



SOCIAL RESEARCH NUMBER:

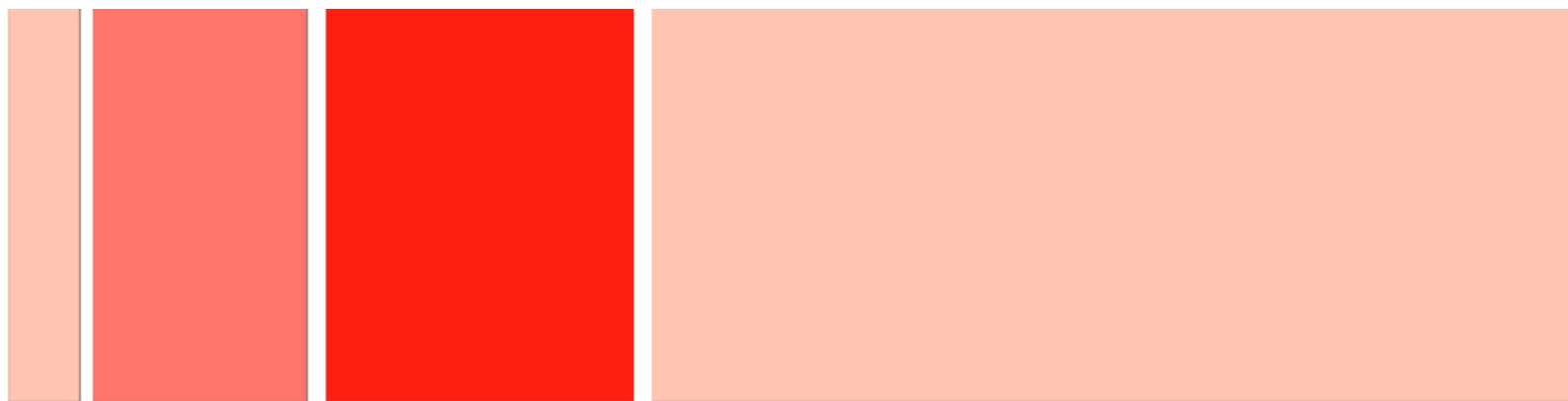
35/2017

PUBLICATION DATE:

JULY 6, 2017

Wales Tourism Business Barometer

Wave 2, June 2017



Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Wales Tourism Business Barometer: Wave 2, June 2017

Anthony Lydall and Laura Nesbitt, Strategic Research and Insight



Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:

Dr. Robert Lewis, Head of Tourism Research, robert.lewis@wales.gsi.gov.uk

Department: Department for Science, Economy and Transport

QED Centre

Treforest Estate

Pontypridd

Rhondda Cynon Taf

CF37 5YR

Tel: 0300 061 6026

ISBN: 978-1-4734-9894-5

July 6, 2017

© Crown Copyright 2017



All content is available under the Open Government Licence v3.0, except where otherwise stated.

<http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

Contents

1. HEADLINE FINDINGS	2
2. QUALITATIVE FINDINGS	4
3. BACKGROUND AND METHODOLOGY	6
4. YEAR-TO-DATE PERFORMANCE	8
5. REASONS FOR INCREASED VISITOR LEVELS	12
6. REASONS FOR DECREASED VISITOR LEVELS.....	13
7. PROFITABILITY.....	14
8. EXPECTATIONS AND CONFIDENCE FOR THE SUMMER.....	16
9. WELSH FOOD AND DRINK.....	19

1. HEADLINE FINDINGS

Decent progress for most sectors

- 1.1 Over the May/June half term, good proportions of most sectors welcomed an increased number of visitors compared to the same period last year. Overall, a third (32%) report more visitors.
- 1.2 Higher proportions of attractions/activity operators (43%), restaurants/pubs/cafes (42%) and serviced accommodation (41%) saw increases, compared to self catering (16%).

UEFA Champions League Finals give boost to South East

- 1.3 At the beginning of June, football fans flocked to Cardiff and the surrounding area for the men's and women's UEFA Champions League Finals. Business boomed for many, with 41% in the South East reporting more visitors over the bank holiday – 47% of these say the football matches contributed to the lift.

Highs and lows of the weather

- 1.4 Varied weather across Wales over the half term meant that while it benefited some businesses, others believe it was a reason for fewer visitors.

Economy is a double-edged sword

- 1.5 Some businesses say that more British people are staying in the UK, as Brits look to reduce the cost of their breaks and holidays. But with less money going around, other business note that people's lack of funds is resulting in reduced visitor numbers.

Lift in profitability

- 1.6 A third (33%) of business say that profitability is up so far this year, compared with 2016. The combined attractions and activity sector is seeing more progress than others, with half (51%) reporting to be up.

The summer looks bright

- 1.7 The coming summer season is being looked to with good sentiment. Nearly two in five (37%) expect more visitors than last summer, and a similar proportion (39%) are confident going into the summer months.

Welsh produce is being eaten up

1.8 A strong majority (87%) of businesses that serve food and drink to their customers say that they offer Welsh produce. High proportions of these businesses serve meat (67%), milk (66%) and/or eggs (65%).

Promoting Welsh food in primarily in-house

1.9 While more than half of business who offer Welsh food inform their customer they do so via a menu (55%) and word of mouth (54%), only a quarter (24%) do so through promotional materials.

1.10 Promotional materials include their website and social media platforms.

2. QUALITATIVE FINDINGS

- 2.1 We have conducted depth interviews over the telephone with key tourism figures across various organisations and bodies across Wales.
- 2.2 The main findings are discussed below.

Mixed results over half term

- 2.3 The performance over May/June half term has produced varied results for the tourism industry. For some, business boomed, while others saw fewer visitors than they expected.

“The recent half term has been good, mainly because of the weather.”

“The recent half term has been very much better than the previous half term.”

“The recent half term has been hectic.”

“As to whether they are busier than last year – it’s difficult to tell.”

- 2.4 The late Easter may have had a negative impact on visitor numbers over this most recent half term, as it was close to the Easter break and the weather was not as good as it was over the Easter half term.

“The recent half term hasn’t been so good, mainly because of the weather.”

“Half term was just too close to Easter.”

Year-to-date is strong

- 2.5 Despite mixed results over half term, some industry leaders say that 2017 is out-performing last year.

“For the year so far, our visitor numbers are up quite considerably, but this is a trend that’s been happening for a few years now.”

“There’s a general feeling that it’s all quite vibrant at the moment, places are busy.”

High level of confidence going into the summer

- 2.6 Bolstered by a strong year overall, there is a positive sentiment in the tourism industry as it heads into its busiest season.

“Businesses are confident looking towards the summer, most are fully booked.”

“Going forward we are optimistic, best foot forward and all that!”

“Things are positive going forward. Bookings are looking good for the summer months.”

Strong support for Welsh food and drink

2.7 Industry leaders say that the use of Welsh food and drink is something they strongly support. Offering these products is something that helps Wales stand out, while supporting the local economy.

2.8 It also gives visitors a sense of ‘place’, with some products – such as laverbread and Welsh cakes – directly associated with the country.

“We use as much local produce as we can. People want to try the local produce when they visit an area, it gives an authentic feel.”

