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Visitor Inspired

Activities Tourism – Sharing Success

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1. Introduction

This is the sixth in a series of insight papers and is centred around Northern Ireland's (NI) activities tourism offer. This series of papers is aimed at providing participants within the tourism sector with key insights into tourists' needs and trends, and provides ideas to help companies make the most of their involvement in the sector.

Activities are a key part of the tourist experience. Defining the market can be a challenging task with so many activities available to tourists. For the purposes of this paper, the main activities examined are fishing, golf, walking, cycling, outdoor adventure activities, water sports and equestrian activities.

Some of these activities are typically free to access (such as walking and often cycling) and so do not have a value market size in their own right. The value from the activities market is drawn from other expenditure on tourists' visits, on areas like food, drink and accommodation[1]. Activities are a key draw in their own right for visitors, and so there is benefit to be had by all participants in the tourism sector through facilitating, encouraging and getting involved in the provision of activities.

2. Setting the scene

Activities tourism is a truly global tourism segment. According to the Adventure Travel Trade Association (ATTA) global adventure tourism was estimated to be worth US$89 billion (£55.4 billion) from 150 million trips taken in 2010. This includes hard activities (such as climbing and trekking) and soft activities (for example walking, bird watching and safaris). Soft activities make up the majority of this market.

The ATTA further reported that adventure travel is outperforming the wider tourism industry, and is being supported by growth in domestic tourism (on a global scale). In early 2010, some 70% of ATTA members reported that they were expecting sales growth for the coming year.

The above figures do not include expenditure on air travel or purchases of apparel and equipment, such as skiing gear. This latter segment is estimated to be worth a further US$53 billion (£33 billion), presenting further opportunities for the NI clothing and sports retail sector.

While the overall adventure activities market has been growing on a global level, tourists' attentions are being drawn by domestic market activities, due to the recession, which may have mixed implications for the NI activities sector.

It may become increasingly difficult in the current climate to draw activity participants from overseas markets. However, the areas which have experienced the sharpest decline are segments such as skiing. Mintel UK reported that the largest growth can be expected to come from soft adventure activities such as walking, cycling and canoeing. This may be good news for the NI tourism market when targeting overseas tourists, as visitors look to less extravagant activities such as walking. Also it is encouraging for the NI domestic tourist market.

Another positive for the NI activities sector is the price competitiveness of NI relative to neighbouring regions with a similar offer. The Republic of Ireland (RoI) and Great Britain (GB) markets are the top source for tourists to NI and have a lot more potential. For example the RoI market for activities tourism is estimated to be worth €1.1 billion in 2009. Of this, €653 million came from overseas visitors and €404 million from the domestic market.

[1] NB: Please note, all market size estimates must be treated with caution. They may include double counting as the participation count refers to a case of participation rather than a visitor.

The Mintel report *Outdoor Activities and Visitor Attractions - Ireland - December 2010* showed that activities providers in RoI are struggling to capture the NI audience as they have limited opportunity to differentiate themselves and have a higher cost base. So, there may be opportunity for the NI sector to capture some of the RoI market. Similarly British tourists spent an estimated £1.1 billion on activities within the domestic market. They spent a further £3.6 billion overseas. With a competitive cost base in NI and low consumer sentiment throughout the UK, the NI tourism sector could potentially draw some of this £3.6 billion from competing overseas destinations, and even tap into the £1.1 billion GB domestic tourism market.

This report aims to provide insight into how this can be achieved, how domestic tourists in NI can be enthused and how the overall market can be built up.

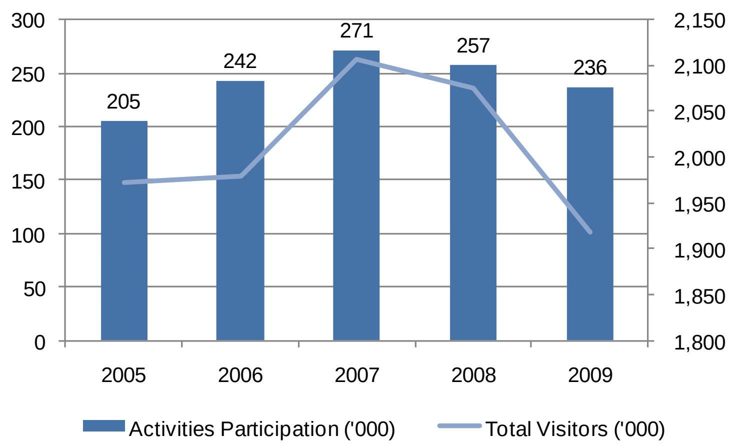
3. The Market for activity tourism in NI

