



LARKING GOWEN
Eastern Daily Press

t^ourism business survey 2011



In association with



Lloyds TSB | Commercial

LEATHES PRIOR
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Norfolk tourism

It's the place to be



Are businesses still investing? Is the internet being used to good effect? Is the Olympics now on their radar? What impact is the economy having?

The Larking Gowen-EDP survey explains, says EDP Acting Business Editor **Elaine Maslin.**



Norfolk has an unrivalled offer for visitors, from wetlands to one of the top 10 shopping destinations. Research by East of England Tourism estimates that in 2009 there were 4,092,000 staying visitors in Norfolk, with total day visitors in excess of 26,700,000. Tourism helps support jobs for more than 49,000 people – 14pc of the population – and contributes some £2.6bn to the local economy.

Which is why the EDP supports the sector with campaigns including Holiday here and the Tourism in Norfolk Awards.

But, crucial to the sector's health is valuable information about the industry. Which is why, for the second year, we have worked together with chartered accountants and business advisors Larking Gowen to produce the 2011 Larking Gowen EDP Tourism Business Survey.

Are businesses still investing in what they have to offer? Is the internet being used to increase visitor numbers? Is the Olympics now on their radar as an opportunity? What impact is

the economy, including increased VAT, having?

Chris Scargill, tourism and leisure partner at Larking Gowen, said: "The shadow cast across the UK as a result of the economic climate has not totally dampened the spirit of Norfolk's tourism businesses.

"While there is inevitably some caution regarding the short-term future and an inevitable reaction to the decreasing spend of some of the visitors, tourism businesses, as a whole, are working hard to make themselves more attractive and to ensure that Norfolk stays very much on top of its game.

"VAT rises and inflation will impact on the discretionary spend of the visitors and "staycationers" but the economic environment in the tourism sector still has a very positive feel. We are seeing investment in the infrastructure and in advertising and promotion.

"Regional and national campaigns are starting to highlight the potential of the Olympics legacy, the opportunity of which, at a

We're a key tourist location



Lloyds TSB Commercial recognises the importance of tourism to both Norfolk and East Anglia; in Norfolk alone, tourism provides more than 49,000 jobs and generates £2.6bn – a significant contribution to the area's GDP. The importance of tourism, particularly in economic recovery, has been reinforced by the government's Tourism Strategy, with a set of ambitious aims and objectives in maximising the domestic and overseas tourist opportunity.

Significant emphasis has been placed on co-operation between tourism businesses, support offices and the private sector to ensure tourist destination messages are clear, consistent and "loud". These strategic alliances will be crucial.

The start of the London Olympics is now a little under 500 days away and an anticipated 1m people are expected to



visit. Norfolk, with a direct rail link to the Olympic site in Stratford, represents a key tourist location as a base to attend the events, or as a location to avoid the crowds!

The legacy of the Olympics is forecast to bring an additional 4m visitors to the UK over the subsequent four years, so there should be growing confidence for tourism businesses across the region.

With experienced relationship managers based in local branches across the county, empowered to make local lending decisions, Lloyds TSB Commercial wants to become the bank of choice for tourism businesses in Norfolk.

Carl Woodward

Senior Manager, Lloyds TSB Commercial



Feedback: Chris Scargill and friends enjoy a walk at Blakeney.

COLIN FINCH

local level, has not yet been fully taken on board.

"We have had positive and helpful feedback to the survey questions and have endeavoured to bring the data to life within the survey report.

"There is wise caution regarding the uncertainty of the future and businesses are looking to maximise the return on investment for money spent.

"Addressing the obvious capacity in the market, out of the main season, is a key target for maintaining the sustainability and improving profitability within the sector.

"The increased numbers of visitors coming to the area, enjoying the diverse aspects of our region, will hopefully continue, and as they share their positive experience, there will be further benefits for the years to come."

■ The EDP and Larking Gowen would like to thank Lloyds TSB Commercial and Leathes Prior, sponsors of the survey.

Something for everyone

Tourism is a vital component of the Norfolk economy and provides vital employment opportunities in these difficult economic times. Norfolk has a wide range of tourist attractions to suit all tastes and ages combined with a backdrop of fantastic scenery and coastline.

Tourism is Britain's fifth largest industry and worth in the region of £115bn a year. There are about 2.6m people employed in the tourism sector which supports over 200,000 SMEs.

It is also to be hoped that the 2012 Olympic Games will add a significant boost to the tourism sector and that Norfolk will share in this by the increase in visitor numbers to England during the Olympics.

Leathes Prior is proud to support this tourism business



survey, which is an important tool for those engaged in the tourism sector to monitor performance and assess ways to better promote and improve the services they offer. As with any business there is much legal "red tape" with health and safety requirements, employment legislation and contractual issues which can be an expensive minefield for the tourist operator.

Leathes Prior has particular expertise in the tourism sector acting for a number of our tourist attractions and service providers. Feel free to contact me (see page 23) to discuss any issues. I wish everyone great success during 2011 and beyond.

Peter Sheppard

Head of the Commercial Team, Leathes Prior

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■ Larking Gowen Chartered Accountants and Business Advisors recognise the importance of tourism to East Anglia. This survey is intended to provide a useful benchmark and we hope that the information provided is useful to you. If you would like to discuss your business and how it interacts with the findings of this survey, please do not hesitate to contact us (see back page).

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Investment

Speculate to accumulate

Norfolk's tourism businesses are still investing well despite economic uncertainty, our survey shows – and they are right to be confident about the future, according to industry experts.

It can be hard to keep investing when times are tough, but Norfolk's tourism businesses are making a point of doing so. The survey shows that 11pc of businesses invested more than 20pc of their turnover into making improvements, compared with 9pc of businesses investing that amount last year, and 30pc of businesses invested up to 20pc of their turnover – a rise of 4pc.

Some of the comments make clear how important investment is to those running tourism businesses.

"Any business must be aware of the competition and must keep upgrading to stay at the top of the market," says one contributor. "New businesses have an advantage in that everything is new and up to date – older businesses have to keep reinvesting to keep pace."

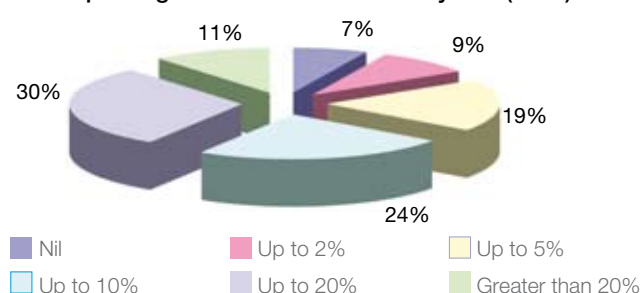
Another respondent added: "We have increased our investment as we feel it is critical to maintain and improve the standards for our visitors. People's expectations of standards are rising and we need to ensure we meet those expectations."

"Also the number of attractions is increasing and we need to ensure we offer a high standard and good value for money."

However the ability to invest in your business often depends on securing funding, loans or overdrafts from banks, and 57pc said that they had found this harder in the past 12 months. Carl Woodward, senior manager at Lloyds TSB Commercial, said that banks were now beginning to lend more to the tourism sector.

"While the economic recovery remains fragile and will continue to affect the appetite for business growth and expansion, there are a number of indications that confidence within the sector should cautiously increase and gain positive momentum," he said.

What proportion of your turnover have you put back into improving the business in the last year? (2010)



Positive: Richard Ellis, Norfolk Tourism.

“
Funding is available...

Carl Woodward,
 Lloyds TSB
 Commercial

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"Growing visitor numbers, our fantastically diverse Norfolk landscape, and the continued popularity of the 'staycation' holiday accompanied with marquee events such as the cycling Tour of Britain illustrate the rationale for confidence and potential opportunities for growth for Norfolk businesses within the tourism sector."