“We try to use as much Welsh produce as possible. It’s important to us, and the quality is very good. It also helps the economy of Wales and the environment. It’s important for tourists also, to come and sample Welsh food.”

“The Welsh beer and Welsh cider is coming along, so we are getting better, but there’s a long way to go. We all should be promoting Welsh produce.”

“All of our sites use as much local produce as possible.”

“We have a general principle to use as much local produce as possible.”

“It’s important for tourists to try local produce and to know where the food comes from.”

3. BACKGROUND AND METHODOLOGY

What is the Wales Tourism Business Barometer?

- 3.1 The Wales Tourism Business Barometer is designed to give quick feedback on how the tourism industry in Wales is performing at key times during the year. The Survey has been running in various forms since 2005, and normally between two and five research 'waves' are conducted each year.
- 3.2 This research wave relates to the May/June half term 2017, with measurements also of expectations for the rest of the year.

How is the Survey conducted?

- 3.3 This Survey has been made available for online completion as an alternative to telephone, which prior to 2016 was the only method used.
- 3.4 We have conducted 801 interviews by telephone, and the online survey distributed by area and sector partners has yielded an additional 83 responses. The overall sample of 884 makes results of questions asked to everyone accurate to $\pm 3.3\%$.
- 3.5 The sample of 884 responses is reflective of the tourism industry in Wales and is shown below by sector and region:

Sector / Region	North	Mid	South West	South East	Total
Serviced accom	107	45	75	63	290
Self catering	100	50	98	33	281
Caravan / campsites	42	15	21	5	83
Hostels	9	9	8	7	33
Attractions	36	13	19	32	100
Restaurants / pubs / cafes	10	12	7	14	43
Activity operators	18	11	17	8	54
Total	322	155	245	162	884

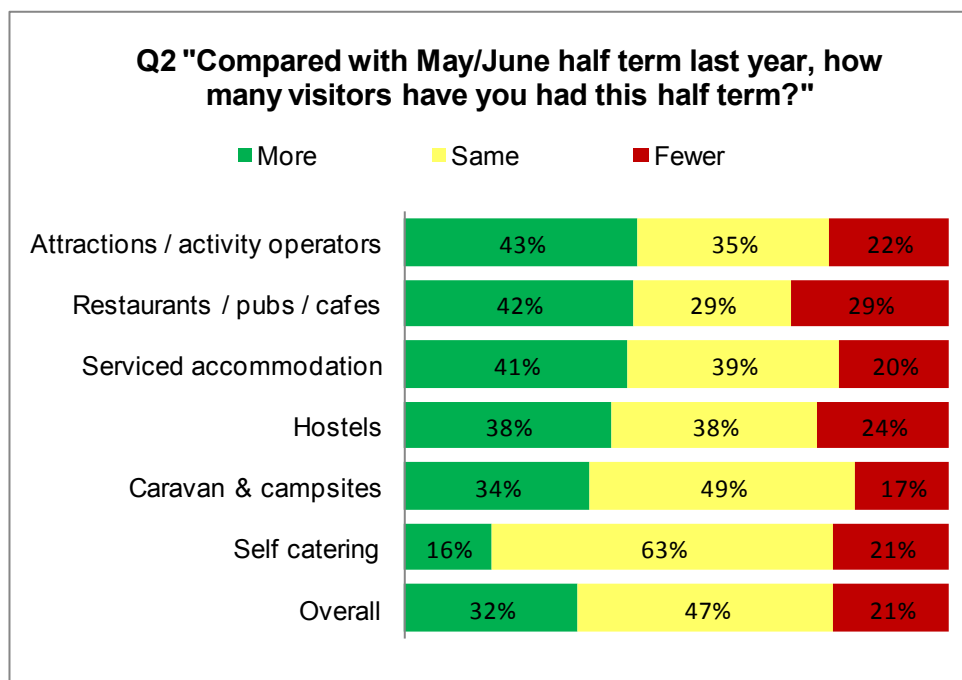
- 3.6 About three in five (59%) businesses in the sample are currently graded by Visit Wales and 41% are not. The graded and non-graded samples are spread across the different regions and sectors except restaurants / pubs / cafes and activity operators, where grading is not applicable. Operators of restaurants, pubs and cafes have been selected in areas of high

tourism footfall across different parts of Wales and have been asked to answer questions in the context of their tourist (i.e. non-local) customers.

- 3.7 All telephone interviews have been conducted with business owners or managers in June. A copy of the questionnaire used is included as an appendix.

4. YEAR-TO-DATE PERFORMANCE

PERFORMANCE BY SECTOR



Base: 808

Decent performance over half term

- 4.1 Overall, around a third (32%) of businesses have seen an increase in the number of visitors over the May/June half term, compared to last year.
- 4.2 Attractions and activity operators have performed particularly well, with 43% reporting more visitors over the period. For 38% of this sector, the better weather is believed to have helped the increase.
- 4.3 This same sector is also the most likely to report their own marketing to have positively impacted visitor numbers – 38% of attractions and activity operators say they have had more visitors because of their own marketing, compared to a 18% average.

Tasty half term for food venues

- 4.4 Restaurants, pubs and cafes have enjoyed a good half term, with 42% reporting serving more visitors compared to the equivalent half term in 2016.

"We're getting busier every year."

Restaurant

"Nearly double the takings from last year."

Restaurant

Lift for serviced accommodation

- 4.5 Two in five (41%) responding serviced accommodation operators welcomed more visitors this half term. Of these, 22% say the better weather helped the increase.
- 4.6 Some in this sector are seeing the benefits of investing in their business, taking more bookings because of renovations or expansion.

“Put lots of money in the renovations.”

Serviced accommodation

“We’ve built more rooms.”

Serviced accommodation

“It’s due to refurbishment.”

Serviced accommodation

Good performance for hostels

- 4.7 Nearly two in five (38%) hostels say they took in more guests over the half term, and the same proportion (38%) held on to the same number of visitors as last year.
- 4.8 Of those who have seen an increase, 27% believe it is due to an upturn in tourism, but a further 27% are unsure why visitor numbers are higher.

“I’m not sure why, but we have had more bookings so far this year.”

Hostel

Good weather draws out the campers

- 4.9 A third (34%) of caravan and campsite operators have seen an increase in bookings, with 35% of these putting it down to better weather over the half term.

“We had good weather this bank holiday so we had more visitors.”

Caravan and camping

“We had great weather this last bank holiday which meant more bookings.”

