

## **TOURISM IN THE SOUTH WEST IN 2023**

### **What are scenarios?**

Scenarios are a way of exploring future issues in a clear and structured way. They are not meant to be predictions, but vivid, stretching images of possible futures that can inspire ideas about future challenges and opportunities.

South West Tourism has developed four plausible future scenarios as a tool for stimulating ideas to help inform and revise our regional strategy, Towards 2015.

We'll be using the scenarios at the workshop to identify some of the possible risks and opportunities to our strategy in the years ahead. By considering a wide range of possible future outcomes, we hope to make the strategy more robust in the long term, helping it to be successful whatever the future holds.

### **How were the scenarios constructed?**

The basis for these scenarios has been a collection of future ideas for the UK's outbound travel and tourism industry. The national project, Tourism 2023, has undertaken in-depth research, a series of interviews with travel and tourism experts and four industry workshops over the last 12 months.

We have modified and further developed the ideas to create our own "South West 2023" scenarios for tourism, tightly focused on the region and drawing on our own research, evidence and trends. These were constructed with the help of delegates at our first workshop in Taunton on 19th May.

These scenarios represent a starting point for our workshop. Whilst you may not agree with all the ideas in them, we hope that they will be a useful stimulus for discussion and will prove useful to work with in revising the strategy.

# THE FOUR SCENARIOS IN SUMMARY

ENABLING factors facilitate travel

## 1: Boom or Burst

UK economy booming

Travel affordable & desirable

New technologies successful

Lots of tourists from emerging economies

Popular destinations feeling the strain

Serious impacts on the natural environment

## 2: Divided Disquiet

Severe climate change; conflict and instability

A more closed and fearful world; consumers highly sensitive

Travelling overseas is unattractive

Holidays are sold on the basis of protection, safety and stability

ICT replaces some travel e.g. in business

travel is very attractive

travel is less attractive

## 3: Price and Privilege

Very high fuel and living costs

Technology has not kept pace with change

People desperately want to travel but it is unaffordable and only the rich travel regularly

Most people have to save up years and take longer journeys

Aviation has shrunk and cheap air travel is a thing of the past

## 4: Carbon Clampdown

High price of carbon affects economy and everyday life

Travel less attractive as sensitivity to impacts very high

Low-carbon technology fails to deliver

Trips are longer and tourism within the UK is very popular

Displacement from Mediterranean where the climate is uncomfortable

INHIBITING factors impede travel

# 1. BOOM OR BURST

- Overseas travel is highly accessible, affordable and desirable for almost everyone in the UK.
- Travel is regular and fashionable as holidaymakers travel further and faster than ever before.
- The booming UK economy, high disposable incomes and the rapid advances in technology have been critical. Technology has managed to keep pace with regulation.
- The dramatic advances in information technology have enhanced the desire to see the world.
- The massive volumes of visitors, fuelled by arrivals from the new economies like China and India, has started to cripple the infrastructure of popular cities like Paris, New York and London. The most popular resorts are feeling the strain, with serious consequences for the natural environment.
- Wilderness is perhaps the scarcest resource in today's world.

## ***Who is visiting the SW?***

- The age profile of visitors has increased and couples, groups of friends and group travel are common.
- The family market is still evident but has changed to accommodate single parent families and grandparents with grandchildren.
- Many domestic visitors are repeat visitors and sentimental visits are among key motivators, with visitors re-living happy childhood memories of holidays in the region.
- The region is attracting overseas visitors from further away than it had done previously with **visitors from Asia and the Far East now prominent**.

## ***Why and when are people coming to the SW?***

- The natural environment and **protected landscapes of the South West are key attractions**. These allow visitors to escape from their everyday life and relax in a comparatively peaceful environment.
- Overseas visitors have come to sample our distinctive region, the natural environment and iconic landscape and to sample our wide ranging heritage attractions and warm climate
- The region has managed to spread the distribution of visitor trips through careful product development, although the staggered school holidays

along with the older visitor profile has naturally increased the peak holiday season.

- Whilst short breaks are popular, longer stays are also evident as visitors take time out to work whilst on holiday in exchange for a longer break from the office.

