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Wales Tourism Business Survey Wave 2, 2014

Wales Tourism Business Survey – Wave 2, 2014

Research on behalf of Visit Wales

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beaufortresearch

30 years of intelligent research

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

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KEY FINDINGS

Business Confidence

Nearly half (45%) of businesses had received more guests/visitors this August compared to last August; itself an excellent month for tourism in Wales. A further 37% had a similar level of business, while 16% reported that they had received fewer visitors. This means that some 82% of tourism businesses in Wales received increased or similar levels of guests compared with August 2013.

Amongst those businesses that had received more guests/visitors, most stated that this was because of better weather (37%), with a further 15% crediting their own marketing. Conversely, amongst businesses who had received fewer guests/visitors this August, over one in ten (13%) felt that this was a direct result of poorer weather, and a further 10% said felt their lower numbers had been a result of not promoting their business.

When asked to compare their business' overall turnover for this August compared to last, the findings paralleled those for the number of guests/visitors. Around half of all businesses (47%) said their turnover had been higher this year, with 14% stating it had been lower.

Most businesses were confident about the upcoming Autumn season (76%), with 24% very confident and 52% fairly confident.

Visitor Origin

A third of business reported an increase in international visitors compared with 2013; 31% of businesses had seen an increase in visitors from Germany, while 17% had seen an increase in visitors from the USA. One in five (40%) of business reported an increase from 'other overseas countries'.

In South East Wales, 31% of businesses reported increases in American visitors and 52% of businesses in the region reported increases in 'other Overseas' visitors. There were, however, sizable proportions of businesses who did not receive visitors from abroad.

The number of visitors from Wales and the rest of the UK stayed largely the same for most businesses (51% and 46% respectively reporting no change).

Overall, some 25% of businesses thought that their clients were travelling longer distances to reach their establishment, while 12% said that clients were travelling shorter distances. On the basis of these results, there appears to be some evidence of a willingness among guests to travel longer distances to reach their destination. A third (36%) of businesses in South East Wales thought that their guests were travelling from further afield, perhaps tying in with the increases in overseas visitors to the region mentioned above.

However, for the majority of businesses, there was no change in the distance that guests/visitors were travelling to their establishment compared to last year (52%).

Over a third of business reported that, on average, their guests/visitors travelled for more than three hours to reach their establishment (35%). A similar proportion of guests/visitors (33%) travelled between 1.5 and 3 hours to reach attractions and accommodation providers, while only one in ten were local visitors (travelling for less than 1.5 hours) - the average time spent travelling to visit tourism establishments was 1 hour, 32 minutes.

Staycations

Businesses were asked to say to what extent they had benefitted from the 'Staycation' phenomenon (i.e. taking holidays in the UK rather than go abroad). The answers were mixed, with most being rather non-committal (i.e. in the middle categories). However, 12% of businesses thought they had benefitted 'to a great extent' (rising to 19% amongst caravan operators), though overall some 20% of businesses reported no benefit at all.

Businesses were then asked whether they thought that people would continue to holiday in the UK, or opt for holidaying abroad. Overall, 62% of businesses thought that people from the UK would continue to choose the 'staycation' option; only 17% felt they would not.

Those businesses who felt that the staycation phenomenon would continue were asked their reasons for this; most of these felt that staycations would remain popular because it is cheaper to holiday in the UK (32%). A further 28% of businesses felt that the weather would be an influencing factor on holidays in the UK, stating that if the weather was good, people would continue to holiday in their home country.

Amongst the businesses stating that guests/visitors from the UK would not choose to continue holidaying in the UK, most felt that this would be due to the unpredictability of the weather in the UK, and that the weather is better abroad (46%).

1. INTRODUCTION AND OBJECTIVES

Since 2004 the Welsh Government has been running the Wales Business Tourism Survey. This research provides valuable insight into how tourism businesses in Wales are performing, along with their business outlook. The survey is composed of multiple waves of research and engages with a sample of accommodation and attraction businesses in Wales.

Of key importance is the ability of the project to provide *rapid response insight* following key holiday periods throughout the year. These insights provide early indications of business performance.

To achieve the required quick turnaround a strict timetable is adhered to for each wave of the survey. Fieldwork is scheduled to take place immediately following a given date – this report relates to the late August bank holiday period. The research data is supplied by the end of the week of fieldwork, with a full report completed by early the following week.

The subject areas covered in Wave 2 of the Business Tourism 2014 survey are:



Business confidence

Number of guests / visitors this August compared to the previous year and confidence in the 2014 autumn season



Visitor origin

Where visitors are travelling from and whether the proportions of Welsh and overseas visitors have changed in the last 12 months



Staycations

Has the staycation phenomenon benefitted their business, do they think it will continue and reasons for this opinion

This report contains the main findings from the survey.

2. METHODOLOGY

The survey was conducted via telephone using CATI (Computer Assisted Telephone Interviewing) technology from the Beaufort Research dedicated interviewing unit. Interviews took around 5 – 6 minutes to complete and all respondents were offered the choice of conducting the interview in the language of their choice, English or Welsh. A total of 4% of the sample undertook the interview in Welsh; take-up of this option was highest in North Wales (6%), and lowest in South East Wales (1%).

A total of **405 interviews** were conducted, and fieldwork took place between 27th and 29th August 2014. This report was produced on Tuesday 9th September; the quick turnaround was due to the excellent response from the businesses that were eager and willing to take part.

The sampling universe for the research (which included ungraded as well as graded businesses) consisted of accommodation businesses in Wales known to Visit Wales (both provided by Visit Wales and sourced by Beaufort Research), plus all known tourist attractions in Wales (held by Beaufort Research). Businesses fell into one of four distinct business groups:

- Attractions
- Serviced accommodation
- Self-catering accommodation
- Caravan parks / campsites

Businesses were also categorised according to region. The following Unitary Authorities are included in each of the four Welsh Government regions used for the analysis of the data:

North Wales	Mid Wales	South West Wales	South East Wales
Anglesey	Ceredigion	Carmarthenshire	Blaenau Gwent
Conwy	Gwynedd*	Neath Port Talbot	Bridgend
Denbighshire	Powys	Pembrokeshire	Caerphilly
Flintshire		Swansea	Cardiff
Gwynedd*			Merthyr Tydfil
Wrexham			Newport
			Monmouthshire
			Rhondda Cynon Taff
			Torfaen
			Vale of Glamorgan

A quota sampling approach was adopted, according to business type and region. The quotas imposed were consistent with those used in previous waves of the research, and resulted in a broadly representative profile of businesses being interviewed. Small weighting factors were applied at the analysis stage to fine-tune the profile of the sample to reflect the profile of the business universe.

Table 1 below outlines the number of interviews conducted with each business group across each of the four Welsh Government regions.

Business Type	Region				TOTAL
	North	Mid	South West	South East	
Attractions	25	10	21	26	82
Accommodation – serviced	42	29	29	30	130
Accommodation – self-catering	41	25	39	20	125
Accommodation - caravans	23	19	21	5	68
TOTAL	131	83	110	81	405

* Please note that the Gwynedd UA spans two WG regions, North and Mid Wales, dependent on postcode sector.

