

# Wales Tourism Business Barometer

Wave 3, September 2019



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Wales Tourism Business Barometer: Wave 3, Summer 2019

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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**

### **Good season for the industry**

- 1.1 Most (79%) businesses have increased or maintained their visitor levels this summer. Among those reporting an increase in visitors, about a quarter (26%) cite the weather as a reason. However, the weather is also cited as a key factor on performance among a fifth of those reporting fewer visitors.
- 1.2 About one in six (16%) businesses reporting increased visitors cite 'more British people staying in the UK' as a factor, and some qualify by saying the weak pound is influencing this. However, 'Brexit uncertainty' is cited as a key factor on performance by around a fifth of those reporting fewer visitors.

### **Consistent picture across the four regions of Wales**

- 1.3 Overall industry performance is reflected across the four regions of Wales (North, Mid, South West, South East). Results between the regions do not differ significantly.

### **Serviced sector performing particularly well**

- 1.4 About two in five (41%) serviced accommodation businesses have increased their visitors this summer – a higher proportion than in other accommodation sectors. The weather is the most common reason cited.
- 1.5 No sector seems to be down on balance, showing that the successful summer season has spread to all parts of the tourism industry.

### **Little preparation for no-deal Brexit**

- 1.6 Tourism businesses in Wales are mostly doing nothing to prepare for a possible no-deal Brexit, especially those in South West and Mid Wales. Most interviews were conducted before MPs voted in favour of legislation to try and block leaving the EU without a deal. Confidence for the autumn is 'fair' on the whole in each sector.

### **Wide variation in bilingual provision and attitudes**

- 1.7 13% of operators say that 'all' staff who have contact with customers speak bilingually in English and Welsh, and a further 46% say that 'some' staff do. 41% say 'no' staff do.
- 1.8 Some (37%) operators feel that bilingual provision is not relevant to their business. However, about half (53%) of operators agree it is a 'genuine selling point which enriches visitor experience'.

## 2. Background and Methodology

### What is the Wales Tourism Business Barometer?

- 2.1 The Wales Tourism Business Barometer 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 in various forms since 2005, and normally between two and five research 'waves' are conducted each year.
- 2.2 This research wave relates to the summer holiday period in 2019, with measurements also of expectations for the autumn. We have also asked questions specifically on bilingual provision and the impact of a possible no-deal Brexit.

### How is the Survey conducted?

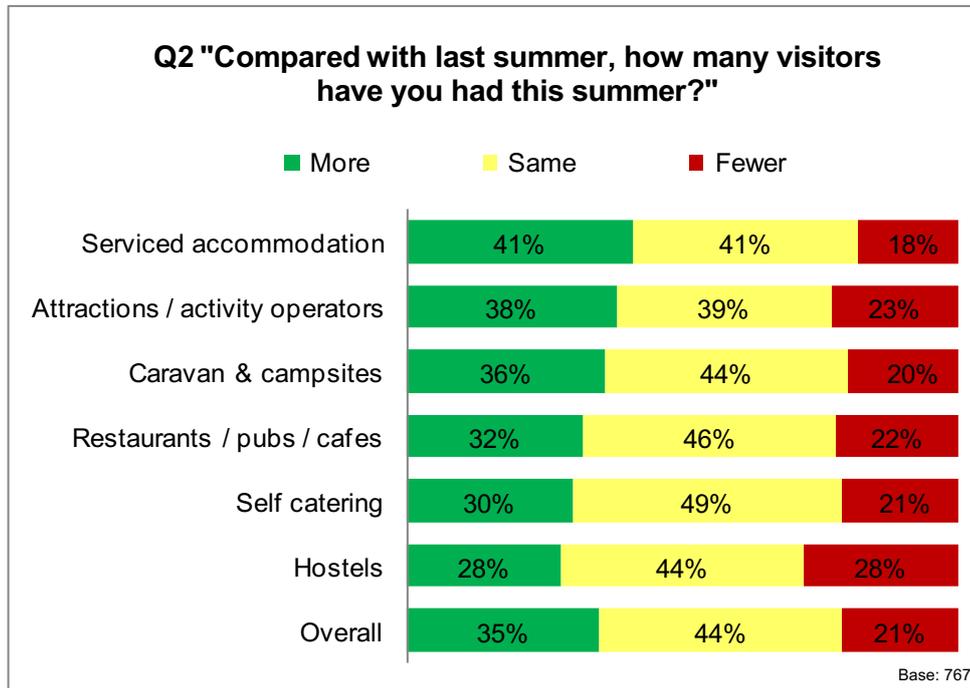
- 2.3 We have conducted 800 interviews by telephone. This makes results of questions asked to everyone accurate to  $\pm 3.5\%$ . The sample is reflective of the tourism industry in Wales and is shown below by sector and region:

Sector / Region	North	Mid	South West	South East	Total
Serviced accom	90	45	62	42	239
Self catering	104	51	92	42	289
Caravan / campsites	42	13	21	9	85
Hostels	8	-	7	3	18
Attractions	24	17	21	24	86
Activity operators	15	7	13	5	40
Restaurants / pubs / cafes	8	13	10	12	43
<b>Total</b>	<b>291</b>	<b>146</b>	<b>226</b>	<b>137</b>	<b>800</b>

- 2.4 About three quarters (73%) of businesses in the sample are currently graded by Visit Wales, and 27% are not. The graded and non-graded samples are spread across the different regions and sectors except restaurants / pubs / cafes and activity operators, where grading is not applicable. Operators of restaurants, pubs and cafes have been selected in areas of high tourism footfall across different parts of Wales and have been asked to answer questions in the context of their tourist (i.e. non-local) customers.
- 2.5 All telephone interviews have been conducted with business owners or managers in late August and early September. A copy of the questionnaire used is included as an appendix.

### 3. Summer Performance

#### Performance by Sector



#### Good season for the industry

3.1 Most (79%) businesses have increased or maintained their visitor levels this summer.

*"We were fully booked for seven weeks straight"*  
Self catering, South West

3.2 About two in five (41%) serviced accommodation businesses have increased their visitors this summer – a higher proportion than in other accommodation sectors. The weather is the most common reason cited (by a quarter of those seeing an increase). Other operators have invested in their business, tried new marketing channels or benefited from local events.