Caravan and camping

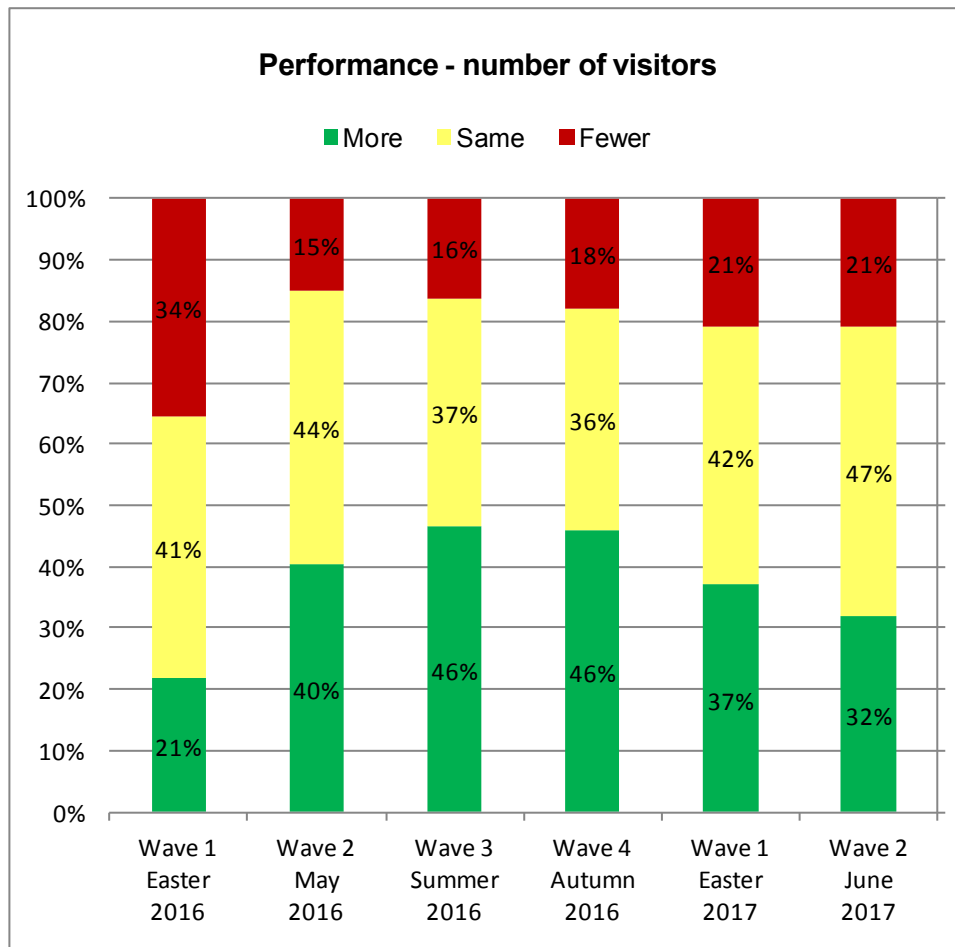
Self catering holds steady

- 4.10 The majority (63%) of self catering operators report similar numbers to last year. Unlike all other sectors, a higher proportion (21%) say they have had fewer visitors, compared to those who have had more (16%).
- 4.11 At Easter this year, the self catering sector performed better – 29% reported to be up and 24% said they had fewer visitors than the previous Easter.

4.12 There is some uncertainty over why some have had fewer visitors over this most recent half term, with 39% of those who report being down saying they don't know why this is. Others cite the economic climate (23%) and a downturn in tourism in the area (21%).

"We're not sure why we're down this year, but we're hoping it starts picking up."
Self catering

PERFORMANCE TREND

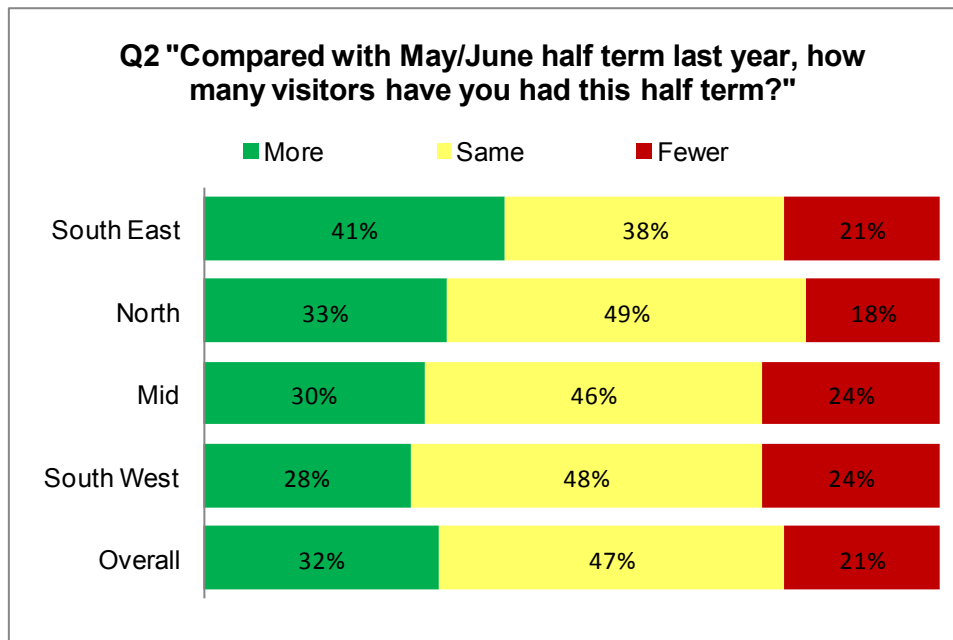


Slight drop in visitor increase

4.13 Movements in visitor numbers are tracked each wave, as outlined in the above chart. The proportion of respondents reporting increases peaked in the second half of 2016, with nearly half (46%) taking in more visitors in Wave 3 and 4. Going into this year, the proportions reporting increases have fallen to 37% in Wave 1 and 32% in Wave 2.

4.14 Rather, larger proportions have held on to the same number of visitors. In this most current wave, nearly half (47%) report similar numbers to last year.

PERFORMANCE BY REGION



Base: 808

Football scores well for South East

4.15 The South East of Wales is home to the highest proportion of businesses that have seen an increase over the half term, with two in five (41%) reporting more visitors. Of these, 47% say the UEFA Champions League Finals – which were held in Cardiff towards the end of the half term – contributed to the boost.

