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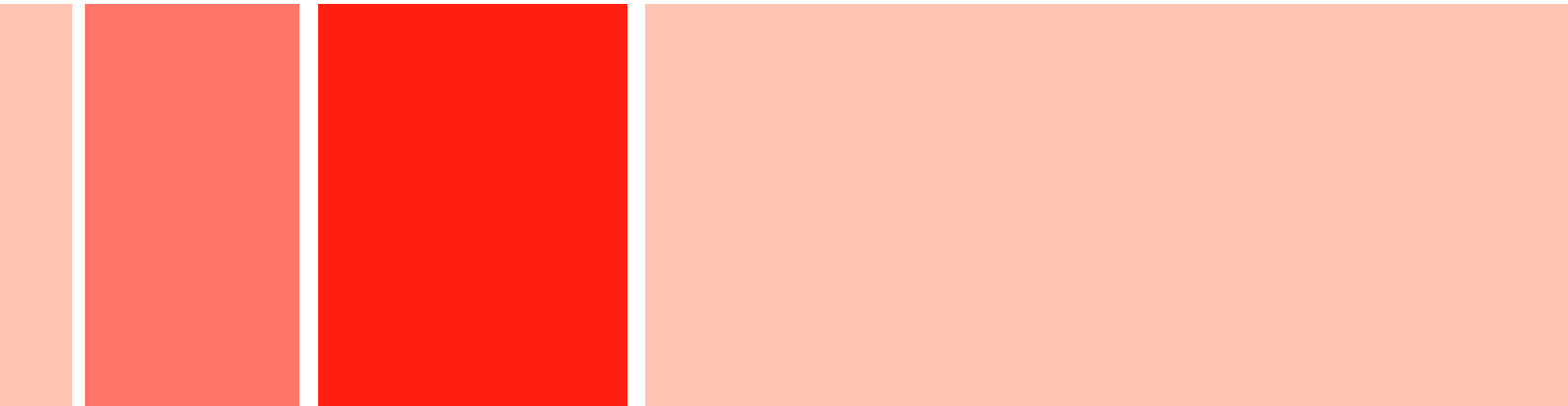


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Wales Tourism Business Survey

Wave 1, 2015



Wales Tourism Business Survey: Wave 1, 2015

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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1. **Headline Findings**

Tourism industry has enjoyed a fine Easter

- 1.1 The tourism industry in Wales has enjoyed a busy Easter period. About two in five (37%) businesses have had more visitors than Easter last year, and close to half (45%) have had the same level. Only a minority (18%) report a decrease.
- 1.2 More than half (56%) of businesses experiencing increased visitor levels attribute this to better weather.

Attractions have performed particularly well

- 1.3 Attractions have performed particularly well this Easter, with about half (53%) reporting increased visitor numbers and a further third (33%) reporting the same level. Most (76%) have attributed their success to better weather.

Events in South East Wales have attracted visitors

- 1.4 South East Wales is the best performing region, with about half (47%) of visitors receiving more visitors than last Easter. Local events appear to have been more influential in this region than in other regions of Wales. Close to a quarter (22%) of South East businesses achieving increased visitors attribute their success to local events, compared to 5% of businesses in the rest of Wales.

Domestic market is performing well this year

- 1.5 The Wales and UK markets have performed well to date this year. A quarter (26%) of businesses have had more visitors from Wales to date this year, and about three in five (62%) have experienced the same level. A third (34%) of businesses have had more visitors from the UK outside Wales to date this year, and over half (56%) have received the same level.
- 1.6 The overseas market is stable; some operators have commented that their overseas business doesn't normally pick up until the summer.

High expectations for the summer season

- 1.7 Following a busy Easter in fine weather, confidence for the summer is running high. About two in five (38%) operators say they are 'very confident' for the summer, and about three in five (58%) say they are 'fairly confident'.

2. Background and Methodology

What is the Wales Business Tourism Survey?

- 2.1 The Wales Business Tourism Survey is designed to give quick feedback on how the tourism industry in Wales is performing at key times during the year. The Survey has been running since 2005, and normally between two and five research 'waves' are conducted each year.
- 2.2 This research wave relates to Easter 2015, with measurements also of performance by different markets year to date and expectations for the coming summer season.

How is the Survey conducted?