Activities tourism figures are not available for NI, but Fáilte Ireland estimated that activity tourists spend 33% more than the average tourist. Based on this, it is estimated that the activities tourism market in NI is worth £55 million in overseas tourist spending. This equates to approximately 16% of overseas tourist spending in NI in 2009. Combined with the RoI and domestic market, the whole market could be worth as much as £90 to £100 million per annum in revenue for NI tourist businesses.

3.1 Activities participation falls with the tourism sector

The numbers of overseas visitors participating in activities has fallen since 2007, in line with a decline in the wider tourism sector. Overall there were some 236,000 overseas participants in activities in NI in 2009.

Figure 1: Overseas Visitor participation in activities while in NI, 2005 to 2009



Source: NITB/Mintel Ireland

NB: Please note, all market size estimates must be treated with caution. They may include double counting as the participation count refers to a case of participation rather than a visitor.

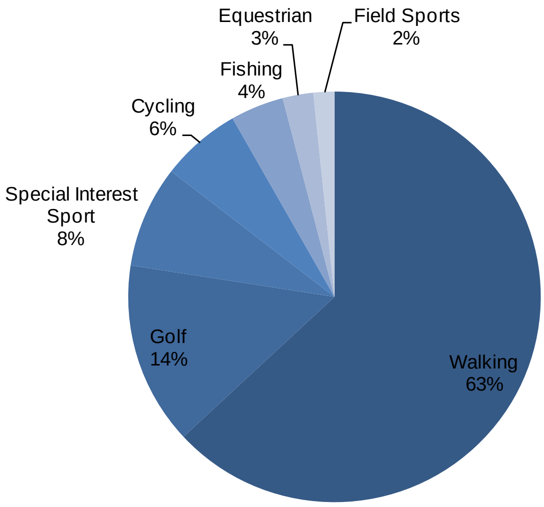
The number of participants fell by 13% between 2007 and 2009, compared to a 9% drop in overall overseas visitor numbers. However, though the overseas tourism market is highly important, the majority of participation in activities comes from domestic tourists and from RoI tourists. The recession has seen consumers less able to afford a holiday, while those that still take one are cutting down on the activities they undertake in order to limit their spending.

In a Countryside Access and Activities Network (CAAN) survey of activities providers in 2008, it was found that 65% of all tourist customers came from NI and a further 17% came from RoI.

3.2 Walking tops activities list

Walking is the most popular activity, as well as being one of the most resistant to the economic conditions. Some 63% of activities covered in this article were made up by walking. Furthermore the numbers participating in walking increased by 57% between 2005 and 2009, albeit decreased by 4% between 2008 and 2009. Placed in context though, this is a better performance than overseas tourism and activities as a whole.

Figure 2: Overseas Visitor participation in activities by activity type, 2009



Source: NITB/Mintel Ireland

NB: Please note, all market size estimates must be treated with caution. They may include double counting as the participation count refers to a case of participation rather than a visitor.

Golf is the next most popular activity, though has been declining since 2006. The Mintel report, *Golf - UK - March 2009,* noted that during a recession golfers do not typically fall in number, but just play with less frequency. Cost is often cited as a reason for this.

Despite falling numbers, the proportion of dedicated golfing trips as a percentage of golf participation is very high. Of the 33,900 participants in golf in 2009, some 27% visited NI specifically to play golf. By comparison to walking, of the 149,100 participants, only 2% came to NI specifically to take part in this activity.

