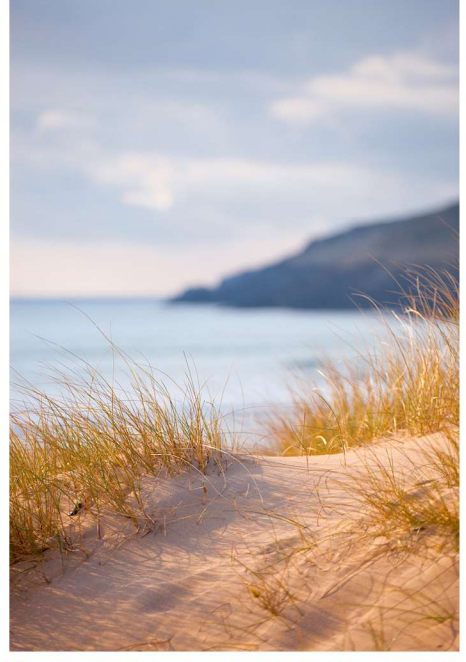


Wales Tourism Business Barometer 2024

June Wave Report



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Wales Tourism Business Barometer 2024: June Wave report

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

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1. **Headline Findings**

Slow start to the year

- 1.1 About one in six (16%) businesses have had more customers to date this year compared to last year, and about half (48%) have had the same level. However, 36% have had fewer. Poor weather for much of the spring is felt to be a key reason for the slow year to date, combined with lack of disposable income.
- 1.2 Attractions are the best performing sector, with 25% having more customers year to date than last year and 23% having fewer. At the other end of the scale, self-catering operators have had a challenging year to date, with 12% having more customers than last year but 48% having fewer.
- 1.3 The slow start to the year is reflected across all four regions of Wales.

Spring occupancy levels

- 1.4 Net room occupancy in the serviced sector was 61% in March, 64% in April and 68% in May. Net unit occupancy in the self-catering sector was 59% in March, 65% in April and 68% in May (*see page 7 for more details*).

Summer occupancy levels – strong expectations for last minute bookings

- 1.5 Occupancy levels at the time of interviewing for each of June, July and August stood at between 70 and 75% for each main accommodation sector (serviced, self-catering and caravan & campsites). Many (59%) operators say they would like more bookings but expect that the last minute booking trend (driven by unpredictable weather and to some extent, consumers having less disposable income) means they will end up being busier than the current booking levels suggest.

Repeat customers supporting many businesses

- 1.6 The clear top unprompted positive answer to the question, '*Are there any particular reasons to be positive about business this year?*' is '*high level of repeat customers*' (26%). However, 32% have answered, '*there is nothing to be positive about*'.

Bad weather tops concerns

- 1.7 '*Weather might be bad*' (30% unprompted) is the most frequently mentioned concern for this year. The weather has hindered spring trade and so some operators fear how their business would fare if the summer weather is also unfavourable.
- 1.8 Other concerns which stand out are '*High operating costs*' (24% unprompted), '*people lacking in disposable income*' (23%) and '*Welsh Government policies*' (22%).

Confidence to run profitably

1.9 19% of operators are 'very confident' about running the business profitably this year and 37% are 'fairly confident'. For the time of year, this is quite a low level of confidence as often tourism operators are at their most optimistic when the high summer season approaches.

Wales' tourism offering compared to competitor regions

1.10 Most (74%) operators say that from customer feedback, their region of Wales fares better than other UK holiday destinations in terms of '*friendly welcome from the locals*'. Only 5% say that other UK destinations fare better on this.

1.11 Similarly, Wales is perceived to easily outweigh other UK holiday destinations on '*range of good quality accommodation*', '*wide choice of good places to eat*', '*unique off the beaten track experience*' and '*wide range of visitor attractions*' (see section 5 for more details).

1.12 The two key aspects where UK destinations are perceived to fare better than Wales are '*ease of getting around by public transport*' (16% say Wales is better but 59% say other destinations are better) and '*good availability and quality of amenities in tourism hotspots*' (22% say Wales is better but 51% say other destinations are better). The trend in public toilets being closed down in parts of Wales is a key amenities issue.

1.13 But overall, operators feel that Wales has a strong offering, led by its natural beauty.

2. Background and Methodology

What is the Wales Tourism Business Barometer?

2.1 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. This wave looks at 2024 performance to date, and booking levels & expectations for the remainder of the year. Ad-hoc topics this time include customer feedback on how the tourism offering in Wales compares to other holiday destinations in the UK.

How was the Survey conducted?

2.2 We have conducted 900 interviews by telephone. The results of questions asked to everyone are accurate to $\pm 3.3\%$. The balance of the sample by region and sector broadly reflects the industry in Wales.

