



Visit Wales 2010 Business Wave Survey

End of Year Summary Report

November 2010



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## 1. Research Background

### Objectives & Timing

- 1.1 Visit Wales commissioned Strategic Marketing to conduct a 'Tourism Business Survey' in five stages or 'waves' throughout 2010. Strategic Marketing has been conducting this research since 2005. The aim of the survey was to measure business confidence in the Welsh tourism industry and performance over the major holiday periods.
- 1.2 The survey has covered the following issues:
- Business confidence
  - Visitor numbers
  - Visitor trends – Wales, UK, Overseas
  - Turnover
  - Occupancy levels
  - Investment
  - Booking trends
  - Challenges in 2010
  - Business tourism, travel trade and group travel
  - Impact of the Ryder Cup
  - Online booking facilities and e-commerce
  - Online marketing
  - Importance of local events
  - Training organisations
  - Local sourcing of goods and services

- 1.3 Each of the five research waves has taken place immediately after a major holiday period. The table below shows the dates of the fieldwork for each wave.

Wave	Period	Fieldwork period
1	Christmas / New Year	4 - 8 Jan
2	Easter	6 - 9 Apr
3	May (bank holidays & school half term)	7 - 11 Jun
4	Summer	31 Aug – 3 Sep
5	Autumn (school half term)	1 - 4 Nov

- 1.4 This final report comments on overall trends through the year and highlights any significant findings which become apparent from viewing the five waves of the research as a whole.

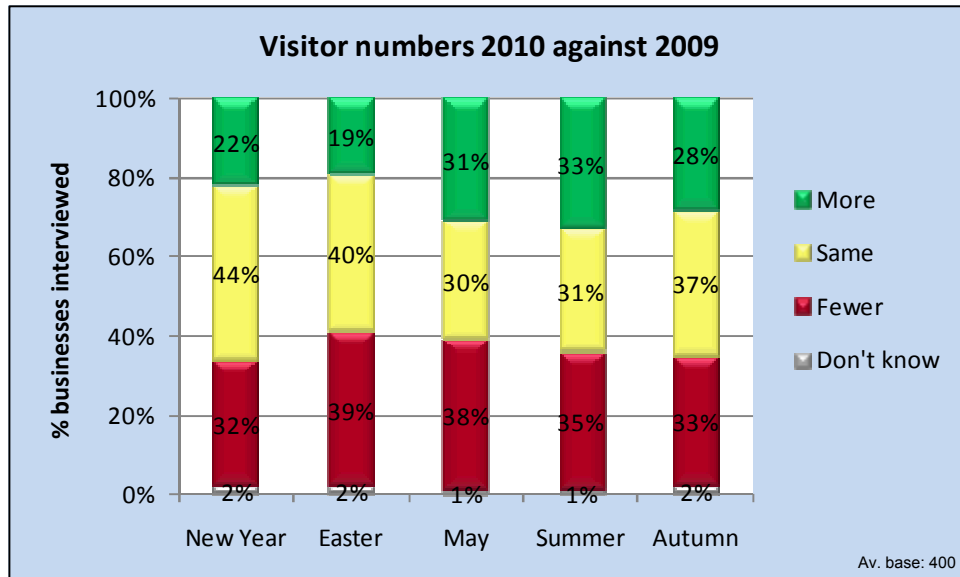
### Methodology & Sample

- 1.5 In each wave, a minimum of 400 telephone interviews have been conducted based on sampling quotas by region and sector. The table below shows the total number of interviews by cell across the whole year.

	North Wales	Mid Wales	South West Wales	South East Wales	Total
Attractions	125	49	100	124	<b>398</b>
Serviced	201	127	128	151	<b>607</b>
Self Catering	204	124	174	100	<b>602</b>
Campsites	177	102	101	25	<b>405</b>
<b>Total</b>	<b>707</b>	<b>402</b>	<b>503</b>	<b>400</b>	<b>2,012</b>

- 1.6 It is important to remember that this research is designed only to be an early indicator of performance in the Welsh tourism industry whilst the more detailed UKTS and IPS figures are usually prepared for release about six months later. The conclusions presented here are a summary of feedback from the trade, whereas the UKTS and IPS figures, when released, should give a more accurate picture.

