national coastal tourism academy

2015 Coastal Tourism

Summary report of opportunities and challenges for growth in coastal towns

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Contents

ABOUT THE NCTA

The National Coastal Tourism Academy is a Coastal Communities Funded project seeking to accelerate growth in coastal tourism by providing insight, support and innovative resources for the tourism industry. The NCTA is bridging gaps in research, sharing best practice, developing interactive and innovative ways to enhance skills, improving the visitor experience and raising the profile of coastal tourism.

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Executive Summary

Coastal tourism is often perceived as an industry in decline, yet a recent report by Sheffield Hallam University challenges this perception. This paper seeks to bridge gaps in understanding and present the state of tourism on the coast of England as well as the opportunities for growth, and priorities for development and support.

Key findings:

- Domestic and day trip coastal tourism is collectively valued at **£7bn** to the English economy, representing **29.1%** of domestic overnight holiday trips and **8.4%** of Tourism Day visits.

- Seaside tourism was the largest sector of the domestic market until 2012, but national and local level statistics present a mixed picture. Since 2013, at a national level, market share has marginally begun to decrease and the seaside has not witnessed the scale of growth in line with the national average. However, there are a handful of destinations that have been highly successful and achieved growth in excess of the national average.

- Although not easily quantified at national level, some coastal towns also benefit from a high volume of international tourism.

- Visitors to the seaside tend to be loyal and satisfied customers, predominantly over 55s and older family groups. The perceptions of non-visitors remain largely negative, particularly for more traditional seaside destinations and coastal resorts that are often perceived as “tacky and dated”.

- There are strong opportunities for growth in particular sectors such as the Health and Wellbeing market and Business Events, where there is a suitable product market fit.

- Coastal tourism is a significant employer, and in England and Wales directly supports some 210,000 jobs estimated to be worth around **£3.6 billion**, which is in line with the telecoms sector.

- The coast is dominated by independently owned tourism businesses, predominantly SMEs, and has very little corporate representation (less than **3%**), which reduces the resilience of the industry and makes coordination, delivery and speed of change difficult, but could be an opportunity to market distinctive and unique product.

- Tourism businesses in coastal destinations see their biggest challenges as attracting new customers; business support is most successful where it is tailored to the needs of coastal tourism businesses.

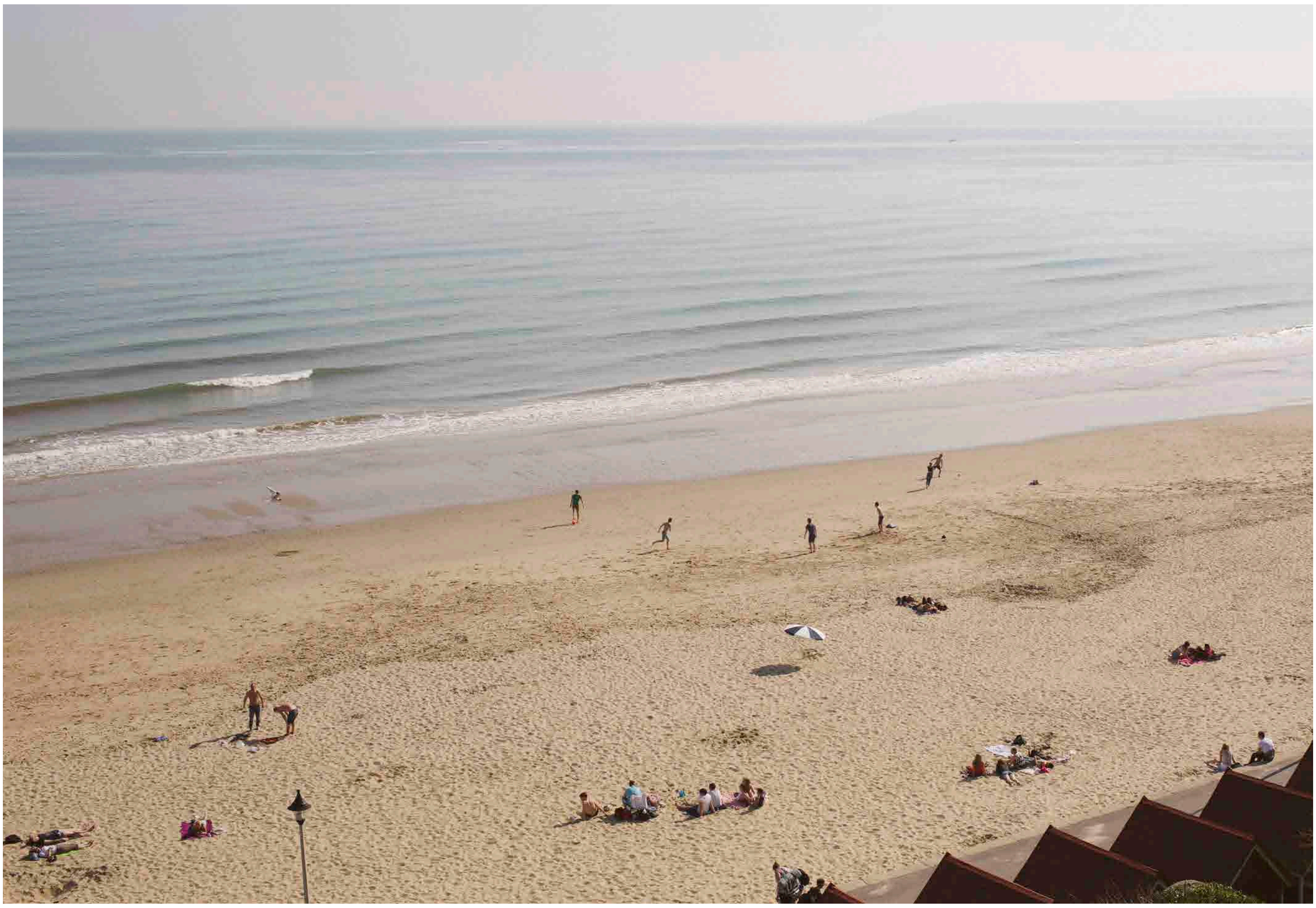
- National tourism skills shortages and issues with recruitment and retention of staff are exaggerated on the coast due to the highly seasonal nature of the product.

- Local authority spending cuts, coupled with a higher than average population who are dependent on social care, has significantly threatened tourism delivery on the coast. Whilst there is private sector support for marketing based destination activity, the reduction in public sector funding has serious implications on the delivery of visitor services, research and development, business support and skills programmes along with the lack of a more strategic overall destination management approach.

This report concludes that coastal tourism is a significant and important part of the tourism industry and an often undervalued and misunderstood sector.

The dominance of SMEs combined with increased pressure on local authority spending as a result of the social make up of coastal towns, makes the delivery of change more challenging on the coast.

Yet there are significant opportunities for growth, the most successful destinations are those that have a good range of resources and attractions, have had strong leadership, a clear strategy for destination management and collaborative partnerships across the public, private and tertiary sectors.



Key recommendations:

There are a number of opportunities and significant potential to accelerate growth in coastal tourism. However, for growth to be achieved, there is a clear need for a focus on:

- Business support and training for SMEs and independent tourism businesses.
- Research and development to attract new and emerging markets, ensure suitable product market fit and delivery of quality visitor experiences in line with changing consumer needs.
- Strong collaborative partnerships across and within destinations to measure performance, share best practice and deliver sustainable growth for the benefit of the whole destination. This must be supported by a more coordinated approach to funding of coastal development from central government.
- Understanding the destination, its current visitor profile, strategic plans and unique qualities to identify sustainable opportunities for growth and development.
- Changing the perceptions of non-visitors, the media and government to reduce the gap between the perceptions and reality of the coastal tourism offer and its importance to the UK economy.

Introduction

This paper seeks to combine all the known data published on coastal tourism and issues impacting growth in coastal towns, with primary research undertaken by the National Coastal Tourism Academy. It also seeks to identify the key themes and issues from each piece of research to take a more holistic view of the issues facing coastal towns and opportunities for accelerating growth in coastal tourism. The paper is intended as a discussion document, with the research and data interpreted by the National Coastal Tourism Academy.

Although the paper presents one view of the opportunities and challenges for the coast, it draws together new and previously existing research into coastal tourism for the first time.

Background

This report has been compiled to provide understanding of the nature of coastal tourism, an important part of the economy but a little understood or researched area. There is very little academic or commercial research focused specifically on coastal tourism. There is also a general perception among the public, media and government that coastal tourism is an area of the tourism industry in decline.

A recent report by Sheffield Hallam University on employment in coastal tourism challenges this view. Coastal tourism, like the wider tourism industry, is an extremely disjointed industry. Until recently there has been little coordination of activities on the coast and each destination is unique in the way that it is set up and administered.

This report seeks to review all of the known published research and begin to map the current state of coastal tourism. In completing the exercise it is clear that there are still many gaps, but it does start to build the foundations for current understanding.

A key barrier to grasping the nature of coastal tourism is the challenge of applying and using national data at a coastal level. Where some coastal towns are neatly made up of one borough council and therefore data is more easily accessible, others are part of a much wider unitary or district authority that includes multiple destinations that are not always exclusively coastal tourism.

Not all destinations undertake research into their visitors and economic impact due to financial pressures. Those destinations that do undertake research, often employ different models which provides them with year on year data but means that the data is not comparable at a national level or to benchmark with other destinations.

Seaside destinations are often perceived as being “end of the line” and behind the trends, slower to deliver change. This report focuses on whether this is true and what the barriers are to growth.

Those destinations that do undertake research, often employ different models which provide them with year on year data but means that it is not comparable at a national level or across other destinations.

Methodology

The methodology of NCTA led research is detailed briefly here, details of all other sources used in this report are referenced in the footers:

- Consumer research (national) – this data was analysed on behalf of the NCTA by TNS using the Great Britain Tourism Survey (GBTS) and Great Britain Day Visits Survey (GBDVS) results from 2008-2013.

- Consumer satisfaction and perceptions – the local Bournemouth data is taken from Visitor Survey results undertaken in 2013 and 2014 by the NCTA.

- Opportunities for growth (key sectors) – Research commissioned by the NCTA - Business Events completed by CHS Group and Coast Media, Health and Wellbeing by BDRC and Seasonality by MRG at Bournemouth University.

- Corporate representation – Primary data collected by the NCTA between August and September 2014, 67 brand websites were reviewed against a list of 115 coastal destinations in England.

- Training and skills & coastal tourism business challenges and opportunities – NCTA data is a result of 3 focus groups conducted in January 2013, two online business surveys (2013 & 2014), and 88 one-to-one business consultations conducted between August 2013 and January 2015.

- Destination Management Organisations – Telephone and face to face consultations were completed by the NCTA between August and November 2014 with 10 Destination Management organisations.

