

Tees Valley Economic Assessment

Visitor Economy & Perceptions of Tees Valley

Background

TVU is currently preparing an Economic Assessment for Tees Valley. The Economic Assessment builds on the substantial evidence that TVU has already developed and the draft guidance on Economic Assessments. The full Tees Valley Assessment will be available in February 2010. This briefing note provides some of the initial findings from the assessment in relation to the visitor economy in Tees Valley. The note also examines the existing perceptions of Tees Valley held by residents, visitors and potential inward investors.

Tees Valley Visitor Economy

Tourism is an important contributor to economic expansion. A study into the impact of tourism on economic activity in the North East found that it provided up to 5% of GVA in the region (Durham University, 2007).

In 2008 tourism expenditure in Tees Valley generated over £707 million and supported directly or indirectly almost 11,000 jobs (approx. 7% of Tees Valley GVA and 4% of the total workforce).

Leisure & recreation is identified in the Economic Assessment as an industry that has not shown major growth nationally but for which Tees Valley would appear to have a competitive advantage.

Priorities in Tees Valley

Tees Valley as an area remains relatively new and is an emerging destination. It is recognised that the sub-region lacks the same 'must see' natural, cultural and historic advantages of other established visitor destinations.

Events & festivals are beginning to play a more significant role in drawing visitors to Tees Valley and help raise the profile. The sub-region already has recognised events and festivals, including;

- ◆ Middlesbrough Music Live
- ◆ Stockton International Riverside Festival
- ◆ Hartlepool Maritime Festival

More recently Tees Valley has also hosted significant high profile events, including;

- ◆ Seve Trophy Golf (at Wynyard)
- ◆ European Dragon Boat Championships
- ◆ National Kite Surfing Championships (Kiteival)
- ◆ BBC 'Proms in the Park'
- ◆ Tour of Britain Cycle Race

Furthermore, the 2010 Tall Ships Races will be held in Hartlepool, and Tees Barrage has potential to be utilised for a range of events including the World

Canoeing Championships in the run up to the 2012 Olympics.

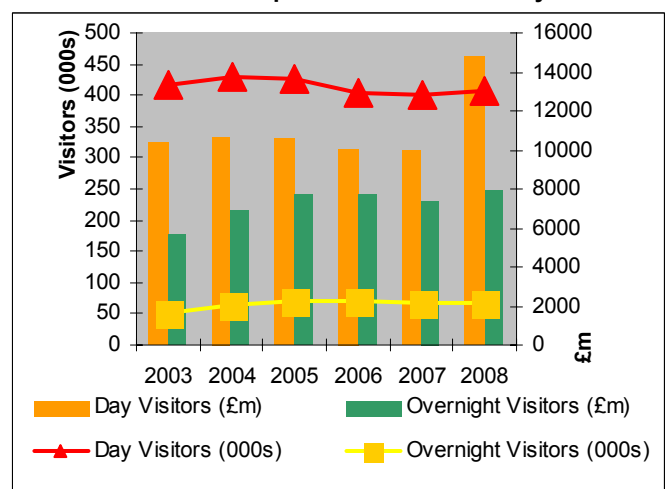
The importance of events is reflected in the priorities identified as critical in enabling the visitor economy in Tees Valley to grow and further contribute to prosperity of the sub-region.

- ◆ Improve the physical product,
- ◆ Develop & promote Tees Valley as an events destination,
- ◆ Upskill the tourism & hospitality sector workforce,
- ◆ Contribute to improving perceptions of Tees Valley by raising the profile of the Tees Valley brand

Visitors & Expenditure

Below are some of the noteworthy findings from the 2008 Tees Valley STEAM analysis demonstrating headline figures relating to numbers of visitors and visitor expenditure in the sub-region.

Visitor Numbers and Expenditure in Tees Valley



Source: STEAM

- ◆ In 2008 15million people visited Tees Valley. Noticeably, 86% of visitors were on day-trips* (13 million),

*A day trip is defined as any trip outside the usual environment, lasting more than 3 hours, and for non-routine purposes.

- ◆ Day Trips contributed 64% of total revenue (£461 million) – highlighting the significance of the day visitor market,
- ◆ The revenue from tourism rose by 41% between 2003 and 2008. The day visitor expenditure increased by almost 50%,
- ◆ The majority of overnight visitors stayed with friends or relatives, resulting in a lower average spend per visitor,
- ◆ Almost half of the tourism expenditure was attributed to shopping or food & drink purchases (45%, £316 million)

Perceptions of Tees Valley

Understanding the existing perceptions of Tees Valley is central to developing a strategy to improve perceptions and raise the profile of the area.