### ***How do people choose holidays and get to the SW?***

- Visitors now enjoy full online booking systems, virtual tours and online holiday schedule plans as standard.
- Demand for package-style holidays with full itineraries and organised activities is high as visitors do not want to waste a moment of their time whilst on holiday.
- Those visitors choosing to plan their own holidays access technology for their information and plan whilst travelling and during their visit.
- The **car is still the main form of transport** to the South West, although travel time to the region is still an issue as time precious visitors start to cost in the time they spend travelling to their holiday cost.

### ***How affordable is the SW?***

- The cost of a holiday in the region is generally affordable due to the highly competitive market place that has been created by the ease of travel.
- Holiday purchase decisions are based on price or quality and there is little activity in between this.

### ***The Natural Environment***

- Increased housing and industrialisation in the region has begun to have a negative impact on the visitor experience, although the large areas of protected landscapes in the region continue to draw visitors in for the chance to escape from it all.
- However, increased visitor numbers to these areas are beginning to take their toll and the key driver for visitors to the region, **the natural environment, is now under threat.**

### ***Vulnerabilities to events***

- The perception of the regions weather and it's vulnerability to it, is starting to become a factor in the decision making process for visitors.
- But the South West has so far managed to escape the worst impacts, and people continue to visit attractions that are well managed and offer escape from their busy lives

## **2. DIVIDED DISQUIET**

- Travelling overseas is an unattractive proposition for many in the UK. A toxic combination of climate change, violent conflict and protectionist barriers have created an unstable and fearful world.
- Holidaying in the UK is more common, and the close, familiar parts of Northern Europe are popular; the warmer temperatures make these safe areas a big attraction.
- Recent bio-chemical attacks mean that intense security, long queues and mind-boggling bureaucracy are essential across the world.
- Holidays are sold on the basis of protection, safety and stability; areas offering shelter and security in walled resorts with artificial 'safe danger' activities have prospered.

### ***Who is visiting the SW?***

- The market has become increasingly divided, with extreme behaviour and wealth at either end of the scale with the middle ground and disposable incomes narrowing.
- Society is demonstrating a **displacement effect**, an unconscious shift of emotions, affect, and desire from holidaying abroad to a more acceptable and immediate substitute to domestic holidaying has become the norm.
- **South West residents holiday within the region**, many in the UK have become more fearful, less curious and more sensitive about their travel.
- Housing clusters have grown to allow development of housing sites which would otherwise be difficult to develop under conventional planning regulations and as a result has created 'new' communities.
- Emerging markets and new economies have developed. Emerging markets have always taken yearly holidays and have been fuelled massively by rising tourism. These visitors have been visiting Europe but only visiting key areas e.g. London/Edinburgh/Stratford.
- The **international inbound market to the SW has remained relatively small** and BME groups have still been limited in visiting
- With large extended families there are more group holidays, with grandparents holidaying with families and with the aging population the older end of the market has increased.
- As the age of retirement has increased and people now working longer they value their holidays more and are expecting more added value to all aspects of their holiday.
- There is a distinct **increase in the 'Disney-fied' affect**, where people think they want an authentic holiday but in reality they don't like it. For example, visitors want to stay on a farm but do not like the chickens making a noise.

## ***Why and when are people coming to the SW?***

- Many visitors to the SW are returning as the SW is seen as a **'traditional holiday and feel nostalgic about the area.** With many visitors seeking adventure like surfing and would rather visit the SW rather than face the cost and difficulty of travelling to abroad as there are **huge amounts of natural and coastal resources** for activities within the SW.
- Visitors enjoy the diversity within the region from shopping in Bristol to beach activities.
- There is an increase in 'temporary reasons' for visiting the region, such as specific festivals or events.
- The industry is increasingly rocked by unexpected events and the SW is perceived as **relatively safe.**
- There are still 'peaks and troughs' in visiting the SW based on **school holiday periods,** however the shoulder months have seen an increase in visitor numbers.
- Regulating of attractions and limited visitor numbers is becoming evident in the SW with its fragile environment. A 'scarcity of place' means that the most attractive destinations are rationed: through both high price and physical limits on numbers.
- Travel is seen as cumbersome, time consuming, tiring and inefficient and as a result has **lead to longer stays** within the SW and a 'make the most of it' attitude.

