.
- Raising the profile of urban destinations in Wales including heritage and market towns, cultural destinations and city breaks in Cardiff and urban centres in Wales.
- Attracting new younger visitors whilst continuing to attract the core family and older empty nester markets.
- Targeting the growing markets in South East of England (including London) and the Midlands, whilst retaining the larger markets in North West England and Wales.
- Opportunities to attract more affluent and mid-market visitors, whilst also growing participation by currently excluded and disadvantaged groups.
- Catering for the needs of the growing number of older visitors, many of who have impairments or are managing long-term health conditions.
- Promoting greater use of public transport, especially to larger destinations with good connections to key urban markets.
- Targeting marketing on generating interest from new and lapsed visitors to attract regular trips from lifetime visitors.
- The sharing economy is bringing additional rates for accommodation capacity that may impact on occupancy of traditional commercial providers unless additional demand is generated.

International market trends & performance

Strong growth in international visitors to the UK, but growth has stalled in 2018 and 2019.

There has been strong growth in the volume of international visitors to the UK, reaching record levels of trips and spend in 2017. However, trips and spend fell in 2018, with 38 million trips and expenditure of £22.9 billion. Trips have recovered during the first 9 months of 2019.

There has been longer term growth in inbound trips to the UK for each of the main purposes. Holiday trips have grown at an average rate of 4% per annum since 2012, peaking above 15 million trips in 2017 and 2018.

Inbound visits to friends and relatives living in the UK grew by an average 5% per annum since 2012 reaching a record 12 million trips in 2017. However, trips and spend have fallen in 2018 and 2019. There has been slower growth in inbound business visits to the UK of 2% per annum since 2012, peaking at 9.2m trips in 2016, but they have been falling since.

Growth in most of the top ten markets generating international visitors to the UK.

The top ten markets have been similar over the longer term and account for 63% of total trips and 51% of total spend to the UK. Most markets have been growing but there were falling visits in 2018. Growth has been highest from US, Spain, Italy, Poland and Ireland.

The United States is by far the most valuable inbound holiday market to the UK (£1.6 billion) followed by Germany (£815 million), France (£718 million), Spain (£498 million) and Australia (£488 million). The United States, Spain and Ireland have been the fastest growing of the top ten inbound holiday markets in last few years.

Top ten inbound markets to the UK ranked by trip volume 2018: International Passenger Survey				
	Trips 2018 (thousands)	Spend 2018 (£millions)	Spend per trip	Trip average Growth rate since 2012
France	3,693	£1,386	£375	-0.4%
US	3,877	£3,378	£871	5.3%
Germany	3,262	£1,520	£466	1.6%
Ireland	2,782	£895	£322	2.1%
Spain	2,530	£1,110	£439	6.7%
Netherlands	1,954	£716	£366	2.0%
Poland	1,817	£453	£249	6.8%
Italy	1,808	£784	£434	2.9%
Belgium	1,116	£399	£358	0%
Australia	1,003	£1,044	£1,041	0.2%

London is the most popular UK destination across all international markets.

London attracts around 19 million international visitors to the UK compared to 15 million to the rest of England, 3.5 million to Scotland and 1 million to Wales.

Scotland is a major destination for all markets, but attracts a particularly high volume of visitors from US, Canada, Australia and Germany. South West England is popular with visitors from Germany, France, US and Netherlands

International Trips to Wales and other UK destinations: IPS All Purposes of trip 2018							
Destination/Market	Germany	US	France	Netherlands	Ireland	Australia	Canada
UK	3,260,000	3,880,000	3,690,000	1,950,000	2,780,000	1,000,000	850,000
London	1,450,000	2,630,000	1,830,000	695,000	650,000	588,000	474,000
Scotland	451,000	492,000	318,000	172,000	84,000	172,000	131,000
Wales	87,000	86,000	71,000	56,000	151,000	44,000	36,000
South West England	327,000	236,000	207,000	191,000	165,000	120,000	77,000
North West England	214,000	249,000	169,000	125,000	358,000	120,000	55,000
Yorkshire	105,000	103,000	100,000	95,000	95,000	69,000	37,000

London and Scotland lead the growth in international holiday visitors to the UK.

