

# TOURISM BUSINESS SURVEY

## Final Report 2005

*Completed by Strategic Marketing  
on behalf of  
Wales Tourist Board  
23<sup>rd</sup> November 2005*



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## 1. Research Background

### Objectives & Timing

1.1 Wales Tourist Board commissioned Strategic Marketing to conduct a 'Tourism Business Survey' in five stages or 'waves' throughout 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
- Guest/visitor trends
- Recruitment
- Turnover
- Marketing
- Investment
- Booking trends
- Occupancy levels
- External factors affecting tourism in Wales

1.3 Each of the five 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.

Wave	Period	Research commenced	Report submitted
1	Christmas / New Year	17 Jan	24 Jan
2	Easter	29 Mar	4 April
3	May (bank holidays & school half term)	6 June	9 June
4	Summer	30 Aug	2 Sep
5	Autumn (school half term)	31 Oct	8 Nov

1.4 The aim of this final report is to comment on overall trends through the year and highlight any significant findings which become apparent from viewing the five waves of the research as a whole.

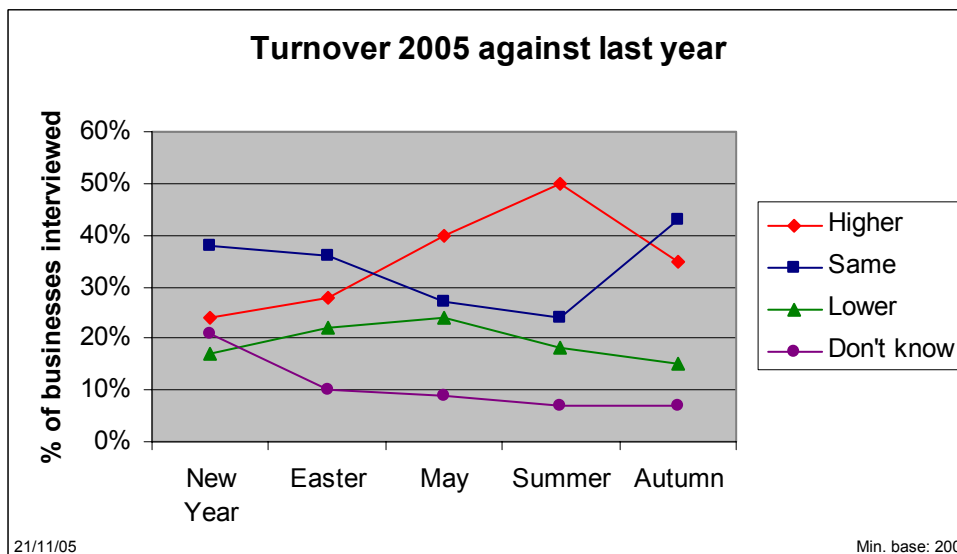
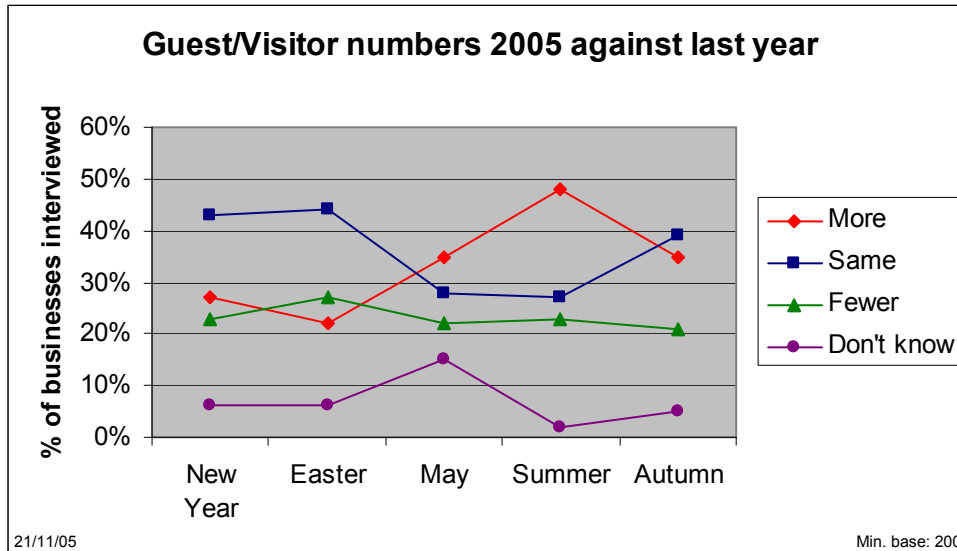
## Methodology & Sample

