Report for Looe Town Council

Market Analysis of Tourist Accommodation to Inform the Looe Neighbourhood Development Plan

February 2020

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Objectives

To undertake a study to provide Looe Town Council with an overview as to the current and likely future trends of demand and supply for tourism accommodation in the Looe catchment area.

Methodology

PFA Research proposed and agreed with Looe Town Council to implement a package of research work through three strands:

1. A thematic review of existing tourism research and other evidence-based sources deemed relevant, to understand…
    - The shape of current a likely future accommodation;
    - The characteristics of new and evolving forms of tourism accommodation;
    - Issues that planning policies should be designed around to facilitate and/or regulate the evolution in the tourist accommodation stock in a sustainable manner.
2. 'Map'/analysis of existing tourism accommodation in the study area, especially with regard to category of provisions including AirBnB or other 'unregulated' providers.
3. Primary research through a number of in-depth telephone interviews amongst a sample of providers for 'on-the-ground' context.

1. Market Trends and Futures

Approach & Scope

A desk-based exercise reviewing existing tourism research and other relevant literature and publications, in order to understand…

- The shape of current and likely future accommodation;
- The characteristics of new and evolving forms of tourism accommodation;
- Issues that planning policies should be designed around to facilitate and/or regulate the evolution in the tourist accommodation stock in a sustainable manner.

- Evidence base compiled primarily from known sources and tactical web search and organic leads
- 32 documents comprising statistical reports, expert qualitative reports and thought articles
- All current – ranging from 2014 to 2020 (though mostly 2018-2020)

- Each resource reviewed and extracts lifted, or summarised, into data capture 'framework', under themes:
  - Trends impacting tourism accommodation (Global, National or Local);
  - Characteristics of new and evolving forms of tourism;
  - Considerations for planning policy;
  - Other relevant issues relating to market demands.
- Each theme then compiled into commonly occurring and interesting narrative topic summaries. i.e. = an analysis of findings.

Ref	Date	Evidence Source
01	2020	100+ Hotel Trends to Watch in 2020
02	2016	VisitEngland 2016 Census of Non-Serviced Accommodation Stock
03	2016	VisitEngland 2016 Census of Serviced Accommodation Stock
04	2018	Kantar – The GB Tourist 2018 Annual Report
05	2019	Globaltrender article – Airlines and hotel chains resolve to eliminate single-use plastic
06	2014-2018	UK Occupancy Survey – Final Summary Reports
07	2019	Booking.com Predicts Top Travel Trends for 2020
08	2016	Economic Impact of The Rural and Coastal Self-Catering Sector in England
09	2015	Airbnb Economic Impact Blogs
10	2019	Deloitte – Travel and Hospitality Outlook 2019
11	2019	GB Tourism Survey - Quarterly Regional Summary Q2 and Year-to-date report
12	2019	Globaltrenders report – Gen Z travellers think 'a lot' about their environmental impact
13	2017	British Multi-Generational Travel Trends
14	2020	Globaltrender 2020 Travel Trend Forecast
15	2016	Looe Visitor Survey 2016
16	2020	Globaltrender article – Singles holidays among women over 50
17	2019	House of Commons Briefing Paper: Tourism statistics and policy
18	2019	Sykes Holiday Cottages – Staycation Index 2019
19	2018	House of Commons All Party Parliamentary Group for Tourism, Leisure and Hospitality
20	2019	Tourism Alliance: UK Tourism, 2020 and Beyond
21	2019	Evening Standard article - The top travel trends for 2020, according to experts
22	2019	ABTA – Travel Trends Report 2020
23	2018	UKHospitality – Home Away from Home Hotel Technology
24	2018-19	VisitEngland – England Occupancy Reports
25	2017	VisitEngland –Future Travel Journey; Trends for Tourism Product Development
26	2017	Visit Cornwall – Visitor Survey 2016/7
27	2019	Over 50s travel trends - Selling Travel
28	2019	The biggest travel trends of 2019 for the coach tour industry – we-are-sygnal.com
29	2019	Titan Travel Trends Report 2019
30	2019	Top 2019 Holiday Trends Revealed! A Class Coach Hire
31	2020	Top UK travel trends for 2020 - British Travel & Tourism Show 2020
32	2019	Silver Travel Survey - Coach Tourism Association

Key findings

Trends impacting tourism accommodation

✓ **Progressively eco-conscious visitors**

Plastic free and environmentally conscious is the new standard, consumers increasingly aware and expecting of providers to have credentials in place. Younger generations (the Gen Zs and Millennials) are making consideration of their environmental impact, where they go and how they get there. They expect providers to be ethical with good eco-credentials. Whilst climate change doesn't curtail their desire to travel, they'll seek out unique experiences and offset their carbon.

✓ **Luxury and value to be 're-imagined'**

Reduced demand for lavish and opulence. Luxury may be small (even 'micro') spaces, with new focus on imaginative design, "re-purposed" buildings and spaces, value delivered through (say) gastronomy and authentic relaxation. Uniqueness, quirky, with history (for the ancestral traveller) in demand.

