# Future Tourism Trends in the Northwest

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# Future Tourism Trends in the Northwest

- The tourism market
- England as a destination
- The Future of Domestic Tourism
- Drivers of demand for outdoor recreation
- The Regional Economic Strategy
- The Regional Tourism Strategy

# The Tourism Market

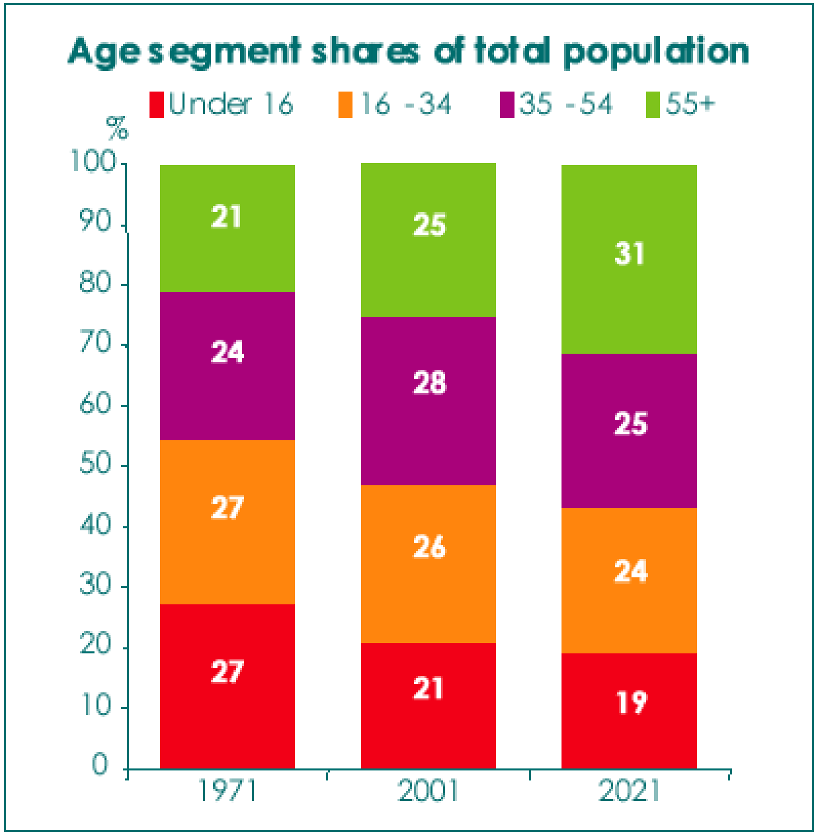
- The UK Population

| | | |
|---|---|---|
| – England | 50,093,100 | 83.7% |
| – Wales | 2,952,500 | 4.9% |
| – Scotland | 5,078,400 | 8.5% |
| – Northern Ireland | 1,710,300 | 2.9% |
| – United Kingdom | 59,834,300 | 100% |

- The population is growing by c 0.4% per year
  - Principally this is due to inward migration from the new entrants to the European Union
- The population is getting older
  - The 50+ age group owns 80%of the UK 's wealth

