

Report to Cabinet - Developing a New Strategy for the Visitor Economy

Appendix 1 – Summary of Research

- 1.1 In January 2015, Cabinet approved in principle an initial project proposal document to undertake Town and City Centre Research to identify visitor satisfaction with the facilities, services, attractions and infrastructure in Chichester and our market towns. This research linked closely with that required for the visitor economy project and, with regard to Chichester City Centre, to the Chichester Vision project.
- 1.2 To avoid duplication of work and expenditure, during 2016 TSE Research (the research arm of Tourism South East) were commissioned to undertake a wide range of visitor research for the Council to encompass the various surveys required. At the same time, TSE also undertook similar research more widely for neighbouring authorities within the Coastal West Sussex Partnership (see below).
- 1.3 Research activities included:
 - **Industry Audit** - audit of accommodation and attractions to assess the scale of tourism supply
 - **Economic impact of tourism** - The Cambridge Model was used to establish the volume and value of tourism in the District
 - **Economic impact appraisals of key city visitor attractions** - A modelling approach was used to establish the economic importance of four key City Centre attractions to the local economy
 - **Business survey** - A telephone survey was carried out with a sample of 252 tourism businesses from across the District to gather data on businesses performance
 - **Visitor survey** - A face-to-face interview survey was undertaken with a random sample of adult visitors at selected locations within Chichester City Centre and our three market towns. This identified visitor profile, perceptions on the characteristics of visits, strengths and weaknesses as a visitor destination, and specific aspects of the visitor experience capturing satisfaction levels and identifying gaps in provision.

The surveys were carried out by during the summer of 2016. In total, 486 adult visitors and 403 adult residents, students and workers participated in Chichester City Centre, 300 visitors participated in Midhurst, 299 in Selsey, and 175 in Petworth.

1.4 Highlights from the draft reports include:

- Tourism-based businesses represent 7.2% of all businesses in Chichester District. Together these businesses generated estimated revenue of £411.4 million in 2015 – equating to c. 15% of the Districts' economy - and supported an estimated 5,810 FTE jobs. Taking into account the part-time and/or seasonal nature of many jobs within this industry sector, this rises to 8,037 total jobs which equates to 14% of jobs in the District.
- Average revenue per head from day visits is £33. Average revenue per head from staying visits is £232. However, the vast majority of visits are day visits. Just 8% of visitors to Chichester stayed overnight in the City, 10% in Petworth and 17% in Midhurst, although a much higher proportion - 78% - stayed overnight in Selsey.
- Expenditure per person per night in Chichester is low compared to other historic cities such as York and Bath.
- 401 accommodation businesses provide almost 19,000 bed spaces but 75% of this is in caravan/camping and chalet sites making this primarily a seasonal provision. In addition, this is concentrated in the PO20 area, explaining the higher figure for overnight stays in Selsey.
- Serviced accommodation accounts for 16% of the total accommodation available. This equates to 3,060 bed spaces, 53% of which is located within the City/PO19 area.
- Bed space capacity is potentially one of the key constraining factors on the District's ability to increase revenue from tourism.
- Visitors to Chichester are primarily from Sussex and Hampshire, accounting for three quarters of all visitors. Only 5% came from Surrey and 3% from London, representing a real opportunity to increase visits from these areas.

- Visitors to Chichester from overseas comprised just 5% of total visitors in 2015 – significantly fewer than other UK heritage cities such as Bath (28%) York (15%).

1.5 **Visitor ratings on vibrancy of destinations**

Visitors were asked to rate the vibrancy of the City and each town on a scale of 1 to 5 where 1 depicts the town as being 'behind the times/old fashioned' and 5 depicts the town as 'vibrant and cosmopolitan'.

- The overall average rating score for Chichester was 3.3 out of 5. For a City Centre such as Chichester, this highlights a potential for development, especially if Chichester is to compete for day trip and short break business originating from London and abroad. By comparison, competing cities such as Canterbury, Bath and Exeter have higher vibrancy ratings
- The overall average rating score for Selsey was 3.2 out of 5 - around the middle of the vibrancy scale, and again, there is room for some development here
- The overall average rating score for Petworth was 3 out of 5 - a relatively average vibrancy score. However, this needs to be set against the context that the town's older fashioned nature is welcomed by visitors as part of its quaintness and charm
- The overall average rating score for Midhurst was 2.6 out of 5, suggesting an average vibrancy score. Again, there is room for development here but, like Petworth, needs to be set against the context that the town's 'heritage' nature is welcomed by visitors as part of its quaintness and charm

1.6 **Overall visitor satisfaction rates**

Chichester

19% of visitors rated their overall trip enjoyment as 'Average', 50% as 'High' and 30% as 'Very High'