Sector / Region	North	Mid	South West	South East	Total
Serviced accommodation	85	48	76	40	249
Self-catering	71	56	82	39	248
Caravan / campsites	49	25	26	14	114
Hostels	4	5	6	2	17
Attractions	33	28	26	25	112
Activity operators	20	10	13	10	53
Restaurants / pubs / cafes	20	29	26	32	107
Total	282	201	255	162	900

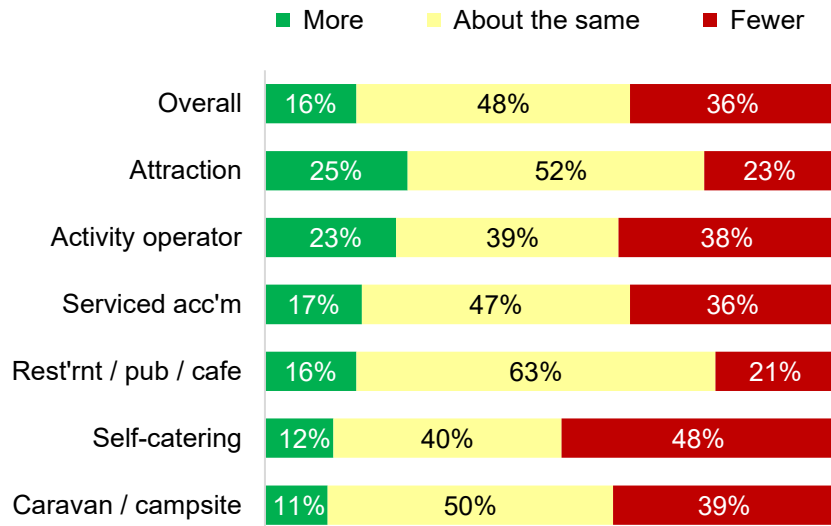
2.3 59% of businesses in the sample are graded by Visit Wales. The graded and non-graded samples are spread across the different regions and sectors except restaurants / pubs / cafes, where grading is not applicable.

2.4 All telephone interviews have been conducted with business owners or managers between 5th and 24th June.

3. 2024 Performance to Date

2024 performance by sector

Q1 "How many customers have you had to date this year compared to the same period last year?"



'Don't know' and 'not applicable' answers have been excluded

Base: 857

Unfavourable spring weather hampers tourism

- 3.1 About one in six (16%) businesses have had more customers to date this year compared to last year, and about half (48%) have had the same level. However, 36% have had fewer. Self-catering and caravan & campsite operators have had a particularly challenging year to date.
- 3.2 Poor weather for much of the spring is felt to be a key reason for the slow year to date, combined with people having less disposable income.

"A very, very slow year"
Caravan park, South West

"I'm down by about a third ... I've never had it so bad. No sun = no visitors and we've got no sun. English people are coming on day trips to Llanberis, not staying over."
Self-catering, North

"It has quietened down and been much slower this year. I think that people are really worried about paying their bills."
Serviced, North

"It's extremely unpredictable because of the weather. We have had a lot of cancellations due to a bad forecast. We are fully booked this weekend as the weather is nice. When the weather is nice, that's when the phone rings."
Serviced, North

Some businesses have turned a corner though

3.3 Although business has generally been slow for much of the spring, some businesses are already now enjoying an upturn in bookings.

“We have a great team here to be proud of. A new person in the café has helped bring everything together. We have a lot of bookings and are looking really healthy for this year.”

Attraction, South West

“The beginning was quiet, especially Easter, but the bookings are coming in now”

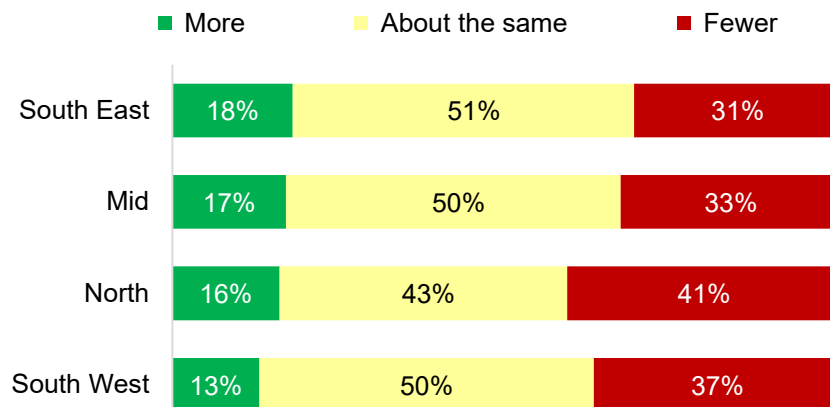
Serviced, North

“We are absolutely flat out – much busier this year”

Serviced, North

2024 performance by region

Q1 "How many customers have you had to date this year compared to the same period last year"



Base: 828

‘Don’t know’ and ‘not applicable’ answers have been excluded

Slow start in all regions

3.4 The challenging start to the year is reflected across all four regions.

“Tourism seems to be doing badly at the moment, in general. I don't think we're any worse off than anyone else.”