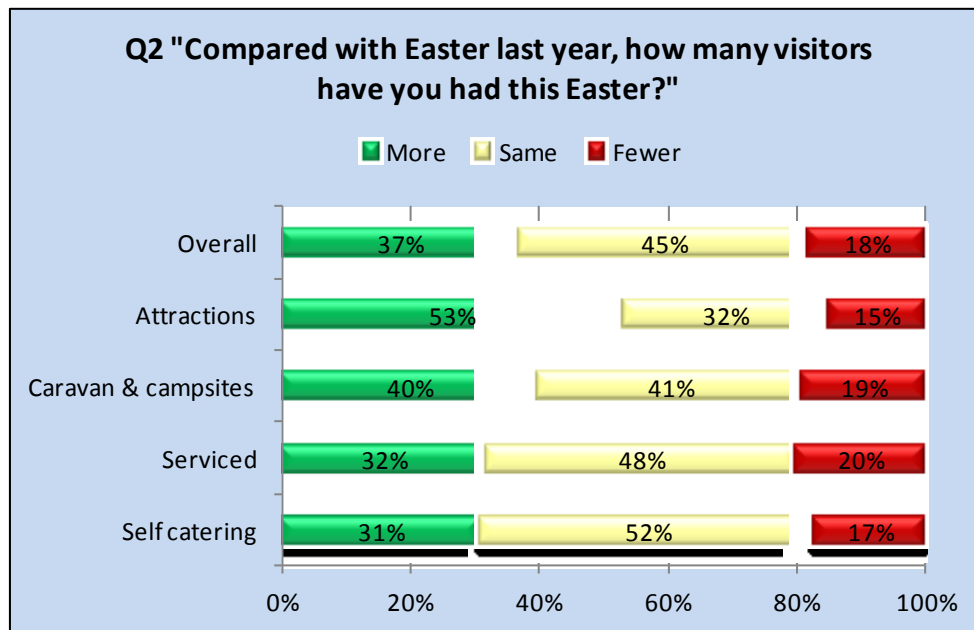
- 2.3 In each research wave, 400 interviews are conducted by telephone with a balanced sample of tourism businesses across Wales. The sample for this Easter wave is shown below:

| Sector/Region | North | Mid | South West | South East | Total |
|------------------------|-------|-----|---------------|------------|-------|
| Attractions | 26 | 11 | 24 | 26 | 87 |
| Serviced acc'm | 41 | 30 | 31 | 30 | 132 |
| Self-catering acc'm | 40 | 30 | 27 | 20 | 117 |
| Caravan & Campsites | 25 | 15 | 20 | 5 | 65 |
| Total | 132 | 86 | 102 | 81 | 401 |

- 2.4 The majority of businesses (347) in the sample are currently graded by Visit Wales. There are also 54 businesses in the sample which are not graded by Visit Wales; these are spread across the different regions and sectors.
- 2.5 Interviews have been conducted with business owners or managers. A copy of the questionnaire used is included as an appendix.

3. Easter Performance

Performance by sector



Base: 382

6 respondents have answered 'don't know' to this question; these have been excluded from the above results and the percentages have been re-based

Tourism industry has enjoyed a fine Easter

- 3.1 The tourism industry in Wales has enjoyed a busy Easter period. About two in five (37%) businesses have had more visitors than Easter last year, and close to half (45%) have had the same level.

Attractions have performed particularly well

- 3.2 Attractions have performed particularly well this Easter, with about half (53%) reporting increased visitor numbers and a further third (33%) reporting the same level. Most (76%) have attributed their success to better weather.

"The good weather helped increase the numbers"
Attraction, North

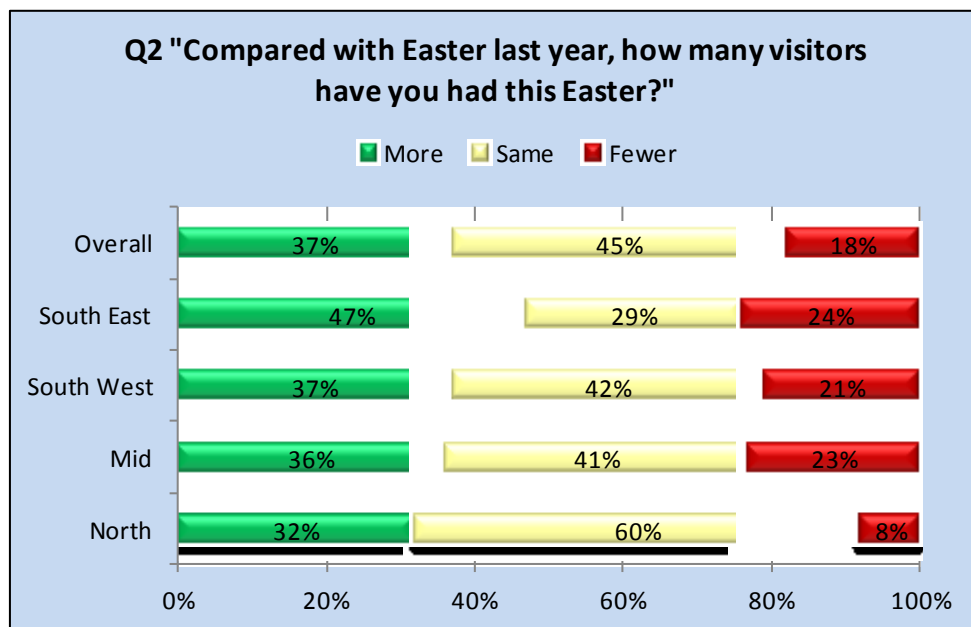
"We've advertised more so had lots of local visitors"
Attraction, South East

