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Wales Tourism Business Barometer 2024: summer 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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Contents

1. Headline findings

Summer performance hampered by bad weather

1.1 About one in six (16%) businesses have had more visitors this summer than last summer, and 46% have had about the same level. However, 38% have had fewer visitors.

1.2 The most commonly cited reason for having fewer visitors is ‘weather’ (55% of respondents). This is followed by ‘people lacking in disposable income’ (42%).

1.3 The proportion of businesses having fewer visitors outweighs the proportion having more visitors in every sector and in all four regions of Wales.

Shorter, last minute stays

1.4 Open comments show that the industry has experienced a trend towards shorter, last minute stays this summer. Weather and disposable income are felt to be the key reasons behind this trend as some visitors have waited to see what the weather would be like and have not booked week-long stays, but 3 – 4 nights instead.

Peak summer occupancy levels

1.5 Net room occupancy in the serviced sector was 84% in July and 87% in August. Net unit occupancy in the self-catering sector was 83% in July and 87% in August. Net pitch occupancy in the caravan & camping sector was 79% in July and 82% in August *(see page 11 for more details).*

Awareness and interest in TXGB

1.6 One in ten (10%) operators were aware of TXGB prior to interview. Of these, some (15%) are either using it now or intend to do so.

1.7 After hearing a description of TXGB, 14% of those previously unaware of it say it ‘definitely’ sounds like something they would be interested in learning more about (very similar to last year), and a further 23% say it ‘may’ be something they would like to learn more about (it was 42% when asked last year).

Confidence levels

1.8 14% of operators say they are ‘very confident’ about running the business profitably this year, and a further 38% say they are ‘fairly confident’. High operating costs and a disappointing peak summer season for many businesses have dented confidence in being able to make a profit. However, some say they are hopeful for last minute autumn bookings.

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 summer 2024 performance. The ad-hoc topic this time is awareness and interest in TXGB.

How was the Survey conducted?

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

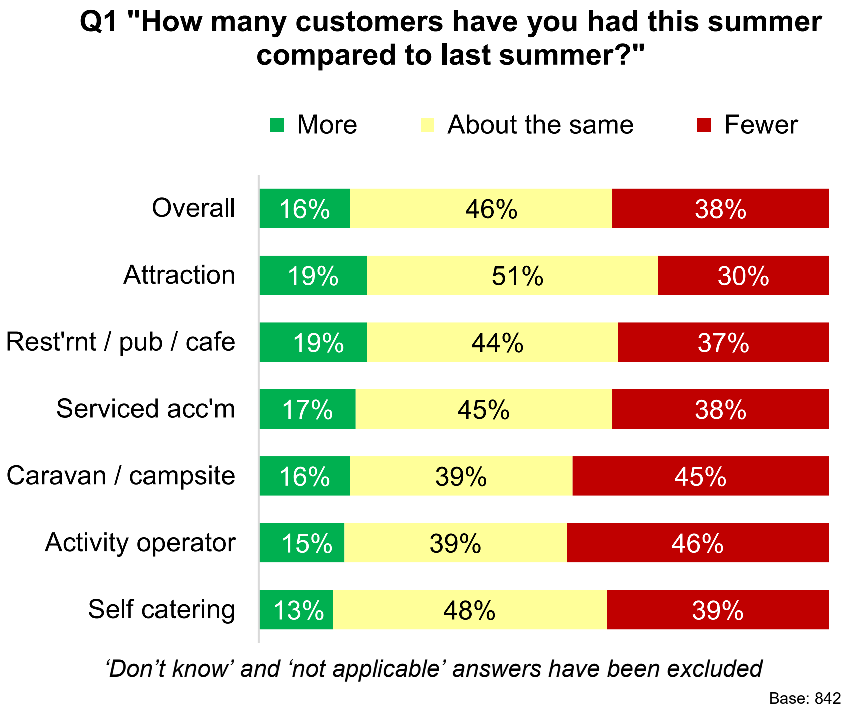
Sector / Region	North	Mid	South West	South East	Total
Serviced accommodation	93	43	76	42	**254**
Self-catering	92	51	84	32	**259**
Caravan / campsites	33	24	25	9	**91**
Hostels	10	6	7	4	**27**
Attractions	39	22	28	22	**111**
Activity operators	19	8	13	7	**47**
Restaurants / pubs / cafes	36	16	32	27	**111**
Total	**322**	**170**	**265**	**143**	**900**

2.3 63% 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 27th August and 9th September.

3. Summer performance

Summer performance by sector



Disappointing summer

3.1 About one in six (16%) businesses have had more visitors this summer than last summer, and 46% have had about the same level. However, 38% have had fewer visitors. The proportion of businesses having fewer visitors outweighs the proportion having more visitors in every sector.

