



STRATEGIC MARKETING

REPORT

Visit Wales
Business Wave Survey 2011

Wave 4 – Summer



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1. Headline Findings

Mixed summer period

- 1.1 The tourism industry in Wales has had a mixed summer period. Overall, about one in three (31%) businesses report an increase in visitors and a similar proportion (32%) report the same level. However more than a third (37%) report a decrease.
- 1.2 Caravan & campsites are the best performing sector, with nearly two in five (38%) businesses increasing their visitor numbers. At the other end of the scale, the serviced sector has had a difficult period, with about half (47%) of businesses reporting decreased visitors.
- 1.3 South East (38% increasing visitor numbers) and North Wales (35% increasing visitor numbers) have had a reasonable summer. Mid Wales however has had a difficult time, where nearly half (46%) of businesses have had a decrease in visitors.

Advance bookings are down on last year

- 1.4 A minority (13%) of businesses report an increase in advance bookings from Wales visitors, and just over two in five (43%) report the same level. Over a third (36%) report a decrease.
- 1.5 Advance bookings from UK (outside Wales) visitors are also down on balance. About one in five (19%) businesses report increased advance bookings from this market and about two in five (43%) have the same level as this time last year; about a third (32%) have a decreased level.
- 1.6 As the behaviour to book at the last minute is becoming ever more prevalent however, advance booking levels are not a major cause for concern among most operators.

Capturing last minute bookings

- 1.7 Nearly half (46%) of operators actively try to capitalise on last minute booking behaviour. Tactics include offering online deals on own website (28% of respondents) and online deals through third parties (25% of respondents).

Use of technology varies greatly

- 1.8 About one in five (21%) respondents describe themselves as 'heavy' business users of technology, i.e. they use social media extensively and/or have an online booking facility. At the other end of the spectrum, one in ten (10%) respondents are 'non-users'.

Desire to receive training

- 1.9 Nearly half (45%) of respondents are potentially interested in receiving training on technology. The most popular areas for training are online marketing (29%) and website design & optimisation (25%).
- 1.10 Workshops or seminars (50%) would be the most preferred method of training.

Confidence normal for this time of year

- 1.11 About one in six (16%) operators are 'very confident' for the autumn season, and about half (51%) are 'fairly confident'. This is very similar to this time last year.

2. Research Background

Objectives

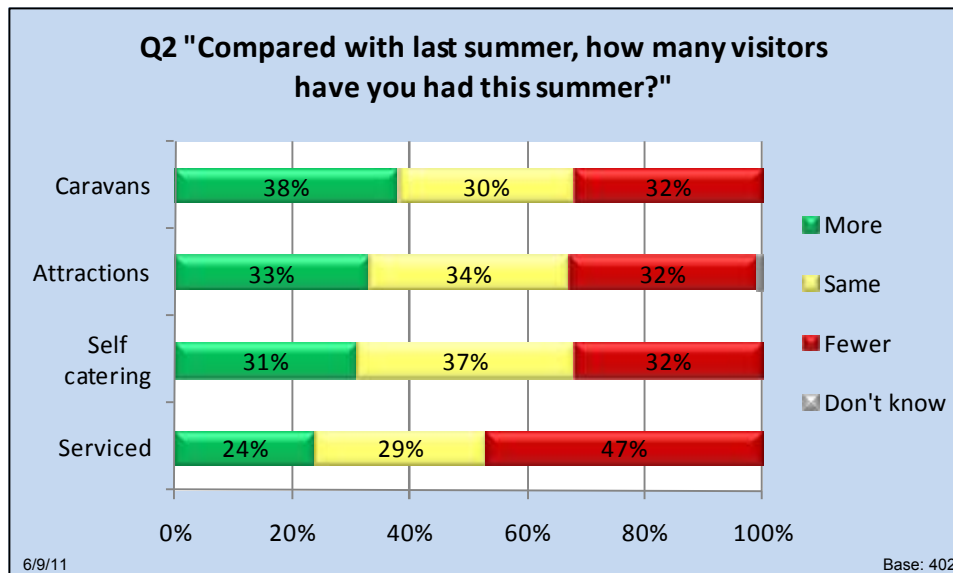
- 2.1 This survey is the fourth of five ‘waves’ in the 2011 ‘Business Wave Survey’, which aims to measure business performance and confidence in the Welsh tourism industry over the main holiday periods. This fourth wave focuses on the summer season and immediately follows the August bank holiday weekend.
- 2.2 The main objectives of this fourth wave are to measure:
- Business performance during the summer
 - Perceived reasons for relative success or failure this period
 - Advance bookings
 - Capturing last minute bookings
 - Use of technology
 - Confidence for the autumn season

Methodology & Sampling

- 2.3 Strategic Marketing and Visit Wales worked together to design a questionnaire for telephone interviewing. A copy of the marked-up questionnaire is included as an appendix.
- 2.4 Visit Wales provided Strategic Marketing with a database of all graded accommodation businesses in Wales and all known visitor attractions. A sample structure was designed to be representative of the tourism industry in Wales by sector and region.
- 2.5 A total of 404 interviews have been completed by telephone with business owners or managers between 30th August and 2nd September. The table below shows the number of interviews by region and sector:

Sector / Region	North Wales	Mid Wales	South West Wales	South East Wales	Total
Attractions	25	10	20	25	80
Serviced	40	26	25	30	121
Self catering	41	25	37	20	123
Caravan & campsites	34	20	21	5	80
Total	140	81	103	80	404

3. Summer Performance



- 3.1 The tourism industry in Wales has had a mixed summer period. Overall, about one in three (31%) businesses report an increase in visitors and a similar proportion (32%) report the same level. However more than a third (37%) report a decrease.

