

2009 TOURISM BUSINESS SURVEY

Final Report

*Completed by Strategic Marketing
on behalf of Visit Wales
26 November 2009*



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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 2009. 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 profile
 - Turnover
 - Occupancy levels
 - Investment
 - Booking trends
 - Interaction with the local TIC
 - Usefulness of services provided by the TIC
 - Impact of the recession
 - Price discounting
 - Local sourcing of goods and services
- 1.3 Each of the five standard research waves has taken place immediately after a major holiday period and Strategic Marketing has submitted a report on the key findings of each of the waves on the dates below.
- 1.4 In addition to the standard five waves this year, an 'extra' wave was also commissioned in March to examine more closely the impact of the recession.

Wave	Period	Research commenced	Report submitted
1	Christmas / New Year	7 Jan	12 Jan
<i>Extra</i>	<i>Advance bookings for 2009</i>	9 Mar	13 Mar
2	Easter	14 Apr	18 Apr
3	May (bank holidays & school half term)	1 Jun	5 Jun
4	Summer	1 Sep	4 Sep
5	Autumn (school half term)	2 Nov	6 Nov

- 1.5 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

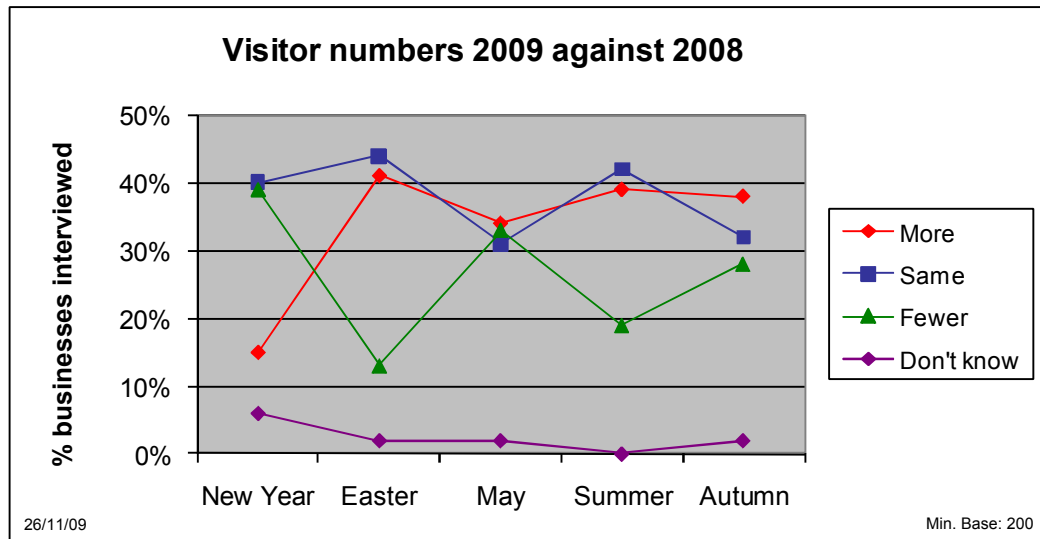
- 1.6 In each wave, a minimum of 200 telephone interviews have been conducted based on the sampling quotas below. The total number of interviews conducted throughout the six waves is 1,231. The sampling quotas ensured that an adequate sample size by regions and sectors has been obtained.

	North Wales	Mid Wales	South West Wales	South East Wales	Total
Attractions	12	10	10	8	40
Serviced	18	15	15	12	60
Self Catering	18	15	15	12	60
Campsites	12	10	10	8	40
Total	60	50	50	40	200

- 1.7 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. 2009 Overall Findings

Guest/Visitor Numbers



2.1 In each wave, businesses have been asked to compare their guest/visitor numbers with the equivalent period last year. The above chart shows the percentage of businesses giving each answer for the standard five waves (the question wasn't asked in the 'extra' wave, which focused on advance bookings).

2009 has been a good year

2.2 The Welsh tourism industry has enjoyed a good year. After an uncertain start, the industry enjoyed busy Easter and summer periods, when the proportion of businesses reporting increased visitor numbers (depicted by the red line on the above chart) far outweighed the proportion reporting decreased numbers (depicted by the green line).

Easter fell later this year

2.3 Last year the tourism industry missed out on cashing in over Easter as it fell in March, when the weather was still quite cold and the clocks had not yet changed to BST. This year Easter Sunday fell on 12th April. Consequently two in five (41%) businesses reported increased visitor numbers and nearly half (44%) achieved the same level.