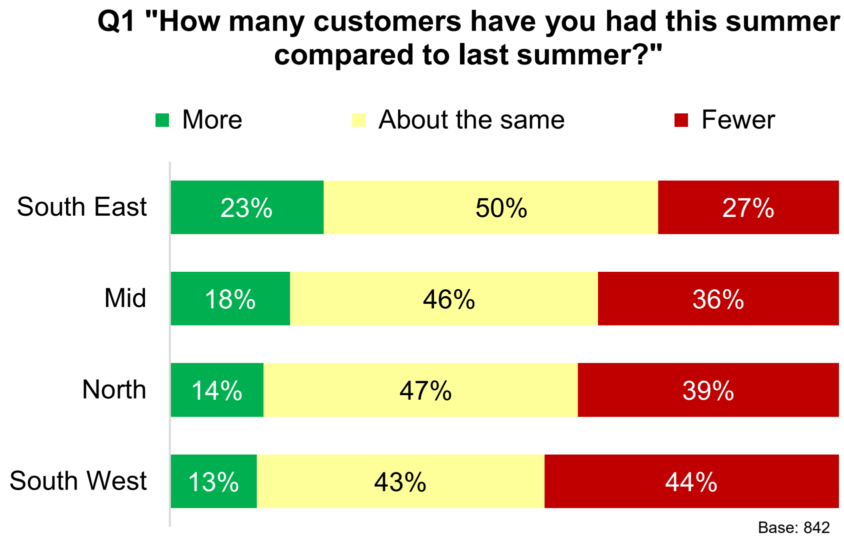
3.2 The summer 2023 barometer showed that all sectors were down on summer 2022 except attractions, and so this year's summer performance is made in comparison to a 2023 summer which was also down on the summer before it.

"We had a very low July but a very high August so it sort of balanced out to be the same as last year"
Attraction, North

"Hoping next summer is better than this one. A lot of businesses in the area are struggling."
Serviced, South West

3.3 Factors affecting summer performance are discussed later under Q2 & Q3.

Summer performance by region



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

Disappointing performance reflected across all regions

3.4 The proportion of businesses having fewer visitors outweighs the proportion having more visitors in all four regions, although South East Wales has performed somewhat better than the rest of Wales. As the sample size of businesses performing better is small, there is no clear reason why the South East region has performed better, but there is an indication that major events have contributed.

"We've been busier, maybe with all the big events happening"
Restaurant, South East

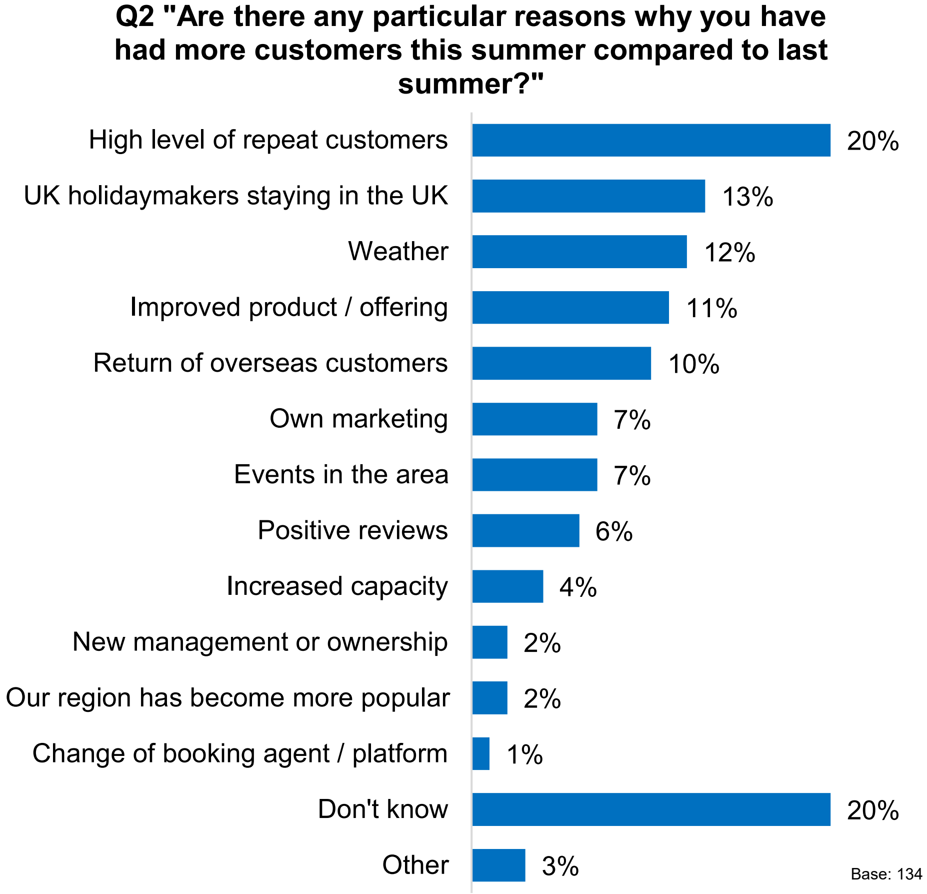
"Events and concerts in the area helped us to have more customers"
Café, South East

"We had slightly more visitors than last year because we had a lot of repeat customers and we did promote our business more than last summer"
Self-catering, South East

"In my area there are people who owns similar chalets and they have been worse off than me so I am very fortunate"
Self-catering, South West

"The cost of living is up … people are scared of spending money"
Serviced, North

Reasons for being busier this summer



Q2 has been asked to businesses having more customers this summer (Q1)

Repeat customers bringing stability for some businesses

3.5 Repeat customers are the bedrock of many tourism businesses, especially those which have been trading for a long time and are in self-catering. Repeat customers bring stability during challenging times. However, these businesses are still to some extent at risk of factors which adversely affect tourism, such as bad weather.