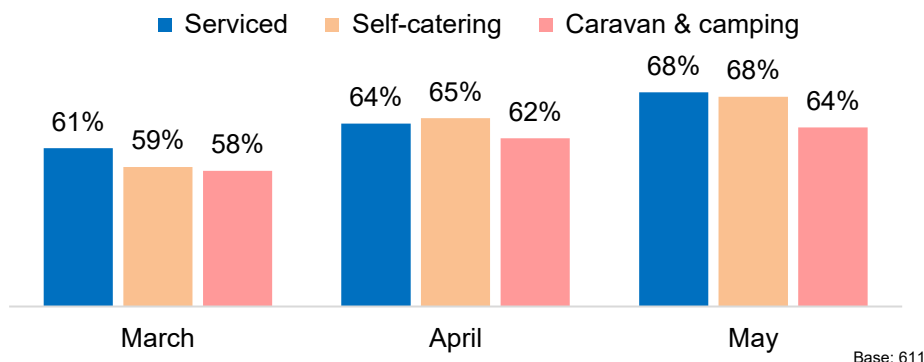
Caravan park, Mid

“It’s very quiet this year. It’s our worst year in 35 years. We’re going to change our agent ... to see if that will help.”

Self-catering, South West

Spring occupancy levels

Q3 "How much of your available capacity was booked for ... ?" (estimated sector occupancy shown)



Q3 has been asked to accommodation operators. 'Don't know' and 'closed all month' answers have been excluded. Occupancy levels shown have been weighted by size of business.

Similar findings by sector

- 3.5 The three main accommodation sectors have fared similarly to each other in terms of spring occupancy, with a smooth progression from March through to May.
- 3.6 These occupancy levels are similar to those recorded last year in the [Wales Accommodation Occupancy Survey](#). However, the method has changed and so comparisons should be treated with caution. Open comments in the barometer show that operators generally perceived this year's spring bookings as 'slow'. Poor weather is felt to be a key reason, especially in the caravan & camping sector.

"March, April and May are all about 30% down on last year"
Serviced, South West

"We couldn't book anyone in for Easter as the field was too wet. Our business all depends on the weather."
Caravan park, North

"We didn't really get going in May because we were under water"
Caravan park, South West

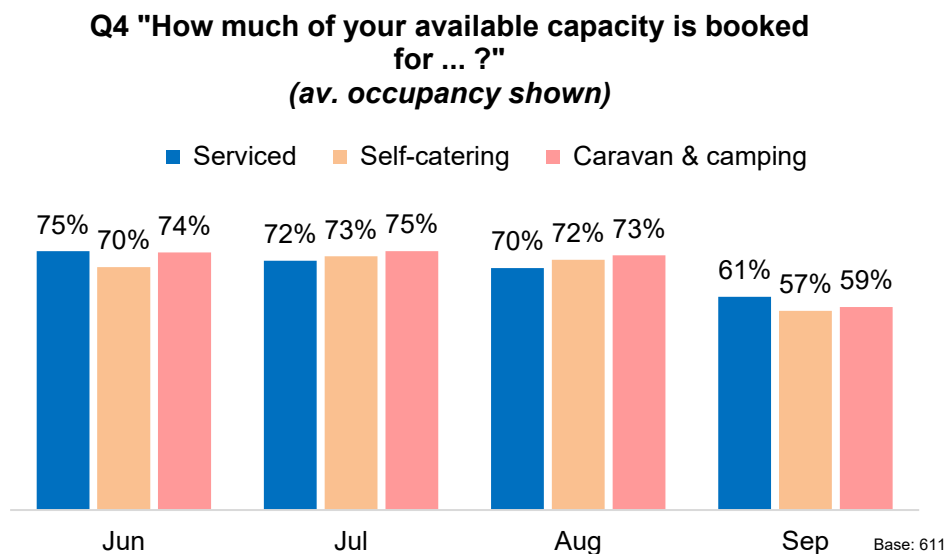
Differences by region

- 3.7 Occupancy levels in Mid Wales during the spring were lower compared to other regions. North Wales fared particularly well in the self-catering sector, and South East Wales fared well in the serviced and caravan & camping sectors. The table below shows occupancy by region and sector for the three spring months March – May:

March – May occupancy					
Sector / Region	North	Mid	South West	South East	All Wales
Serviced	64%	53%	66%	70%	65%
Self-catering	76%	52%	59%	64%	64%
Caravan & camping	63%	52%	58%	72%	61%

4. Advance Bookings and Expectations

Advance bookings (accommodation operators)



The average booked occupancy for each month is among businesses which are taking bookings for that month. Occupancy levels shown have been weighted by size of business.