Tees Valley is a recently *created* destination and significant efforts have been invested into making it a recognised 'brand' and much has been achieved.

Considerable research has been conducted in recent years that can help provide a clearer understanding of existing perceptions of the sub-region and help support the efforts to raise the Tees Valley profile.

Here we provide some of the key findings from this research and look at perceptions of **residents**, **visitors** and **potential inward investors**.

A more detailed examination of this research will feature in the final Tees Valley Economic Assessment.

Residents Perceptions

The 2008 North East Regional Visitor Survey found that 43% of visitors to Tees Valley were resident to the sub-region. Therefore, understanding residents' perceptions of the area are vital to maximising the impact of tourism in Tees Valley.

Little recent research into residents' perspectives of Tees Valley as a visitor destination is available, however, the **2008 Place Survey** allows an insight into local residents' satisfaction with the area, and this features in more detail within the Economic Assessment.

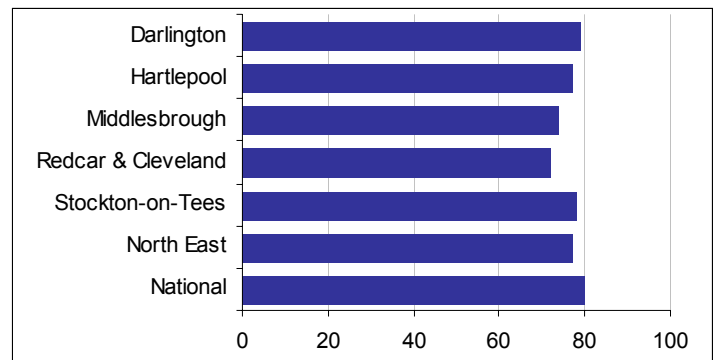
The Place Survey is a national survey of resident satisfaction with their local area and services provided by local councils.

Whilst the survey is not directly linked to tourism there are indicators included that are relevant to culture within an area.

Overall satisfaction with the local area

The chart below illustrates the proportion of residents that responded that they were very or fairly satisfied with their local borough as a place to live.

Overall Satisfaction with the Local Area



Source: Place Survey 2008

- ◆ The majority of residents in all boroughs in Tees Valley were very or fairly satisfied with their local area as a place to live,
- ◆ Satisfaction ranged from 72% in Redcar & Cleveland, to 79% in Darlington,
- ◆ All boroughs were slightly below the national average (80%) but mostly on par with the region.

As mentioned the Place Survey also included resident satisfaction with local council services, including some cultural services. Some key findings of satisfaction with these services are shown below;

- ◆ Generally, satisfaction with **libraries** was high – all boroughs above 69% and equal or better than the regional/national average,
- ◆ Satisfaction with **sports/leisure** appeared low – the best being 54% in Middlesbrough – however, this was within the top 10% nationally,
- ◆ Significant variances in satisfaction with **museums/galleries** across Tees Valley. Hartlepool & Middlesbrough fared very well in comparison to other local authorities in England –ranked 8th & 10th (of 152) respectively,

- ◆ Further variations evident with **theatres/concert halls** – ranging from 16% in Redcar & Cleveland to 70% in Darlington,
- ◆ General satisfaction with **parks/open spaces** was good – all boroughs above 50% - however, Redcar & Cleveland was ranked 145th out of 152 local authorities across the country

Key Findings - Resident Perceptions

- ◆ Whilst a high percentage of residents were satisfied with their local borough as a place to live, when compared to other local councils in England, only Darlington had above average satisfaction,
- ◆ The findings demonstrate some successes – particularly museums & galleries in Hartlepool and Middlesbrough,
- ◆ Caution is added that the cultural services included do not provide a full picture of the cultural offer in each borough, for example there is no indicator for satisfaction with local events or festivals held,
- ◆ Further research into the perceptions of the resident population could prove beneficial, especially given that a high proportion of Tees Valley visitors are local

Visitor Perceptions

When looking at visitor perceptions of Tees Valley it is also useful to consider who is visiting the sub-region and why they are visiting.

One North East (ONE) commissioned two major studies of visitors to the North East in 2008. The **'Regional Visitor Survey' (RVS)** and **'Marketing North East England' (Arkenford)** help provide an understanding of the types of people visiting Tees Valley and also levels of satisfaction with the sub-region as a visitor destination. In addition visitTeesvalley conduct local event evaluations and the results from these have been considered.