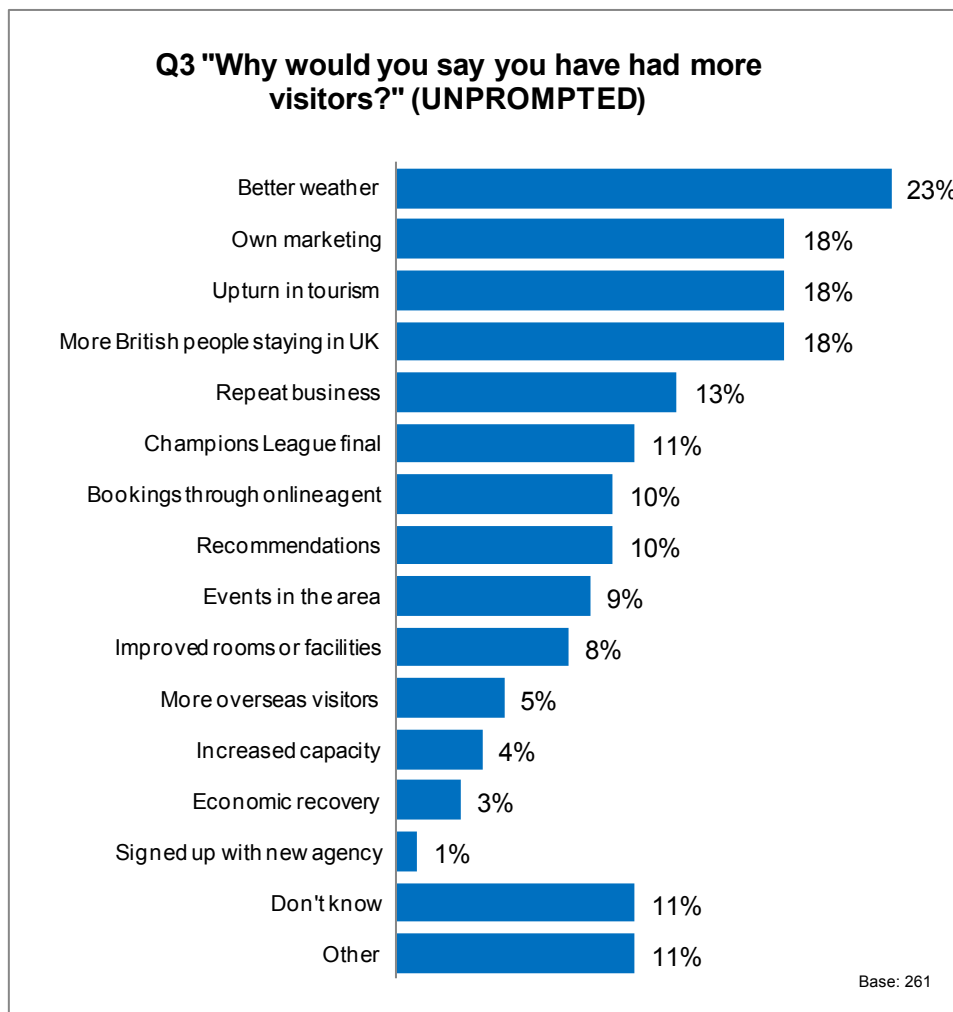
"Mainly due to Champions League."
Serviced accommodation

Rest of Wales fares well

4.16 Nearly half of respondents in each of the remaining regions report similar visitor numbers to the same time in 2016.

4.17 A third (33%) in North Wales report an increase, 30% in Mid Wales and 28% in the South West.

5. REASONS FOR INCREASED VISITOR LEVELS



Fair weather draws out visitors

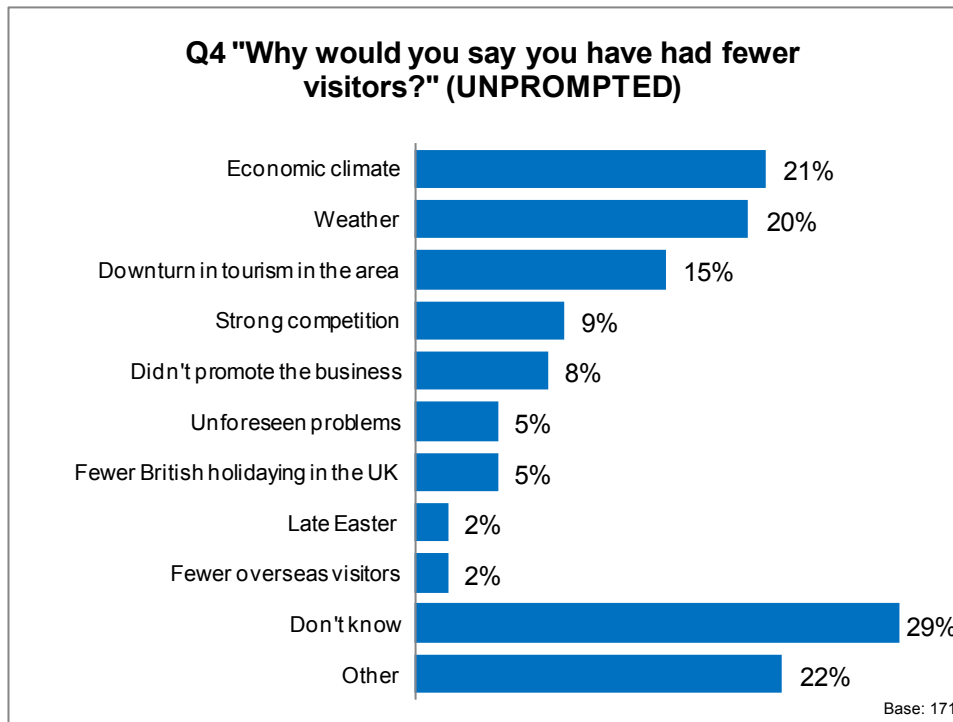
- 5.1 Of the respondents who have seen an increase over half term, nearly a quarter (23%) say the weather helped encourage a lift in visitor numbers.
- 5.2 Higher proportions of weather-dependent sectors – caravan and camping (35%); attraction and activity operators (38%) – cite better weather as a reason for the increase.

Staycations are good for business

- 5.3 Overall, 18% of businesses who have welcomed more visitors say that one of the reasons for the lift is that more British people are staying in the UK. The self catering (30%) and caravan and camping (23%) sectors are more likely to say this.

"They tend to travel within the UK more than they used to."
Self catering

6. REASONS FOR DECREASED VISITOR LEVELS



Uncertainty over drop in numbers

6.1 Around three in ten (29%) respondents who have seen a drop in visitor numbers don't know why they saw fewer visitors over the half term, making it difficult to address the drop.

"I wish I knew why, but we've had fewer visitors."
Self catering

Economy plays a part

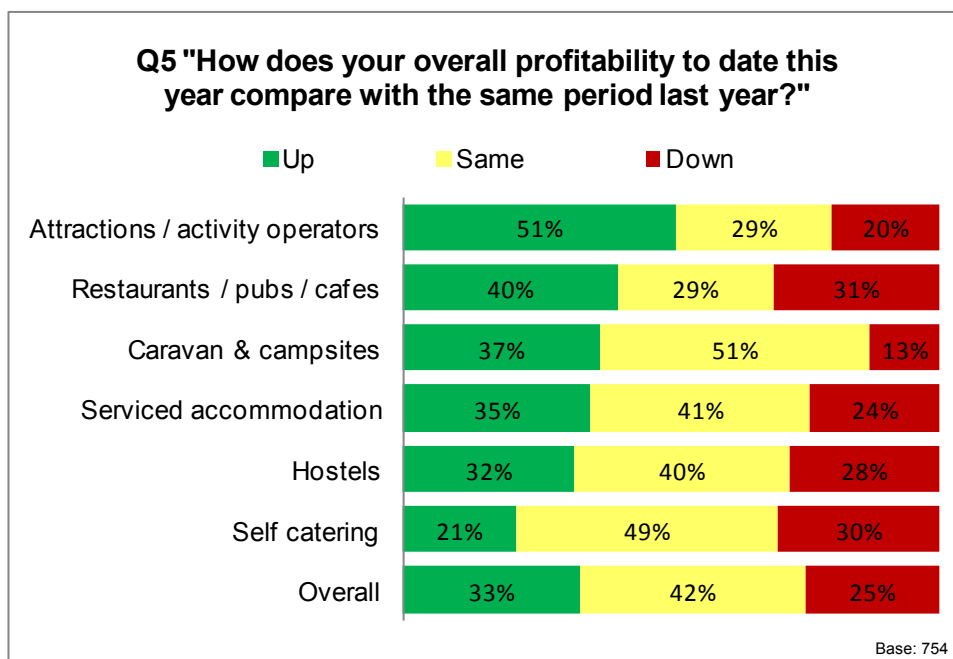
6.2 One in five (21%) businesses who report a drop in visitor numbers say that the economic climate is having a negative effect.