Strong expectations for last minute bookings

4.1 The above chart shows occupancy levels for the months ahead at the time of interviewing, but the increasing trend to book last minute makes it hard for operators to predict how these months will actually turn out.

"It is very, very slow. We are hoping for a lot of last minute bookings."
Serviced, North

"The behaviour of guests has changed quite radically – they're booking a lot more last minute."
Self-catering, South West

"We are fine. People are booking later so we are not unduly worried."
Hostel, North

4.2 Poor spring weather has driven the last minute booking trend even further. Some operators feel that customers are holding off booking until they know how the weather is likely to turn out.

"People aren't booking weeks any more. Everyone wants a last minute booking for three days. They hang on until the weather looks better or they've made a decision."
Self-catering, South West

4.3 The general election on 4th July has also been mentioned. Some operators say from past experience that bookings can be slow in the run-up to a general election and then suddenly kick in after it.

“Once the election has been and gone, I think people might decide to go away for a break ... I do think it's having an impact.”
Self-catering, South West

Already strong booking levels for some

4.4 Some operators have already put the slow start to the year behind them and are now seeing healthy booking levels for the summer.

“Slow start but things are picking up daily now. I think people are realising that they do actually need a holiday.”
Caravan park, North

“Slow start to the year ... but now the business is picking back up nicely.”
Hostel, South West

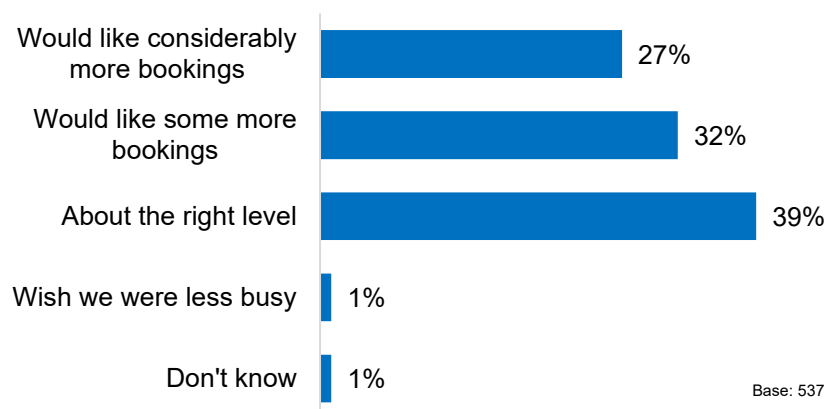
Differences by region

4.5 As with the spring months, occupancy levels for the peak summer months of July & August are currently looking lower in Mid Wales compared to other regions. North Wales fares particularly well in the self-catering sector again, and South East Wales is looking good in the serviced and caravan & camping sectors.

July & August occupancy					
Sector / Region	North	Mid	South West	South East	All Wales
Serviced	68%	66%	75%	78%	71%
Self-catering	80%	63%	71%	74%	73%
Caravan & camping	71%	64%	78%	88%	74%

Satisfaction with occupancy levels

Q5 "How satisfied are you with your current occupancy levels for the summer?"



Q5 has been asked to accommodation operators open and giving occupancy figures for at least one month in Q4

Correlation with occupancy levels

4.6 About two in five (39%) accommodation operators are satisfied with their current occupancy levels for the coming months. On average, these operators are currently about 85 – 90% full for July and August.

"It's as busy as we had hoped"
Caravan park, North

4.7 27% of operators say they would like 'considerably more bookings'. On average, these operators are currently about half full for July and August. There are hopes that the last minute booking trend will turn this around, especially if the weather is good.

"Bookings for the summer are low but to be expected as we always have last minute bookings – very much weather-dependent"
Self-catering, North

Differences by region and sector

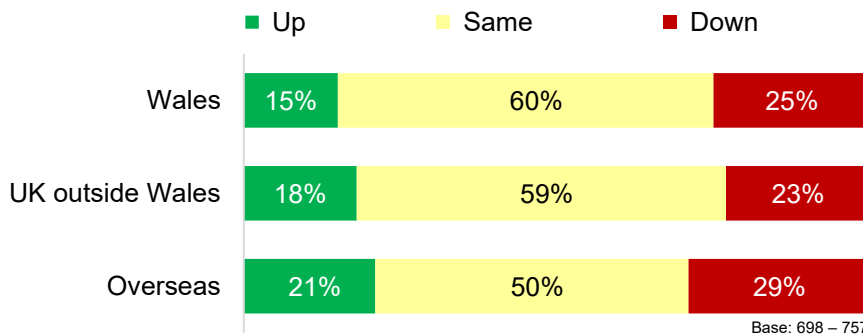
4.8 The proportions feeling satisfied with their current summer occupancy levels differ significantly by region:

- South East (52%)
- North (43%)
- South West (36%)
- Mid (28%)

4.9 Results do not differ significantly by sector.

Expectations by market

Q6 "Do you expect the number of customers this year from each of the following markets to be up, down or the same as in 2023?"