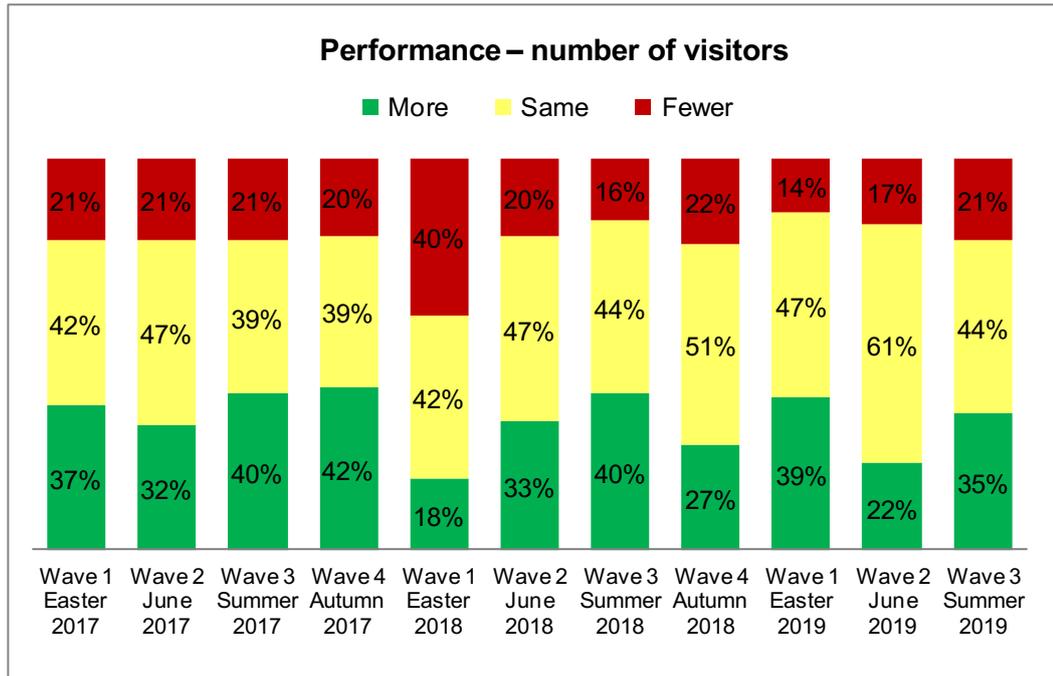
*"We had a refurbishment at the beginning of the year, which has really helped with our Trip Advisor reviews. Also the Eisteddfod has really helped."*  
Serviced, South East

*"We smashed this summer! We ran promotions via Groupon, which helped."*  
Serviced, South West

3.3 No sector seems to be down on balance, showing that the successful summer season has spread to all parts of the tourism industry.

*"We've been expanding the business ... we've added a new cafe and accommodation"*  
Activity provider

## Performance Trend



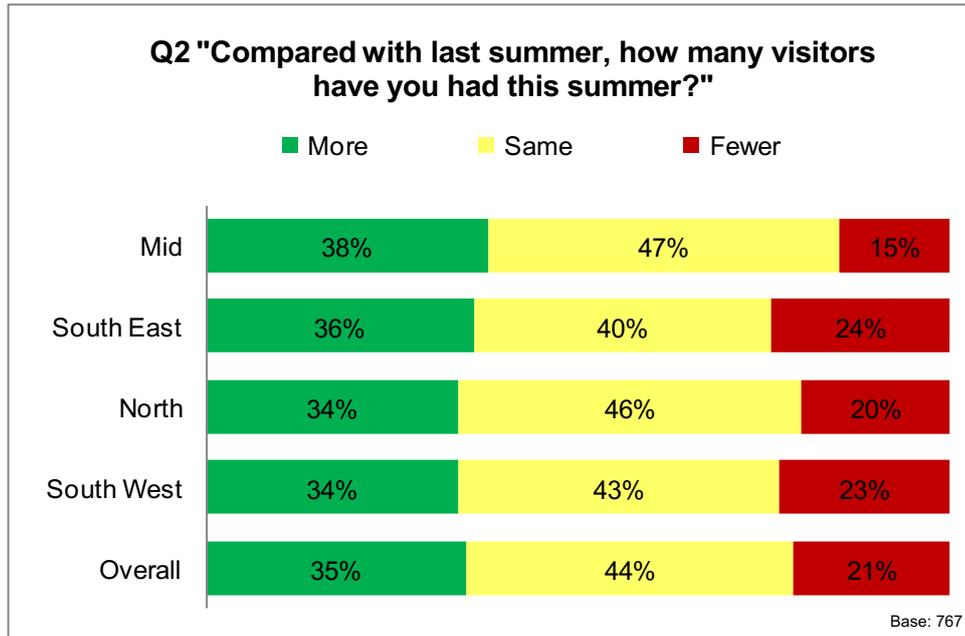
### Good performance on the back of a strong summer last year

3.4 This summer’s result of the majority of businesses increasing or maintaining visitor levels comes on the back of a good summer in 2018, which in turn was up on summer 2017.

*“Last year was record-breaking, and this year is the same”*  
Attraction, North

*“Last summer the weather was so good for so long that we were bound to have a bit of a decrease in visitor levels this year”*  
Caravan park, South West

