

# **STATE OF TOURISM SOUTH WEST**

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## **INTRODUCTION**

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This report brings together the findings of the South West Tourism Intelligence Study, which was commissioned by South West Tourism and the South West Regional Development Agency (SWERDA) towards the end of 2002.

The study was carried out by The Tourism Company, who were the lead consultants. Key inputs were also made by L&R Consulting (on product auditing and performance), Geoff Broom Associates (on forecasting) and TEAM (on data management).

### **Purpose of the Tourism Intelligence Study**

South West Tourism and SWERDA are shortly to develop a Ten Year Plan for Tourism. The purpose of this study is to underpin this process through providing a comprehensive set of data on tourism supply and demand. Previous information has been deemed to be too partial in scope or limited in geographical coverage to inform the development of the strategy. The study seeks to provide a bible of intelligence that can be accessed by stakeholders and drive strategic thinking.

The main focus of the study is on regional level information, to inform regional bodies and the regional strategy on product, value, performance, markets, forecasts, broad sub-regional differences and comparison with competitor regions. However, this assemblage of data at a regional level will also be of value to local destinations and enterprises in their work.

Where information is presented at a sub-regional level, this is organised on what is essentially a county basis: Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire and the combined unitary authorities which make up the former county of Avon. These are sometimes referred to in the report as sub-regions. On a few occasions, these sub-regions are grouped into three intermediate areas: Devon and Cornwall; Dorset and Somerset; and Wiltshire, Gloucestershire and former Avon.

### **Components of the Tourism Intelligence Data Resource**

The study was divided into eight components, which together provide a data resource for tourism. These are as follows:

#### ***1 Current visitors and economic impact***

The basic trips, nights and spending figures for the South West Region, broken down and discussed on the basis of visit type and sub-region (county), together with summary results from a separate study calculating tourism employment based on the Cambridge model.

## **2 Market forecasts**

New quantified forecasts of trips, nights and spending at a national level (specially prepared for this study) subsequently translated into projections for the South West covering domestic visitors by type, overseas visitors by region of origin, and day visitors.

## **3 Market profiles and opportunities**

A structured presentation of facts about current and potential future markets, including overall perceptions of the South West, summary tables and bullet points about the main market sectors, and identification of 17 practical market segments. Individual Fact Sheets are also provided on each market segment, highlighting their characteristics, needs and relevance to the South West.

## **4 Tourism industry size and distribution**

An assessment of existing databases and other evidence providing an estimate of the number of tourism enterprises in the region and their distribution.

## **5 Tourism industry performance and needs**

Evidence, broken down by tourism industry sector, on levels of business, trends, needs and outlook, together with information on investment, levels of employment, training and attitudes to business support and sustainability.

## **6 Regional tourism product overview**

A broad yet systematic description of the region's product based on six destination types, including consideration of enterprise make up, performance, characteristics, challenges and opportunities.

## **7 Competitive position**

Analysis of the South West's market share, and assessment of its position with respect to six competitive areas in terms of consumer perceptions, product, presentation and strategic priorities.

## **8 Knowledge coordination and access**

Proposals for the creation of a better, accessible repository of tourism knowledge to be held and maintained by South West Tourism, together with a system for receiving up to date information on business performance.

This report contains each of these eight sections. In addition, a final section pulls out some of the main findings and identifies implications for the ten year plan for tourism.

## **Methodology adopted**

Three main pieces of original research were undertaken for this study:

- the creation and utilisation of a forecasting model;
- qualitative market research based on consumer focus groups; and
- a survey of tourism businesses across the region.

In addition, a considerable amount of work was undertaken to extract from existing surveys and published information, including qualifying and updating this material where necessary.

### ***The forecasting model***

An econometric modelling approach was adopted to come up with quantitative forecasts for the volume and value of tourism in the region in 2006 and 2011. This involved:

- Generating national forecasts by identifying the main factors affecting different types of domestic and overseas trip taking, such as disposable income and exchange rates, and then considering likely changes in these factors such as the influence of demographic changes.
- Examining the relative share of the national market for different types of tourism captured by the South West, looking at trends in this market share and factors that may influence it, and applying estimates of future market share to the national forecasts to derive estimates for the South West for different types of tourism.

### ***Consumer focus groups***

Nine focus groups were conducted during February and March 2003. The groups were recruited to enable distinctions to be drawn between:

- Life-stage – pre-family, family and post-family
- Level of affluence – household income under or over £30,000
- Experience of the South West – ‘visitors’ had been for a minimum of one 4+night holiday or two short breaks in the last 3 years; ‘non-visitors’ had not visited in the last 3 years.