'Don't know' and 'not applicable' answers have been excluded. The base varies by market due to differences in the number of 'don't know' and 'not applicable' answers.

Muted expectations for this year

- 4.10 On the whole, each of the three broad markets are expected to be slightly down on balance compared to 2023 (when comparing the up% vs down%).
- 4.11 In the February barometer, the proportion of businesses reporting to be down in 2023 vs 2022 outweighed those reporting to be up. Whilst Q6 (above) is based on expectations rather than performance in hindsight, it looks like businesses as a whole do not expect to get back to 2022 levels this year.

Concerns over the weather

- 4.12 Concerns for this year are discussed in more detail later under Q9, but the weather is a key reason behind muted expectations for the Wales & UK outside Wales markets. Some feel that poor spring weather may have driven some holidaymakers to book abroad.

"More people want to leave the country this year rather than go on holiday in the UK"
Caravan park, Mid

"The weather has not been great so far, so more people are going abroad"
Serviced, Mid

Overseas visitors

- 4.13 Expectations for overseas visitors are mixed. Some say they have not seen the same level of overseas visitors since the pandemic and Brexit, whereas other operators appear to be thriving. Having a strong online presence on sites used in other countries may play a part.

“I think we'll be seeing more overseas visitors because we're a niche market and have a reasonably successful TikTok page, which I handle. I've never seen so many foreign [sic] numbers.”

Activity operator, South West

“We lost a lot of trade from Europe five years ago because of Brexit”

Self-catering, North

“We are having more overseas customers through booking.com”

Serviced, North

Differences by sector

4.14 Attractions are more optimistic than the other sectors. Their expectations to be up or down for each market are:

- Wales – 23% up vs 16% down
- UK outside Wales – 28% up vs 17% down
- Overseas – 29% up vs 18% down

Differences by region

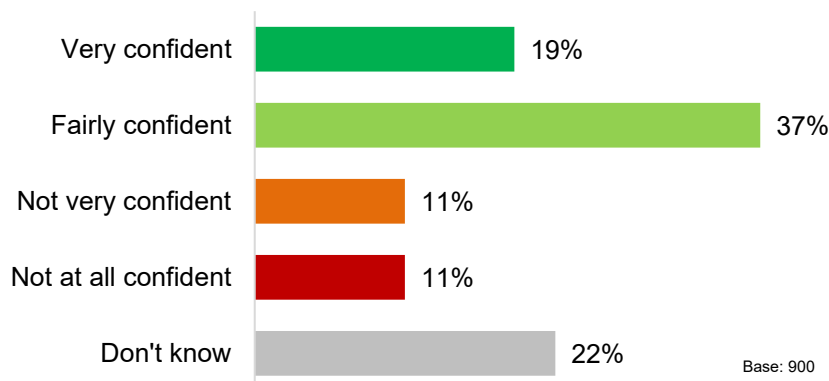
4.15 Business in South East Wales are more optimistic than the other sectors. Their expectations to be up or down for each market are:

- Wales – 26% up vs 18% down
- UK outside Wales – 25% up vs 11% down
- Overseas – 23% up vs 18% down

4.16 By comparison, in the other regions of Wales, the % expecting to be down outweighs the % expecting to be up in all three markets.

Confidence in running profitably

Q7 "How confident do you feel about running the business profitably this year?"