"Unfortunately people are not spending as much as they used to due to the economic climate."
Attraction

Weather was a deterrent for some

6.3 Although the weather helped increase business for some, 20% of those who saw fewer visitors say that the weather was a contributing factor to the drop.

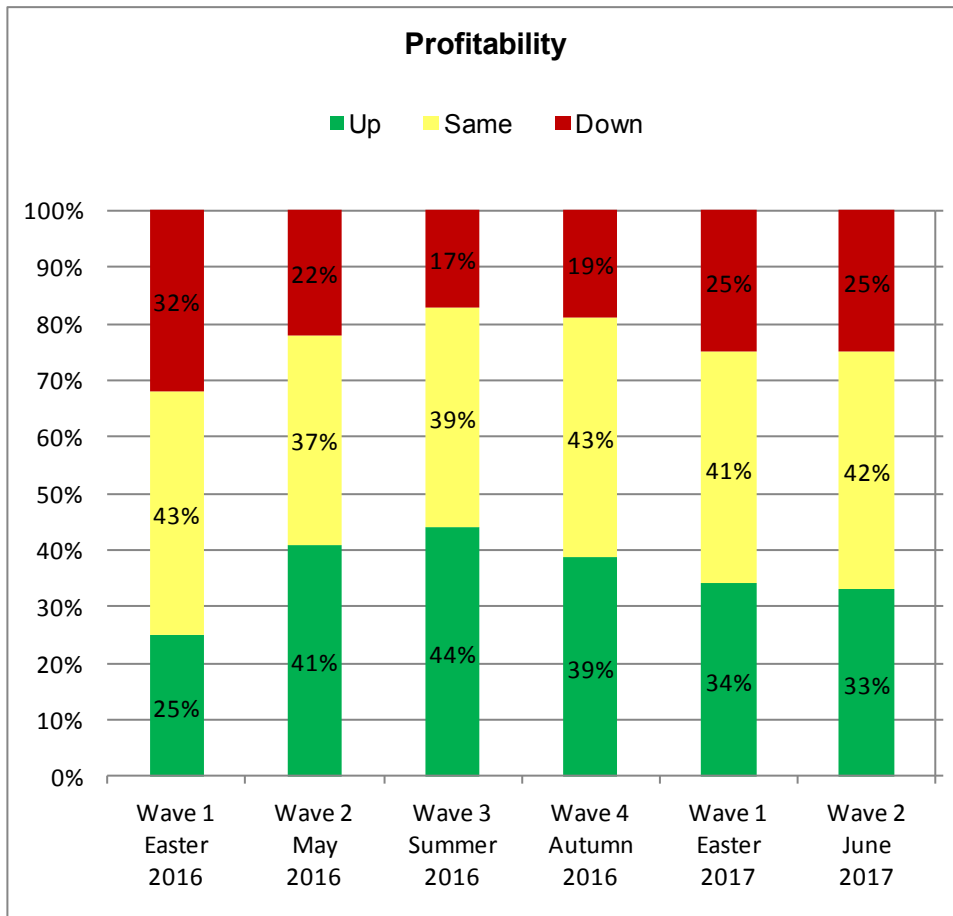
7. PROFITABILITY



Positive movements in profitability

- 7.1 Overall, a third (33%) of businesses say they have taken more profits so far this year, compared with the same period last year.
- 7.2 More attractions (51%) have seen an increase in profitability than any other sector. Two in five (40%) restaurants / pubs / cafes have also seen a lift in profits, as have 37% of caravan and campsites and 35% of serviced accommodation.
- 7.3 Self catering operators are not seeing the same increase, with 30% reporting fewer profits compared to 21% who are up. At Easter, similar proportions of self catering respondents reported profits to be up (27%) as down (28%). But a drop in visitor numbers over half term, has contributed to the lower profitability so far this year.

PROFITABILITY TRENDS

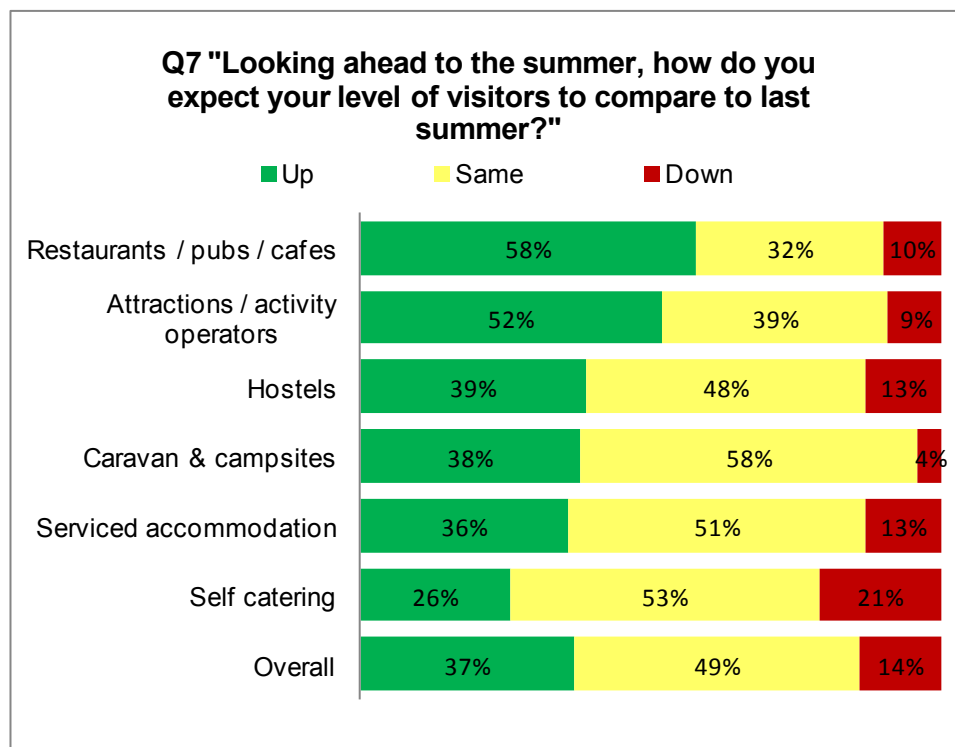


Profitability holding

- 7.4 The profits taken by businesses in the tourism industry are not as improved as they were this time last year, but a third (33%) have seen an increase, compared to a quarter (25%) who are less profitable.
- 7.5 Hopefully, with a decent summer predicted, this should rise by the time we get into Wave 3.