"If it weren't for our regular repeat guests, we might go out of business"
Self-catering, South West

"We are just really getting repeat business but very few new enquiries"
Self-catering, North

Last minute bookings

3.6 Open comments suggest that there has been a trend towards last minute bookings this summer. Unpredictable weather is thought to have played a part as some visitors have waited to see how the weather will be before booking. Some businesses have benefited from last minute bookings coming in, although this can test the nerve of the operators.

“They've been late bookings, very late, scarily late”
Self-catering, South West

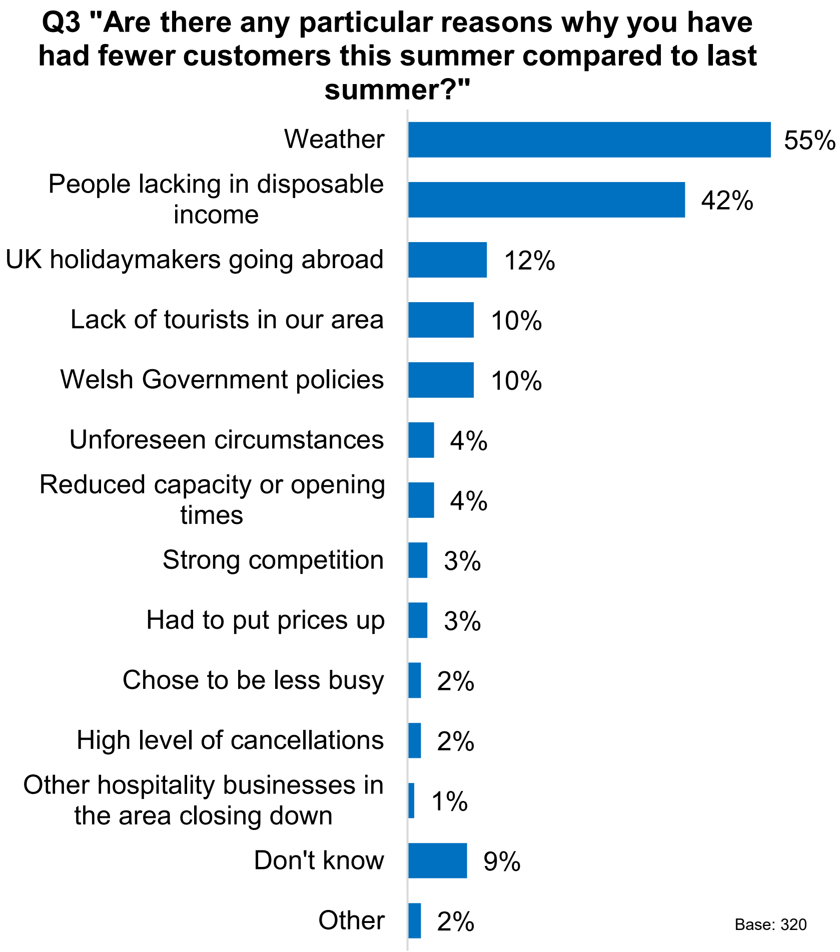
“There was quite a lot of concern about August being quiet but then we had a lot of last minute bookings”
Serviced, North

Indoor attractions can benefit from bad weather

3.7 The weather is a key reason for the overall disappointing summer performance across the industry, discussed next under Q3. However, rainy weather can be good for indoor attractions.

“We have been busy. The bad weather has helped.”
Attraction, North

Reasons for being quieter this summer



Q3 has been asked to businesses having fewer customers this summer (Q1)

General interpretation of reasons for being quieter

3.8 Businesses have answered Q3 to the best of their knowledge based on booking & cancellation patterns, feedback from customers & enquirers and their own perceptions. This gives us a good indication of the overall factors adversely affecting tourism, but it is worth noting that the operators themselves may not always know the exact reasons.

Weather hampered performance

3.9 The weather is the most frequently cited reason for having fewer customers this summer. It has been especially detrimental to the caravan & camping sector, whereby 74% of those receiving fewer visitors have cited the weather as a reason.

3.10 The weather has impacted performance in a number of ways, including driving a trend to wait last minute before booking, cancelling existing bookings and curtailing stays. If there is a lack of all-weather activities in an area then this puts tourism businesses in that area more at risk of cancellations and curtailed stays.

"Dreadful year. People will rock up if they know the weather will be good."
Caravan park, North

"The weather was terrible so people cancelled or they just stayed 3 to 4 nights then left as they were just stuck in the B&B because of the weather"
Serviced, North

"People are leaving things until the last minute. They're wanting to see how the weather is before booking."
Activity operator, South West

How did the summer weather this year compare to previous summers?

3.11 According to the Met Office, the weather in Wales this year was cooler than average in June and July, largely because of northerly winds bringing cold Arctic air to the UK.