## Performance by Region



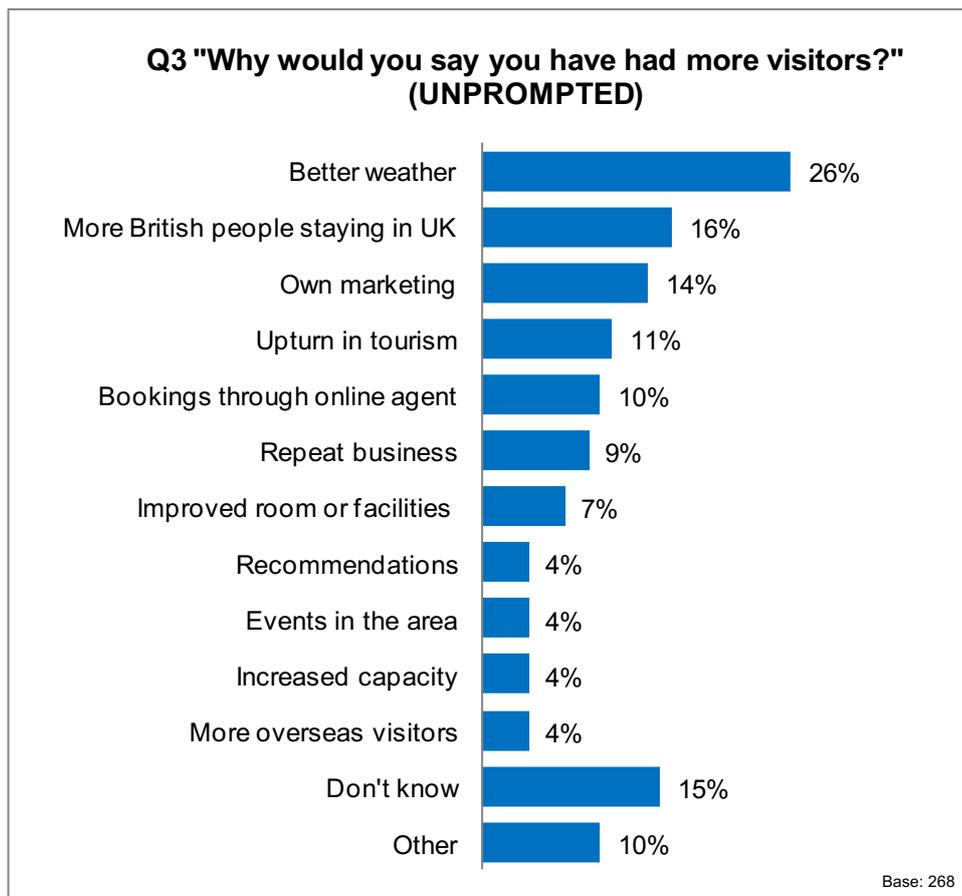
### Consistent picture across the four regions of Wales

3.5 Overall industry performance is reflected across the four regions of Wales (North, Mid, South West, South East). Results between the regions do not differ significantly.

*"It's been very busy this summer!"*  
Serviced, South East

*"It keeps getting busier and busier recently"*  
Serviced, North

## 4. Reasons for Increased Visitor Levels



### Varied effects of the weather

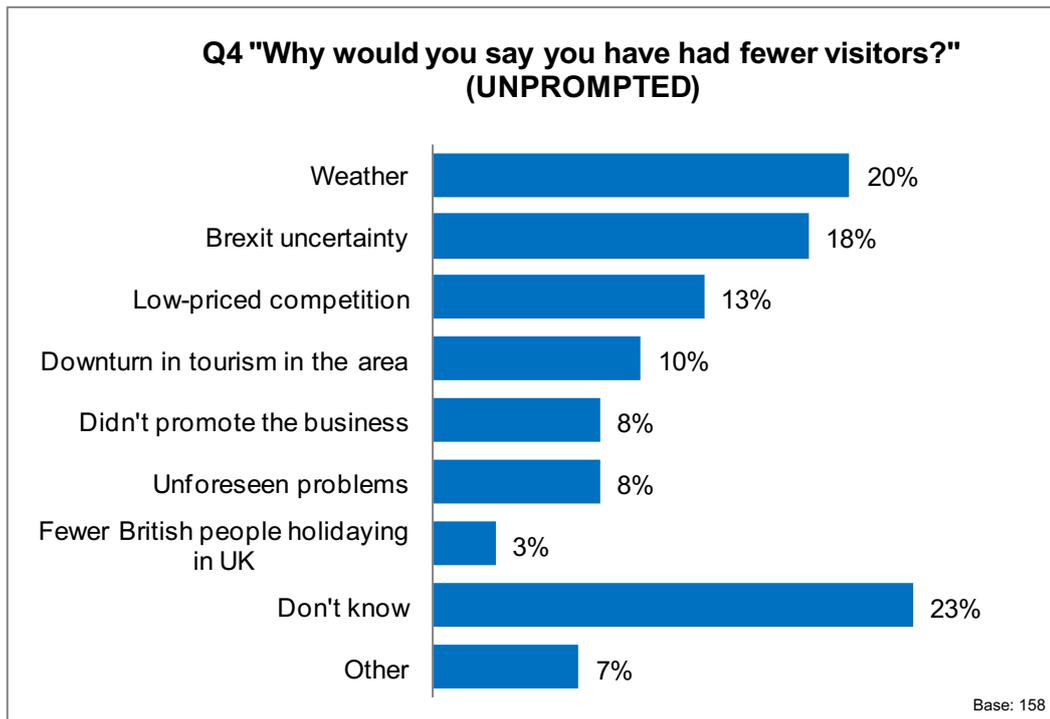
- 4.1 Among those reporting an increase in visitors, about a quarter (26%) cite the weather as a reason. However, the weather is also cited as a key factor on performance among a fifth of those reporting fewer visitors (discussed next in Section 5).
- 4.2 The UK enjoyed long periods of warm, sunny weather in June and July before it turned more mixed in the key holiday month of August.

### British people holidaying in the UK

- 4.3 About one in six (16%) businesses reporting increased visitors cite 'more British people staying in the UK' as a factor, and some qualify by saying the weak pound is influencing this. The pound is losing value due to Brexit uncertainty.

*"[British] people can't afford to holiday in Europe as it's grossly expensive. As a result, more people will be holidaying in the UK."*  
Caravan park, Mid

## 5. Reasons for Decreased Visitor Levels



### Weather has not helped some

5.1 Although Wales enjoyed fine weather in June and July, for some businesses its positive effects have been outweighed by changeable weather in August. Indoor attractions and places to eat/drink can often perform the opposite way to the rest of the industry due to the weather.

*"We're based in an arcade, so if the weather isn't very good, people are more likely to take shelter with us!"*  
Cafe, South East

### Brexit still up in the air

5.2 Brexit turbulence continues. In the summer period which this survey relates to, MPs had not yet voted in favour of legislation to try and block leaving the EU without a deal. It was therefore very unclear whether the UK would leave without a deal, and it is still unclear when the UK will leave (or even at all), and with what kind of deal.