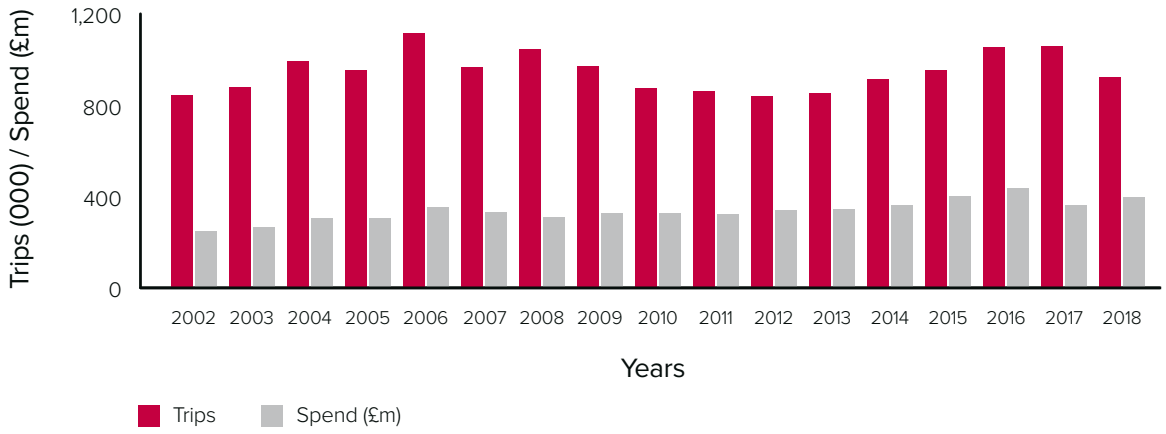
London attracts 9.5 million holiday trips around two thirds of all international holiday visitors to the UK. Scotland attracts 13% of inbound holiday visitors to the UK, South East England (10%), South West England (7%) and North West England (7%).

Recent growth in international visitors to Wales, but Wales' share has fallen.

Trips to Wales by international visitors returned above one million in recent years but trips fell in 2018, following the pattern across the UK as a whole. International visitors comprise around 10% of overnight visitors to Wales but 20% of expenditure due to their higher spending. Average spend per trip is more than double the level of GB domestic visitors.

Volume of trips and expenditure on international visits to Wales

International Passenger Survey



Trip-growth to Wales has been slower than across the UK as a whole and Wales share of inbound trips (2.5%) and spend (1.8%) has fallen slightly over the last few years.

There were 403,000 holiday trips to Wales by international visitors to Wales in 2018 with an average growth rate of 3.6% per annum since 2012, in line with growth across UK as a whole. This compares to 341,000 visits to friends and relatives and 147,000 business trips taken in Wales in 2018, which have grown at a slower rate than holiday trips.

The nearby EU markets and English-speaking long haul markets generate the most visits to Wales, as they do for UK as whole.

Ireland provides the highest volume of visits to Wales, followed by Germany, US and France. Expenditure from all of these markets is around £30-40 million per annum. The main source of holiday visitors/spend to Wales are Ireland (70,000/£15m), Germany (50,000/£17m), US (50,000/£22m), France (33,000/£11m) and Netherlands (31,000/£11m). Visitors from Germany and United States have led the way in growth of holiday trips taken in Wales. Holidays to Wales from France, Ireland and the Netherlands have lagged behind growth to the UK as a whole.

Sightseeing, heritage and enjoying nature and scenery are common motivations.

Currently, the majority of international holiday visitors come to the UK to experience city life and explore heritage and history. Outside of London there is interest in historic British towns and cities, as well as countryside and coastal areas of Britain. Older people, repeat visitors and English-speaking countries, are more interested in visiting the UK countryside representing a good opportunity to target these groups to visit Wales. Enjoying the landscape and heritage are the primary motivations for international travellers visiting Wales. Taking part in outdoor or sporting activities is one of the reasons for visiting Wales amongst one in five international travellers; higher than for the UK as a whole. Specific activities such as playing golf, adventure activities, water-sports and competitive sports have more niche appeal.