3.12 Summer 2023 in Wales was warmer than average but wetter and less sunny than average, especially in July, when unfavourable jet stream positioning brought a succession of wet and windy weather fronts.

3.13 Summer 2022 however was very dry, sunny and warm compared to average.

3.14 So whilst summer this year was not particularly bad when compared to last year, it was much less favourable compared to 2022.

Lack of disposable income

3.15 Alongside the weather, lack of disposable income is the other key reason for subdued industry performance this summer.

"We've been ghostly quiet. People are really worried about money. They're coming and asking if there's a reduction if there are two of them. We've been giving reductions because people really haven't got any money."
Activity operator, South East

"Just much quieter this year. People don't have the money."
Caravan park, North

3.16 For some businesses, lack of disposable income has not just been an issue affecting customer levels, but customers may also spend less when there.

"People are not spending as much – they'll have a main meal and a drink or a cake and a drink but not both, like they used to"
Restaurant, Mid

"We noticed a lot of people eating sandwiches and pot noodles in their rooms and not dining out"
Serviced, North

Shorter stays

3.17 Some say that stays have become noticeably shorter this summer. This can make more work for operators because of frequent changeovers.

"Different types of bookings this year – 3/4 days rather than weekly, so harder work"
Self-catering, North

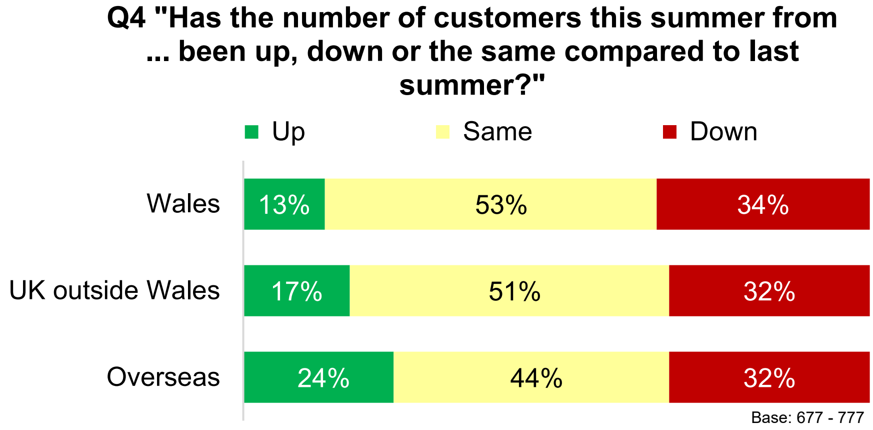
"The booking pattern is very different. More bookings doesn't mean more profit, just more work and expense. They're short notice bookings and are shorter in duration."
Self-catering, South West

How do these findings compare with other research?

3.18 The above findings on lack of disposable income and shorter, last minute stays are all consistent with the UK Tourism Consumer Tracker Survey published by Welsh Government on gov.wales.

3.19 The Tracker reported signs of consumers likely to cut back on spending this summer through delayed decisions on making bookings, shorter trip length, more searching for free things to do and less spending on eating out. The Tracker stated that *"Nearly 7 in 10 of the [UK] population consider themselves either 'hit hard' or 'being cautious and careful' as a result of the [cost of living] crisis, and over half of trip intenders explicitly agree that it is influencing their overnight domestic trips."* The Tracker also states that *"Wales intenders appear to be particularly vulnerable to squeezed finances"*.

Performance by market



'Don't know' and 'not applicable' answers have been excluded from the above results

Some say that European visitors have finally returned this summer

3.20 The Wales and UK outside Wales markets have performed disappointingly this summer, as was also the case last year (when comparing 2023 vs 2022).

3.21 The overseas market is also down overall. That said, some sectors / regions are up on balance for overseas visitors:

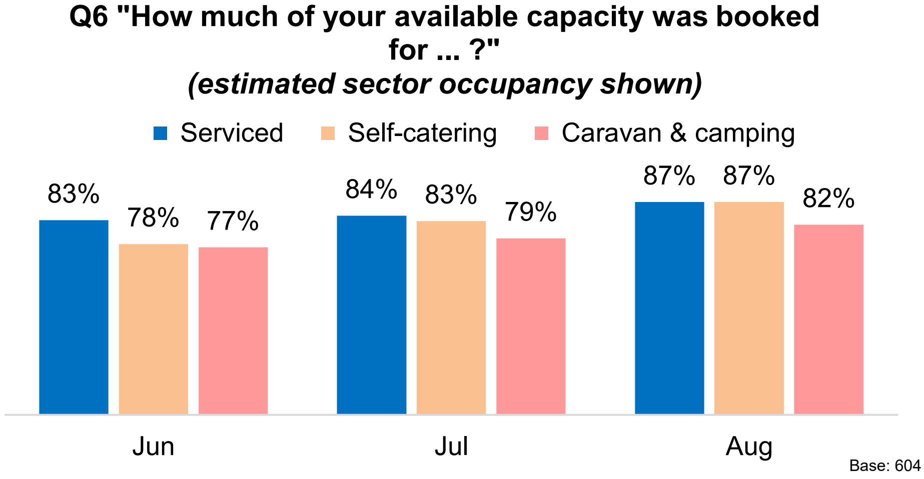
- Mid Wales – 33% of businesses report being up on overseas visitors, compared to 22% being down
- Caravan parks – 34% of businesses have had more overseas visitors, vs 29% down
- Hostels – 8 out of 22 businesses have had more overseas visitors, vs 5 down

3.22 A number of businesses say that European markets, especially Germany and the Netherlands, have been noticeably up this year compared to recent post-Covid years.

