Appendix 14.2

Tourism Business Survey

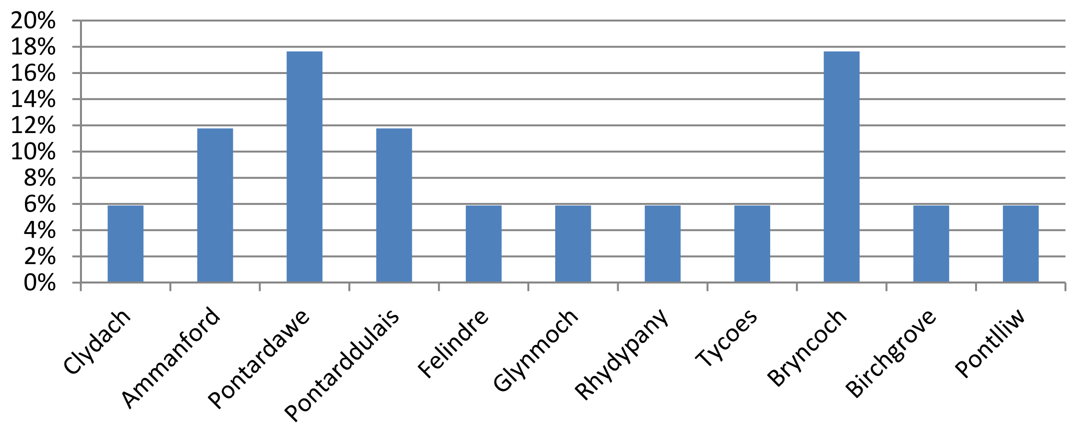
Appendix 14.2 Tourism Business Survey

1.14.1 This analysis summarises the key findings from the local tourism business survey carried out during November and December 2014. The survey population included all businesses which could be considered to derive part of or all of their trade from tourism within the defined study area. The study area was selected as it was considered unlikely that tourism businesses located outside this would experience either beneficial or adverse impacts (tourism study area described at paragraph 14.5.2).

1.14.2 The analysis provides a detailed understanding of the potential impacts perceived by businesses as a result of the Project. Businesses were identified mainly through internet searches[1] with 58 tourism related businesses identified. The survey had a response rate of 29%.

Location of respondents

Figure 14.1 Geographic Breakdown of Respondents

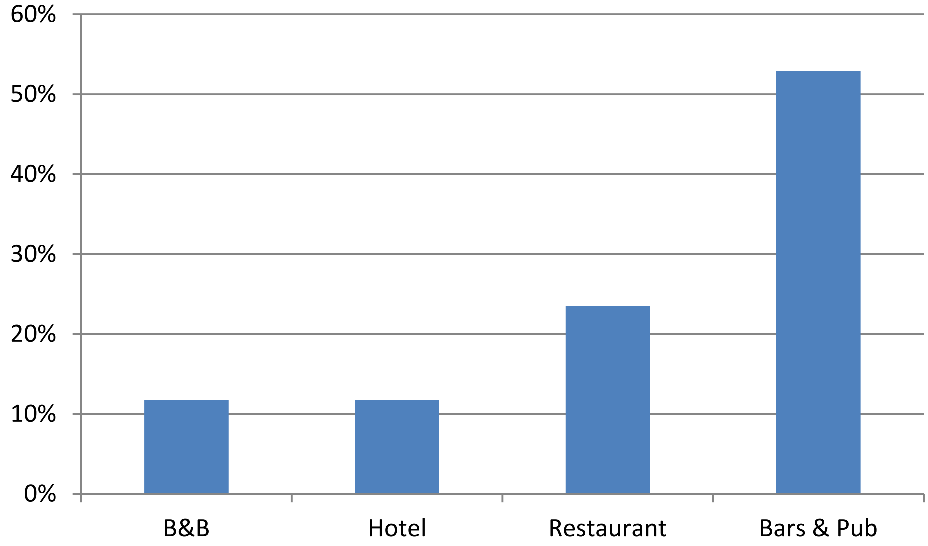


1.14.3 There was a wide geographical range of respondents throughout the Study Area with over half of respondents from either Ammanford, Pontardawe, Pontarddulais or Bryncoch.