Camping in the sunshine

3.3 The caravan & camping sector has performed the best out of the accommodation sectors, with two in five (40%) businesses increasing their visitor levels over Easter. Being the most weather-dependent accommodation sector, the fine weather arrived just in time. The majority (76%) of caravan & campsites which have increased their visitor numbers attribute this to the weather.

"It's all down to the weather in regards to camping"
Caravan park, South West

Performance by region



Events in South East Wales have attracted visitors

3.4 South East Wales is the best performing region in terms of increased visitors, with about half (47%) of visitors receiving more visitors than last Easter.

3.5 Local events appear to have been more influential in the South East than in other regions of Wales. Close to a quarter (22%) of South East businesses achieving increased visitors attribute their success to local events, compared to 5% of businesses in the rest of Wales.

Solid performance in North Wales

3.6 North Wales has not quite seen the increased visitors that South Wales has enjoyed, but on the other hand the performance of this region has been solid, with only a minority (8%) of businesses experiencing a fall in visitors.

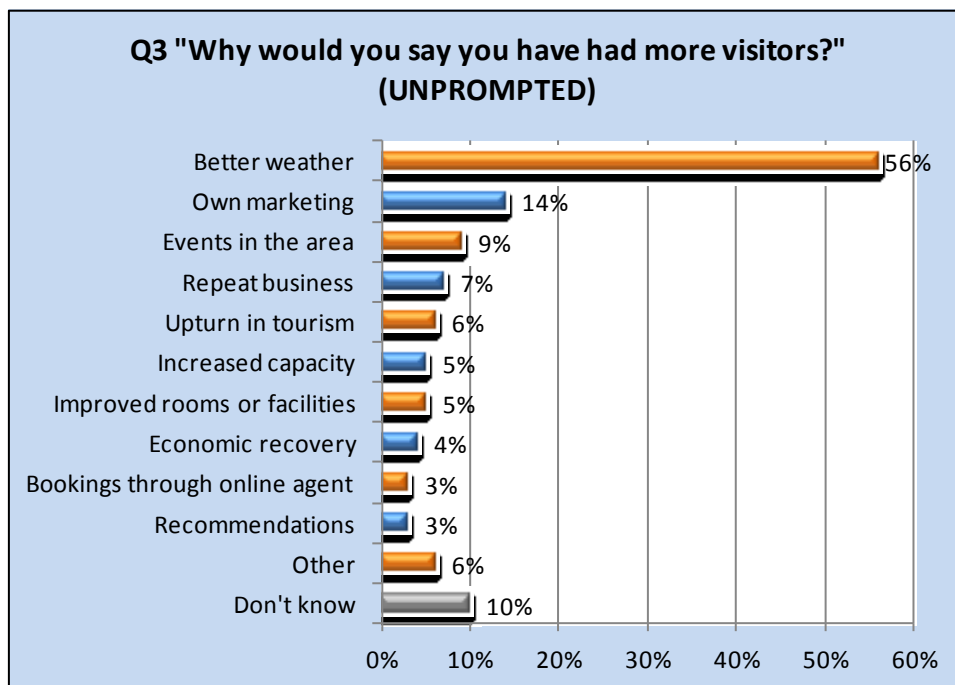
“We have had a lot of people from South Wales speaking Welsh this year”

Serviced, North

“The vast majority of our guests are English”