The groups were conducted in the West Midlands and South East (west of London), two important source locations for short breaks and holidays in the South West.

Group make-up was as follows:

- Pre-family, affluent, visitors – Sutton Coldfield
- Pre-family, less affluent, visitors – Solihull
- Pre-family, mixed affluence, non-visitors – Windsor
- Family, affluent, visitors – Chorleywood
- Family, less affluent, visitors – Windsor
- Family, mixed affluence, non-visitors – Sutton Coldfield
- Post-family, affluent, visitors – Chorleywood
- Post-family, less affluent, visitors, Solihull
- Post-family, mixed affluence, non-visitors – Chorleywood

The results of the focus groups have been used throughout this report, but principally in Chapters 3 and 7. A comprehensive report of the focus group findings by the market research agency employed, Cambridge Direction, has been supplied to South West Tourism.

### ***The business survey***

A postal survey of tourism businesses was undertaken in February – March 2003. Questionnaires were mailed to 3,175 businesses, using a stratified sample to be representative of the geographical and sectoral make up of the industry. The database used was the TRIPS database supplied by South West Tourism, supplemented by the database of establishments kept by Gloucestershire Tourism and the Dorset and New Forest Partnership.

The questionnaire was quite comprehensive, with questions covering the profile of the enterprise, business performance and trends, investment, employment, training, business support and sustainability. A copy is placed in Appendix 1.

A total of 1190 questionnaires were returned, a response rate of 37%. This is considered to be an excellent response for a postal survey of this kind. Particular efforts had been taken to achieve this result, including a prize draw, use of reminders and sticking postage stamps on return envelopes.

The results were analysed in total and broken down by the five main tourism enterprise types (hotels, guest accommodation, self-catering, holiday parks and attractions) and by certain other variables. A full set of tables, prepared by the data analysis company employed, Interviewing Services Ltd., has been supplied to South West Tourism.

### ***Interrogation of other data sources***

Information on the volume, value and distribution of tourism across the region was obtained from The United Kingdom Tourism Survey (UKTS), the International Passenger Survey (IPS) and the United Kingdom Day Visitor Survey (UKDVS).

Information on the supply side was primarily based on the tourist boards' TRIPS database. A measure of the partiality of this database was obtained and is discussed in Chapter 4. It was beyond the scope of this study to undertake a complete, new audit of all tourism enterprises in the region.

Some manipulation of information from statistical sources was needed in order to provide figures for the whole South West Region rather than the former West Country Tourist Board Region (which had excluded Gloucestershire and Eastern Dorset). This was not possible in every case. It is extremely important that all future data is collected and disseminated using government region boundaries.

Various other data sources were consulted in order to build up a picture of tourism markets, products and competitor performance. Examples include the ETC *Insights* series of market profiles; BTA profiles on overseas markets; and websites, main publications and tourist strategies from competitor destinations.

## **Existing tourism intelligence in the South West**

This Tourism Intelligence Data Resource provides a comprehensive set of market and product information that seeks to be consistent across the South West region. It recognises and does not supplant other current sources of tourism intelligence at a regional and local level. At the outset of the study, a summary of this current intelligence was prepared. It includes regional, sub-regional and local research and data sources.

### ***Existing regional research by SWT***

#### *Business Barometer*

A quarterly survey of a panel of 200 tourism accommodation and attraction businesses, covering performance and prospects. It is hoped to cover other sectors in due course and expand the panel to 500 by 2005.

#### *Accommodation Occupancy Survey*

Monthly survey of serviced accommodation occupancy in the region based on returns from over 400 establishments and weighted to reflect regional distribution. Goes back to 1999. Some authorities pay for a larger sample in their area.

#### *Benchmarking studies*

Destination benchmarking surveys, involving a combined visitor survey and benchmarking against other destinations, are carried out on request for various authorities in the region. Around three to four per year. SWT also engage visitor attractions across the region in a confidential benchmarking exercise.

#### *Market profiling*

A service is offered to individual enterprises and destinations, which provides a market profile of their visitors based on post-code analysis using a standardised methodology (Target) established by the regional tourist boards.

