3 MARKET PROFILES AND OPPORTUNITIES

This section of the report explores tourism markets in more detail. It examines perceptions of the region, provides a detailed profile of the characteristics and requirements of key market segments, and highlights some strategic priorities and market opportunities for the South West that will help guide the overall strategy.

3.1 Perceptions of the South West

Understanding how people perceive the Region is fundamental to being able to market it effectively. If the message that is being put out runs counter to peoples' own experience and belief then you are rolling stones uphill.

To explore this in more detail we held focus group discussions amongst UK holiday/break takers in the Midlands and Thames & Chilterns area, both of which are important markets for the South West. We used these discussions to explore perceptions and attitudes to the South West amongst visitors[1] and non visitors and different lifestage groups. The full report has been supplied to South West Tourism and key points are summarised below:

- There was generally a very favourable response to the South West. Almost all the respondents had visited the region on holiday at some stage in their lives and virtually all had positive and warm feelings about it. Many were making regular visits.

- This is not surprising, perhaps, as the South West is the nearest 'holiday' region for these people. Although, it is worth noting that Wales, which is also close, has a much poorer image than the South West.

- When asked to rate the region against other regions in the UK, the South West consistently scored above other UK regions for both breaks and holidays. However, the bottom line is that most people would prefer to holiday abroad rather than in the South West.

- It is important to note that the boundary of the South West Region has little meaning for people. For our respondents, (and we suspect most other people) the South West primarily encompasses Devon and Cornwall, along with parts of Dorset and Somerset. Gloucestershire and Wiltshire are not seen as part of the South West, they belong to the Midlands or South East.

- Whilst people had taken breaks and holidays in all counties in the Region the greatest familiarity and experience was of Cornwall and Devon. People were less aware and knowledgeable about Dorset and Somerset and knew even less about Wiltshire and Gloucestershire. This was true for both visitors and non-visitors. Experience and knowledge of the region increases with age; the pre-family groups in particular have very limited geographical knowledge and awareness.

[1] Visitors defined as having visited the region for a break or holiday in the past three years.

Someone thought Bristol was in the north of England. This suggests that much destination marketing is falling on stony ground.

There were significant differences in attitudes and requirements amongst the different lifestage groups. These were more marked than differences between affluent and less affluent groups and visitors and non visitors. In general the more affluent groups took more holidays, more often and roamed further afield. Their aspirations, however, did not seem to differ markedly.

Visitors were asked to write a postcard home setting out the positive and negative experiences of a recent stay in the South West. These are summarised in Table 3.1. Note that these comments are more likely to reflect experience of the west of Devon and Cornwall than of the Region as a whole.

TABLE 3.1 Visitors' experiences of the South West

Positive features	Negative features
Pre-family Variety of things to see and do such as beaches and surfing, historic sites, Eden, views and walking, nightlife, pubs and clubs.	**Pre-family** Weather Quieter nightlife Accessibility
Family The sea, sandy beaches, surfing Beautiful scenery and sights Unique holiday atmosphere	**Family** Weather Poor accommodation and food Traffic and parking Higher cost compared to abroad
Post-family Scenery and sights, gardens, coastline, Food Weather	**Post-family** Cost and ease of parking Weather

Source: The focus groups

Why people don't visit the region

A proportion of the respondents were classed as 'non visitors', defined as not having visited the Region for at least three years. The main factors cited as stopping 'non visitors' from visiting the South West were as follows:

- A lack of awareness of what there is on offer. There is a fear that there won't be enough to do or to keep children occupied. This becomes more important for a longer break or holiday and is more important for families and pre-family groups. People often remarked on the lack of marketing of the Region and felt they never came across any exposure of the Region or places within it compared to destinations abroad.

- The weather. This assumes more importance for longer holidays and breaks where a spell of bad weather can ruin the holiday experience. Bad weather also means that you end up spending more on entertainment as opposed to just lying on the beach. Abroad is a safer bet, especially for longer holidays.

- Cost. A holiday or break abroad is perceived to be cheaper than a holiday at home. For the same price, accommodation is of a higher standard and food is cheaper. Cheap flights have made breaks abroad a cost effective option for many, and make holidays abroad appear cheaper.

- Distance/access. This is an important consideration for short breaks to Cornwall; however the length and hassle of the car journey (and worries about congestion) is also a constraint for families with young children and post family groups where driving may be more of a chore.

What people think of the sub-regions

Because of the size and diversity of the Region we divided it into smaller areas to examine how perceptions varied between the different sub-regions.

Devon and Cornwall

There were positive views and responses and a good awareness and knowledge of the sub-region but significant differences between the lifestage groups in terms of what they were looking for.

Pre-family: Limited knowledge of the area but many had positive memories of childhood holidays. Some appeal for longer breaks but not as holiday destination because of weather. Interest focuses on lively resorts and nightlife with mentions of Torquay and Newquay. The surfing associations of Newquay have made it a 'cool' and acceptable destination.

Family: Too far for breaks but good for family holidays (main and additional) with plenty to do and interest the children and good scenery for the adults. Perceived to have better weather than elsewhere in the UK (but not as good as abroad). The coast is a key element in the appeal and the ability to move from north to south coast increases the range of possibilities. A good range and variety of accommodation but some concerns about quality and price.