5.3 Some (18%) businesses experiencing decreased visitor levels cite this turbulence as a reason for being quieter.

*"People don't have confidence due to Brexit"*  
Serviced, Mid

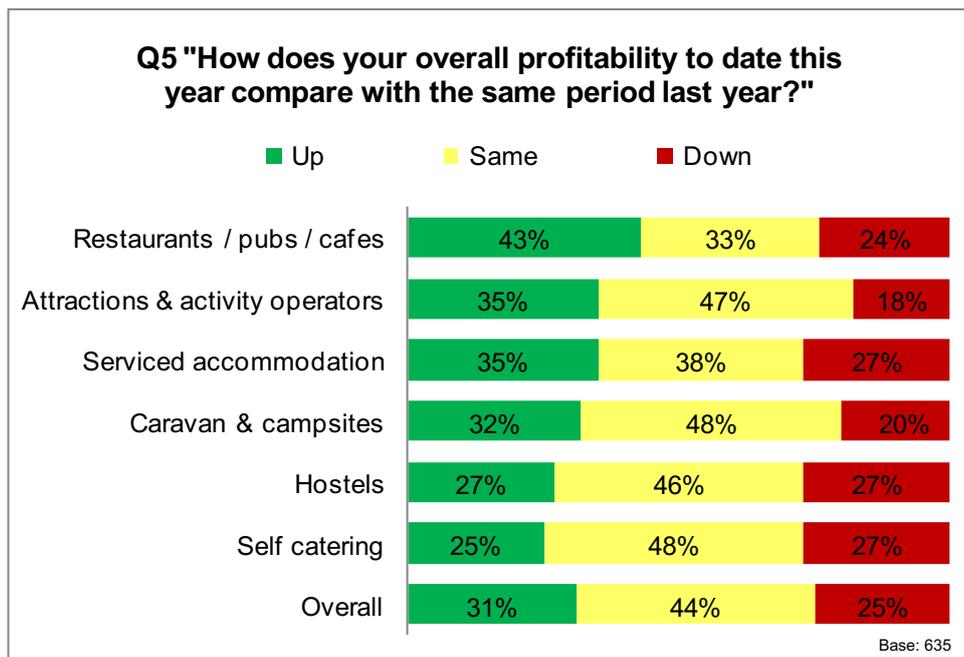
*“Every time a new date arises for Brexit, our booking enquiries stop. As soon as we pass the date, they pick up again. People are frightened until they know what’s happening.”*

Self catering, South East

*“We have spoken to German visitors who say that people are nervous about booking in the UK”*

Self catering, North

## 6. Profitability



### Working hard to make a profit in the accommodation sector

6.1 Retaining profitability seems quite hard work in the accommodation sector at the moment. As in the previous barometer in June, some report rising costs, while at the same time others say that market conditions don't allow them to increase their prices. The rise of Airbnb continues to impact on a number of operators, especially self catering. However, a number of self catering operators report performing better if they opt to join Airbnb.

*"It has been harder to get people in ... there is a lot more competition. Airbnb is the biggest killer."*

Self catering, South East

*"Airbnb has really helped out – I joined last year"*

Self catering, North

*"Costs have gone up recently, so profits are down"*

Serviced, North

6.2 The non-accommodation sectors of restaurants / pubs / cafes and attractions & activity providers seem to be faring better.

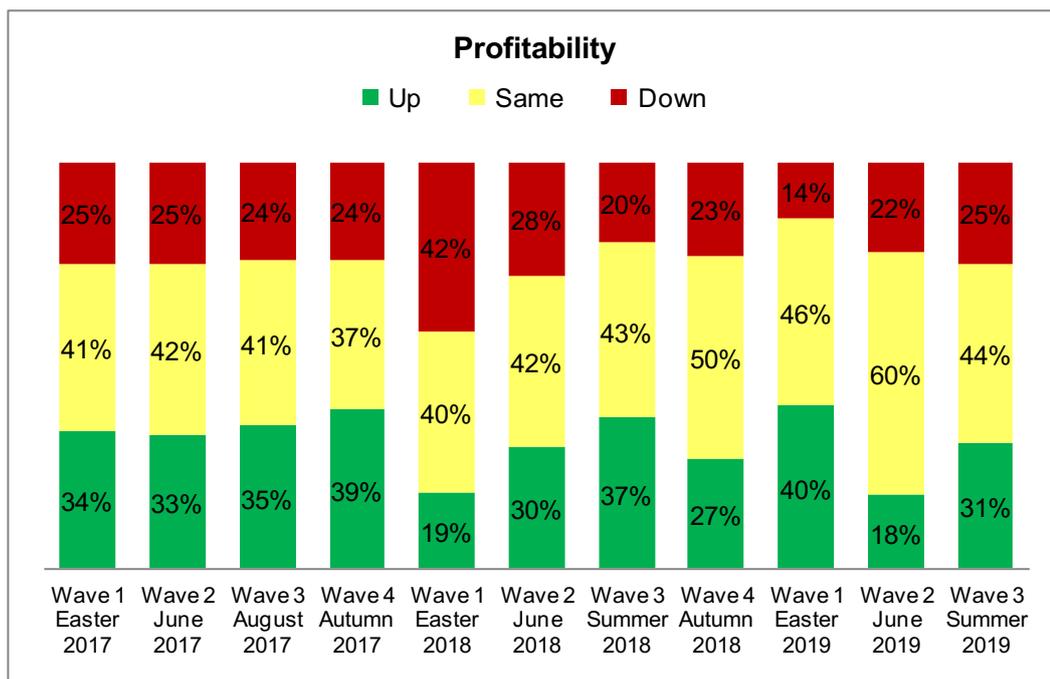
*"The gift shop profits are up this year"*

Attraction, South West

*"The accommodation side hasn't been great, but we rely on food and drink, which bumps up profit"*