In addition to these ongoing surveys, South West Tourism, in conjunction with other partners, has commissioned other studies into products and markets, although there appear to be relatively few at a regional level. Recent studies of particular relevance to this study include:

- Economic Impact Study – the application of an updated Cambridge Model to calculate income and employment attributable to tourism, enabling consistent comparisons across all districts and counties.
- Branding exercise – development of regional and sub-regional brands for the South West.
- EnglandNet DMO research – a survey of record keeping and information handling at a local level.

### ***Sub-regional knowledge base***

A wide range of tourism intelligence is obtained at a local level, but this is relatively uncoordinated across the region.

A survey of 53 destination management organisations, including local authorities, national parks and major tourism associations, was undertaken at the outset of this study to ascertain their amount of research-based tourism knowledge at a local level.

This achieved a 60% response, including most of the main authorities. The results obtained are presented in Appendix 2.

There has been some coordination of tourism data within counties:

#### *Dorset*

Dorset Market Research Intelligence Group / Dorset Tourism Data Project (Bournemouth University), undertake main and off-peak season visitor surveys, accommodation trends surveys, occupancy surveys, investment monitor, and economic impact studies. Information is made available for each district.

#### *Devon*

'Tourism Trends in Devon' published annually – systematic data collection of enterprise performance for 5 sectors, broken down by district. Additional survey on different aspects of enterprise performance/issues. Some market research focus groups have been conducted at a county level.

#### *Somerset*

'Tourism in Somerset - The Facts' published annually – based on surveys undertaken in conjunction with SWT. Data broken down for each district. Accommodation and attractions surveys provide broad measure of degree of business each month, source of business and answers to specific questions about business operations (sustainability, disability, i.t. etc.). Broken down by district. Economic impact based on Cambridge model. Business and leisure visitor surveys undertaken in 1997/8.

#### *Cornwall*

Cornwall Tourism Profile, based on county-wide visitor survey every 2 years. Focus groups on market segments and non-visitor survey undertaken with SWT. Cornwall self-catering occupancy survey.

#### *Gloucestershire*

Annual use of UKTS, IPS and occupancy survey to calculate volume and value of tourism, broken down by district.

#### *Wiltshire*

Wiltshire visitor profile undertaken in 1997 and 1999. Economic impact via Cambridge model.

#### *Former Avon*

The unitary authorities have been active in undertaking their own visitor and enterprise surveys.

Our survey of tourism intelligence at a local level revealed:

- A considerable number of visitor surveys, some of which relate to benchmarking exercises. Some surveys (which may be additional ones) are undertaken at or for TICs.
- A high proportion of market research work relating to marketing activity, including user and conversion analysis of campaigns and market profiling of enquiries.

- Good information on attractions and inspected accommodation, but limited on other accommodation, restaurants etc. Destinations say they do not have time to build up a comprehensive picture.
- Patchy knowledge of business performance, being best where destinations have undertaken local surveys on their own or through boosting participation in SWT surveys. Some check on satisfaction with local authority services, for example through stakeholder panels. Surveys on sustainability issues have been undertaken in South Hams and in Somerset.
- Some information on training needs, which tends to be collected separately or through links with Tourism Training Skills Network SW.
- Very sporadic logging of new investment. A small number of destinations report this, usually via planning departments. Investment has been monitored as part of the Dorset Tourism Data Project.
- Reliance on the harmonised ETC/AA/RAC scheme for quality checking of accommodation. A few supplement this with their own scheme. There are few separate quality checks for other types of tourism service.
- Considerable use of the Cambridge model, or local variations, to measure economic impact, either at a district level or disaggregated from county initiatives. This is now coordinated due to the work of the Regional Research Group.
- Some simple prioritisation of market segments by most local destinations, within overseas and domestic markets.

## **How to use this Data Resource**

The first eight chapters of this report relate to the eight separate topics listed earlier. Each chapter is free standing and can be interrogated independently. The main components of the report are also available on the South West Tourism website.

It must be emphasised that this is essentially a regional data resource, providing high level information for the South West regional as a whole. The aim has been to assemble regional product and market information in one place, to guide the forthcoming regional tourism plan.

The information presented, either from disaggregated national data or from our own regional surveys, seeks to be consistent across the whole region. Therefore, local and partial data, such as that obtained from local research referred to above, is not presented here. Detailed information on the performance, needs or opportunities of any one sub-region or specific activity is not provided: this would need to be addressed by local or subject-specific studies.

Consistent, regional data of this kind is, nevertheless, relevant to local destinations and even individual enterprises who can benefit from considering their position in a regional context.