Table 2 below illustrates the number and relative proportion of interviews undertaken with within each of the key sub-groups used in the analysis of the data.

Table 2: Sub-group Classifications	No. of interviews	% of weighted sample
Business Type		
Attractions	82	20
Accommodation – Total	323	80
Accommodation – graded	290	72
Accommodation – ungraded	33	8
Accommodation Type		
Total – serviced	130	30
Total – self catering	125	30
Total – caravans	68	20
Graded – serviced	116	27
Graded – self catering	115	28
Graded - caravans	59	17
Ungraded – serviced	14	3
Ungraded – self catering	10	2
Ungraded - caravans	9	3
Region		
North Wales	131	35
Mid Wales	83	20
South West Wales	110	25
South East Wales	81	20
Business Location		
Inland	216	53
Seaside	150	37
Urban	35	9

3. MAIN FINDINGS

3.1 Business Confidence

Those tourism businesses that had been established for longer than 12 months were asked to compare the number of guests/visitors that they had received this August compared to those they received during August last year.

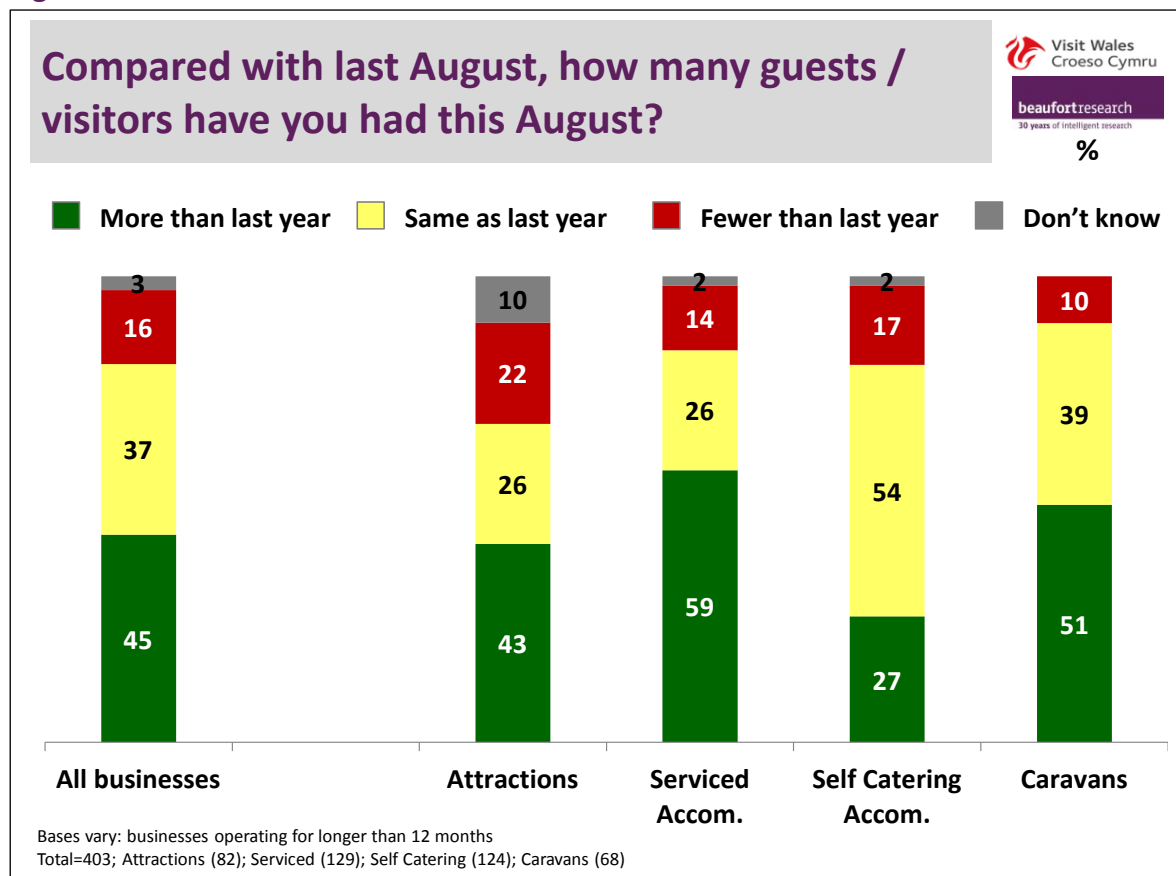
Nearly half (45%) of businesses had received more guests/visitors this August compared to last August; itself an excellent month for tourism in Wales. A further 37% had a similar level of business, while 16% reported that they had received fewer visitors. This means that some 82% of tourism businesses in Wales received increased or similar levels of guests compared with August 2013.

Only 16% of businesses stated they had received fewer guests/visitors – this remains relatively unchanged from 2013 (17%).

Looking at the data by business type, serviced accommodation (59%) and caravans (51%) showed the highest proportion of businesses receiving more guests/visitors than the previous year.

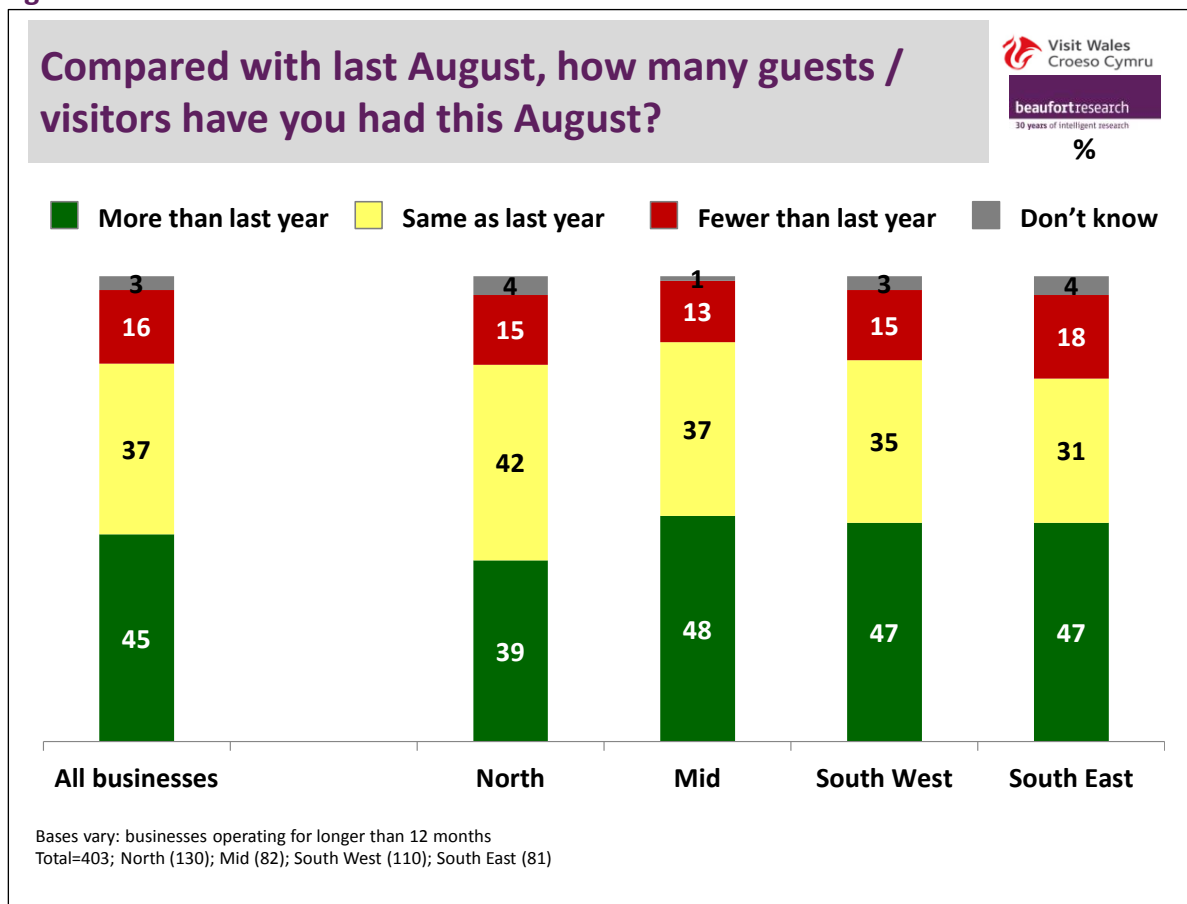
A smaller proportion (27%) of self-catering accommodation businesses said they had received more guests this August compared to last year, although 54% recorded similar levels of business to August 2013, reflecting high occupancy rates in the peak period - see Figure 1 overleaf.

