



Tourism Barometer 2006 Term 1
Summary Report



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Tourism Barometer First Term 2006

Summary Report

Introduction

VisitScotland has commissioned George Street Research to undertake its Tourism Barometer, a regular tracking study amongst a panel of industry-based volunteers. The survey principally aims 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.

General Business Situation

Almost two in five respondents (39%) feel more optimistic about the general business situation in their sector of the tourism industry, than at the start of the year.

- *A similar proportion feel the same as at the start of the year (41%), with approximately one in five (18%) feeling less optimistic than at the start of the year.*
- *The greatest level of optimism is evident amongst tour operators; almost three in five respondents within this subset (58%) report feeling more optimistic than at the start of the year.*
- *On balance, there is a net increase in levels of optimism across all business sectors.*



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Half of all respondents (50%) feel more optimistic about their own business situation, compared with the beginning of the year.

- *Less than one third of those interviewed (31%) report feeling the same as at the beginning of the year, whilst just under one in five (18%) report feeling less optimistic.*
- *The greatest level of optimism about the business situation for respondent's own businesses can be seen amongst tour operators, amongst whom just over two thirds (67%) report feeling more optimistic than at the start of the year.*
- *Approximately half of all retail (51%), activities and transport (50% both) respondents, report feeling more optimistic about their own business situation compared with the start of the year.*

There appears to be a direct link between respondents' levels of optimism for their business and levels of optimism for their sector.

- *More than four in five respondents (83%) who report being more optimistic about the business situation in their sector compared with the beginning of the year, also report being optimistic about their own business situation. This is comparable with two thirds of respondents (65%) who feel less optimistic about the general business situation of their sector, also feeling less optimistic about their own business situation.*

Customers

Approximately two in five respondents interviewed (38%) compare the season this year – up until the end of April – favourably with the same period last year. 15% said “Very Good”, whilst 23% said “Quite Good”.

- *Respondents within Attraction businesses were the most positive (53% Very/Quite Good), followed by Entertainment/Events providers and Transport respondents (45% both).*
- *Those respondents more optimistic about the general business situation of their sector and own businesses, were also more positive than average about the season to the end of April (57% and 53% Very/Quite Good respectively).*



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When asked about their ratio of leisure and business customers, a majority indicate that most customers were leisure based for the season from New Year to the end of April.

- *A third of respondents (33%) report that all of their customers were for leisure purposes only, with a further quarter (24%) reporting a ratio of 90%:10% in favour of leisure customers.*
- *The mean average proportion of leisure customers for the season from New Year 2006 to April is 78%.*

When asked about the ratio of UK customers to overseas customers, the majority of businesses report a high majority of UK based customers: 16% report having only UK customers, whilst 29% report a ratio of 90:10 in favour of UK based.

- *75% of respondents report having 70% or more of their customers from the UK.*
- *The mean average proportion of UK based customers for the season from New Year 2006 to April is 76%.*

Respondents were asked to compare the number of customers for period from New Year 2006 up to the end of April, with the same period last year. Two in five (40%) respondents report having seen an overall increase compared with the same period last year.

- *A third of respondents (32%) report having seen no change at all whilst only 16% report having seen a decrease in the number of customers.*

In terms of leisure customers, three in ten (30%) respondents have seen an increase compared with the same period last year, whilst almost half (46%) report having seen no change.

Just over one in five (21%) respondents have seen an increase in the total number of business customers, whilst the majority (43%) have seen no change at all compared with the same period last year.



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Just under three in ten (27%) tourism businesses have seen an increase in the total number of UK customers, compared with the same period last year, whilst the majority (47%) have seen no change at all.

A quarter of respondents (24%) report having witnessed an increase in the total number of international customers, whilst the majority (45%) report having seen no change at all compared with the same period in 2005.

Almost three in five (58%) tourism businesses expect to see an increase in the total number of customers in the coming summer season, compared with the 2006 season until the end of April. A further one in five (20%) expect to see no real change.

- *A similar proportion (57%) expects to see an increase in the number of leisure customers, whilst only one in five (21%) expect an increase in the number of business customers. The majority (43%) expect to see no change in the total number of business customers over the summer season.*
- *Almost half (45%) of tourism businesses are expecting to see an increase in the total number of UK based customers, whilst the same proportion (46%) is expecting an increase in international customers.*



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