

9 KEY IMPLICATIONS FOR THE 10 YEAR TOURISM PLAN

Information about the performance of tourism in the region contained in this report will be used as an input to the process of drawing up the Ten Year Plan for tourism in the South West. A number of headline points emerging from the evidence and analysis, which should help to guide the plan, are set out below.

Spread recognition of the importance of tourism

Tourism is a sector of primary importance for the South West. The volume of staying and day visitor spending (£8,300 million) and the number of jobs supported (307,000) are considerable. Clearly, the relative economic impact is greater in the west (29% of employment in Cornwall), but is still significant even in Gloucestershire, Avon and Wiltshire (6-8%). In some communities, such as resorts and certain rural communities, the relative importance will be far higher.

It is also important to appreciate the reach of tourism spending within the regional economy, with 31% on food and drink and 27% on shopping, often going directly to enterprises which might be considered outside the more obvious tourism sector.

Looked at the other way, the South West region is a major player in tourism in the UK, receiving more domestic visitors than Scotland, Wales and any other region of England, and being only overtaken by London if overseas visitors are taken into account.

One objective of the strategy should be to use the evidence from this study to raise awareness of the importance of tourism at the national, regional and local level, so that support for the sector is maximised.

Build on past success and future confidence

Tourism in the region has been a success story. Over the last decade or so the region has captured a growing market share of national short break and business tourism markets and has held on to its share of the long holiday market. In actual volume terms there has also been growth. This is reflected in reports from businesses as well as in global surveys, and most business (60%) expect to see further growth in the next few years.

The forecasts undertaken for this study, which envisage a growth by 2011 of 39% in domestic trips (20% in spending), 32% in overseas trips (14% in spending), and 20% in day visits (20% in spending), should be taken into account in future planning. This points to significant, if not dramatic, opportunities for expanding the sector. At the same time, short term fluctuations in the performance of markets must be expected.

The strong popular vote in favour of the South West recorded by our focus groups is also very encouraging, especially with respect to its relative overall appeal in comparison with competitor destinations in the UK.

Be more aware of enterprise need

Despite these relatively favourable demand side forecasts, this report has revealed the small scale and sometimes precarious nature of many tourism enterprises. The fact that 16% of businesses in our survey said that more business was essential to achieve viability, and that a further 26% felt that this was necessary if reasonable profits are to be achieved, is concerning.

Sixty-five percent of the tourism businesses responding to our enterprise survey had turnovers of less than £50,000, mainly small self-catering establishments and guesthouses. These family businesses, often with low overheads and capital investment, can be more economically robust than larger businesses, and fewer of them expressed the concerns about viability and profitability identified above. However, these very small businesses employ few people and cannot be relied on for employment growth.

It is the medium to larger sized enterprises - hotels, attractions and holiday parks, which appear to be more in need of more business, but also in turn may be best placed to grow. Nevertheless, need is expressed across all sectors and sizes of business.

Seasonality continues to be a major factor to be addressed. The study showed some differences between types of enterprise in the times when they particularly need more business.

Recognise sub-regional differences

The South West is a very large region. It spans two of Europe's economic and cultural zones, from the edge of the Silicon Valley in the business heartlands, to the Celtic Atlantic seaboard. The tourism opportunities of Swindon are rather different to those of Zennor, in terms of environment, product and distance from markets.

The dominance of Cornwall and Devon, accounting for over half the region's visitor spending and tourism enterprises, is clear. Eastern parts receive considerably few visitors but exhibit less seasonality and a wider spread of markets.

It is particularly significant that consumers strongly equate the South West to Devon and Cornwall, with far lower awareness of the eastern counties and recognition of them as holiday destinations. This has strong implications for regional and sub-regional branding and awareness-raising strategies.

Hold on to the leading position for holidays and breaks

The region as a whole is critically dependent on both long holidays and shorter breaks. The strategy must recognise the needs and opportunities of both. However, a particular opportunity may now rest with the middle ground – extended breaks of more than a weekend and up to one week, often taken as additional trips beyond the main 'holiday', which now make up a significant proportion of holidays of over 3 nights.

