

TourismAlliance
the voice of tourism

Measuring the Economic Benefits of Tourism

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Tourism Alliance

- Umbrella Trade Association formed in 2001 to “speak with one voice” to Government on tourism issues.
- Comprises 50 member organisations that represent some 200,000 businesses
- Richard Lambert as President

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Value of Tourism to the UK

Category	Revenue (£bn)
Carriers	2.9
Inbound	16.0
Domestic	45.4
Second Homes	21.2
Day Visits	1.0

- Tourism generates £86.5bn per annum

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Domestic Tourism Expenditure

REGION	2007 Visits (m)	2007 Spend (£m)
West Midlands	8.4	1,184
East of Eng	10.6	1,474
East Midlands	7.4	1,055
London	10.1	2,204
North West	13.0	2,282
North East	3.6	651
South East	17.9	2,353
South West	20.5	3,802
Yorkshire & Humberside	10.4	1,427
England	100.2	16,531
Scotland	14.5	3,289
Wales	8.9	1,418
TOTAL UK	123.5	21,238

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Domestic Tourism Employment

REGION	Spend (£m)	Employment
West Midlands	1,184	26,000
East of England	1,474	33,000
East Midlands	1,055	23,000
London	2,204	49,000
North West	2,282	51,000
North East	651	14,000
South East	2,353	52,000
South West	3,802	84,000
Yorkshire & Humberside	1,427	32,000
England	16,531	367,000
Scotland	3,289	73,000
Wales	1,418	32,000
TOTAL UK	21,238	472,000

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Taxation

- Visitors pay twice as much tax in the UK than in other European destinations

Category	Britain	Average (Ex: Britain)
APD/Air tax	~£10,000	~£10,000
Other	~£10,000	~£10,000
Meals out	~£10,000	~£10,000
Accommodn.	~£10,000	~£10,000
Total	~£40,000	~£20,000

- Tourists pay £12.9bn pa in VAT and ADP

Other Tourism Benefits

- Over 40% of expenditure is on “non-tourism” products and services
- Employs the second largest proportion of people qualified to NVQ level 2
- Significant employer of disabled people
- Fastest growing area of employment for 25-34 year olds

Why is this Important?

- Tourism is not a statutory requirement at either the local or regional level
- **Outcome of 2007 CSR**
 - The RDAs’ single programme budget will be reduced to £2,140 million by 2010-11 from £2,274 million in 2007-08
 - 1% real terms increase for Councils vs 4.2% sought to deliver new policies

If you can't measure it, why are you doing it

Measuring the Economic Impact of Tourism

1. Setting Targets
2. Monitoring Activities
3. Evaluating Results
4. Comparing Results

Setting Targets

- What are the organisation’s priorities?
- How does tourism help achieve those priorities?
- Why should funding be invested into tourism rather than any other area of activity?
- What return on investment is tourism going to deliver?

Monitoring Activities

- Developing a response mechanism for all activities.
 - Online, Print, Trade and Consumer Shows
 - Achieving a statistically significant response
- Following-up on contacts
 - Was the respondent influenced?

Evaluating Results

- Determining the impact of activities
 - Which methodology to use
- Primary results
 - Volume and value
- Secondary Results
 - Impact on regional economy

Comparing Results

- Internally
 - Between Marketing Activities
 - With other Departments
- Externally
 - With other organisations
 - Are results comparable?

English Tourism Intelligence Partnership

Four Priorities

1. Measure supply-side development
2. Use IHS for UKTS and LDVS surveys
3. Review and update TSA
4. Develop guidance on all aspects of measuring tourism locally

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