"We've had more visitors from Germany and the Netherlands this summer. Overseas visitors are definitely coming back after Covid."
Caravan park, Mid

"We've had a lot more international visitors – from Germany and the Netherlands. The other Cadw sites are saying the same."
Attraction, South East

Summer occupancy levels (accommodation operators)



Q6 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.

Peak occupancy in August

3.23 Occupancy in all three accommodation sectors peaked in August, as is usually the case each year.

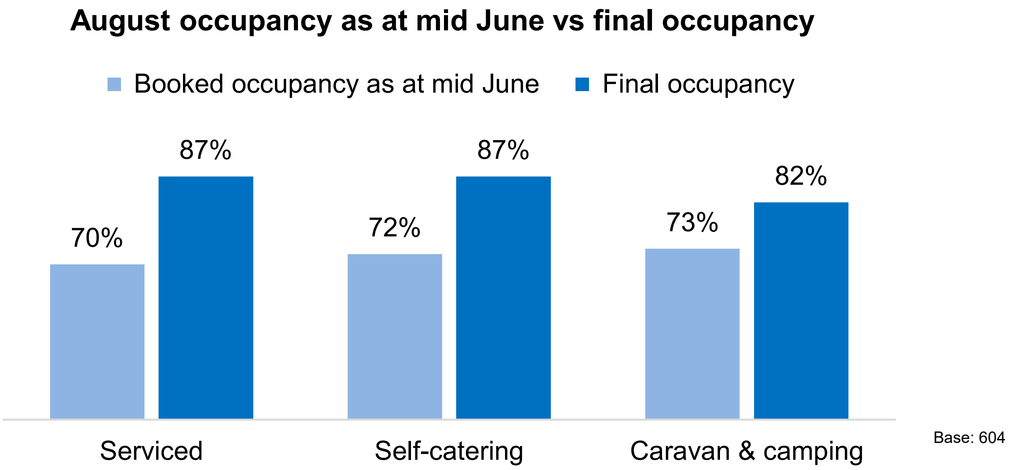
Differences by region

3.24 Occupancy levels in the serviced and self-catering sectors for the June – August period were consistent across the four regions of Wales. In the caravan & camping sector, businesses in North and South West Wales were busier than those in Mid and South East Wales.

3.25 The table below shows occupancy by region and sector for the three summer months, June – August:

	Jun – Aug occupancy				
Sector / Region	**North**	**Mid**	**South West**	**South East**	**All Wales**
Serviced	85%	84%	85%	85%	85%
Self-catering	81%	79%	83%	82%	83%
Caravan & camping	80%	73%	83%	72%	79%

August occupancy in advance vs final



Many last minute bookings seen this summer

3.26 As at mid June in the previous barometer wave, August occupany in the serviced sector stood at 70%. The sector managed to fill about half of the remaining capacity in the end. The self-catering sector experienced a similar pattern of bookings; caravan & camping less so.

"There have been a lot of last minute bookings … July and August didn't look healthy until the end of June"
Self-catering, South West

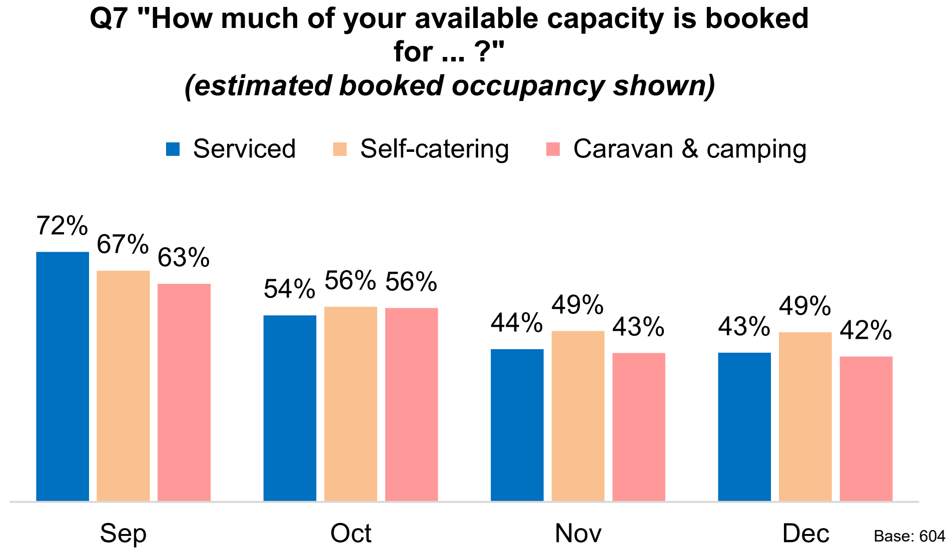
3.27 The last minute booking trend has made it hard for some operators to plan, especially regarding staff levels.