Limitations of research

This paper attempts to combine all the known data of relevance to coastal tourism in England. It is recognised that some of the primary research undertaken by the NCTA is location specific and therefore may not be truly representative of the national picture. However, it attempts to highlight the importance of coastal tourism, common themes facing destinations and businesses. The NCTA recommends that further in-depth research is needed to verify the full national picture in relation to business needs.

Understanding the current status

Consumer research at national level

The tourism industry nationally has been a key driver in economic growth in the last three years, delivering nearly one in three of all new jobs created[1]. However the fortunes of seaside and coastal destinations paint an altogether more mixed picture.

At a national statistics level, the seaside has failed to benefit from the 'staycation' effect that has been seen in other areas of the domestic tourism market. Valued at **c.£7 billion** to the UK economy in 2013, coastal tourism is stilll a significant part of the economy and accounts for **29.1%** of all Domestic overnight holiday trips and **8.8%** of all tourism day visits.

However, the seaside is losing market share for domestic overnight holiday trips, down by **5%** since 2006 and, instead, it's city breaks that are seeing the greatest benefit, marginally overtaking seaside for the first time in 2013 for the number one spot in terms of market share[2].

Seaside trips are characterised by more mid-length stays (four to seven nights) and fewer short breaks (one to three nights), whereas the opposite is true for other destination types. This, combined with the fact that seaside holidays are less likely to be booked online than other trip types, perhaps indicates that seaside resort accommodation still has more to do in terms of making the product flexible and easily accessible for online booking and the growing short break market.

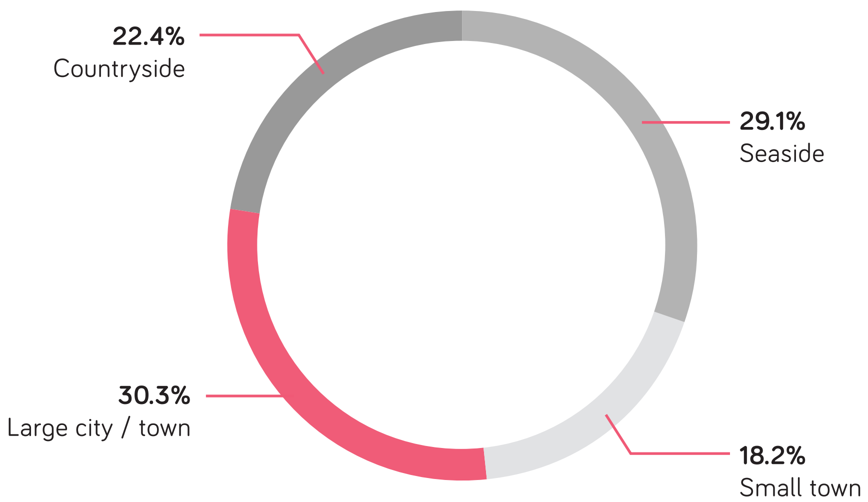
SEASIDE - KEY STATISTICS

	Domestic overnight (all trips)		Domestic overnight (holiday trips)		Tourism day visits	
Trips	18.6m	18.3%	13.4m	29.1%	117m	8.8%
Nights	70.9m	23.9%	55.1m	36.8%	n/a	n/a
Spend	£3,886m	20.8%	£3,109m	29.7%	£3,886m	8.4%

Source: 2013 GBTS & GBDVS data

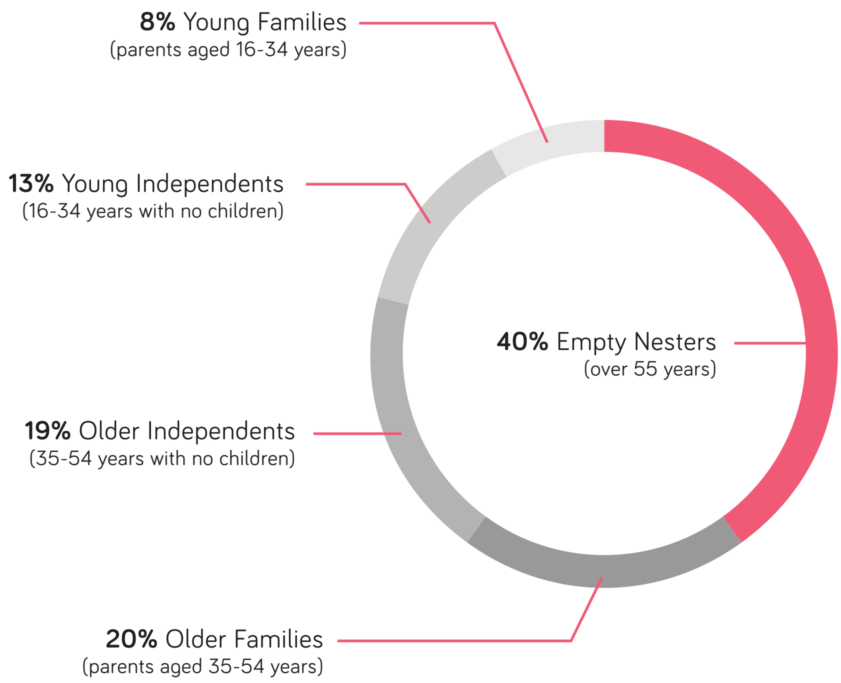
It is important to note that the above statistics do not include international visits and visiting friends and relatives, the latter of which is believed to be particulary important for coastal towns.

HOLIDAY TRIP TYPE BY GB RESIDENTS IN ENGLAND, 2013 (%)

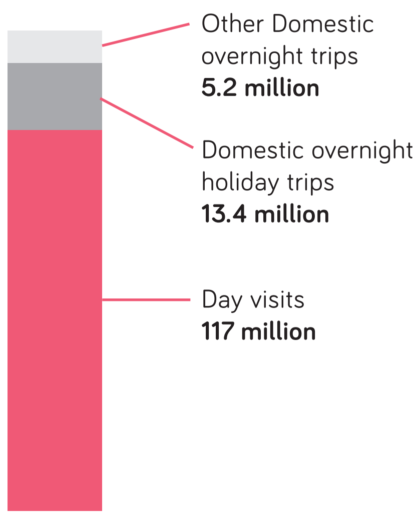


1 Deloitte 2013 "Tourism: jobs and growth – the economic contribution of tourism"
2 2013 GBTS data analysed by TNS for NCTA

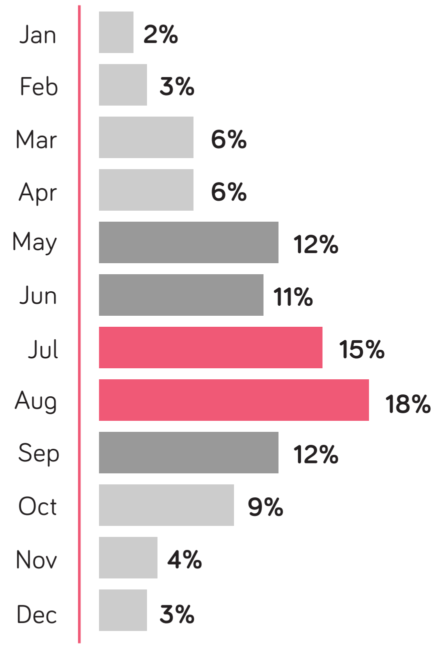
SEASIDE - VISITOR PROFILE



SEASIDE - DOMESTIC VISITOR TYPE



TIME OF YEAR



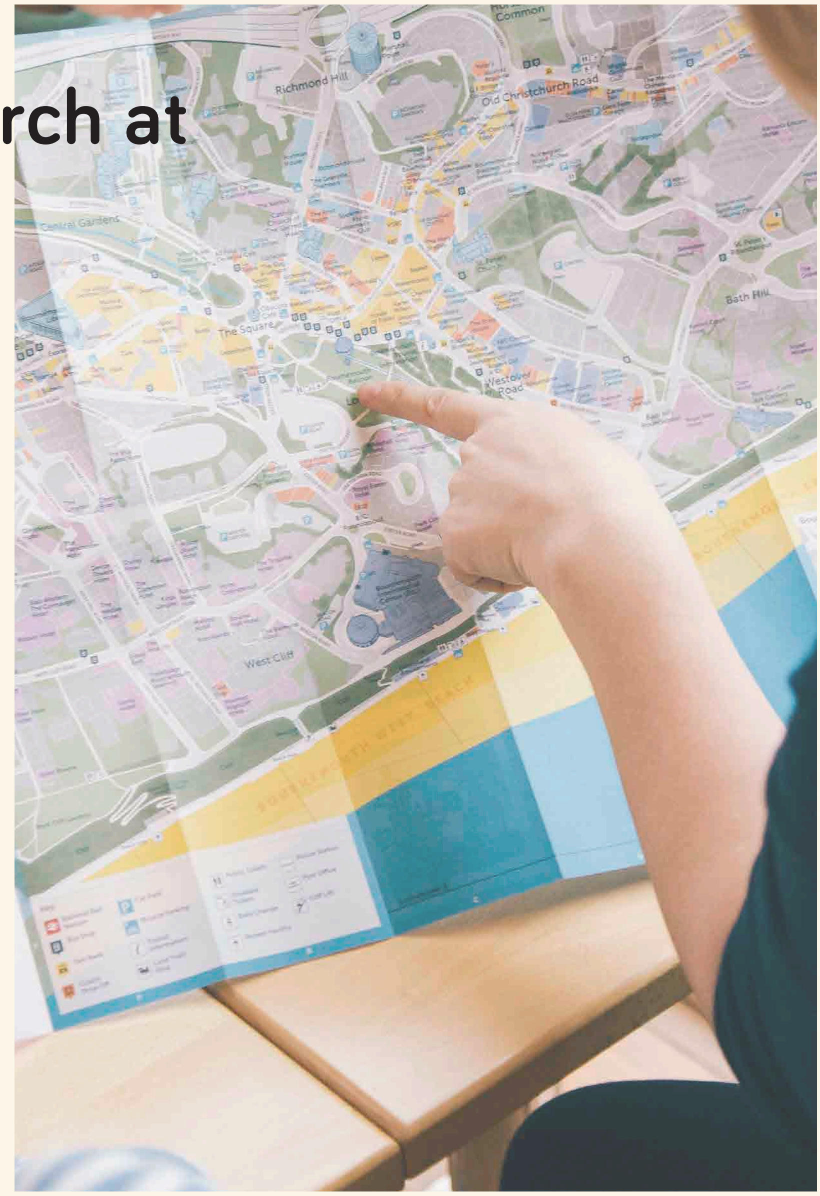
Seaside breaks still have a stronger appeal to C2DE socio-economic groups than any other break, and although far behind other holiday types, there is an increasing trend for AB socio-economic groups to visit the coast. The seaside though, is dominated by the empty nester (over 55) market and older families (parents 35-54), and is far less popular with younger families (parents 16-34) and young independents (16-34), though this is broadly similar to the profile for all holiday types.