Figure 1



Examining guest/visitor numbers by region; the highest proportion of business reporting more guests/visitors were situated in Mid Wales (48%), South West and South East Wales (both 47%). Two in five (39%) businesses in North Wales reported more guests than was seen the previous August – see Figure 2 overleaf.

Figure 2



Amongst those businesses that had received more guests/visitors, most stated that this was because of better weather (37%), with a further 15% crediting their own marketing.

Other factors were mentioned by significantly smaller proportions of businesses: just 6% felt that recommendations, repeat business or events in the area were factors for the increase in numbers, while 2% thought that improved room/facilities, more British people staying in the UK or Visit Wales advertising had been determining factors - see Table 3 overleaf for more details.

Table 3

Why would you say you have had more guests / visitors (unprompted)?	% businesses
Better weather	37
Own marketing	15
Upturn in tourism	9
Repeat business	6
Recommendations	6
Events in the area	5
Improved rooms / facilities	2
More British people staying in the UK	2
Visit Wales TV advertising	2
Increased capacity	1
More overseas visitors	1
Other	47
Don't know	9

Base = businesses trading 12+ months with more visitors this August compared to last year (180)

Some of the 'other' comments included:

- Increased bookings over the internet
- Use of 'Trip Advisor' and booking websites such as 'laterooms.com' and 'bookings.com'
- Due to the recession more people are staying at home; better value for money than going abroad.

Amongst businesses who had received fewer guests/visitors this August, over one in ten (13%) felt that this was a direct result of poorer weather, and a further 10% noted that they felt their lower numbers had been a result of not promoting their business.

A small number of businesses (5%) felt that the economic climate was the reason for having fewer guests/visitors. Smaller proportions again (3% for each) reported that unforeseen problems, strong competition or a downturn in tourism in the area had contributed to their lower guest/visitor figures – see Table 4 below.

Table 4

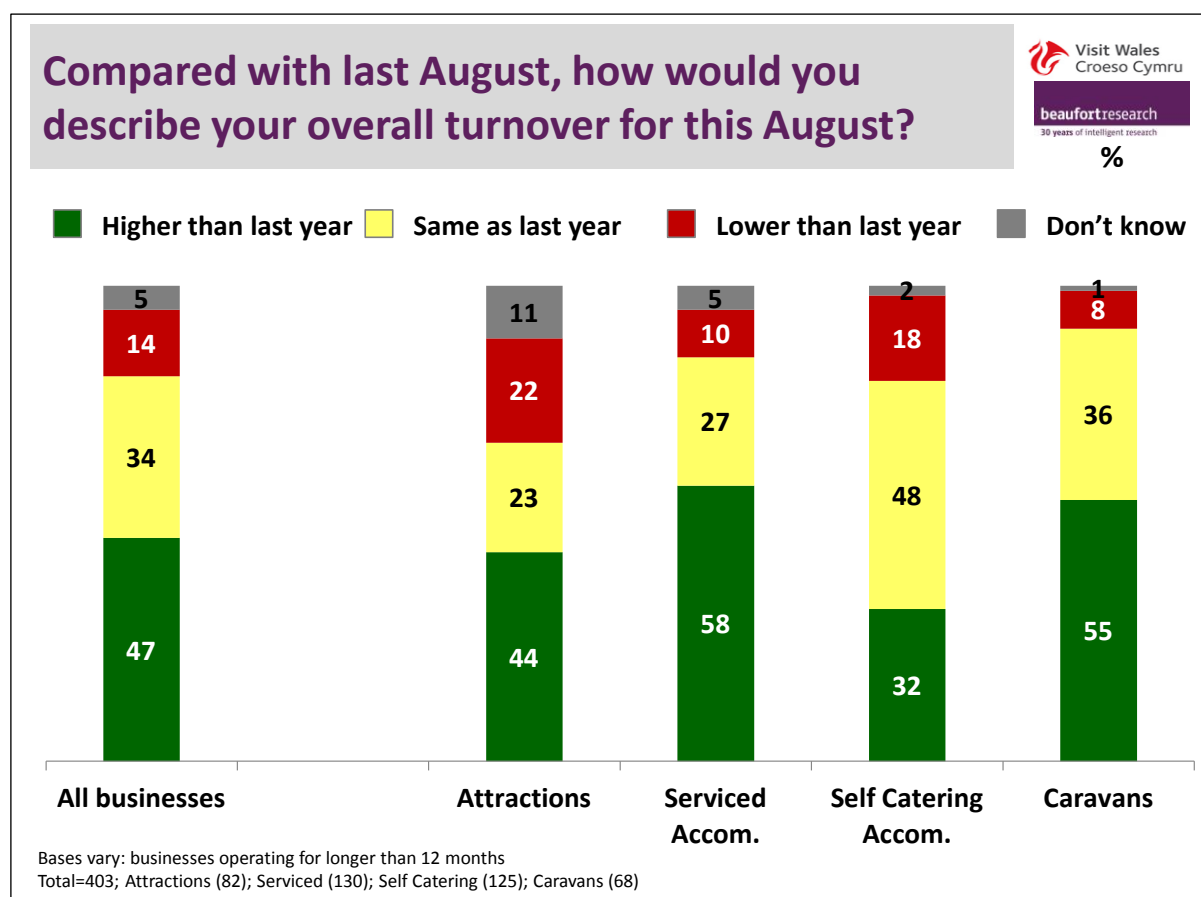
Why would you say you have had fewer guests / visitors (unprompted)?	% businesses
Weather not as good	13
Didn't promote the business	10
Economic climate	5
Unforeseen problems	3
Strong competition	3
Downturn in tourism in the area	3
Business winding down	3
Other	52
Don't know	22

Base = businesses trading 12+ months with fewer visitors this August compared to last year (63)

When asked to compare their business' overall turnover for this August compared to last, the findings paralleled those for the number of guests/visitors. Around half of all businesses (47%) said their turnover had been higher this year, with 14% stating it had been lower.