A broad functional segmentation of pre-family, family and post-family appears to provide a useful way of differentiating the market, upon which more precise segments can be built. The post-family segment provides the main opportunity for short and extended breaks, throughout the region. The family segment is critically important for longer holidays. The South West must build its position as the destination of choice for UK families, of all levels of affluence, who opt to take a long holiday in the UK. The pre-family segment is less significant for the region than the other two, but can be more susceptible to themed and niche marketing, relating to activities and entertainment.

Address rural, coastal and urban needs and opportunities

As well as dividing geographically, the region varies according to the nature and function of different types of destination. Although coastal images may dominate, significant amounts of tourism take place in the region's fine countryside and urban locations.

The particular needs and opportunities of the six separate types of destination described and analysed in this study - coastal resorts, rural coast, larger towns/cities, smaller towns/cities, protected areas and other inland countryside – should be reflected in the strategy.

Be more like 'abroad' while retaining local distinctiveness

In many respects the region appears to be performing as well, or better, than its competitors within the British Isles. This is confirmed by consumer images and response. In the forthcoming years, greatest competition may come from overseas destinations, for holidays and for breaks, whose product is often viewed as preferable in terms of style, quality and price, and to some extent with respect to bookability and transport options. A challenge for resorts, cities and rural destinations will be to raise their image and their product quality so that they are regarded as equivalent or better than overseas destinations.

Market more creatively

There is a danger that the South West will rest on its laurels. Comparison of regional marketing in other parts of the UK, Ireland and Brittany, revealed more attention to evocative messages, theming, special offers and niche products. There also appears to be more awareness of advertising from these competitor areas. The South West should seek to match this. The breaks market, for example, is strong in the South West, but competitors are aggressively seeking to cut away at the region's market share.

The importance placed by enterprises on raising awareness of both local areas and of the region as a whole has been strongly demonstrated. However, enterprises in turn should be encouraged to address the level of resources they put into marketing.

Champion a quality environment

Various evidence from the study points to the importance of maintaining an attractive environment for the future well being of tourism in the region. This applies equally to coastal, rural and urban areas. It is a precious resource for tourism. Enterprises

placed this at the highest level, on a par with awareness raising. It was also very apparent from the focus groups.

This has implications for destination management, but also for individual enterprises themselves. The level of interest shown in sustainability issues and environmental management by enterprises surveyed is encouraging and should be further pursued.

Address transport issues

Transport is an important topic for the South West region, owing to its shape, distance from markets, current road network and physical make up of many settlements. It is seen as an important issue by tourism businesses, who rate it as one of the inhibitors to future growth. Road congestion and travel times are also held up as negative images by consumers, who are responding positively to cheap flights to Scotland, Ireland and overseas destinations.

The strategy will need to consider both transport to the region and traffic management within the region.

Continue to encourage new investment in quality

The extremely high proportion of enterprises surveyed who had recently invested in improvements (90%) is impressive. This needs to be maintained. Enterprises with higher quality grades were more likely to report recent and expected future market growth. Most market segments suggest an ongoing trend towards higher expectations, but also concern for value for money.

The degree of local competition is a concern for some businesses. Despite probable future market growth, it is important to be cautious about capacity increases, which must be appropriate in terms of local circumstances and market demand.

Address business support and human resource issues

Evidence from the business survey suggests that the nature and balance of business support and training services in the tourism sector needs to be looked at carefully and to be well focussed.

Human resource issues are important and may be more structural and less to do with training. Labour supply issues are much more important in some sectors than others. There are a variety of factors influencing this, including the image of tourism as a career.

Foster good visitor attractions

Visitor attractions are extremely important in generating and sustaining visitor interest, and have a role to play throughout the region. The strategy may need to pay particular attention to them. The importance of certain icon attractions was apparent from the focus groups, and has been well proven by the Eden Project in Cornwall. The business survey revealed that this sector has particular needs, including financial support in some cases.

Ensure excellent information delivery for all

Successful tourism relies on good levels of knowledge and effective information flows between visitors, destinations and enterprises. Information technology can help here - the study revealed significant and growing levels of connectivity amongst tourism enterprises. However, it also showed the importance placed still on traditional media including publications and personal service through Tourist Information Centres.

Much more can be done to make product and market knowledge, and its exchange, more streamlined across the region and between national, regional and local sources.