Serviced, South West

## Profitability Trends



### Profitability pressure has eased slightly over the summer

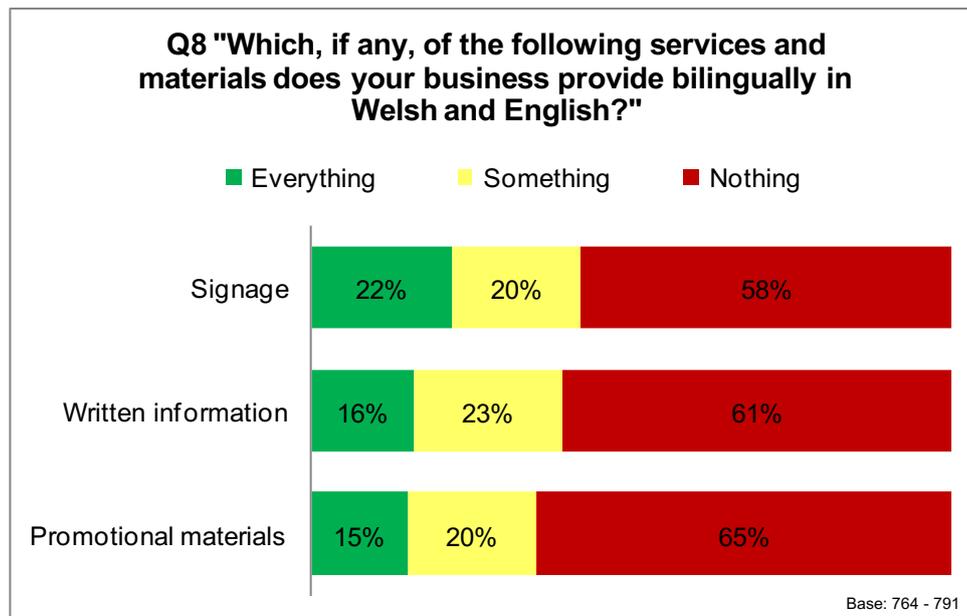
- 6.3 Although businesses in some sectors are still under pressure to remain profitable, the busy summer season has eased the situation slightly.
- 6.4 The decision over margin vs volume is an ongoing dilemma in some sectors. Signing up with dominant online booking platforms secures volume, but at lower margin.

*“We have started online bookings this year, so our bookings are slightly up but our profits are down because of that”*  
Serviced, South East

## 7. Bilingual Provision

7.1 In this wave, we have asked questions specifically on English & Welsh bilingual provision, and operators' attitudes towards it.

### Bilingual Written Language



*'Not applicable' answers to any of the above have been excluded from the results*

### Wide variety in written provision

7.2 Concerning bilingual written language (signage, information, promotional materials), there is a wide range of business practices going on, from providing everything to nothing bilingually.

7.3 The weakest provision seems to be in South West Wales, where for each of the three types of material above, between two thirds and three quarters of businesses provide none of it bilingually. The main reason is that the primary market is not Wales, and therefore operators see Welsh provision as an unnecessary cost.

*"It's a cost-benefit exercise, and the majority of our customers are not Welsh"*  
Self catering, South West

*"The vast majority of our clients are from England"*  
Self catering, South West

7.4 North Wales contains the highest concentration of Welsh speakers. Its bilingual provision is somewhat better, but even here, over half (55%) of businesses provide no written information bilingually. This may seem a little surprising, but the main market for many North Wales tourism businesses is England (especially North West), and in some cases Europe also.

They therefore prioritise the needs of their main markets, even if the operators are Welsh-speaking themselves.

*“I had everything translated into Welsh and it hasn’t made a difference to us. Less than 5% of my guests are Welsh speakers.”*

Serviced, North

*“The majority of our guests are from Manchester, Liverpool and Stoke on Trent”*

Caravan park, North

*“I am a Welsh speaker. A lot of our clientele are English speaking or from overseas. We printed a bilingual leaflet once and it was pointless.”*

Activity provider, North Wales

### **Attractions generally provide more bilingually**

7.5 Two in five (41%) attractions & activity providers say that all of their written information is bilingual. This compares to a much lower proportion (12%) of businesses across the other sectors saying that.

*“It adds to the experience of people visiting from overseas”*

Attraction, South East

### **Some businesses see the value of a ‘sense of place’**

7.6 Some businesses say that visitors should feel a sense of place when in Wales, and seeing bilingual signs is part of that.

*“It’s extremely important that the visitors see signs and everything bilingual in the area and in Wales. It’s of great value.”*

Self catering, North

*“I’m looking around now and everything I can see here is in English and Welsh”*

Self catering, North

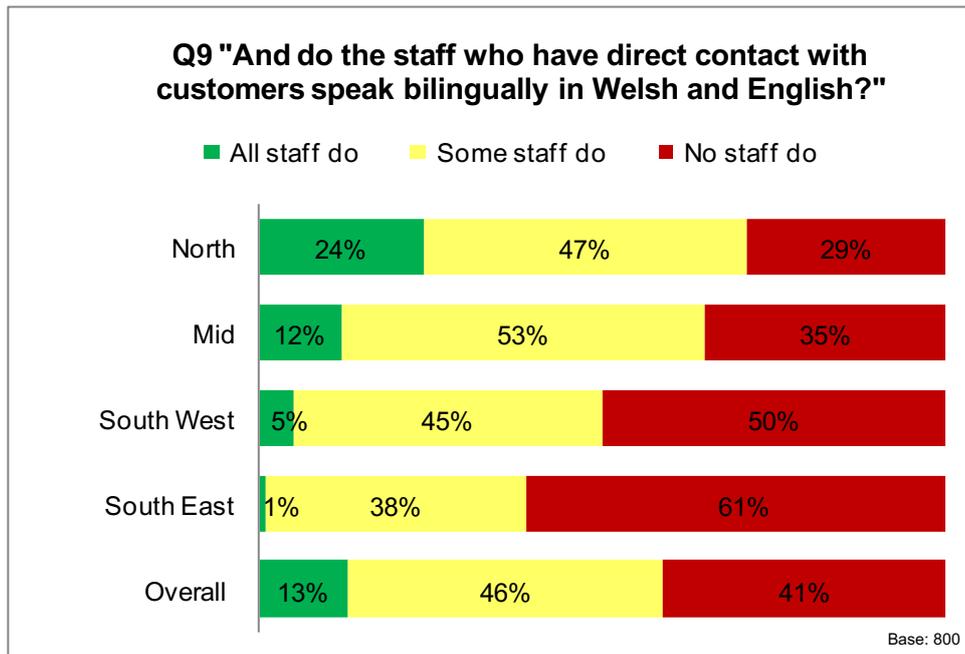
### **Some feel that speaking Welsh is more important than writing it**

7.7 Some businesses which do not provide much written material bilingually feel that the priority with bilingual provision lies in speaking. We cover this more fully next under Q9.