A summary of findings from these studies is shown here;

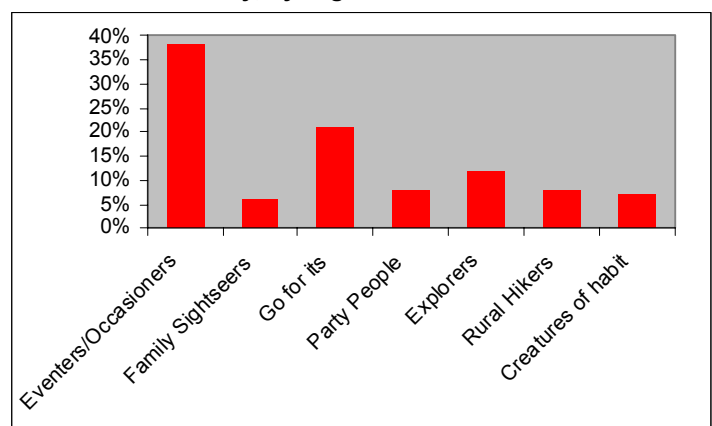
Who visits Tees Valley?

- ◆ Most visitors to Tees Valley were actually resident to the sub-region (43%),
- ◆ 31% of visitors came from other parts of the North East whilst only 3% of visitors were from outside the UK,
- ◆ Most visitors surveyed had visited Tees Valley before, with only 5% on a first visit. Almost two-

thirds of visitors had visited Tees Valley 20 or more times,

- ◆ 80% of respondents were on a day trip – mostly on an irregular day trip from home,
- ◆ Of the visitors on overnight visits, 50% were staying with friends & relatives. A significant proportion used this as the reason for their visit,
- ◆ The majority of respondents were visiting art & heritage attractions in Tees Valley. One-in-five visitors said they were in the sub-region for shopping,
- ◆ Increasing evidence suggests that the Tees Valley is becoming popular as an events destination,
- ◆ Most visitors were shown to spend their time exploring the countryside, local towns, eating out at restaurants or attending a specific event,
- ◆ Tees Valley is primarily attracting the 'Eventers/Occasioners' but there is also a significant proportion of active visitors such as 'Go for Its', 'Explorers' and 'Rural Hikers' (ArkLeisure segmentation groups – explained in more detail in the Economic Assessment),
- ◆ The 'Eventers/Occasioner' group are most likely to be visiting for a specific event or occasion, often linked to being with family and friends, e.g. a wedding, rather than just concerts or shows,

Visitors to Tees Valley, by segmentation



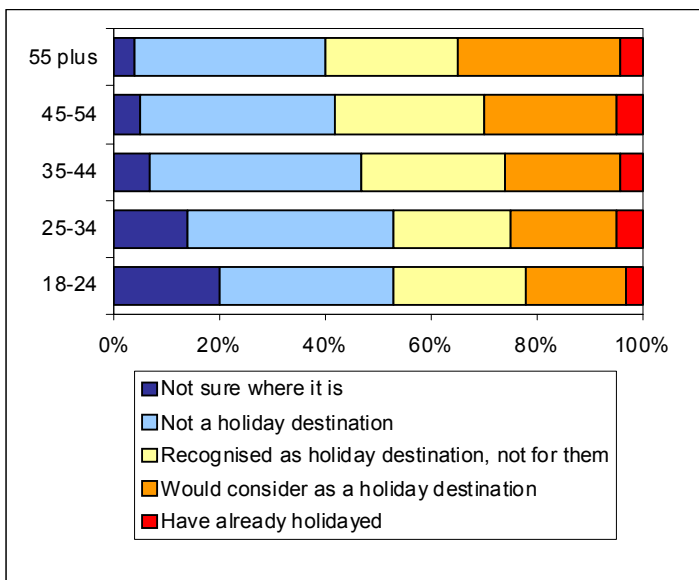
Source: Arkenford

Visitor Satisfaction

- ◆ A significant proportion of both visitors and non-visitors were either unaware of where the Tees Valley was or did not feel it was a holiday destination,

- ◆ Over a third of the visitors to Tees Valley gave this response, whilst over 50% of non-visitors held this opinion,
- ◆ Non-visitors surveyed provided negative feedback, particularly in relation to the lack of any strong associations with the area,
- ◆ The Arkenford study showed that younger age groups are more likely to be unaware of the exact location of Tees Valley. Understanding is shown to increase with age,