✓ **Experiential and immersive experiences**

Possibly slow travel (valuing the journey as much as the destination), personalised, off the beaten track, through retreats offering upskilling, learning for life, wellness, activities, sports or music…

✓ **Technology is not an add-on**

Underpins service, as standard, allowing easy booking (increasingly online) and facilities on the tap of a button. Providers will be ultra-responsive; using apps to serve up experiences and ultra-affordable hospitality, through e-payments not cash. WiFi and excellent broadband are expected (home-from-home essentials - though the kettle & tea/coffee are even more important!)

✓ **Greater understanding of traveller preferences**

Personalised through effective, efficient and cognisant staff who are culturally and technically astute; for increasingly differently individual needs, the solo travellers, 'modern nomads'. One size won't fit all; need conscious awareness of visitors' life choices, such as meat-free/vegan requirements, their increasingly last-minute spontaneity, such as to choose booking accommodation on route.

✓ **Dogs ever welcome**

Increasingly important for travellers to be able to keep the family together. Providers can help and provide pet essentials (beds & bowls) and such accommodation can command a premium.

✓ **More for staycations and local markets**

Increasing, though evidently uncertain at the moment! In the South West, there was a decrease in the volume of overnight trips, bed nights and expenditure 2018-19. However, average length of stay increased. Cornwall is an evermore popular spot for a 2020 staycation and self-catering accommodation most preferred.

✓ **No stopping the sharing market**

Airbnb (and its relations) and its platform enables new providers to meet the needs of the modern, digitally enabled traveller; where guests "live like locals", take immersive experiences, love quirky environments, adapting to their flexible. The serviced sector is responding and the rise of digitally-enabled concierge services will meet demands.

Key findings

Characteristics of new and evolving forms of tourism

✓ **Ready for the Boomers**

Of all the generation groups, the Baby Boomer generation spends the most time on vacation and is the group most likely to prefer international trips, to relax and sightsee. They are least likely to be tied to a budget and will set a greater proportion of their holiday funds into accommodation rather than experiences. ‘Empty nesters’ saw the greatest increase in domestic trips taken over 2010-18 (when both pre-nesters and older independents saw declines). 2020 will see more grandparents taking vacations with just their grandkids, leaving the middle generation at home.

✓ **Gap years in retirement**

Retirement will be less about reaching a certain age and stopping work, and more about making time for new opportunities. Increasing numbers of people are actively planning to retire earlier and look to fill the time with adventure and global travel. In a survey, nearly half (47%) of global travelers plan to be more adventurous in their travel choices in retirement, and a fifth (19%) of those already retired were planning a gap year, perhaps travelling for several months without interruption.

✓ **Slowed down tourism**

As much about the journey as the ultimate destination, new tourism will be about ‘slow travel’, ultimate relaxation perhaps for sleep retreats, deeper connections with destinations (and the stops on the way), a lighter itinerary, and overall low pressure… all this fits with a smaller journey footprint, positively impacting the local economy and the eco-conscious traveller.

Key findings

Considerations for planning policy

- ✓ **Space thinking and design**

  To meet the demands for experience and deep connection to place, prepare for mixed use of spaces (e.g. holiday lets on one floor with retail and apartments on others), innovative designs for uniqueness, incorporating creative spaces for galleries, nature or community use.

- ✓ **Influence of the eco-brands**

  Large hotel brands make the noise and appear to be driving (and being driven) for eco-friendliness. They'll tick the boxes and place downward pressure on smaller service sector providers to step up. It's likely that small independents and sharing sector are ready responsive and maximizing opportunities to connect to eco-conscious visitor expectations.

- ✓ **Modern nomads/digital nomads**

  Rather than stay in hotels, which are expensive for longer- term stays, or Airbnbs, which can be isolating, modern nomads are choosing apartment-style "co-living" communes.

- ✓ **Changing spaces to meet market demands**

  Increasing demand from the market for independent self-catered space, easy booking, chic with privacy, that's pet friendly, and outdoor luxuries such as hot tubs – potentially impacts on indigenous communities

- ✓ **Access and roads**

  From the Visit Cornwall survey, using their own car or van (82%) was the most popular form of transport used when visiting Cornwall, with a further 6% using a hire car or van. Visitors want to park nearby their accommodation which can result in increased vehicle movements in places that are not designed for it – especially in sharing sector.