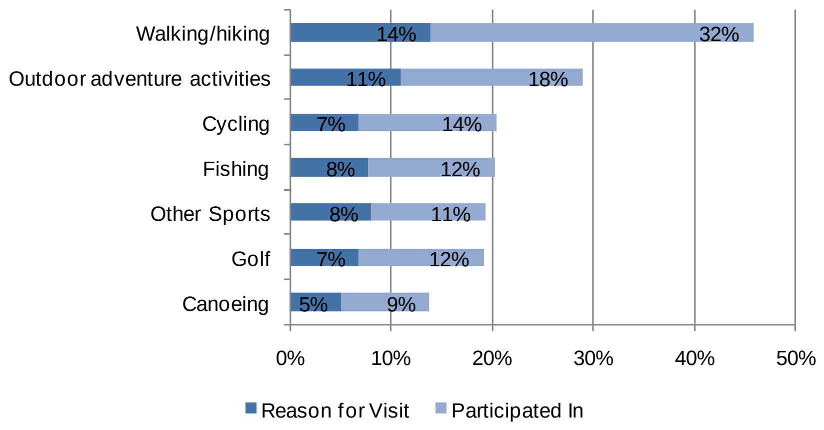
The participation trends were similar with special interest sports. Some 43% of those participating in special interest sports visited NI specifically for that purpose, while only 2% of those participating in cycling did so to participate in it.

Fishing is a combination of a number of segments, each of which has different dynamics. Only a fraction of those that went sea fishing did so as part of a dedicated fishing break however a high proportion of those that went coarse or game fishing visited NI primarily to do so.

3.3 Golf further down domestic visitors' agenda

Similar to overseas visitors walking and hiking was the most popular activity for domestic tourists. Some 14% of domestic tourists took a break in NI primarily to walk. A further 32% participated in walking while on a break in NI.

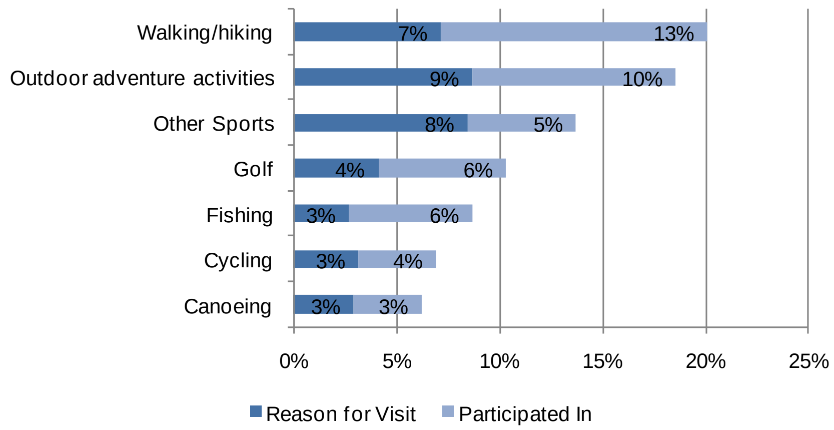
Figure 3: Domestic Visitor participation in activities by activity type, 2009



Source: Mintel Ireland/Toluna

Outdoor adventure activities was the next most popular activity, in terms of both overall participation and in terms of specific outdoor adventure oriented breaks. Unlike overseas or RoI tourists golf had relatively lower participation rates relative to other activities measured.

Figure 4: RoI Visitor participation in activities by activity type, 2009



Source: Mintel Ireland/Toluna

Walking and outdoor adventure activities were also the top two activities for RoI visitors to NI. Other sports also featured highly and this is perhaps an influence of RoI consumers having higher participation in sporting clubs such as football, rugby and Gaelic Games.

There are a number of trends driving participation in activities tourism as a whole. In addition to this each type of activity has its own target audience. The next section reviews these trends.

4. What the visitor wants

4.1 How is the recession affecting activities?

Trends in activities by overseas tourists show a decline in activities participation during the recession, but how have conditions affected the domestic and RoI markets?

In the Mintel Ireland report *Outdoor Activities and Visitor Attractions - Ireland - December 2010*, some 26% of NI adults and 38% of RoI adults claimed that they had cut back spending on holidays in the past 12 months. However, when looking at the key target market for activities tourism (15 to 25 year olds) this drops significantly.

Some 16% of NI and 20% of RoI consumers, aged 15 to 25, have cut back on holiday spending. Furthermore, activities are typically more frequently participated in by men, who are also less likely to cut back on holidays, when compared to women. Though this still means a sizable portion of the target market is looking to cut back, the situation for activities tourism is more positive than for other areas of tourism spending.