*“The signage is not a big selling point, but having Welsh speaking staff is”*

Serviced, North

## Bilingual Verbal Language



### Significant variation by region

7.8 Over half (59%) of businesses have at least some staff who can speak bilingually to customers. This varies significantly by region, as shown above, as this is largely to do with the existing language skills of local staff in the area, rather than businesses intentionally trying to recruit bilingual speakers.

*"Our barrier is not speaking Welsh. If I were a Welsh speaker, I'd be very happy to communicate in both."*  
Serviced, South West

*"People often come to the desk and ask if we speak Welsh, especially with rugby events – customers from North Wales"*  
Serviced, South East

*"I'm lucky if I can find staff who speak English, let alone Welsh!"*  
Serviced, Mid

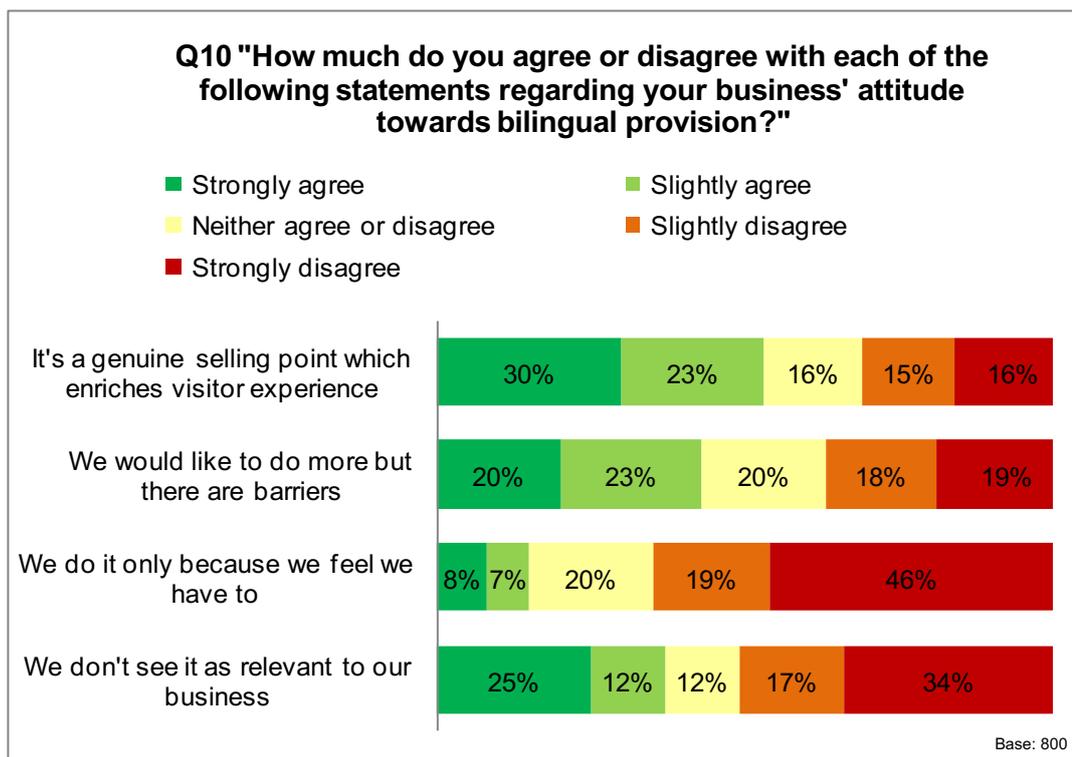
*"The number of Welsh speakers in the area is a barrier – there aren't many"*  
Serviced, South West

### Attractions have the broadest bilingual coverage

7.9 Most (78%) attractions have at least some staff who can speak bilingually to customers.

*"We're in Wales. We should be able to know at least the basics in Welsh."*  
Attraction, North

## Attitudes towards Bilingual Provision



### Very broad spectrum of attitudes

- 7.10 Operators' attitudes towards bilingual provision vary greatly from those who embrace it as a selling point, to those who don't see it as relevant to their business.
- 7.11 As discussed under Q8 and Q9, there are some differences by region, with North Wales operators generally being more positive. However even in North Wales, a third (32%) of operators do not see bilingual provision as relevant to their business. This compares to a higher – but not much higher – proportion of 40% in the other regions.
- 7.12 It comes down to the costs involved (money and time) and weighing up those costs against the likely benefit.

### Enriching visitor experience

- 7.13 Some businesses are very pro-bilingual and see provision as a genuine selling point which enriches the experience of their customers. These could either be Welsh language speakers, or visitors from further afield curious to see or hear the Welsh language.

*"Our guests love hearing the Welsh language"*  
Caravan park, North

*"It's great to be bilingual here and for visitors to speak their mother tongue"*  
Caravan park, Mid

*“We are a Welsh-speaking family, which is a selling point. My husband is really keen to promote it, which adds to the experience of visitors. Europeans love that aspect.”*  
Self catering, Mid

*“A lot of our trade is coach trade from the north of England and they like to hear Welsh. We often throw it into quizzes as a novelty.”*  
Serviced, South West

### **Financial cost is the major barrier**

7.14 Among businesses not doing all they could to communicate bilingually, cost is the most significant perceived barrier.

*“It’s an unnecessary expense”*  
Self catering, South West

*“The cost of doing it is too much”*  
Self catering, South West

### **Time is also a barrier**

7.15 Some businesses also mention time as a barrier to doing more. This can include the time taken to organise translation of written material, and the time learning to speak Welsh.

*“Time is the problem – having the time to learn and sending staff to learn”*  
Self catering, North

*“Bilingual provision is a complete handicap for us. It’s a waste of time, money and resources.”*  
Caravan park, Mid

### **Cost to the environment**

7.16 A few businesses comment on the environmental cost of producing extra paper for two languages.

*“I know it’s important to Welsh speakers and I admire and respect them for that, but the amount of paper produced beggars belief in my opinion”*  
Self catering, North

### **The expense is weighed up against the likely benefit**

7.17 Many businesses weigh up these financial and time costs against the likely gain to their business. As mentioned, the main markets for many Welsh tourism businesses are outside of Wales. Some point out that they would sooner invest resources into provision of other European languages, as there would be more benefit of doing that than in providing Welsh. Some also feel that first language Welsh speakers can speak English fine.