## 2. 2010 Overall Findings



- 2.1 In each wave, businesses have been asked to compare their guest/visitor numbers with the equivalent period last year.

### 2010 has been a challenging year

- 2.2 2010 has been a challenging year for the tourism industry in Wales. The proportion of businesses reporting decreased visitors (shown in red on the above chart) has been higher than the proportion reporting increased visitors (shown in green) in every period.

### Recession felt most strongly this year

- 2.3 The Welsh tourism industry benefited slightly from the recession last year as large numbers of British holidaymakers remained in the UK, but this year the economic climate has had a more negative impact. Some tourism businesses in Wales normally receive much of their income from the older generation, who have been hit by loss of interest on savings.
- 2.4 Whilst the economy may have picked up over the second half of the year, the insecurity over jobs has made people very nervous about committing to spending on holidays and breaks.

*“We are 40% down due to us usually getting the older generation. Their savings have lower interest so they have less disposable income”*

Serviced, South East, May wave

*“This is the worst year we have had in 25 years. People are taking shorter breaks because they are short of money”*

Self catering, South East, May wave

*“The recession has hit harder this year I think”*

Caravan park, South West, Summer wave

### **Summer was the best period however**

- 2.5 In spite of some difficult periods, the summer period, which represents by far the largest volume of visitors out of the five waves, was the best. Therefore the overall visitor figures for the year may turn out to be better than how the above chart depicts. The volcanic ash cloud, which grounded flights all over Europe in the early summer, was a welcome freak of nature to encourage British holidaymakers to remain in the UK. Many were already planning to remain in the UK due to lack of disposable income, job insecurity and airline problems.

*“Volcanic cloud not allowing people out of the country. Some airlines went bust also”*

Self catering, South East, Summer wave

*“Volcanic ash cloud forced people to holiday in the UK”*

Self catering, North, Summer wave

*“People are taking more care with their money and not going abroad as much”*

Serviced, Mid, Summer wave

### **Bad weather made for a very slow start**

- 2.6 The tourism industry spent much of the year trying to make up for a poor start. Extreme temperatures in early January prevented many people from travelling, and the rain arrived at the wrong time at Easter, normally the industry's first busy spell of the year.

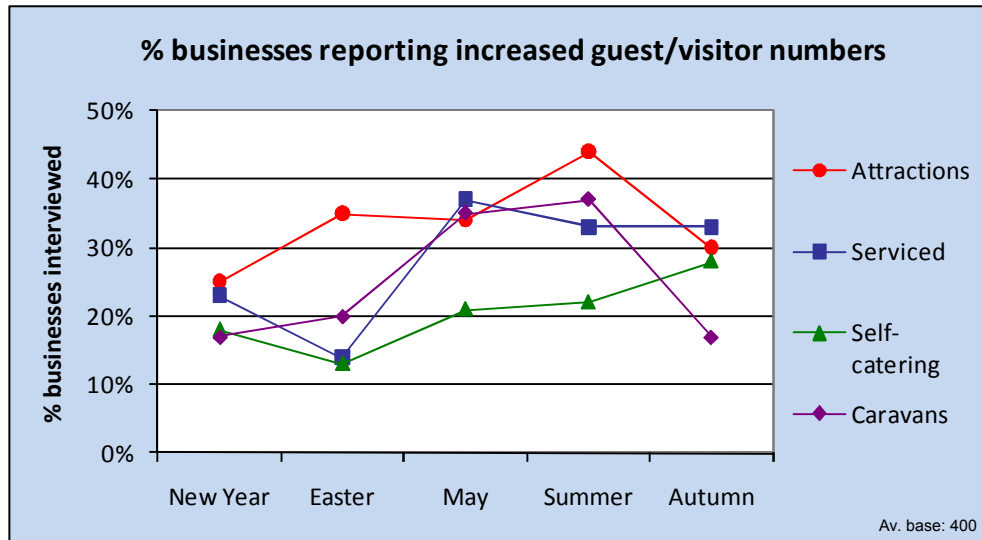
*“Extreme weather has meant we have had more cancellations”*