Caravan & campsites continuing to perform well

- 3.2 Caravan & campsites have performed well since economic difficulties began, as holidaymakers sought cheaper alternatives to staying in serviced accommodation.

"More people are thinking of camping as a holiday"
Caravan park, North

"We've been building our brand over the last 12-18 months which has helped enormously and because of that we've had more repeat visitors"
Caravan park, Mid

"We've had more tents because they're better value for money"
Caravan park, South West

British holidaymakers staying in the UK

- 3.3 The most common reason given for a successful summer is that more British holidaymakers are staying in the UK, stated by about one in four (26%) operators who have increased their visitor numbers.

“Some of the visitors said to us that the strength of the Euro has kept people at home”

Caravan park, South East

“More people are staying in the country because of the economy”

Self catering, North

“Due to problems with flights and airport refurbishments I think more people are staying in this country”

Self catering, Mid

Economy still having a major impact

- 3.4 The state of the economy is still impacting significantly on the tourism industry in Wales. About two in three (68%) operators who report a decrease in visitor numbers give this as a key factor.

“It is noticeable that people are struggling financially this year. People are opting for camping because they can buy all of the equipment cheaply rather than pay for self catering. People are not visiting attractions and if they do come they are not spending extra money in the shop or on catering. They seem to be trying to save money at every turn”

Attraction, Mid

“People are scared of losing their jobs so seem to be less willing to book any holidays”

Serviced, Mid

“August has been different this year – we haven’t been getting families. The young people are feeling the pinch”

Serviced, South East

Serviced sector in particularly difficult times

- 3.5 The serviced sector has been hit the hardest by the economic climate. Nearly half (47%) have seen a decrease in visitors this summer.

- 3.6 A number of serviced operators have commented that visitors are opting for shorter stays, or in some cases making a day trip when they might previously have stayed overnight.

“There seem to be fewer people taking holidays (seven days or more)”

Serviced, South East

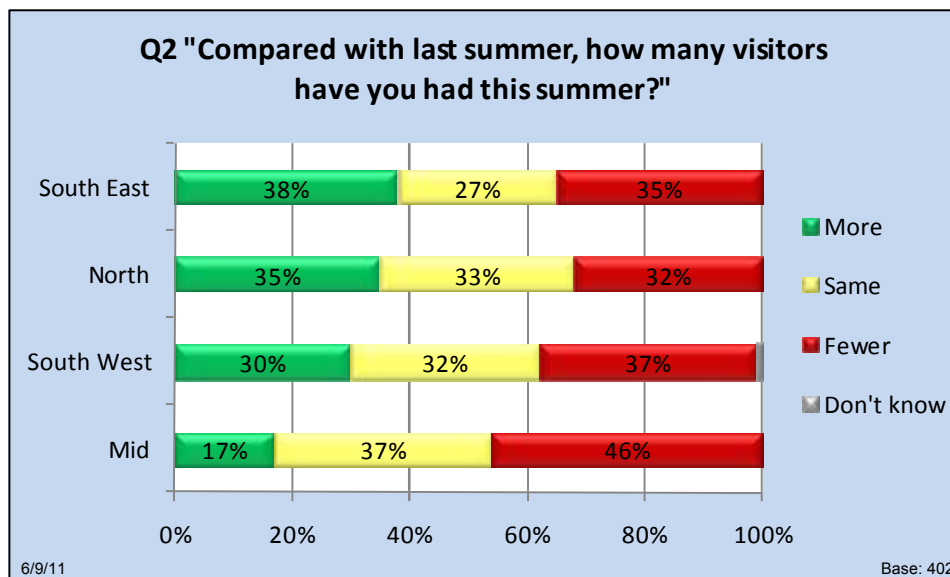
“People are looking at cheaper options – coming for the day activity rather than staying”

Serviced, South East

“I’ve found that people are making shorter stays - two or three days rather than a week”

Serviced, South West

Differences by region



South East and North Wales – reasonable performance

- 3.7 South East and North Wales have had a reasonable summer. The royal newly-weds have been good publicity for Anglesey. Some businesses in the south east have benefited from sporting events and concerts.

“There has been a lot more interest in Anglesey because of the wedding”
Self catering, North

“Will and Kate live nearby so I think a lot of people have been googling the area thanks to the royal wedding”
Caravan Park, North

“International matches are important because we’re midway between Cardiff and Swansea and we get people that way”
Serviced, South East

“Some popular concerts, cricket, and the shift to summer of autumn matches”
Serviced, South East