However, the report did show that consumers are looking for increasing value for money when spending on leisure time activities. Some 24% of RoI adults agreed with the statement "I look for the best value option when planning how to spend my free time". This was most significant among 15 to 24 year olds and among men.

It is clear from this that consumers still want their leisure time and holidays during the recession, but also want good value for money. For example consumers are opting for more free activities, and are more likely to take picnic or packed lunch with them to save on the cost of dining out.

4.2 What is the focus of adult's leisure time?

There are a wide number of trends affecting how people view their leisure time, and these influence how tourists spend their holidays.

With aging populations in Ireland and in many of NI's key source markets for tourists, these are key considerations when planning activities. These results show why less intensive (soft) activities such as walking are more popular than activities such as canoeing. However, it also shows that there is an appetite for a wide range of activities to suit all ages.

Similar conclusions can be drawn from examining NI's biggest overseas source market for tourists, Great Britain. The Mintel UK report *Activity Holidays - UK - February 2010*, gives some key insight into trends among holiday makers from this area. Some 47% of GB adults prefer relaxing holidays, while only 23% agree that activity holidays are ideal for families. (Ipsos MORI UK, 2009)

The same report does give indications as to some of the motivations for taking activity holidays. Some 20% agree that they are a great way to escape the pressure of everyday life, while 20% also agree that they are a good way to socialise. Only 9% agree that they would prefer to take an activity holiday in the UK, however, this increased to 17% when only those who would potentially go on an activities holiday for the first time were included. This could potentially make NI a key destination for GB tourists to test out activity holidays and learn skills to help them engage in activity holidays.

Interestingly, only 6% agree that they "are for the young", suggesting that there is an appetite out there among older tourists. The type of activity that they want is the key issue.

It seems that different groups of visitors want different things depending on lifestage and income. It is not surprising then that each of the activities that NI has to offer has a different target audience. The key targets for NI's key activities are outlined as follows, based on a specially commissioned consumer survey among domestic and RoI tourists to NI, and from a range of Mintel UK and Ireland reports.

4.3 Walking and hiking – Catering for all ages

- Walking is one of the few activities that has a relatively evenly split between male and female interest among both NI and RoI visitors. Those that take a break in NI specifically for a walking break, typically come from younger age groups.
- However, among domestic tourists, those that participate in walking as part of a wider scoping holiday are more evenly split among the age groups. In contrast, RoI tourists that participate in walking, but do not specifically visit NI for a walking break, fall in numbers as they age. It is possible that older consumers like to participate in walking but are not as fond of travelling to do it.
- The Mintel UK report *Activity Holidays - UK - February 2010* had similar findings; that walking is a more universal activity across all age groups, but younger walkers are more adventurous.
- Further insight into the Walking Tourism market is available in the NITB Walking Tourism Insights Article to be published in February 2011 (and is available to download Here).

4.4 Outdoor Adventure – The remit of younger women and men

- The trends among domestic tourists and RoI tourists show that outdoor adventure activity breaks in NI decline in popularity with age, but is still quite popular with adults under the age of 49. These breaks were most popular among 16 to 24 year olds.
- The key difference between domestic tourists and RoI tourists is that female domestic tourists slightly were more likely to take a dedicated adventure holiday break in NI than males. For RoI tourists this trend was reversed.
- Trends between age and gender equalise among both sets of visitors for participation in outdoor adventure activities as part of a wider break.
- Outdoor adventure breaks were not measured as a whole in the Mintel UK report *Activity Holidays - UK - February 2010*. However for more intensive activities such as mountaineering/climbing, these were more male dominated and attracted much higher participation levels from those under 25.

4.5 Cycling – Occasional cycling taps into a wider audience

- For both domestic and RoI tourists, men were much more likely to go on a dedicated cycling break in NI. The difference in participation between men and women declined significantly for participation as part of a wider break.
- For any cycling participation, younger adults were more likely to participate, and very few responded from those aged 50 or over.
- UK tourists show similar results in terms of gender and lesser popularity among those aged over 50. However, they did find that cycling was most popular among 35-44 year olds, and among couples.