Post-family: Attractive for longer breaks and some week long holidays but abroad generally preferred for holidays because of guaranteed weather. Cornwall is too far for short breaks and access is a deterrent for some, so need to stay for longer to make it worthwhile. The area is distinctive and different from home, valued for its scenic beauty (coastline is important element of this) and gardens (Eden is big draw and much mentioned). Cornwall is known for its rugged coast, Devon is softer countryside. Range of accommodation but concerns about quality and price and lack of recognised brands.

Somerset and Dorset

There was less awareness of these counties and what they have to offer compared to Devon and Cornwall and people thus have less developed views and opinions. Dorset is better known (particularly amongst the London groups) and has more appeal than Somerset, where the coast is seen as down-market (Weston, Minehead) and associated with holiday camps.

Pre-family: Low awareness, although people wouldn't rule it out if there was something to stimulate their interest. Access is easy and this is an ideal distance for short breaks. The London groups were enthusiastic about Bournemouth and Poole, which were seen as lively places with good shopping and nightlife. Somerset was chiefly associated with Minehad and Butlins (negative) and Glastonbury Festival (positive). It was assumed that there would be acceptable accommodation available.

Family: No negative views but very little knowledge. Pleasant rural counties but no real hook to draw families to the area and no recall of specific attractions. Close enough for breaks but almost too close for holidays. Dorset generally seen as having more appeal than Somerset with better coast, and positive mentions of places such as Lyme Regis and Weymouth. An expectation there would be a range of suitable accommodation.

Post family: Acceptable for short break and would consider, but limited awareness and knowledge of area so need a trigger. Less appeal than Devon and Cornwall. Dorset better known than Somerset, seen as pretty and picturesque. Positive mentions of Bournemouth, Lulworth, Purbeck, Lyme Regis and Weymouth and fossils, implying coastal strip is key strength. In contrast Somerset coast is seen as a negative.

Wiltshire and Gloucestershire (including Bristol and Bath)

There was limited awareness amongst these groups and the area was not seen as a tourist or holiday area. It was almost too accessible for short breaks (for these people) and more familiar as a day trip destination. There was much less interest in these counties than in Somerset and Dorset although there was a high awareness of the Cotswolds. The latter was seen as separate sub-region in its own right, not associated with either Gloucestershire or South West. There were positive views of Bristol and Bath as short break destinations.

Pre-family: No awareness of area apart from Cotswolds and Stonehenge. Cotswolds seen as destination for older people or for a romantic weekend. With the exception of Bath and Bristol, which have positive appeal, no interest in taking short breaks in area.

Family: Rather like home and not different enough to make visit worthwhile. Expected to have more limited accommodation as less geared up for tourism. Possible for short breaks but no real reason to visit, although Bath and Bristol seen in positive light.

Post family: Strong and positive views about the Cotswolds, but not associated with Gloucestershire or SW. Bath and Bristol also mentioned as attractive for city breaks. Some positive views about both Wiltshire and Gloucestershire for short breaks from people who had visited, but non visitors see no reason to visit. Area perceived as very green with little towns and villages and less crowded than SE. The lack of a coastline is seen as a drawback compared to the other counties.

Other studies on perceptions of the Region

Other studies have also been carried out on perceptions of the Region, which provide some additional evidence and are worth examining:

- Cornwall Non Visitor Survey 2002. This was a telephone survey of four market segments carried out for the Cornwall Tourist Board. Non visitors were defined as people who had not visited Cornwall within the past 2 years.

- Tourism Brand Map Research 2000. Focus groups were held in the Midlands, Thames Valley and Bristol to explore perceptions and awareness of the Region as a holiday destination. The study was carried out for SWT and SWRDA.

3.2 Segmenting the market

Market segmentation is the process of breaking the market down into discrete elements that share a common set of characteristics, needs or behaviours. The purpose of market segmentation is to improve the effectiveness of marketing by gaining a better understanding of what consumers want and delivering products which satisfy their needs. The more homogeneous the group, the easier this is.

For segments to be of practical use they must be capable of being identified, measured and reached in a cost-effective way. There is a trade off between focussing on smaller and ever more tightly defined segments and the additional marketing cost of trying to reach them. The attraction of customer relationship marketing (CRM) is that it offers the prospect of being able to deliver a tailor-made product for a segment of one.

There are lots of ways in which tourism markets can be segmented eg by trip purpose, age/sex, buyer behaviour, attitudes and values, geodemographic profiling (eg ACORN) etc. These are not mutually exclusive and there is no right or wrong way. The most appropriate approach will vary according to the circumstance, type of organisation and resources available. The real test is: does it deliver?

Current practice and future developments

Current practice in the Region has been influenced by the segmentation models developed by BTA and ETB in the 1990s, and pragmatic considerations such as resource constraints. There is little point in developing a sophisticated segmentation model if your only marketing activity is distribution of a single piece of print.

In the questionnaire survey of DMOs (primarily local authorities), there were 33 responses on market segmentation. Of these 23 have undertaken market segmentation exercises generally in association with ETB/BTA. Bodies such as DACOM have been instrumental in initiating this for the overseas market.

Some 29 authorities were able to identify priority market segments.

- For the overseas market, the segments tend to be differentiated by country of origin and then by some lifestage grouping such as empty nester, seniors, DINKS etc

- There is more variation in the segmentation of the domestic market, but typically variables include lifestage (families, empty nesters), social class/wealth (ABs, affluent achievers), activities (golf/walkers), type of holiday (short breaks/cruises) and region of origin/catchment.