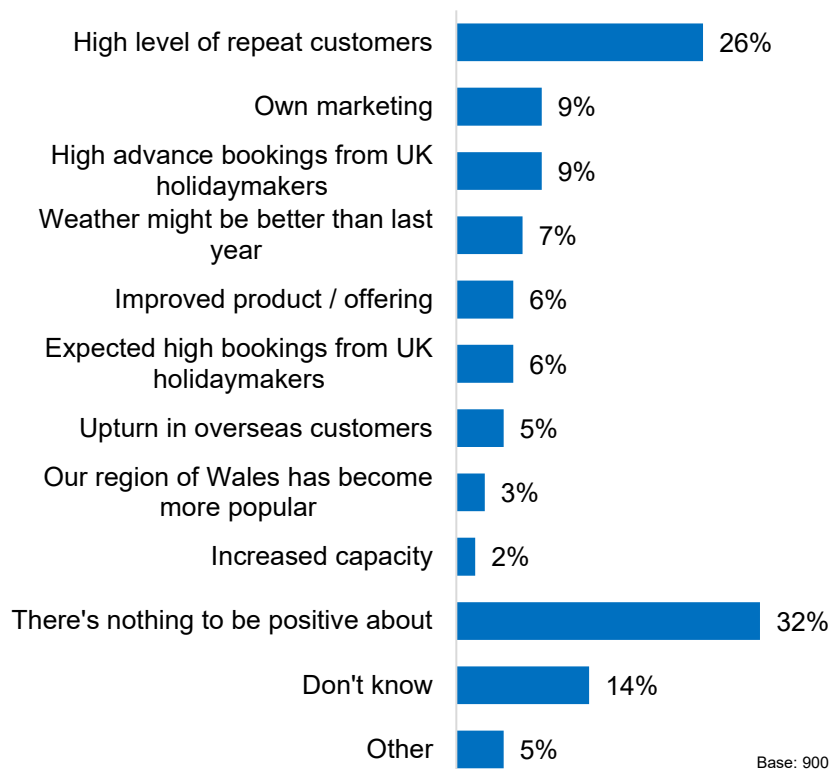
Low confidence for this time of year

- 4.17 Historically, tourism operators have often been at their most optimistic when the high summer season approaches. For example, in the spring 2022 barometer, 27% of operators answered 'very confident' to this same question, and 47% answered 'fairly confident'.
- 4.18 This year, there is a lot of uncertainty. The proportion answering 'don't know' to this question has risen from 10% in spring 2022, to 13% in spring 2023, to 22% now. This shows a trend in businesses not really knowing what to expect.
- 4.19 High operating costs, a slow start to the year and muted advance bookings for the summer have dampened optimism among some. Others however remain optimistic.

"Feeling positive in general – swings and roundabouts"
Hostel, Mid

Reasons to be positive

Q8 "Are there any particular reasons to be positive about business this year?" (unprompted)



Repeat customers are the bedrock of some businesses

4.20 After a challenging start to the year, repeat customers have provided a stable level of business for some operators. They are highly valued. This is the top positive answer in every region and sector apart from attractions, whereby 'improved product / offering' (16%) and 'own marketing' (14%) are mentioned more frequently.

"Our good social media presence gives us confidence"
Attraction, South West

"I rely on repeat business. It's all about word of mouth ... I've been in the business for 52 years."
Self-catering, North

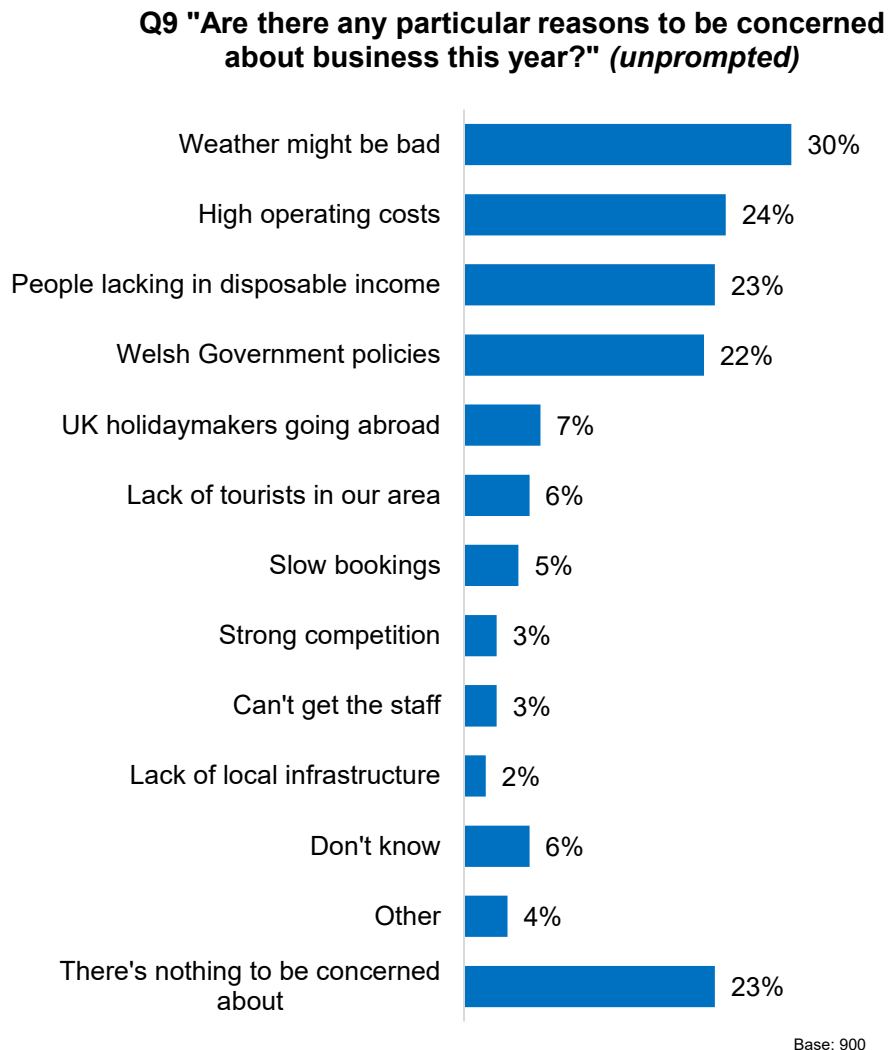
"I'm so busy because we get so many repeat guests. I offer guest a discount to book again."
Self-catering, South West

