A NEW VISION FOR THE IRISH CARAVAN AND CAMPING SECTOR

Summary document

Fáilte Ireland
National Tourism Development Authority

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1. Introduction

The Caravan and Camping product represents an important component of the accommodation mix in Irish tourism, contributing as it does €120m to the economy.[1] Currently, there are 93 registered Caravan and Camping parks in Ireland (with a stock of approximately 5,400 pitches which translates to around 21,600 beds (pitches x 4). The sector is largely family owned and operated and as such provides an ideal opportunity for interaction with Irish people and culture, which is a commonly cited motivation for visitors.

Table 1 - Approved Camping and Caravan Accommodation

As at 1st. January	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Premises	132	132	127	125	116	112	104	98	98	98	95	93
Pitches	8,405	8,299	7,396	7,634	6,875	6,668	6,326	5,769	5,766	5,733	5,550	5,432

Source: Fáilte Ireland

Unfortunately, the sector has undergone significant change over the past decade which has resulted in a noticeable decline in the overall number of registered operators with capacity having declined by almost 30% since 2000 (the number of registered parks fell from 132 to 93 and the average size of park declined from 64 to 59 pitches).

As with all sectors in tourism, operators are now facing unprecedented challenges within the business environment which are placing further pressures on profitability and sustainability. Added to this, international trends indicate that the sector itself is undergoing somewhat of a transformation, with demand for new products increasing, consumer demographics shifting and expectations rising; these changes have the potential to transform the competitive landscape in the years ahead.

Rationale for the Strategic Review

In light of these new realities, Fáilte Ireland determined that the time was right to undertake a comprehensive review of the Caravan and Camping sector which was focused upon five core themes:

- Sector Development
- Product Development
- Marketing and Promotion
- Quality & Standards
- Business Performance

[1] Based on Fáilte Ireland estimates

The research and consultation phase of the review took place during the May – November 2011 period in line with a stakeholder-focused model which ensured the widest possible consultation process and incorporated the views of representative bodies, operators, intermediaries, influencers and consumers; in total, over 500 stakeholders were afforded the opportunity to participate in the review.

A variety of research methods were used to gather their opinions, including online surveys and written questionnaires, telephone and face-to-face interviews, focus groups, site visits and meetings. In addition, a comprehensive benchmarking exercise, covering nine countries, was completed and extensive desk research of relevant reports and papers was undertaken.

2. Key Findings of the Review

The review has first and foremost confirmed a number of positive features for the sector which can support future developments:

Strengths

- There is clearly a defined market for the caravan and camping product and there is a resurgence of interest in camping and outdoor pursuits generally. The domestic market is strong, and anecdotal evidence from operators also indicates that many Eastern Europeans currently settled here are keen campers and this is helping to grow the home market further.
- The sector is well structured at national, local and regional levels and through the various clubs and associations, and individual enthusiasts, has a form of 'internal market' which can drive business at off-peak periods.
- The product is well developed in Ireland, independently owned and managed by individuals with a long track record in the sector which demonstrates commitment and dedication to the product.
- The product has broad appeal, across a range of demographics; from young single consumers, to families and the older market. The socio-economic profile is positive too, bringing individuals with time and money into the sector.

Challenges/Opportunities

The review also highlighted a range of challenges and opportunities which can be summarised as follows, in line with the five-theme framework:

<u>Sector Development</u>

- Generally, the feedback regarding the effectiveness of the Irish Caravan and Camping Council (ICC) was positive and the majority of stakeholders felt it had achieved much in terms of organising and representing the sector. There was a general consensus that expanding the role and capacity of the ICC would enable it to serve as a true lead body and would be beneficial for sector development

- There were widespread concerns amongst stakeholders – particularly trade and consumers – regarding the levels of value for money available within the sector. This related primarily to the costs of ferry access, but concerns were also raised about the costs/value associated with over-nighting on some parks.
- Furthermore, international benchmarking of prices on Caravan Parks across nine destinations showed that, in terms of price competitiveness, Ireland performs reasonably well during the high-season when compared Europe-wide; however, Irish parks are most expensive at peak-periods in comparison to our closest competitive set; Scotland, England and Wales. In the off-season, Ireland would appear to be less competitive by a significant margin.
- A significant concern for Park owners was that they believed themselves to be at a competitive disadvantage to unregistered operators and to 'wild-camping' promoters such as Safe Nights Ireland.

Product Development

- There was evidence that there is scope to develop some traditional and new caravan and camping products within the sector, particularly along walking routes or in remote scenic areas.
- How best to cater for Motorhome tourism is a 'hot-button' issue and evokes significant debate amongst stakeholders. However, it is a growing market segment which is currently insufficiently catered for and as such represents a development opportunity for the sector.
- There is potential to enhance the core and value added services available on some parks in order to improve the visitor experience.

Marketing & Promotion

- There was widespread agreement amongst stakeholders that the product lacks a unique identity and compelling brand image.
- For some consumers, particularly new entrants to the sector, the mix and quality of product available can be confusing at times, as were pricing structures.
- All stakeholders agreed that a more structured and coordinated approach to marketing and promoting the sector would be beneficial.

Quality and Standards

- International benchmarking indicated that Ireland is the only destination amongst the nine surveyed without a 5* classification of park.

- In addition, most leading European camping destinations have quality assurance programmes for the sector in addition to classification schemes.
- New approaches to quality assurance are required to facilitate the growth in unique and different products such as Glamping and Motor Home rental.

<u>Business Performance</u>

- As is the case across tourism, operators are struggling to maintain margins in the face of rising costs
- Based on feedback from the Operators Survey, there is strong interest in training and development amongst owners and managers.
- Generally, there is a degree of conservatism amongst many operators and consequently the sector lacks a culture of innovation.