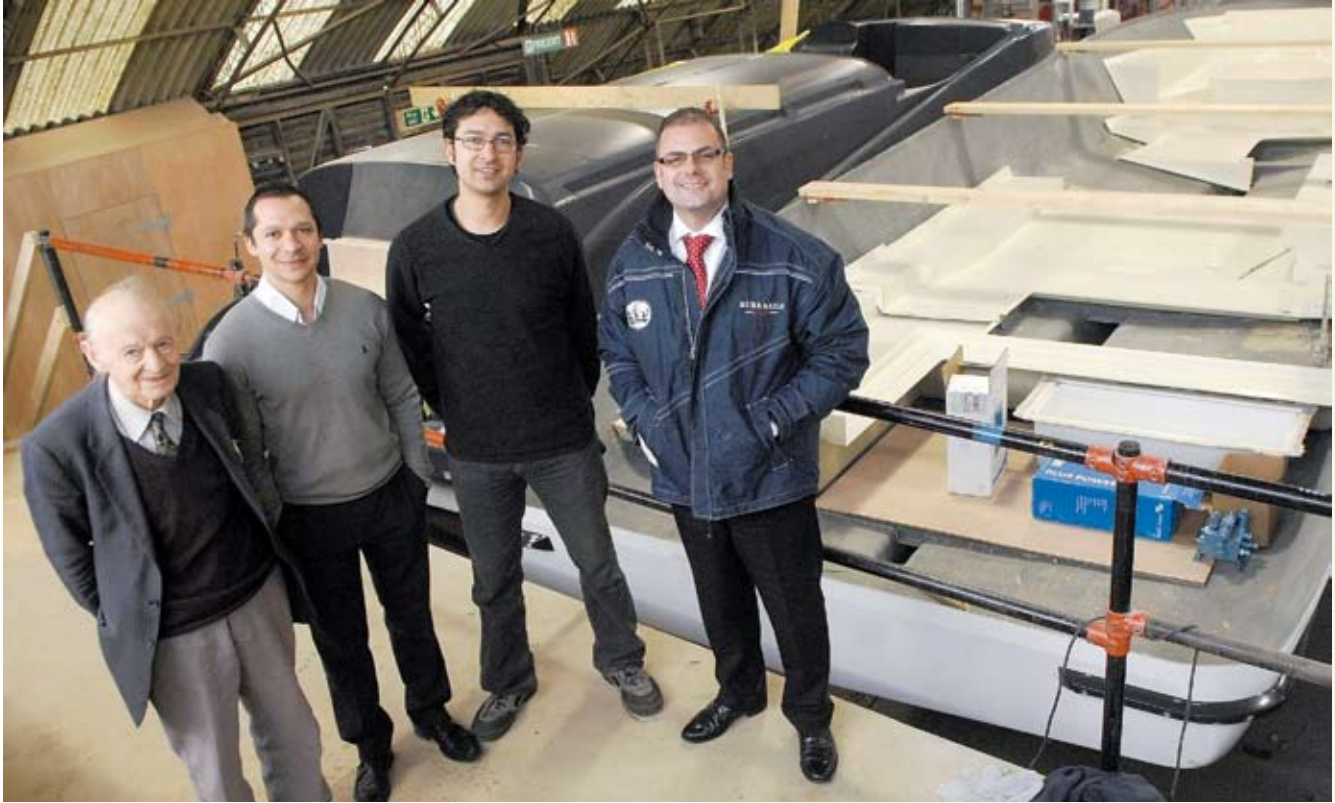
"With firm lending commitments now in place, reinforced by the conclusion of the government's project 'Merlin', funding is available to businesses looking to expand and to individuals, with a successful track record, looking to acquire or develop

businesses within the sector."

Some contributors mention, however, that economic factors have had a bearing. "Better value for money bookings allows for less to be reinvested," said one, and a "lack of investment [and] downturn in business" are the key factors likely to affect them this year.

Another running furnished holiday accommodation cites a lack of

CASE STUDY



Commitment: Owners of Richardson's Boat Yard (from left) Robert, Paul and Clive Richardson with chief executive Greg Munford at the yard.

understanding by the Treasury. "Self-catering is a business and not an investment," it said.

"I want to invest more and increase the business to include my family, but there is a disincentive to do so... which is utterly anti-business and extraordinary."

But overall the message is positive.

Richard Ellis, chairman of Norfolk Tourism, said: "Three-quarters of tourism businesses are positive about the future and I think they are right to be, as there's an awful lot going for tourism in Norfolk.

"I would like that figure to be higher but in any survey you will get some people being negative. In some senses you might be surprised that only 57pc are saying it's been harder to get funding.

"But only one-third of small and medium-sized businesses borrow money from banks anyway.

"People are still investing, and what a number of them are doing is investing their own money back into the business rather than borrowing, which is the right way to do it. If they don't invest they won't succeed."

■ Data set - page 16

Richardson's is one of the leading Broads luxury boat hire firms. Chief executive Greg Munford explains why he's investing to ensure it stays that way.

"Richardson's are committed to leisure and tourism in Norfolk," he says. "We reinvest around £1.5m each year in our products for continual improvement and new developments. We took the decision in 2009 to design and build a new class of cruiser. A budget of £250,000 was allocated to the research and development of the class in 2010. The first cruiser will come off the production line in the next four months with an allocated budget of £700,000.

"In addition, £100,000 has been allocated to the research and development of further new classes of cruiser. More than £1m has been invested to increase the size of the fleet through the purchase of more than 40 cruisers during the last year. This brought the investment across the group in 2010 to around £2m.

"We are continually investing in our other businesses which include holiday parks and villages, pubs and restaurants and family entertainment centres. We are planning a £200,000 redevelopment of our bowling venue, Lowestoft Family Bowl, which will see it become a Richardson's Family Entertainment Centre with a new bar, diner, children's area and 'glow lanes'."

Capacity

A 365-day destination

Trying to turn Norfolk's seasonal trade into a year-round business is an increasingly important challenge – and it's one that we are not yet meeting, according to our survey.

Tourism was traditionally a seasonal industry – that much seems to be accepted, and a disappointing or merely average summer can make for a very tough winter for some businesses. But when certain attractions are managing to attract custom throughout the year, it serves as a signal to others that they might be able to raise their game.

It is clear that businesses could attract more trade during the winter months. Between November and March, more than 40pc of businesses said that they had more than 60pc spare capacity. When asked "In which months would you most like to see more business?", November and February were the top two answers with 12pc apiece, while December and January were close behind and selected as target months by 10pc of those surveyed.

Some contributors blame the county's marketing for this, with one saying that: "Norfolk is an all year destination with the level of investment in attractions and accommodation.



John Cushing: Bringing money into the economy.

Not enough is done to promote out-of-season breaks."

Another adds: "Promotion is needed continually from December through to August."

But even in the high season there are signs that businesses could be doing more to win trade. During June, a quarter of businesses (26pc) have between 20-30pc spare capacity (36pc having 30pc or more); even in July some one in four businesses (26pc) have one-third (30pc) spare capacity.

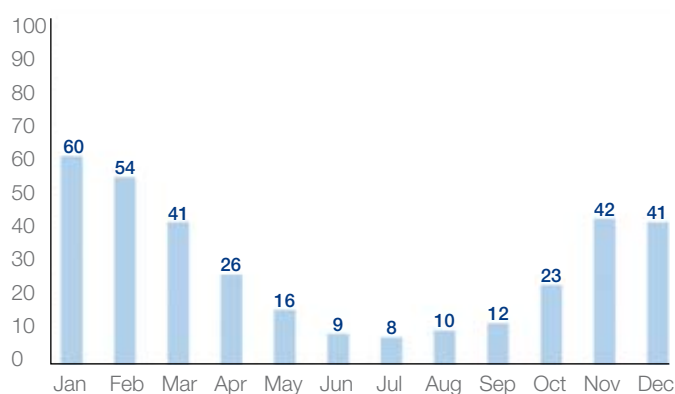
Chris Scargill, tourism and leisure partner at Larking Gowen, chartered accountants and business advisors, said: "Norfolk is becoming a 365-day visitor location. April and May, and September and October are the 'shoulder months' for the summer season, and those are the periods businesses have been successfully focusing on. It's building up, but there is lots of capacity still – Norfolk is not full, even in the main season, indeed this could be something we could promote – there is certainly a chance to encourage more visitors to the county."

The coalition government is presently consulting on whether to scrap the first May Bank Holiday and replace it with one either on St George's Day in April, or during the October half-term, commemorating Nelson's victory at Trafalgar. Either could help to extend the tourism season, but a Trafalgar Day could be especially good for Norfolk, as it could bring opportunities for more Nelson-related tourism. Any changes will not take place until 2013 at the earliest, however.

One place that is doing its best to offer something all year round is the Thursford attraction run by John Cushing.

During the summer it attracts a fair amount of business as a museum: the Thursford Collection, which houses the world's largest collection of steam engines and organs. But in the winter it is home to the Thursford Christmas Spectacular, which

Respondents with 60pc+ capacity in each month of the year (%)



CASE STUDY

**Year-round attraction:
The Waterside cafe and
restaurant at Rollesby,
overlooking the Broad.**



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**We have people from
Wales, Devon and
Cornwall, all over.**

John Cushing, Thursford

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is England's biggest Christmas show and draws people in from all over the country. This has a knock-on effect, benefiting many other local businesses.