"The fact that Easter was later is important"
Serviced, South West, Easter wave

"You can't really compare against last year, when Easter was a non-event"
Portmeirion, Easter wave

More British people have remained in the UK

- 2.4 Easter was also the first sign of a significant number of British holidaymakers staying in the UK instead of going abroad – a trend which was to continue throughout the remainder of the year. It appears that the recession and the weak pound have had more of a positive effect on the industry than a negative one.
- 2.5 At the peak of the tourism year in the summer, two in five (39%) businesses reported increased visitor numbers and a further two in five (42%) reported the same level. The weather wasn't good a lot of the time, but the media had already done the industry a favour by promising a 'barbeque summer'.

"Everyone was told we would have a great summer so people stayed in this country ... recession as well"

Attraction, North, Summer wave

"With the credit crunch we thought we would find more people staying in the UK, and we have found that we are getting more people from Wales and the UK coming to visit"

Caerphilly Castle, Summer wave

Last minute bookings

- 2.6 Another key trend this year has been the tendency for people to book last minute. A number of reasons have contributed to this: lack of job security, uncertainty about disposable income, previous bad summer weather and the hope of last minute deals.

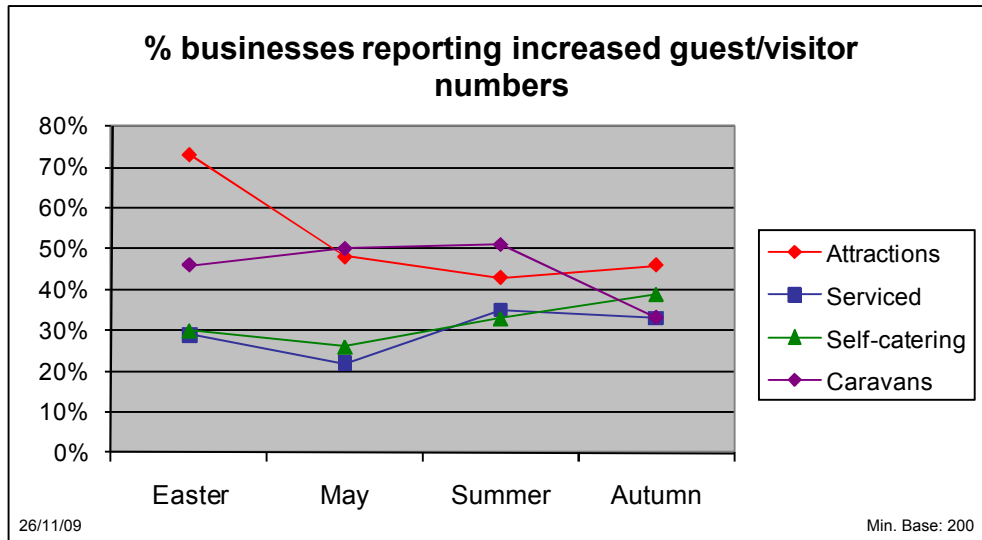
"I think it is a combination of the weather and people just not sure whether to go on holiday or not; people are just too scared to make a decision"

Self-catering, North, Extra wave (March)

"Depends on the weather really. If there's a good turn then you get lots of last minute bookings. If not then you don't"

Caravan Park, South East, Summer wave

3. Sector Overview



- 3.1 The chart shows how the four industry sectors have performed in terms of guest/visitor numbers in comparison to the equivalent 2008 period. The New Year period is not included because fewer operators were open and so this reduced the sample size, making comparisons between sectors unreliable.

Attractions have done very well

- 3.2 Attractions have had a very successful year. The sector has performed well in every period and has benefited from more people remaining in the UK.

"We were 40% up on last Easter"

Tintern Abbey, Easter wave

"We were 15% up on half term week"

Portmeirion, May wave

"It has been pouring down but we have still been really busy"

Padarn Country Park, Summer wave

Caravan parks have benefited from the recession

- 3.3 Caravan & campsites have also had a successful year, especially during the warmer months, as UK 'staycationers' have sought to reduce the cost of taking a holiday.