Type of business

[1] Online search directories such a Yell.com

Figure 14.2 Type of Business



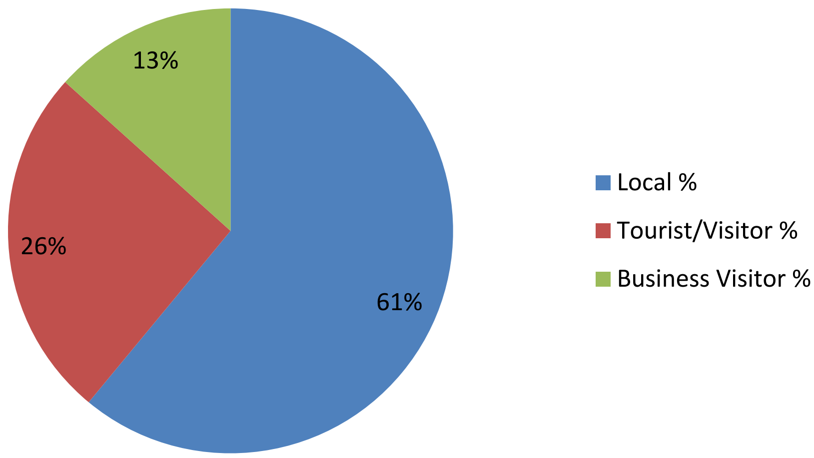
1.14.4 The highest proportion of respondents were from bar and pub owners with accommodation providers accounting for around a quarter of responses.

Number of Employees

1.14.5 The average number of employees was eight indicating the majority of businesses are small scale.

Customer base

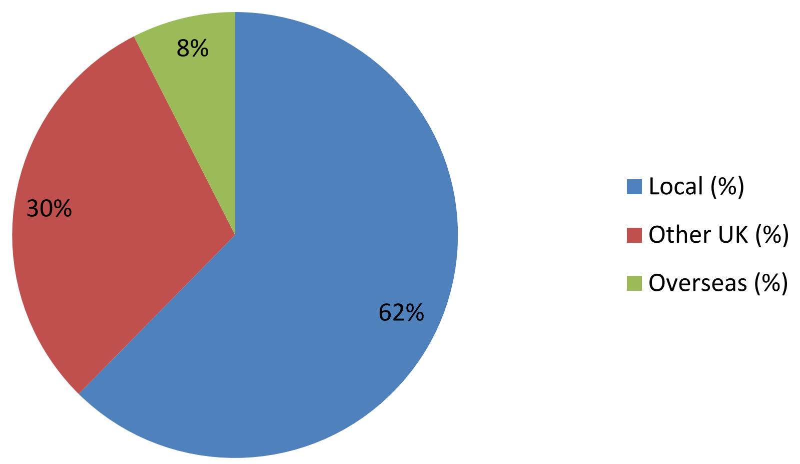
Figure 14.3 Type of Customer



1.14.6 Over half of the respondent's trade comes from local customers. Over a tenth of trade is from business visitors. Around a quarter of trade comes from tourists and leisure visitors. This suggests that respondent businesses are less reliant on tourist/visitor trade within the study area.

