Tourism Barometer 2006 Term 2
Summary Report

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Tourism Barometer Second Term 2006

Summary Report

Introduction

George Street Research has been commissioned by VisitScotland to administer its Tourism Barometer, a regular tracking study amongst a panel of industry-based volunteers. The main purpose of this research is to build upon previous industry findings uncovered in the preceding *Industry Opinion Survey* and *Business Confidence Monitor (BCM)*, with a strong emphasis on performance monitoring, assessing past and present trends within the industry, future prospects and the general market performance across Scotland.

Specifically, the research aims to:

- Measure changes to market performance by sector, compared with the same period in the previous year;
- Identify factors influencing changes in each sector's market performance;
- Establish perceived future prospects for market performance by sector;
- Highlight any regional differences in respect of all the above.

The following outlines the main findings from the second wave of the research, carried out in September and October 2006 at the end of the Summer season.

General Business Situation

More than two in five respondents (43%) felt more optimistic about the general business situation in their sector of the tourism industry, than they had done at the start of the year.

- *A slightly smaller proportion (40%) reported feeling no different, whilst a minority (15%) felt less optimistic than at the start of the year.*
- *Overall, as in the previous wave, a net increase in levels of optimism was evident across all business sectors.*

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In the post-summer season, a majority (51%) reported feeling more optimistic about their own business situation, compared with the beginning of the year.

- *Just over a third of those surveyed (34%) reported feeling about the same about their own business situation; whilst a small proportion (14%) felt less optimistic, a reduction compared with the first wave.*

As in the previous wave, levels of optimism felt for respondents' sectors, appear strongly linked to their levels of optimism for their own businesses.

- *85% of those who felt more optimistic about their sector also did so for their own business. Correspondingly, the majority of those who felt less optimistic about their sector than at the start of the year also felt less optimistic about their own business (69%).*

For the majority of tourism-related businesses (68%), the summer season, from May to mid September appears to compare favourably with previous years. 32% described it as *very good*, whilst 36% said *quite good*. The majority of those remaining (20%) described it as *average*.

- *By sector, the summer season compared most favourably with previous years for tour operators (82% very/quite good) and transport providers (76% very/quite good).*

- *A successful summer season compared with previous years also appeared to contribute to the levels of optimism respondents felt for their sectors and own businesses.*

Customers

When asked about their ratio of leisure and business customers, a majority indicated that most customers were leisure based during the Summer season.

- *Over a third of respondents (36%) report that all of their customers visited for leisure purposes only, with a further quarter (27%) reporting a ratio of 90%:10% in favour of leisure customers.*

- *The mean average proportion of leisure customers for the summer season was 83%.*

When asked about the ratio of UK customers to overseas customers, the majority of businesses reported a high majority of UK based customers: 9% reported having only UK customers and 24% reported a ratio of 90:10 in favour of UK based visitors.

- *The mean average proportion of UK based customers for the summer season was 70% compared with 76% for the year up to April.*

Respondents were asked to compare the number of customers for the summer season 2006 with the same period last year. Around half of respondents (51%) reported having seen an overall increase compared with the same period last year.

- *A third of respondents (34%) reported having seen no change at all whilst only 15% reported a decrease in the number of visitors.*

Almost one in three (35%) tourism businesses expect to see an increase in the total number of customers in the coming Autumn/Winter season, compared with the 2006 Summer season. Around one in two (51%) expect to see no real change and 15% anticipate a decrease in customer numbers compared with the Summer.

The Impact of Terrorism Threats

When prompted to think about a number of possible effects on their businesses in relation to terrorist threats over the summer season, 59% of respondents felt their business had not been affected at all.

- Less than one in ten businesses (7%) reported that they had definitely been affected by loss of firm booking due to flight cancellations at the time of the major incident. A further 9% felt they might have been affected in this way.

- Similarly, 6% felt they had lost firm bookings/business due to public concerns about flying and 10% felt they might have been affected in this way.

- Postponement of business and general reductions in bookings were each reported to have definitely affected 6% of business and possibly affected a further one in ten.