Opportunity to grow Cardiff as a gateway for international travellers alongside heritage hubs.

Visiting for a city or urban break is a less common reason for visiting Wales. Around one in three international visitors to Wales stay in Cardiff each year. This compares with 60% of international visitors to Scotland staying in Edinburgh and 50% of visitors to the UK visiting London. This indicates an opportunity to promote Cardiff as a gateway to Wales alongside improved air connectivity via Cardiff airport. There is a cross-over in interest between exploring heritage, countryside and remote rural areas. This suggests that Wales' historic towns may be promoted as a hub for international visitors exploring the surrounding countryside.

Promoting Wales as a place to explore heritage, culture, outdoors.

There are opportunities for Wales to target the interest German travellers have in outdoors and history, as well as the Dutch travellers' love of camping, freedom and the outdoors. The distinct culture and food and drink in Wales are likely to be of interest in France, Spain and Italy. Wales has a strong offer for more independent travellers from US and Australia looking to explore beautiful places, heritage and culture.

The majority of international holiday visitors to Wales are coming for their main holiday with smaller proportions visiting for a short break or secondary holiday. The majority are combining a trip to Wales with other parts of the UK, with around half staying in England and around one in ten staying in Scotland or Ireland.

Opportunity to attract travellers making repeat visits to UK.

Three quarters of inbound holiday visitors to Wales make repeat visits to the UK, which is the highest proportion across the UK as a whole. Repeat visitors are a very important part of the inbound travel market. The nearby European markets are more likely to be repeat visitors; Irish Republic (92%), Netherlands (76%), Spain (62%), Germany (62%), Italy (59%) and France (58%). Around 60% of travellers from US, Canada and Australia are likely to be repeat travellers to the UK.

Primary opportunity to target independent, affluent travellers from nearby markets for short and mid-length holidays.

Most international visitors to Wales are affluent, middle-aged and older people, travelling as a couple or as a family. Younger people make up around a quarter of visitors to Wales. The majority are using a car to reach Wales and around one in five have used public transport. Short holidays and medium length trips (4-7 nights) account for most inbound holiday trips to the UK.

Importance of easy-to-book online product for international travellers.

Nearly nine in ten international visitors travelling to the UK make independent travel arrangements and this has been growing. Online travel agents are widely used for convenience, for the choice they offer and ability to compare prices. The Wales Visitor Survey (2016) indicates a half of international visitors to Wales booked their accommodation direct with the provider. A third booked via an online booking site, whilst just 10% booked through a travel agent or tour operator. Around 30% of visitors to the UK purchase travel, event and attraction tickets prior to travel.

Strengthening connectivity by air and sea important for growth.

The main airports used by visitors staying overnight in Wales are: Heathrow (17%), Bristol (11%), Cardiff (9%), Manchester (8%), Gatwick (5%) and Birmingham (4%). Visitors to Wales are also using the sea routes from Ireland and from Europe to Dover as well as the Channel Tunnel.

Influences on trip planning are similar to the UK domestic market, but timescales are longer for international visitors.

Travellers from long haul markets, especially Australia and New Zealand, are more likely to plan and book their trips further in advance, whilst short haul markets such as France, Spain and Netherlands are more likely to book travel within 2 months of their trip. The exception is Germany where travellers tend to book much earlier, with over half booking at least 3 months before travelling. Word of mouth and online channels are the main influences on travel for international travellers, as they are for domestic travellers.

Future growth requires more UK-bound travellers to be persuaded to visit Wales.

International tourism has outpaced the global economy in recent years with continued growth in arrivals and earnings including strong demand from Europe and the main markets. Prospects for further growth in international and domestic travel are strong. However, the fall in international travellers to the UK since 2018 indicates previous growth cannot be taken for granted and is susceptible to changing market conditions. Visit Britain's revised forecast for 2019 is for a return to growth. However, any changes to future travel arrangements between UK and key EU and other international markets could have a major impact on travel for holiday, business and VFR purposes in the short to medium term.