Visitor Origin

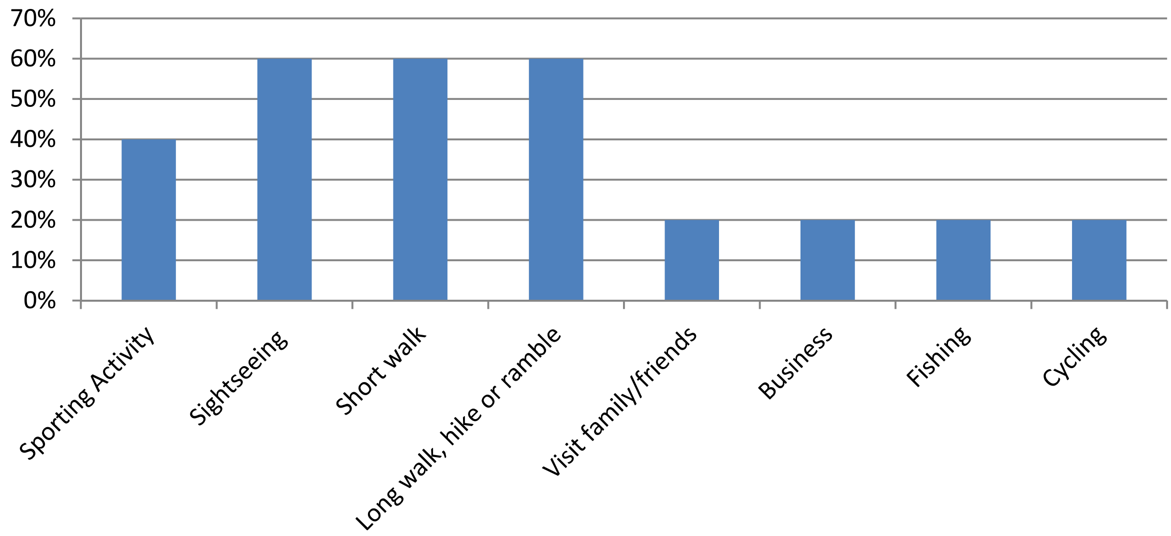
Figure 14.4 Customer place of origin



1.14.7 Over half of customers to respondent businesses are from the local area. Around a third are from other parts of the UK and just less than a tenth are from overseas visitors.

Visitor activities

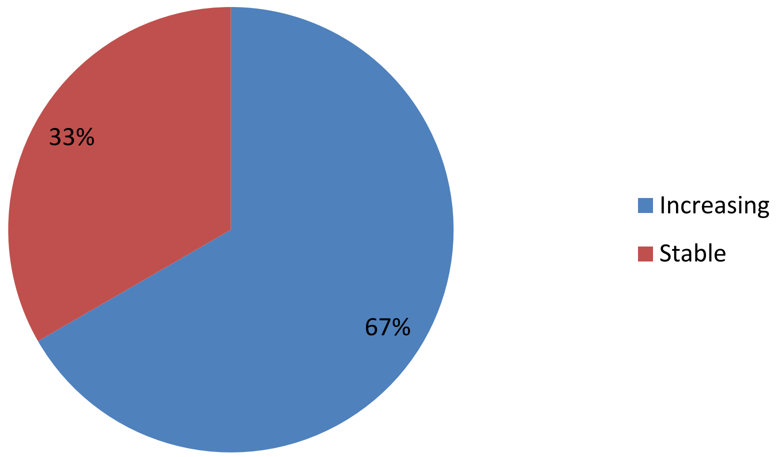
Figure 14.5 Main activities undertaken by customers



1.14.8 The respondents stated their customers were involved in a number of activities but the most popular were sightseeing and short and long walks. Another popular activity was visiting friends and family, cycling and going fishing.

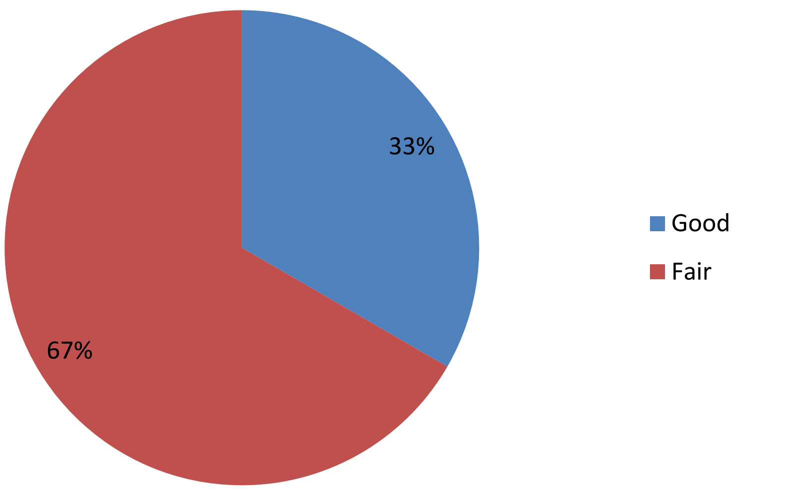
Business performance

Figure 14.5 Business performance: Last 3 years



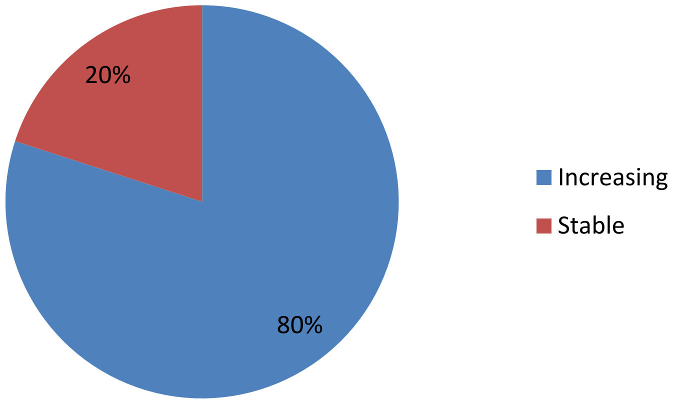
1.14.9 The majority of businesses stated that their business performance had been increasing over the last three years. The remainder stated that business performance had remained stable. None of the respondents experienced a decline.