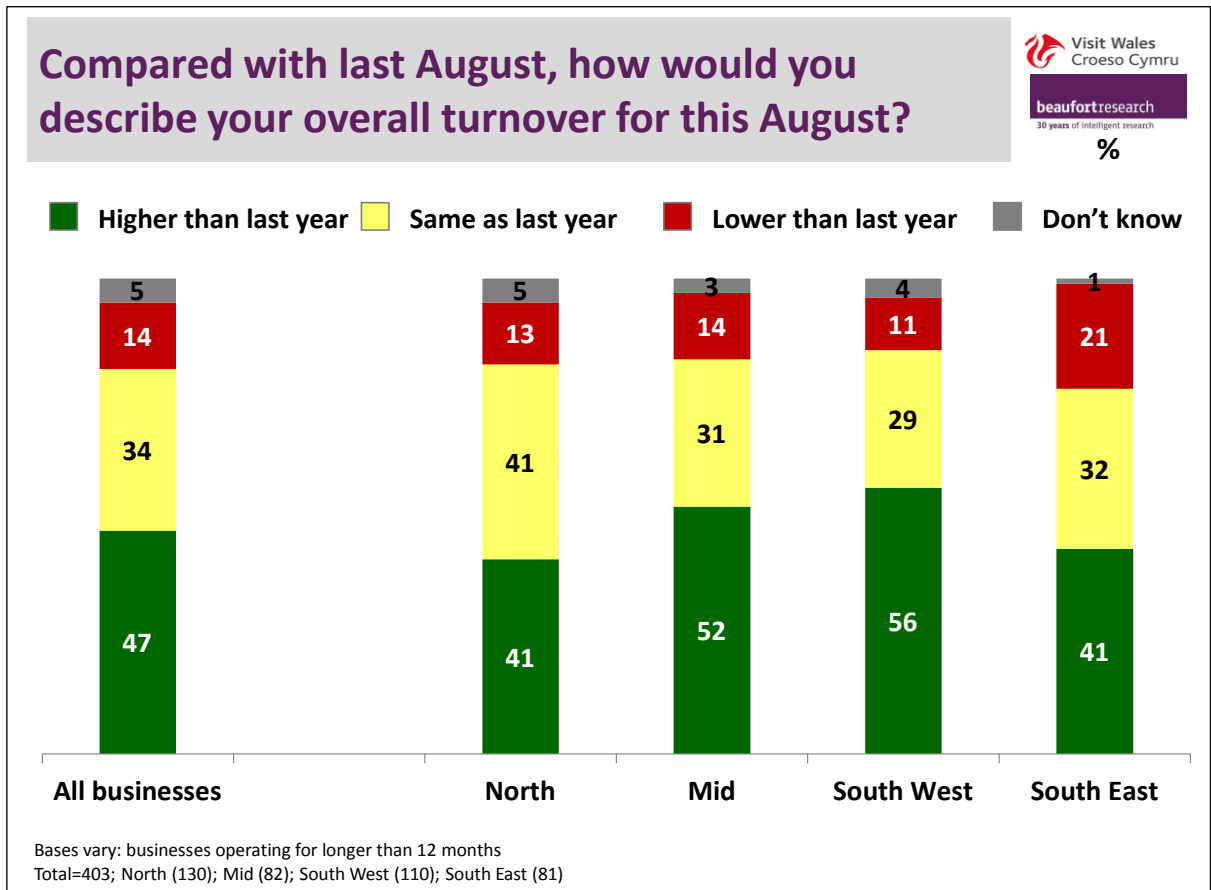
In 2014, serviced accommodation businesses were most likely to report that they had received higher turnover this August compared to last (58%), while attractions were most likely to report a decrease in turnover (22%) - see Figure 3 overleaf for more details.

Figure 3



In terms of region, businesses in South West Wales were most likely to report an increase in turnover compared to last year (56%), while businesses in the South East were most likely to report a decrease (21%) – see Figure 4 below.

Figure 4

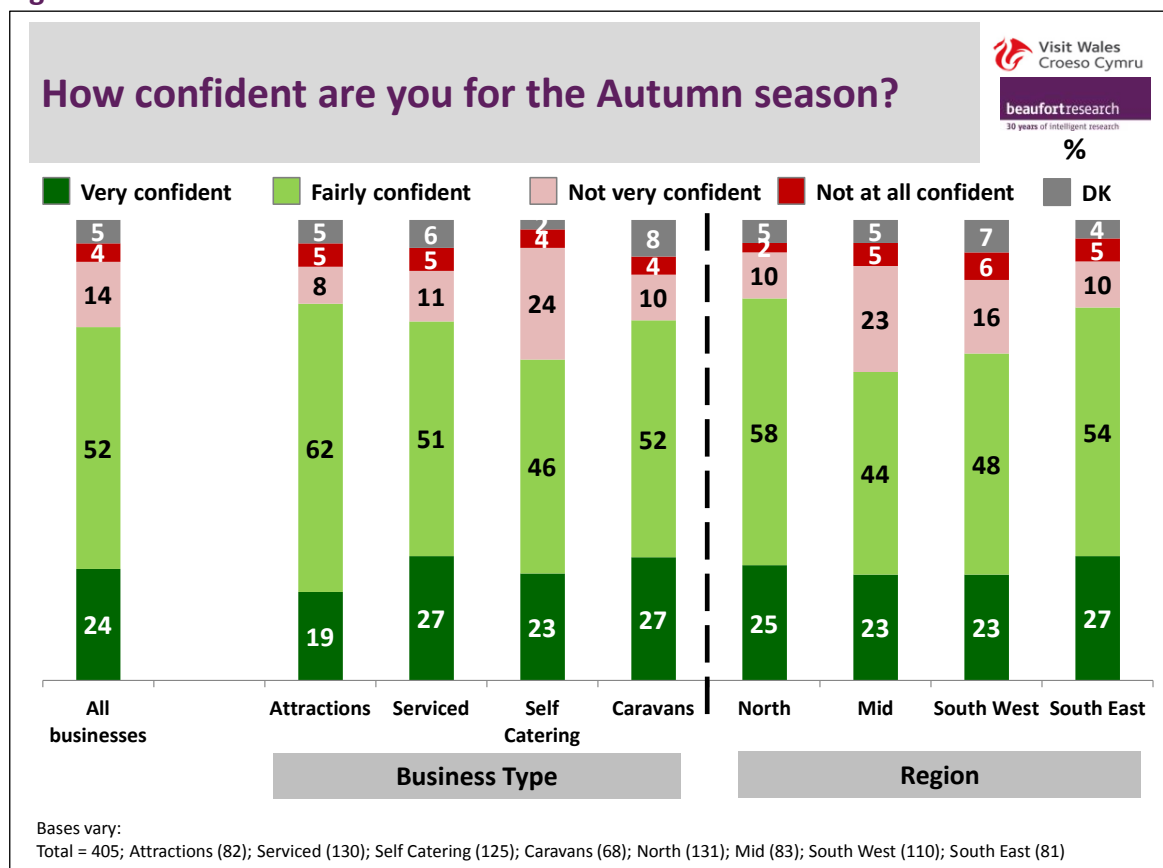


Most businesses were confident about the upcoming Autumn season (76%), with 24% very confident and 52% fairly confident.