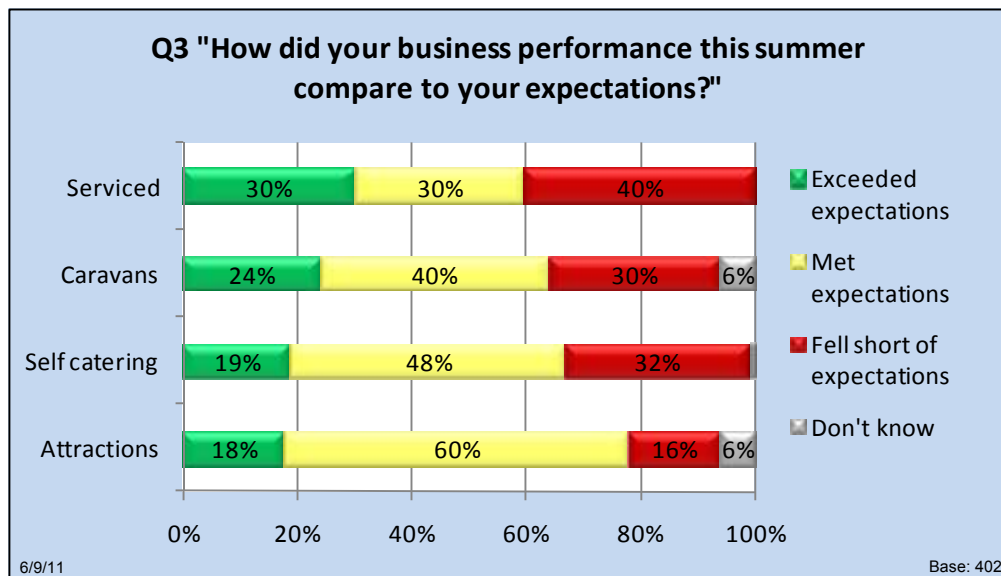
Difficult summer for Mid Wales

3.8 Mid Wales however has had a difficult summer, where nearly half (46%) of businesses have had a decrease in visitors.

"The weather has been poor"
Self catering, Mid

"I dropped prices and everything to get people in but it didn't work"
Caravan park, Mid

Performance compared to expectations



A disappointing summer for many

3.9 Overall about one in four (23%) operators say their business performance this summer exceeded expectations, but about a third (31%) say it fell short of expectations.

"I've made a great marketing effort but it's been a dreadful season"
Self catering, South East

"The fishing was very good this year as a whole, which boosted our reputation, and so our summer has been very busy"
Attraction, North

Serviced operators knew not to expect a great summer

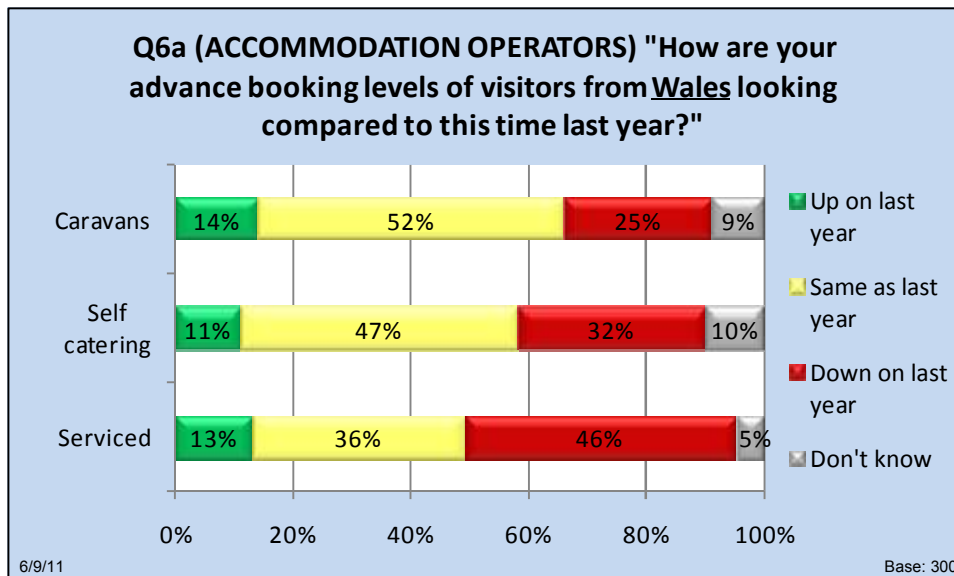
- 3.10 The serviced sector has had the worst visitor number results this summer, but at the same time, a greater proportion of operators in this sector say performance exceeded expectations than in any other.

“If it wasn’t for the weddings we’d be struggling”

Serviced, South East

4. Advance Bookings

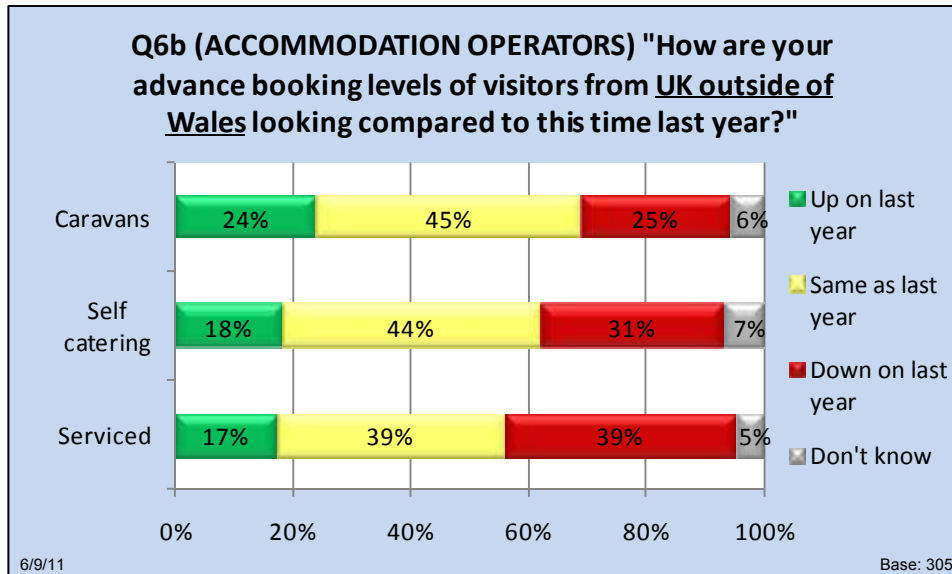
Visitors from Wales



- 4.1 Advance bookings from visitors from Wales are down compared to this time last year, in particular in serviced accommodation. These figures are consistent across the four regions of Wales.