- 1.5 In each wave, a minimum of 200 telephone interviews were conducted based on the sampling quotas below. The total number of interviews conducted throughout the five waves is 1,103. The sampling quotas ensured that an adequate sample size by regions and sectors was 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
<b>Total</b>	<b>60</b>	<b>50</b>	<b>50</b>	<b>40</b>	<b>200</b>

## 2. 2005 Overall Findings

### Guest/Visitor Numbers and Turnover



- 2.1 In each wave, businesses have been asked to compare their guest/visitor numbers and turnover with the equivalent period last year. The above charts show the percentage of businesses giving each answer for the five waves.
- 2.2 After a steady start to the year, tourism in Wales picked up significantly from May through the remaining periods.
- 2.3 The highlight has been an excellent summer, when almost half (48%) of businesses interviewed reported an increase in guest/visitor numbers against summer 2004 and half (50%) reported an increase in turnover.

- 2.4 The autumn has been almost an extension of the summer, when many businesses have continued to attract increased trade in the warm September and October months.
- 2.5 The 2005 survey has ended positively, with more businesses reporting an increase in guest/visitor numbers in the final wave than in the first wave of the year.

### Perceived Reasons for Success or Failure

- 2.6 A notable theme through the research is that of a polarisation between the successful businesses and those whose results were poor by comparison
- (1) The former group acknowledge its own contribution towards its success or failure, and believes that effective marketing, investment and the ability to generate repeat business are the key to success.
  - (2) The latter are prone to see extraneous factors accounting in fair measure for their comparatively poor performance
- 2.7 'Group 1' businesses demonstrate how a pro-active attitude and good feel for business will generate success:

*"We've had a terrific result from investing in our website and registering with search engines. This has given us a huge increase in enquiries and as a result we have been fully booked for much of this year"*

Serviced, South West, Wave 5

*"I call the newspaper regularly to try and get articles...I've been on TV a couple of times"*

Attraction, South East, Wave 5

*"We have made many improvements and introduced new children's activities during the summer holidays"*

Attraction, South East, Wave 4

- 2.8 Although 'group 1' businesses don't always get it right, they do at least have enough market awareness to learn from their experiences:

*"We were quieter because we lost out to the competition"*

Caravan site, South West, Wave 3

*"Our competitors have had strong advertising coverage"*

Self-catering, North, Wave 3

- 2.9 Businesses in 'group 2' are most apparent when they blame factors that don't make a lot of sense:

*"The weather wasn't as good this summer"*

[following many weeks of sunshine and heatwaves]

Attraction, South East, Wave 4

*"Tsunami and general election"*

[explanation of why guest numbers were down this summer]

Serviced, Mid Wales, Wave 4

- 2.10 Many businesses disappointed with trade have attributed it to a fall in the numbers of tourists. However, this has been contradicted by similar businesses in the same town or area. The excellent guest/visitor figures from May through to October show that there has been no shortage of tourists in Wales; therefore one can only assume that the more successful businesses have won the custom through product quality, added value, keen marketing and other astute business practices – and the majority of ‘group 2’ businesses are not performing as well in these areas of operation.
- 2.11 Some ‘group 2’ businesses openly admit that being pro-active is not for them:

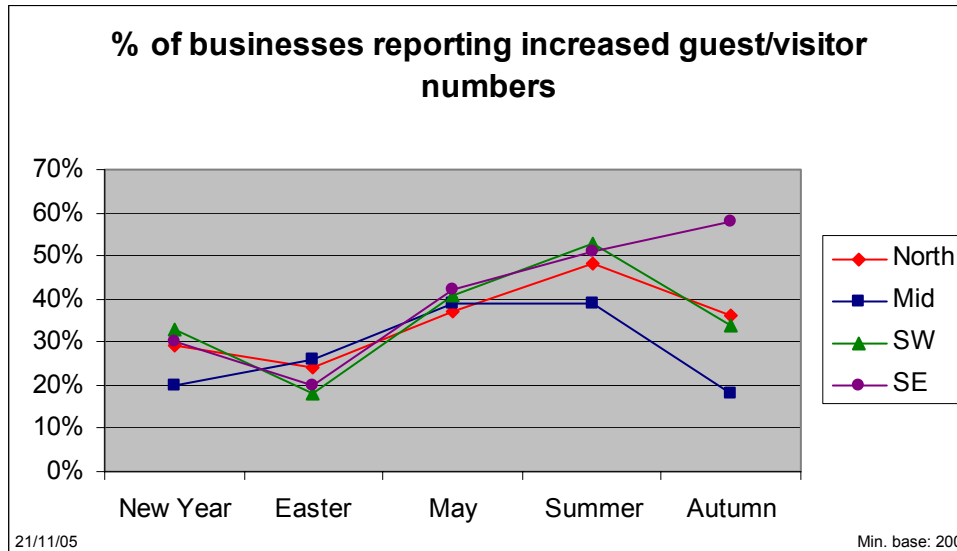
*“We will be open for business during the winter but we’re not too bothered whether anyone comes to stay”*