Research undertaken by the NCTA together with national data, shows that the younger market tends to give seaside holidays a lower satisfaction score than other visitor types. This, combined with the younger market's increased preference for short breaks, last minute and online booking, shows an opportunity for seaside resorts to adapt their product to be more flexible and grow this market.

Despite efforts to reduce the seasonality of breaks to the seaside, evidence suggests that seasonality at a national level has remained unchanged since 2008, with a third of annual trips taken in July and August, and more than three quarters in May to October.

For a more detailed report on the national picture see the NCTA report:
"Seaside Tourism in England"

Consumer research at local level



At a local level, the picture of coastal tourism is much more varied. Some destinations such as Bournemouth[3], East Lindsey (including Skegness)[4] and Brighton[5] are reporting annual growth in tourism numbers and spend. Scarborough reports an increase in tourist spend and day visit numbers but a decrease in overnight visitor numbers[6]. Other destinations do not openly publish or collect data at a local level, making it difficult to understand the sub-regional picture.

VisitEngland publishes domestic overnight data at local authority level[7] using three year rolling averages from the GBTS survey, although this is predominantly useful for larger destinations due to the risk of small samples within the data.

The NCTA has used this data table to look at trends over time. The review confirms that the fortunes of coastal areas is again, very mixed; of significant note is data on Blackpool and Great Yarmouth that show reductions in spend and number of holiday trips over one, three, and five year periods. Over a five year period, many destinations show numbers and spend largely static with small fluctuations from year to year. It is should be noted though, that this data does present different results for East Lindsey, Scarborough and Brighton to the local economic impact reports mentioned earlier and therefore the accuracy of either data could be questioned.

Reviewing local level activity for coastal resorts may present challenges of samples, research method and accuracy of data but it is clear from all sources that it is an unbalanced picture. Some destinations are showing growth across all data sets and it is merely the scale that might be questioned, while others show decline, and many show a largely static market over the longer term with relatively minor fluctuations from year to year.

The seasonality of coastal resorts also varies widely, towns with a higher percentage of hotel and guest house accommodation, rather than self-catering and holiday parks, such as Brighton and Bournemouth, have managed to extend the season quite significantly compared to the national average for seaside breaks.

Although predominantly a domestic market, international tourism, in the form of language schools, is important to some coastal destinations, and in particular to Bournemouth, Brighton and Eastbourne. Bournemouth is now one of the largest centres outside Greater London for international education; in 2013 the sector was valued at **£212** million[8].

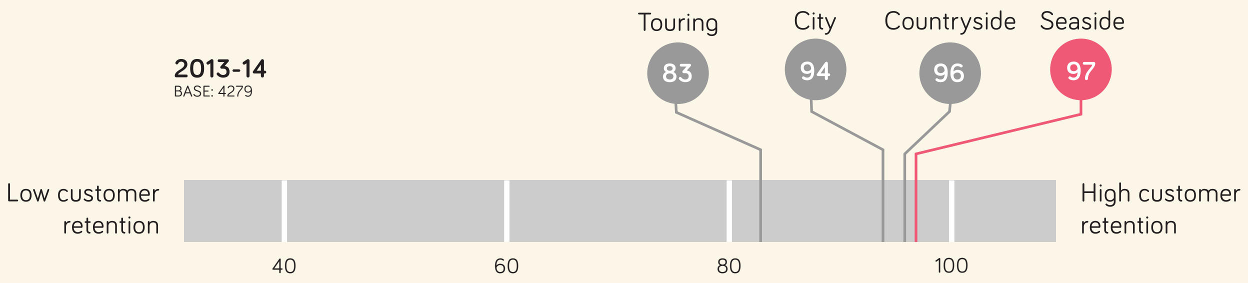
In order to truly understand the local picture of coastal tourism, robust and comparable research needs to be undertaken in all destinations, coordinated centrally and based on coastal destinations not local authority boundaries.

NB: Research at a local level is difficult to measure and benchmark due a lack of coordination between coastal resorts, variations in the methods used to collect data and the size and structure of the local authority boundaries or DMOs.

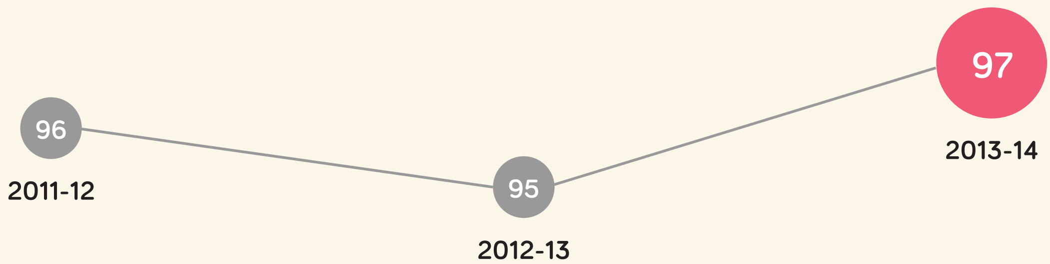
3 "A snapshot of Bournemouth's Visitor Economy" available at http://coastaltourismacademy.co.uk/research/article/a-snapshot-of-bournemouths-visitor-economy1
4 East Lindsey Economic Impact Study [unpublished]
5 The Economic Impact of Tourism Brighton & Hove 2012, Tourism South East – available on http://www.visitbrighton.com/dbimgs/Brighton%20%20Hove%20%20Economic%20Impact%20%20Estimates%202012.pdf
6 The Economic Impact of Tourism on Scarborough District 2012, Tourism South East - available on http://www.discoveryorkshirecoast.com/industry/tourism-statistics
7 Visit England data table available at http://www.visitengland.org/insight-statistics/whatsnew/Cont.aspx
8 Bournemouth Economic Impact Study 2013

Consumer satisfaction and perceptions of the coast

VISITOR EXPERIENCE TRIM INDEX LOCATION OF HOLIDAY



SEASIDE



VisitEngland's brand tracker research[9], using the TRIM index, reveals that seaside holidays are the highest scoring holiday type in terms of visitor satisfaction and customer retention. This indicates that visitors that come to the coast, are generally satisfied with their experience.

Research undertaken by the NCTA at a local level in Bournemouth, also shows that satisfaction is high among visitors, and increases among visitors on a repeat visit and also with the length of stay[10].

However, VisitEngland perception research[11] showed a confused opinion among the general public, with more traditional seaside resorts being seen in a negative light as "tacky and dated". The rural coastline and smaller towns are seen more positively by consumers, as "great bases to explore the surrounding area" or "get away from it all". This presents a barrier to growth that needs to be addressed, particularly among younger audiences.

9 Visit England "understanding visitor satisfaction 2013-2014" available at http://www.visitengland.org/Images/VE%20Visitor%20Satisfaction%20Deep%20Dive%202013-14_FINAL_website_REV_tcm30-43622.pdf
10 Bournemouth Visitor Survey - available at http://coastaltourismacademy.co.uk/research/article/bournemouth-visitor-survey-2013
11 Visit England, "Seaside, what are the opportunities?" 2013 – available at http://www.visitengland.org/Images/Seaside%20Report_FINAL_v2_without%20summary_tcm30-39463.pdf

Employment in coastal tourism

A report by Sheffield Hallam University[12] into employment in the coastal tourism industry revealed that the industry remains a substantial and growing employer. In fact, the British seaside tourist industry continues to employ as many people as the whole of the telecommunications sector, and more than the motor industry, aerospace, pharmaceuticals or steel.

The overall findings from the report were:

- The seaside tourist industry in England and Wales directly supports some 210,000 jobs spread across more than 100 resorts. Large numbers of additional jobs are also supported indirectly through the supply chain.
- The Blackpool area has the largest single concentration of seaside tourist jobs – more than 19,000.
- No fewer than 58 individual towns each have at least 1,000 jobs in seaside tourism.
- Since the late 1990s, employment in the seaside tourist industry has increased by about one per cent a year – an overall growth of 20,000 jobs.
- The estimated value to the economy of the jobs in seaside tourism is around **£3.6 billion**.
- The report provides local figures on seaside tourism employment for 121 individual resorts around the coast.

This important report shows the significance of tourism to the coastal economy, and that even though the seaside may not have benefited from the 'staycation' effect, the tourism industry of coastal towns has continued to grow and deliver jobs.

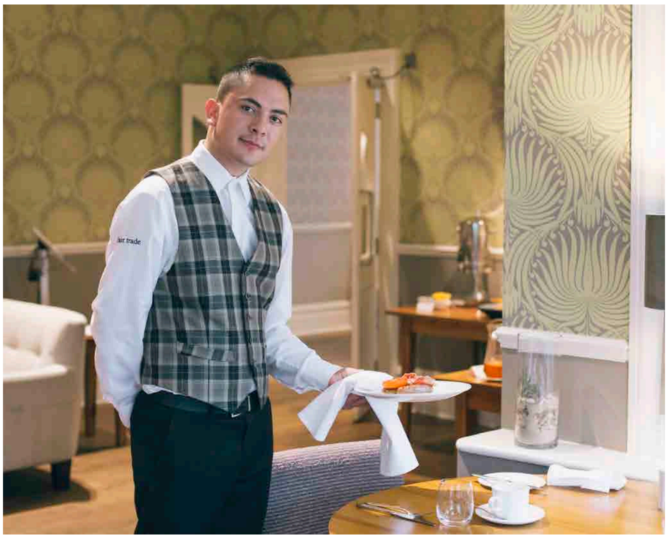
Although the Sheffield Hallam report shows that coastal tourism employment has increased, it is important to note that the national study presented by ONS[13] demonstrates that employment in UK tourism industries grew by **5.4%** between 2009 and 2013, twice the rate of the rest of the UK labour market and faster than the rate of growth in coastal tourism documented in the Sheffield Hallam report.