"This year has been much harder … The bookings have been very last minute, e.g. two days before, so I can't even tell my staff whether they will be working the next week."
Serviced, North

"We can't plan because everything is last minute"
Serviced, South West

4. Advance bookings and confidence

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.

Hopes 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. Some hope that occupancy levels will be much better than the current figures suggest. Comments suggest that some businesses are quite dependent on last minute bookings materialising rather than findings ways to shore up business further in advance.

"We are hoping for some late bookings, e.g. people booking in September for November"
Self-catering, North

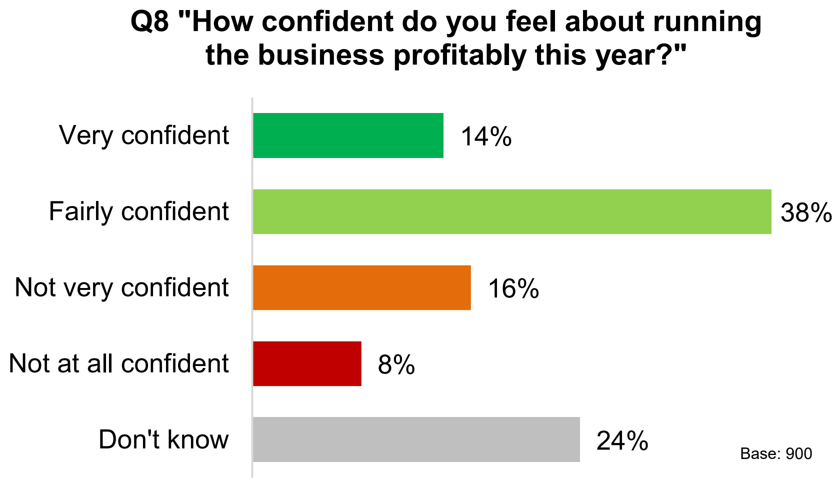
"We often get last minute bookings for Christmas, with people coming to visit relatives"
Self-catering, Mid

Differences by region

4.2 For the early autumn, South West Wales looks quite promising for self-catering, and caravan & camping is doing better for advance bookings in North Wales.

	Sep & Oct occupancy				
Sector / Region	**North**	**Mid**	**South West**	**South East**	**All Wales**
Serviced	63%	69%	64%	57%	63%
Self-catering	53%	45%	67%	50%	62%
Caravan & camping	64%	53%	58%	38%	60%

Confidence in running profitably



Grappling with high costs

4.3 Tourism operators have seen rising operating costs across a number of areas of their business this year and so it has become harder to remain profitable. The peak summer season is usually the time of year that operators look forward to in terms of making up for less viable months of the year. However, summer visitor levels short of what many businesses hoped for have dampened confidence to make ends meet this year.

"We'll break even this year, if we're lucky"
Self-catering, North

"We have had to make lots of sacrifices this year and reduce budgets"
Attraction, North

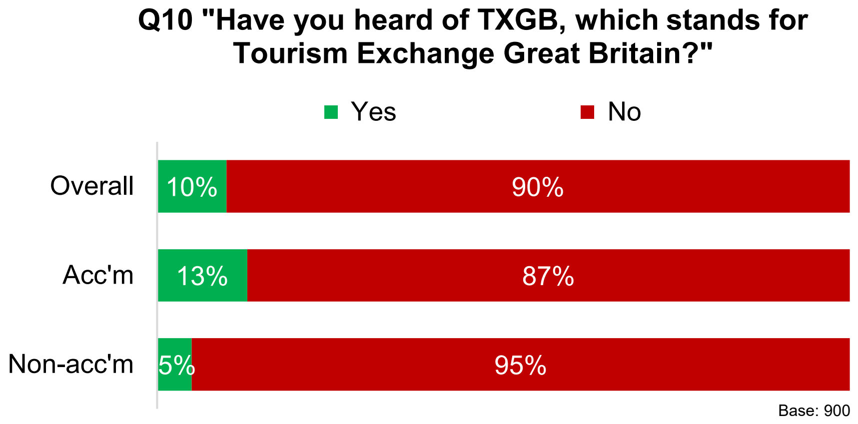
"Very profitable this year"
Attraction *(mostly indoor offering and part of a larger organisation)*, South East

Uncertain times compared to pre-2020

4.4 Confidence levels are similar to this time last year. Pre-Covid years however used to see around 80% of operators feeling confident at this time of year. Since the pandemic and then high inflation & the cost of living crisis, the proportion of operators feeling confident has plummeted and the proportion answering ‘don’t know’ to the above and similar confidence questions has risen greatly.