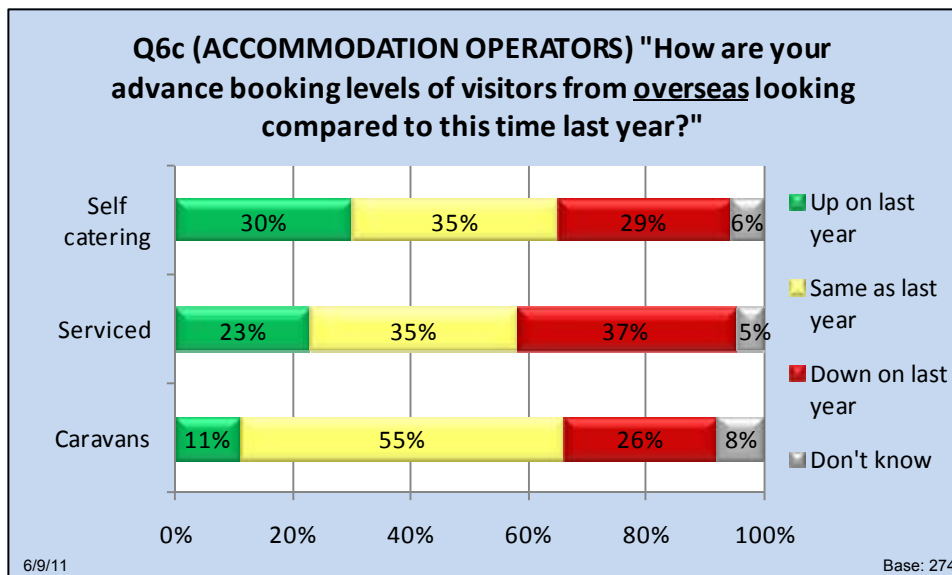
"We've got no bookings at all for the autumn period"
Self catering, Mid

UK Visitors



- 4.2 Advance bookings from UK visitors are about level in the caravan & camping sector but down in self catering and serviced. The figures are consistent across the four regions of Wales.

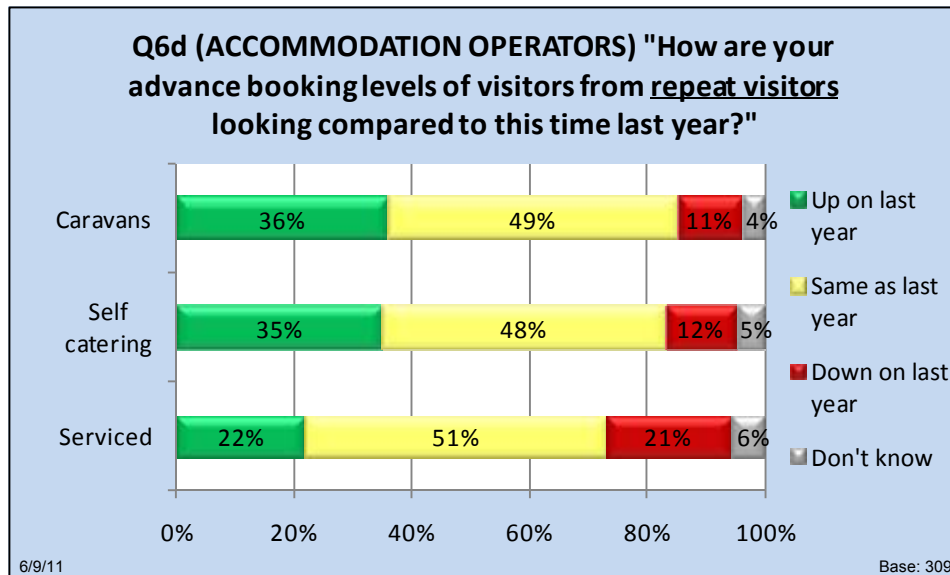
Overseas Visitors



- 4.3 Advance bookings from overseas are level in self catering but down in serviced and caravan & camping.

"I would have liked more overseas customers"
Serviced, North

Repeat Visitors



- 4.4 Repeat visitors bring stability to the industry, especially in the self catering sector.