A number of points relating to market segmentation/market intelligence emerged from workshop discussions in January. There was not a particularly clear direction:

- The level of sophistication and resources varies quite widely between authorities.
- Some people are using the TARGET system or other geodemographic tools with some success. (see below)
- People are quite marketing driven and are more interested (because their jobs depend upon it) in measuring effectiveness of marketing via enquiry rates and conversion rates and economic impact.
- There is a danger of over segmentation (eventually you get down to segments of one) – if you only have one piece of print then sophisticated segmentation is a bit of a luxury
- People do feel they need to know more about their customers and particularly those who don't come. The industry would benefit from this wider understanding.
- There is an interest in understanding more about decision making and perceptions and brand recognition and what people want
- There is also a recognition that understanding market requirements has wider implications (ie product development) than just brochure production.
- There is an interest in working together with similar destinations to reach segments of common interest
- The main emphasis should be on domestic. Mustn't forget VFR, groups and business tourism. It's not just about holidays.

More recently the Regional Tourist Boards have developed the TARGET system which breaks the market down into 35 segments based on trip taking behaviour, household type and affluence drawing on data from UKTS. This can be used in conjunction with the CAMEO geodemographic classification to identify target markets and future prospects for destinations and sub regions.

There have been various attempts over the past decade by the Tourist Boards to refine existing segmentation models by defining segments in terms of peoples' core attitudes and values which drive behaviour. This approach acknowledges that whilst lifestage and affluence has a significant impact on behaviour there are other factors at work which are more fundamental, and better predict behaviour. Understanding peoples' motivations and basic needs is clearly key to influencing their behaviour.

To date this has not yielded a practical segmentation model but Visit Britain (the new tourism body for Britain) is in the process of developing a new classification system which, it is hoped, will provide a useful and practical tool. The details of this are not yet available but it will classify people in terms of whether they are innovators or more conservative in outlook, whether they are independent or follow the crowd etc. The segments will be linked to UKTS and other survey data and will provide an understanding of:

- What people want to do on holiday
- What they are looking for and what messages they are receptive to
- How to reach them

Although this has been developed in the context of the domestic market it is likely that the same model will be adapted and applied to overseas markets.

Segmenting the market for the SW

Due to the timing of the above research (which began after our study and has not yet been released) it has not proved possible to apply the new segmentation approach to the SW. Neither did it seem sensible to develop a competing (less well funded) approach in the SW given that the Visit Britain study was underway and will no doubt act as the gold standard when it is launched.

In the light of this dilemma, and given the resources available to us, we decided the most helpful approach was to adopt a relatively straightforward and robust approach to segmentation based primarily on trip purpose and lifecycle. Lifecycle and affluence are still the two key factors influencing and constraining trip taking behaviour. For each of these broad segments we have brought together key pieces of information about the size, value, requirements and motivations of the segment drawing on the focus group research, special tabulations of UKTS and other published material. We could have opted to look at smaller and more tightly focused segments but by doing so we would inevitably have missed the bigger picture.

This is a starting point for understanding and describing tourism in the Region. Whilst this is as far as some people will need to go, other destinations and organisations will want to take this further and focus on subdivisions within these broad groupings and we have highlighted some of these where appropriate. Nevertheless, we feel this provides a useful reference and starting point for destinations and enterprises and helps focus where the strategic priorities lie for the region.

The segments we have adopted are as follows:

A1	General business tourism
A2	Discretionary business tourism
B	VFR
C1	Holiday/breaks pre-family
C2	Holiday/breaks family
C3	Holiday/breaks post family
C4	Breaks 1-6 nights
C5	Long holidays 7+ nights
C6	Activity holidays
C7	Group holidays
D1	USA
D2	Australia
D3	France
D4	Germany
D5	Ireland
E1	Independent day visits
E2	Group day visits

For each of these we have prepared a free-standing segment profile setting out:

- Market definition
- Market size and value
- Importance to the South West
- Areas and sectors which benefit
- Market characteristics and profile
- Trends and prospects
- What the market wants
- How to reach and influence the market
- How the SW measures up
- Key competitors
- Where to find out more

These profiles contain both quantified and qualitative data. In preparing them we have drawn upon special tabulations of UKTS/IPS data, fresh qualitative research carried out for this study, previous research studies, ETC Insights and any other material we have found to be relevant. These profiles should be seen as templates which can be refined and developed over time as more information becomes available. We have tried wherever possible to relate this information to the South West although general market requirements are not necessarily region-specific.

The segment profile fact sheets are presented as a separate section at the end of the document.

3.3 A market overview

Figure 3.1 shows the relative size of these market segments in the SW. The size of each circle is in proportion to the number of nights spent in the Region. This clearly underlines the dominance and importance of the holiday market.

For the purposes of the segmentation exercise we have split the holiday market in a number of ways, by lifecycle (eg pre-family), by holiday type (eg activity/group) and by length of holiday (eg break/holiday). Note that in terms of the latter we have adopted a split of breaks (1-6 nights) and long holidays (7+nights) rather than the more usual split of 1-3 and 4+ nights which has been used as a basis for forecasting in chapter 2. We believe this represents a more useful way of looking at the holiday market and reflects the findings from the focus groups where there was a strong consensus that a holiday was at least a week away (ie 7+ nights) and anything else was a break.