Serviced, North

Reasons for increased visitor levels

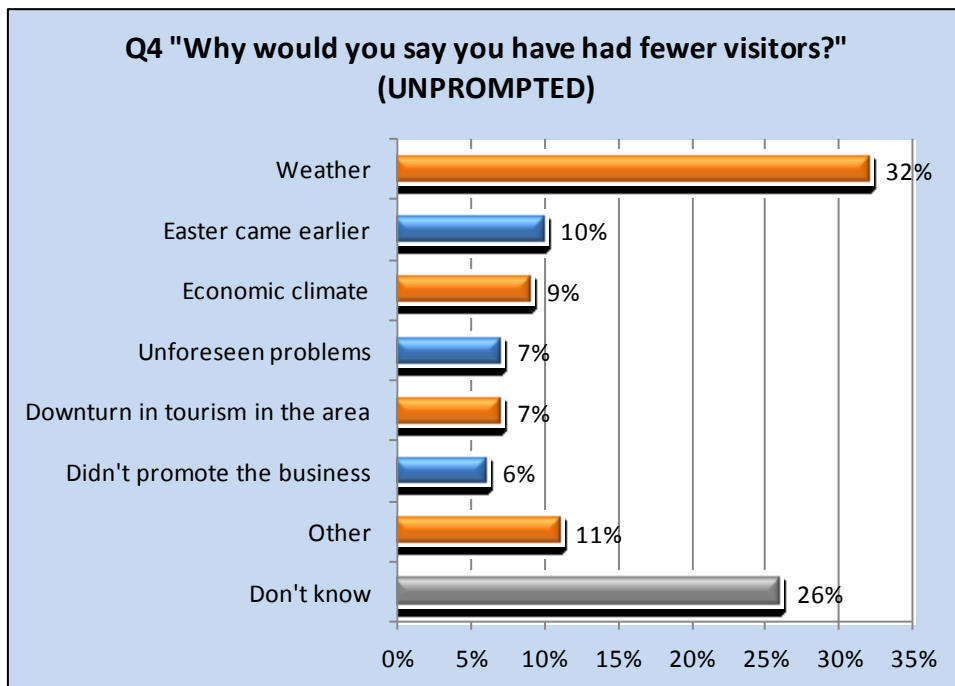


The weather has dominated this Easter

3.7 The weather this Easter is the dominant factor on performance among those increasing their visitor levels. Over half (56%) of businesses receiving more visitors attribute their success to better weather; this is much higher than the second most frequent reason given (own marketing – 14%).

3.8 Attractions and caravan & campsites appear to have benefited from the weather significantly more than serviced and self catering accommodation. Most (76%) attractions and caravan & campsites increasing their visitor levels attribute this to the weather, compared to 40% of serviced accommodation and 34% of self catering businesses.

Reasons for decreased visitors



Base: 69

The weather has not favoured every business

3.9 In contrast to the weather being the dominant factor in improved performances this Easter, it is also the most frequent reason given for decreased visitor numbers.

3.10 Some operators, especially in North Wales, say that the cold weather leading up to the Easter weekend harmed their chances of attracting and keeping Easter bookings, and therefore the fine weather arrived just too late.

“The weather leading up to Easter didn’t help at all, and we had a few cancellations. The actual weekend weather did bring in a few last minute bookings.”

Caravan park, North

“Due to the bad weather, the ground was in a bad state so we decided not to take on any more bookings for Easter because it would require a lot of work for us to get the ground up to scratch”
Caravan park, North

Not all businesses thrive in the sunshine

- 3.11 Many indoor attractions do not perform as well in fine weather, as potential visitors head for the beach or the park instead.

“Very good weather is not the best for us as people tend to go to the beach or other similar attractions. We tend to do better on mild, overcast days.”
Attraction, North

“When the weather is bad, we have lots of visitors, but when the weather is good, we are empty”
Attraction, South East

Earlier Easter this year

- 3.12 Research in previous years has shown that the timing of Easter can make a lot of difference to the performance of the tourism industry. Last year Easter Sunday fell on 20th April, compared to 5th April this year. So in spite of sunshine this year, the weather was not as warm as last year when Easter was further into the year.

“Whenever it is an early Easter, we have low occupancy”
Serviced, South West

“Easter was later last year, so the overall climate was warmer. We only started getting busy when the good weather arrived.”
Self catering, South West

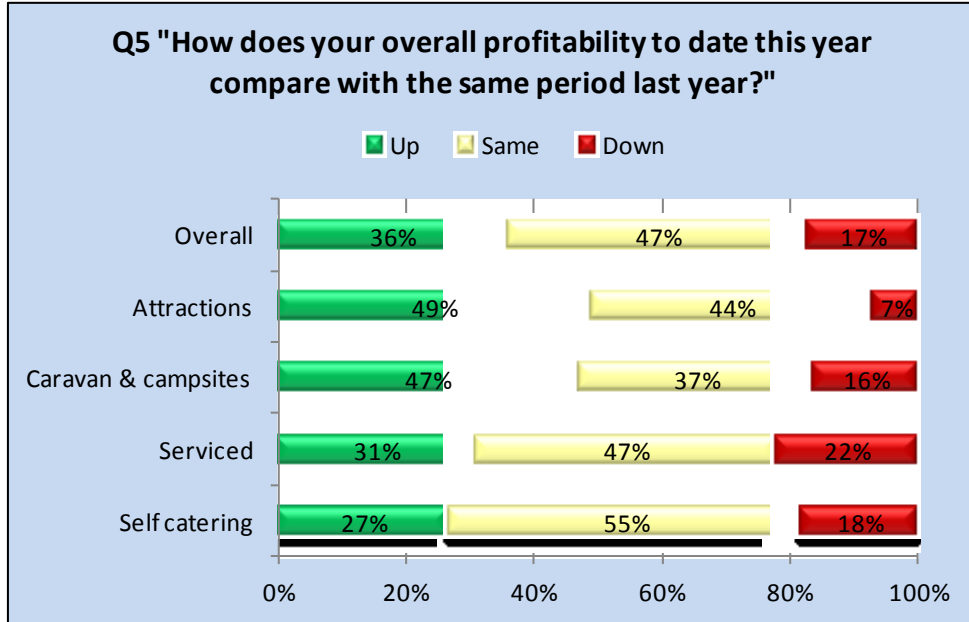
Many are unsure of the reasons for being quiet