# The Tourism Market

- Age segment shares of total population

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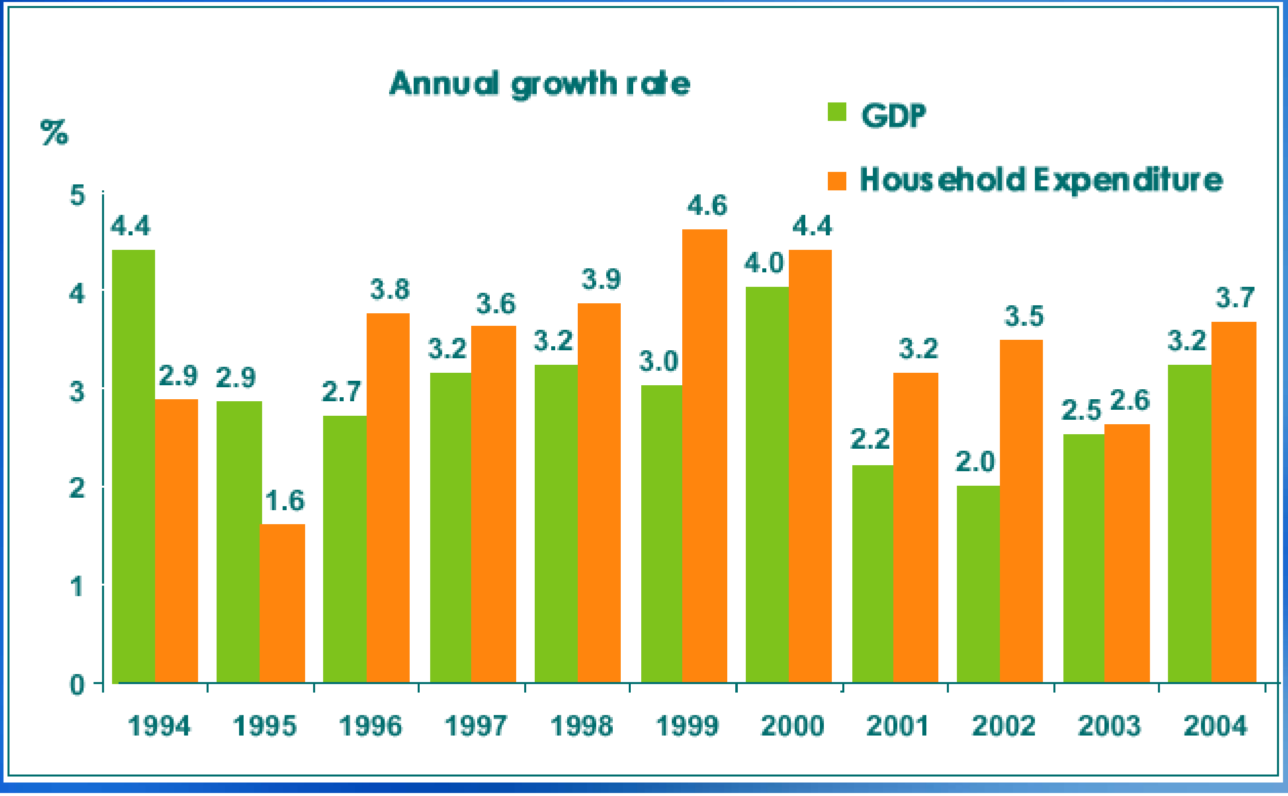
# The Tourism Market

- The economy
  - GDP rose by 0.6 per cent in the fourth quarter of 2005, up from 0.4 per cent in the previous quarter
  - In 2005 GDP increased by 1.8 per cent over 2004
  - GDP is expected to grow by 2.1%in 2006

# The Tourism Market

- Annual growth in GDP and Household expenditure in the UK

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# The Tourism Market

- The size of the UK market
  - The United Kingdom Tourism Survey estimates that there were 121.3 million overnight trips in England in 2003
  - Total expenditure on these trips was £20.6 billion
  - English residents currently make up 92% of all English overnight trips by UK residents
- The main competitors to England as a holiday destination for UK residents are the close European countries and the USA
  - The top destinations for UK resident in 2004 were: Spain 13.8m, France 11.6m, USA 4.1m, Irish Republic 4.1m, Italy 2.9m, Greece 2.7m, Netherlands 2.1m

# The Tourism Market

- The travel market, whilst enjoying growth world-wide, is constantly changing due to the shifting expectations of consumers
  - Domestic tourism is sensitive to global events such as the rising price of oil and more terrorist attacks
  - If oil prices continue to rise dramatically, this will impact on airlines as are forced to increase their fuel surcharges, significantly increasing fare prices
  - Some passengers would be priced out of the market, opting to forgo a foreign holiday in favour of a domestic holiday
  - The ageing population is also likely to have a significant impact on domestic tourism, the older consumer will be more active than previous generations and will be working longer

# The Tourism Market

- Why do people from the UK come to England?