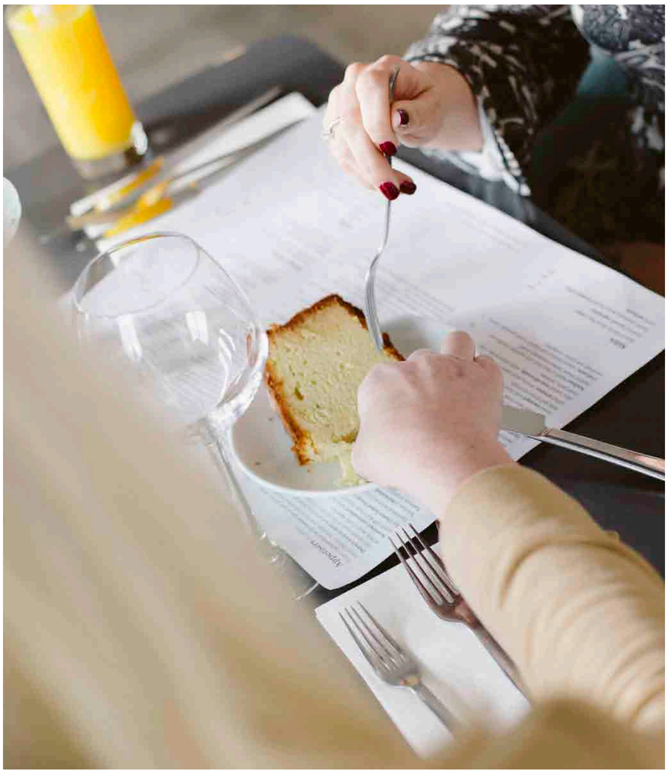
Therefore, given the size and overall value of coastal tourism, it is important that coastal communities continue to receive the support needed to capitalise on the national growth trend and ensure that coastal tourism is not left behind.

The estimated value to the economy of the jobs in seaside tourism is around £3.6 billion.

12 Seaside Towns in the Age of Austerity: Recent Trends in Employment in Seaside Tourism in England and Wales (2014), by Christina Beatty, Steve Fothergill and Tony Gore
13 Employment in Tourism Industries 2009-2013 (26 September 2014), by Chris S Payne and Sean White, Office for National Statistics

The tourism industry of coastal towns has continued to grow and deliver jobs.





Corporate brand representation on the coast

The NCTA conducted a review of 115 coastal destinations in England to identify representation of key national or international accommodation, attraction and food-orientated brands. The review considered 67 unique brands and found that:

- **16.5%** of coastal destinations had no corporate representation, this increased to **30%** when excluding food orientated brands.
- **60%** had fewer than five businesses owned by a national brand, which increased to **83%** when only choosing accommodation or attraction based businesses
- Of all corporate branded accommodation stock in the UK, just **0.8%** is concentrated on the coast.

Attractions have **10.3%** of businesses on coast and food orientated businesses **4.4%** - overall corporate representation across all areas is just **2.3%** in the 115 coastal towns.

As a result of this study, the NCTA concluded that coastal destinations have a very high concentration of independently owned SMEs. The NCTA believes that this has the following impacts on the destination:

- The delivery of change and investment is likely to be slower, smaller and more fragmented than other settings.
- The Destination Management Organisation (where they exist) has the task of bringing together a greater number of stakeholders to deliver resort-wide change.
- The likely capacity of the businesses to invest in training and strategic development is restricted.
- The ability to reduce seasonality in coastal destinations may be limited, as predominantly owner- operated businesses, the likelihood that many can take their own holiday without closing the business is greatly reduced.

Positively though, there is a key opportunity given the right coordination and support, to position coastal destinations as a more authentic local experience with a wide variety and diversity in the product offer, which is increasingly appealing to consumers.

	Accommodation Brands	Attraction Brands	Food Brands	Total No. of branded accommodation, attraction and food related businesses
UK - No. of businesses	25,601	787	15,740	**42,128**
Coastal - No. of businesses	209	81	696	**986**
% of businesses in coastal locations	0.8%	10.3%	4.4%	**2.3%**

Coastal Tourism Businesses – challenges and opportunities

Since its inception in 2013, the NCTA has conducted in-depth business research and consultations. The following section represents the findings of this body of work, highlighting the challenges and priorities for businesses based on the coast. Although the research has all been undertaken with businesses in Bournemouth and Dorset, the key themes match feedback from destination consultations (see p.22) of business needs in other destinations.

CHALLENGES FACING BUSINESSES ON THE COAST:

- Attracting new customers – especially in the shoulder and off-peak season
- Digital marketing – OTAs, Trip Advisor, social media and website development
- Research to support business decisions
- Lack of time to engage, plan and develop
- Perceptions of the destination

PRIORITIES OVER THE NEXT 12-18 MONTHS:

- Improve profitability (**53%**)
- Develop new customer markets (**50%**)
- Encourage repeat visits (**50%**)
- Increase shoulder and off-peak business (**41%**)
- Business survival / continuity (**38%** among accommodation providers)

BUSINESS SUPPORT NEEDED:

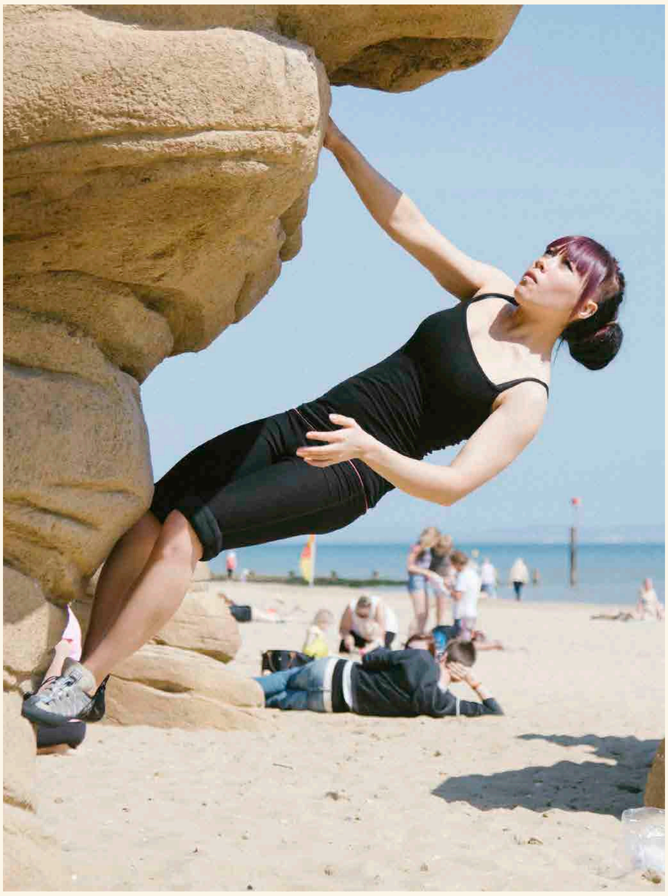
- Customer service training (**39%**)
- Digital marketing training (**28%**)
- Access to online resources e.g. toolkits, latest trends, research, courses (**26%**)
- Product knowledge for visitor facing staff (**22%**)
- Management and commercial / financial training (**16%**)

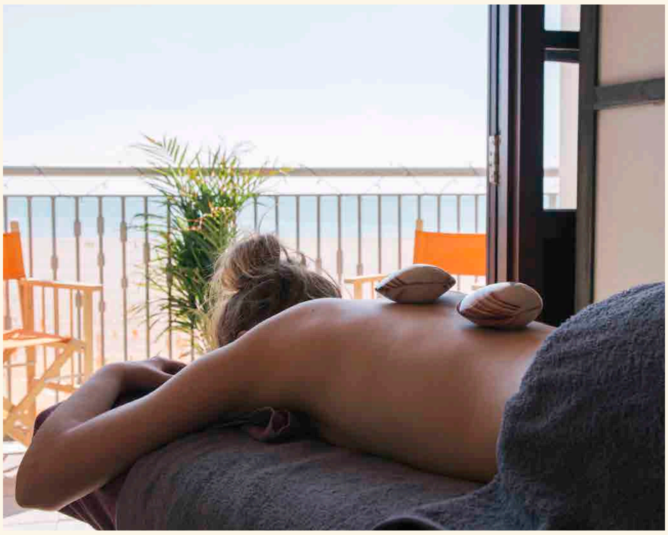
Many businesses noted that the timing and availability of support needs to be flexible and therefore 1-2-1 or online support was preferable.

Through the programmes and support that the NCTA has been offering since 2013, the NCTA has found that in order to engage businesses and increase participation, even on activities that they have stated as a priority, business support needs to be tailored to the tourism industry, bite-sized, and available online or run at times to accommodate different types of businesses flexibly.

> The best results are achieved when support is delivered 1-2-1 and tailored to the business' individual needs.

This section should be read in conjunction with "Corporate representation on the coast" (p.16) and "Training and skills" (p.21).





Training and skills

A skilled workforce and a benchmark level of training and skills is critical to achieving coastal tourism growth. One focus of the NCTA's work has been the delivery of a training and skills programme for the tourism industry. By working closely with local businesses, it has been possible to gain a thorough understanding of skills gaps and training issues.

The findings were as follows:

- Staff retention was cited as a key challenge among **18%** of all businesses.
- Hotels have significant issues recruiting and retaining chefs, a problem identified in **31%** of accommodation businesses in Bournemouth.
- Customer facing and front-line roles that also presented significant challenges for recruitment and retention were - receptionists, housekeepers / cleaners and waiting staff.
- The most important skills and attributes required by employers were a positive attitude (**97%**), being customer focused (**91%**) and adaptable (**77%**).
- The main barriers to training and skills participation (particularly MSEs) is lack of time, insufficient staff to allow commitment, and lack of flexibility - resulting in the inability to commit to scheduled courses in advance.
- Time conscious business managers and owners are more likely to achieve growth if offered 1-2-1 business development and support on key issues.
- The seasonal nature of tourism (particularly on the coast) makes participation in apprenticeships problematic; flexibility to release apprentices for class-based training in the off-peak season rather than year round would be welcomed.
- Government funded training and business support schemes are severely restricted by the number of businesses that are willing or able to complete the application and monitoring process often required by the funding body.

These findings support national research undertaken by People 1st[14] which shows:

- **11%** of hospitality and tourism employers had experienced vacancies that were hard to fill, hardest of which was chefs (**39%**), followed by roles related to customer service.
- Vacancies were considered hard to fill because few applicants applied with the required skills (**32%**), the right attitude, motivation and personality (**21%**).
- The biggest skills concern for employers is Customer Service improvement (**61%**).
- Customer service was also cited as the most important skill needed to develop their business over the next three to five years (**88%** employers).

The collective research presents real challenges for the entire domestic tourism industry, not just the coast.

> Tackling the recruitment and retention of chef and customer service related roles, as well as altering the perception of the industry to attract the best recruits, should be a primary focus for the industry as a whole.

