



Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

TECHNICAL ASSISTANCE – NATIONAL VISITORS SURVEY

1. Purpose

- 1.1** To seek Committee approval to use Technical Assistance from the LUPS ERDF Programme to part fund a Visit Scotland application to develop a National Visitors Survey (NVS).

2. Background

- 2.1** Visitor surveys have covered a variety of different factors over the years. In order to address both the impact of tourism and essentially the economic benefits and opportunities for SMEs that can be gained from this growth area in the Scottish Economy, Visit Scotland seek to improve the statistical information available to Scottish public sector agencies and private sector businesses to both target the key areas for investment and ensure that we can meet the expectations of visitors to Scotland. The latest data (2008) is provided at Annex A and again demonstrates the importance of tourism to the Scottish economy and the continuing need to provide current and robust statistics.
- 2.2** Whilst the current LUPS Operational Programme (OP) does not support investment in tourism infrastructure (H&I does), significant initiatives to support tourism businesses are available under ERDF Priority 2 – Enterprise Growth and the sector remains an important part of the economy where initiatives such as tourism marketing are particularly key to improving business competitiveness in rural areas. The OP aims to contribute to strengthening the competitiveness of the rural economy and this requires the development of robust and accurate baselines on which to base decisions.

3. Data Currently Available

- 3.1** The sources of the available data have changed over the past decade. Until 1999, the UK Tourist Survey (UKTS), commissioned jointly by the UK national tourist boards, consisted of in-home interviews with adults, mainly using a random omnibus survey conducted by NOP research group. In 1999, a five year contract was awarded to BMRB International, which introduced a new research methodology based on telephone interviews using random digit dialling. However, by 2004, there were significant concerns being expressed over the derived data on domestic tourism. Following a further extensive review, UKTS returned to the previous (pre-2000) methodology for measuring the volume and value of domestic overnight trips.
- 3.2** From May 2005 UKTS has comprised:
- ♦ 100,000 face-to-face interviews per annum, conducted in-home - more than twice the sample size featured in the previous telephone-based survey methodology.

- ♦ A weekly sample size of around 2,000 adults aged 16 or over - representative of the UK population in relation to various demographic characteristics including gender, age group, socio-economic group, and geographical location.
- ♦ Questions relating to any overnight trips taken in the last four weeks, as opposed to a 12-week recall period under the previous methodology.
- ♦ Questions added to TNS's RSGB Omnibus survey the total number of trips, nights spent, breakdown of expenditure, purpose of trip, accommodation used and party composition on each trip by destination.

3.3 The International Passenger Survey (IPS) is an Office for National Statistics (ONS) survey of overseas residents visiting the UK, conducted at main UK ports (airports, Channel Tunnel, etc). It provides data on the number of visits and expenditure and the ONS publish data at the Scotland level from the Scottish sample of approximately 3,000.

4. What The National Visitor Survey Will Do

4.1 There will be a core sample of 8,000 interviews with visitors, both overnight and day, during their trip within Scotland. This is particularly beneficial as day visitors surveys are not part of the UKTS or International Passenger Surveys. The last day visitor survey was conducted around 2002.

4.2 Following the initial establishment of the project by the key stakeholders (Government, SE, HIE, Visit Scotland) to establish core requirements, Visit Scotland will engage with local authorities, public bodies such as Scottish National Heritage and national parks to ascertain whether they would like to upgrade their participation to get additional information for their interests.

4.3 The National Visitors Survey will be carried out during 2010-2011. It will collect data on visitor characteristics, behaviour and expenditure which will enable the public sector and tourism businesses to:

- ♦ obtain data for estimates of regional tourism expenditure
- ♦ develop tourism multipliers (last reviewed in 1991) allowing the economic impact of tourism to be estimated
- ♦ capture day visit information

4.4 The added-value from ERDF funding for the survey is that the Tourism multiplier will provide a means to include 'indirect' or 'induced' tourism expenditure. This may assist in providing a more accurate measure of the full impact of tourism, specific projects or events on the local economy and the correlation of the direct value to the economy of those activities.

4.5 A later survey is planned for 2013-2014, when the estimates of expenditure and impact might need to be reviewed in a more stable economic environment. However, this survey is not part of the current application.

5. Link With The ERDF Operational Programme

5.1 The 2007-2013 ERDF Operational Programmes for both LUPS and Highlands and Islands can accommodate support under Technical Assistance where this will:

- ♦ assist with the provision of advice to applicants;
- ♦ support publicity and awareness raising of the Programme among all beneficiaries and applicants in line with the activities set out in the information and publicity section.

6. Benefits Of The Survey

6.1 Funding and input from the various contributors should be able to establish a structured survey that will meet the needs of the various organisations. The economies of scale of one survey to cover the organisations should enhance the data available for use by both public and private sector organisations. Likewise, the availability of data that can both gauge indirect and induced expenditure as well as provide a guide for potential impacts in relation to event or promotions connected to anticipated visitor volumes. This could have the potential to make enterprises aware of potential revenue markets for exploration and subsequently stimulate economic growth.

6.2 In the current economic climate, the scope to take advantage of the holiday at home market should be utilised and expanded upon. The National Visitor Survey could feed into the potential growth of both this sector and peripheral industries that can use the tourist market to diversify their business profile and increase their economic activity. The provision of data to the tourist board areas will provide information that can be used to:

- ♦ highlight areas where intervention or investment is required to ensure that visitor expectations are met and tourism businesses supported;
- ♦ provide a better understanding of our overnight and day visit markets;
- ♦ provide local data, which is highly demanded by the tourism industry.

7. Costs And funding

7.1 Total Costs

NVS research field work	£250,000
Tourism expenditure multipliers	£100,000
STEAM adjustments (<i>Scottish Tourism Economic Activity Monitor</i>)	£ 40,000
Contingencies	<u>£ 10,000</u>
Total	<u>£400,000</u>

7.2 Funding

Scottish Government	£200,000
Scottish Enterprise	£ 17,500
VisitScotland	£ 17,500
Highlands & Islands Enterprise	£ 5,000
ERDF LUPS	£100,000
ERDF H&I	<u>£ 60,000</u>
Total	<u>£400,000</u>

8. **Timing**

- 8.1** The survey will take place during 2010, with the analysis of the information during 2011. The first local authority level reports are scheduled for September 2011.

9. **Recommendation**

- 9.1** The Committee is invited to:

9.1.1 agree ERDF funding of £100,000 towards the national visitor survey

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ANNEX

Background Data

In 2008, around 15 million tourists took overnight trips to Scotland. The annual spend was over £4.0 billion. Scottish Tourism contributes 11% of the Scottish service sector economy, compared with 9% for the UK as a whole.

- ♦ The UK accounts for 83% of tourism trips to Scotland.
- ♦ Overseas tourism accounts for 17% of tourism trips to Scotland.
- ♦ 65% of overseas trips are taken in April-September.
- ♦ The European Union is our biggest overseas market with six of the top ten inbound markets sharing the single European Currency.
- ♦ The USA remains the biggest single national markets with 21% of overseas spend.
- ♦ 75% of overseas visitors who come to Scotland arrive in the UK by air and 66% of UK visitors come by car.
- ♦ Overseas tourists stay an average of 7.8 nights, Scottish tourists an average of 3.3 nights and English tourists an average of 4.0 nights.
- ♦ Average spend per night is £64 for overseas tourists, £73 for English tourists and £48 for Scottish tourists.
- ♦ Scottish weather for 2008 recorded rainfall 14% higher than the 1971-2000 average and there was 9% higher rainfall than 2007.