- 3.13 Quite a large proportion (26%) of operators receiving fewer visitors this Easter do not know why.

“Unsure why it has been quiet”
Serviced, South West

4. Year to Date Performance

Profitability

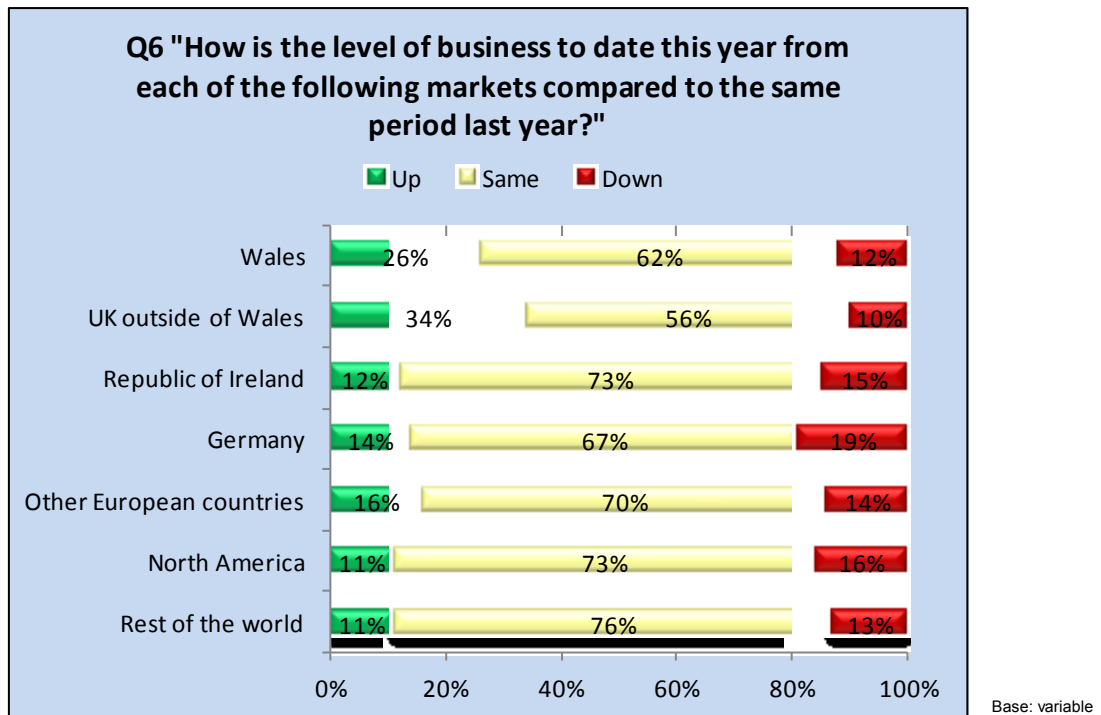


48 respondents have answered 'don't know' to this question; these have been excluded from the above results and the percentages have been re-based

Healthy profit levels maintained

- 4.1 Just over a third (36%) of businesses have increased their profitability to date this year compared to the same period last year, and about a further half (47%) have maintained the same level.
- 4.2 Recent years in tourism in the British Isles have seen operators under pressure to maintain profit margins during periods of rising operating costs and an increased culture of bargain-hunting among consumers, so it is encouraging to see many Welsh operators improving their profitability.
- 4.3 Attractions and caravan & campsites are the two best performing sectors over Easter, and these are also the two best performing sectors in terms of profitability year to date.

Performance by market year to date



Respondents which don't normally receive visitors from a particular market or do not know the performance of that market have been excluded from the results for that market. As such, the base for the results varies by market.

Domestic market is performing well so far this year

- 4.4 The Wales and UK markets have performed well to date this year. A quarter (26%) of businesses have had more visitors from Wales to date this year, and a third (34%) have had more visitors from the UK outside Wales.
- 4.5 South East Wales has performed particularly well in the UK (outside Wales) market, with about half (46%) of businesses increasing their UK visitors. Attractions are performing particularly well in the Wales market, with close to half (44%) increasing their Wales visitors.