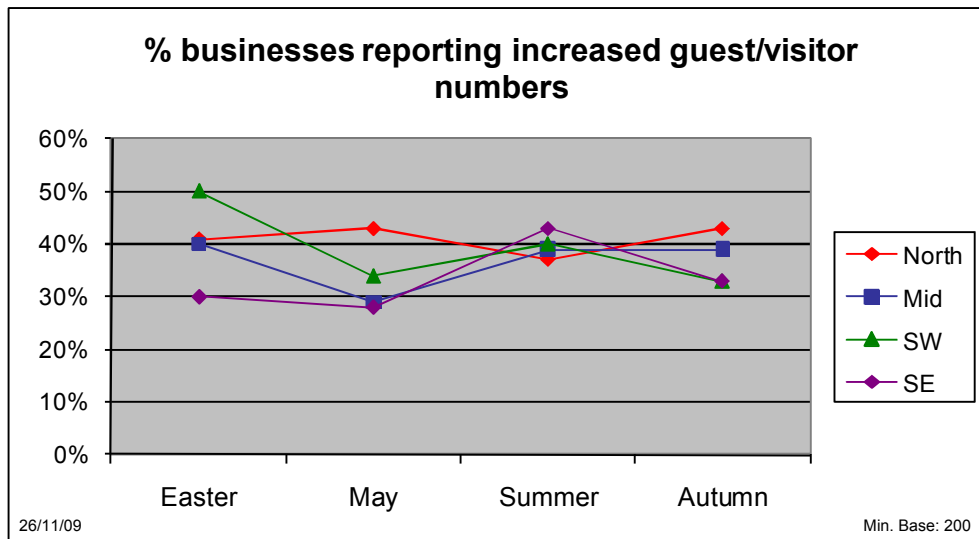
"Last Saturday was the busiest we've ever been for tents"

Campsite, North, May wave

"Recession ... more people doing caravanning"

Caravan park, South East, May wave

4. Regional Overview



- 4.1 The chart shows how the four geographical regions have performed in terms of guest/visitor numbers in comparison to the equivalent 2008 period. The New Year period is not included because fewer operators were open and so this reduced the sample size, making comparisons between sectors unreliable.

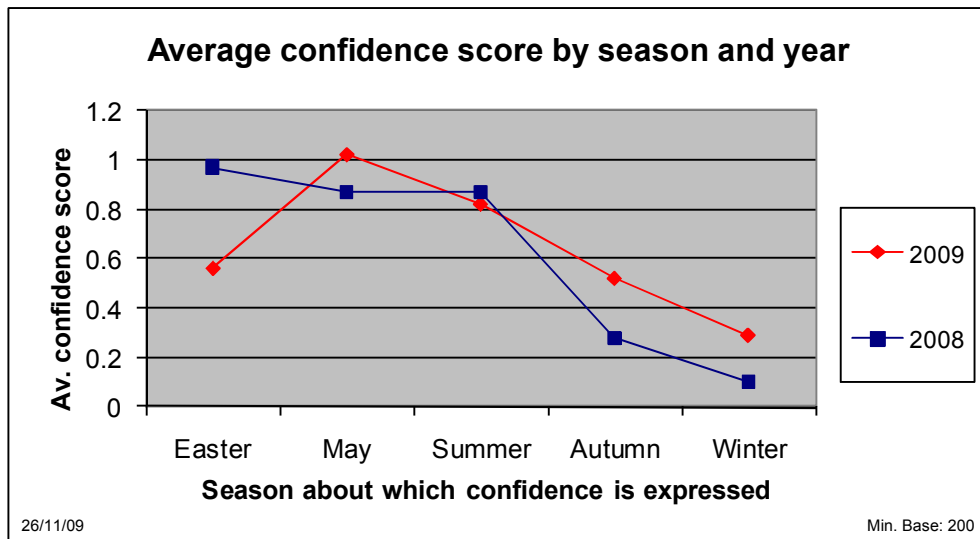
Industry performance has been consistent across Wales

- 4.2 This year has been the first year of the research when industry performance has been consistent across the four regions of Wales. In previous years some parts have performed much better than others, with quite often the south performing better than the north. This year though visitors to Wales have been returning to the north.

"Due to the current economic climate, more people are more willing to holiday in the UK than previously"
Self-catering, North, May wave

"We've got the right things in place and we're up on last year about 30%"
Attraction, North, Autumn wave

5. Confidence



- 5.1 The 'average confidence score' has been calculated according to the table below. Confidence is very seasonal.