Figure 14.6 Business performance: Current



1.14.10 The vast majority reported that business was 'fair' at the moment with a small proportion reporting business as 'good'. None of the respondents reported that business was poor.

Figure 14.7 Business performance: Future



1.14.11 Tourism related operators have an optimistic outlook of future prospects in the study area with all respondents predicting either stable or increased performance. No business reported that they felt that their business would decline.

Business trends

1.14.12 Respondents were asked to comment on the factors influencing business trends. The most frequently mentioned were weather and reputation. Other important factors mentioned included product, price and value for money.

Occupancy rate

1.14.13 Accommodation business respondents were asked about their occupancy rate during the peak and off peak season. Only two respondents answered this question reporting average peak season occupancy of 100% and an average off-peak figure of 78%.

Business Survey: Baseline conclusion

1.14.14 Of the 58 businesses surveyed, 17 responded to the tourism business survey questionnaire, giving a 29% response rate.

1.14.15 A high proportion of responses were from businesses located in Pontardawe and Bryncoch. A number of the businesses were small in size.

1.14.16 The highest proportion of responses was from bars and pubs. The survey identified that a high proportion of trade was from local customers. The origins tourist/visitor customers were mainly from the UK.

1.14.17 The main activities customers participated in when visiting the area were going on long and short walks, as well as sightseeing.

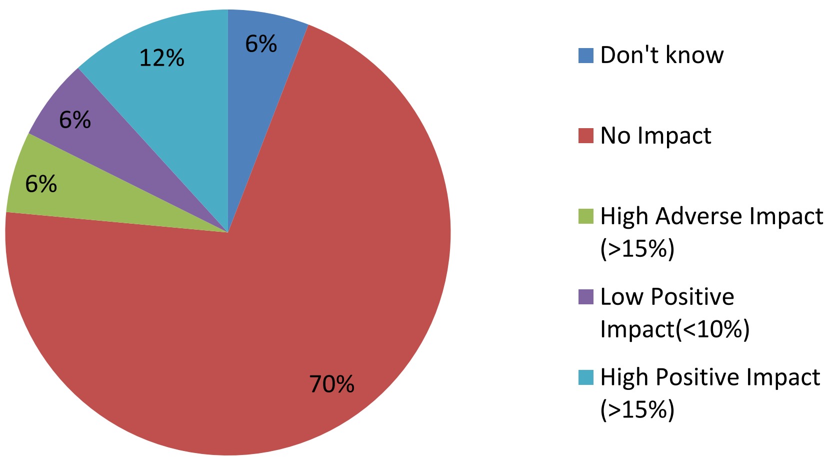
1.14.18 The majority of businesses considered that their business performance had been increasing over the last three years. Current levels of satisfaction were high, with all respondents reporting trade as being fair or good. Respondents were also optimistic that their future business performance will improve and level of business increase.

1.14.19 Weather, reputation, product, price and value for money were deemed to be the most influential factors impacting upon business trends.

Tourism Business Survey – Impact Analysis

1.14.20 This section analyses the business survey responses in terms of perceived impact on business performance and the wider South-West Wales tourism product[2].

Figure 14.8 Perceived Impacts of Project on business performance



1.14.21 All 17 respondents provided an answer as to what impact they felt the Project would have on their business. The vast majority of respondents considered that it would have no impact on their business. A number of these respondents considered that the Project was too far away from their business to affect them directly. Others stated that they didn't get many tourists as the area is not on the tourist trail.