4.6 Fishing – Unpopular among women

- Men from both NI and RoI were much more likely than women to go fishing on a break in NI. For domestic tourists, dedicated fishing breaks were most popular among 16 to 24 year olds, and for RoI tourists among 25 to 35 year olds. For overall participation, 16 to 24 year olds were the most likely to try fishing.

4.7 Canoeing/Watersports – Offers potential for the family market

- For canoeing 16 to 24 year olds were the key age group for participation among both domestic and RoI tourists to NI. There was very little participation outside of this group and little to no participation of anyone over the age of 49.
- What was different about canoeing to other activities was in terms of gender participation rates. In terms of dedicated canoeing breaks in NI, women were almost as likely to participate as men. However in terms of participation as part of a wider holiday, men were much more likely to participate than women. This suggests that those with a keen interest in canoeing are relatively evenly split across men and women.

- In GB, for the wider water-sports activity break market, participation was highest among those aged 35 to 44, with participation rates falling significantly for over 55's. The wider water-sports market was also seen as a family friendly activity with almost equal amounts of participation from those with families, as those without. This makes it the most family friendly type of activity break.

5. What the visitor gets

5.1 Activities Providers

The NI activities sector is made up of a large number of operators, most of which are small independent companies. For example in a CAAN survey of activity providers, 31% of providers had an annual turnover of less than £50,000, while 38% had a turnover of more than £200,000. This diversity is a strength of the NI offer. With so many providers, visitors have a wide range of activities and sites to choose from.

The numbers of listings under key categories are outlined below from the Discover NI website (www.discovernorthernireland.com). These refer to providers, sites and facilities. Angling offers the highest number of sites and providers with hotspots across the six counties' lakes, rivers and coast line.

Figure 5: Number of visitor activities by activity type in NI, 2010

	Number of Providers/sites
Angling	424
Cycling	136
Golf	128
Watersports	89
Adventure Activities	72
Equestrian	65

Source: Discover Northern Ireland

There is also a wide range of cycling routes and providers, and of golf courses. Adventure activities and equestrian providers have the lowest numbers, but given the number of visitors to NI and the area in which they travel, there is still a significant amount of choice for the visitor.

5.2 Accommodation

NI has a wide range of accommodation across all types to suit multiple target segments for activities tourism.

Figure 6: Visitor accommodation by type, 2010

	Total	Rooms	Bedspaces
Hotels	138	7,754	17,352
Guesthouses	122	979	2,239
B&Bs	624	2,144	4,899
Self Catering	1288	5,384	10,511
Hostels	44	1,113	2,533

Source: NITB

This range is vital to the activities tourism sector. For example, in the 2010 CAAN report on walking tourism, the most popular type of accommodation was hotels. For NI tourists this was followed by B&Bs, but RoI tourists on walking trips had a preference for hostels and camping.

6. SWOT analysis

6.1 Strengths

Range of activities - Diverse range of activities suitable to a variety of users.

Clear interest in activities – Both the consumer research and review of sector reports show that there is a clear interest in activities and that this segment of the market is outperforming the wider market for tourism in global terms.

Reputation – NI has a reputation for quality canoe trails, of which five have been developed throughout NI and three new coastal trails under development.

Lower costs – NI has a lower cost base and offers better value for money than some neighbouring markets, which is a key selling point in recessionary times.

Natural Environment – The coastline and countryside of NI makes it an ideal location for many activities such as hillwalking and outdoor adventure activities.

Compact destination – Given the small geographic area, activities and points of entry to NI are relatively close to one another. This allows for easy participation in both activities and other areas such as shopping and cultural activities, providing a comprehensive offer for a break.

Exchange rates – Though not as good as they were toward the end of 2008, exchange rates are quite favourable for those coming from the Eurozone, meaning good value for money.

6.2 Weaknesses

Venues - Lack of multi-use venues to act as hubs for both soft and hard adventure e.g. forest parks.

Knowledge gap - Poor knowledge of opportunities for activities within the tourism industry.

Climate – Most activities involve the outdoors and with a relatively poor climate (ie cold and wet weather), activities may only be appealing to enthusiasts during poorer spells of weather.

Falling visitor numbers – Though activities have outperformed the wider tourism sector, falling visitor numbers have had a negative impact, particularly on dedicated activities breaks in NI.

