

# **The Coach & Tour Operator Market in South East England**

## Executive Summary

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## Executive Summary

This study assesses the current volume, value and characteristics of the domestic coach tourism market in South East England, and uses research evidence to suggest strategies that will encourage growth in this market over the next few years.

After a slow decline in recent years, there is evidence from the Coach Tourism Council that the current economic climate is having a positive effect on coach tourism as customers seek holidays and day trips that offer extra value for money. Although coach holidays represent only a small proportion of the overall domestic tourism market, it is a significant sector and source of revenue for a number of destinations and attractions in South East England.

Using primary research data from coach and tour operators and other sources, it is estimated that in 2008, 3.96 million visitors travelled to (or within) South East England region as part of an organised coach trip or tour, and the local economy benefited from approximately £253.7 million direct visitor spend. Approximately 3.3 million visitors made coach day trips within the region, spending around £82.6 million, while around 656,000 coach holidays were taken in the region, accounting for 2.2 million visitor nights in hotel accommodation and more than £171 million visitor spend.

The coach tourism market has traditionally been perceived to be of limited value to the overall economy, dominated by low-spending elderly visitors. Although it is true that a high proportion of coach trips are made by those aged 55+ and by visitors in the lower socio-economic groups, these visitors tend to take two or more holidays a year, often visiting the same destination. There is also increasing demand for holidays and tours at the 'luxury' end of the market.

Coach and organised group trips benefit destinations and attractions in a number of ways. They are less seasonal and less focused on weekends and key holiday periods than independent tourism trips, and the pre-booked nature of many trips enables attractions and accommodation providers to allocate staff and resources well in advance. Coach travel is also compatible with sustainable tourism, since coaches generate lower emissions than cars and can reduce traffic congestion on roads and in town centres.

Coach management can present problems for some rural destinations and historic towns or cities, but as shown by our case study on Rochester – Medway, those destinations and attractions willing to invest resources in attracting new and repeat coach business can reap substantial rewards.

Key findings from our surveys of coach and tour operators, attractions and destinations have highlighted the following:

- South East England's a popular destination for coach and tour operators based all over the UK. The most significant competition is from London, the South West and overseas holiday destinations.
- Tour operators' selection of destinations or attractions to visit is predominantly consumer-led and based on customer demand.

- Previous experience and word of mouth recommendation were the most significant sources of information used by tour operators to plan their future trips. Thus if a trip works well for the tour operator, the coach driver and coach passengers, further visits are highly likely.
- The internet was also a significant source of information used by tour operators when planning future trips, although other information sources such as printed literature, features in travel trade publications and trade shows or exhibitions were considered important by many.
- Reasonably high levels of satisfaction were recorded for the warmth of welcome for coaches within the region, however, tour operators tended to be less satisfied with other facilities and services such as coach parking, toilets and rest facilities. The need for better and more conveniently located coach parking and set-down/ drop-off points was mentioned frequently by operators as a factor that would encourage them to spend longer in destinations and organise more trips to the region.
- Three quarters of attractions surveyed considered the coach and organised group market to be 'important' or 'very important', with coach visitors accounting for up to 75% of their overall business (around 20% on average). A similar proportion of destinations considered the coach and group market to be 'important' or 'very important', however, few local authorities were able to quantify the value of the coach and group market to their local visitor economy.
- Coach and organised group visits to attractions were most likely to consist of older visitors visiting with social or special interest groups or school and educational groups. Around 83% of the coach and group visitors to attractions were of domestic origin (13% overseas origin) although this showed considerable variation.
- Around 80% of attractions used some sort of promotional activity to encourage visits from tour operators, although a high proportion relied on recommendation and previous visits. Around half of all attractions surveyed offered special incentives to coach driver, organised groups and tour operators to encourage visits. These mostly consisted of bulk/group admission discounts.
- Around two-thirds of local authorities actively promoted their local destinations to the group and tour market, mainly by advertising in travel trade press or attending travel trade events.
- 96% of local authorities indicated that they offer designated parking for coaches in their destinations – around half of these offered free coach parking while the other half charged for all or some of their coach parking facilities. Although most local authorities were confident that the coach parking available was sufficient and suitable for their needs, this was not reflected in the results obtained from the tour operator survey.
- Attractions were optimistic about the performance of the coach and organised group market – around half feeling that coach and group visits were staying about the same while 38% felt this sector was increasing in 2009.
- Overall, there is evidence that the provision of facilities and services varies considerably within the region, and there is significant room for improvement in terms of convenient, safe coach parking and drop-off points close to major attractions and town centres. If venues around the region can be made more 'coach-friendly', more coach visits will result.
- Tourism South East already offers a strong programme of activities targeting the travel trade and group organisers, however, there are opportunities to work in partnership with attractions, destinations and accommodation providers to improve the appeal of the region to coach and tour operators and increase the region's share of the organised group and coach market.