Under this definition, breaks lead the field in terms of the scale of visits and spend and are hugely important to the Region, although in terms of nights they are on a par with longer holidays. The holiday market as a whole is dominated by the family and post family groups, with the pre-family groups making a relatively modest contribution.

Other sectors of tourism are much less significant but none the less play an important role in some areas. Overseas visits are small in terms of volume but rather more important in terms of value. VFR trips present the reverse picture whilst business tourism falls somewhere in between the two. Added together, overseas, VFR and business tourism exceed the volume and value of long holiday trips. Day trips are not shown in Fig 3.1 but it is worth noting that the overall estimated spending from day trips is not dissimilar to that from domestic staying visitors as a whole.

Fig 3.1 Volume and value of SW market segments

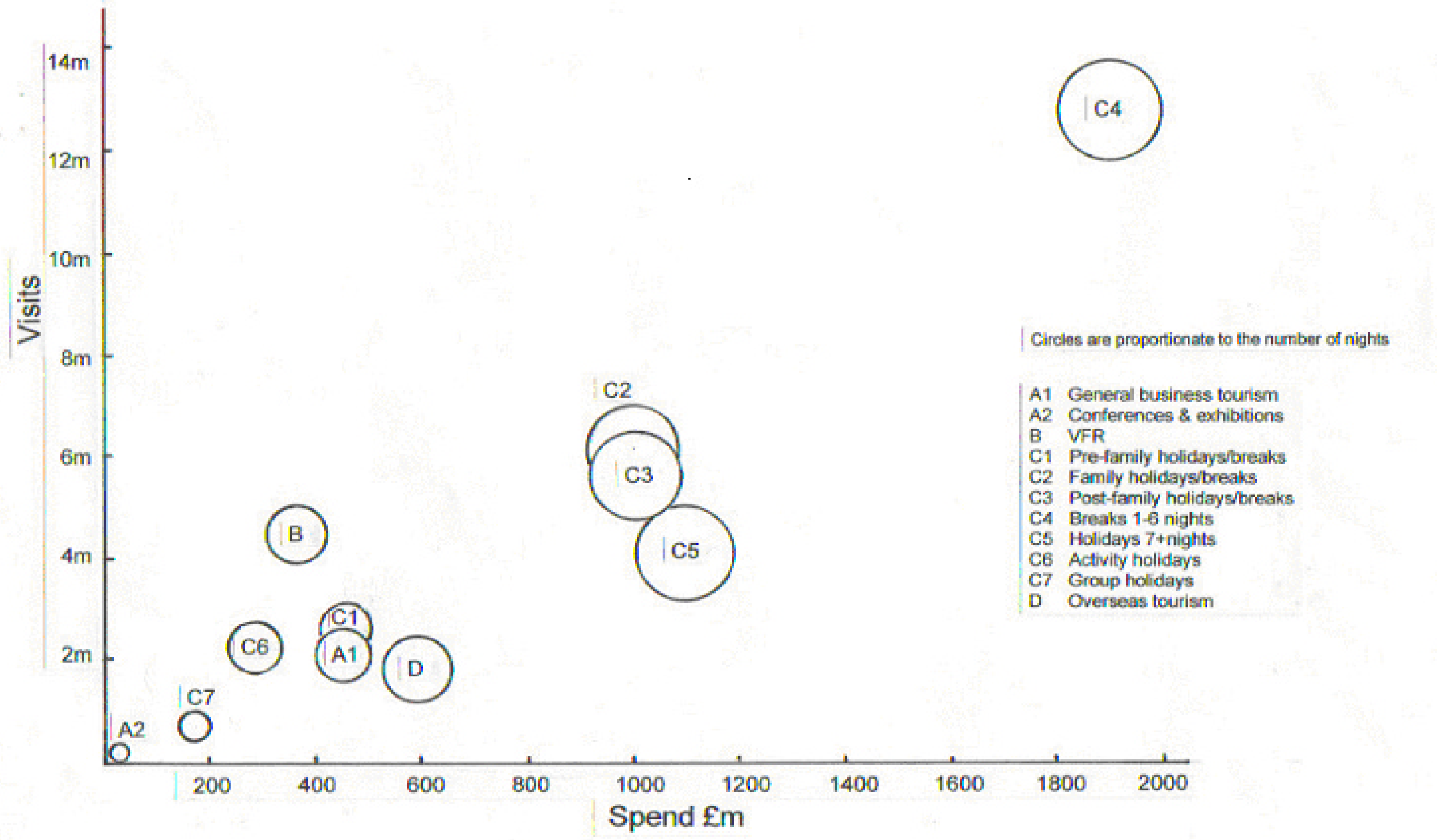


TABLE 3.2 Size and importance of SW segments

Segment	Trips (m)	Nights (m)	Spend £m	Trip Length	£/trip	£/night	SW market Share %	Growth potential	Relevance to					
									Rural coast	Seaside resorts	Inland rural	Protected rural	Cities towns	Small towns
A1 General business	2.1	6.1	452	2.9	215	74	10	H/M						
A2 Conferences.exhibitions	0.2	0.6	33	3.0	165	55	10	H/M						
B VFR	4.5	10.8	362	2.4	80	34	12	H						
C1 Pre-family holidays/breaks	2.6	7.9	450	3.0	173	57	14	M						
C2 Family holidays/breaks	6.2	28	1000	4.5	161	38	17	M/L						
C3 Post-family holidays/breaks	5.6	26	1000	4.6	178	38	20	H/M						
C4 Breaks 1-6 nights	12.8	37.2	1897	2.9	148	51	15	H						
C5 Holidays 7+ nights	4.1	34.5	1094	8.4	267	32	24	L						
C6 Activity holidays	2.3	8.0	281	3.5	122	35	13	M						
C7 Group holidays	0.7	3.2	170	4.5	243	53	23	M						
D Overseas total	1.9	15.0	634	7.9	334	42	8	M						
D1 USA	0.3	1.5	85	5	265	54	9	M						
D2 Australia	0.1	0.9	39	9	300	38	20	M						
D3 Germany	0.2	1.7	63	8	275	36	10	M/L						
D4 France	0.3	2.5	74	8	264	31	10	M/L						
D5 Ireland	0.15	0.8	40	5	265	51	8	M/L						
E1 Day visits	148	0	3771	-	26	-	13	M/L						
E2 Group day visits	4	0	90	-		-		M/L						

We now look at the market opportunities provided by each of these segments in turn drawing on the information in the segment profiles. Key indicators are summarised in Table 3.2. In examining the potential of these we have looked at them in terms of:

- The current **importance** of the segment in terms of its size and value and market share
- The **attractiveness** of the segment in terms of its growth potential, value, ability to extend the season and relevance to destinations and businesses in the region
- The **feasibility** of attracting the segment to the region given the product fit, competition, cost of reaching the market and ability to influence it.

The boxes below summarise the findings and highlight the main market opportunities. More detailed information will be found in the accompanying segment profiles.

Business tourism

A1 GENERAL BUSINESS TOURISM			
Trips: 2.1m	*Nights:* 6.1m	*Spend*: £452m	*Market share:* 10%
Attractiveness		*Feasibility*	
Medium sized segment for the SW. High spending with good potential for growth and is counter seasonal to leisure tourism. Most parts of the Region will benefit although it is not evenly distributed. Particularly important in large towns and cities.		Difficult to influence the overall level of business tourism that is largely determined by external factors.	

This is an important market region-wide although the SW market share is relatively low. The scope for action and influence is limited because levels of business activity are primarily driven by local economic activity. The main priority is to ensure that an adequate business tourism infrastructure is in place and that business visitors' needs are being met. The main market opportunity lies in building relationships with business visitors to encourage return leisure visits through loyalty schemes, special promotions and information.