3. A New Vision for Caravan and Camping in Ireland

Given the diversity of challenges facing the sector, it was agreed that a piecemeal approach to sector development would likely prove counterproductive. Rather, it was agreed that an integrated response, one which gained the commitment and support of all stakeholders was vital. To guide this effort, a new vision for the sector has been agreed and will serve to harness the commitment of all stakeholders.

"To c*reate a dynamic, diverse and innovative Caravan and Camping product, one which better responds to changing consumer expectations and consistently delivers world class quality, with tangible added-value, for both domestic and overseas visitors."*

To guide the achievement of this new vision, a series of ***15 Recommendations and 25 associated key tasks*** have been agreed in line with the five-theme-framework which guided the strategic review. These proposals are summarised in the table overleaf:

4. Overview of Recommendations and Key Tasks

	Recommendations	Key Tasks
1. Sector Development	***Recommendation 1*** - Review the role and functions of the ICC with its leadership and explore how it can fund a broadening of its activities	***Key Task 1*** – Identify new revenue streams for the Irish Caravan and Camping Council
		Key Task 2 - Increase the membership of the ICC and enhance benefits to members.
	Recommendation 2 - Develop a set of responses which seek to address the issue of ferry access costs as well as to improve the value for money offered within the sector	***Key Task 3 –*** Continue to lobby for ferry crossing cost reductions for motorhomes and caravans to benefit overseas consumers to the island of Ireland
		Key Task 4 – Review pricing methodologies and the value-added services available within the sector.
	Recommendation 3 – Explore ways to encourage unapproved operators to register and better communicate the benefits of Fáilte Ireland registration and classification	***Key Task 5 –*** Re-engage with the unregistered sector and remove barriers to participation in the registration/classification scheme
		Key Task 6 – Devise a promotions campaign to highlight the benefits of classification
2. Product Development	***Recommendation 4 -*** Develop a package of measures to better provide for Motorhome tourists which balances the needs of all key stakeholders	***Key Task 7 –*** Explore ways in which to more effectively engage with representatives of the motorhome sector
		Key Task 8 – Implement short term measures which serve to better provide for the needs of motorhome tourists
		Key Task 9 – Over the longer term, develop an integrated approach to expand the provision of services for motorhome tourism across Ireland
	Recommendation 5 - Work more closely with existing operators, entrepreneurs and key stakeholders to develop Caravan and Camping parks, or new and unique products that respond to identified needs	***Key Task 10 –*** Identify product gaps/opportunities and work with key stakeholders to develop caravan and camping products in response
		Key Task 11 – Ensure that all product development is aligned to Fáilte Ireland Destination Development Strategies and Plans
	Recommendation 6 - Enhance the overall visitor experience at caravan and camping parks in Ireland	***Key Task 12*** – Identify the scale of investment required to upgrade and expand facilities and explore how operators might be supported to make the necessary investment

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	Recommendations	Key Tasks
3. Marketing & Promotion	***Recommendation 7 -*** Create, integrate and communicate a clearer brand identity for the product as part of all future marketing efforts	***Key Task 13 –*** Develop a new branding concept for the Caravan and camping product ***Key Task 14 –*** Finalise the branding concept and communicate to key stakeholders ***Key Task 15*** – Ensure that the branding concept becomes the focus of all marketing activities and that operators deliver an experience that lives up to the brand values
	Recommendation 8 - Introduce a categorisation model for the sector	***Key Task 16 –*** Consult further with key stakeholders to devise and implement the categorisation model
	Recommendation 9 - Integrate the marketing activities of all key stakeholders to maximise reach and impact	***Key Task 17 -*** Prepare a marketing plan for the Sector for 2012-14 ***Key Task 18 –*** Support the ICC in the development of an e-business strategy ***Key Task 19 –*** Upgrade members websites in line with the new branding concept
4. Quality & Standards	***Recommendation 10 -*** Ensure that existing or new Glamping products are of high quality	***Key Task 20 -*** Devise appropriate approval/categorisation schemes for unique and alternative camping products
	Recommendation 11 - Review the current classification scheme in light of the new branding concept, categorisation and other enhancements	***Key Task 21 -*** Review the current classification scheme
	Recommendation 12 - Explore options for enhancing quality management within individual operations across the sector	***Key Task 22 -*** Devise a sector wide quality assurance scheme with short/ long term strands
5. Business Performance	***Recommendation 13 -*** Examine how operators within the sector might be better supported	***Key Task 23 –*** Ensure that Operator support needs are integrated into Destination Development Plans
	Recommendation 14 - Devise training and development programmes for operators	***Key Task 24 –*** Conduct a training needs analysis within the sector to define priority training needs
	Recommendation 15 – Promote innovation and the dissemination of best practice across the sector	***Key Task 25 –*** Improve research and benchmarking activities for the sector

5. Conclusion

The strategic review of the caravan and camping product has highlighted a range of issues relevant to its competitive positioning, many of which were perhaps already well known; however, they are now quantified and more clearly defined. The extensive recommendations and tasks outlined above also provide clarity as to what can be done to realise a new vision for the sector and reposition the product in the marketplace.

The proposals here have also been developed in such a way as to balance the often competing needs of various stakeholders and have at all times been focused on the most important of them: the consumer. What is needed now is collective commitment and sustained effort in order to achieve tangible outcomes in each of the areas covered by the recommendations so that the new vision for the sector is realised. To facilitate this aim, a Sector Implementation Group has been established and charged with progressing these recommendations from 2012 onwards.

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Fáilte Ireland
88-95 Amiens Street
Dublin 1

Tel: 1890 525 525
(01) 884 7700
Fax: (01) 855 6821

www.failteireland.ie
www.discoverireland.ie

Fāilte Ireland
National Tourism Development Authority