Serviced, Mid, New Year wave

*“Wet and windy – a lot of people cancelled”*

Caravan park, Mid, Easter wave

### 3. Sector Overview



- 3.1 The above chart shows how the four industry sectors have performed in terms of the proportion of businesses reporting increased visitor numbers in comparison to the equivalent 2009 period.

#### Attractions have enjoyed a good year

- 3.2 Attractions have had a good year, especially in the summer, when close to half (44%) increased their visitor numbers.

*“Our summer has been pretty solid this year. Our figures are slightly down but our income has been up, so overall it has been a really good summer”*

**Cardiff Castle, Summer wave**

#### Caravan parks have taken business from self-catering

- 3.3 Caravan & campsites have done well again in the recession this year. When money first starting getting tight, many consumers went out and bought tents. Now that they have the equipment and realise they quite enjoy it, the success of the caravan & camping sector looks set to continue during times when the weather holds up. The self catering and perhaps the serviced sectors appear to have suffered partly because of this.

*“More people have bought caravans”*

**Caravan park, Mid, Summer wave**

*“We had more tents this year. People are staying in tents rather than hotels now”*

Caravan park, Mid, Summer wave

### **But camping is no fun in the rain**

- 3.4 However, the caravan & camping sector has not had this year all its own way as it is highly susceptible to being washed out by bad weather at the wrong times. Easter was a good example of this.