| | Overall | England | Scotland | Wales | Northern Ireland |
|---|---|---|---|---|---|
| Holiday, pleasure and leisure | 43% | 43% | 43% | 43% | 40% |
| Holiday, visiting friends or relatives | 16% | 16% | 16% | 18% | 18% |
| Other visits to friends or relatives | 24% | 25% | 15% | 21% | 13% |
| Business Travel | 14% | 14% | 24% | 16% | 27% |
| Other | 3% | 3% | 2% | 2% | 2% |

# The Tourism Market

- Length of stay & transport method
  - Nearly a third of all overnight trips made by English residents are of a single night in duration
  - A third of all overnight trips made by Northern Ireland residents are between 4 and 7 days in length
  - On average trips to England made by residents of Northern Ireland and Scotland last more than 4 days, whilst trips made by residents of Wales and England are shorter in length, lasting 3.45 and 3.18 days, respectively
  - The majority of English overnight trips (made by English residents) use the car as the main method of transportation (75%),followed by the train (13%)and bus or coach (4%)

# The Tourism Market

- Average spend

| Visitors from... | Average spend per trip | Average spend per night |
|---|---|---|
| Northern Ireland | £360 | £94 |
| Scotland | £252 | £56 |
| Wales | £174 | £56 |
| England | £164 | £55 |

# The Tourism Market

- Where do people stay?

| Accommodation type | Overall | Northern Ireland | Scotland | Wales | England |
|---|---|---|---|---|---|
| Hotel/Motel/Guesthouse | 29% | 46% | 42% | 34% | 27% |
| Bed &Breakfast | 6% | 5% | 7% | 6% | 6% |
| Self Catering in rented accommodation | 6% | 2% | 6% | 4% | 6% |
| Hostel/University/School | 1% | 2% | 1% | 0% | 1% |
| Holiday village/Centre | 0% | 1% | 0% | 0% | 0% |
| Friends house/Rented house/own home | 45% | 46% | 41% | 45% | 45% |
| Camping/mobile home | 10% | 2% | 5% | 7% | 10% |
| Other | 5% | 4% | 4% | 5% | 5% |

# England as a Destination

- The main pillars of the England brand in the domestic market are Real, Fun and Indulgent
  - Real :The need ‘to Feel and Sense ’ is the result of the need to belong, to feel part of something, to feel secure in your own surroundings, to feel at home
  - Fun :The need ‘To Do ’,to be active and proactive, avoiding sitting around doing nothing, bonding with friends and family, letting off steam, etc
  - Indulgent :The need to ‘Reward yourself ’ to counter act the stresses and strains of modern everyday life

# England as a Destination

- Real is the strongest brand value for domestic visitors in England
- Fun brand values such as variety and social aspects are also perceived as relatively strong
- There are opportunities to increase awareness of the Indulgent factors England has to offer
  - This is particularly important as Indulgent is a differentiator that drives consideration for England as a destination

# England as a Destination

- What products and experiences are most attractive to British visitors?
  - England excels in the provision of Unspoilt Countryside and History and Heritage; these are product drivers for the British visiting England
  - Local Produce, Arts and Crafts, facilities for Camping and Caravanning, Activities for Children and Myths, Legends and Folklores have high real importance amongst visitors and England is recognised as performing well
  - The challenge here is to raise the awareness of these factors amongst visitors

# England as a Destination

- England is a popular and easy destination for a ‘quick fix’; generally seen as a short break destination
  - This particularly includes weekend and mini-breaks of 1-3 days
  - England is not seen as a holiday destination for longer breaks of 4+ days
  - This is partly due to a perception of poor value for money and variable weather
  - For some, more surprises are needed, which they believe are only found abroad
  - Holidays in England however are seen as being much easier and spontaneous

# England as Destination

- Who are the domestic trip takers?
  - Persuading young people of the attractions of domestic holidays may be the root to success for domestic tourist organisations and destinations
  - Those in the 35-54 age group are the most likely to go on holiday, and the most likely to go on holiday in the UK

| Age group | Male | Female |
|---|---|---|
| 16 – 24 | 16% | 15% |
| 25 – 34 | 21% | 21% |
| 35 – 44 | 23% | 22% |
| 45 – 54 | 17% | 16% |
| 55 – 64 | 12% | 12% |