5. Awareness and Interest in TXGB

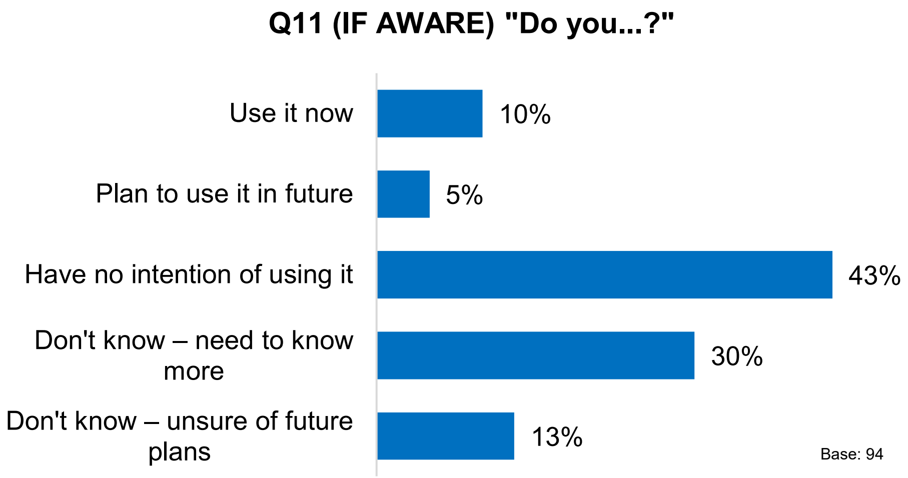
Awareness of TXGB



Awareness remains low

5.1 Most (90%) businesses say they had not heard of TXGB before being asked in this survey. This is the same result as when the question was asked in last year's summer barometer.

Intentions to use TXGB (if aware)



Q11 has been asked to businesses aware of TXGB

Commitment remains quite low

5.2 15% of operators aware of TXGB say they are either using it now or plan to do so. This compares to 21% when asked this time last year, although the difference is not significant due to sample sizes.

Feedback from current users

5.3 As there are only nine TXGB users in the sample, feedback is limited but the following key points have been made below.

It's working very well for some

5.4 Four of the nine users in the sample say that TXGB is working very well for their business, with regular bookings coming through it.

"TXGB is doing really well for us. It seems so good for our customers."
Attraction, North

"We think that it is working great for our company"
Caravan park, Mid

Others give the opposite view

5.5 Four of the nine users say that TXGB has not worked out for them, with no bookings or hardly any bookings coming through it.

"I don't think I've had one booking through TXGB this year. There were a couple last year. People don't seem to understand how to use it. It's not very user friendly. They end up calling us and booking directly instead."
Self-catering, Mid

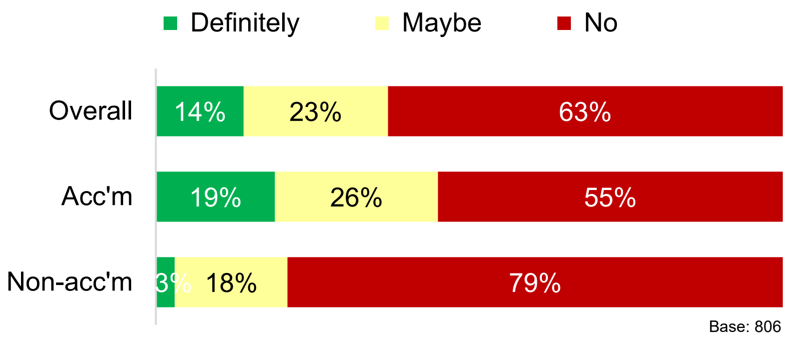
"I have been with TXGB for 6 months and not had a single booking through them"
Self-catering, North

Interest in learning more

5.6 Respondents unaware of TXGB before the interview have been read this description:

"TXGB stands for Tourism Exchange Great Britain and it is a digital platform facilitated by Visit Wales and VisitBritain. It enables tourism businesses to connect once to a central hub using either their own booking system or free software to easily share live availability and pricing across multiple sales channels. TXGB can help tourism businesses reach more customers, increase bookings, streamline admin and reduce the risk of double bookings."

Q13 "Does TXGB sound like something you would like to learn more about?"



Q13 has been asked to businesses unaware of TXGB

Less interest than last year

5.7 14% of those unaware of TXGB say it 'definitely' sounds like something they would like to learn more about, and a further 23% say it 'maybe' does. Interest is much higher among accommodation operators.

