



Tourism Barometer
Summary Report of Term 3 2006



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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;

The following outlines the main findings from the third wave of the research, carried out in February and March 2007 at the end of the festive season.

General Business Situation

Compared with last year, more than a third of panel members (36%) are more optimistic about the general business situation in their sector of the tourism industry. The majority (50%) feel much the same as last year in terms of overall optimism.

- *A small proportion of the tourism industry (11%) feels less optimistic in 2007 than they did in 2006 for the general business situation in their sector of the tourism industry.*
- *The sectors showing the highest levels of optimism about the situation in their respective sectors are activities and tour providers among which 55% and 48% of each respective group report being more positive than last year.*
- In terms of overall optimism for the general situations within each sector, tour operators and activities have consistently been amongst the most positive.



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In the post-festive season, a positive shift in levels of optimism for the situation in respondents' own businesses is more evident. In this measure, more than two in five (46%) report being more optimistic compared with 2006.

- *A slightly smaller proportion (41%) compare their business situation with the same level of optimism as in 2006 and a small minority (11%) describe themselves as less optimistic.*
- *As with overall sector optimism, activities and tour operators appear the most optimistic; 69% and 48% of respondents respectively within these groups report feeling more optimistic than last year.*

For the majority of tourism-related businesses (59%), the festive season 2006, including New Year, appears to compare favourably with the same period in previous years. Overall, just over one in five (21%) describe it as *very good* whilst almost two in five (38%) say *quite good*.

- *A quarter of all respondents (25%) feel that the festive season was average compared with previous years, whilst a small minority feel it was quite poor (8%) or very poor (2%).*

Customers

As with previous waves, the majority of customers reported throughout all sectors and regions during the festive season, were made up of Leisure customers and UK based customers.

- *Almost four in five respondents (78%) report at least 70% of its customers as leisure related. Specifically, 32% report 100% leisure customers and 24% on a ratio of 90%:10% leisure to business.*
- *The mean average proportion of leisure customers per business during the festive season 2006, including New Year, was 80% compared with 20% business customers.*

When asked about the ratio of UK customers to international customers, the majority of businesses reported a high majority of UK based customers. Overall around two thirds of respondents (67%) report at least 70% UK based customers.

- *Specifically, a total of 14% of respondents report having had 100% UK based customers for the festive season, with 24% reporting a ratio of 90%:10% UK to overseas.*



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- *The mean average proportion of UK based customers during the festive season was 72%, compared with 27% overseas based.*

Respondents were asked to indicate how customer numbers had changed when compared with the same period in the previous year. Overall, just more than half (51%) report a perceived increase in overall customer levels for the festive season in 2006. The majority of those remaining (35%) felt there was no noticeable changes compared with the previous year, whilst a minority (14%) felt they had experienced a decrease in total customer numbers.

- *An overall shift in all customer types is apparent from the research. 41% feel they have had an increase in leisure customers compared with 29% who feel they have experienced an increase in overall business customers. Additionally, 41% have noticed an increase in UK based customers, whilst 31% have seen an increase in overseas customers.*

Compared with the same period in previous years, the majority of tourism businesses are optimistic about the levels of customers for the forthcoming Spring/Easter season compared with the same period in previous years. The majority of respondents (47%) expect an increase, whilst a similar proportion (42%) is not expecting to see any change.



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