*“The weather was wet and windy so the people who booked didn't show up”*

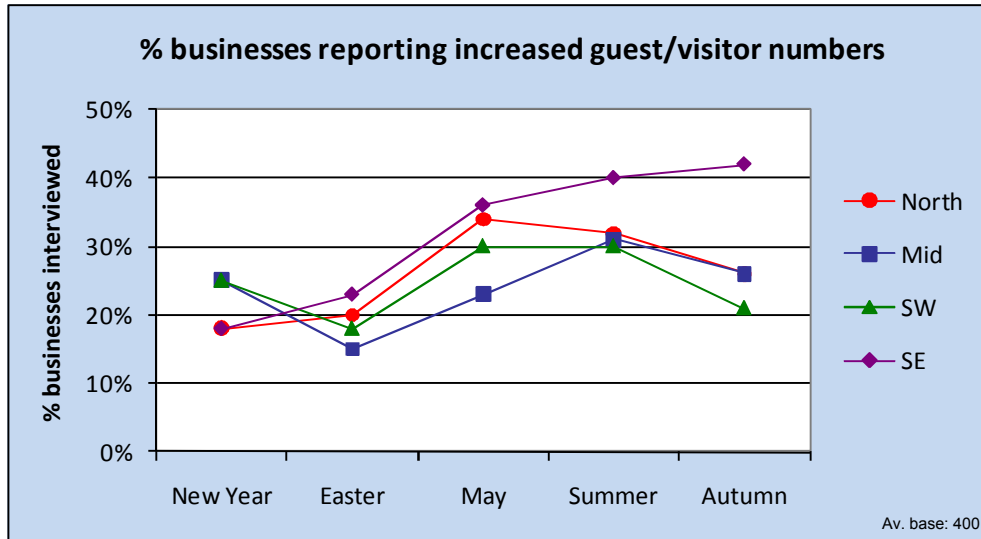
Caravan park, South East, Easter wave

*“The fields were flooded. About 50% of the business was down this Easter”*

Caravan park, Mid, Easter wave



## 4. Regional Overview



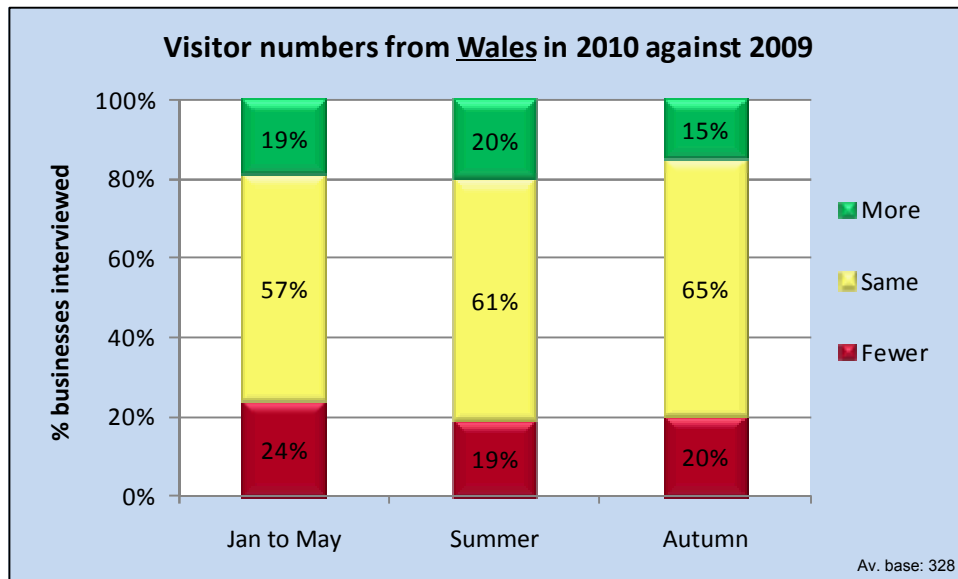
- 4.1 The above chart shows how the four regions of Wales have performed in terms of the proportion of businesses reporting increased visitor numbers in comparison to the equivalent 2009 period.

### Performance has been fairly consistent by region

- 4.2 This year has not seen many significant differences by region, as the major factors affecting tourism have been national.
- 4.3 The south east has been the exception in the autumn, when over two in five (42%) increased their visitors.