The most recent market tracking by VisitBritain (5) indicates an increase in uncertainty amongst potential travellers about travel arrangements for visiting the UK and a fall in intent to visit the UK. The lower exchange rate for Sterling has made the UK more affordable but future changes are likely to impact visitor demand and spend.

Key challenges and opportunities for international markets

- Targeting repeat visitors from key markets is a major opportunity as they are high-spending, more likely to explore beyond London and visit throughout the year.
- Promoting a visit to Wales as an add-on or alternative trip to other parts of the UK could increase visitors.
- Products that are easily packaged and booked before and during travel should be exploited.
- Increased direct air connectivity to Cardiff from key markets could help attract more international visitors to Wales.
- Growth in international visitors to UK has slowed and persuading more travellers visiting the UK to come to Wales should be a focus.

Business tourism trends and performance

There have been recent falls in the volume of domestic and International business trips.

The volume of overnight domestic business trips taken in GB has fluctuated but trip levels in the last 3 years are around 15% below their peak levels with 16.3 million trips in 2018. Expenditure has been decreasing in real terms with £4.37 billion spent in 2018.

Wales has followed a similar trend to GB as a whole with fluctuations in the volume of business trips but the number of trips have been falling since their peak above 1 million in 2012 to an average of 750,000 in the last 3 years. Spend has been falling at a faster rate than trips. Wales' share of GB domestic overnight business visits is around 4.5% of trips and 3.5% of spend.

The expenditure per night on business visits is higher than for other purposes of visit.

The average overnight business trip taken in Wales lasts 2.4 nights with an average spend per night of £81. The average spend per night is higher than holiday trips, but the longer length of holiday trips results in a higher overall spend per trip for holidays of £213 compared to £190 for business trips.

The profile of business visitors is different to that of holiday visitors to Wales.

The majority of business visitors use commercial accommodation, most notably hotels, motels and guesthouses. A higher proportion (50%) are staying in large towns or a city in Wales. Trips are much more evenly spread across the year with July and August the less frequently visited months. The majority of visitors are male (80%), in full time work, age 25-44, from BC1 socio-economic groups and from within Wales or North West England, South East England and Midlands.

International business visitors make fewer trips to Wales, but they stay longer and spend more than domestic business visitors.

There has been an annual average of 166,000 international business visitors to Wales during the last 3 years with an annual average spend of £50 million. This represents around 16% of international trips to Wales and 12% of spend. International business visitors stay for longer than domestic business visitors with an average of 4.6 nights and the average trip spend of £373 is nearly double the spend of domestic business visitors.

Key challenges and opportunities for Business Travel Market

- Business visitors spend more per night and visit throughout the year and therefore promoting more visits can support higher visitor yields and seasonal dispersal.
- Opportunity to make the most of investments (promotion and infrastructure) made in the Business Travel Sector in Wales.
- Meetings, conferences and exhibitions are a key focus for growth given higher potential spend and declining volumes of routine business visits.

Walking, Fforest Fawr, Brecon Beacons National Park

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Further Information

Detailed Trends GB Domestic Holiday Market

Internal document, English only – available in Welsh on request.

Detailed Trends International Markets

Internal document, English only – available in Welsh on request.

Strategic Performance of the Visitor Economy in Wales

Internal document, English only – available in Welsh on request.

Wales Tourism Performance Reports

The most recent quarterly data from the main tourism surveys.
gov.wales/wales-tourism-performance

Great Britain Tourism Survey

National survey measuring the volume and value of overnight trips taken by the residents of Great Britain.
gov.wales/great-britain-tourism-survey

Great Britain Day Visits Survey

This is the source of official statistics on day visits by British residents to destinations throughout Britain.
gov.wales/great-britain-day-visits-survey

Wales Tourism Accommodation Occupancy Survey

The occupancy surveys provide trend information on the demand of tourist accommodation in Wales.
gov.wales/wales-tourism-accommodation-occupancy-surveys

Wales Tourism Barometer Report

Tourism Barometer provides a 'snapshot' of industry performance after important points in the tourism calendar.
gov.wales/tourism-barometer

Visit Britain

Information and data on how inbound tourism is performing including competitive tourism landscape, trends and the importance of different market sectors.
www.visitbritain.org/inbound-research-insights

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