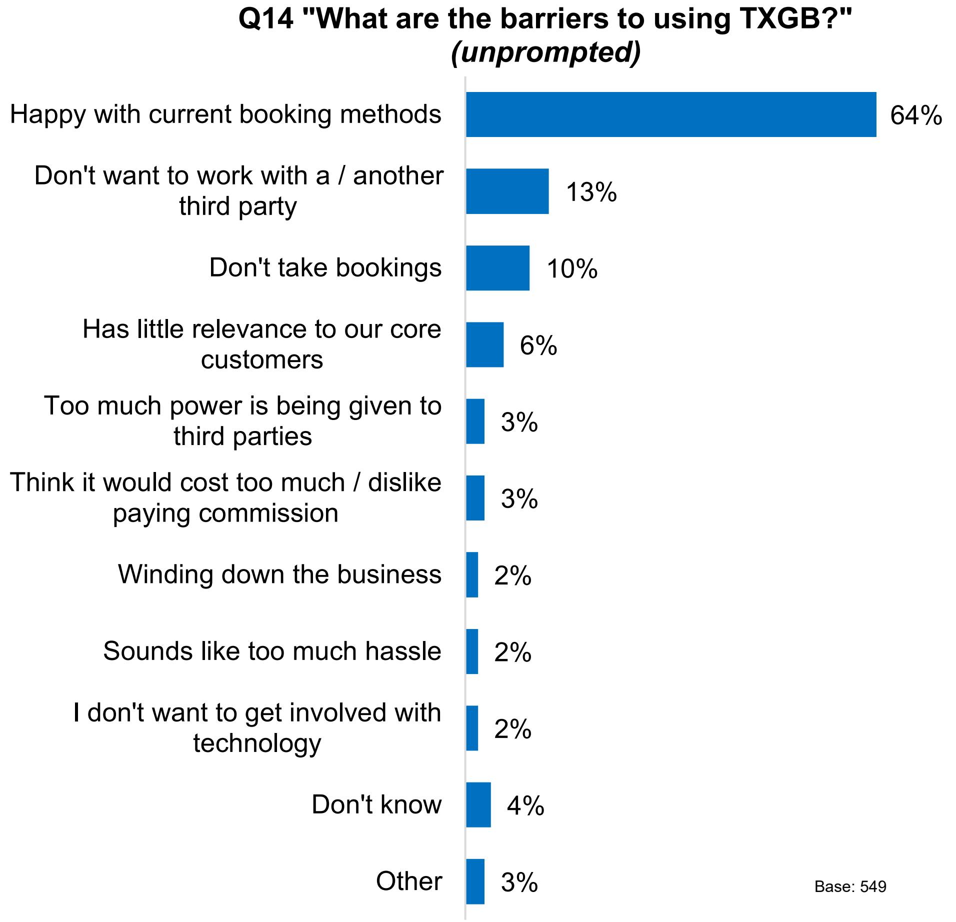
> *"We are on a lot of different platforms so would like anything to make it simpler"*
> Self-catering, North

> *"Sounds interesting – why not?"*
> Serviced, North

5.8 This year there has been a migration of answers from 'maybe' to 'no'. When asked last year, 42% answered 'no' to this question. Now the 'no' answers stand at 63%.

5.9 We discuss each of the key themes in turn below, starting with the barriers.

Barriers to using TXGB



Q14 has been asked to those with no intention to use TXGB if aware (Q11) or no interest to learn more if unaware (Q13)

Happy with current methods

5.10 Being satisfied with current booking methods is the stand-out reason for not being interested in exploring TXGB, as it also was last year.

5.11 There is possibly some confusion over what TXGB actually is (even though a description has been read out during the interviews) and that it is not necessarily mutually exclusive from an existing booking platform.

"We're with Pitchup and have our own booking system"
Caravan park, North

"We are with West Wales Holiday Cottages and just can't be fussed about signing up to other platforms"
Self-catering, South West

"We use most booking websites currently so do not need to use another"
Serviced, Mid

Dislike of third parties and paying commission

5.12 Some businesses are put off by perceptions of extra cost and a third party eating further into their margins.

> *"Another cost for booking and we are already struggling. Booking.com take a lot of our money [margin]."*
> Serviced, North

> *"If it is going to cost money, forget it"*
> Serviced, Mid

> *"Don't like to involve third parties in our business"*
> Self-catering, Mid

I like to vet the guests first

5.13 For some operators, the accommodation is part of their own home. They like to know who is coming into their property and don't want to risk losing this control.

> *"I much prefer talking to people, to make sure it's acceptable to them and that they're acceptable to me, as it's part of my house."*
> Self-catering, South West

> *"I only have repeat customers. I won't take anybody off the street."*
> Serviced, Mid

Booking can be complex

5.14 Some activity providers and attractions say that bookings are not always straight forward. When dealing with groups, there needs to be a two-way discussion of needs and what type of booking should be made. They say this can't easily be replaced by an automated system.

> *"Our bookings can be very complex – different prices for different age groups, different offers, questions they ask that we can only answer in person or in an email"*
> Attraction, Mid

> *"Our bookings need to be taken verbally as there are different levels"*
> Activity operator, South East

Scepticism that there will be benefits

5.15 Some operators are sceptical that there would be a benefit to their business, either because of something they have heard from other TXGB users or their own past experiences of third parties not living up to their promises.

> *"I've heard people [businesses] saying that they got a lot of cancellations from them"*
> Self-catering, South East

“I don't think it would make any difference. People [third parties] are always saying new things will be amazing and get you loads more bookings but I know from experience that they're not”
Activity operator, South West

Reasons to engage in TXGB

Casting a wider net

5.16 Some businesses recognise their need to reach new markets and promote themselves in new ways. There is a sense that the more platforms they can put themselves on, the better.

“I will look into it. We have been trying almost everything this year to try and boost bookings.”
Self-catering, North

“If it gets me more bookings then that's good”
Self-catering, South West

“Different platforms to log into – really, anything is good for more business”
Serviced, North

5.17 Reaching overseas markets is of particular interest to some, as this is where they need more help.

“The international side of the business would improve I think”
Serviced, North