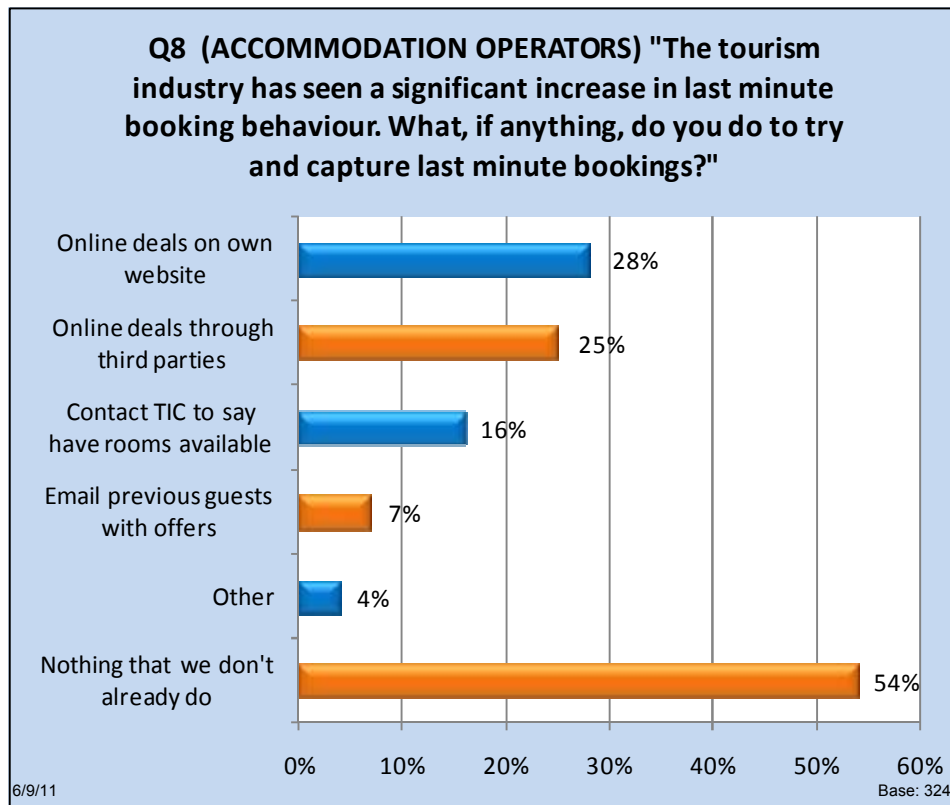
"People seem to stay and then book again for next year"
Self catering, North

"People come back regularly. You get the same people about the same time each year"
Serviced, South East

"Around 70% of our visitors book again for next year"
Self catering, North

"Around 50% of our visitors come again the next year"
Self catering, North

5. Capturing Last Minute Bookings



- 5.1 Visitor booking behaviour has changed significantly over the past two years or so, with the industry seeing ever increasing last minute bookings.
- 5.2 Almost half (46%) of tourism operators are being proactive in capturing last minute bookings. The proactive proportion is highest in the self catering sector (56% of respondents) and in the south east (60% of respondents).
- 5.3 The different tactics used to capture last minute bookings are shown on the chart above – online deals are the most common.

"We have used online advertising with UK Campsites, Camping Directory and Wales Tourist Online to appeal to the last minute booking market"
Caravan park, North

"We do last minute discounts when people ring up to book which we didn't do before. We also advertise the discounts on our website and in newspapers"
Caravan park, North

"We opened reception at later hours to capture the evening last minute booking market, which has been successful"

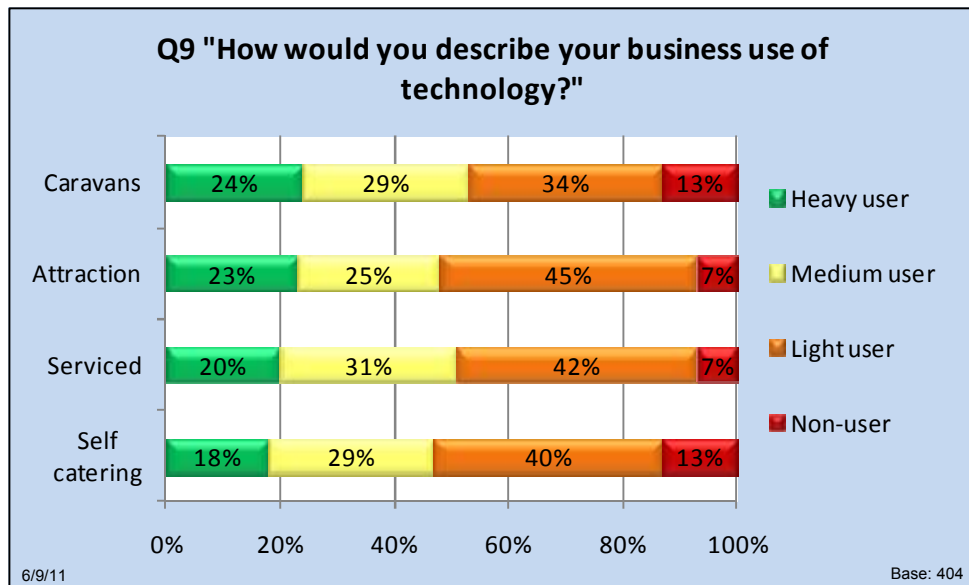
Caravan park, North

"I advertise with Coastal Cottages now. I used to call the TIC in the past; I don't now as it is part of the agreement I have with the agency"