“We bring around £8m-£10m into the local economy,” said Mr Cushing. “We have maintained our capacity of about 129,000 people at Christmas for the last 10 years or so. We have people from Wales, Devon and Cornwall, all over. Those people stay in local hotels and visit attractions further afield.”

And since 2007 at Christmas there has also been an attraction known as Fantasyland, aimed at children too young to enjoy the Spectacular.

“We get around 129,000 to the Spectacular, around 30,000 to the Collection in the summer, and another 30,000 to Fantasyland, so that makes around 190,000 people coming through the year,” he said.

It is clear that a large proportion of the local tourism industry is doing very little business through the winter. The survey shows that 84pc of Norfolk tourism businesses have more than 50pc spare capacity during February. If Norfolk truly is a 365-day visitor location, surely there are opportunities available to put that right.

Once it was a small cafe by the side of Rollesby Broad, but now it is an attraction drawing custom 52 weeks of the year.

The Waterside venue on the banks of the Site of Special Scientific Interest near Great Yarmouth offers boating, fishing and wildlife spotting with a new tearoom and restaurant.

Its opening last spring formed the realisation of a dream for the four Broads-loving partners behind the venture, which took more than five years of planning and an investment well into six figures.

Last year it was voted EDP readers' restaurant of the year. Co-owner Mike Minors said: “It's a new building that was purpose built.

“The original idea was that it would be a cafe and tearoom but we felt that to derive sufficient income and sustainability we had to turn it into a restaurant, also offering a wildlife and leisure experience.

“That also meant that we could open all year round, because in the evening it's a fine dining restaurant.

“The local people have really supported us tremendously well.

“They wanted us to open over the winter, and we did so and they have supported us. They also support us during the summer but between April and September the tourist trade assists us greatly.

“Certainly we would struggle to keep up the level of service if we just opened for the summertime.

“It has been very important for us to continue the momentum of the business.”

Olympics 2012

Opportunity knocks

Opinion is divided on the benefits to Norfolk of next year's Olympic Games – but no one can ignore the opportunities that could boost the local economy.

The message seems to be getting through – next year's Olympics Games will bring a huge opportunity for Norfolk tourism, but it is up to us to make the most of it.

A significantly smaller proportion of people surveyed now think that the Olympics will have no impact – down from 54pc last year to 42pc this year – and of those who do think it will have an effect, 41pc are seeing it as a business opportunity while the remaining 17pc see it as likely to divert trade away from Norfolk.

Richard Ellis, the chairman of Norfolk Tourism, welcomed the fact that a majority now see the Olympics as something that will affect them. "I would say that those 58pc of people are right," he said. "There's a risk that Norfolk loses out on the Olympics.

"One of the most important things we have to do is make people realise that Norfolk is one of the easier places in the country to get yourself to the Olympics from. You want to be in striking distance of the Olympics but also have a relaxing holiday. It's a fantastic opportunity to raise the profile of the county. There is an estimated £4bn additional tourism spend forecast, in the run-up and during the Olympics. We need our share of that. You're looking at 22,000 media people coming to the UK weeks ahead of the Games actually starting, as well as the athletes and their families. They'll all be here before and after the Olympics."

However, a theme emerging in the comments from the survey is that transport links and lack of information for visitors about accessing the Olympics from Norfolk could prove problematic. The solution, according to 17pc of respondents, is a targeted marketing campaign aimed at existing and prospective Norfolk visitors.

Chris Starkie, the chief executive of Shaping Norfolk's Future, which manages Norfolk Tourism, said that this is exactly what is planned.

"We are working on a strategy that will include

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A fantastic chance to raise the profile of the county

Richard Ellis, Norfolk Tourism

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a marketing campaign aimed at existing visitors, and will also provide Norfolk tourism businesses with a tool-kit to help them take the opportunities presented by visitors to the Games.

"I'm encouraged by the findings," Mr Starkie added. "It's a dual opportunity for people who want to get away from London to come and enjoy the peace and tranquillity of Norfolk, but we are also near enough if as part of their holiday they want to take

a day-trip to the Games. We know that most people will only manage to get tickets for one or two days of the Olympics."

So the rest of their time in the UK is up for grabs, and Norfolk would seem to be well positioned to benefit. For most businesses, though, this increased awareness of the Olympic opportunity has not translated into plans to change the service they offer. Only 38pc intend to do so, while 62pc do not. Of those that do, ideas they have in mind include providing early breakfasts, packed lunches or late snacks for day-trippers; providing shuttle services to coach or railway stations; making



Committed: Clare Millar, of VisitNorwich.



Sustainable view: Lynne Johnson, of Cranmer Country Cottages.

CASE STUDY

Lynne Johnson runs Cranmer Country Cottages, eight luxury self-catering holiday properties close to the coast between Fakenham and Wellsand and is a former winner of the EDP Tourism in Norfolk Awards. The company's website has a section encouraging Olympics visitors to stay and, through search engine optimisation, the site comes out top of the Google rankings if you search for the words Norfolk, cottages and Olympics.

"We have always taken a long term sustainable view with regard to our business planning," she says, "and so believe that we need to look beyond 2012 in making the most of the opportunity this great event will create for UK tourism.

"I think that we have the benefit of being just over two hours from London so it will be possible to do a day-trip. If people have a ticket for an event, they can combine it with the tranquillity of being in Norfolk. My concerns are that the transport links could let us down. We are within 20 minutes of King's Lynn station here, but there's no public transport between us and the station. If my guests drive to the station, is there going to be enough parking?

"The other issue is that we have a lot of very regular guests and I wouldn't want to alienate any of them for the sake of people who might come to the region as a one-off. But the Olympics present an opportunity to showcase the UK as a diverse and exciting tourism destination. Hopefully they will leave a lasting legacy for the future benefit of all businesses connected to the tourism industry in the eastern region."

specific information available about visiting the Olympics; and providing special Olympic packages.

But of those that do not plan to make any changes or try to extract maximum financial gain, in some cases it is because they are wary of alienating their established visitors.

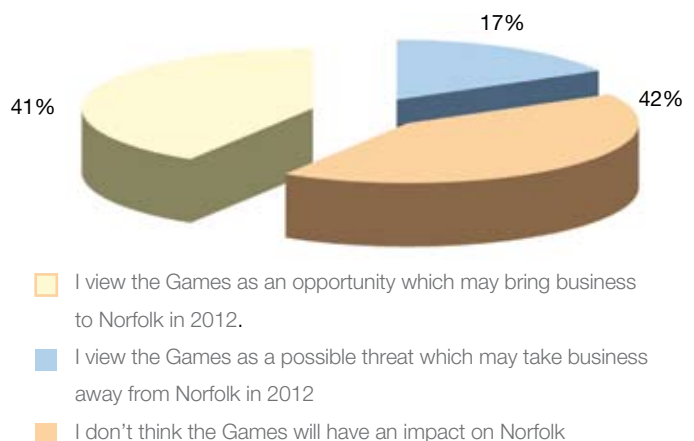
Clare Millar, of VisitNorwich, said: "It's pleasing to see that 41pc of businesses view the Games as an opportunity which may bring business to Norfolk in 2012. The results, however, suggest there is still a large number of tourism businesses that feel the Games will have no impact on Norfolk.

"Some 17% of businesses have indicated that the Games could be a possible threat and take business away from Norfolk in 2012. It is absolutely critical therefore for us to work on a retention campaign to ensure that Norfolk doesn't lose out.

"The results suggest that many tourism businesses across the county are already planning for 2012. VisitNorwich, along with our tourism delivery partners across the county, led by Norfolk Tourism, is committed to ensuring that we provide tourism businesses with as much information as possible."

Mrs Millar added: "A joined-up tourism strategy to maximise the commercial benefit to Norfolk of 2012, before during and

How Norfolk businesses view the Games:



after The Games, is essential. Work has already begun and VisitNorwich is playing its part in helping to deliver even better business for Norfolk on the back of the Games."

■ **Data set - page 18**

Internet

Make more use of the web

Despite growing use of the web as a core marketing tool, it appears many tourism businesses are still missing out. However, it's a brave marketeer who puts all his eggs in his 'online' basket...

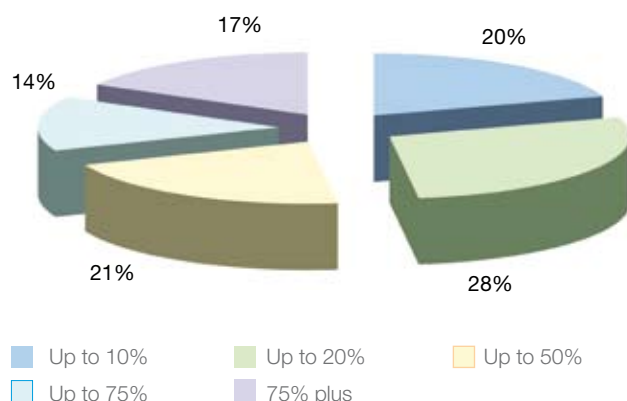
It is no longer a question of whether you have a website – it's about what you do with it.