2. Tourism Accommodation in Looe

Approach & Scope

A desk-based analytical exercise

…to 'map' existing tourism accommodation in the study area

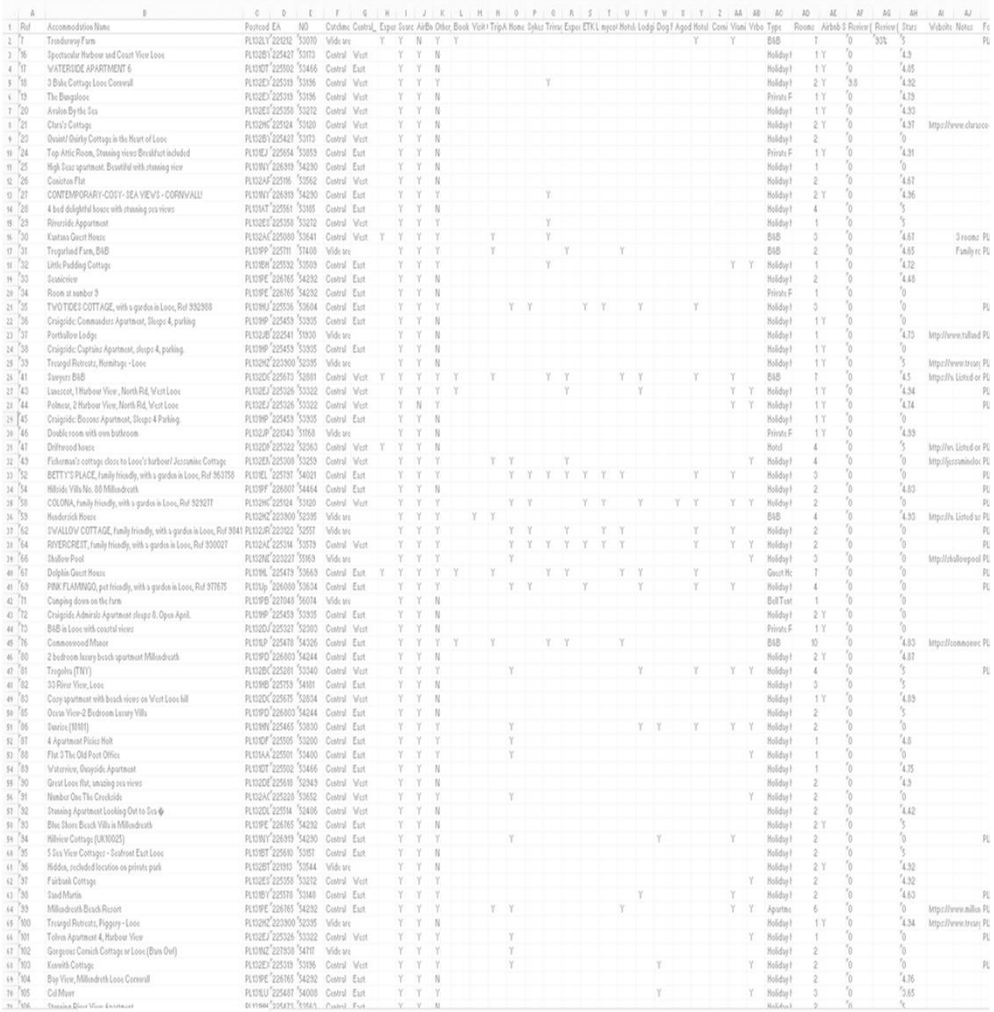
…especially with regard to category of provisions including Airbnb/'unregulated' providers.

N.B. Work concentrated on serviced and non-serviced accommodation (hotels, guest houses/B&B, holiday homes and sharing sector). Camping, caravanning and holiday parks noted and plotted but not analysed.