Across the different types of business, confidence levels were fairly consistent (with the exception of self-catering accommodation). Overall, confidence levels were highest amongst attractions (81% confident). For self-catering businesses, 69% were confident for the coming Autumn season.

Regionally, confidence was highest for those businesses located in North Wales (83% confident– see Figure 5 overleaf.

Figure 5



3.2 Visitor Origin

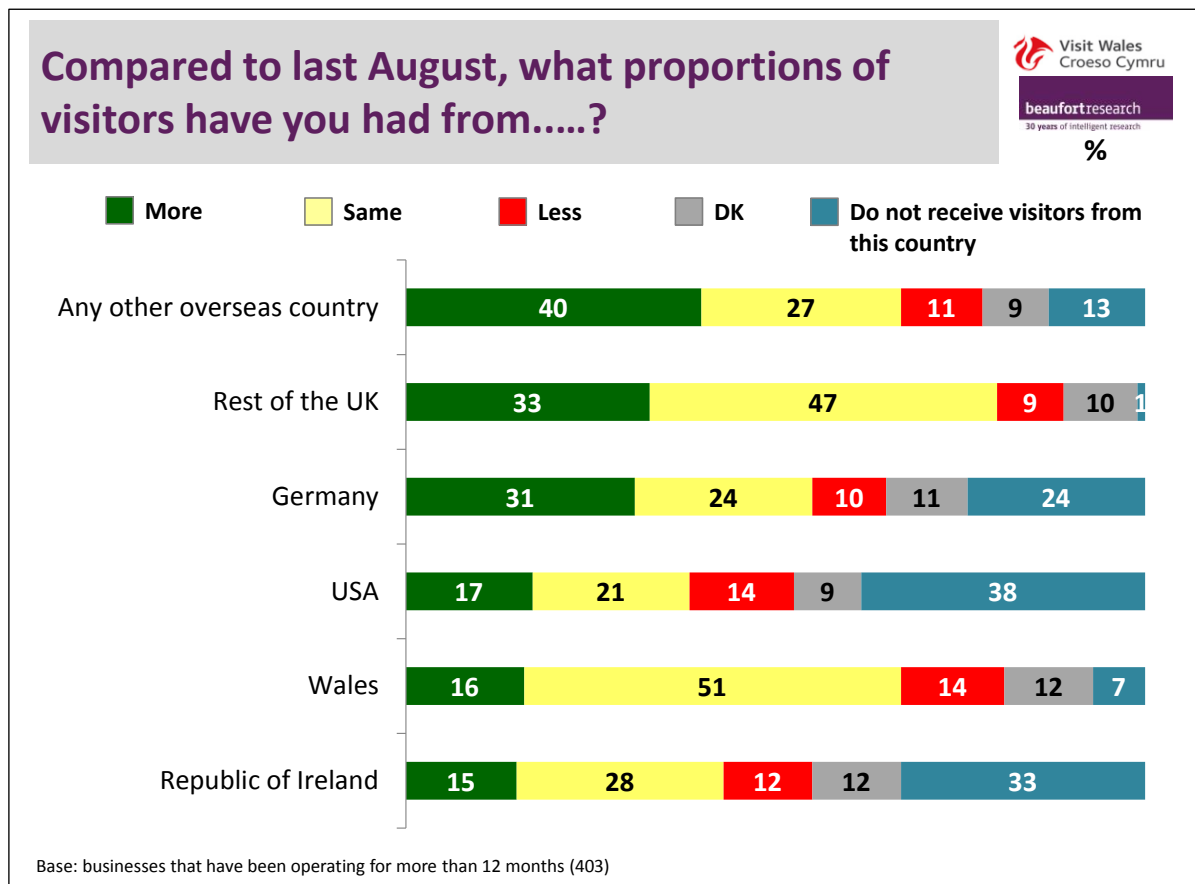
All businesses were asked whether the proportion of guests/visitors coming to their establishment from various countries and worldwide regions had changed over the past 12 months.

A third of business reported an increase in international visitors compared with 2013; 31% of businesses had seen an increase in visitors from Germany, while 17% had seen an increase in visitors from the USA. One in five (40%) of business reported an increase from 'Other overseas countries'.

In South East Wales, 31% of businesses reported increases in American visitors and 52% of businesses in the region reported increases in 'other Overseas' visitors. There were, however, sizable proportions of businesses who did not receive visitors from abroad.

The number of visitors from Wales and the rest of the UK stayed largely the same for most businesses (51% and 46% respectively reporting no change) – see Figure 6 overleaf for more details.