Self catering, South West

6. Use of Technology

User level



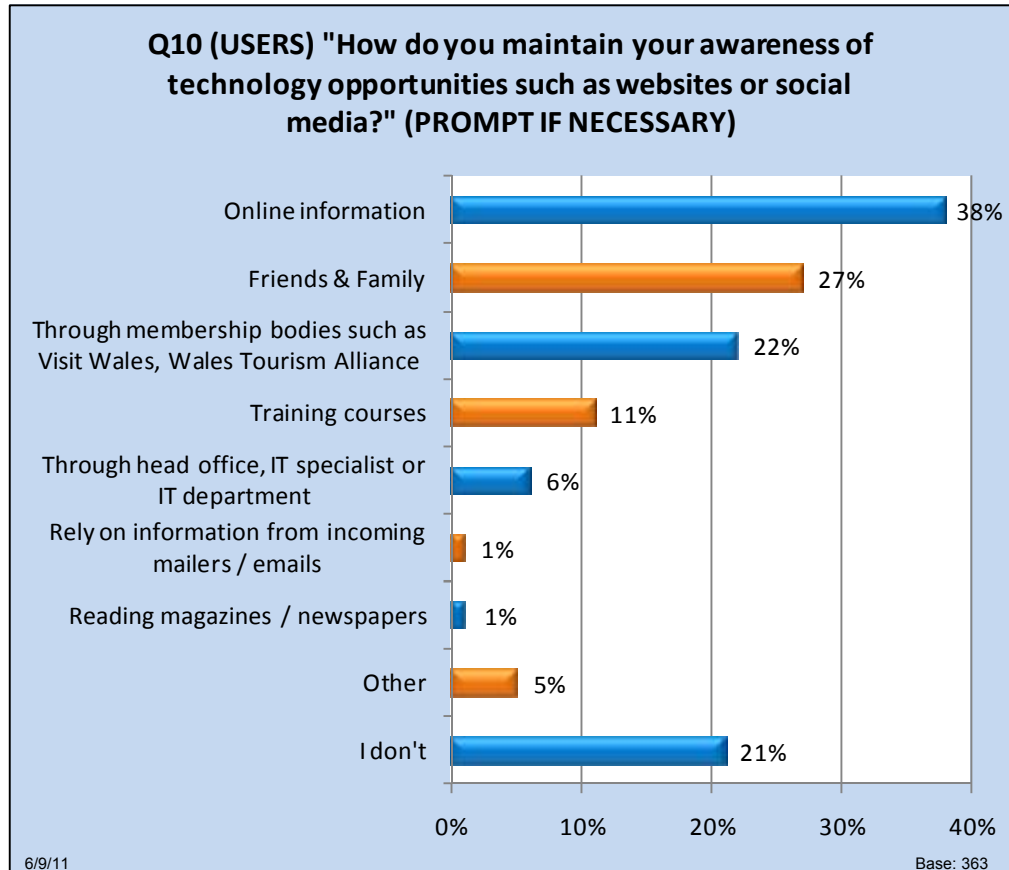
- 6.1 Overall, nine in ten (90%) operators use technology to some degree in their business.
- 6.2 About one in five (21%) respondents describe themselves as 'heavy' business users of technology, i.e. they use social media extensively and/or have an online booking facility.
- 6.3 About three in ten (29%) operators are 'medium users', which means they occasionally use social media and regularly update their website.
- 6.4 Two in five (40%) are 'light users', meaning they have a website.

"We are very small and we have always had a website. I have a Blackberry for doing the bookings and we send out confirmations only"
Self catering, South East

"For a medium sized company like ours everything is outsourced"
Caravan park, Mid

"We've just added wi-fi to our buildings and advertised it on our website. We have already had one person come in and use it recently to check his work so I think technology is definitely the way forward. I got myself a Blackberry so I now get emails all the time and it makes sure I never miss any"
Self catering, South West

Maintaining awareness



- 6.5 About four in five (79%) business technology users actively maintain their awareness of available technology opportunities.
- 6.6 About two in five (38%) seek information online, about a quarter (27%) rely on knowledge / skills provided by their friends and family, and about one in five (22%) rely on information that is disseminated from tourism membership organisations.
- 6.7 The main significant difference in results by user type is that a lower proportion (66%) of light users maintain their awareness, compared to 86% of medium users and 94% of heavy users.

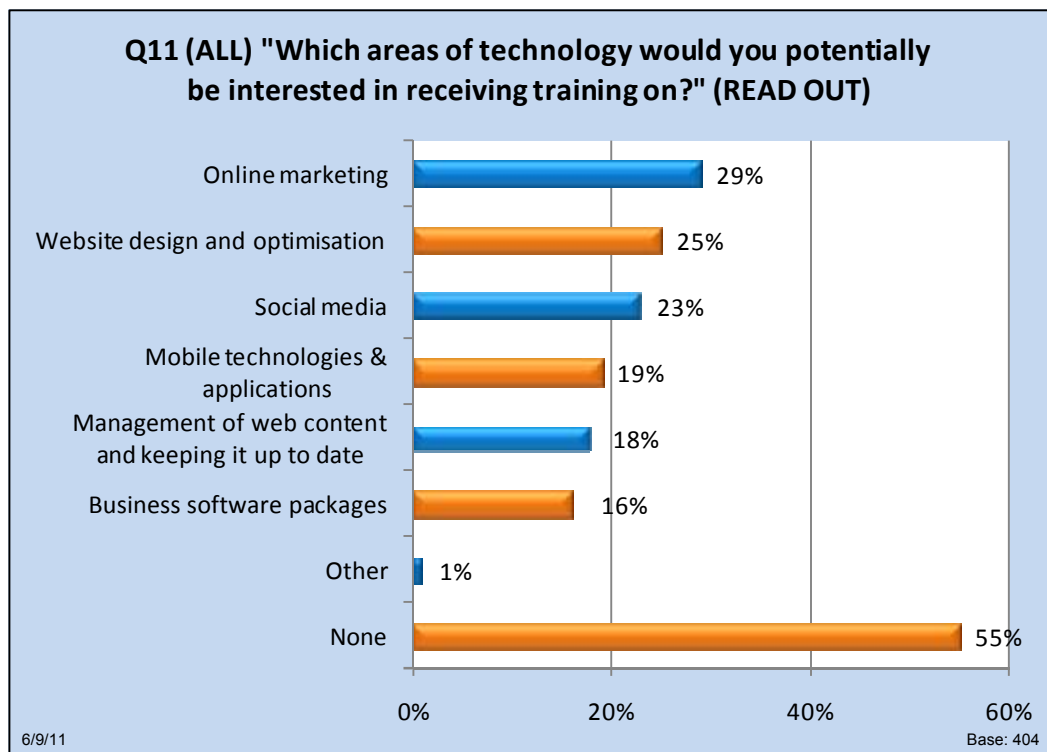
"My husband likes to think he is a bit of an expert on technology so I just leave that side of the business to him"

Self catering, Mid

"I'm a technology fan - I've sorted out my own software programmes and websites. I'm already on all the mobile applications"
Caravan park, South West

"I am too old to use new technology. The only reason I use social media is because my 23 year old daughter has introduced me to it"
Serviced, Mid

Areas of interest



- 6.8 Almost half (45%) of all operators interviewed are potentially interested in receiving some form of technology training. The most popular areas for training are online marketing (29%) and website design & optimisation (25%).
- 6.9 The significant difference by user type is that about three in ten (29%) non-users are interested in training, compared to 47% of users.
- 6.10 Within the user types of heavy, medium and light, differences between areas of training desired are not significant.