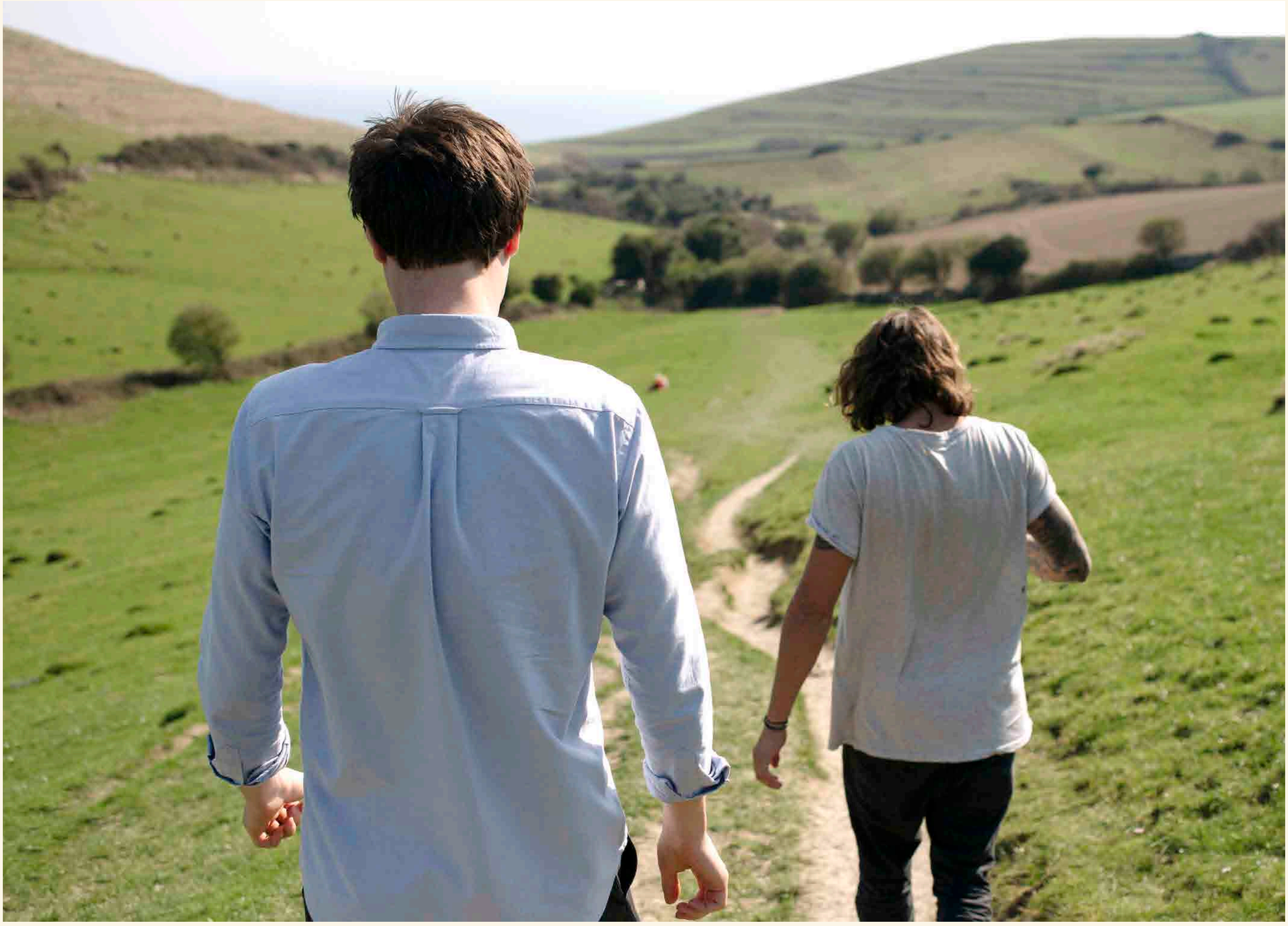
14 State of the Nation 2013, People 1st (available from http://www.people1st.co.uk/getattachment/Research-policy/Research-reports/State-of-the-Nation-Hospitality-Tourism/SOTN_2013_final.pdf.aspx)

Coastal Destination Management Organisations and the local picture

The NCTA consulted 10 destination management organisations that represented 29 major coastal destinations. The research was intended to guide the future direction of the NCTA. It was provided in confidence and therefore has not been published. However, there are notable insights that the NCTA can share.

Each of the destinations faced different challenges that were unique to their setting, scale, industry and local government structure, current funding, past investment, and future planned development schemes. This highlights the need for locally driven development, and bespoke business and destination support to achieve growth.

- Every destination was concerned about the future of coastal tourism and development in their destination(s) because of reductions in public sector funding.
- Concerns were expressed over the importance of continued investment by the public sector in key assets (e.g. public spaces, beach management, parks), which are the main attractors for coastal destinations.
- Those with strong private sector partnerships felt confident that a Destination Management Organisation could continue through private sector funding, but believed this would become a marketing dominated organisation with little strategic planning, business support, training or research functions.
- Many felt that historically there had been a lack of coordination and sharing of best practice, made worse by the removal of the RDA structure. This was a role that would be welcomed going forward to ensure that limited resources were used to best effect.



Overall key challenges facing the majority of destination organisations were:

- Reduction in public sector funding
- Coordinating a large number of SMEs
- Encouraging engagement and focus with the private sector beyond marketing and events
- Retaining and improving quality of the visitor offer
- Encouraging investment that was in-line with changing consumer e expectations

Priorities for many destinations included:

- Reducing seasonality – seen as an opportunity for growth and reduction in employment issues (either an influx of seasonal workers or unemployed residents in the off-season).
- Improving the Visitor Experience (especially product knowledge and customer service).
- Collaborative working within the destination, and nationally, to share best practice and promote a common vision for the destination and coastal tourism.

Although many of the issues highlighted by coastal destinations are not unique to the coast, it is important to stress that they are often more extreme because of the setting.

Pressures on local government funding in particular are a key concern due to the social make-up of coastal communities as emphasised in a recent ONS publication[15]. The report highlighted that coastal communities have a higher than average population with a long-term health problem, as well as some of the most elderly populations in the country (20% over 65, compared to 16% national average). Some 31% of coastal communities' residents work part-time and there are more residents of working age than jobs, resulting in a net outflow for commuters. This puts increased pressure on council funding of statutory resources such as social care, and detracts from non-statutory obligations such as tourism.

15 2011 Census: Coastal Communities (28 October 2014), Office for National Statistics

Successes on the coast

There have been some significant success stories in coastal tourism development that should be considered:

MARKETING AND GROWTH OF COASTAL DESTINATIONS

A number of destinations have grown their tourism economy successfully or created new positive perceptions of their destinations. Cornwall, the Isle of Wight, Scarborough and Brighton, where investment and strong destination marketing have had a significant impact, benefit from a positive "brand" perception. Converting this to real business is, however, a major challenge. Some destinations have reached a tipping point, where demand for the new "image" of the destination is higher than the product available and faster private sector product development is needed.

REGENERATION

There are a number of examples of successful regeneration on the coast, some very much in progress, like Rhyl in Wales, or Blackpool. Each project has learning that is of value to others seeking to embark on a journey of regeneration. This report highlights just two notable, but very different approaches:

New Brighton, situated on the Wirral peninsula, this was the focus of a **£70 million** regeneration project launched in 2009. The redevelopment centred on the Floral Pavilion Theatre (originally opened in 1913) as a new theatre and business centre. New Brighton illustrates how business tourism can be a key element in strategies to regenerate coastal resorts. Now an increasingly vibrant place, it is proving popular with leisure and business visitors, and demonstrates how the combination of modern facilities and a holistic approach, which compliments Liverpool's rapidly growing reputation for business events, can lead to success.

Boscombe, near Bournemouth, was one of the most deprived wards in England, but a regeneration project started in 2007 has leveraged more than **£50 million** of public and private sector investment in the Pier, beach facilities, installation of Europe's first artificial surf reef and a commercial property development. The regeneration has completely transformed the area and demonstrates how collaborative working between private and public sector can benefit the destination. The project has since led to further investment in a new attraction and water sports facilities.

CAPITAL INVESTMENT

The Regional Development Agencies, Environment Agency and other government bodies have supported significant capital investment in a number of coastal destinations over the past 15 years. Providing new sea defences that double as attractive promenades and walkways, restoration of historic buildings as conference and other facilities, improving road infrastructure and creating cultural attractions and events have all vastly improved the public spaces for a number of coastal destinations. The focus now needs to be on the quality of private sector offer, in particular the visitor experience, customer service and product development.

It is the role of the Local Enterprise Partnerships (LEPs) to coordinate and continue much of this work, although at present there is greatly varying awareness in, and support for coastal tourism among LEPs.

COASTAL COMMUNITIES FUND

The introduction of the Coastal Communities Fund as a dedicated funding stream for development on the coast, has led to significant coastal investment. Across the UK, **£33.3million** has been invested in 64 tourism related projects[16], more than **60%** of the fund. Many are capital projects for development of:

- new property and infrastructure
- coastal paths and walkways
- upgrading of heritage or visitor centres and attractions

Although too early to assess the full impact of this investment, it is reasonable to suggest that it has been positive for coastal tourism. At present there is no on-going commitment to the fund beyond the existing projects and the Tourism Alliance[17] has suggested that the fund needs to be continued but reformed to ensure that projects supported are part of a wider regeneration or more holistic development strategy for key coastal towns.

OTHER SIGNIFICANT IMPACTS

The perceptions and fortunes of coastal towns can also be transformed as a result of a flagship project, if properly integrated in a wider development strategy, the impact on the destination and wider tourism economy can be significant and provide a long-term benefit to the area. Of particular note are:

- National Maritime Museum, Falmouth
- Tate, St Ives
- Turner Contemporary, Margate and the upcoming Dreamlands development
- Eden Project, nr. St Austell
- Impact of celebrity investment – Rick Stein in Padstow, Jamie Oliver in Watergate Bay

16 Coastal Communities Fund "Annual progress report 2014" available from https://www.biglotteryfund.org.uk/global-content/programmes/uk-wide/coastal-communities
17 Tourism Alliance, "The tourism briefing 2015: six ways to boost growth and employment" available from http://www.tourismalliance.com/downloads/TA_294_394.pdf