Only 2pc of businesses surveyed don't have any internet presence, but of the vast majority that do, it appears that some may not be making the most of it.

Just over half (54pc, up from 48pc last year) can now take bookings through their websites – an improvement – but the rest may be missing out. Of those who could take bookings online, 64pc found that their bookings increased in the last 12 months (up from 55pc), with only 3pc saying that they had decreased and the remaining 33pc staying the same.

But while the internet can be a great help to Norfolk tourism businesses, it can also have a damaging effect in the form of negative reviews left on "blog style" websites such as TripAdvisor.

What proportion of your business is generated via your website?



Alan Carr: Online bookings have doubled.

Most tourism businesses now monitor these sites, it emerges (up from 46pc last year to 52pc), and 83pc see them as a useful feedback tool, but 47pc think that they are an opportunity for competitors to post derogatory comments.

When they do receive negative comments, 79pc say they reply immediately on the same website with an explanation or apology, and 7pc try to get them removed.

Great Yarmouth Borough Council picked up a trophy for most effective use of online marketing at last year's EDP Tourism in Norfolk Awards. Alan Carr, tourism manager at the council, said that the survey reflected the developments he has

observed.

"Certainly the survey supports the findings of our experiences in Great Yarmouth; a growing use of the website as a core marketing tool; an increase in the number of businesses able to receive direct online bookings; and a year-on-year growth in the proportion of online bookings compared to traditional telephone or postal bookings.

"This is also mirrored by the growth of our own official destination website www.great-yarmouth.co.uk – online bookings have more than doubled in the last 12 months.

"While TripAdvisor has a place, in Great Yarmouth we are committed to the national star rating scheme which, while not perfect, gives a more objective view on quality – a fact celebrated each year at our Annual Tourism Awards."

However, Chris Scargill of Larking Gowen points out that some businesses make a virtue of not taking bookings through their website – for instance Potters Leisure Resort at Hopton allows customers to search for availability online but makes the final booking by telephone, thus giving the booking process more of a personal touch.

CASE STUDY

Online bookings: Ruth and James Knight's Waveney River Centre was an early adopter of web-based marketing.



“

It's a bit premature to write off the traditional destination brochure

Alan Carr, Great Yarmouth Borough Council tourism manager

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What emerges from the survey is that of those businesses that do take bookings online, there are now fewer extremes and more evenness across the spectrum.

The power of the internet is now a well recognised marketing tool. For 14pc of businesses (up from 9pc last year) the internet provides between half to three-quarters of their business. The number of businesses that take more than 75pc of their trade from the web remained fairly static (17pc this year). The real impact of the growth in the internet marketing was that the number of businesses gaining 10pc or less of their business online was the only area to see a fall from 23pc-20pc.

“Marketing is, of course, a constantly changing medium, which, like a popular destination such as Great Yarmouth, has to move with the times,” said Mr Carr. “However, it's maybe a bit premature to write off the traditional destination brochure; indeed, 15 years ago we gave the Great Yarmouth brochure a potential life expectancy of around five years, but it remains an important part of the marketing mix and it's a brave marketeer who puts all his eggs in his 'online' basket.”

■ Data set - page 19

Waveney River Centre, a winner in last year's EDP Tourism in Norfolk Awards, was an early adopter of web-based marketing and has had an online booking system for camping, touring, lodge holidays and day cruises for more than five years.

Today, the directors of the business believe that close to 100pc of their bookings from new customers are made directly online or originate via a search engine.

James Knight, managing director, said: “Most people think about taking holidays in the evenings, when our booking office is closed. By giving customers the ability to check availability, book and pay without waiting until the next day, we've improved our conversion rate and reduced the cost of selling holidays – helping us to invest in further improvements to the park.

“We've continued to develop our website, adding new technologies while keeping it simple and easy to use. Customers can now upload their own holiday photos to our website and the sprinkling of testimonials on each page helps to build customer confidence.”

According to marketing director Ruth Knight, social networking has greatly boosted exposure to potential customers. “Our resident blogger ‘A Fish Called Eddie’ makes new friends on Facebook every day,” she says.

“People seem to enjoy his ramblings about life by the river and are quite relaxed about chatting online to a steel fish! By engaging our customers before, during and after their holiday, we've learned to maintain their interest, which means that they are more likely to book again and recommend their friends.”

Economy

Accentuate the positive

The economic future may remain uncertain – but, in the experts’ view, Norfolk tourism could be poised to benefit.

Asked what would have the biggest effect on their turnover in 2011, the answer from Norfolk’s tourism businesses was clear: the state of the economy.

But while this may be true, it does not mean the effect has to be negative. Chris Starkie, chief executive of Shaping Norfolk’s Future, emphasised that the economic climate could actually prove beneficial to Norfolk tourism as holidaymakers look for less expensive options.

“The economic climate means that people will be looking for value for money,” he said. “The evidence in the survey shows that, and we see it as being an opportunity. Families still want to go on holiday, they just may choose not to go overseas. The message we want to get out is that they can get a top quality holiday in Norfolk that is also value for money.

“Increasing fuel prices may mean that people won’t want to travel so far, and Norfolk’s travel time from the south-east and midlands could make it attractive to them. We are also almost certain to see an increase in fuel duty for air passengers. So there are some positives to be drawn from it.”

The survey shows that 53pc of respondents cited the economy as the single most important factor that would affect them this year, well ahead of the weather, which was mentioned by 15pc. But despite the state of the economy, 51pc of businesses said that turnover had increased in the last 12 months (down from 62pc in the previous year), but 76pc were feeling positive about the future. A fifth said that turnover had remained the same and 29pc said it had decreased. Meanwhile 45pc said that they expected turnover to increase in the coming 12 months, with 38pc thinking it would stay the same. When asked about the key factors that could put them in jeopardy, contributors’ comments included “serious economic and employment instability”, “the recession and its

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They can get a top quality holiday in Norfolk that is also value for money.

Chris Starkie, Shaping Norfolk’s Future ”

effect on people’s spending power” and “rising VAT, rising fuel, rising food prices, rising laundry costs”. Government spending cuts and the cost of advertising were also cited.

It is the effect on people’s spending power that is one of the most pressing concerns. The survey shows that 63pc of businesses had noticed their customers’ secondary spending

reduce, while 24pc said it had stayed the same and 13pc noted an increase. When asked about customers sticking to a set budget for their holiday, 71pc said that this had increased. Meanwhile, 78pc said that more of their customers were looking for value for money (20pc said this had stayed the same and 2pc noted a decrease); asked about the number of customers who targeted expensive or luxury holidays, 54pc said there had been a decrease.

Richard Ellis, chairman of Norfolk Tourism, said: “I think what the survey reveals about spending habits is no surprise. People are watching their budgets and spending less and



Chris Starkie: Positives to be drawn.



Growth in quality: The late Richard Searle, of Searles Leisure Resort in Hunstanton.

CASE STUDY/TRIBUTE

We would like to pay tribute to the late Richard Searle. Over four decades, Mr Searle helped build Searles at Hunstanton into one of the region's leading leisure resorts. Mr Searle, who had been made an MBE for his services to the tourism industry, sadly passed away in March aged 66. At the 2010 EDP Tourism in Norfolk Awards, he was given the Outstanding Contribution to Tourism award.

In a recent interview with the EDP, Mr Searle explained how the business had approached the difficult economic conditions. "We're being a bit sharper on prices," he said.

"We've kept our prices very much the same as last year. People want quality and that does have a cost; you can't just slash prices. But we try to do deals with the last-minute marketing which we've set up on our database.

"Everybody wants a deal these days, so we've put in a professional call centre to handle calls and handle our business better. We've segregated our reception and reservation teams. And we've found it very successful – January was up 15pc on January last year, and February was up by about 10pc.

"I think the great thing about Norfolk tourism is that it's growing in quality. People who used to go abroad are now coming to Norfolk. They're used to spending more money on their holiday, and we are benefiting from the strength of our brand. The product is still very strong and we're not experiencing any cut in enquiries – it's looking very good."