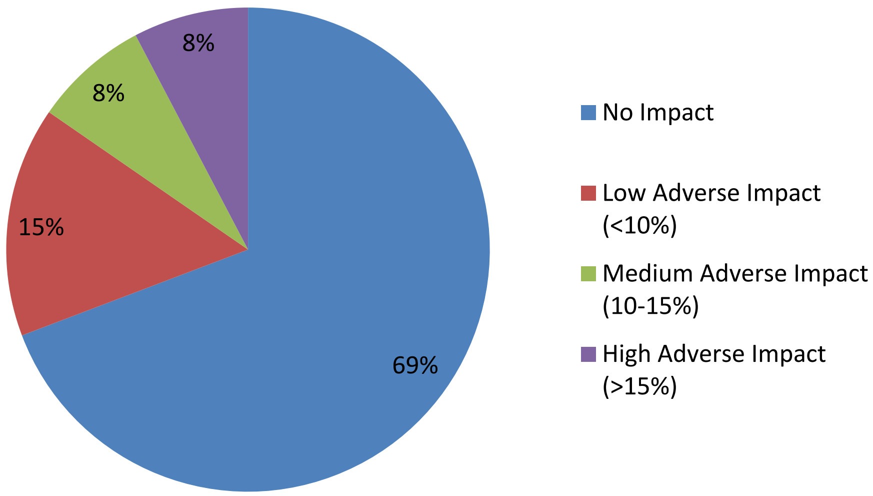
1.14.22 Three respondents suggested that the Project could have varying degrees of beneficial impact on their business performance. These businesses felt they could benefit from accommodating construction workers, with one business claiming that they had a positive experience of workers staying for other construction projects.

1.14.23 Only one business considered the Project would have an adverse impact on their business. The main reason given for this response was the potential visual impact of the Project. The respondent also had concerns over potential

[2] Impacts were categorised as follows: Low Impact (<10 %); Medium Impact (10-15 %); and High Impact (>15 %). The definitions of magnitude - Major adverse taken as >15% on business turnover, Moderate adverse taken as 10-14%, and Minor adverse taken as <10% - are based on market experience (Criteria outlined in methodology section).

traffic congestion issues as other energy infrastructure projects e.g. the nearby solar project have caused disruption previously.

Figure 14.9 Perceived Impacts of Project on South-West Wales Tourism



1.14.24 Businesses were also asked to indicate what they expected the impact might be on South-Wales tourism in general. Over two-thirds of respondents considered that it would have no impact on tourism and visitor numbers, with a further 15% considering any adverse impact to be low or minimal.

1.14.25 One respondent perceived there to be a medium adverse impact (located in Pontardawe), whilst another respondent located in Felindre predicted a high adverse impact. Concerns raised by respondents primarily related to potential visual impacts. Other concerns related to potential air quality and traffic impacts. One respondent felt that there was already too much energy infrastructure in the area.

Duration of Adverse Effects

1.14.26 Of those respondents who considered there to be adverse impacts half felt the impacts would last for the life of the Project. The other half felt that adverse impacts would be experienced during both the construction and operation of the Project.

Duration of Beneficial Effects

1.14.27 Of those respondents who considered there to be beneficial impacts the majority felt the impacts would be during the construction phase only. A fifth of respondents felt that beneficial impacts would be for the life of the Project.

Potential Benefits

1.14.28 Respondents were asked to consider how the Project could benefit their business. The majority of these responses related to provision of accommodation and food and drink, particularly during the construction phase.

Conclusion

1.14.29 In terms of impact, the vast majority of respondents felt that the Project would have no impact on business performance. Some businesses felt that they would benefit at the construction phase through related demand for accommodation, food and drink and other services.

1.14.30 Only one respondent predicted an adverse impact on business performance based mainly on perceived adverse visual impact.

1.14.31 The majority of respondents felt that the Project would have either no or low adverse impact on tourism in South Wales. Less than a fifth expected the impact to be either medium or high adverse, with visual impact and potential traffic congestion (during construction) cited as the main factors.

1.14.32 Overall, the business survey analysis has shown that a number of accommodation providers, food and drink and other similar businesses in the study area are not reliant on tourism trade and are reporting high/increasing business confidence. The vast majority of respondents do not predict any significantly adverse impact on either their own business performance or the wider South-West Wales tourism offer.

1.14.33 The magnitude of change as perceived by the respondents to the business survey is assessed as being minor.

1.14.34 The potential effect of the Project on tourism businesses in the area is assessed as being of slight significance, given the low sensitivity of the area in tourism terms and the minor magnitude of change. This assessment is derived from the methodology set out in Table 14.8.