# England as Destination

- Choosing accommodation
  - Research by Enjoy England has shown that the price (59%) and location (49%) are the most important factors in choosing accommodation
  - Other key factors include personal recommendation from friends and relatives (32%) and previous personal experience (30%)

# England as Destination

- Sources of information when choosing accommodation

| | |
|---|---|
| The Internet | 49% |
| Previous experience | 45% |
| Advice from friends/relatives | 44% |
| Accommodation guides | 37% |
| Tourism brochures | 29% |
| Tourist information centres | 23% |
| Roadside B&B, hotel or camping signs | 12% |
| Articles in newspapers/magazines | 9% |
| Advertisements in newspapers/magazines | 9% |
| Television/radio programmes | 3% |
| Television/radio advertisements | 2% |

# England as Destination

- Sources of information when choosing a destination

| | |
|---|---|
| Previous experience | 50% |
| Advice from friends and relatives | 47% |
| The Internet | 46% |
| Tourism brochures | 27% |
| Travel agents | 23% |
| Articles in newspaper/magazines | 17% |
| Accommodation guides | 15% |
| Television/radio programmes | 11% |
| Advertisements in newspapers/magazines | 10% |
| Television/radio advertisements | 5% |
| Items in the post | 4% |

# England as Destination

- Reaching your customers
  - 13.1 million (55%)of UK households are online
  - 60% have used the Internet in the past 3 months of which 58% have purchased
  - The most common purchases are: travel, accommodation or holidays (52%)
  - People aged 25 –44 are most likely to buy online
  - There were 6.2 million new broadband connections in 2004

# England as Destination

- Reaching your customers
  - Domestic holidaymakers are slightly more likely to be broadsheet readers, Internet users and mid-market tabloid readers
  - They also contain a larger proportion of Marks & Spencer shoppers.
  - Those that watch the least amount of TV also show a higher propensity towards taking domestic holidays

# The Future of Domestic Tourism

- Research by the Henley Centre has identified a number of significant themes which could have an impact on domestic tourism in 10 years' time
  - **Experience economy**: As we become affluent, our spending shifts from goods to services; as the process continues further, the types of services we buy shift towards 'experiences ' rather than utility
  - **Wellbeing**: One of the strongest of current trends is toward the pursuit of wellbeing; not just health but an overall sense of wellness

    This links to Henley research which shows that people feel that the resource they most lack in their lives is not money, or even time, but energy

# The Future of Domestic Tourism

- **Changing social structures**: An ageing population, with high divorce rates, and a higher proportion of 'reconstituted families '; young adults staying in education (and at home later); more people live on their own; and so on

  This all changes the nature of leisure consumption and also makes more important social opportunities with friends and family
- **Environmental impact**: As climate change moves from being a hypotheses to being accepted as 'best science ', so individuals and organisations are starting to move their behaviour to less damaging forms of consumption and lifestyle

  Public intervention (e.g. through regulation, incentives, and planning practice) all tend to accelerate this

# The Future of Domestic Tourism

- **Urbanisation of culture**: a profound shift towards the city as the locus not just of work but of pleasure as well
- **Networked society**: people are more networked, especially with each other, through the internet and mobile

  This has implications for authority and the importance of peer group opinion, and so on

  But over the next ten years the environment as well as the people will start to be networked

# The Future of Domestic Tourism

- **Fragmentation of leisure**: Customers are more demanding, and more empowered (partly through a combination of affluence and networks)