Respondent's answer to confidence about the coming season	Confidence score
Very confident	+2
Fairly confident	+1
Don't know or neither/nor	0
Not very confident	-1
Not at all confident	-2

- 5.2 After an uncertain beginning, confidence levels this year have been higher than last year. The economic climate first deteriorated significantly around autumn 2008, but the reality for the tourism industry in 2009 has been much better than many expected at the start of the year. The mood is much more optimistic now than it was in uncertain times 12 months ago.

"We're very optimistic for the future. Tourism just seems to be growing in Wales"

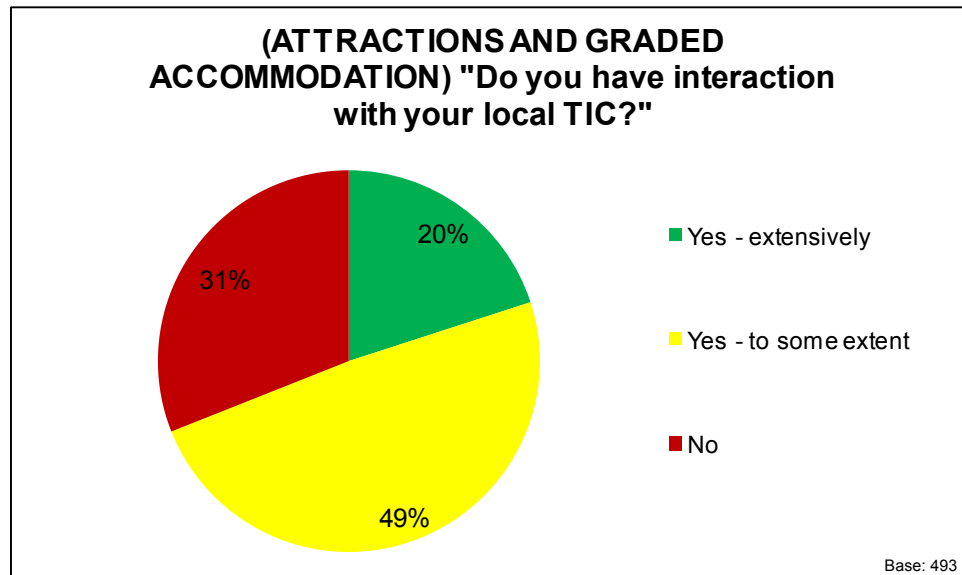
Caerphilly Castle, Autumn wave

"We're very optimistic for the future"

Museum of Welsh Life, Autumn wave

6. Tourist Information Centres

- 6.1 In the May, summer and autumn waves this year we have asked businesses questions on the topic of TIC's – whether they interact with them and their role.



- 6.2 Combining answers across the three waves, around one in five (20%) attractions and graded accommodation businesses have extensive interaction with their local TIC, and a further half (49%) have some interaction.

TIC closures have affected many businesses

- 6.3 More businesses would have answered 'yes' to the above question if their nearest TIC hadn't closed recently. TIC closure has impacted significantly on businesses in some parts of the country, especially Powys.

"The TIC in Llandrindod Wells has been closed down and we have lost a lot of business as a result"

Caravan park, Mid, Autumn wave

"The nearest TIC is 30 miles away and it is too far to be of any use. I also feel it has had a very bad effect on attractions"

Serviced, Mid, Summer wave

TIC's are highly valued

- 6.4 It is clear that TIC's are highly valued by businesses, a theme which has been consistent across the three waves.

"We've got a good relationship with the TIC ... they've advised us and they give feedback on things like new leaflet designs"

Museum of Welsh Life, Autumn wave

"We've got a good relationship with the TIC, we know them personally. There's good communication and co-operation on projects"

Caerphilly Castle, Autumn wave

"The local TIC is marvellous. They are very helpful and promote the area well"

Self catering, North, May wave

Reasons for not interacting with TIC

- 6.5 Just under one third (31%) of businesses do not interact with their local TIC. The main reason is that they feel their business operates satisfactorily without this interaction. It is evident however that not all operators understand the role of the TIC and develop negative views towards them if tourists are not coming to the area or they don't receive lots of referrals.

"I find the centres very helpful – would like to see Wales advertised in other countries"

Caravan park, South East, Autumn wave

"Just bring people into the area"

Attraction, South West, Autumn wave

"They [the TIC] do not promote the property and do not send any business our way"

Self catering, North, Summer wave