Midhurst

11% of visitors rated their overall trip enjoyment as 'Average', 59% as 'High' and 30% as 'Very High'

Selsey

1% of visitors rated their overall trip enjoyment as 'Average', 49% as 'High' and 50% as 'Very High'

Petworth

6% of visitors rated their overall trip enjoyment as 'Average', 65% as 'High' and 29% as 'Very High'

Other Research and Studies

1.7 In 2014-15 the work of the Tourism T&F Group included much focus on methods of creating a viable and successful destination, on managing destinations, and on funding destination management and marketing. We have therefore undertaken a good deal of work looking at other destination management organisations (DMOs) around the country and associated funding models. This work has included:

- An in-depth analysis of eight destinations during the second half of 2016, involving desk-based research, telephone interviews with key personnel and some face-to-face meetings
- A review of 'The Tourism Landscape' – Team Consulting July 2016
- A desk based review of Destination Business Improvement Districts (DBIDS)

1.8 Visit England and Visit Britain provide regular research studies and activity monitoring and, as part of this project, we have kept abreast of these.

Coastal West Sussex Partnership

1.9 In late 2015 it was agreed that the Council would continue work on growing the value of tourism in the Coastal West Sussex Partnership (CWSP) area. The Partnership established an officer steering group (comprising tourism officers and economic development managers from the CWSP authorities) and, utilising funding from the Pooled Business Rates Fund, commissioned visitor economy research work across the CWSP area. The chosen contactor was TSE Research.

The research work was undertaken throughout 2016 and included:

- **Visitor Survey** – 1,899 interviewed at 6 locations during summer 2016
- **Non Visitor Survey** – online panel of 500 representative of the UK demographics and geographic spread

- **Postcode Segmentation Analysis** – 199,317 postcodes from enquiries received for attractions and visitor centres in West Sussex
- **Tourism Industry Performance** – Cambridge Model and occupancy and attractions data
- **Social Listening Review** – monitoring of social media
- **Keyword Search** – using Google analytics to assess most popular online searches
- **Hotel & Visitor Accommodation Development Opportunities** – review of recent CWS studies and relevant national development trends

While an over-arching summary report is still awaited from TSE, this work provides a very useful supplement to the research work undertaken specifically for us and, as anticipated, shows the comparative strength of Chichester District and the opportunity to better exploit the District's assets and profile to grow our visitor economy.

- 1.10 The research reveals a visitor economy across the CWSP area worth nearly a £1 billion and employing 14,000 people.

Value by District:

- Chichester 42%
- Arun 33%
- Worthing 19%
- Adur 6%

In summary, across the CWSP area:

- 95% domestic visitors – 52% from Sussex, Surrey and Hampshire. 6% from London
- 5% overseas visitors
- 10% of visits are staying visits, 90% are day visits
- 42% of visitors are aged over 55
- 41% are in families and 32% are couples
- 78% arrive by car
- Accommodation usage is Caravan/Chalet 22%, Hotel 22%, Visiting Friends & Relatives 20%

The review of recent studies on hotel and visitor accommodation development opportunities confirmed that the market across the CWSP area is largely leisure driven and seasonal, and characterised by strong weekend and summer demand with shortages of all forms of visitor accommodation at these times, but weak mid-week and winter demand.

The review included reference to the 'Chichester Hotel Futures Study' commissioned by the Council in 2005, which made a number of recommendations for the Council to:

- Plan positively for hotel growth through the Local Development Framework (now superseded by the Local Plan 2014-2029)
- Introduce a hotel retention policy in the Local Development Framework in order to resist the loss of hotels to alternative uses, in particular residential. (The current Local Plan 2014-2029 includes such a policy)
- Undertake work to identify, bring forward and possibly allocate in the Local Plan suitable sites for hotel development. The lack of hotel sites and pressure on land from alternative uses, especially residential development, was identified as a key barrier to realising the potential for hotel development in Chichester
- Progress work to build a dialogue with potentially interested target hotel companies
- Strengthen the demand for hotel accommodation in the District through attracting companies and business uses that will generate demand for corporate hotel stays and developing off-peak leisure business

WSCC West Sussex Weekends

- 1.11 As part of the CWSP work, West Sussex County Council's 'Beautiful Outdoors' and 'West Sussex Weekends' project has been supported. This has comprised a digital marketing campaign during the summers of 2015 and 2016. Utilising a new website and social media activity developed by a London media agency, the objective was to encourage the London and South-East based 25 to 40 demographic to visit the South Downs area of West Sussex for active weekend breaks (walking, cycling, paragliding, coastal related water sports and so on).

A relatively substantial budget has been allocated so the campaign has gained some traction with the target market with c. 12,000 engaged

and active followers. 2016 post campaign evaluation reveals c.
£1million economic impact to the CWSP local economy.

SMO
19-1-17