## 5. Visitor Origins

### Visitors from Wales

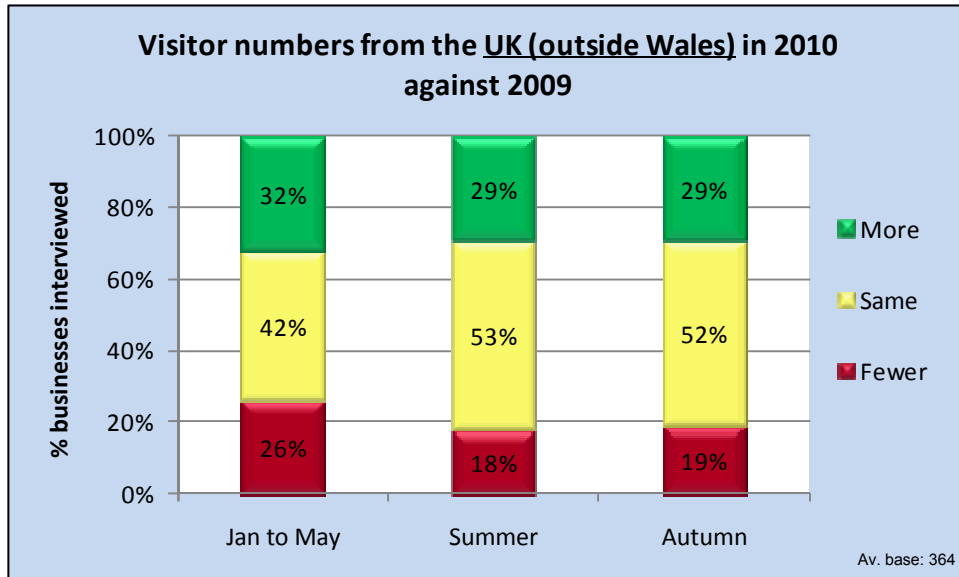


- 5.1 In the May, summer and autumn waves, questions were asked about visitor levels from three different markets: Wales, UK (outside Wales) and overseas. In the May wave, respondents were asked about visitor levels for the year to date, hence this period is shown as 'Jan to May' on the above chart.
- 5.2 The above chart shows the visitor levels through the year from Wales. Some operators are not very aware of where their visitors come from; any 'don't knows' are excluded from the above figures.

#### Wales levels vary by sector

- 5.3 Visitors from Wales have remained fairly stable through the year across the industry. However the figures vary by sector. Attractions have enjoyed increased visitors from Wales in every period. The caravan & camping sector has attracted increased visitors from Wales through the year apart from autumn, but probably at the expense of the serviced and self catering sectors. The decline in performance of self catering this year appears to be linked to their decreased visitors from Wales.

## Visitors from the UK (outside Wales)



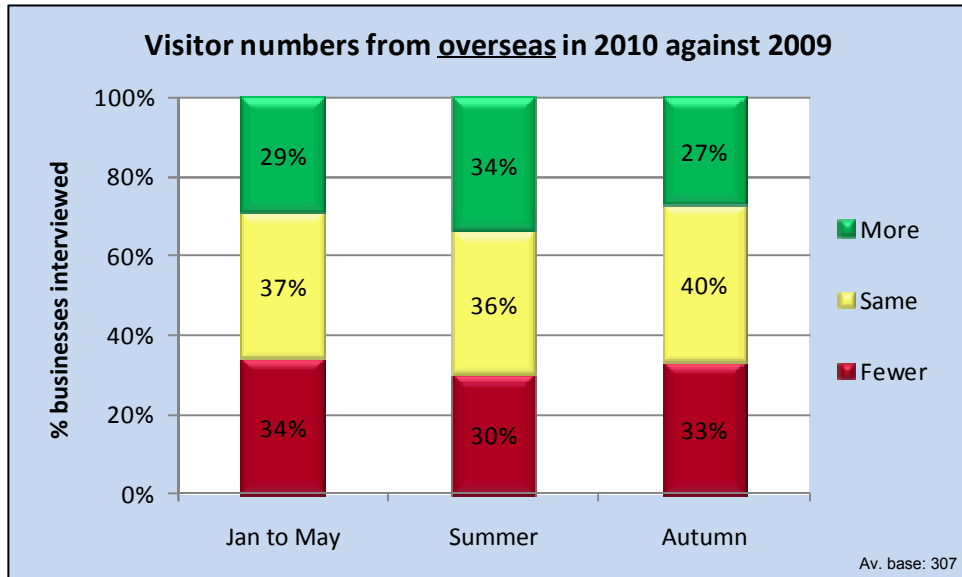
- 5.4 This second chart shows visitor levels for visitors from the UK outside of Wales.

### UK visitors slightly up through the year

- 5.5 Visitors from the UK outside Wales have been slightly up on 2009 throughout this year. This has been the case across all four sectors, except in self catering in Jan - May, and in caravan & camping in the autumn.
- 5.6 Welsh attractions have done particularly well in attracting UK visitors this year.