## ***How do people choose holidays and get to the SW?***

- The use of Travel Agents has decline and is becoming obsolete.
- **Advances in telepresence technologies** mean that there's a more cost-effective and attractive alternative to travel. For business, online meetings are more convenient, more efficient and more affordable. There are now more virtual/walk through tours to view holiday destinations and accommodation.
- Technological advances has lead to a **decrease in conference tourism** has lead to a problem filling accommodation during the week.
- Mobile technology has increased the ease and speed of choosing and booking holidays.
- There is an **increase of online communities** with a feeling of belonging that has increased special interest holidays and group tours and the quality of information on the internet has improved.
- **Train travel has increased** as the cost of travelling in a car has become more expensive.

## ***How affordable is the SW?***

- The SW has focused on diversifying income streams
- The cost of visiting attractions is still dependant on what you are visiting but has become more extreme with the **'elite can afford' attitude.**
- The world and travel industry is repeatedly rocked by unexpected events but many feel the SW is a safer holidaying experience.

- **Package holidays in the SW have increased** to encompass transport/ accommodation/ food packages. A segmented market has had an impact on the holiday experience e.g. low/high end priced holidays.
- Supply and demand has had a negative impact on quality of products and services (captive audience so products/services have declined).

### ***The Natural Environment***

- Change in the climate and environment has put **pressure on food demands** and therefore land use.

### ***Vulnerabilities to events***

- Extreme weather events have occurred worldwide, and the South West has not been immune.
- Several, high profile weather related incidents have occurred in recent years and the great floods of 2017 are still associated with the region during instances of poor weather.
- Pandemics also remain a significant threat especially with our changing climate.
- Meanwhile, there is still the occasional risk from oil spills and environmental accidents that continue to cause unexpected problems.

### **3. PRICE AND PRIVILEGE**

- Rapidly rising energy demand from Asian economies has pushed up energy prices and the dramatically high price of oil has made travel punitively expensive
- New technologies and the transition to a post oil economy have failed to keep pace with the change. Aviation has shrunk with mass redundancies and cheap, mass air travel is a thing of the past
- High oil prices have affected all aspects of day-to-day life with everything becoming more expensive, putting strains on household budgets
- People still have a strong desire to travel but it is unaffordable for most people, leading to an increase in overland travel and long 'saving' periods
- A super-rich minority has led to a new class "exclusive" high-end market
- European holidays are extremely popular and investment is going into rail infrastructure improvements and efficiencies

#### ***Who is visiting the SW?***

- The SW visitor profile has changed, attracting 10% more visitors over the age of 60 and the pressures on spend are encouraging more young people. Family and group visits and bookings have grown in proportion and VFR keeps a stronghold as an affordable holiday option.
- There has been an increase in immigration to the region as people retire, seek a better quality of life or move into their second homes
- **Total trips have dropped**, especially staying visitors, from 22 million to 12 million with short breaks taking the biggest hit and overseas visitors to the SW has dropped from 10% to 2%.
- The proportion of visitors from other regions has also reduced as **people stay more locally** (stacation has taken a foothold) and Wales has become our key competitor although visits from within the SW has increased and is the majority of our market at 90%.
- **Secondary spend is down**, a lot less on shopping, eating out and consumables. Visitors want more for less and customers are being more careful with their money, are haggling and have higher expectations with little care about the host communities or environment.
- **Localised trips**, cheaper destinations, experiences (e.g. surfing, bungey jumping etc.) and outdoor activities (hiking, biking etc) are booming and so is self catering and camping as visitors look for **self sufficient and cost effective holiday options**. Second home ownership has reduced by 60% as people sell or move into them to free-up money and VFR remains a high proportion of visitors.

- There is a very small proportion of elite/high end 5-7\* resort visitors looking for exceptional experiences but they also still travel abroad because they can afford to. SW overall is a cheaper option relative to travel abroad as air taxes and visa prices have increased.