We would like some help

6.11 Below are examples of help that operators would like.

“We would be interested in an audit of our IT facilities to see what direction we should take”

Attraction, South East

“I need more advanced courses such as Photoshop, which is what we use on the website”

Serviced, South East

“A helping hand is needed with maintaining online presence and making people proficient in all aspects of mobile technology”

Caravan park, North

“At the moment I’ve got somebody else working on my website but I’d like to get some training because frankly if I did I think I could do a better job myself”

Self catering, North

“I’ve put a lot of effort into marketing this year, but it hasn’t paid off. I’ve spent more in marketing than I’ve made in profit. I would be very interested in social media and mobile technology”

Self catering, South East

“I would like to improve my own capacity to form a website”

Self catering, North

Fine as we are

6.12 Some businesses are not interested in training, either because they feel they are already sorted, or the business is winding down.

“We’re fine on business software and online marketing. Our web designer looks after the website and I wouldn’t go down the route of social media and mobile apps”

Caravan park, North

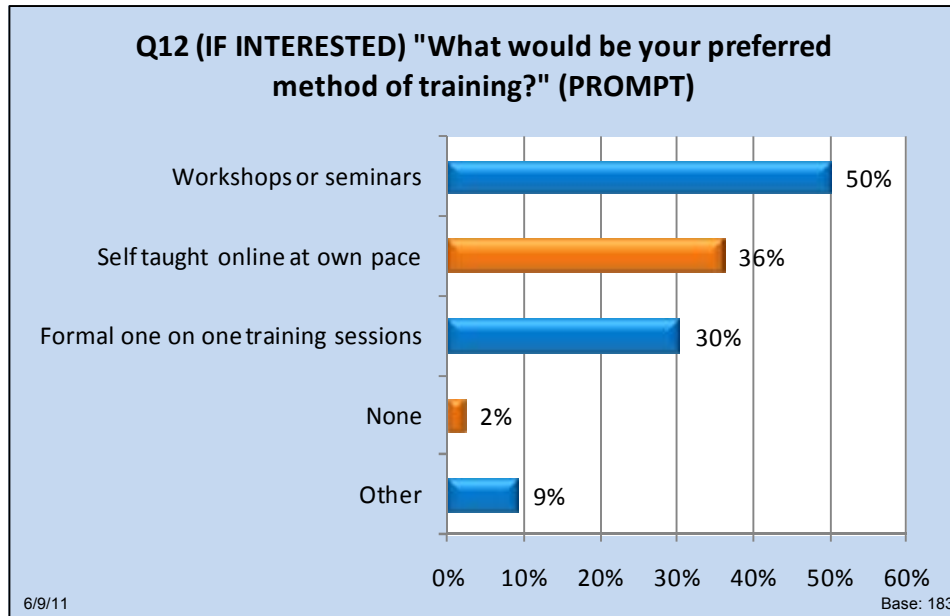
“We’re not interested in any training at the moment because we are not really sure how long we’ll be going for”

Self catering, North

“We’re more interested in retiring now rather than developing the business so we still depend on word of mouth than on technology”

Service, North

Preferred method of training



- 6.13 Those potentially interested in receiving training on technology opportunities were asked their preferred method of training. Workshops/seminars would be the most preferred method of training, but some would like formal one to one training or to self teach online.

"I don't have enough time to teach myself online. I'd keep putting it off so any training I receive would have to be in person"
Self catering, North

"Online training would probably be best because of the time constraints"
Self catering, South East

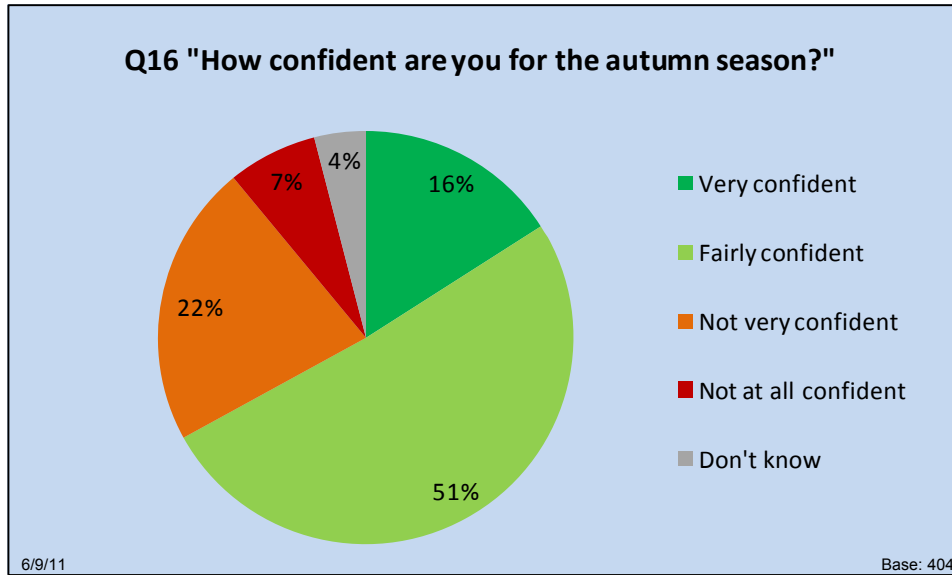
"I wouldn't mind learning online if we had a tutor we could contact. A class is a good idea because you can learn from other people as well as the tutor"
Caravan park, North