*“During the autumn season, thousands of people visited the Llanberis area. One of the main attractions was the annual Snowdonia Marathon. Many visitors took advantage of the excellent attractions available in the area”*  
**Parc Padarn, Autumn wave**

## Overseas Visitors



5.7 This final chart shows the visitor levels for overseas.

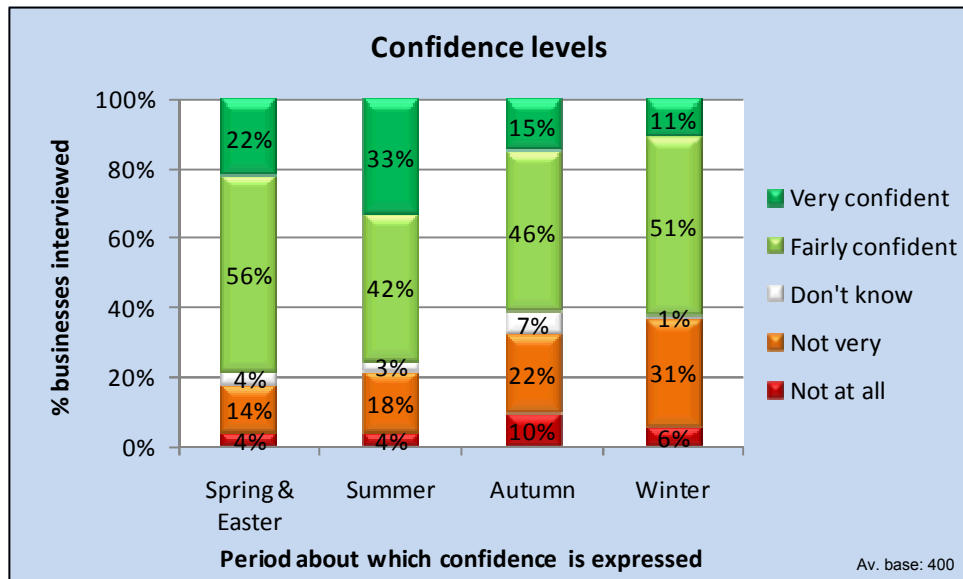
### Overseas up in the south east

5.8 Overseas visitors levels vary by region. South east Wales has been very successful in attracting overseas visitors this year. In the other three regions, overseas visitors have mostly been down this year, apart from in the summer, which was more stable.

*“Our overseas visitors have been mainly Europeans; the number of visitors from America has definitely decreased”*  
Attraction, South East, Autumn wave

## 6. Confidence

### Confidence levels through 2010



- 6.1 Operators have been asked how confident they feel about the next period. The x axis on the above chart shows the period about which confidence is expressed.

#### Confidence in seasonal

- 6.2 Operators are usually more optimistic when warmer and lighter conditions are on the way. Confidence then usually starts to dwindle when the winter is setting in.

#### Confidence in spite of challenging times

- 6.3 In spite of a challenging year and at times, greatly reduced advance bookings, operators have remained reasonably optimistic through the year. Confidence levels for each period are fairly similar to last year.

*"I feel that despite not having many advance bookings, the last minute bookings will come in"*

Self catering, South West, May wave

## Confidence for 2011

- 6.4 In the final wave of the year (autumn), operators were asked about their expectations for next year.

### It would be good just to survive

- 6.5 The general feeling is that to get through 2011 and still be running a business profitably will be something to be grateful for. Thoughts of increasing business and having a great year are just not realistic for most.

*“We scraped through 2010. If we do the same for 2011 I’ll be happy”*  
Serviced, North, Autumn wave

*“I think the older people will be tightening their belts due to the economy. I’ve had a few enquiries about shorter breaks but not week or fortnights”*  
Self catering, South East, Autumn wave

### Pro-active businesses view things very differently

- 6.6 In spite of the negative outlook portrayed by many, some operators are very confident about next year. They tend to have invested heavily in marketing and are already seeing the rewards in advance bookings.

*“It’s mad. I haven’t a free weekend from the beginning of March until the end of October. I even have a booking for 2012”*  
Serviced, South West, Autumn wave

*“Excellent expectations, mainly down to our own marketing”*  
Caravan park, North, Autumn wave

*“We are doing massive marketing at the moment ... so I’m fairly positive”*  
Attraction, Mid, Autumn wave

*“People are still wary to spend money so prices are being forced down but there is plenty of trade out there if you market correctly”*  
Self catering, South West, Autumn wave