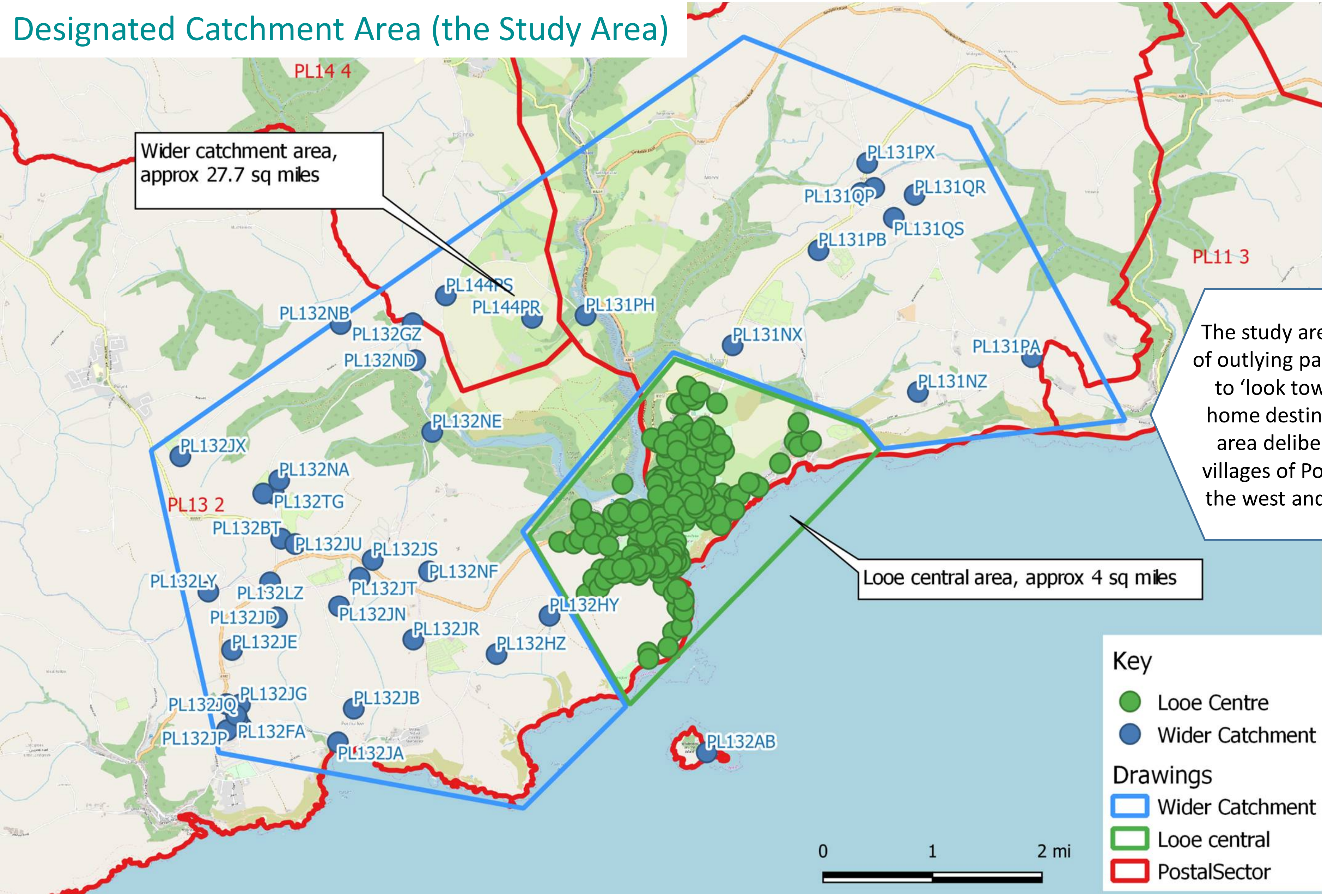
Database compiled from:

- Data purchased from Experian, selected on SIC codes (SIC group 55)
- Strategic and thorough examination of several online travel agents
- Other capture of organically discovered providers as 'snowball' effect

- For each provider, recorded known or best possible estimate of…
  - Postcode
  - Number of rooms (rather than beds – not always available)
  - Type of provider (e.g. hotel, B&B, holiday home, holiday park)
- If available and where possible:
  - Website
  - Star ratings & review score



Designated Catchment Area (the Study Area)



The study area takes in a number of outlying park sites that are likely to ‘look towards’ Looe as their home destination. However, the area deliberately excludes the villages of Polperro and Pelynt to the west and Seaton to the east.

Looe Baseline - Key Findings **(Profile)**

Database compiled of **362** businesses/lets within the catchment area:

- **80%** are concentrated within the 'Looe central' area; **20%** within the wider area.
- **81%** of the total businesses are self-catering lets ('holiday homes') – being 86% of the central businesses and 59% of the wider area businesses (Figure 1).
- **72%** of 1,017 rooms counted (excluding holiday parks/camping/caravanning) are in holiday homes, **17%** in B&B and **10%** in the hotels (Figure 2). 74% of all rooms are in the 'Looe central' area (and mostly in East Looe) (Figure 3).

