

NEWS

From **British Holiday & Home Parks Association Ltd**

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UK HOLIDAY PARKS - AN INDUSTRY PROFILE

In the latest year for which figures are available (from UK Tourism Statistics), parks as a whole generated a tourism spend of more than £2.2 billion in the UK. That equates to more than one-third of the revenue produced by Britain's entire hotel and guest house sector.

What holiday parks provide can vary between an area of grass on which to pitch a modest tent, and a luxuriously furnished timber lodge with en-suite bedrooms. The provision of one, however, does not preclude others : many parks have developed parallel enterprises of touring pitches, and facilities for renting and/or buying caravan holiday homes and lodges. The relative value of these different sub-sectors within the parks industry can be illustrated by the most recently UKTS spending figures (for 2002) :

- Stays in rented caravan holiday homes **£694.1 million** annual spend
- Touring caravans and motorhomes **£520.6 million** annual spend
- Privately owned caravan holiday homes **£520.6 million** annual spend
- Camping holidays on park pitches **£347.0 million** annual spend
- Stays at holiday camps and villages **£173.5 million** annual spend

The majority of Britain's circa 3,500 holiday parks are in membership of the British Holiday & Home Parks Association which represents the industry's interests at UK and European government levels. Providing some 360,000 pitches in total, most parks are independently owned and operated by family businesses, often having been developed as a diversification from an agricultural enterprise.

Of the 17.3 million trips made to parks in 2002 - representing some 80.8 million nights away - visitors will have stayed in surroundings ranging from isolated Scottish farms to multi-entertainment parks at major resorts.

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There is an understandable tendency to associate the parks industry with holidaymakers driven largely by a concern for good value rather than high quality. It's therefore not surprising that the industry is often regarded as serving the more popular end of the tourism spectrum.

Yet if we take camping - one of the very least expensive ways to take a park holiday - research contradicts quite emphatically this notion. Participants, it has been established, are drawn primarily from the ABC1 social groups, with 61% falling within the top AB category.

Of those choosing to take their own touring caravan or motorhome to a park, consumers in the AB category comprise the greater proportion of holidaymakers. Within the holiday home rental sector the spread is much broader, but still only 21% of such visitors fall within the C2 category. Those who purchase caravan holiday homes and lodges - as second homes which can cost in excess of £40,000 - effectively return the social bias of those using parks to the AB rating.

What, though, of the ages of those to whom park holidays appeal? Figures demonstrate that this is anything but an ageing market.

Taking the camping model once again, this style of park holiday is more popular among 20-24-year-olds than in any other age group. Families with younger children account for just under half (47%) of the participants, with pre-family and empty-nesters (and those with no family) accounting roughly equally for the remainder

Of those choosing to rent caravan holiday homes, the single largest sector (27%) is represented by holidaymakers in the family lifestage. Holiday home purchasers do generally occupy the 40-plus age range - but in many cases are instrumental in introducing younger people, specifically their grandchildren, to park holidaymaking.

Whilst "value for money" is often cited in consumer studies as a distinct benefit of a park holiday, this factor is often only one among many reasons why parks have maintained their appeal. Fewer and fewer parks now pitch their marketing from a pricing stance, preferring instead to concentrate on their appeal to a given holidaymaking sector - be it families requiring extensive entertainment facilities, or couples seeking high-quality rural surroundings in which such diversions are specifically absent.

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Many parks invest heavily in their own infrastructure, both in terms of the natural and built environment, and in ensuring that their standards of accommodation meet the highest quality expectations. This necessarily reflects in the prices that are charged to customers, and it is not uncommon, for example, for holidaymakers to pay in excess of £1200.00 for a fortnight's summer holiday on a park.

Clearly there are other accommodation options available to such visitors at these prices, ranging from holiday cottages to hotels and guest houses. What, then, is their motivation for choosing a park? The following responses from focus group studies indicates the unique positioning of parks in being able to meet a range of aspirations not available collectively from any other single holiday product :

- *“Freedom for everyone to do what they want, when they want”*. There is no coercion on a modern holiday park to adopt anything other than your own pace of holiday living, and ample opportunity for individual members of a party to engage in their own interests.
- *“Relaxing and informal environment”*. In a society often characterised as “cash rich and time poor”, the holiday park offers an environment in which normal time constraints - when you should eat, when you should go out, when you should sleep - are suspended.
- *“Social environment - children can make friends easily”*. In the semi-secure surroundings of a park, youngsters can indulge their naturally social disposition and leave their parents relatively free from demands on their own time.
- *“Enjoyment of the outdoors”*. The attraction of parks as a means to enjoy “the great outdoors” is shared across a range of social and demographic groups.
- *“The pleasures of the caravan itself”*. Holiday home manufacturers operate within a fiercely competitive market, and seek to gain sales through the design of increasingly high specification units. Levels of décor and fittings create luxury environments which go considerably beyond the utilitarian, and certainly stand comparison with many much more highly priced accommodation alternatives.

Until some 25 years ago, parks had no real need to anticipate or pioneer change. Indeed, one of the industry's greatest strengths was its appeal to customers who enjoyed the familiarity of the product. However, this customer base was ageing, and parks acknowledged the risk of their failing to provide for a new generation with interests and quality expectations markedly different from those of their parents.

The industry's response was two-fold. The first was to begin to raise quality standards to a level which would stop parks being marginalised as simply low-cost holiday providers. For many, this meant a top-to-bottom reappraisal of their facilities : replacing hired holiday homes which had become tired, introducing hook-ups for touring caravan and camping visitors, making visual improvements to the site's layout, and developing visitor amenities.

But parks needed more than a good quality product - they had to find a way of representing themselves to customers in a way which would help dispel their historic associations with budget holidays, and to achieve recognition as destinations with a distinct character which met a specific type of customer need.

Today, the expression "niche marketing" has become something of a cliché which is applied to almost any business serving a small number of buyers. But at that time, holiday parks became virtual pioneers of this concept, re-inventing themselves for targeting more closely defined types of holidaymaker.

This is not to say that there was a sudden and universal clamour to drive parks up-market. Rather, the marketing of parks became focused on sectors seeking a particular type of holiday experience - which included the popular all-entertainment type and the traditional seaside holiday stay along with parks pitching themselves at customers seeking a higher degree of quiet and refinement in their surroundings.

That this was achieved is evidenced by industry figures which, in the year 2002, saw the number of park camping and caravan holidays rise to a record level of 17.3 million trips - representing one in five holiday bednights in Britain.

The park industry's quality grading scheme, operated by the tourist boards, has served a valuable purpose in emphasising the concern of the sector to create and maintain high standards.

Holiday parks have also successfully demonstrated that their presence actually benefits the natural environment and sustains the concept of "green tourism". Professor David Bellamy's Conservation Award Scheme for holiday parks, and his high profile championing of their achievements in protecting the natural world, has played a major part in positioning the industry as the pro-active exponent of an issue with which many people are concerned.

Overall, the parks industry maintains a strong confidence in its future, and a continuing readiness to invest in the changes required to maintain and increase its market share.

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