*"We have had a lot of people from England. I just think Wales is the place to visit."
Serviced, North*

Perhaps too early to tell for overseas markets

- 4.6 The overseas market is stable; some operators have commented that their overseas business doesn't normally pick up until the summer.

"European guests stay more in the summertime"

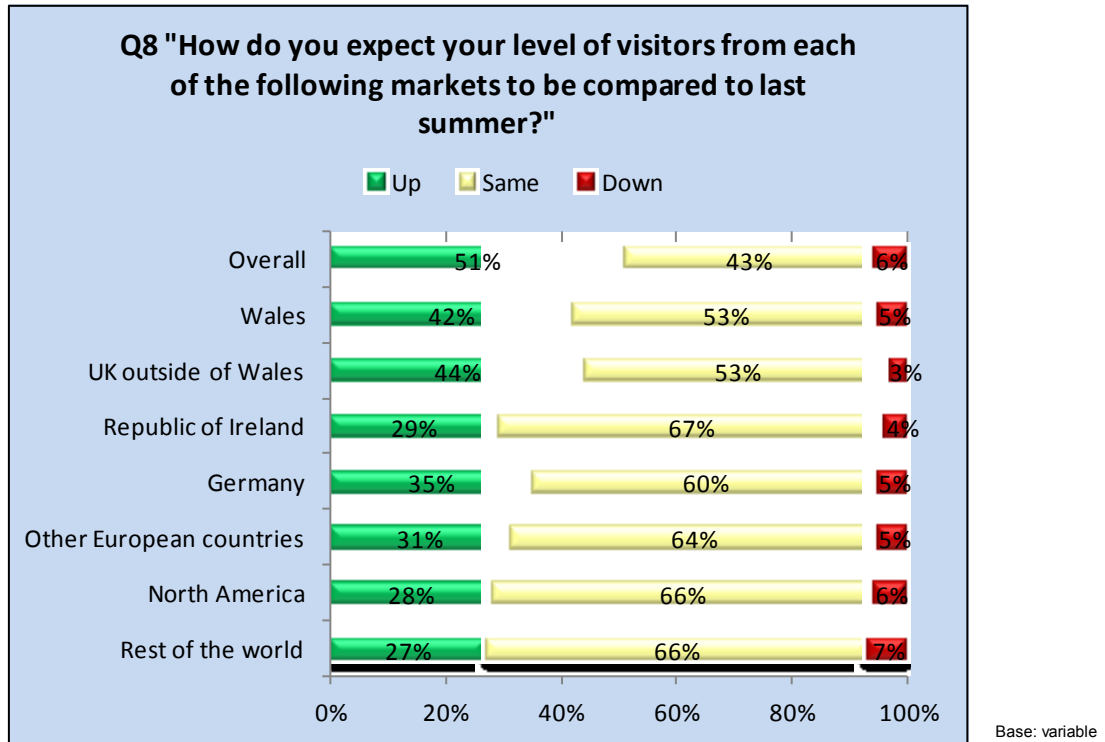
Caravan park, North

"The guests from North America and the rest of the world tend to come and stay during the summertime. Easter time tends to be more focussed on British guests who stay for a weekend; the overseas guests tend to get their money's worth and stay longer in the summer."

Serviced, South West

5. Expectations for the Summer

Expectations by market



Respondents who don't normally receive visitors from a particular market or do not know what to expect have been excluded from the results for that market. As such, the base for the results varies by market.

Very positive expectations for the summer

- 5.1 Following a good Easter period, expectations for the summer are high. Half (51%) of businesses expect to be up on visitor numbers this summer, and most of the remainder (43%) expect to maintain the same level. Only a small minority (6%) expect to be down.

"We have already had a lot of bookings for the summer, which is always a good sign"

Serviced, North

"I am fully booked for the summer"

Self catering, North

- 5.2 Expectations by sector and region of Wales correlate quite closely with Easter performance, in that attractions, caravan & campsites and businesses in South East Wales are the most positive. Most (70%) attractions expect to up on visitor numbers this summer, as do 57% of caravan & campsites and 70% of businesses in South East Wales.

“The economy finally seems to be at the right place for the tourism industry to start growing again.”

Caravan park, North

Germany the pick of the overseas markets

- 5.3 All overseas markets are expected to perform well this summer, especially Germany, where comments have been made about Visit Wales advertising there.