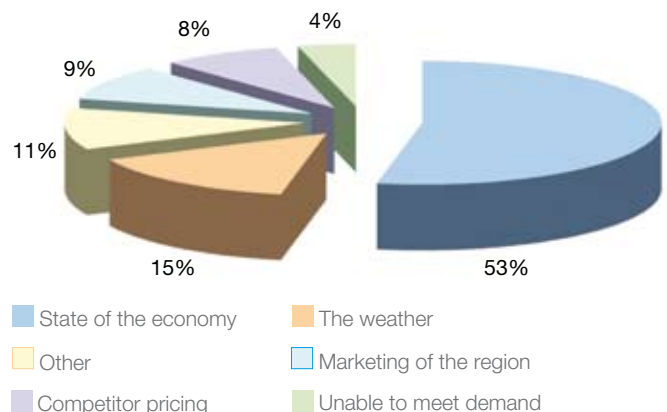
looking for value for money. "As a restaurant owner said to me recently, people are eating in the bistro rather than the restaurant, and having a glass of wine each rather than sharing a bottle. The saving grace for us is that more people are holidaying at home. So I think we can expect more visitors but they will be spending a bit less than in the past. One of the great things about staying in the UK is that you can keep better control over your discretionary spending."

And despite what the survey shows about spending habits, Mr Ellis agreed that there are plenty of reasons to remain upbeat.

"The reason I'm so positive about Norfolk tourism at the moment is we do have one of the most varied and high quality offers of any destination in the UK," he said. "We have everything from the traditional bucket-and-spade resort to windswept beaches, and all the incredible history and culture. With the county's Royal connections we may also benefit from the Royal Wedding coming up and the Jubilee next year. There are some great opportunities for us."

■ **Data set - page 20**

What is the single most important factor that will affect your turnover in 2011?



Promotion and marketing

The power of attraction

Norfolk businesses are continuing to promote themselves – but when it comes to marketing Norfolk as a destination, they feel that more could be done.

At a time when customers are watching their finances, it is important for businesses to set themselves apart and ensure they are the ones with which people choose to spend their money.

It could be through offering discounted multiple tickets or through fresh advertising campaigns, either for an individual attraction or Norfolk as a whole.

So does the promotion put forward the best possible case for Norfolk as a tourism destination offering something for everyone? It is clear that not everyone in the industry thinks this is happening.

Respondents to the survey commented that there is “not enough (central) funding for vital organisations such as VisitNorwich to promote the area”, “insufficient media and TV coverage”, “very little national advertising”, a “lack of cohesion within the sector” and a need for “a collective marketing campaign rather than several organisations doing it individually”. Only 51pc felt that Norfolk is promoted well.

Interestingly, this year’s survey shows a significant rise in the number of people who would be willing to put cash into a wider campaign to rectify this – from last year’s 27pc, it has risen to 40pc. Chris Scargill, tourism and leisure partner at Larking Gowen, observed: “If additionally just 0.5pc of the £2.6bn

income generated via tourism to Norfolk was targeted to centralised marketing, it would add £13m that could be spent on promoting the county.

“The problem is that centrally Norfolk doesn’t get a large enough slice of the cake, with other areas of the country being given more funding to promote themselves. For Norfolk we must take responsibility for doing it ourselves or pulling together for a joint effort.”

As for self-promotion and marketing, 33pc of businesses have increased their spending in the past 12 months, while 30pc said they were planning to increase it in 2011. In addition, fewer said they planned to decrease their spending, with the figure falling from 17pc in 2010 to 12pc in 2011.

However, while 58pc plan to spend the same amount on promotion and marketing in 2011 as they did in 2010, Mr Scargill notes that “with inflation this effectively results in a technical reduction, but with 30pc planning to increase their spend this is good news, so long as the spend is used effectively”.

The survey clearly shows which areas of the UK are seen as rivals to Norfolk. When asked which areas were better promoted, the top answers were Yorkshire (17pc), Cornwall (13pc), the Lake District (12pc) and Scotland (9pc).

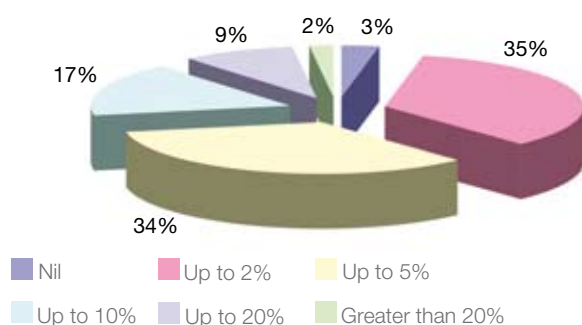
Comments from the survey include: “Visiting trade shows, Norfolk is not promoted at all... Norfolk is definitely lacking.”

Andrew Hird, of the Norfolk Tourist Attractions Association, said: “Clearly it’s very important in these difficult times that people consider what money they’re spending on marketing. For attractions in particular, it’s all about the return.

“With the current economic situation, on a national level it’s challenging but it’s important that the county council recognises the value of tourism, not just in words and support but as the county’s biggest source of revenue.

“When Yorkshire can promote itself on the London Underground and we aren’t able to then it seems unfortunate,

What proportion of your turnover is usually spent on promotion/marketing?



CASE STUDY

**Freedom pass:
Martin Dupee, head
of operations for
Banham Zoo, Africa
Alive at Kessingland
and the Dinosaur
Adventure Park at
Weston Longville.**



“
The great thing about
tourism is it's good
at creating new jobs

Andrew Hird, Norfolk Tourist
Attractions Association

”

although we recognise that these are difficult times at the moment. But the great thing about tourism is that it's very good at creating new jobs – if it expands then it starts employing more people very quickly.”

Some businesses will no doubt look for innovative methods of promotion if they are to attract new custom while freezing their spending. One example for others to look at is Great Yarmouth Racecourse, which was hailed last year for a promotion that connected it with other attractions in the area.

At the time, general manager Glenn Tubby said: “It was a great initiative that benefited our visitors as well as our business, generating several thousand more people through the gates. I'm delighted that it has been recognised nationally.”

The recent VAT increase to 20pc has meant that it is necessary to work harder to make a profit, but businesses such as the Norwich-based Arlington Hotel Group are also demonstrating how to do it. After the recession took hold it focused on its marketing and saw bookings rise at four of its five premises last year, including the George Hotel in Norwich and North Walsham's Scarborough Hill Hotel.

■ Data set - page 21

Banham Zoo, Africa Alive at Kessingland and the Dinosaur Adventure Park at Weston Longville are all owned by the same company, and visitors can save money by buying a Big Three Freedom Pass, which won Best Marketing Initiative at the EDP Tourism in Norfolk Awards. The saving amounts to buying two tickets and getting one free. Head of operations Martin Dupee explains how it benefits the group.

“We've been operating the Freedom Pass for a few years now and the main purpose is to cross-promote the three parks. At the same time it enables us to get some data so that we can then market events and ongoing activities to customers.

“For the last two years we have been selling them at the entrance to the parks, but this year we are going one step further and launching online, so you can book tickets or a three-day pass through the websites. That way you have already paid so you can come straight in and miss the queues.

“The pass has worked very well for us. You don't have to go to all three parks, you can visit one three times. For holidaymakers it's fantastic if they are here for a couple of weeks.