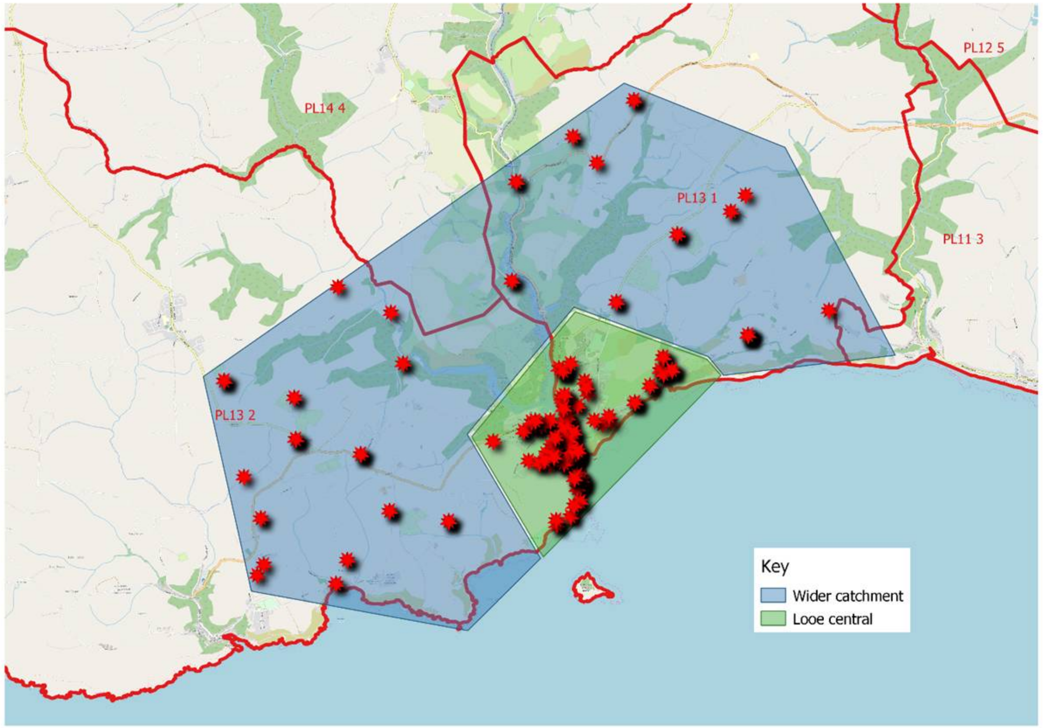


Figure 1 - Accommodations

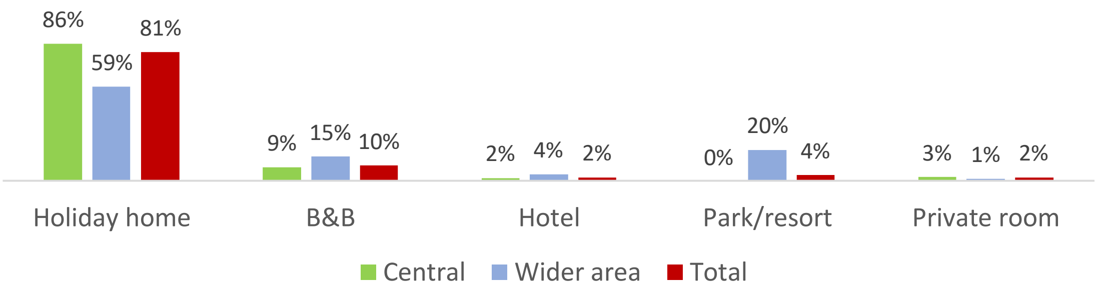


Figure 2 - Rooms

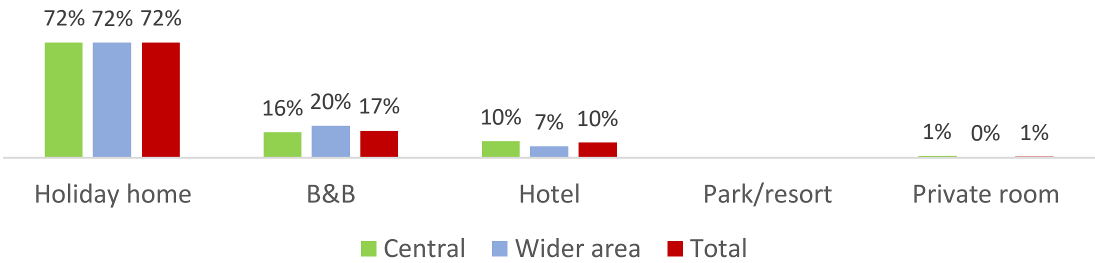
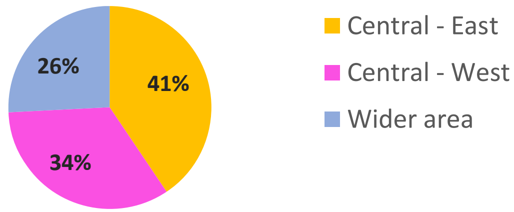


Figure 3 – Distribution of Rooms



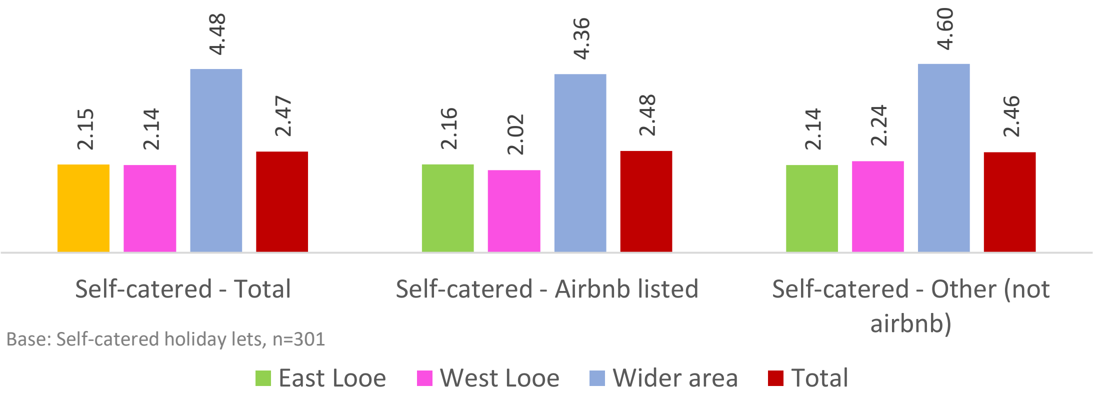
Looe Baseline - Key Findings **(Airbnb)**