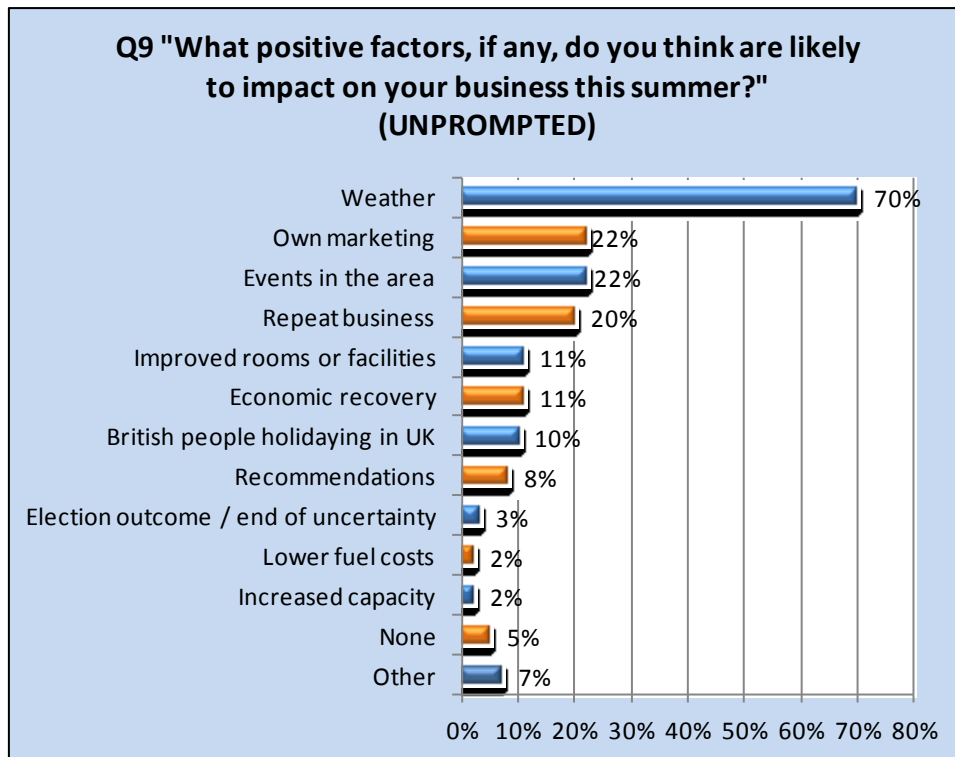
“The advertising in Germany has had a massive impact. We received the email from Visit Wales about the German promotion, and two days later we had bookings from German tourists, we couldn’t believe it.”

Serviced, South West

“With the new advertising in Germany, we hope the numbers will increase”

Caravan park, North

Expected positive factors on performance



Weather is expected to be the dominant factor again

- 5.4 Most (70%) operators say that the weather is likely to have a positive impact on the performance of their business this summer. This survey has mostly been conducted during sunny weather, and so it is possible this has had an influence on that particular result.

"If the summer is anything like Easter has been, I will be very happy"

Serviced, North

"As long as the weather holds up, I can't see any reason why we won't have a good season"

Serviced, South West

Being pro-active

- 5.5 Some (22%) operators say their own marketing is likely to have a positive impact on performance, and examples of this have been given.

"We have implemented our own marketing strategy and I am trying to get more day trips from the cruise ships that dock at Holyhead. Time will tell if this comes to fruition."

Attraction, North

“We have taken on a new marketing officer who is keen to organise new events and raise the profile of the park”

Attraction, South East

Events bring in business

- 5.6 Some operators (22%) expect to benefit from local events this summer. Others (in South East Wales) have also commented that further towards the autumn, the impact of the Rugby World Cup will start to take effect.

“Most of our American guests come here for a local event”

Serviced, South West

“Events like the Iron Man [triathlon] are a welcome boost to the business”

Serviced, South West

“The lead up to the [rugby] World Cup should increase numbers”

Attraction, South East

Repeat customers are the cornerstone of some businesses

- 5.7 One in five (20%) operators say that repeat businesses is likely to have a positive impact this summer. Repeat customers bring a lot of stability.