A2 DISCRETIONARY BUSINESS TOURISM			
Trips: 0.2m	*Nights: 0.6m*	*Spend: £33m*	*Market share*: 10%
Attractiveness		*Feasibility*	
Discretionary business tourism (meetings, incentives, conferences and exhibitions) is a small, high value, niche market which is very important for a few destinations and enterprises, particularly some resorts and major towns/cities, but not widespread. It has good prospects for growth.		This is a market that is susceptible to influence and relatively cost effective to reach through third parties such as conference organisers. However, there is strong competition from within the UK and the SW is not especially rich in product and facilities. The main audience is likely to be domestic.	

This is a small specialist market, not of general interest but very important to a few destinations and facilities. Because it is open to influence and valuable it is highly sought after and quite competitive. This is not a major strength for the SW. The main market opportunities lie with:

- Larger meetings of association and corporate conferences
- Regional exhibitions
- Incentive trips from Europe
- Smaller day meetings taking place in hotels and other facilities.

Visits to friends and relatives

B VFR			
Trips: 4.5m	*Nights: 10.8m*	*Spend: £362m*	*Market share*: 12%
Attractiveness		*Feasibility*	
Large segment but relatively low value. Of interest to all parts of region although more important in areas of high population density. Good potential for growth. Good seasonal spread.		The product is the people living in the region. Hard to influence overall volume but can encourage local spend. Reach through local population. No real competition.	

This is an important market for the SW of interest to most places within the Region although there is limited scope to influence the level of activity and expand it. The main market opportunity lies with incentivising and encouraging local people to take their visitors out and about in the local area, generating spin-off for local attractions, pubs, restaurants etc. This is primarily the responsibility of destinations and local enterprises.

Domestic holidays

C1 PRE-FAMILY HOLIDAYS/BREAKS			
Trips: 2.6m	*Nights: 7.9*m	*Spend*: £450m	*Market share:* 14%
Attractiveness		*Feasibility*	
Medium sized segment for the SW. Primarily interested in short breaks so some growth potential. High spend per night reflecting breaks. Less concentration in summer peak than other holidays. Relevant to much of Region with most interest in cities/ resorts.		Low awareness of region and not great product fit. Lot of competition from UK and abroad. Internet is good medium to reach this group.	

This is the smallest of the holiday segments for the SW and is the most difficult to attract given the low awareness and interest. However, it is important that the SW doesn't lose contact with this group because it forms potential visitors for the future. There is no point trying to sell holidays to this segment, the main market opportunities lie with:

- Weekend city and resort breaks, based around entertainment, youth culture and events aimed at young singles/couples aged 18-25.
- Adrenalin and extreme sports have strong appeal to this group.
- Romantic, shopping and city breaks aimed at older (25-35) couples

- Capitalising on the appeal of key locations and attractions which already have a strong resonance in this market such as Newquay, Bath and Bournemouth

C2 FAMILY HOLIDAYS			
Trips: 6.2m	*Nights: 28*m	*Spend*: £1000m	*Market share:* 17%
Attractiveness		*Feasibility*	
Large and valuable segment for the SW which has above average market share. Medium growth prospects but lower than for other holiday sectors. Heavily concentrated in summer peak. Bias towards coast and west of Region.		Positive attitude to SW for both holidays and breaks. Good product match and relatively easy to reach market. Strong competition from destinations abroad for holidays.	