Visitor Perceptions of Tees Valley, by Age group



Source: Arkenford

- ◆ However, those visiting Tees Valley were mostly satisfied with their visit (95% rating their trip as good or very good),
- ◆ The vast majority of people would recommend the Tees Valley to a friend (93%). Only 1% said that they would *not* recommend the sub-region,
- ◆ The local events evaluations also highlighted a positive feedback in relation to Tees Valley being a good place for day trips/short breaks,
- ◆ Over half of people surveyed at local events felt that the Tees Valley had improved over the past 5 years,
- ◆ 70% of those questioned at the local events said that they talk positively about Tees Valley, and half of those do so without being prompted,

Key Findings - Visitor Perceptions

- ◆ *Visitor perceptions demonstrate a weak image compared to other regions,*
- ◆ *This is particularly evident amongst younger age groups,*
- ◆ *However, those visiting the sub-region are being satisfied by their experience, with a high number of repeat visits being experienced,*
- ◆ *Evidence of a growing reputation as an events destination is shown*

Perceptions of Inward Investors

In 2005 Tees Valley Regeneration (TVR) commissioned research to benchmark the perceptions of Tees Valley amongst intermediaries. The study was repeated in the following years to track changes in opinion and measure the impact of TVR marketing campaigns.

Whilst the marketing was not directly aimed at Tourism businesses the findings do present a useful insight into perceptions of the sub-region held by potential inward investors.

Putting Tees Valley on the map

- ◆ The research showed a decline in those confusing Tees Valley with Tyne & Wear or believing that Sunderland and Durham were part of the area,
- ◆ Amongst potential investors, there was also a 20% drop in those associating Newcastle with the Tees Valley between 2007 and 2009,
- ◆ There was also an evident increase in identifying Middlesbrough, Stockton and Darlington as key towns within Tees Valley,
- ◆ Knowledge of the key towns amongst potential investors rose by 6% between 2006 and 2009

Changing Perceptions of the area

- ◆ Most notably the evaluation found that there was a decrease in the association with industries such as steel and shipbuilding,
- ◆ And there was an increase in the association with newer industries, like shared services, and the leisure/tourism industry.

Increased Awareness of the Tees Valley offer

- ◆ Perceptions that Tees Valley had an excellent quality of life rose between 2005 and 2007, suggesting that the marketing had increased awareness,
- ◆ The perception that the sub-region has access to an attractive coastline & countryside increased over the period.

Inward Investor Perceptions

- ◆ Whilst evidence does suggest that the perceptions of inward investors are improving there is still much work to be done,
- ◆ Despite a decrease in those associating Newcastle with Tees Valley, there were still 22% of respondents thinking Newcastle was in Tees Valley and still not enough could identify key towns.
- ◆ The marketing highlighted a need to continue to increase awareness, and to work on changing perceptions,

Investment in Tees Valley

Improving the tourism product, delivering events and upskilling the workforce can together contribute to improving perceptions and raising both awareness & the profile of Tees Valley.

Over the past 5 years there has been significant investment in the tourism product in Tees Valley. This has involved both considerable public and private sector investment, which is set to continue.

Tourism Investment in Tees Valley 2004-2009

Business	No. Investments	Approx. value (m)	Approx. Jobs created
Accommodation	40.0	£106.0	400.0
Attractions	7.0	£30.0	30.0
Other	3.0	£28.0	n/a
Total	50.0	£164.0	n/a

Source: visitTeesValley

Highlight investments include;

- ◆ mima (£15.2m)
- ◆ Saltholme Nature Reserve (£7m)
- ◆ Extension and refurbishment of Redworth Hall Hotel (£3.5m)
- ◆ Headlam Hall Hotel (£2.5m)
- ◆ Redevelopment of Darlington Railway Museum - Head of Steam (£1.7m)
- ◆ Rockcliffe Hall Hotel & Golf (£50m)

In addition, the major long-term regeneration projects across Tees Valley will see an increase in the availability and quality of the leisure and visitor related offer.

The completion of a major piece of iconic art in 2010 – ‘Temonos’ – could serve to significantly raise the profile of the area and change peoples perceptions of Tees Valley, not just regionally but nationally and internationally.

Overall Conclusions

Having considered the findings of the research the following conclusions can be made about existing perceptions of Tees Valley;

- ◆ A perceived lack of identity for Tees Valley – within and beyond the area,
- ◆ Low levels of awareness in some cases as to where Tees Valley is and what it encompasses,
- ◆ External negative perceptions, that are in many cases either out of date or based on superficial information,
- ◆ Weak image compared to other North East regions and lacking any strong associations with the area,
- ◆ Perceptions/awareness of Tees Valley improving, though work is still needed,
- ◆ Majority of visitors to Tees Valley expressing high levels of satisfaction with their visit,
- ◆ Recognised role as an events destination,
- ◆ Day visit market playing an increasingly important role.