Of the **362** businesses/lets on the database within the catchment area:

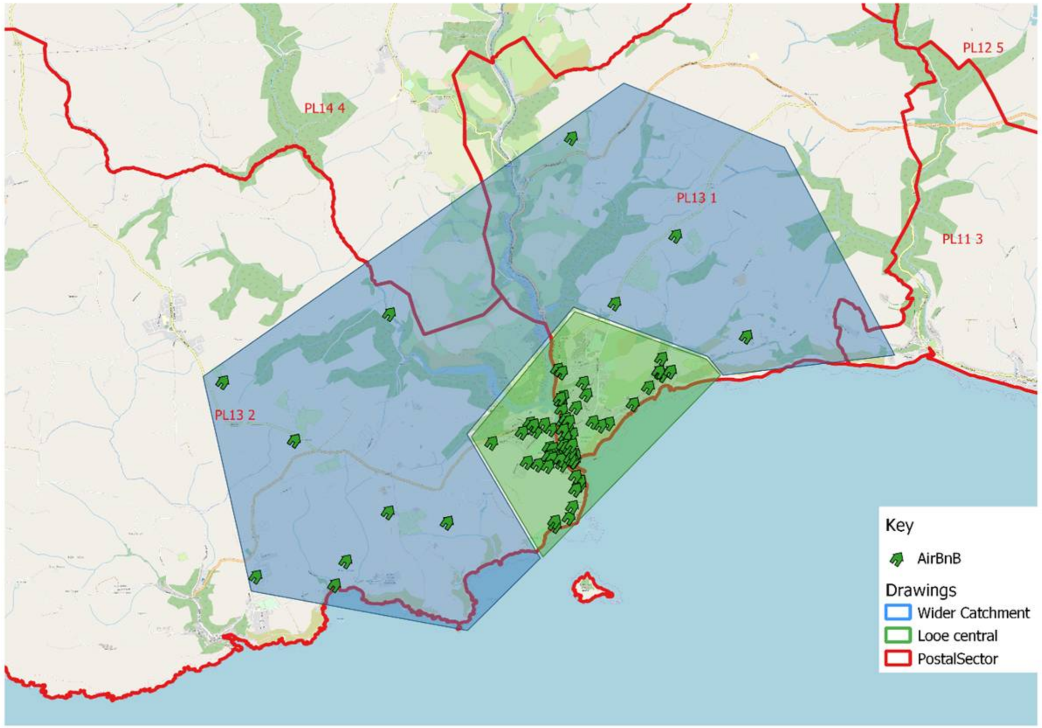
- **39%** - or 142 - are registered with **Airbnb**, **72%** of which are in the central area.
- **48%** of the AirBnB sites are also registered on other websites.
- **56%** of the AirBnB sites are in East Looe, **44%** in West Looe (which reflects all accommodation in the central area).

- Additionally, **26%** (94 properties) are not on Airbnb but are listed on Vrbo or HomeAway (Vrbo parent company site).
- On average, Airbnb listed holiday lets are similar to those not listed on Airbnb. At 2.48 rooms on average, compared to 2.46 rooms, the vast majority are full properties rather than ‘house share’. (Figure 3)

Figure 3 – Average Number of Rooms



Base: Self-catered holiday lets, n=301



3. Local Perspective

Approach & Scope

Primary research through a number of in-depth telephone interviews amongst a sample of providers for 'on-the-ground' context.

- Six in-depth interviews conducted (nine hours!), with enthusiastic providers of tourism accommodation in the Looe catchment area
- Comprising: a hotel, 2 guest houses, 2 holiday parks, self-catering cottages

"We are particularly interested in hearing about… Any characteristics of new and evolving forms of tourist accommodation, especially the impact of online booking sites like Airbnb; the demand of tourism accommodation, from low cost to luxury hotels and the impact on the accommodation sector; changing tourist demographics and needs and customer trends."

Sample summary

- ***Experienced:*** In operation between 6.5 and 20+ years
- ***Qualified:*** All but one carried certification and accreditation including AA stars, Quality in Cornwall, Visit England and Visit Cornwall Recognised Inspection Scheme/accommodation charter status.
- ***Calendar:*** Most providers now open all year and cater for long and short stays. Looe is now seen as an 'all year round' destination. Guests rather than hosts are dictating the duration of stay, the days of the traditional two-week break in Cornwall are in decline and there are now more frequent short stays.
- ***Lead times:*** Many more bookings now made at short notice – creates anxiety and uncertainty over not knowing whether or not accommodation will be full and impacts negatively variable costs.