"Business is based on repeat custom"
Caravan park, South West

'There's nothing to positive about'

4.21 Although reasons for positivity have been given, industry optimism is somewhat dampened with around a third (32%) of operators answering, *'there is nothing to be positive about'*. This is the same as in the February barometer wave, and as before, the proportion is highest in Mid Wales (53%) and self-catering (45%).

Reasons to be concerned



Concerns about the weather

4.22 Unfavourable spring weather has given operators a reminder of how slow business can be in these circumstances. This has left some feeling concerned about the kind of weather Wales is going to get this summer. Bad forecasts can lead to not only a lack of last minute bookings, but also the cancellation of existing bookings. Caravan parks are particularly concerned about the weather – 42% have said this.

“At the moment we are happy about the amount of bookings that we have, but in case of bad weather in our region, we do expect some cancelations.”
Self-catering, South West

“All [sic] we have had since last July is wind and rain. We are hoping for better weather so that we can then have last minute campers.”
Caravan park, North

“People can't rely on going to the beach with a £10 picnic if the weather is bad”
Serviced, South West

High operating costs and low disposable income

4.23 These two issues are two sides of the same coin. Inflation has pushed up the cost of running a tourism business, but at the same time, customers' own living costs have gone up and so they can't easily afford to pay the higher prices that operators ideally need to charge.

“Staff want to be paid more; minimum wage has gone up but I can't put my prices up”
Activity operator, South West

“Costs are going up. People are feeling the squeeze.”
Self-catering, Mid

“We've noticed group numbers have gone down because people can't afford it”
Activity operator, Mid

Welsh Government policies – sectoral divide in answers

4.24 'Welsh Government policies' are the top concern among self-catering operators (43% have said this). Among the other accommodation sectors, the concern is lower (21%). Among non-accommodation operators, only 6% have stated this as a concern.

4.25 The two key policies of concern are the '182 days rule', which affects the self-catering sector the most, and the 20mph speed limits. It seems that some people in England have misunderstood the speed limit change and think it applies by default in all areas (not just in previous 30mph areas).

“I've had many comments about the 20 miles per hour rule. People assume it's everywhere. Bikers have gone to stay in England instead.”
Self-catering, North

“We are 30% down on last year because most of our customers travel by car and they misunderstand the 20mph rule in Wales so they are avoiding coming here.”
Self-catering, South East

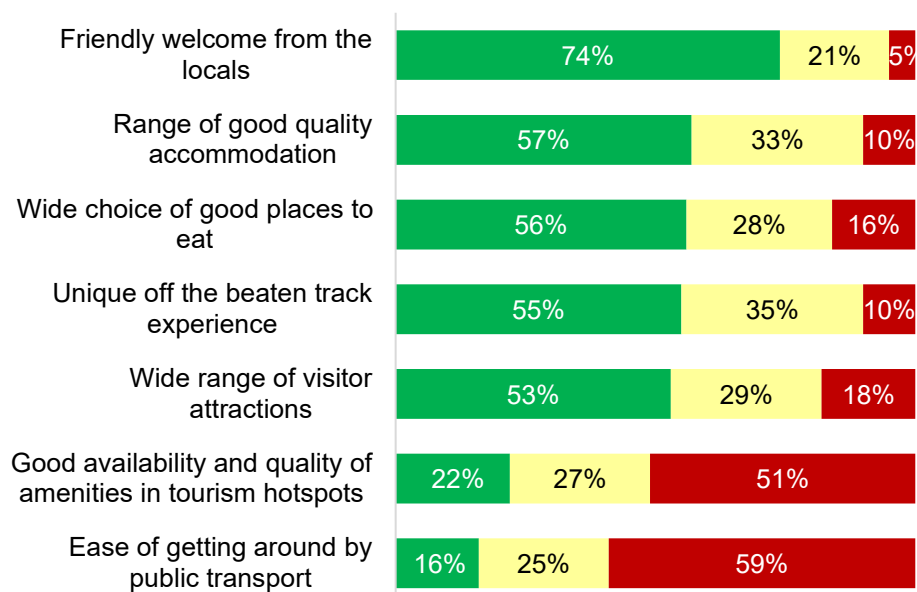
“If I can't get the 182 days, that's when I'll give up”
Self-catering, South West

5. Wales' Tourism Offering Compared to Competitor Regions

Wales vs UK destinations

Q11 "From any feedback your customers give you, how does the tourism offering in your region of Wales compare to other holiday destinations in the UK on each of the following?"