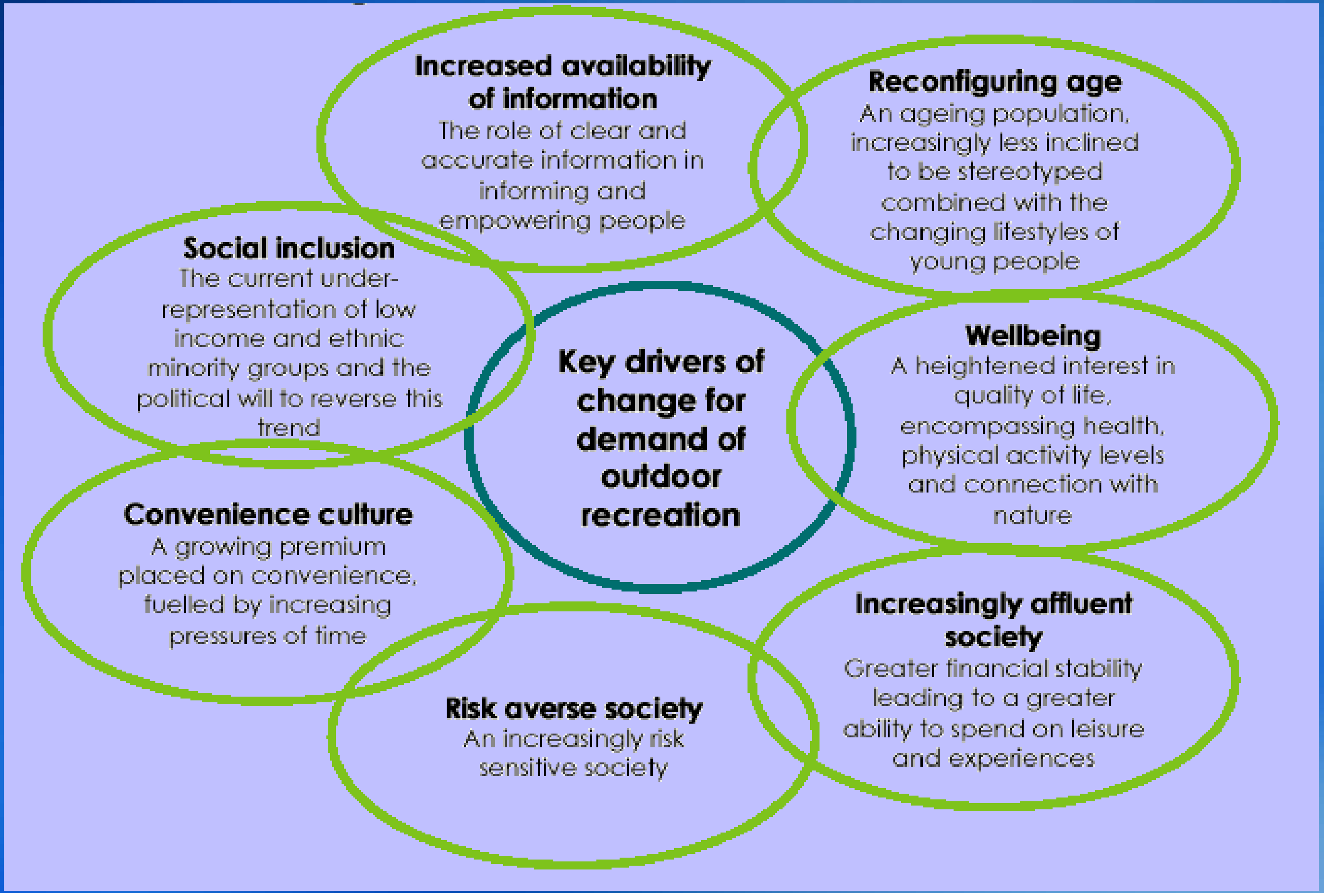
  In leisure as well as elsewhere, there is a greater fragmentation of the offer to match specific tastes, preferences, and requirements
- **Entitlement**: In the shadow of increasingly large gaps of wealth between the rich and the poor, nonetheless public policy emphasises entitlement of all

  It is a cultural expression which has its roots in the human rights movement, as embodied in the UK in the Human Rights Act