8. EXPECTATIONS AND CONFIDENCE FOR THE SUMMER

EXPECTATIONS BY SECTOR



Base: 791

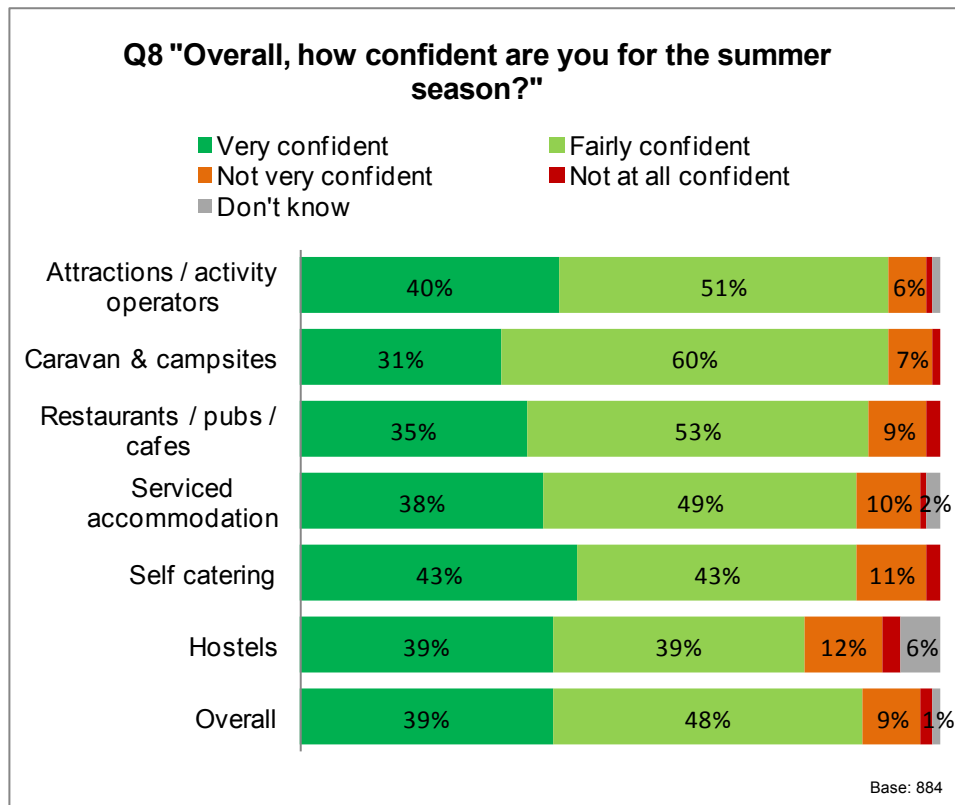
Decent summer expectations

- 8.1 Compared to the summer of 2016, this coming season is expected to bring with it more visitors for 37% of businesses.
- 8.2 In particular, restaurants, pubs and cafes have high expectations, with a strong 58% predicting a rise in the number of visiting tourists they serve.
- 8.3 And attractions and activity operators are also in good spirits going into the coming summer months, with more than half (52%) looking to welcome more guests to their offerings.

Accommodation to fare well, but largely steady

- 8.4 Among the respondents who offer a place for visitors to sleep for the night, the summer isn't expected to see the increases that food venues, attractions and activity operators will, but there are signs of increase for some.
- 8.5 The self catering sector needs to be vigilant in attracting more visitors this summer. Currently, similar proportions expecting fewer visitors (21%) and more visitors (26%) over the peak season. The majority (53%) predict similar numbers to last year.

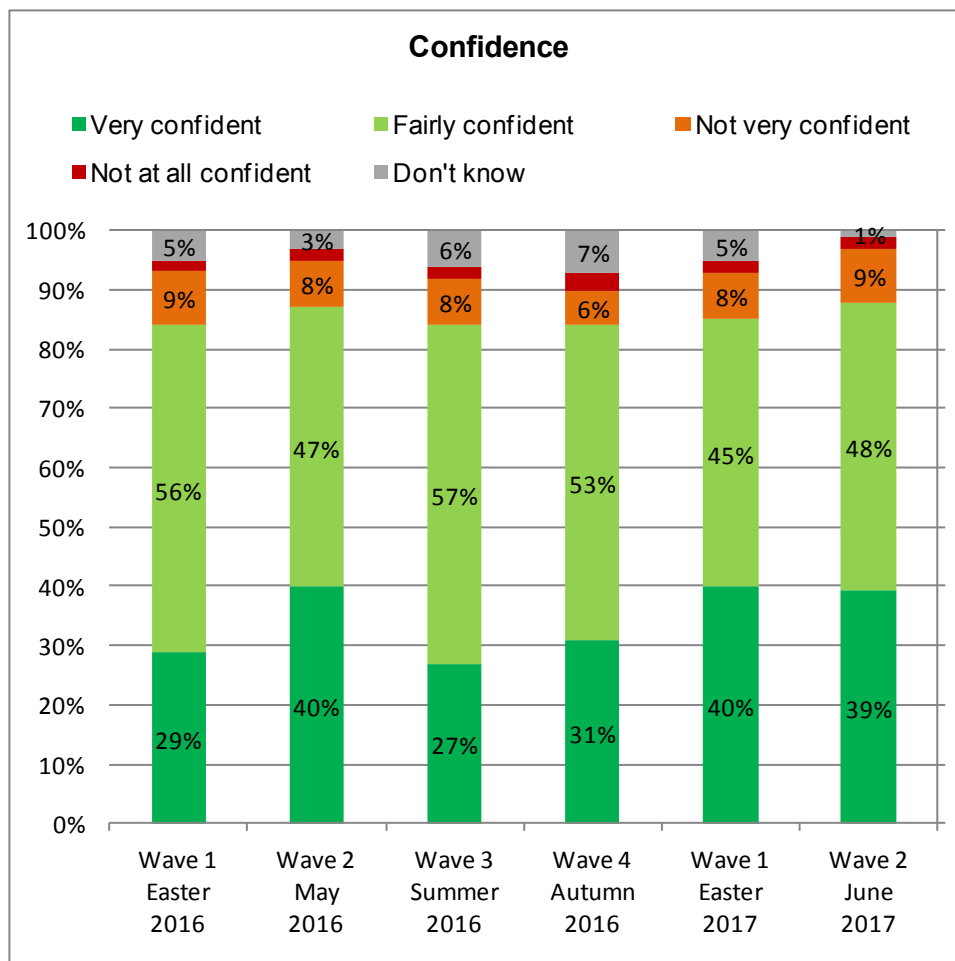
CONFIDENCE BY SECTOR



Confident for a fine summer

- 8.6 The summer months, which are often the best performing for the tourism industry, are filling businesses with confidence.
- 8.7 The vast majority off all sectors are showing a positive level of confidence as they head into peak season.