Serviced, South West, Wave 5

*“We’re open for business this winter ... we’ll see if anyone turns up”*

Serviced, North, Wave 5

### 3. Regional Overview



- 3.1 The above chart shows how the four geographical regions have performed in terms of guest/visitor numbers in comparison to the equivalent 2004 period.

#### South East

- 3.2 The south east region (SE) has become progressively stronger through the year. In the final wave, the performance of the south east was well ahead of the other three regions, when more than half (58%) of businesses interviewed reported an increase in guest/visitor numbers for the period.
- 3.3 A frequent reason given for the success in this region is activities in Cardiff, in particular at the Millennium Stadium.

*"Football in Cardiff has given us a good month"*  
Serviced, South East, Wave 3

*"Corporate hospitality for the FA Cup was one of our most popular events...there is growing recognition of Cardiff as a great place to visit"*  
**Kevin Burt, Manager, Cardiff Castle, Wave 3**

#### Mid Wales

- 3.4 Mid Wales has not done as well as the other regions this year. After a slow start to the year, the region later missed out on the excellent summer trade enjoyed by the other three regions and then had a disappointing autumn.

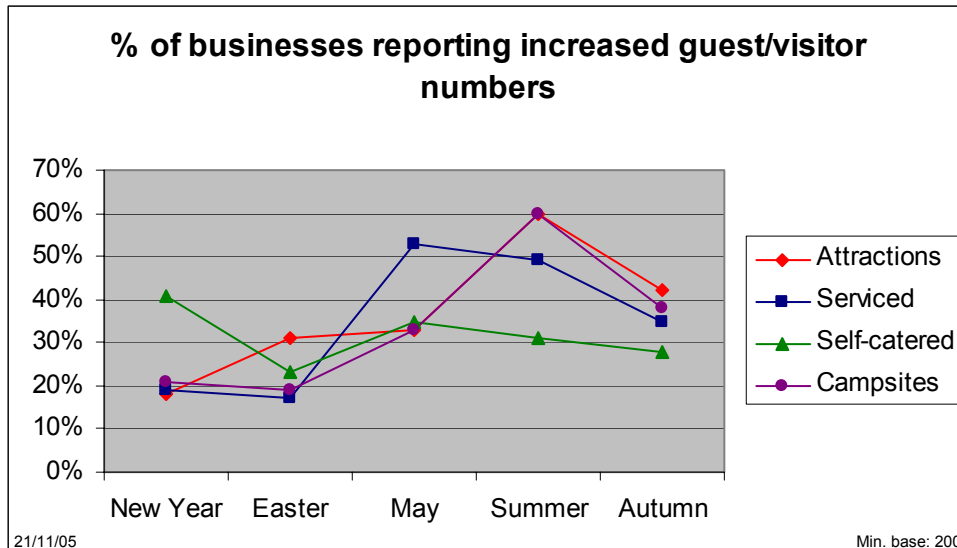


- 3.5 Successful businesses in Mid Wales have done well by generating repeat business. Unsuccessful businesses are suggesting a downturn in tourism in the region.

*“Visitors don’t come to our town as they used to”*  
Attraction, Mid Wales, Wave 4

*“Tourism in our region has been very poor this year”*  
Self-catered, Mid Wales, Wave 5

## 4. Sector Overview



- 4.1 The above chart shows how the four sectors of the tourism industry in Wales have performed in terms of guest/visitor numbers in comparison to the equivalent 2004 period.

### Attractions

- 4.2 The large attractions have had a good year. A key theme in their success is their marketing effort in putting on varied themed events to draw in the crowds.

*“New event drop-ins have been really good at attracting people”*

**Vanessa Cooke, Countryside Officer, Loggerheads Country Park, Wave 4**

*“Our recent programme of special event weekends has proved to be extremely popular”*

**Cath Letton, Marketing & PR Manager, Technquest, Wave 5**

*“WWII at the Museum of Welsh Life has proved a great attraction and was very successful throughout the month of May”*

**Gwenllian Carr, Head of Press and PR, Museum of Welsh Life, Wave 3**

*The ‘Teddy Bears’ Picnic’ and the ‘Lord Mayor’s Garden Party’...have been some of the most popular events”*

**Kevin Burt, Manager, Cardiff Castle, Wave 3**

### Self-catering

- 4.3 After a very positive start to the year, the self-catering sector has struggled to keep up with the other sectors. The sector largely missed out on the excellent summer period for tourism, when one in three (31%) self-catering

businesses reported an increase in guest numbers but the same proportion (31%) reported a decrease.