This is a key segment for the SW which has a higher than average market share of the UK market. The family segment is already favourably disposed to the SW and has a positive view of the Region, albeit primarily focussed on Devon and Cornwall and to a lesser extent Dorset and Somerset. This market is looking for good value, no hassle, holidays and breaks in attractive settings with a range of activities to keep the children occupied and happy even if it rains. This segment will travel for breaks and longer holidays although many would go abroad by preference. The main opportunities lie with:

- Less affluent families taking main summer holidays seeking resorts and self catering accommodation on or near the coast
- More affluent families taking week long additional holidays in the shoulder periods, half term, Christmas/New Year. Countryside and coast, generally self catering.
- Weekend and longer 4/5 day breaks aimed at all groups throughout the region, Easter to October and making use of serviced and self catering accommodation.

C3 POST-FAMILY HOLIDAYS			
Trips: 5.6m	*Nights: 26*m	*Spend*: £1000m	*Market share: 2*0%
Attractiveness		*Feasibility*	
A large and valuable segment for the SW with a high market share. Good growth prospects, slightly less seasonally peaked than family holiday market and widespread relevance across region.		Good product fit although abroad is seen as preferred destination by many. Good level of product knowledge and awareness with breaks being driven by special offers. Reach through traditional media.	

This is a key segment for the SW which already has a high market penetration. The post-family segment has a positive view of the Region and a good level of product awareness and is set to increase in size. This group puts a high premium on value for money and quality and many will also be holidaying and increasingly taking breaks abroad. They are looking for scenery, interest and soft activities and are primarily interested in serviced accommodation. The main market opportunities are:

- Bargain breaks of any length (2-5 days) outside the main summer season, in good quality serviced accommodation. Special offers are a key driver for these.
- Week long holidays outside the school holidays, primarily in serviced accommodation.

All sections of this market are susceptible. The empty-nesters and newly retireds are serial holidaytakers and will take holidays abroad as well as in the UK. The 'silver-greys' (70+) take less holidays but are more likely to take them at home.

C4 BREAKS (1-6 nights)			
Trips: 12.8m	*Nights:* 37m	*Spend*: £1897m	*Market share:* 15%
Attractiveness		*Feasibility*	
Excellent growth potential, high value and volume and SW has reasonable market share. Less seasonally peaked than main holidays and wide relevance across the Region.		Short lead times and less destination focused than long holidays. Wide appeal to all groups but significant competition from abroad and other UK destinations. Susceptible to special offers and promotions	

The breaks market is huge and growing and the SW is relatively well placed to attract this business although it doesn't have a particularly high market share at present.
The main market is for people within a 2 to 3 hour drive time of the Region and 25% of breaks originate from within the Region itself.
The main market opportunities are:

- Weekend breaks aimed at pre-family segments based in towns/resorts
- Weekend breaks aimed at families in family friendly hotels and self catering accommodation
- Weekend and mid week breaks aimed at the post-family group in good quality hotels

C5 HOLIDAYS (7+ nights)			
Trips: 4.1m	*Nights:* 34.5m	*Spend*: £1094m	*Market share:* 24%
Attractiveness		*Feasibility*	
An important segment for the SW, which has a very high market share in this sector. Spend per trip is quite high because of reasonable length of stay. Growth prospects are limited however. Most relevance to seaside and countryside and to the west of the Region. Quite seasonal.		The SW has a good reputation for long holidays although faces significant and increasing competition from abroad. Long holidaytakers are more destination focused than break takers and can be influenced.	

This is an important segment for the SW, which has a strong presence in the marketplace. However the market as a whole is in decline and so it may be hard to grow this segment other than by increasing market share.
The key market opportunities for the SW lie in:

- Main summer holidays in July and August aimed at less affluent families focused on self catering accommodation.
- Additional and secondary holidays aimed at more affluent families in the shoulder period and school holidays. Primarily self catering.
- Holidays of a week or so aimed at the post family market outside school holidays using serviced accommodation and self catering.

C6 ACTIVITY AND SPECIAL INTEREST HOLIDAYS			
Trips: 2.3m	*Nights: 8.0*m	*Spend*: £281m	*Market share:* 13%
Attractiveness		*Feasibility*	
Medium sized segment but not particularly high spend. Less seasonally peaked than holidays as a whole and can attract people on the back of the activity. Modest growth expected. Huge range of potential activities so potentially relevant to most parts of the Region.		Good product fit but Region has only average market share. Strong competition. Relatively easy to reach market but complicated by wide range of activities with small markets for each. The internet is an important tool for reaching small niche interests.	