Markets

- ***Domestic:*** Currently 80 – 90% of guests originate from the UK regions, mostly the Midlands, Wales and the North. These are comprised of families, couples, elderly guests (65+).
- ***International:*** Also attract international guests from Europe (mostly Germany and Netherlands), Australia, New Zealand and USA.
- ***Changing markets:*** Decline in the popularity of camping holidays and coaching holidays.
- ***Brexit:*** Uncertainty exists – whilst a poor exchange rate and two consecutive good weather summers have encouraged more UK staycations, this may be a temporary effect.

Key findings

Emerging Trends

- **More for less, higher quality, luxuries as standard & personal needs catered for**

  Visitors want more for their money in terms of accommodation, facilities and experiences (e.g. they pay for standard hotel rooms but ask for a room upgrade upon arrival).

  Higher standard and quality accommodation.

  Dog friendly (with extras, e.g. doggy welcome packs/blankets).

  Hot tubs expected as the norm.

  A bigger percentage of the customer base is getting older and more disabled/frail.

  Disabled access/provision increasingly required for an aging visitor population.

- **New expectations**

  Recycling facilities expected.

  Increased vegetarian/vegan/gluten-free requests.

  Parking on site or very close-by to accommodation/restaurants required.

- **Changing markets**

  Increased numbers of visitors coming for day trips/long weekends from Plymouth (only 40 minutes travelling time).

  Visitors want greater flexibility in booking (e.g. shorter breaks of 1-5 nights).

  More authentic Cornwall experiences (rather than simply sightseeing).

  Campsite bars and onsite facilities are less busy as guests opt for self-catering lodges, they either bring their own food or have the local supermarkets deliver.

  Increased self-catering accommodation (including Airbnb) impacts on use of restaurants and pubs for food as guests opt to eat in.

Key findings

Thinking About Looe

- **Strong and likely to grow**

  More competition due to Airbnb.

  Could better exploit what it has to offer.

  Described as…

  > "quaint," "quintessentially Cornish," "full of olde worlde charm," "a magical place that works in our favour," "rustic, "authentic Cornwall," as having "great facilities" "it's got it all" and "in a class of its own."

  Visitors described as having *an emotional and sentimental attachment* to Looe.

  Compares to…

  > Padstow, St Ives and Mevagissey.

- **Concerns**

  Parking.

  Traffic congestion in the town.

  Needs more provision for wet weather activities.

  Park and ride scheme.

  Shops to stay open later to create an evening culture.

- **Impact of Airbnb**

  More dramatic impact on small/medium sized accommodation providers.

  Some providers going out of business.

  Not a level playing field.

  Lack of inspection certificates (e.g. boilers, electrical appliances).

  No risk assessments.

  No safe, legal licensing system.

  Lack of safety inspection (e.g. provision of fire extinguishers, fire exits).

  Lack of regulation.

  Not paying business rates.

  Greatly reduced cost of sales.

  Not paying for business waste removal.

  Fears there will be a serious accident/death at an Airbnb.

Key findings

Looe Town Council & Tourism

❖ **Important and gives potential**

Trusted, has a good relationship with providers

Could support setting up a Looe Tourism Facebook page.

Needs to provide strong tourism leadership.

Should encourage shops to stay open until 8/9pm in the evening to provide a more continental feel to Looe for visitors

Invest in a free or low-cost park and ride scheme/shuttle service to reduce congestion in the town.

Build a brand for Looe.

Encourage more out of season and foreign visitors.

Could introduce Christmas markets.

Introduce a booking system on the Town Council's website

Support idea generation to put on more activities and events for local children and residents using existing facilities at, for example, holiday parks.

❖ **Please do…**

Tackle traffic congestion and parking difficulties.

Build the long-planned outer harbour to support the boat trade.

Discourage/address 'wild camping.'

Retain and develop the Looe music festival.

Relocate the doctor's surgery, police station, car park and petrol station that are on what is considered to be a particularly attractive stretch of the river.

Key findings

Sector Expert Views

People want authenticity and experiences

Food is good in Looe!

Want quality and facilities (e.g. hot tubs), their choice – made easy

Trend from 'tourism' to 'experience economy' – all selected online via videos, etc.

Market changes are underway

Breaks are taken more, but they're shorter.

The Baby Boomers are getting older; they want more for less – no more far-away travel when health insurances kick in.

Over the next 10 years – a market of young 70 and 80 year olds and 30, 40 and 50 year olds who are stressed and looking for recharging opportunities.

Pets on holiday (it's 'Paws Power' not pester power)

Need to know the market (and cater for it) now more than ever.

Providers will need to consider:

- dementia friendly, mental health issues, disabled facilities, etc.
- certifications, green policy, etc.
- school holidays are here to stay.

Eco-tourism vs Sustainable tourism

Need to define eco-tourism: what has less impact – what is worse?

Businesses need to change – some want to change.