- Our region of Wales fares better
- About the same
- Other destinations in the UK fare better



Base: 790 – 842

'Don't know' answers have been excluded and percents re-based

Results context

5.1 Operators have been asked to answer the above question in the context of visitor feedback. This does not tell us what non-visitors think of Wales, but nevertheless it gives us insight into how those who choose to visit Wales perceive the destination compared to UK alternatives.

Friendly welcome

5.2 Wales is perceived to be friendlier than other UK destinations. This is consistently the case across all sectors and regions of Wales.

"People staying ... often comment on the friendly locals in the local pub"
Self-catering, Mid

"We have a lot of good feedback with regards to friendliness of the staff and locals"
Caravan park, North

Off the beaten track

- 5.3 Many operators say that the key draw of their region of Wales is the unspoilt natural beauty – the mountains, countryside and beaches. There may not be much infrastructure, but their customers come for that reason – to get away from overcrowded tourist hotspots in other parts of the UK. Wales is perceived as particularly suitable for walking.
- 5.4 Businesses in North Wales (67%) and Mid Wales (65%) are more likely to say that Wales fares better on this aspect than businesses in South West (43%) and South East Wales (37%).
- 5.5 By sector, activity operators stand out with 84% saying that their region of Wales fares better.

“Anglesey is a great place to visit and we have amazing sunsets”
Serviced, North

“People come for the beautiful coastlines and pathways”
Serviced, South West

“Stunning scenery. South Wales is very unique.”
Caravan park, South East

“There’s nothing here really. Older people tend to enjoy it more as it’s always quiet.”
Serviced, Mid

Attractions – generally considered better, but some areas are weather-dependent

- 5.6 Attractions in Wales are generally perceived to be better than in other UK regions and this is consistent across all regions of Wales. Responses from attractions themselves do not differ significantly from responses among other sectors. There is however a weakness in that many of Wales’ attractions – based on outdoor nature and beauty – are weather-dependent.

“There is so much to do – walking, lakes, beaches – all weather-dependent”
Caravan park, North

“I think we have a lot to do here. People seem to like the attractions and the quietness of the area and country parks”
Serviced, South West

Good places to eat

- 5.7 Wales’ food offering is perceived as strong, largely due to the wide availability of fresh local options. Responses from restaurants, pubs & cafés do not differ significantly from responses among the other sectors.
- 5.8 However, availability is under threat as some areas are seeing restaurants and cafés closing fully or on certain days due to not being able to cover their costs anymore.
- 5.9 Businesses in Mid Wales (67%) are more likely to say Wales fares better on places to eat than businesses in the rest of Wales (52%).

“Lots of great places to eat within an hour of our location”

Serviced, Mid

“We don't know where to send people for food anymore. All the pubs are closing.”

Caravan park, South West

“People struggle to find somewhere to eat on Mondays and Tuesday, as a lot of places close now for those days”

Self-catering, South East

Lack of public transport

5.10 One of Wales' two key perceived weaknesses highlighted by this question is the lack of public transport. Businesses in all sectors and in all four regions of Wales perceive other UK destinations to fare better on this aspect, especially in Mid Wales (84% say so). Where public transport does run, it can be infrequent.

“There's only a bus that runs every hour and then stops in the evenings”

Serviced, South West

“There are no buses here and the train station isn't very close”

Self-catering, South East

“Transport could be much improved. An American couple came to stay and were forced to rent a car to see the offshore island birds because of how bad the public transport is.”

Serviced, South West

Amenities lacking in some places – especially public toilets

5.11 The lack of available good quality amenities in some tourism hotspots is another aspect of Wales' offering in need of development. This is a consistent view across all four regions of Wales and across all sectors.

5.12 Car parks are generally felt to be ok, and signposts have hardly been mentioned as an issue. The main talking point is public toilets. It seems that some councils are closing them down due to their need to cut costs. Operators are unhappy about this.

“There's a dire shortage of public toilets. There are none in the village.”

Caravan park, North

“I had people here last week. They went to Nolton Haven. They were told the nearest toilets were in Newgale Beach. They were locked. They had to go to Solva.”

Self-catering, South West

In summary

5.13 Many visitors come to Wales for its unspoilt natural beauty. Over-development could jeopardise this; however, investment in some aspects such as public transport and toilets could improve the visitor experience.