6.3 Opportunities

Ideal learning destination – Many tourists who are thinking about an activities holiday for the first time are looking closer to home to try it out, rather than going to the expense of a distance holiday they may not enjoy. NI could position itself as a destination for UK and Irish visitors to try new activities out.

Partnering – Most participation on holidays is done as part of a wider ranging holiday. Partnering between activities providers, accommodation providers, cultural facilities/events, wildlife tourism operators and other stakeholders in the tourism sector, could help to develop more wide ranging itineraries and packages. This could in turn help to attract a wider audience of non-expert participants in activities.

Incentive travel – As part of the business travel market, incentive travel has been hit hardest by recessionary times. Yet this has been traditionally associated with more exotic destinations. Promoting low cost incentive travel may draw activities tourism from the business communities in key source markets.

6.4 Threats

Aging population – Activities are more popular among younger adults and an aging population presents the largest threat to the future viability of more physical activities.

Consumer confidence – When economic conditions improve domestic tourists may be more confident about booking overseas holidays, rather than looking to lower cost alternatives at home.

Longer working weeks – Anecdotal evidence suggests that consumers are working harder in the current climate. This may result in tourists looking to solely relax when they are on holiday, rather than participating in as much sporting activity.

7. Recommendations to maximise the market

7.1 Partnering for success

Many activities are limited to a few demographic groups. Partnering with other tourist operators to develop itineraries may help appeal to a wider audience. For example offering adventure activities to younger visitors and entry to cultural facilities for their parents, or combined golf and spa offers so that there are itineraries for couples. Developed at a discounted price, this would also appeal to the cost conscious. NITB's *Product Partnerships – November 2010 business insight report* is available to download Here.

7.2 Know who you're talking to

Activities can be a key driver for families or 15-25 year olds, however they are only part of the decision making process. For example, as indicated in NITB's *2010 'Know to Grow' marketing plan* (available to download Here), the key motivation for 'Young and lively' 15-25 years olds visiting a city may be to attend a festival or to go 'clubbing'. However, they will probably also want to partake in some form of activity, such as Zorbing. For this segment, it's all about being young free and single and enjoying the underground scene. It is therefore important that marketing communication contains all these messages.

7.2 Urban outdoor activities

Many tourists coming to NI visit urban areas and take short breaks. This can often put outdoor activities out of reach. Where there are some urban based activities (such as indoor climbing walls, ice skating, etc) available, even though there is a large amount of green space in Belfast e.g. canoeing on the Lagan, there is a limited outdoor activities on offer in urban areas. This presents a key opportunity to offer activities to the wider NI tourist market. For example cities like Paris and, closer to home, Dublin offer public bicycle rentals. Tour guides could use facilities such as these to offer guided cycle routes, or walking tours through urban centres.

7.3 Social networking

Social networking is already used by many activities providers as a promotional tool. This can be used more effectively by asking participants to post photos of their experience on their social network home page and tag the photos with both the participants name and the activity providers' name. Through this activity providers will get clear visibility among participants' friends and family.

7.5 Family days

Many activities such as golf are not associated with families. There is opportunity to offer family days to maintain interest of target audiences. For example, as shown earlier, many people give up golf due to family commitments, time constraints and due to cost. Offering free child entry with adult green fees, or entry to a driving range, may present a chance for parents to teach their children golf while on holidays. This would in turn spur on another generation of golfers. This could be applied to many activities which require skills, but can be taught by informal instruction.

7.6 Night time activities

The NITB Insight paper *Tourism and the Pub -Maximising Opportunities - September 2010* (available to download Here) notes that many visitors to NI feel it is somewhat lacking in night time activities. There might be scope for adventure activities to take place at night. For example guided walking tours through forests, or night angling for fishing enthusiast.

8. Conclusion

The activities marker has faced challenging conditions, but due to the diversity in the range of activities NI is well placed to grow. This can be done by targeting younger consumers with existing activities, and also through developing lighter activities for older or less participatory age groups.

Working with market trends, rather than trying to combat them is the key method to success. This means offering competitive pricing, as well as incorporating family and relaxing time into activities and activities packages. However, with so many activities available in NI and overseas, having a clear focused message about what is on offer is key to success.

9. Sources

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