*“Spanish, German and French are far more important to me than Welsh”*

Self catering, South West

*“Nothing is in Welsh – there really is no need of it. 5% of visitors speak Welsh and they also speak perfect English.”*

Serviced, South West

### **Bilingual provision within moderation**

7.18 Some businesses take the view that bilingual provision matters, but only up to a point.

*“I don’t have a problem with bilingual provision except it has to be realistic – most people don’t care too much. I’m strongly in favour of maintaining heritage that goes with it however!”*

Hostel, South East

*“I’m a fluent Welsh speaker, but don’t want to ram it down other people’s throats”*

Self catering, North

*“I’m all for Welsh, but we shouldn’t feel pressured. It’s not going to sell us a room.”*

Serviced, South West

### **Where can we get help?**

7.19 Some businesses would like to do more, but don’t know if and where help is available.

*“It could be quite a big cost. It’s something we would like to look into – does Visit Wales support this?”*

Caravan park, South West

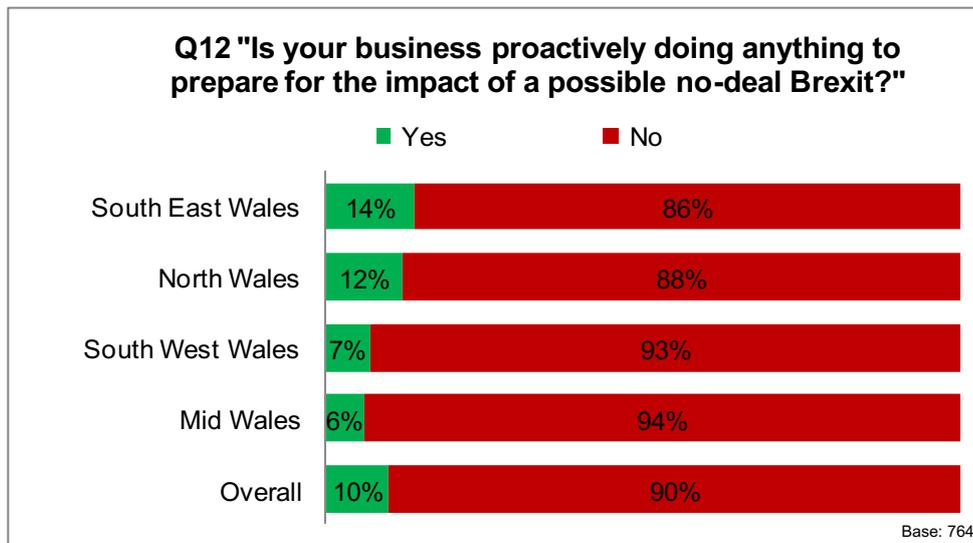
*“We don’t know where to get sign templates for Welsh”*

Self catering, South West

*“The main barriers are the costs to translate and the support isn’t there to help businesses become bilingual”*

Self catering, Mid

## 8. Preparing for a Possible No-deal Brexit



### Little preparation for no-deal Brexit

- 8.1 Tourism businesses in Wales are mostly doing nothing to prepare for a possible no-deal Brexit, especially those in South West and Mid Wales. Most interviews were conducted before MPs voted in favour of legislation to try and block leaving the EU without a deal. Brexit is such a sensitive subject for some operators, that 36 of the 800 in the survey sample have refused to answer the question.
- 8.2 Attractions & activity providers are better prepared than the other sectors. 22% of attractions & activity providers are preparing for a possible no-deal, compared to just 8% of businesses in other sectors.

*"Brexit worries us. We are stocking up on linen, cleaning products and loo roll, as we don't know if we will be able to buy it in the same way after."*

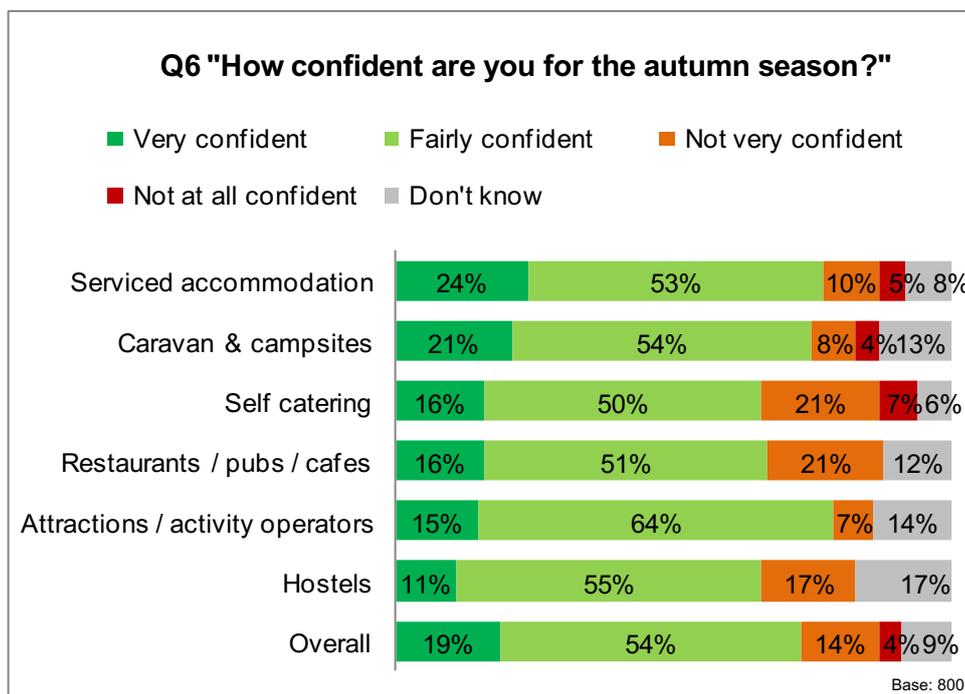
Self catering, South East

*"We're not going to do anything differently apart from our continuous improvement in customer service"*

Caravan park, Mid

## 9. Confidence for the Summer

### Confidence by Sector



### 'Fair' confidence for the autumn

9.1 Confidence for the autumn is 'fair' on the whole in each sector. Some operators talk of having many bookings or new types of visitors who come in the autumn, whereas others are based in areas which seem to be very seasonal, and tourism quietyens right down after the summer. Some also say that Brexit uncertainty is hanging over the autumn period.