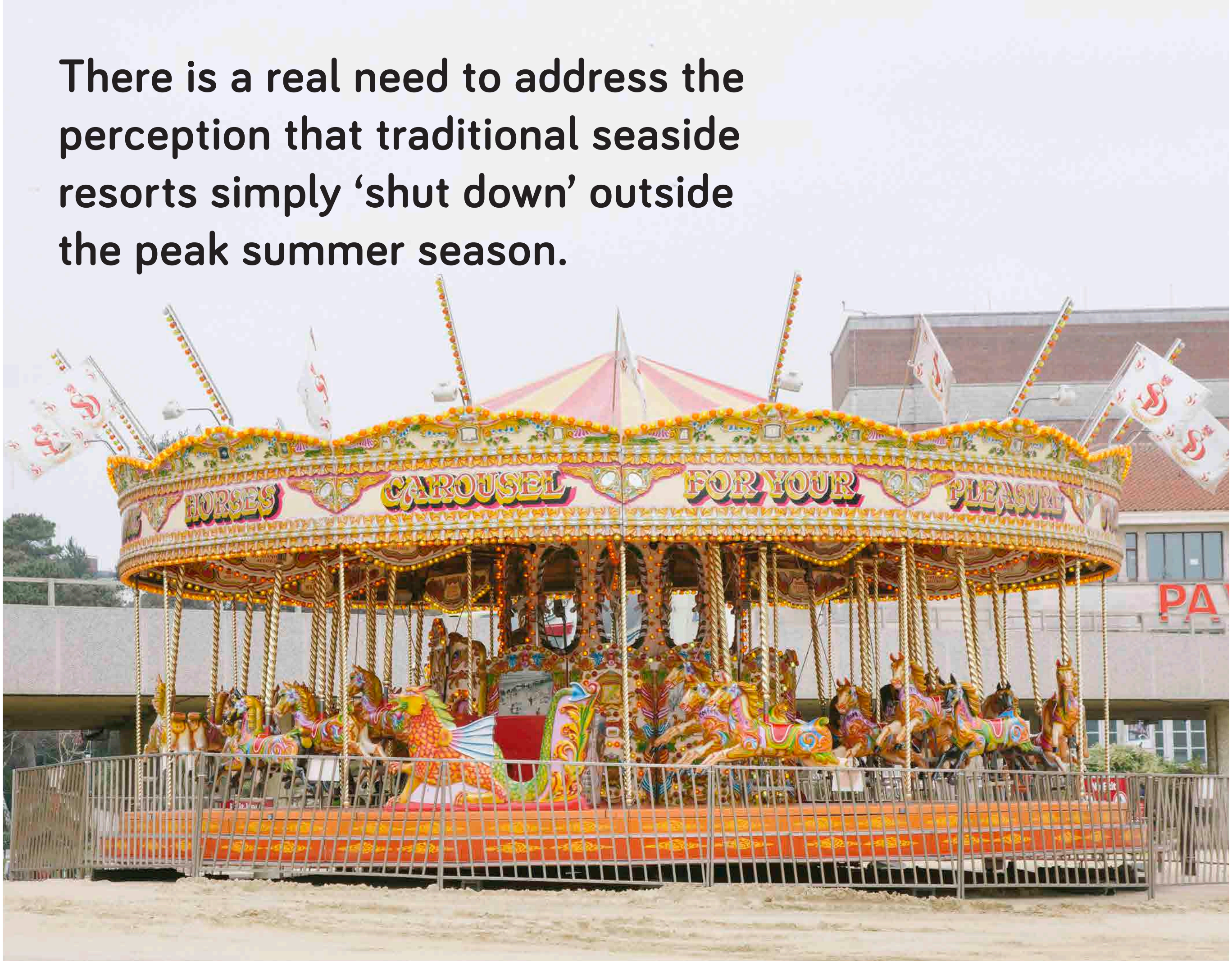
Opportunities for growth & future considerations

Targeting key sectors

The National Coastal Tourism Academy has undertaken research and identified a number of different market sectors that have opportunities for growth and are a good product market fit for the coast. The research summaries below are by no means the only opportunities, but represent priority sectors for businesses consulted at the start of the NCTA project.

Priority areas for further research include: cultural tourism, food tourism and activity based tourism (including water sports, golf, walking and cycling). Each of these could present significant opportunities for coastal growth given the right product-market fit for each destination.

There is a real need to address the perception that traditional seaside resorts simply 'shut down' outside the peak summer season.



Seasonality

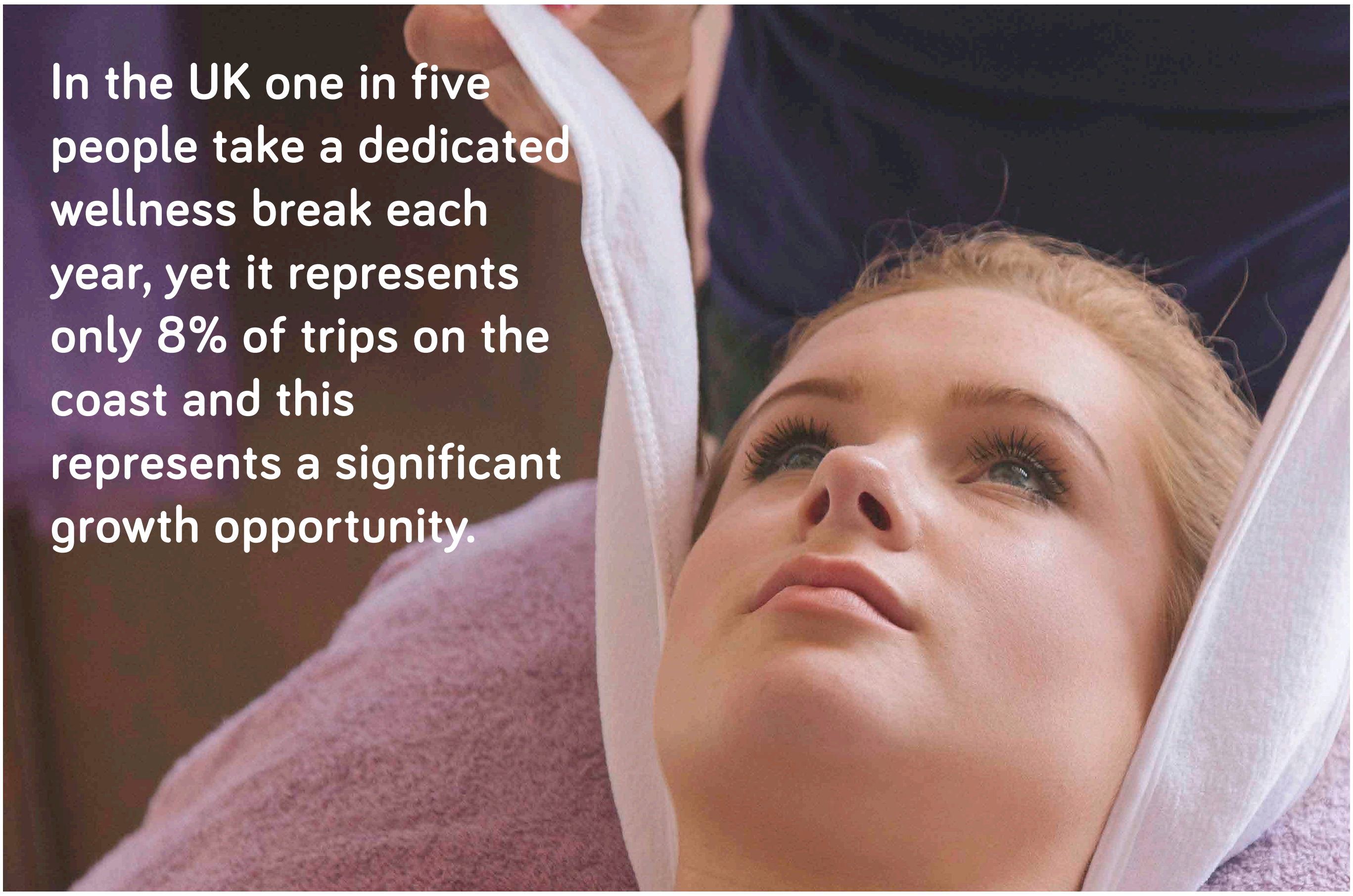
Nationally, seaside serviced accommodation occupancy is consistently lower than other destinations every month except July and August, averaging **65%** in the shoulder season months. However, there are some destinations, such as Bournemouth, that appear to out-perform the seaside average by **10-15%**.

Shoulder season visitors are often limited to Easter (and then they are mainly day visitors), and May or October half terms, but pre-family and empty nesters are attracted by 'top-up travel' between main holidays. Motivations include peace and quiet, 'soft' adventure and the opportunity to broaden cultural horizons, with seaside fun traditionally associated with 'resort' destinations less likely to appeal in non-peak season.

The proportion of visitors from a more local and regional base is significantly higher in non-peak (**38%**) than peak season (**29%**), when perceived proximity to home becomes more important, coupled with a tendency for the breaks to be shorter than during school holidays.

Custom from local residents is an important but often overlooked market segment outside peak season, particularly for restaurateurs and attractions. Day visits are increasing to seaside destinations - those travelling five miles or less are just as likely to spend three hours or more in the destination, accounting for **34%**, for example, of Bournemouth's May, June, September and October visitors in 2013.

There is a real need to address the perception that traditional seaside resorts simply 'shut down' outside the peak summer season. Product development should focus on 'soft adventure' (walking, cycling), culture and, where appropriate, positioning the destination as an easily accessible base to explore the surrounding area. Longer term, opportunities to develop a revitalised health and wellness proposition and grow other segments such as business events, cultural or food tourism should be the central focus, alongside other product development to improve the quality and range of accommodation and year round all weather attractions.



Health & Wellbeing

The ‘wellness’ tourism market is worth more than **£300 billion** globally and can be split into two major areas. Primary wellness breaks include spa, beauty, health and fitness, and spiritual and personal growth. Secondary wellness trips are undertaken by people looking to maintain a healthy lifestyle, but where that is not the primary motivation for taking the break. Wellness overall is increasingly important with **76%** of UK tourists agreeing that “all holidays should enhance well-being”.

In the UK one in five people take a dedicated wellness break each year, yet it represents only **8%** of trips on the coast and therefore a significant growth opportunity. Notably a coastal setting is preferred to a rural countryside setting by **59%** of those seeking a dedicated UK wellness break.

Wellness travel is also less seasonal, **66%** of trips are taken between November and April. The quality of the natural setting is by far the most important consideration for primary wellness tourists, so coastal destinations repackaging their resorts as coast and countryside would be well positioned to gain from the growth in this market. However, these visitors tend to prefer high-end accommodation which could present challenges for some destinations.

The NCTA research identified six pillars of wellness, although the activity types from the six pillars are by no means exclusive to dedicated wellness trips. So, destinations that broaden their appeal and product offer for wellness travellers are also building a better holiday destination for all visitors.