### ***Why and when are people coming to the SW?***

- **Britons can't afford to go abroad** so holidaying in the UK has become a necessity with visitors seeking escapism from the urban environment and seeking different experiences. The SW has remained popular due to its fantastic beaches and the nostalgic and traditional reputation as a beach holiday destination that has been revived. It is also popular for having 'warmer' weather and its wealth of historic and natural features as people seek cheaper outdoor pursuits.
- Seasonality has got worse as winter costs for maintenance and heating are high so many businesses close. The **peak season is under strain** as people have saved up for some time for their trip and want hot sunny weather for their holiday. The **average trip length has doubled** and short breaks and **business trips are down 80%** as businesses minimise costs and expenditure

### ***How do people choose holidays and get to the SW?***

- Visitors are planning more with an increase in advance bookings, packages, saving clubs, group discounts and consumers demanding better deals. Tour operators are providing more UK packages and payment options/deals and tourism businesses are taking a deposits and instalments approach to **help holidays remain affordable**
- Independent trading is less common with increasing business diversification and business partnerships. Businesses are pooling together to offer loyalty and discount cards and the likes of Centre Parcs and membership organisations like the National Trust and English Heritage are doing very well as people want to get more for their money.
- Businesses have had to become more savvy with technology and efficiency and high energy and maintenance businesses and attractions have suffered along with mid to high range hotels.
- A different tourism structure exists and there are no tourist boards and the UK public funding has levelled out for regional tourism so the SW does well in marketing within the UK.
- The SW has **lost a significant number of domestic and international flights** and in turn this has affected the viability of the regions airports which are now under review. There is, however, an increased use of public transport and people are making the most of car journeys that are made.
- **Tourism infrastructure is looking tired and lacks maintenance** where investment has gone down and there is a concern that the industry could contract into resorts like Newquay and Torquay that become ghost towns out of season.
- Accessibility products have improved with the ageing population and virtual conferencing facilities are more popular.

### ***How affordable is the SW?***

- The UK's society is poor overall, so people are looking to spend less on holidays. Energy, travel, food and clothing are all most expensive – so people want to save cash at every opportunity.
- But for a **small, rich minority**, there is still the attraction of exclusive options both within the SW but also abroad.
- But for most people, cost is a key driver as they look for the cheapest holiday option. Localised travel and spending is more common.
- There is less secondary spend, less shopping and less eating out.

### ***The Natural Environment***

- Visitors won't pay the premiums for 'greener' options unless they are cost-effective. The built environment is changing dramatically with cheaper resorts and less spent on maintenance
- Larger numbers in the peak season are having a negative impact on some resorts and honey pot sites are under increasing visitor pressure, although harder to reach places are benefiting.

### ***Vulnerabilities to events***

- The SW is **capitalising on being a cheaper holiday destination** than travel abroad, but cost and access is a key vulnerability for the industry, such as to public transport strikes.
- The popularity of tourism in the SW and the associated impacts on communities and the environment are creating social divisions.
- Other vulnerabilities include tax or fiscal changes, and **civil unrest** as the divide between rich and poor becomes greater and as the 'selfish' don't care attitude increases.

## **4. CARBON CLAMPDOWN**

- The UK Government is making a significant push to reduce the country's contribution climate change and achieve the 80% reduction target in CO2 emissions.
- The high price of carbon and introduction of household tradeable carbon quotas is causing a significant impact on the economy and everyday life.
- The public generally supports these changes as events linked to climate change become more frequent, while business feels that this approach will give the UK economy a headstart in adapting to change.
- However, economic growth is low and disposable incomes are down, food and energy costs are up. Local economies are more important.
- Overseas travel is down and trips are longer and some British resorts are seeing a revival in fortunes.
- Inbound travel from emerging Asian economies with looser carbon regimes has increased. There is some displacement from Mediterranean destinations where the climate is now too uncomfortable for some.
- To help the UK infrastructure cope with the strains off increased population and holiday travel, school and bank holidays are increasingly staggered.

### ***Who is visiting the SW?***

- The combination of carbon allowances and lower disposable income means there are **many more with higher incomes** who would previously have travelled overseas.
- Overseas visitors remain in a similar proportion to 2009 but are increasingly from emerging markets (e.g. India, China) rather than traditional sources.
- Increase in the proportion of tourism that is from residents **within the region** and in VFR activity (seen as a more affordable holiday).