"I suppose the classroom atmosphere would be best for training as it's easier to get feedback than learning online"
Self catering, South West

"Off-season – workshops would be good. On-season – self taught would be best"
Caravan park, North

"I have to do everything in the business, so it needs to be something that does not take me away from the business too much"
Attraction, South West

7. Confidence for the Autumn



- 7.1 Confidence for the autumn season is reasonably high. The above results are very similar to last year.

Appendix

Marked-up Questionnaire

Region

North Wales	140
Mid Wales.....	81
South West Wales	103
South East Wales	80

Type

Attraction	80
Serviced	121
Self-catered.....	123
Caravan / Campsite.....	80

Q1	Has your business been operating for longer than 12 months?	
	Yes	100% Go to Q2
	No	0% Go to Q8
Q2	Compared with last summer, how many visitors have you had this summer?	
	More than last year	31%
	Same as last year	32%
	Fewer than last year	37%
	Don't know	0%
Q3	And how did your business performance this summer compare to your expectations?	
	Exceeded expectations	23%
	Met expectations	43%
	Fell short of expectations	31%
	Don't know	3%
Q4	(IF MORE) Why would you say you have had more visitors? (DO NOT PROMPT)	
	More British people staying in the UK.....	26%
	Own marketing	19%
	Repeat business.....	17%
	Better weather	14%
	Upturn in tourism	11%
	Improved rooms/facilities	10%
	Events in the area	7%
	Recommendations	6%
	More overseas visitors	6%
	Increased capacity	2%
	Don't know	11%
	Other	9%
	Other / Soundbites	n/a
Q5	(IF FEWER) Why would you say you have had fewer visitors? (DO NOT PROMPT)	

Economic climate.....	68%
Unforeseen problems.....	17%
Downturn in tourism in the area.....	12%
Strong competition.....	5%
Didn't promote the business.....	5%
Business winding down.....	4%
People going abroad.....	3%
Fewer overseas visitors.....	2%
Don't know.....	5%
Other.....	3%
Other / Soundbites	n/a

Q6 (ACCOMMODATION OPERATORS) How are your advance booking levels of visitors from ... (READ FROM LIST) looking compared to this time last year?

	Up on last year	Same as last year	Down on last year	Don't know
Wales	13%	43%	36%	8%
UK outside of Wales	19%	43%	32%	6%
Overseas	24%	38%	32%	6%
Repeat visitors	30%	49%	16%	5%

Q7 RECORD ALL USEFUL COMMENTS ON ADVANCE BOOKINGS

n/a

Q8 (ACCOMMODATION OPERATORS) The tourism industry has seen a significant increase in last minute booking behaviour. What, if anything, do you do to try and capture last minute bookings? (PROMPT IF NECESSARY)

Online deals on own website.....	28%
Online deals through third parties (e.g. laterooms).....	25%
Contact TIC to say have rooms available.....	16%
Email previous guests with offers.....	7%
Nothing that we don't already do to capture bookings.....	54%
Other.....	4%
Please specify other	n/a

Q9 How would you describe your business use of technology?

Heavy user - extensive use of social media, online booking facility.....	21%
Medium user - occasional use social media and regularly update website.....	29%
Light user - have a website.....	40%
Non-user.....	10%

Q10 (USERS) How do you maintain your awareness of technology opportunities such as websites or social media? (PROMPT IF NECESSARY)

Online information.....	38%
Friends & family.....	27%
Through membership bodies such as Visit Wales, Wales Tourism Alliance.....	22%
Training courses.....	11%
Other.....	11%
I don't.....	21%
Please specify other	n/a

Q11	(ALL) Which areas of technology would you potentially be interested in receiving training on? (READ OUT)	
	Online marketing	29%
	Website design and optimisation	25%
	Social media, e.g. Facebook, twitter, foursquare, tripadvisor etc.....	23%
	Mobile technologies and applications	19%
	Management of web content and keeping it up to date	18%
	Business software packages, e.g. wordprocessing, databases, finance packages etc.....	16%
	None	55%
	Other	1%
	Please specify other	n/a
Q12	(IF ANY IN Q11) What would be your preferred method of training? (PROMPT)	
	Workshops or seminars	50%
	Self taught online at own pace.....	36%
	Formal one to one training sessions	30%
	None	2%
	Other	9%
	Please specify other	n/a
Q13	RECORD ALL USEFUL COMMENTS	
		n/a
Q14	What is your current Visit Wales star grading?	
	5 star	11%
	4 star	38%
	3 star	19%
	2 star	4%
	1 star	1%
	Don't know	3%
	Not currently graded by Visit Wales	24%
Q15	Which of the following best describes your location:	
	Seaside	42%
	Inland	52%
	Urban	6%
Q16	Finally, how confident are you for the autumn season?	
	Very confident	16%
	Fairly confident	51%
	Not very confident	22%
	Not at all confident	7%
	Don't know	4%