Activity holidays are an important sector of holiday tourism but also highly fragmented. Outside the main activities the market for a particular sport or interest is often tiny. The main market opportunities are:

- DIY activity holidays where people make their own arrangements. The need primarily is about raising awareness and providing information to enable people to construct their own packages. The main demand is for the big activities of walking, cycling, golf, fishing and watersports.
- Inclusive packages covering a wide range of interests and activities provided by a host of small operators.
- Informal activity programmes for people to access whilst on holiday. This is particularly important for children and families. Primarily the responsibility of destinations and local enterprises
- Activities where the SW has a competitive edge such as surfing and watersports, where it can develop a high profile and reputation

C7 DOMESTIC GROUP HOLIDAYS			
Trips: 0.7m	*Nights 3.2m*	*Spend*: £168m	*Market share: 24%*
Attractiveness		*Feasibility*	
A small market where the SW has a very high market share. Although renowned for being price sensitive, spend per trip is relatively high. Less seasonal than holidays as a whole and well spread throughout the Region. Particularly important for resorts and larger hotels. Potential for further growth.		The SW has a good product fit and is competitive with other parts of the UK although there is increasing competition from abroad. The market is relatively cheap to reach via intermediaries.	

This is a relatively small and specialised market but one where the SW has traditionally performed well and has a high market share. The market has proved to be more resilient than many thought and appears to be surviving quite well. The key market is the less affluent over 55s on 4/5 day breaks and longer (7+) holidays. These are primarily centred holidays with day excursions rather than touring holidays.

Overseas tourism

D OVERSEAS VISITORS			
Trips: 1.9m	*Nights:*15.0m	*Spend*: £634m	*Market share: 8%*
Attractiveness		*Feasibility*	
A medium size segment for the SW which has a low market share of overseas tourism, much of which is focused on London. High spend per trip. Has shown significant growth in past but recent events have depressed inbound tourism. Modest growth projected in future. Not evenly spread throughout the Region. Quite seasonal.		Product is OK but generally low awareness of Region in overseas markets. Significant competition from other destinations in UK and abroad. Expensive and difficult to reach.	

Overseas tourism is relatively high spend but forms a small proportion of tourism in the SW. Half of this is accounted for by business and VFR tourism which is less discretionary than holiday tourism. Recent events have temporarily halted the long term growth of overseas tourism.

Five countries (USA, Australia, Germany, France and Ireland) account for over half (60%) of the Region's overseas tourism. There is a clear distinction between short haul and long haul visitors. The latter are far more likely to visit the SW as part of a longer tour of the UK, whilst visitors from Europe are more likely to treat the SW or the SW/Southern England as a destination in itself. The main market opportunities are:

- Long haul destinations: Seniors, empty nesters and young singles/couples visiting the UK on an extended tour and including the SW as part of the itinerary.
- Western Europe: All age groups.

Day visits

E1 LEISURE DAY VISITS			
Trips: 148m	*Nights: 0*	*Spend*: £3771m	*Market share:* 13%
Attractiveness		*Feasibility*	
Numerically large market and significant spend, although much of it is movement by people living within the region. Further growth is likely to be limited. Quite seasonal but affects all parts of region benefit.		Good product but competitive market. Can be difficult and expensive for individual attractions to reach the market.	

This is a very important market for the SW by virtue of its size and spend but is also very broad covering all age groups and social classes and encompassing a wide range of activities. It is the lifeblood of many visitor attractions, generates income for shops, pubs, restaurants and entertainment facilities and underpins the economy of some destinations. Day visitor activity often helps support tourism infrastructure used by staying visitors.

At a strategic level much day visiting is simply moving spending around the Region from one place to another. The main incentive and responsibility for stimulating this market lies with destinations and individual attractions.

E2 GROUP DAY VISITS			
Trips: 4m	*Nights: 0*	*Spend*: £90m	*Market share:*
Attractiveness		*Feasibility*	
Small market but important for some attractions and destinations. Limited potential for further growth. Quite seasonal.		Good product but competitive market and price sensitive. Easy and cost effective to reach via intermediaries.	

A relatively small market and modest value although it equates to the same spend as made by USA visitors. Much of this is internally generated within the Region, although organised day visitors will travel further than independent day visitors. Primarily of interest to visitor attractions, retail and catering sector and certain destinations.

There are several distinct market segments:

- Outings from clubs, retirement groups etc with strong bias to the older age groups
- Coach operator excursions from home and holiday destinations which tend to be relatively downmarket
- School and education trips