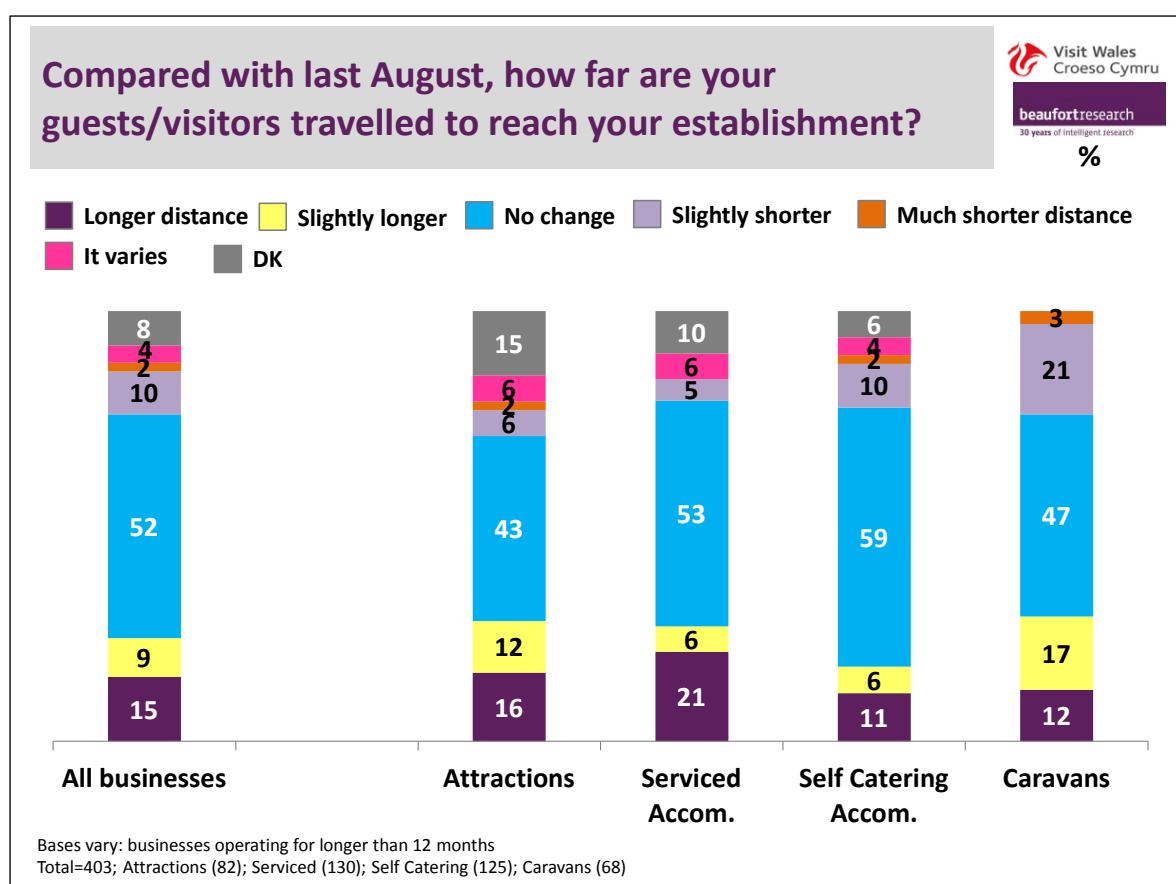
Figure 6



Overall, some 25% of businesses thought that their clients were travelling longer distances to reach their establishment, with 12% claiming that clients were travelling shorter distances. On the basis of these results, there appears to be some evidence of a willingness among guests to travel longer distances to reach their destination. A third (36%) of businesses in South East Wales thought that their guests were travelling from further afield, perhaps tying in with the increases in overseas visitors to the region mentioned above.

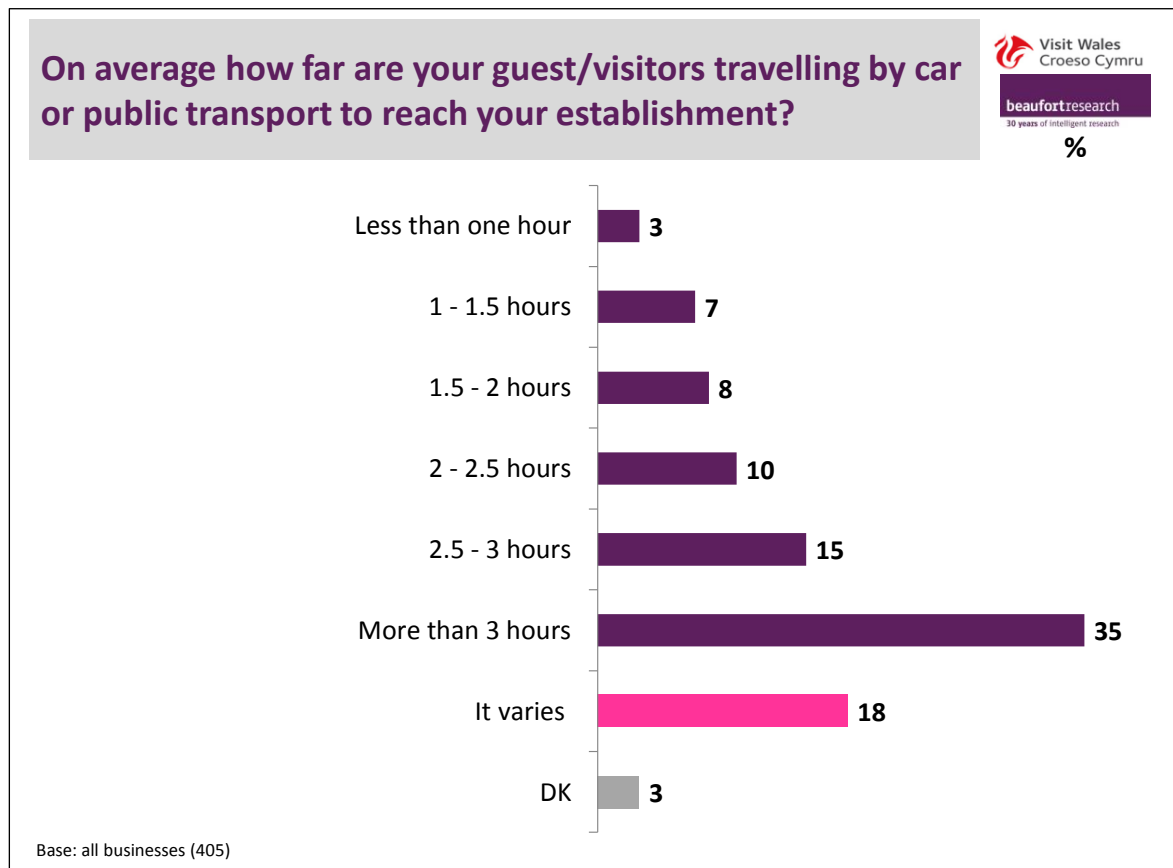
However, for the majority of businesses, there was no change in the distance that guests/visitors were travelling to their establishment compared to last year (52%) – see Figure 7 overleaf.

Figure 7



Over a third of business reported that, on average, their guests/visitors travelled for more than three hours to reach their establishment (35%). A similar proportion of guests/visitors (33%) travelled between 1.5 and 3 hours to reach attractions and accommodation providers, while only one in ten were local visitors (travelling for less than 1.5 hours) - the average time spent travelling to visit tourism establishments was 1 hour, 32 minutes - see Figure 8 overleaf.