## **Why and when are people coming to the SW?**

- People are attracted by the **seaside resorts** that have enjoyed a renaissance
- The SW is increasingly **seen as the “green escape”**. People are attracted by the perception of the SW as a ‘green region’ – green both in terms of its commitment to and progress on environmental responsibility and in terms of it being a predominantly rural region. The former attribute fits increasing consumer expectations while the later attribute is increasingly valued in light of the housebuilding that has seen other regions become much more urbanised.
- Other aspects of distinctiveness and escape are increasingly valued as they become more unusual, from dark night skies to break from technology.
- Some visitors switch to the SW because of increasing discomfort in the summer climate now found in Mediterranean resorts.
- The weak UK economy also means a better **exchange rate** and value for money for overseas visitors.
- The main **competitors for the SW are other nearby ‘green escape’ destinations** – Wales, Cumbria, Northumbria, Ireland
- For some there remains a need for the main holiday to be outside of the UK in order to experience something different to everyday life even if this means ‘saving and splurging’ their annual carbon allowance.
- As a result there is some continuation of current patterns but **holidaying tends to be less frequent, shorter in distance and for longer periods**.
- Seasonality remains with the summer as the peak and the winter still significantly lower but there is increased activity in the shoulder seasons as a result of milder spring/ autumn.
- The introduction of ‘Double Summer Time’ has also helped to reinforce this trend and **staggered holidays** have helped to spread the demand.
- Average length of stay is generally higher given the greater investment made in the journey to/ from the region.

## **How do people choose holidays and get to the SW?**

- There continues to be an increase in the use of IT for booking although new systems have developed to make it easier and there are more links to online social networks. Online availability has become the norm for some time.
- There is some increase in train use as a result of the government increasing investment in the rail infrastructure. However **availability of alternatives to the car while in destinations remains a key factor** affecting the extent of change in how people travel to the region. There are increasing numbers of tourism businesses providing short tours and trips to overcome this gap in provision.
- Regardless of how people travel to the region, the **amount of travel within the destination area is more limited**. They stay much more within the vicinity of their accommodation.

- Technology has aided the drive to reduce business travel with a much higher proportion of meetings now taking place using virtual communication. However, when people do get together the **human contact is valued** much more as a key element of the meeting and the SW is now promoting its credentials (as a place to pause, take stock, relate) to offer this more infrequent, but in-depth, meeting experience/product.
- For leisure tourism, **visitors continue to want the real thing** – indeed the SW prides itself on offering an escape from the technology that pervades people's lives.
- The public transport infrastructure has increased (although not in the SW as much as other parts of the UK) but changes to the general tourism infrastructure are more limited. Those tourism businesses in locations that were traditionally car-reliant for access are increasingly searching for solutions to improve non-car access.
- There is an increase in the popularity of **timeshare accommodation** as a more cost-effective and efficient form of accommodation.

### ***How affordable is the SW?***

- In comparison to overseas travel the SW is increasingly **seen by the domestic market as affordable**. However, the increased costs of transporting goods means that for a more remote region like the SW, **becoming more self-sufficient is crucial to ensure affordability**.
- For overseas visitors the UK is more affordable choice, but the SW's progress towards becoming more self-sufficient is influencing affordability.
- The carbon-constrained world has brought down the payback periods on new renewable energy systems and so **many more tourism businesses now use micro-generation** to at least to supplement their main supply.

### ***The Natural Environment***

- The **value of the natural environment to the SW tourist economy continues to grow** but there remain questions as to what kind of 'natural' environment is desired as climate change is increasingly challenging the landscapes traditionally valued.
- There is an increased use of protection as a means to maintain landscapes/ the natural environment.
- The tourism industry is having to face up to difficulties along the coastline. Although there are not many permanent changes, extreme events (which are becoming more frequent) are threatening much of the coastal tourism infrastructure to a lesser or greater extent.

### ***Vulnerabilities to events***

- The SW is capitalising on the perception of it being seen as **a more stable and less divisive society in comparison to urban areas**, being seen as an escape from the troubles around the world and a more habitable place than other places in the world.
- However, the popularity of tourism in the SW and its use of limited resources are creating their own social divisions.
- Rural/ agricultural pandemics remain a significant threat.
- The SW is not be immune to the effects of migration – migration away from the South East and other urban areas, general effects of international migration (economic/ environment induced) in relation to labour supply, attitudes towards migrants and growth in language schools. All of these place extra pressures on resources.