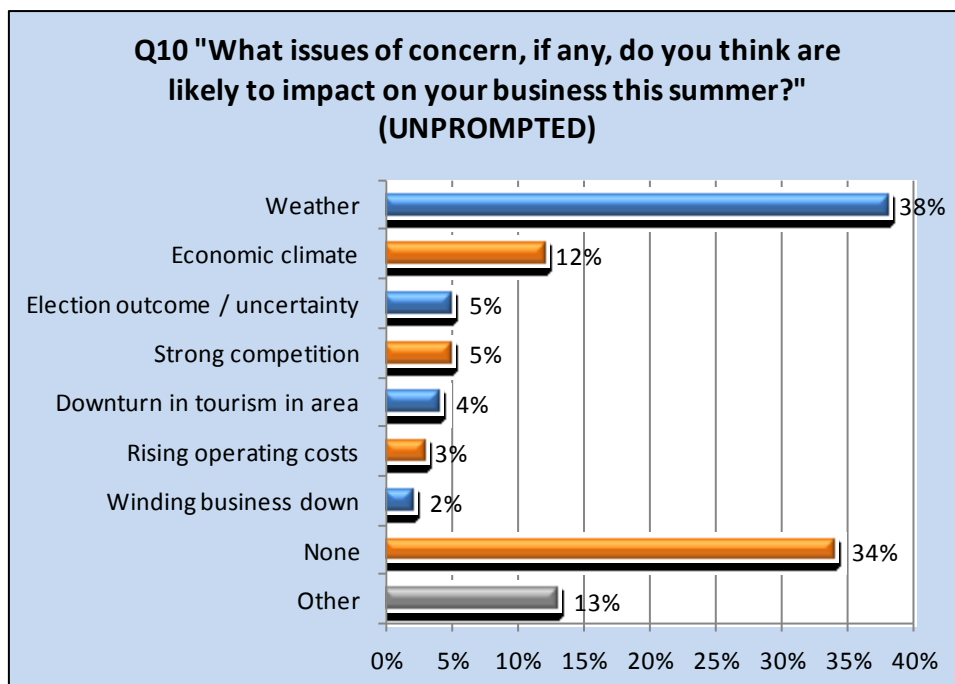
“We keep a very clean park, maintaining the facilities and ensuring that we always have a great product. This helps maintain repeat business.”

Caravan park, North

“We pride ourselves in being a family orientated business, with 70% of our trade being repeat visitors.”

Caravan park, North

Issues of concern



Many operators have no issues of concern

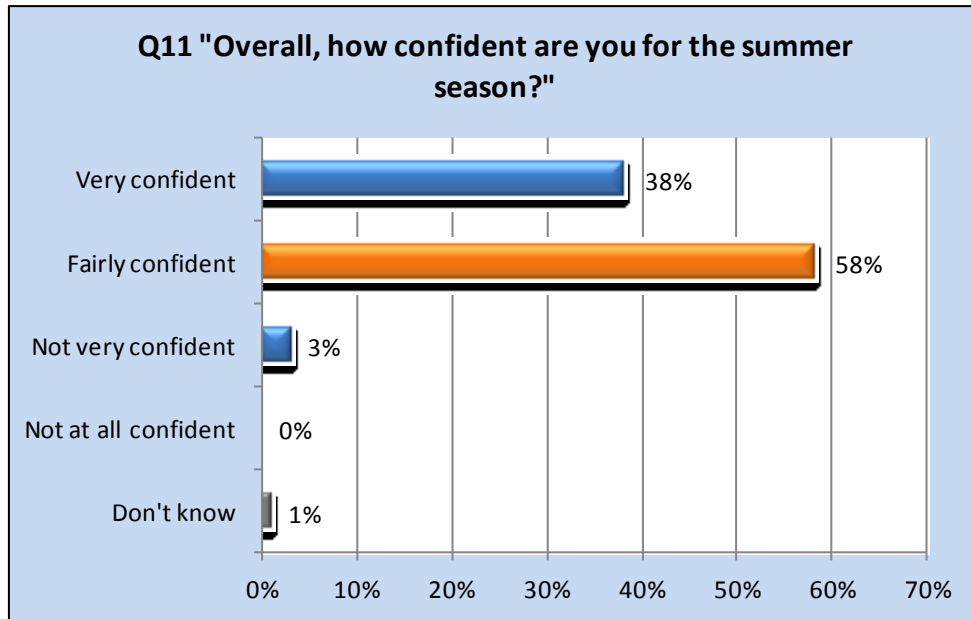
- 5.8 One in three (34%) operators say they have no issues of concern about their business this summer. This is especially the case in the less weather-dependent sectors – serviced and self catering accommodation. Half (50%) of self catering operators say they have no issues of concern facing them this summer.

Weather is a concern in the caravan and attractions sectors

- 5.9 The majority (63%) of caravan & campsites and half (51%) of attractions give the weather as an issue of concern this summer. This does not necessarily mean they expect the weather to be unfavourable, rather they know that if it is unfavourable then it could affect their business greatly.

"People only seem to turn up when there is good weather"
Caravan park, South West

Confidence



Confidence is running high

- 5.10 About two in five (38%) operators say they are 'very confident' for the summer, and about three in five (58%) say they are 'fairly confident'.
- 5.11 Previous research has shown that confidence among tourism operators can be very seasonal, and higher if the question is asked while the sun is shining. Nevertheless, operators are feeling good about the summer and are looking forward to receiving visitors.