CONFIDENCE TREND

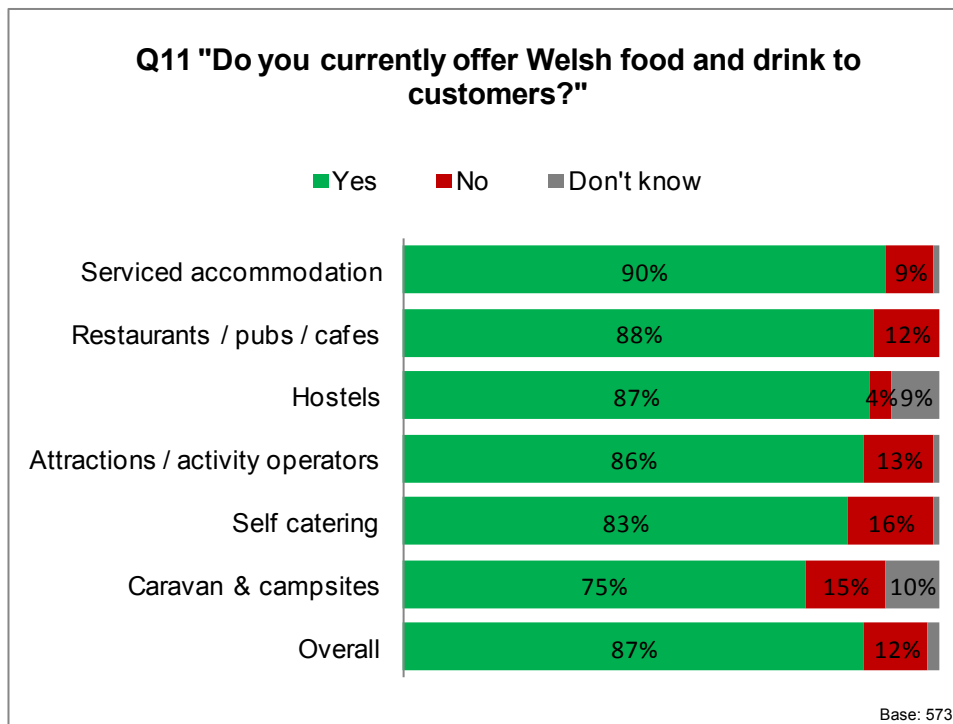


Confidence holding high

- 8.8 Confidence within the tourism industry remains positive, with 87% of respondents having some level of confidence going into the summer season. This includes two in five (39%) who are 'very confident'.
- 8.9 This good level of confidence has held from Wave 1 this year, which was bolstered by a busy Easter.
- 8.10 Confidence levels have held on to the strong position of this time last year, when 40% were 'very confident'.

9. WELSH FOOD AND DRINK

OFFERING WELSH FOOD AND DRINK

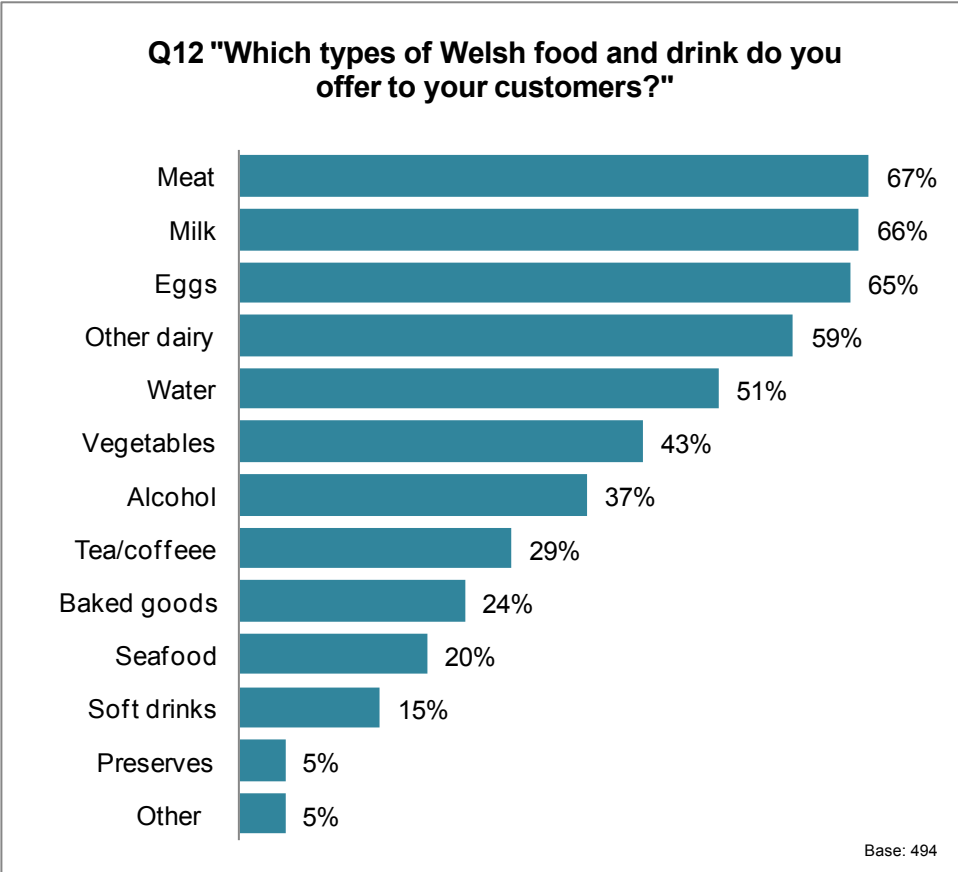


This question was asked to respondents who offer food and drink to their customers

Majority offer Welsh food and drink

- 9.1 Of all the respondents that offer food and drink to their customers, 87% have some produce and products that are made in Wales.
- 9.2 The South East has the lowest proportion (73%) of businesses offering Welsh food and drink, compared to Mid Wales (92%) and the South West (91%).

WELSH FOOD AND DRINK TYPES



This question was only asked to respondents who offer Welsh food and drink to their customers

Welsh meat is big business

- 9.3 Two thirds (67%) of Welsh food and drink-serving respondents say they offer Welsh meat to their customers. For serviced accommodation operators, this leaps to 90%.
- 9.4 Large proportions of hostels (75%) and restaurants, pubs and cafes (71%) also serve Welsh meats, which includes lamb, beef, chicken, pork and game.

Welsh milk for many

- 9.5 More than half of all sectors say that they offer Welsh milk to their customers, with two thirds (66%) serving it up overall. Businesses in the North of Wales are more likely to do this, with 78% in the region offering Welsh milk.

Cracking market for Welsh eggs

9.6 Like meat and milk, two thirds (65%) of tourism operators offer Welsh eggs to their customers. Again, it is the serviced accommodation sector that sees the highest proportion (83%) of respondents offering the Welsh product.

High proportion of dairy offers – but less in South West

9.7 Overall, 59% of respondents say that they offer Welsh dairy (not including milk) products to their customers. This includes cheese, yogurt, ice cream and butter.