  The strongest cultural expression has been in arts and sport

  It is a strong trend

# Drivers of Demand for Outdoor Recreation



# Drivers of Demand for Outdoor Recreation

- Driver impact matrix

| | | | |
|---|---|---|---|
| **High importance** | Increasingly affluent society | | Retuned to nature<br>Drive to greater activity and health<br>Experience economy<br>Changing lifestyles of children and young people |
| **Medium Importance** | Olympics 2012<br>Urbanisation of culture<br>Ethnic diversity<br>Household IT and communications | Wellbeing<br>Convenience culture<br>Declining health outcomes | Priorities in public spending<br>Social inclusion<br>Agelessness |
| **Low importance** | Changing household set-up | Risk averse society<br>Availability of information | |
| | **Low influence** | **Some potential to influence** | **Significant potential to influence** |

# Drivers of Demand for Outdoor Recreation

- Drivers that are significant, and where there is the potential to influence
  - Retuned to nature
  - Drive to greater physical activity and health
  - Experience economy
  - Changing lifestyles of children and young people

# Drivers of Demand for Outdoor Recreation

- Retuned to nature
  - Consumers are responding to the idea of restoring their own and society's balance with nature
  - This trend partly explains the success of organic food
  - However, the development or retraction of this trend depends on a significant number of other drivers
  - Whilst dependent on a number of drivers, 'retuned to nature' is also a dominant driver
  - Contact with nature has a significant role in health and wellbeing

# Drivers of Demand for Outdoor Recreation

- Drive to greater physical activity and health
  - There is an increased focus on activity as a preventative measure against heart disease, obesity and depression in Government and in society at large
  - There is currently substantial political weight behind increasing the nation's physical activity levels, spanning community interventions, PE lessons and play areas
  - Effective delivery and sustained Government interest in physical activity will be required to keep this driver strong

# Drivers of Demand for Outdoor Recreation

- Experience economy
  - The experience economy is one where people no longer focus so much on material possessions but on the experiences they are able to have in their lives
  - The UK's ageing population also affects how the experience economy develops
  - With currently one in four UK citizens over 50, and an estimated 31% by 2021 30 , there is a much larger, more diverse group of older people
  - Many of this group are increasingly open to new experiences
    - 28% of 45 to 65 year olds agree 'I like to pursue a life of challenge, novelty and change'

# Drivers of Demand for Outdoor Recreation

- Changing lifestyles of children and young people
  - Children's attitudes and patterns of behaviour have changed significantly over the last two decades
  - This driver is determined by the urbanisation of culture
  - There are a number of physical aspects to this: greater pollution of air, light and noise as well as limited space in urban environments have created 'a big gap in equality of access to high quality natural environments between children from rural backgrounds and children from urban backgrounds'
  - This in turn has created an 'urban mentality' that has made children less inclined to spend time outdoors

# Demand for Outdoor Recreation

- Some high level conclusions:
  - There is a lack of visibility and share of mind of ‘outdoor recreation’ as a proposition, to end-users or to policy makers
  - Evidence exists for the benefits of outdoor recreation but does not appear to be clearly collated or well communicated
  - There is a need for organisations with related agendas to work effectively with each other
  - There is a need to connect outdoor recreation to the way in which end-users think about leisure and make choices about leisure use

# The Regional Economic Strategy

- The Vision: A dynamic, sustainable international economy which competes on the basis of knowledge, advanced technology and an excellent quality of life for all where:
  - Productivity and Enterprise levels are high, in a low carbon economy, driven by innovation, leadership excellence and high skills.
  - Manchester and Liverpool are vibrant European Cities and, with Preston, are key drivers of city-regional growth.
  - Growth opportunities around Crewe, Chester, Warrington, Lancaster and Carlisle are fully developed.
  - Key Growth Assets are fully utilised (Priority Sectors, the Higher Education and Science Base, Ports/Airports, Strategic Regional Sites, the Natural Environment, especially The Lake District, and the Rural Economy).
  - The economies of East Lancashire, Blackpool, Barrow and West Cumbria are regenerated.
  - Employment rates are high and concentrations of low employment are eliminated.