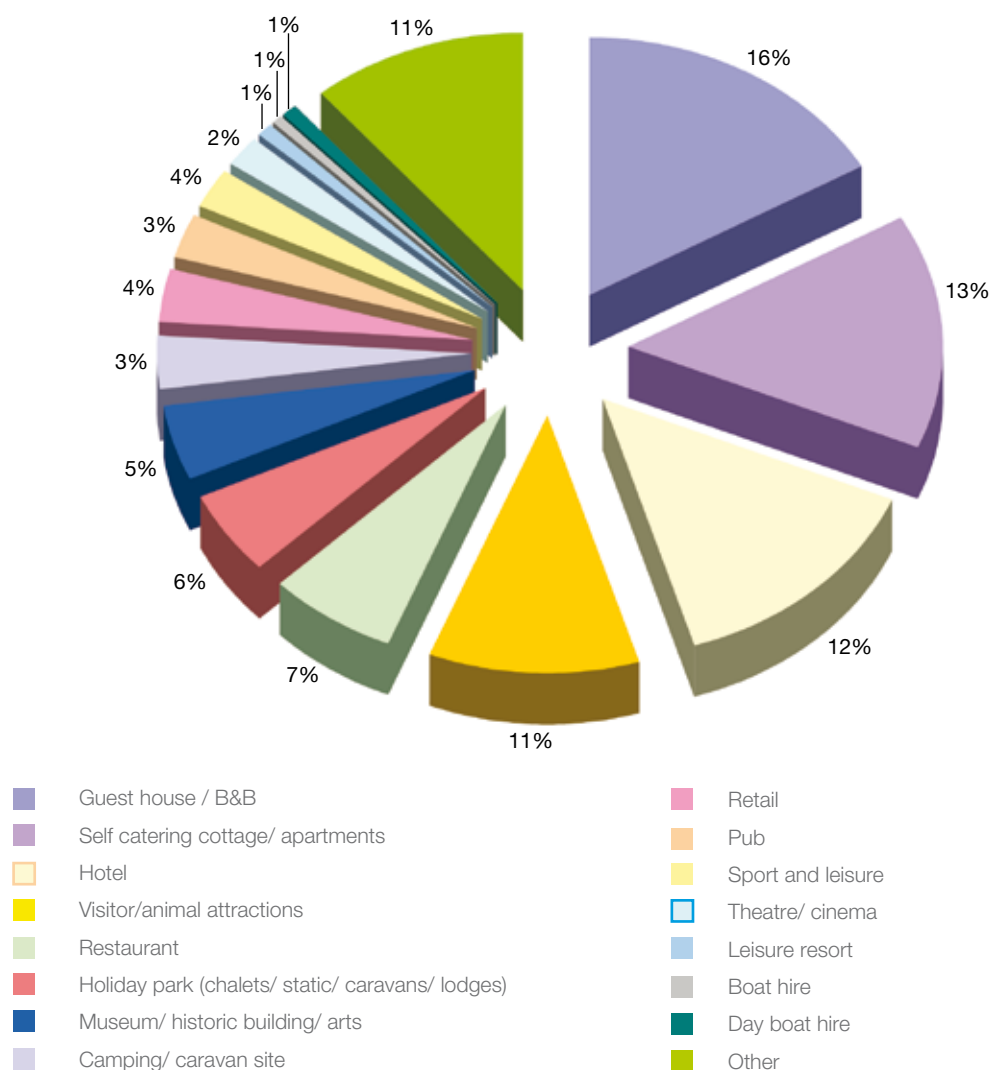
“On the back of that, we are about to launch what we're calling our Ultimate Season Ticket, which will give unlimited entry to all the parks, as often as you like, throughout the year.

“We will also accept Tesco reward vouchers. It all gives a bigger variety for people, so that we can suit families' needs. There are now many ways of coming to the zoo.”

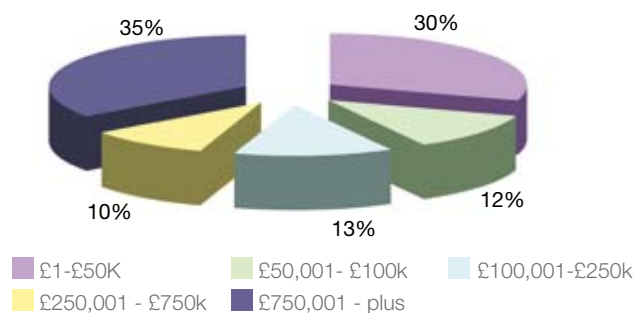
Investment

Tourism businesses continue to invest despite economic uncertainty – and there are grounds for optimism.

Type of business



Estimated or actual annual turnover for 2010:



Have you found it harder to get funding/loans/overdrafts from banks in the last 12 months?



Staffing

Tourism is a big employer in Norfolk – and that looks set to continue – but a significant minority are having problems finding the right staff.

What they said...

“ Young people don't have the right attitude to work.

Constrained by benefit regulations and tax credit requirements – 16-hour guaranteed minimum hours required by staff.

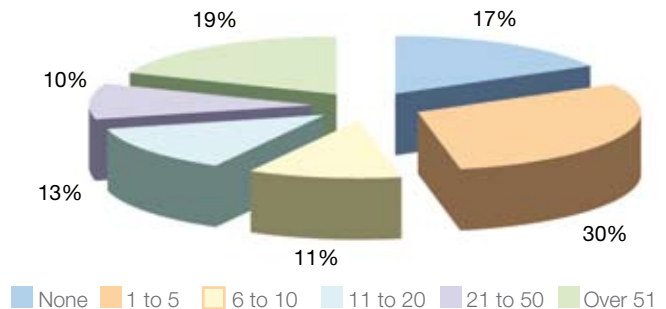
My weakest link is cleaning staff. Even though we pay a good rate, we struggle to get good people. There is no incentive for them to work and the 16-hour benefits limit is a massive restriction on getting decent workers.

We are increasingly finding a 'paid to come to work' rather than a 'paid to do work' attitude.

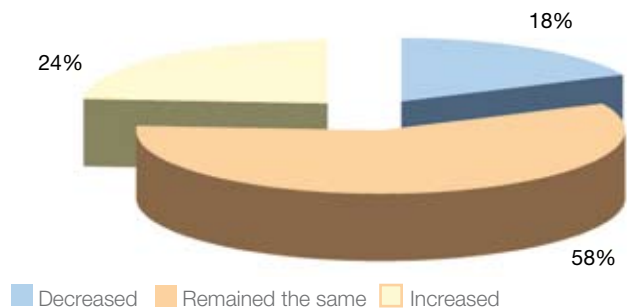
We find it difficult to attract staff with specialist skills, particularly engineering.

We are finding it hard to attract professionally trained staff at a price we can afford.

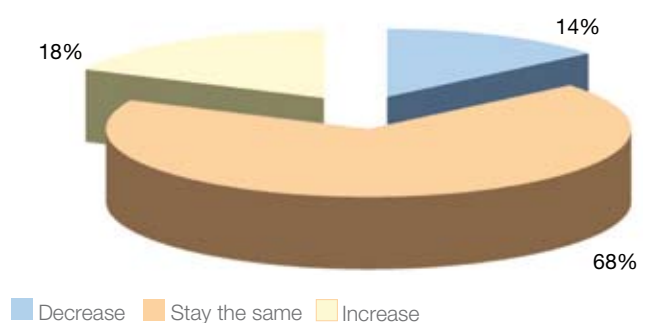
How many people do you employ, full & part-time?



During the last 12 months, have staff numbers:

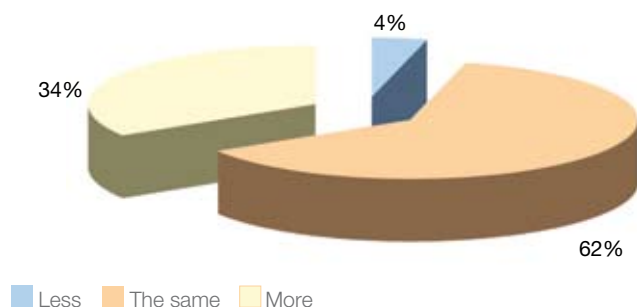


In the coming 12 months, do you expect staff numbers to:



In 2011, do you expect to pay staff

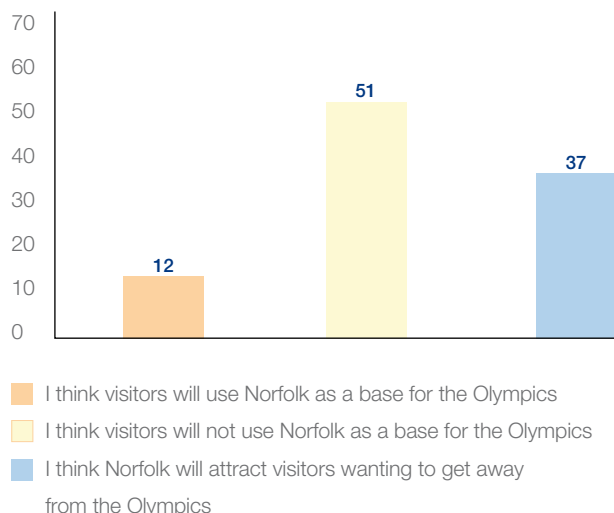
”



Olympics

Opinion may be divided, but no one can ignore the opportunities generated by the Olympics 2012 that could boost the local economy.

Will the Games attract visitors to Norfolk (%)?



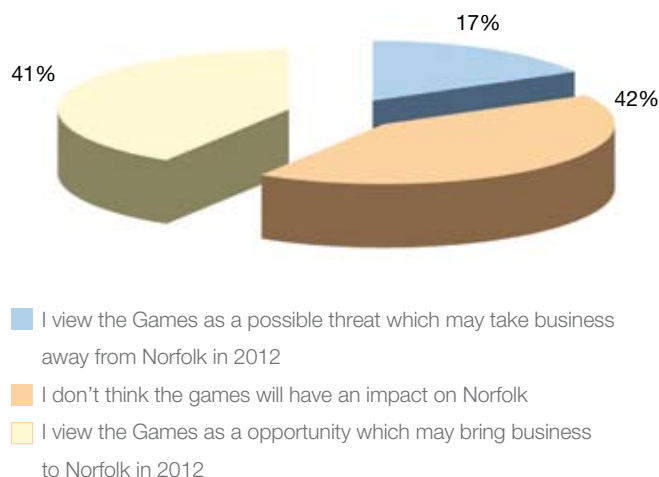
What they said...