Use the five point tool that's available for businesses to engage with visitors around transport, local procurement, etc.

Volume does not equal value – what type of tourism do we want, what quality and social equity?

Tourism should contribute to a place, rather than the place being there for the tourists.

People are looking for more eco-friendly tourism destinations.

Airbnb can be good if done properly, but if it's moving into somebody else's home, that's a business trying to pretend it's not a business.

Conclusions

Conclusions (1)

Serviced Accommodation

- One in ten rooms available in Looe tourist accommodation (excluding camping/caravanning holiday parks) is in a hotel and a further 17% are in bed & breakfast guest houses.
- The majority of these rooms are likely to be available all year round and have an important role to play in supporting tourism in Looe. Excluding the holiday parks, 25% of visitors stay in serviced accommodation (Looe tourism survey, 2016). This aligns with the wider Cornwall Visitor Survey that shows a quarter of visitors stay in serviced accommodation.
- Though evidence from qualitative research informs of a decline in the coaching holiday, data from the industry itself suggests that the coach tour package holiday still has demand in the over 50s market and is potentially increasing, though travellers want greater authenticity, value, and culture experiences rather than lots of sightseeing, short stops and basic accommodation. The 'older' generation is increasingly connected – on the coach they will value Wi-Fi more than tea/coffee and will expect this from their accommodation provider.
- Whilst there is no direct evidence to suggest that hotels in particular should be 'protected', the analysis of trends suggests that travellers are looking for exceptional service starting with the booking, greater personalisation and experiences. In that respect, hoteliers will need to be adaptable and responsive to future demands.

Conclusions (2)

Non-serviced Accommodation

- Eight out of ten tourist accommodation providers in Looe are running holiday homes. Seven in ten rooms available (excluding camping/caravanning holiday parks) are in non-serviced accommodation. The vast majority of tourist accommodation available in the Looe centre are holiday homes. The sector is growing and Airbnb (et al) makes the market more accessible.
- Looking at future trends, visitors are likely to be taking shorter breaks on average, value experiences and escapism, desire home-from-home comforts and luxury extras, to be dog friendly, require flexibility in booking and WiFi connection is a must – whilst B&B and serviced sector meets lots of this, the non-serviced sector gives visitors the perceived freedom to choose without service ties.
- Market growth presents challenges for Looe, including parking, traffic congestion in centre areas and creating cultural experiences from its built and service assets.

Camping, Caravanning & Holiday Parks

- 4% of providers are 'parks', all located in the wider catchment area. Serving different markets but seen to be declining in popularity, with increasing need to meet new expectations of flexibility (later bookings, shorter stays), luxury extras and delivering on values that other non-serviced sector appears to offer easily.

Conclusions (3)

Peer-to-Peer Market (Airbnb)

- Here to stay and meets a demand in trend of more for less, higher quality, luxuries as standard and personal needs catered for. Of the 362 businesses/lets on the database within the catchment area, four in ten were registered with Airbnb, seven in ten of which are in the central area. The markets are blurring… half of the Airbnb sites were also registered on other websites. Additionally, a quarter of properties are not on Airbnb but are listed on Vrbo or HomeAway.
- Evidently a market disruptor, having impact on small/medium sized accommodation providers who see an uneven playing field, fear of risks to visitors through lack of regulation to keep them safe (e.g. lack on inspection certificates, fire safety inspections etc.), no business rates or avoiding commercial waste costs – potentially a risk to 'Brand Looe' and 'Quality Looe'.

Eco- & Sustainable Tourism

- The demand for eco-credentials is wide, it's increasing and cross-cutting all sectors of provision.
- Looe tourism businesses need to have environmental values embedded in their business and the customer offer, to meet the expectations of visitors in the 2020s.

Conclusions (4)

The Looe Offer Opportunity

- Looe has a wealth of tourist accommodation in its centre and across the wider catchment area within a short journey time. At capacity, it likely has at least 1,500+ guests in hotels, guest houses and non-serviced holiday homes in the central area, to support retail, restaurants and attractions.
- Tourism accommodation providers will welcome leadership from Looe Town Council to develop the Looe offer, such as to promote sustainable tourism, people-centric culture, develop the brand, market the destination and support those looking to develop tourism around Looe. Visitors have an emotional and sentimental attachment to Looe. It's an axis of brand values and progression of the Looe tourism offer forgets this at its peril.
- Big picture planning is asked for, such as to tackle traffic congestion and parking, harbour development to support the boat trade, relocating some amenities to ensure natural and cultural assets are realised. Travellers are looking for cultural and slower, more immersive experiences. Events such as the Looe Festival, development of outdoor experiences such as safe cycle routes and access to the sea appear obvious.
- Looe will need to have environmental values embedded in its tourism offer, to meet the expectations of visitors in the 2020s. It must figure out what type of tourism it wants, quality of provision, balance and social equity. Tourism must contribute positively to Looe, rather than Looe being there solely for tourists.

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