THE SIX PILLARS OF WELLNESS

CULTURAL

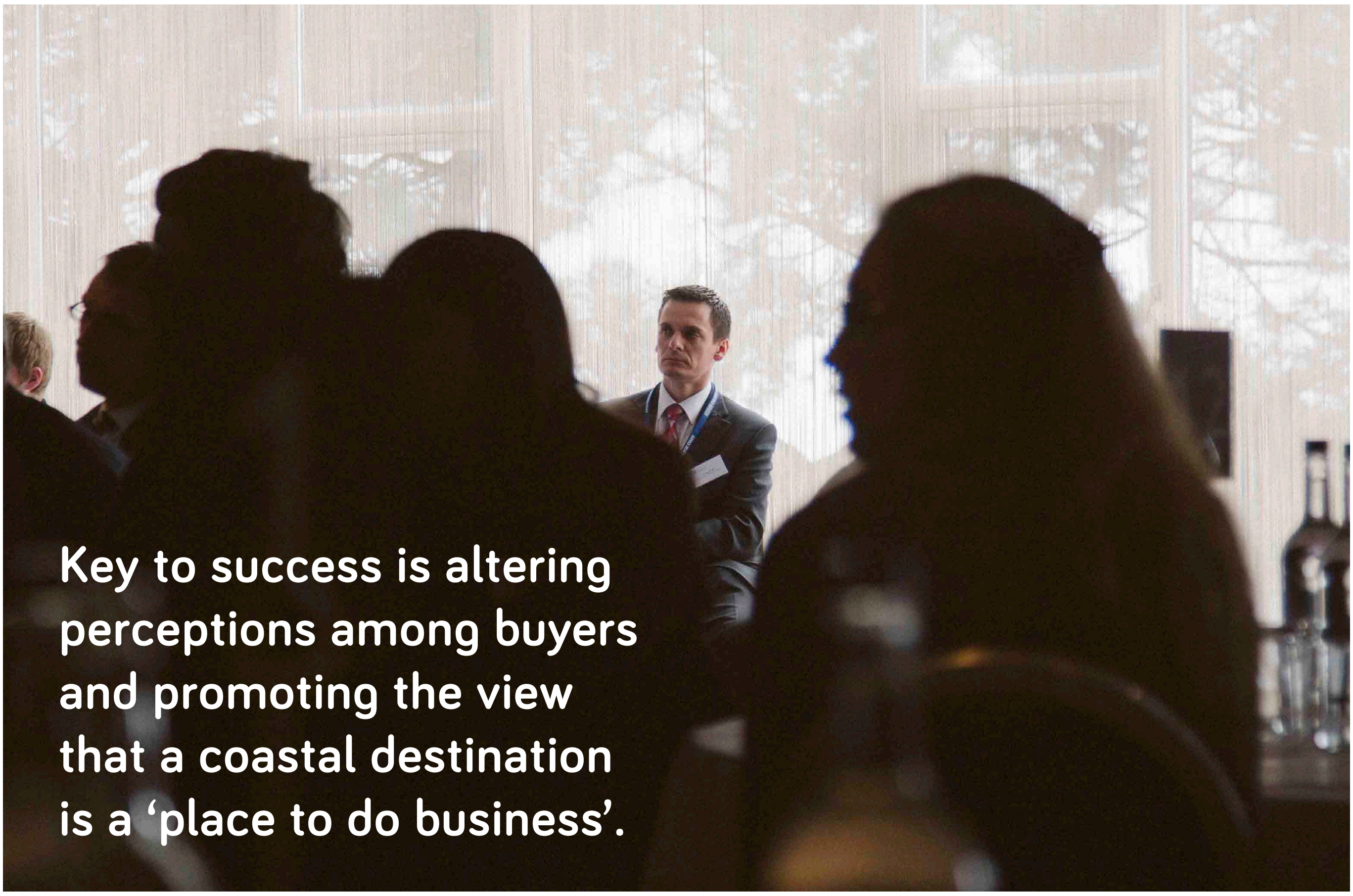
PHYSICALLY ACTIVE

ACTIVE OUTDOORS

SPIRITUAL

LEARNING & DEVELOPMENT

SPA & BEAUTY



Business Events

This largely buoyant but highly competitive market segment, could present a significant opportunity for coastal destinations. Business Events travellers spend on average **72%** more than leisure travellers and are far less seasonal, but coastal destinations need to understand this market and the realistic opportunities that it could offer by undertaking a detailed product-market fit exercise.

Not many coastal destinations have the conference and convention facilities to compete for top tier, large scale events, but many could align to secondary, smaller and more regional business events as well as the lucrative national and regional associations (professional and voluntary). Delegate spend in these markets can be between **£120** and **£461** per head and as they comprise a mainly domestic market, travel and access present fewer challenges than aiming for international business.

Business events organisers will be looking to measure return on investment and return on objectives, so coastal destinations need to show how they can deliver value over and above other second tier destinations and build on the strengths and benefits of the coastal offer. Key to success is altering perceptions among buyers and promoting the view that a coastal destination is a 'place to do business'. Destinations and businesses should start locally and seek to attract business events that match local corporate representation, not-for-profit organisations and other groups, building on regional strengths.

For more information on each of these opportunities, see the full reports and visitor profiles on the NCTA Resource Hub:

coastaltourismacademy.co.uk/resource-hub

The appeal of the coast

The appeal of the coast is not a new phenomenon. The Victorians in particular recognised its beneficial properties and developed a number of today's leading resorts. More recently a series of studies have revealed a trip to the beach's wider appeal and its health benefits.

Research by the University of Exeter Medical School[18] found that there was a "small, but significant" improvement in health as a result of living by the coast. Lower stress and more opportunities to exercise were suggested as possible explanations. Further research by the same team[19] into exercise patterns of people who live and visit the coast, confirmed the crucial role the coastline has in stimulating physical activity.

According to Natural England[20], top reasons for visiting the coast were to relax or unwind, breathe in fresh air, enjoy pleasant weather, or simply for peace and quiet. They also found that those who had been on visits to the coast, scored highly on enjoyment of their visit, claiming to feel calm and relaxed, refreshed and revitalised.

The UK coastline commands a strong magnetic appeal with the general public, partly from nostalgic holiday memories and associated memorabilia. As a result, natural disasters such as flooding or coastal erosion causing damage to piers, cliff-tops, beach huts and promenades prompts extensive media coverage and a national response. In a bid to change perceptions, significantly, more could be done to promote less well known strands of the coastline as location film sets, for photography shoots and media trips.

Harnessing this interest, maximising the appeal and benefits of the coast for a positive effect, could be key to changing perceptions and reinvigorating national affection, ultimately regenerating coastal communities.

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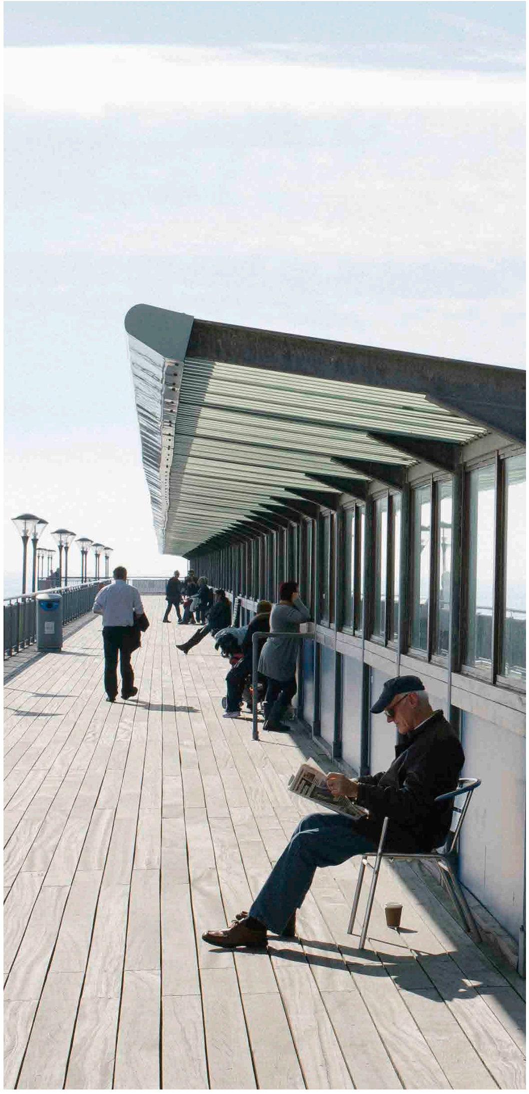
18 Benedict W. Wheeler, Mathew White, Will Stahl-Timmins, Michael H. Depledge, "Does living by the coast improve health and wellbeing?" Health & Place, Available http://www.ecehh.org/research-projects/does-living-by-the-coast-improve-health-and-wellbeing/
19 University of Exeter, "Coastal living boosts physical activity" available http://www.exeter.ac.uk/news/featurednews/title_416303_en.html
20 Natural England (2012) Monitor of Engagement with the Natural Environment: The national survey on people and the natural environment. NECR094. Available from http://publications.naturalengland.org.uk/publication/1712385

Consumer booking patterns



VisitEngland's national research[21] into how consumers book their tourism experiences showed that the majority of people already knew where they wanted to go as soon as they started to plan their trip, with some **78%** returning to a destination they had visited within the previous three years. In terms of planning cycles, **33%** of people thought about a trip and booked it in the same month, and **26%** booked and actually undertook the trip in the same month. Late decisions and last minute bookings are high for short breaks (one to three nights) across all visitor types, but pre family was strongest at **46%**.

For coastal destinations, this builds on the earlier research on the importance of being more flexible and adaptable to accommodate the late booking and short break trends, particularly among younger visitors.

With regard to advertising, less than **10%** claimed they had been influenced in any part of their holiday decision process by advertising, though email advertising worked well for short trips (**39%** for one to three nights) and serviced accommodation (**39%**). The internet was the most important source for deciding where to go (**31%**) and planning accommodation (**54%**). Some **72%** booked their accommodation online, even higher among short breaks and serviced accommodation. Pre-family or young family families are more likely to use a mobile device to undertake searches, with one in four of all visitors using a mobile device at some stage. Ensuring that coastal businesses stay apace with the digital revolution and have online booking, responsive websites and understand how to capture and use customer data to encourage repeat bookings is increasingly key to success.

21 Visit England, The Look, Book, Took , July 2013 available from http://www.visitengland.org/Images/Booking%20Processes%20Research_Final%20for%20website_tcm30-38819.pdf

Domestic Leisure trends

“Domestic Leisure Trends for the Next Decade,”[22] a national report by VisitEngland, highlighted some key trends that will impact domestic tourism over the coming years. The research identified changing demographics in England, with greater variety in the make-up of family groups, a greater number of children and an increasingly older population. There are vast opportunities for coastal resorts to offer inter-generational travel that is safe and appealing to all audiences. Coastal destinations need to ensure that they are easily-accessible and that the product (in particular accommodation) is adaptable for inter-generational and shorter breaks.

Of relevance to coastal tourism, the report shows that:

- Pressure on family expenditure has led to **59%** saying that getting the cheapest price for travel is all-important. This is reflected across all age groups as more than **50%** say that they like to find bargains, even when they don’t need to save money, and this will affect attitudes and choices during coastal tourism visits.
- A high number of people say they feel ‘under pressure’ (**65%** of 18-54s) creating a greater need for feeling “treated” in their leisure time and enjoying personalised experiences.
- Concern about the environment has halved to **21%**, but consumers are still interested in locally sourced products and high ethical standards.
- **56%** of consumers have an appetite to try new things, and there is a strong interest in staying healthy (**55%** of 18-34s and just below **50%** of other age groups).