“ The Olympics fall at our best letting period; we are not going to hike up our prices and loose the goodwill of our regular customers.

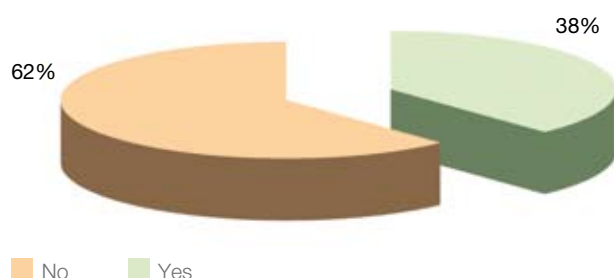
We may not shout loud enough.

We do not think Norfolk will benefit at all from the Olympics, just the opposite in fact. ”

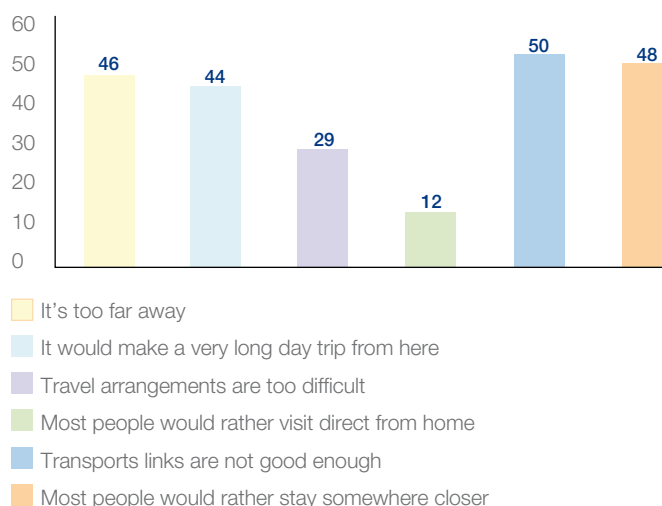
Tick the relevant comments to you:



Have you adapted your service offering for the 2012 Olympics or are you planning to?



The reasons visitors would not use Norfolk as a base for the Olympics is (%):



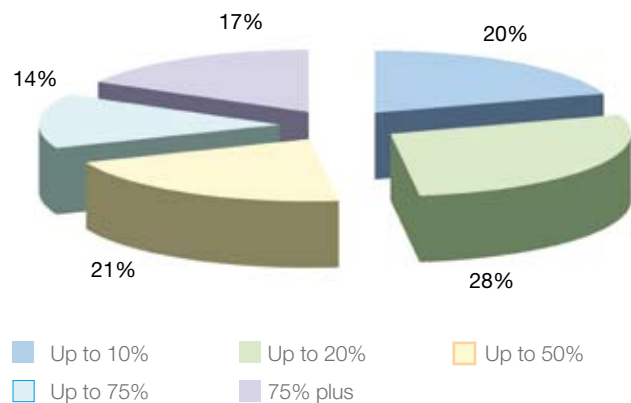
Internet

Many tourism businesses are missing out on best use of the web, the survey reveals.

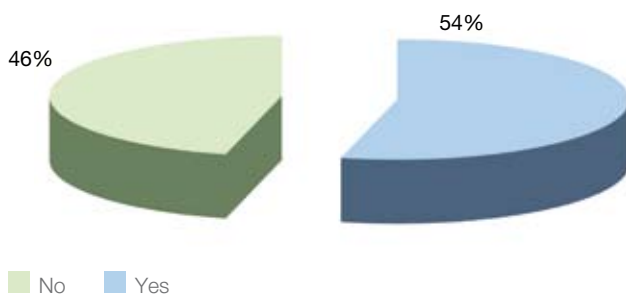
Do you have a website?



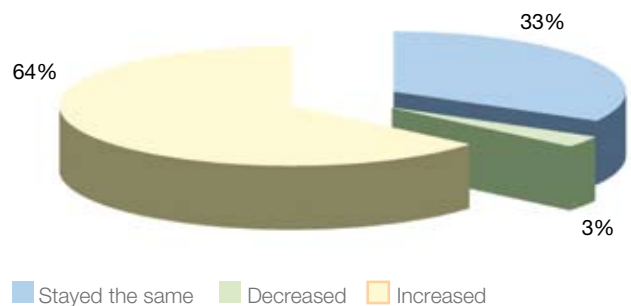
What proportion of your business is generated via your website?



Are you able to take bookings online?



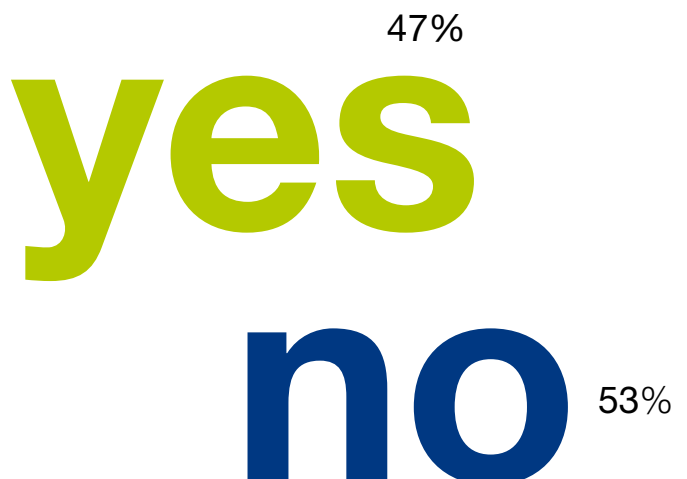
In the last 12 months, have web bookings:



Do you monitor travel review sites, like TripAdvisor?



Do you think TripAdvisor is an opportunity for competitors to be derogatory about your business?



Do you think TripAdvisor is a useful feedback tool?

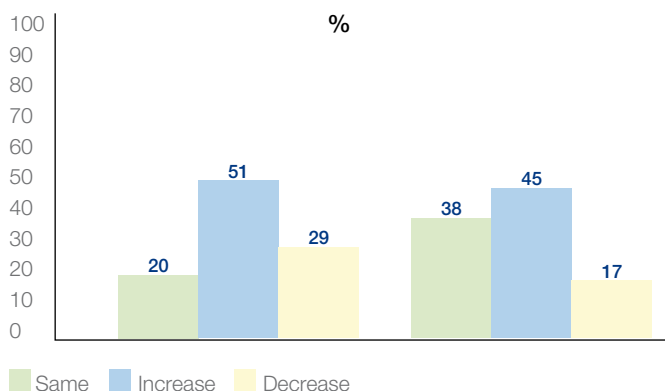


Economy

The economic future may remain uncertain – but, in the experts' view, Norfolk tourism could be poised to benefit.

During the last 12 months, has turnover:

In the coming 12 months, do you expect turnover to:



What they said...

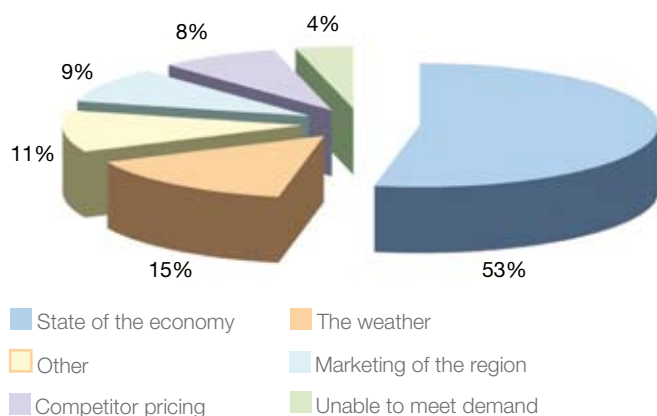
“ There is too much building in Norfolk. The most important factor visitors like is the unspoilt nature of Norfolk, the lack of crowds and the open spaces. Too much proposed building would affect tourism massively.

Lack of government recognition for committed and hard-working self-catering owners.