9.8 But the proportion is less in the South West, with 38% saying they have it available for their customers.

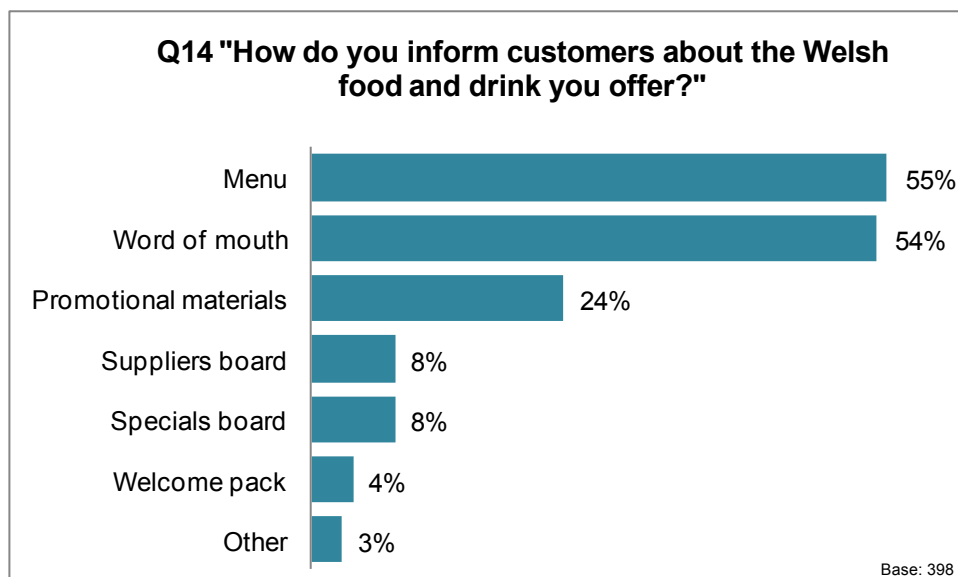
9.9 The attractions and activity sectors are the most likely to offer Welsh dairy products (70%).

Plenty of other Welsh food and drink on offer

9.10 A variety of other Welsh food and drink products are offered by sectors. Standing out as high proportions include:

- Alcohol – 76% of restaurants, pubs and cafes
- Vegetables – 63% of restaurants, pubs and cafes
- Baked goods – 66% of self catering operators
- Seafood – 39% of restaurants, pubs and cafes
- Soft drinks – 47% of caravan and camping operators

PROMOTING WELSH FOOD AND DRINK



This question was only asked to respondents who both offer Welsh food and drink, and inform their customers that they do so

Hostels and food venues use menus for promotion

9.11 Overall, 55% of respondents who inform their customers about their Welsh offerings do so via their menus.

9.12 Larger proportions of hostels (75%) and restaurants, pubs and cafes (71%) use their menus to let their customers know about the Welsh food and drink available. And 65% of serviced accommodation also highlight Welsh produce on their menus.

Shouting about Welsh food and drink

9.13 More than half (54%) say that they use word of mouth to let their customers know what Welsh food and drink they offer. This is more-so the case with serviced accommodation, of which 61% say they verbally tell their customers about any Welsh products and produce they have available.

Proactive promotional materials

9.14 Around a quarter (24%) of respondents say they use promotional materials – which include printed and web-based activity – to tell customers and potential customers about their Welsh consumables.

9.15 Attractions and activity operators are more likely to use promotional materials (36%).

Welcome packs

- 9.16 Overall, only 4% of respondents say that they use welcome packs - but this is entirely made up of self catering operators.
- 9.17 A quarter (26%) of this sector say that the welcome packs they leave for guests include Welsh food and drink, with notes or labelling highlight the Welsh produce.

Wales Tourism Business Barometer

June Wave 2017

- Sector Sector
- Serviced accommodation
 - Self catering.....
 - Caravan / campsite.....
 - Hostel
 - Attraction.....
 - Activity operator
 - Restaurant / pub / cafe.....

Q1 Has your business been established for longer than 12 months?

- Yes Go to Q2
No Go to Q8

Q2 Compared with the May/June half term last year, how many visitors have you had this half term?

- More than last year
- About the same as last year.....
- Fewer than last year
- Don't know.....

Q3 Why would you say you have had more visitors? (UNPROMPTED, TICK ALL THAT APPLY)

- Better weather.....
- Own marketing.....
- Repeat business.....
- Economic recovery
- Increased bookings through online agent (e.g. booking.com).....
- Signed up with new agency (self catering).....
- Recommendations.....
- Upturn in tourism
- Increased capacity.....
- Champions League Finals
- Other events in the area.....
- Improved rooms or facilities
- More British people staying in the UK.....
- More overseas visitors
- Don't know.....
- Other

Please specify other _____

Q4 Why would you say you have had fewer visitors? (UNPROMPTED, TICK ALL THAT APPLY)

- Weather
 - Late Easter
 - Didn't promote the business / business winding down
 - Unforeseen problems
 - Economic climate
 - Strong competition
 - Downturn in tourism in the area
 - Fewer overseas visitors
 - Fewer British people holidaying in the UK
 - Don't know
 - Other
- Please specify other _____

- Q5 How does your overall profitability to date this year compare with the same period last year?
- Up on last year
 - About the same as last year
 - Down on last year
 - Don't know / refused

Q6 *Interviewer: record all useful comments on performance to date / this half term.*

- Q7 Looking ahead to the summer, how do you expect your level of visitors to compare to last summer?
- Up on last summer
 - About the same as last summer
 - Down on last summer
 - Don't know

- Q8 Overall, how confident are you for the summer season?
- Very confident
 - Fairly confident
 - Not very confident
 - Not at all confident
 - Don't know

Q9 *Interviewer: record all useful comments on expectations for the summer.*

- Q10 Do you currently offer any food and drink to customers?
- Yes
 - No

Q11 Do you currently offer Welsh food and drink to customers? (Food and drink made or produced in Wales)

- Yes
- No
- Don't know.....

Q12 IF YES: Which types of Welsh food and drink do you offer to your customers? (READ OUT)

- Water
- Milk.....
- Eggs
- Other dairy – Cheese/Yogurt/Ice Cream/Butter
- Meat – Lamb/Beef/Chicken/Pork/Game.....
- Tea/Coffee.....
- Soft Drinks.....
- Alcohol.....
- Vegetables
- Seafood
- Baked goods.....
- Preserves.....
- Other

Please specify other _____

Q13 Do you inform customers about the Welsh food and drink in your food offering or menus?

- Yes
- No
- Don't know.....

Q14 IF YES: How do you inform customers about the Welsh food and drink you offer? (UNPROMPTED)

- Menu
- Suppliers board
- Word of mouth
- Promotional materials
- Specials board
- Welcome pack
- Other

Please specify other _____

Q15 Would you like further information on the use of Welsh food and drink in your business?

- Yes
- No

Q16 IF YES: Please could you provide us with the following details for further information on the use of Welsh food and drink in your business: (PLEASE CHECK ALL SPELLINGS!)

Name (Please don't spell it wrongly!) _____

Email address (Please read this back to them carefully - no mistakes allowed!) _____
 Name of business (confirm from database) _____

Q17 Could I just confirm whether your business is graded or accredited by Visit Wales?
 Yes
 No

Thank you for your time

Region Region of Wales
 North
 Mid
 South West
 South East

Company Company

LA LA
 Blaenau Gwent
 Bridgend
 Caerphilly
 Cardiff
 Carmarthenshire
 Ceredigion
 Conwy
 Denbighshire
 Flintshire
 Gwynedd
 Isle of Anglesey
 Merthyr Tydfil
 Monmouthshire
 Neath Port Talbot
 Newport
 Powys
 Pembrokeshire
 Rhondda Cynon Taf
 Swansea
 Torfaen
 Vale of Glamorgan
 Wrexham

ID ID: record from _____
 database