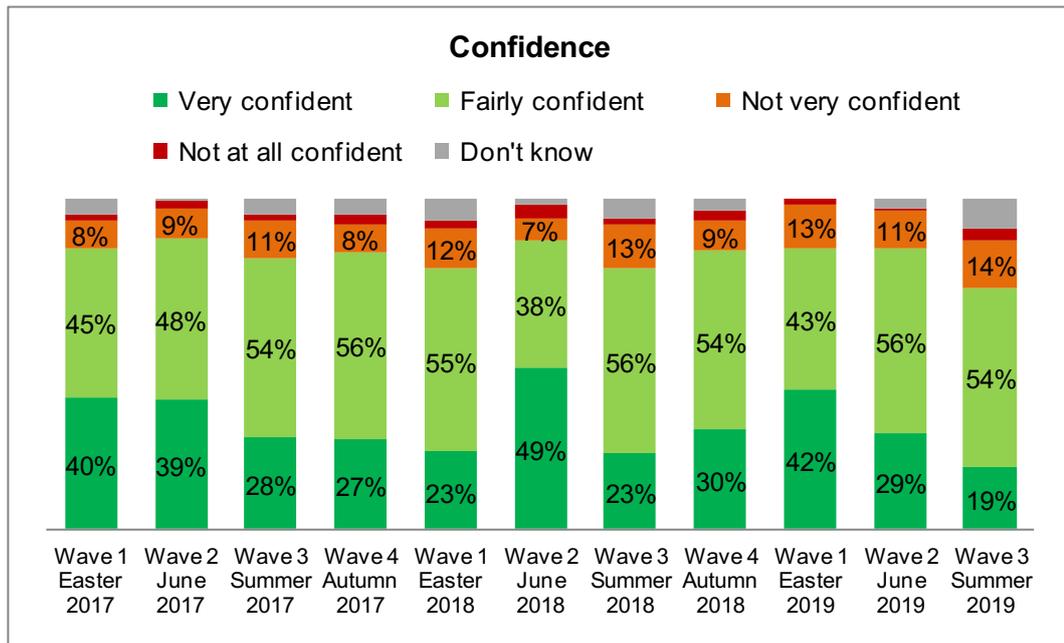
*"Forward bookings are slow. Uncertainty over Brexit is running into the autumn."*  
Serviced, North

*"We are now fully booked until November! We seem to attract a lot of repeat customers and many have already re-booked for next year. I send all my customers a Christmas card each year, which I think helps!"*  
Self catering, South East

*"Autumn is always a good time for us as the schools are back. We have a lot of school trips coming from England."*  
Activity provider, North

*"We close at the end of September"*  
Attraction, South West

## Confidence Trend



### Confidence is relatively normal for this time of year

9.2 Historical results show that confidence tends to dip after the peak summer season has passed.

*“Bookings fade away now until December”*  
 Restaurant, South West

## 10. Qualitative Findings

10.1 We have conducted seven depth interviews over the telephone with key tourism figures from various organisations and bodies across Wales. The main findings are discussed below.

### Summer performance

10.2 There is a general feeling that the summer has been a good one, but it has been hard to maintain the high visitor levels experienced in the summer of 2018.

*“Business has been pretty good. Has it been better than last year? I would say no, but the weather perhaps hasn’t been as good. Leisure activities are dictated by the weather.”*

*“It’s certainly quieter than we would have expected it to be. Since the schools have gone back this week things have really dropped off the edge of a cliff. It almost felt like it was busier earlier in the season before the summer holidays started. It’s been quiet; the weather wasn’t as good this year. Last year was exceptional.”*

10.3 Associations representing businesses in the self catering sector take a different view. From their perspective, there has been a steady decline in visitor numbers to self catering accommodation. There’s not a strong consensus as to why this could be, but among members it’s put down to uncertainty in the economy, whether that be due to Brexit or various other reasons.

*“It’s a steady decline. It used to be 90% full from Easter till the end of October. We’re now 60% or 70%”*

*“There’s a lot of uncertainty. People have less money in their pockets; they go less often on holiday and for shorter periods. It affects the turnover obviously.”*

### Bilingual provision

10.4 Attitudes towards bilingual provision are very varied. There is no strong correlation by sector; attitudes on Welsh provision seem to vary depending on personal ability in Welsh. Bilingual provision is generally looked at favourably, while the cost or difficulties of implementation are the primary concern. This relates to translation costs and the fact that the majority of most operators’ custom does not come from Welsh speaking guests.

*“I think it’s a nicety for people to look at but it wouldn’t make any difference to our members’ turnover or bookings. I don’t think people would choose somewhere because it was Welsh.”*

*“As someone who speaks a bit of Welsh I don’t see it as a hindrance. It’s an attraction in one sense ... there’s not a great deal of delivery of Welsh in the adventure sector”*

- 10.5 Stakeholders generally feel that bilingual provision should be voluntary bearing in mind the costs involved and that most tourists to/within Wales don't speak Welsh. Some have very strong views on the matter.

*"Whatever we do is voluntary. If people were to force us, then I would sell the business."*

## **Brexit and the future**

- 10.6 In regards to Brexit, operators are generally not doing anything proactive. This is partly due to uncertainty of the situation and not knowing what to do, but it's also because as of yet, it hasn't affected visitor levels adversely for most businesses. The weakness of the pound is an advantage for attracting overseas visitors to Wales, while it also gives more reasons for British holidaymakers to remain in the UK.

*"I don't think they'll be paying too much interest ... my members don't feel as it will affect their business. They'll continue doing what they are doing ... a lot of the business my members get is British business ... it might even improve things as people will be staying in the UK"*

*"We haven't noticed any difference from our European visitors. Our older visitors have been reluctant to travel abroad because they don't know what's going to happen."*

- 10.7 Conservation attractions could be impacted by Brexit. With less funding coming from Europe to help them, revenue will be down and it becomes more complicated to operate.

*"Being out of Europe means that a lot of our work is going to be affected by losing access to grants. Conservation and wildlife legislation, which has been very good through Europe, has been thrown into uncertainty."*