Figure 8

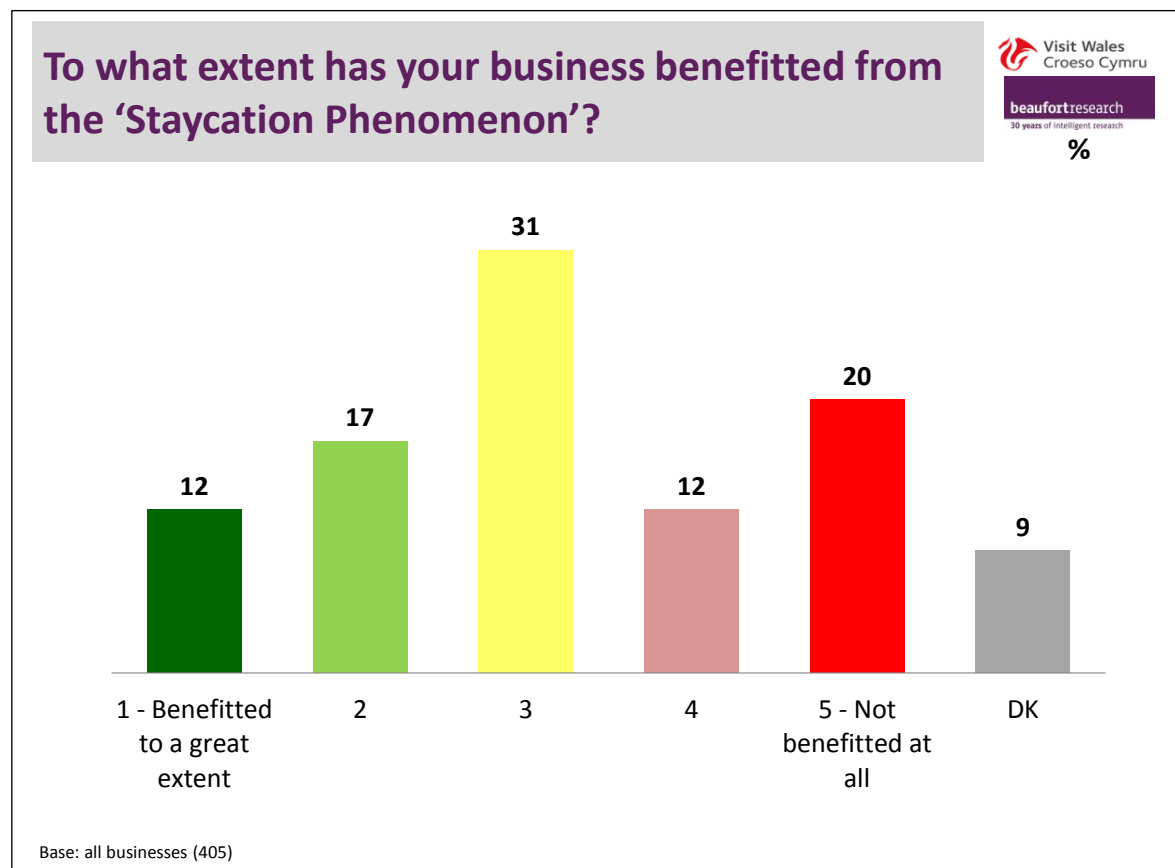


3.3 Staycations

Businesses were asked to say to what extent they had benefitted from the 'Staycation' phenomenon (i.e. taking holidays in the UK rather than go abroad). The answers were mixed, with most being rather non-committal (i.e. in the middle categories). However, 12% of businesses thought they had benefitted 'to a great extent' (rising to 19% amongst caravan operators), though overall some 20% of businesses reported no benefit at all.

There were some small differences observed between different business types; a slightly higher than average proportion of caravanning businesses felt that the staycation phenomenon had benefitted their business (34%) although in direct contrast, a higher than average proportion of caravan businesses felt they had seen no benefit from the phenomenon (41%) - see Figure 9 below.

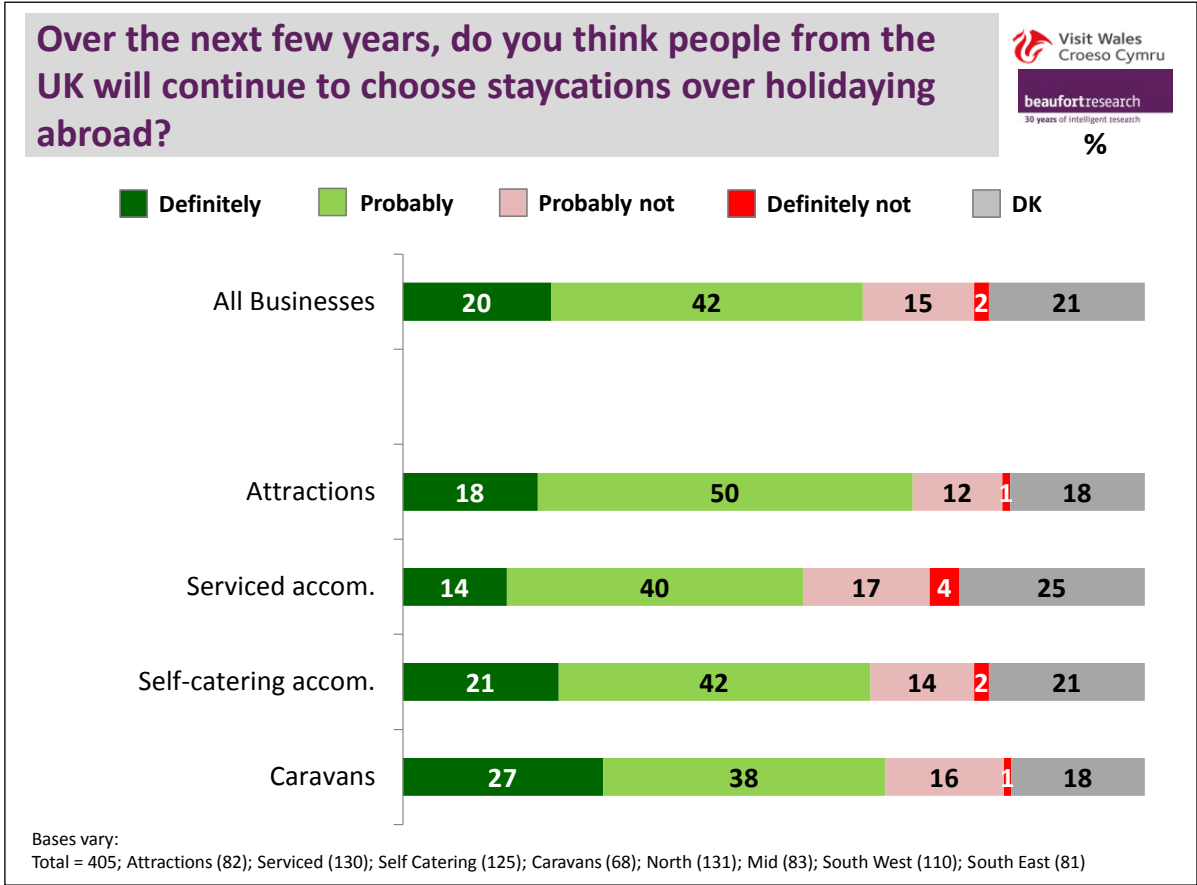
Figure 9



Businesses were then asked whether they thought that people would continue to holiday in the UK, or opt for holidaying abroad. Overall, 62% of businesses thought that people from the UK would continue to choose the ‘staycation’ option; only 17% felt they would not.

Attractions were most likely to say that the staycation phenomenon would continue (68%), while serviced accommodation providers were most likely to say that it would not (21%). Findings were fairly consistent across different regions of Wales – see Figure 10 below.

Figure 10



Those businesses who felt that the staycation phenomenon would continue were asked their reasons for this; most of these felt that staycations would remain popular because it is cheaper to holiday in the UK (32%). A further 28% of businesses felt that the weather would be an influencing factor on holidays in the UK, stating that if the weather was good, people would continue to holiday in their home country.

A quarter of businesses (24%) felt that issues with air travel (such as increases in security, and overall expense of air travel) and safety concerns regarding terrorism and air crashes would influence peoples decision to continue holidaying in the UK.

A fifth of businesses felt that people would continue to holiday in the UK because of the beautiful scenery, high quality amenities and local attractions (18%) - see Table 5 below.