3.4 Strategic priorities

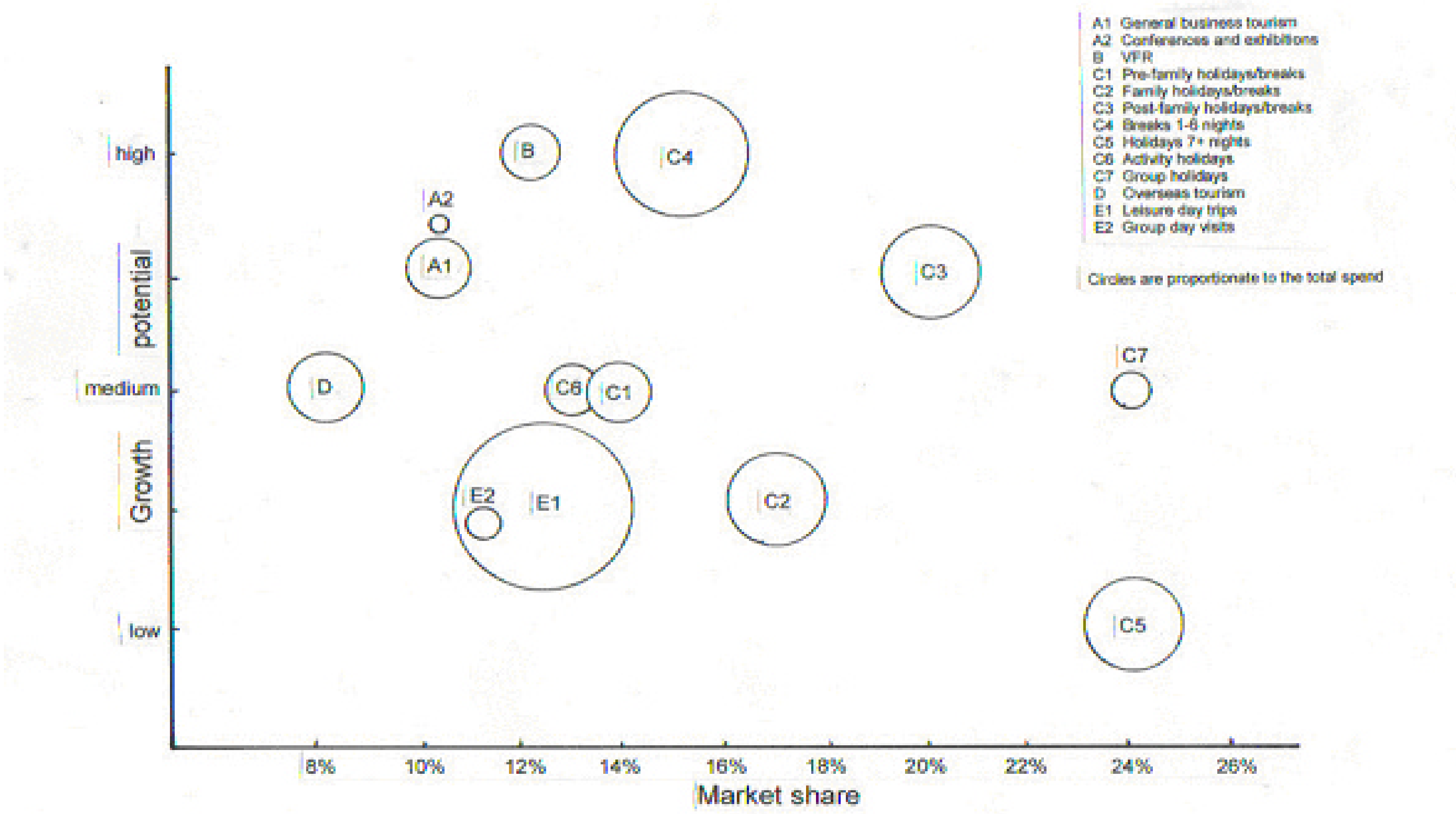
It is not possible to agree a set of market priorities that will apply to all destinations and enterprises in the SW. Market priorities will inevitably vary according to local circumstances. What makes sense for a hotel in Swindon will not be appropriate for a caravan site in West Cornwall or a district council in Dorset. It is up to individual operators and places to determine their own market strategy in the light of their own experience and knowledge.

Nevertheless, from a regional perspective it is possible to begin to identify some broad strategic priorities which might form the basis for a marketing strategy.

Figure 3.2 shows the various market segments discussed above plotted by market share and growth potential. The size of the circles are proportional to the value of the segment. Segments where the Region has a high market share indicate that the SW has been successful in attracting that market in the past and perhaps has some competitive advantage. In an ideal world the Region would be best advised to target segments which are valuable, have the best growth potential and where it has a high market share.

On this basis, the post family holiday market looks like a good proposition, as do coach holidays although they are only a small market. Breaks are attractive because of the growth potential although the Region does not have a particularly high market share. It does well in long holidays in terms of market share although growth prospects look weak. Many of the other market segments are really quite small in terms of value.

Fig 3.2 Market share and growth potential of SW segments



In the light of the preceding analysis and the information contained in the segment profiles we have distinguished between three broad categories of market priority and significance which might form a basis for future marketing strategy. We have divided these into:

- Primary markets
- Secondary markets
- Support markets

Primary regional markets

These are the main drivers of tourism in the SW, have widespread importance right across the Region and offer the best potential for future growth and prosperity. It is critical to get these right and, whilst much of the marketing will be done at the level of the sub-region and below, regional co-ordination and input will be required. Key market opportunities and products will be:

- Weekend breaks aimed at the pre-family market
- Breaks of any length and additional holidays aimed at the post family market
- Breaks and additional holidays aimed at affluent families
- Main summer holidays aimed at less affluent families
- Breaks and holidays aimed at key Western Europe markets

Secondary regional markets

These are smaller niche markets which are of less value and significance in themselves or of interest only to a small number of destinations and enterprises. Although their impact is less they are nevertheless important because they add diversity, spread the risk and create new opportunities. The market segments in this category consist of:

- Activity holidays
- Discretionary business tourism
- Coach holidays

To which we might also add segments such as:
- Cruise ships
- Language schools

Supporting regional markets

These are importance sectors of tourism and help support the tourism infrastructure and many enterprises but there is relatively little that can be done at a regional or sub-regional level to influence them. Action is primarily down to the level of the enterprise or destination. These include:
- General business tourism
- VFR
- Independent and group day trips