

Undercover success story – Center Parc reported 97% occupancy in 2010

Quality control

As more and more Britons opt to take their holidays in the UK, tourism experts are placing greater emphasis on providing high standards rather than low-price vacations.

Ellen Gylen reports

Foodies flock to Ludlow for haute cuisine, to Scarborough for fish and chips and Melton Mowbray for pork pies. Walkers, mountain bikers, zorbers and sea kayakers look to explore Dartmoor, the West Highland Way, Exmoor, Snowdonia and the North Yorkshire Moors before contemplating a trip abroad.

This is the vision that David Harper, director of Leisure Property Services,

holds for future UK tourism.

He proposes: "Tourist boards should concentrate on making their sell very local – unique, not cheap. That will attract domestic and foreign visitors, and facilitate required annual investment in properties for long-term sustainable business opportunities."

Plenty of locations already capitalise on concepts and attractions. Hay-on-Wye markets itself as the world's secondhand

book capital, and Alton Towers brings visitors to Staffordshire. With a move towards short breaks, there are opportunities for more cities and towns to attract leisure-based trade.

Destinations where foreign trade is prevalent, such as Oxford, Cambridge, Stratford, Chester and Edinburgh, are obvious potential benefactors. And with national parks trading well, there are many more places of natural beauty that

can make the most of their appeal.

But for hotels to repeat this year's success in 2012, the UK resort market needs to avoid the traditional mistake of fighting foreign holidays through price alone, Harper believes.

He says: "At lower rates, less money can be reinvested each year to maintain the property, which leads to a downward spiral of lower rates and less reinvestment."

While many switch from overseas breaks to staycations for financial reasons, others may be taking a second holiday, and arriving with high expectations.

Chris Moore, director in Jones Lang

LaSalle Hotels team, says: "These can be met only through proper investment in the fabric of the building, its interior and, of course, plenty of gadgets. High standards of service are important too. Making investments requires plenty of careful research and some bravery. But often, hoteliers concede that the greatest demand is for their most expensive suite, cottage or penthouse."

Julian Troup, head of UK hotels at Colliers International, adds: "Statistics show certain hotels that have taken some tourist board grant assistance are trading above pattern. Those hotel owners who keep on top of their refurbishment programme will be in a

THE IMPROVING OUTLOOK FOR BRITISH TOURISM

Spending by British tourists in England rose by 10% in the first six months of this year. And the number of holidays taken at home by staycationers was up by 3%, says tourism body VisitEngland.

A survey by VisitEngland's *Great British Tourism Survey 2011* showed the number of domestic overnight trips taken in England was 11.6m, a 12% increase on July 2010. This trend is likely to continue. A recent survey of 30 airlines and tour operations by coalition A Fair Tax on Flying showed that most airlines believe the number of air passengers will drop by 5% in 2012, due to higher air taxes. That translates to 8.6m fewer flights for cash-strapped British families, and the possibility of more holidays at home.

Center Parc's occupancy rate (%)

2007	92.4
2008	93.3
2009	95.5
2010	97.8

Source: Centre Parc's annual report

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David Harper, Leisure Property Services

far stronger position to attract the volume of trade and, equally importantly, in the rate they are able to secure."

Upgrading is also essential because of new competition. A widening gap is emerging between those establishments that tick the right boxes, and under-invested units that look increasingly vulnerable. Moore says: "The past couple of years have seen Premier Inn and Travelodge opening in resort locations – often through the conversion of traditional hotels. They each bring to bear their huge marketing muscle and a high standard of accommodation which is easy to book and consistent in quality."

With the level of competition increasing, so is the reliance on agency-booked business. However, Troup cautions: "The operator needs to make sure it is attracting profitable business. Commissions charged by many major

booking agents dilute profit margins, and the operator then needs to rely on additional spend to boost their margins.”

While there are some staycation success stories – Center Parcs ran at 97% occupancy in 2010 – tourism body VisitEngland reported that poor weather this summer and a lack of consumer confidence has led to “many businesses not performing as well as they had hoped over the key school holiday period”.

Harper believes that a lot of resorts with real interest for holidaymakers have been aiming at the wrong markets. He points out: “There is no effective market for attracting European visitors to the British seaside, which means that firms

are missing out on a massive potential market. UK seaside, and smaller provincial towns and resorts, have a lot of really interesting selling points.”

He argues the case for implementing more attractions for a sustainable future, particularly options for rainy days. He says: “It is arguable that Center Parcs is successful because of its undercover facilities and variety of things to do. A lot of people’s travel now is based on new experiences. I would suggest this is exploited as fully as possible.”

As well as adding new attractions, there is the case for revamping old ones. For example, Skegness has one of the best beaches in the UK, yet a reputation of

being stuck in the 1970s, evoking images of slot machines and caravan parks.

Harper suggests: “An excellent start to re-energising this resort would be to re-name the place. Close down some of the poorer B&Bs and hotels, and let others make enough money to keep the product standards up. Find a good selection of day trips and activities for all weathers for tourists – then start marketing the new name and let people discover this new resort without an unfavourable impression from the name associated with years of neglect.”

This is an approach that could be just the ticket for pioneering staycations of the future.



Premier Inn is developing hotels in traditional UK holiday destinations, such as this 80-room property in Barry, south Wales

PREMIER INN EYES STAYCATIONERS

Premier Inn is in expansion mode, aiming to increase 46,000 bedrooms in 600 hotels to 65,000 rooms by 2015. The strategy is to build new hotels and extend existing ones.

The business is growing across the UK, with particular emphasis on London and the South East, where the target is to double the number of rooms within the M25 by 2016. Premier Inn is targeting the UK holiday market for visitors, and is developing a number of hotels in traditional UK holiday resorts and destinations.

John Bates, head of acquisitions at Premier Inn, explains: “The current balance between business visitors and

leisure visitors at Premier Inn is 60:40.” An increasing proportion of these visits are to “traditional” British holiday resorts or leisure locations. As a result, the business is increasingly marketing itself to staycationers.

Premier Inn has recently opened, or is developing, a number of hotels in prominent sites in traditional British holiday destinations, such as Weston-super-Mare, Somerset (116 bedrooms), Barry in South Wales (80 bedrooms), Paignton, Devon (61 bedrooms) and Scarborough, North Yorkshire (74 bedrooms).

Bates says: “The location of staycation hotels should not be underestimated.

Centrally located hotels give guests the chance to eat out at local restaurants and provide easy access to attractions. Our guests have the chance to stay in a hotel that is new and fresh, which again puts branded accommodation above many of its independent rivals.”

Premier Inn claims to be gaining market share from people who would otherwise stay in independent hotels and B&B’s for their short break or UK holiday. Bates urges: “Consumers are changing their preferences – convenience, location and reliability are more important now than ever – and are staying in ‘branded’ accommodation as a first choice.