# The Regional Economic Strategy

- Three major drivers for growth
  - Improving productivity and growing the market
  - Conditions for sustainable growth
  - Growing the size and capability of the workforce
- Five themed areas of focus
  - Business
  - Skills and Education
  - People and Jobs
  - Infrastructure
  - Quality of Life

# The Regional Economic Strategy

- Sub-regional Shares of GVA, 2002

| Sub-region | GVA total | GVA share |
|---|---|---|
| Greater Manchester | £36.5bn | 39.5% |
| Lancashire | £18.1bn | 19.6% |
| Merseyside | £17.0bn | 18.5% |
| Cheshire | £15.2bn | 16.4% |
| Cumbria | £5.5bn | 6.0% |

- Cumbria
  - Continued poor economic performance exacerbated by contractions in large manufacturing sectors (shipbuilding and nuclear) and in agriculture, together with the impact of foot and mouth in 2001/2

# The Regional Economic Strategy

- The Cumbrian Economy: Key Assets and Opportunities:
  - Tourism, Food and unique Nuclear sectors provide prospects for growth
  - The Lake District - a world famous visitor destination.
  - Broad rural economy
  - New University for Cumbria
  - Prospect of growth in indigenous enterprises, maritime and creative industries
  - Excellent broadband infrastructure

# The Regional Economic Strategy

- The Cumbrian Economy: Key Challenges:
  - Slowest growth rate of all UK sub-regions
  - Over-dependence on public services, distribution, manufacturing and agriculture which makes the economy
  - vulnerable to market change
  - Low wage economy and low levels of skills and qualifications
  - Very high proportion of small firms (83% employ <10 people)
  - Few jobs in the business and financial services sector
  - Poor connectivity and low concentrations of population
  - Remoteness from areas of growth – especially West Cumbria.
  - High concentrations of economically inactive people in Barrow

# The Regional Economic Strategy

- Transformational actions:
  - 35: Develop management / leadership and corporate social responsibility skills
  - 38: Develop the University for Cumbria…
  - 50: Develop and implement an integrated economic plan for West Cumbria
  - 56: Implement plans to ensure ongoing growth in the rural economy as part of the Regional Rural Delivery Framework
  - 101: Improve the product associated with tourism ‘attack brands’ and ‘signature projects’
  - 113: Develop the economic benefit of the region’s natural environment
  - 114: Implement The Lake District Economic Futures Policy
  - 119: Invest in quality public realm / green space / environmental quality

# The Regional Economic Strategy

- Other actions:
  - 10: Develop growth and innovation in the tourism sector through the continued implementation of the Regional Tourism Strategy
  - 75:Support the development of more international business and inbound tourism routes serving the region's airports
  - 103: Implement a Business Tourism Strategy
  - 104: Develop and implement a visitor information strategy
  - 105: Support business development for tourism businesses
  - 115: Deliver sustainable growth through use of the region's heritage environments and assets especially World Heritage Sites, the cities of Chester, Lancaster and Carlisle and The Lake District

# The Regional Tourism Strategy

- RES action 10: Develop growth and innovation in the tourism sector through the continued implementation of the Regional Tourism Strategy
- It identifies the Lake District as an Attack Brand and the Renaissance of the Lake District and Hadrian's Wall as Signature Projects
  - See RES Action 101
- The strategy is being reviewed over the next six months

# The Regional Economic Strategy

- Delivery of the strategy is crucial to the success of our region
- Specific actions have been defined to deliver the strategy
- Each action has been assigned a "lead"
  - Tourist Boards have a lead role in actions 10, 75, 101, 104, 105, 115, 119
- The region's five Sub-Regional Partnerships (SRPs) also have a responsibility to bring together all the actions in the RES relevant to their sub-regions into a sub-regional action plan and partners have a responsibility to work with these SRPs

# The Regional Tourism Strategy

- The Strategy has five principal objectives:
  - Enhancing the way we communicate with consumers through the use of a strong and clearly defined approach to marketing
  - Improving the primary product that persuades people to visit the region
  - Improving the secondary product and the ways in which we organise our region to make visitors welcome
  - Boosting the performance of tourism businesses to increase their market share and make them more productive
  - Maximising the potential of the people who work in the tourism sector

# Thank you

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