Table 5

Why would you say guests / visitors will continue to choose to holiday in the UK (unprompted)?	% businesses
Financial reasons / cheaper cost / the state of the economy	32
Depends on the weather / if the weather is good	28
Issues with air travel / travelling abroad – expensive, problematic, increased security, fears of terrorism, air crashes	24
We are in a good location (scenery / amenities / attractions / tourist destinations)	18
We have regular customers who usually holiday in the UK (older people, families) / cater for short breaks	11
Conflicts happening abroad / global awareness deterring people from going abroad	6
People will choose to holiday abroad and in the UK / take two holidays	4
We offer a good service / good standard of accommodation	3
Lots of publicity / marketing for Welsh tourism	3
Guests like to bring their dogs with them	2
Based on previous experience / visitor trends	2
Other	8
Don't know	2

Base = all businesses who think people from the UK will continue to holiday in the UK (250)

Amongst the businesses stating that guests/visitors from the UK would not choose to continue holidaying in the UK, most felt that this would be due to the unpredictability of the weather in the UK, and that the weather is better abroad (46%).

A further 39% of businesses felt that as the state of the economy improves, more people would return to holidaying abroad. In contrast to the figures in Table 5, 17% reported that it was expensive to holiday in the UK, so they would choose to holiday abroad for financial reasons – see Table 6 below.

Table 6

Why would you say guests / visitors will <u>not</u> continue to choose to holiday in the UK (unprompted)?	% businesses
Poor / unpredictable weather / weather is better abroad	46
People will start travelling when the economy improves / when they have more money	39
It is expensive to holiday in the UK / cheaper to go abroad	17
People will choose to holiday abroad and in the UK / take two holidays	7
Other	13

Base = all businesses who think people from the UK will not continue to holiday in the UK (70)

APPENDIX

Survey Questionnaire

VISIT WALES BUSINESS TOURISM – WAVE 2
FINAL QUESTIONNAIRE (9TH AUGUST 2014)

Good morning\ afternoon\ evening my name is from Beaufort Research, an independent Market Research Agency based in Wales. I'm calling on behalf of Visit Wales who are interested in your opinion on issues connected to tourism in Wales. The survey should only take a few minutes and everything you say will remain confidential with results reported back to Visit Wales aggregated with other businesses responding.

Can I just check, are you the owner of the business or in a managerial role at the business?

IF NO ask to speak to person in a managerial role/ owner.

S1 Can I just check – do you speak Welsh?

Yes – fluently → **S2**

Yes – not fluently → **S2**

No – does not speak Welsh → **Q1**

S2 Would you prefer to have the questions in English or Welsh?

English

Welsh

CORE QUESTIONS

Q1 Has your business been established for longer than 12 months?

Yes (**Go to Q2**)

No (**Go to Q6**)

Q2 Compared with the August last year, how many guests/visitors have you had this August?

READ OUT – SINGLE CODE

More than last year → **Q3**

Same as last year → **Q5**

Fewer than last year → **Q4**

Don't know → **Q5**

Q3 (IF MORE) - Why would you say you have had more guests/visitors?

DO NOT PROMPT – CODE ALL MENTIONED

More British people staying in the UK

Better weather

Own marketing

Repeat business

Upturn in tourism

Recommendations

Increased capacity

Events in the area

Improved rooms/facilities

More overseas visitors

Visit Wales TV advertising

Other (please specify)

Don't know

Q4 (IF FEWER) - Why would you say you have had fewer guests/visitors?
DO NOT PROMPT – CODE ALL MENTIONED

Economic climate
Weather not as good
Unforeseen problems
Strong competition
Downturn in tourism in the area
Business winding down
Fewer overseas visitors
Didn't promote the business
Other (please specify)
Don't know

Q5 Compared with last August, how would you describe the overall turnover for August this year?
READ OUT – SINGLE CODE

Higher than last year
Same as last year
Lower than last year
Don't know

VISITOR ORIGINS

ASK ALL BUSINESSES THAT HAVE BEEN OPERATING LONGER THAN 12 MONTHS

READ OUT - Looking now at the place of residence of your visitors.

Q6 How have your proportions of visitors from **INSERT FROM LIST** been this summer 2014 compared to summer 2013?

READ OUT – SINGLE CODE – INVERT SCALE BETWEEN RESPONDENTS

Up on last year
The same as last year
Down on last year

Don't know

LIST

Wales
The UK outside of Wales
The Republic of Ireland
Germany
The USA
Any other overseas countries

Not applicable – do not receive visitors from (Wales, UK outside Wales, Republic of Ireland, Germany, USA, Any other overseas countries)

ASK ALL BUSINESSES THAT HAVE BEEN OPERATING LONGER THAN 12 MONTHS

- Q7** And again compared to last year, would you say that your guests / visitors are travelling longer distances or shorter distances to reach your establishment, or has there been no change?

READ OUT – SINGLE CODE – INVERT SCALE BETWEEN RESPONDENTS

Travelling much longer distances
Travelling slightly longer distances
No change
Travelling slightly shorter distances
Travelling much shorter distances

It varies
Don't know

- Q8** How far, on average, would you say your guests / visitors travel by car or public transport to reach your establishment?

READ OUT – SINGLE CODE

Less than one hour
1 – 1.5 hours
1.5 – 2 hours
2 – 2.5 hours
2.5 – 3 hours
More than 3 hours

It varies
Don't know

STAYCATION

READ OUT – ‘Staycations’ have become popular in the UK in recent years, with individuals and families choosing to spend their holidays either at home or in other areas of the UK, and making day-trips to local tourist sites rather than travelling abroad.

- Q9** To what extent has your business benefitted from the ‘Staycation Phenomenon’? Please use a scale of 1 – 5, where 1 is ‘Benefitted to a great extent’ and 5 is ‘Not benefitted at all’

READ OUT – SINGLE CODE

1 – Benefitted to a great extent
2
3
4
5 – Not benefitted at all

Q10 And over the next few years, do you think people from the UK will continue to choose the staycation over holidaying abroad?

READ OUT – SINGLE CODE – INVERT SCALE BETWEEN RESPONDENTS

1. Yes – definitely
2. Yes – probably
3. No – probably not
4. No – definitely not

Don't know

IF CODED 1 OR 2 AT Q10 (YES)

Q11a Why do you say that?

RECORD VERBATIM

Don't know

IF CODED 3 OR 4 AT Q10 (NO)

Q11b Why do you say that?

RECORD VERBATIM

Don't know

CORE QUESTIONS

Q12 Which of the following best describes your location?

READ OUT – SINGLE CODE

- Seaside
- Urban
- Inland
- Don't know

Q13 How confident are you for the autumn season?

READ OUT – INVERT SCALE BETWEEN RESPONDENTS

- Very confident
- Fairly confident
- Not very confident
- Not at all confident
- Don't know

Q14 To help with the analysis, can I ask is your business graded or accredited by Visit Wales?

Yes

No

Don't know

READ OUT

Thank you for your time.

Just to confirm that my name is xxxxx calling from Beaufort Research and that this survey has been conducted according to the Market Research Society Code of Conduct.

If you'd like to check our credentials, you can telephone the MRS via the freephone number 0500 39 69 99.

Thanks again and goodbye.