## 5. Staff Recruitment

- 5.1 Research into recruitment issues in the tourism industry this year has shown that it is a notoriously difficult task for many businesses.
- 5.2 In wave 1, one third (33%) of respondents reported that they were not confident of finding suitable new employees.
- 5.3 In wave 3, the same proportion again (33%) reported that they were not confident of being able to recruit suitable staff for the summer season and in wave 4, nearly half (43%) of respondents who had taken on additional staff for the summer reported that they had done so with difficulty.
- 5.4 The sector having the greatest difficulty in recruiting appears to be serviced accommodation, where common reasons given include a lack of skilled workers locally, tourism perceived as low paying and dislike of hard work.

*“People would rather sit on a till than clean up other people’s mess”*  
Serviced, South East, Wave 3
- 5.5 Attractions appear not to have quite the same difficulty recruiting that the other sectors have.

## 6. Trends in the Tourism Market in Wales

### Overseas Visitors

- 6.1 In the first two waves, the number of tourists from overseas was more or less the same as last year. Then the London bombings in July appear to have affected confidence among overseas tourists to travel to the UK and there is evidence that Wales is partly affected by this.

*“Certainly Americans haven’t come and there are not many advance bookings from overseas for autumn and Christmas”*

Serviced, North, Wave 4

*“Since the bombs, Americans have been staying away”*

Serviced, South East, Wave 4

- 6.2 In wave 5, businesses were asked the open-ended question “Looking back at the year 2005 so far, has anything changed significantly about the tourism market?” To this, 13% of respondents stated they have noticed significantly fewer overseas visitors.

*“There are no Americans. I think they’re frightened about terrorism”*

Serviced, North, Wave 5

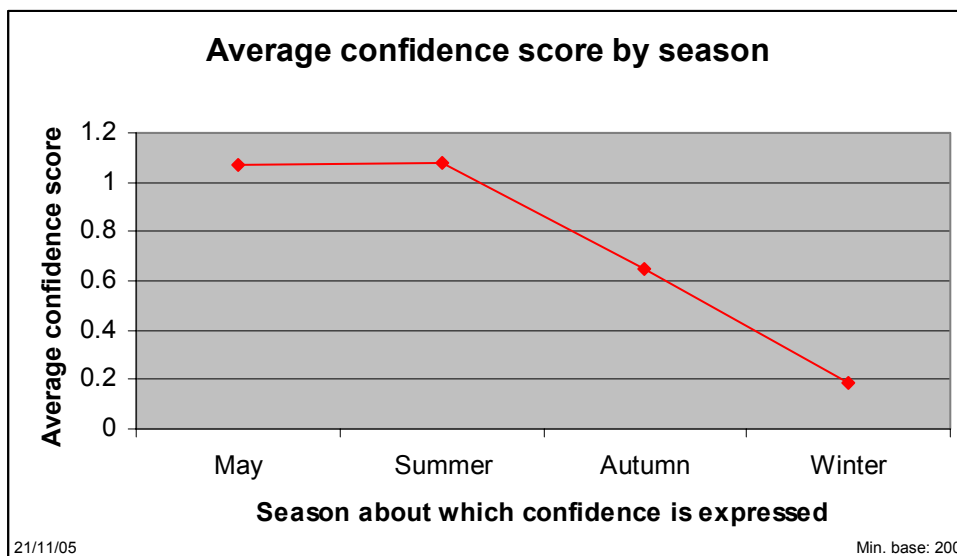
*“Overseas visitors almost non-existent this year”*

Caravan site, Mid, Wave 5

## 7. Confidence

- 7.1 In waves 2 to 5, businesses were asked how confident they were about the following season. An average confidence 'score' has been calculated according to the table below:

Respondent's answer	Confidence score
Very confident	+2
Fairly confident	+1
Don't know <i>or</i> neither/nor	0
Not very confident	-1
Not at all confident	-2



- 7.2 Confidence is seasonal. From talking to businesses about the subject of confidence it is clear that summer is a season which is easy to be confident about because they know that it will be their busiest time of year. Winter is considered by most to be a season not to be highly confident about, even if the business ends up having a better winter period than the previous year.