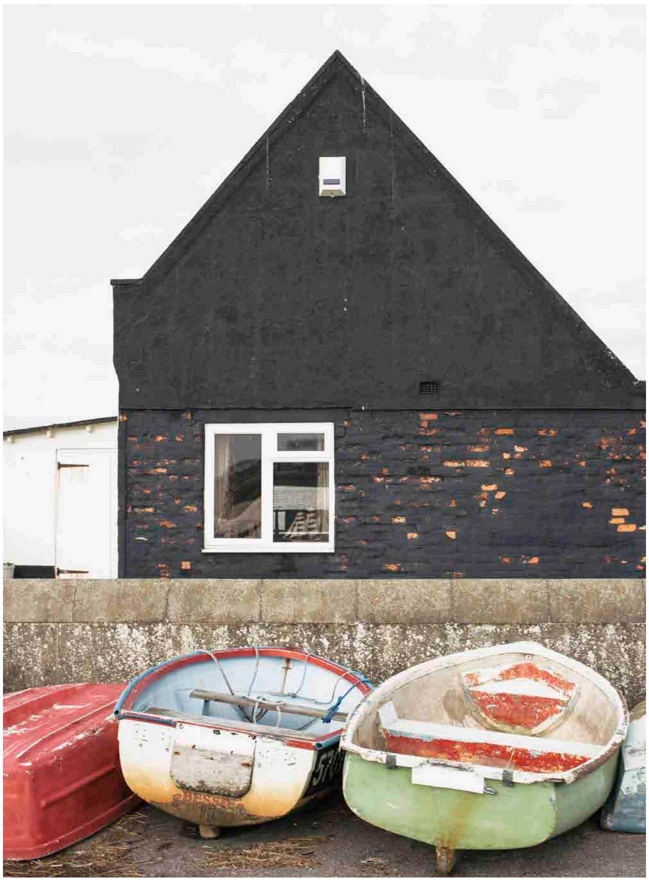
These findings show that businesses need to deliver good value and meet the needs of the “offer” culture that has developed in the last decade. There is also a real opportunity for coastal destinations to diversify and strengthen the health and wellness offer to visitors, as well as build on locally sourced food and experiences.

A more recent report by BDRC[23] also reinforced the opportunities for coastal destinations to capitalise on the growing health and wellness market, particularly as a route to younger audiences. The research also reiterated the importance of offering local experiences and products. An area of concern for coastal destinations though, is the decrease in appeal of the UK product among 18-34 year olds, their strong desire to seek new experiences and with high reliance on word of mouth (**44%**) and social media (**40%**) in decision making - coastal destinations will need to offer something different to attract, retain and grow this market.

22 Visit England, “Domestic Leisure Trends for the Next Decade” 2013. Available http://www.visitengland.org/Images/VISIT_ENGLAND_REPORT_PRINT_tcm30-39493.pdf
23 BDRC, “Holiday trends” 2015. Available at http://bdrc-continental.com/projects/holiday-trends-2015/

Continuing to build the picture

In a short space of time the NCTA has built up a substantial knowledge of coastal tourism, but there are still many areas that need further research and understanding.



Priorities for building knowledge and supporting growth should be focused on:

UNDERSTANDING MOTIVATIONS AND PERCEPTIONS OF VISITORS AND NON-VISITORS

An in-depth analysis of coastal visitor and non-visitor profiles in order to understand motivations and perceptions of the coast and thus build understanding of the barriers that need to be overcome and key growth areas for coastal tourism, especially among younger travellers.

RESEARCH ON OTHER GROWTH AREAS

Building on the work already undertaken by the NCTA, research should focus on the other opportunities identified as key for coastal tourism including developing Cultural tourism, Food tourism and Activity based tourism, as priority segments.

LOCAL ENTERPRISE PARTNERSHIPS

Supporting Local Enterprise Partnerships (LEPs) to understand how they can promote coastal tourism and deliver sustainable growth and then sharing best practice among the LEP network.

IDENTIFYING PRODUCT-MARKET FIT FOR EACH COASTAL DESTINATION

It is clear that the type of accommodation has an impact on the delivery of tourism, perceptions and opportunities for growth. It would, for example, be harder to build a year round offer in a destination that is heavily dependent on holiday parks and camping accommodation; with support and guidance, strategies need to be developed that are in-line with a destination's current product offering. Growth opportunities need to be achievable and sustainable to ensure coastal destinations retain their distinct nature.

BUILDING THE REAL PICTURE AT LOCAL AND NATIONAL LEVEL

This report has highlighted the vast variances in data at local and national level. Long-term, sustainable growth can only be achieved if a better understanding of performance at local and national level is obtained providing benchmarking and a consistent, comparable and reliable data set.

The findings and conclusions in this report are just some of the areas for focus that should be addressed, but represent those that the NCTA believe are achievable and offer the greatest opportunities for economic growth, job creation and long-term future for tourism in coastal communities.

Conclusions and Recommendations

Coastal tourism is a significant contributor to the UK economy, worth **£7bn** and sustaining **210,000 jobs**. It is a fragmented and mixed picture at a local level, and often undervalued and misunderstood. Although it retains a highly satisfied and loyal market on the whole, it is struggling to challenge perceptions and engage younger audiences that will be key to growth in the future, losing market share to vibrant and cosmopolitan city breaks.

Coastal communities are dominated by an exceptionally high number of independently owned tourism businesses, mostly SMEs, which makes coordination of change at a local level difficult to control and engage. This dominance of SMEs can also lead to reduced resilience of the tourism industry. Businesses are focused on attracting new markets and reducing the seasonality of the destination to grow their business, as well as struggling to improve profitability, and keep apace with changes in technology and consumer needs to deliver a good visitor experience.

Increased pressure on local authority spending as a result of public sector funding cuts, made worse by the social make up of coastal towns, means that tourism is under threat in coastal communities. Where the public realm is such a key attractor to the visitor - through the beach and public spaces - and where coordination of the large number of SMEs is so crucial to the success of the destination, strong leadership and collaboration are essential.

UNDERSTANDING SUCCESS – WHY ARE SOME DESTINATIONS THRIVING?

Although each destination is unique there are key characteristics that define those coastal destinations that are achieving growth in line with other parts of England.

Successful destinations often comprise:

- Strong leadership
- A clear vision for the destination that is owned by all stakeholders
- Defined consumer markets that have a good product-market fit for the destination
- Detailed understanding of the product and development opportunities
- Strong partnerships and collaborative working between public, private and third sectors
- Continued investment in tourism services by public and private sector
- Network of business support, subsidised training and accessible and actionable research to help guide business decisions and product development

Recommendations

Tourism in England is seeing a period of growth that should be replicated at a local level in coastal communities, yet in reality many destinations are in need of support in order to achieve growth in line with national averages. The private sector, in destinations where a framework for collaboration was already in place, has increased its financial contribution to destination management but this has largely been focused on short-term marketing activity. Coastal tourism is very different to urban because of the high numbers of SMEs and increased pressure on public resources. As a result, there is a clear need to focus on:

- Business support and training for SMEs and independent tourism businesses.
- Research and development to attract new markets, ensure suitable product market fit and delivery of quality visitor experiences in line with changing consumer needs.
- Support to create collaborative partnerships within destinations and a clear vision for the destination, where they are not already in place.
- Continued public sector funding in tourism provision in coastal towns
- Provision at local and national level to measure performance, share best practice and deliver sustainable growth for the benefit of the all destinations. This must be backed up by a more coordinated approach to funding of coastal development from central government.
- Continuing to build understanding of coastal tourism and key growth areas.
- Changing the perceptions of non-visitors, the media and government to reduce the gap between the perceptions and reality of the coastal tourism offer and its importance to the UK economy.

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THE RESOURCE HUB

The Resource Hub is a one-stop shop for anyone working in the coastal visitor economy, designed to support coastal tourism businesses and seaside destinations, and provide access to the information needed to help accelerate growth. It brings together new and existing research, toolkits, examples of best practice and training courses, alongside links to government advice and business support. The Resource Hub will evolve over time with new additions constantly being added.

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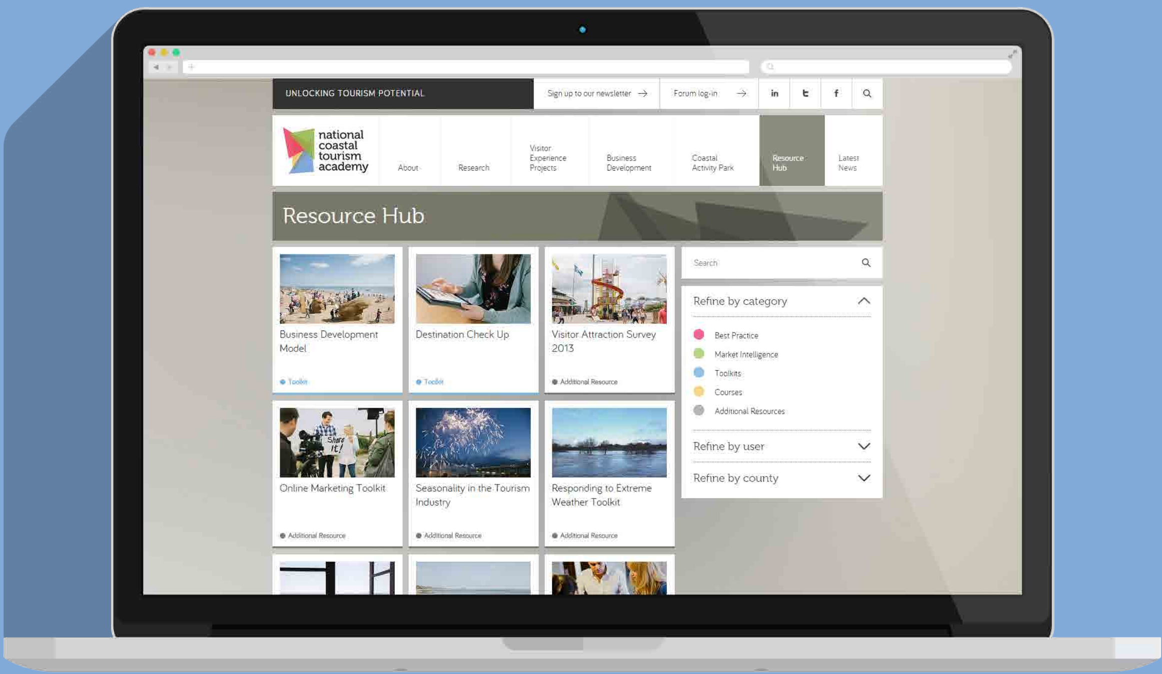

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