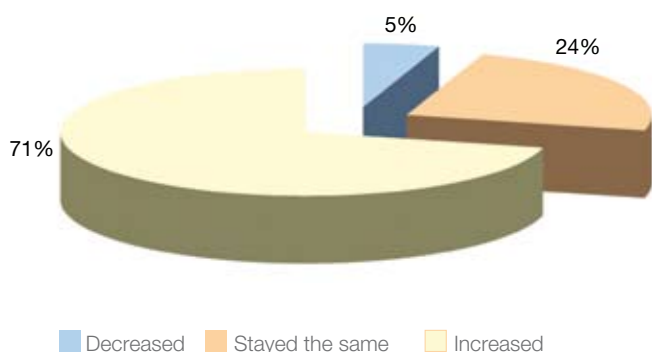
My profits have dropped significantly in the last two years. I feel my little business is no longer viable given the high commitment of time and hard work required.

In a difficult financial climate, finding the investment to do that could make a lot of difference.

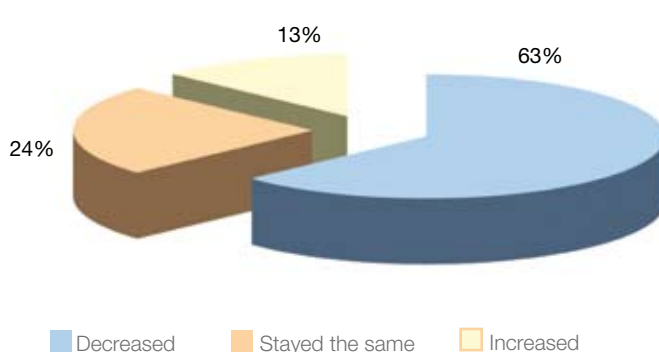
What is the single most important factor that will affect your turnover in 2011?



Have you noticed any change in the spending habits of your clients? The number of customers sticking to a budget:



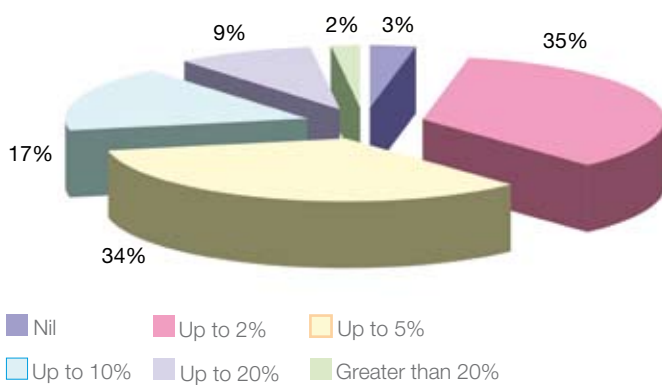
Have you noticed any change in the spending habits of your clients? I believe the “secondary spend” of my customers:



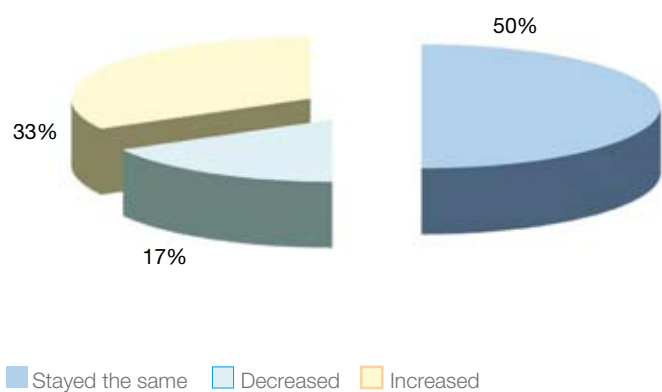
Promotion and marketing

Norfolk businesses are continuing to promote themselves - but when it comes to marketing the region, they feel that more could be done.

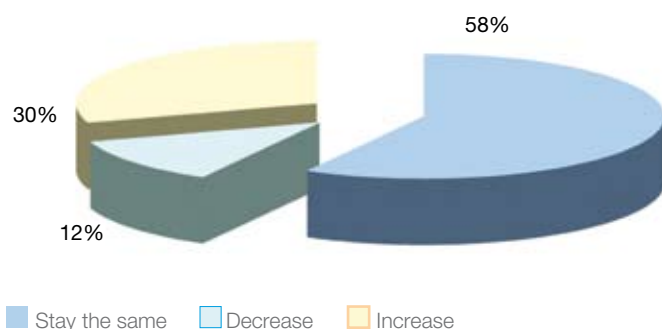
What proportion of your turnover is usually spent on promotion/marketing?



Has the amount spent on promotion/marketing in the last 12 months:



In 2011, will the amount spent on promotion/marketing:



What they said...

“ Norfolk Tourism must be more aggressive in the market place.

I see very little targeted marketing outside the county.

A more joined up approach between different companies to get bigger advertisements and therefore presence for Norfolk would help.

Not enough is made of Norfolk's low rainfall relative to the West Country.”

Is Norfolk sufficiently well-promoted as a tourist destination?



Would you be prepared to pay a sum to help better promote Norfolk?



The last word

We shall overcome...



Keith Brown, chief executive of East of England Tourism, believes the sector can manage its way to prosperity.

Tourism in East Anglia offers domestic and international visitors a wide range of places to visit, stay and experience – from attractive towns and cities to rural and coastal escapes. And our reputation for high quality food and drink is building on the region's growing recognition as a culinary destination too.

But the sector also faces challenges. Our current position as one of the fastest growing tourism areas will be difficult to maintain, despite us either hosting or being very close to a number of exciting events – including many royal occasions and the soon-to-be-upon-us London 2012 Olympic and Paralympic Games.

Competition for the higher spending, more affluent visitors is going to increase significantly. Consumer expectations for high standards of accommodation, experiences at our attractions and the food and drink that they purchase are increasing exponentially, irrespective of the price that they are asked to pay.

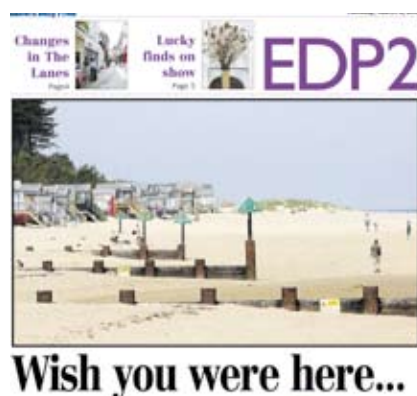
Mediocre will just not do any more!

Those businesses that fail to invest in the quality of accommodation or experience will suffer and quickly. The growth of “user generated content” websites, such as TripAdvisor are becoming powerful tools for visitors to use when selecting places to stay or eat. Love them or hate them, they exist and we have to learn how to manage the feedback that these systems give us.

This demand for quality puts great pressure on business owners and operators to ensure investment levels remain high,



Backing Norfolk tourism: The EDP has supported the sector through the year with regular features, its annual Norfolk Tourism Awards initiative and the Holiday here campaign.



despite the fact that the underlying market is strong. We need higher quality hotels, guesthouses, self catering operations, attractions, restaurants and more of them.

The fact is that the average spend for visitors to our area is still much lower than in any other region which would indicate overall, we are still not yet near our full potential.

Conversely, this factor indicates that our region has the most opportunity to grow and that has to be good news not only for both current businesses but also for organisations looking to enter the market.

Funding for tourism at a national, regional and local level will be much reduced particularly from the public sector as the government's deficit repayment strategy begins to bite.

One could argue that our region, being one of high numbers of SMEs and micro businesses, needs greater levels of public sector intervention.

But, with the demise of Regional Development Agencies and long before the Local Enterprise Partnership becomes established, there is a risk that momentum may be lost. It is therefore important for

the current portfolio of tourism delivery bodies, including my own, to work together to ensure that we are better organised to deliver more for less moving forward.

The prospects for tourism are, I believe good, but we will need strong management and focus to maximise the opportunity that is available to us all.



CONTACTS

EDP Tourism Awards

Go to www.edp24.co.uk/business and follow the link to tourism awards

Norfolk Tourism

www.visitnorfolk.co.uk

East of England Tourism

www.eet.org.uk

New Anglia Local Enterprise Partnership

www.newanglia.co.uk

Visit Norwich

www.visitnorwich.co.uk

Broads Tourism Forum

www.broads-authority.gov.uk/managing/sustainable-tourism/tourism-forum.html

Norfolk Broads

www.norfolkbroads.com

Norfolk Tourist Attractions Association

www.norfolktouristattractions.co.uk

Norfolk Coast Partnership

www.norfolkcoastaonb.org.uk

North Norfolk Tourism Forum

www.nnbf.co.uk/trt.htm

Shaping Norfolk's Future

www.shapingnorfolksfuture.org.uk/content/tourism/

Eastern Daily Press

www.edp24.co.uk

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Which way? Tourism must rise to new challenges.



your future is our future

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on business or
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