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18 Tourism potential and influences on development objectives

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INTRODUCTION

This paper considers some of the influences of tourism and recreation demand, and of the nature of receiving-communities in upland areas, with particular reference to Scotland. The purpose is to sketch in a broader background of influences than may be more commonly considered when investigating potential in rural areas, to point out those salient factors which have to be considered when evolving development objectives.

DEMAND

Long term market trends for tourism indicate that there is tremendous growth potential in Scotland. Various recent marketing studies indicate that about 30 million British adults would like to visit Scotland on holiday. A large proportion of these – 20 million – are in ABC1 social class groups. However, the actual numbers, including children, holidaying in Scotland take only about 5 million long holidays each year, around half being repeat visits.

Scotland's potential is seemingly constrained by four main factors: distance, cost (itself a function of distance), perceived lack of activities for children, and the weather.

The attraction of Scotland's highland scenery is cited as one of the main reasons for visiting the country and the uplands generally offer a wide variety of moor, mountain, loch and river in a relatively small area. One of the added attractions for tourists is the proximity of the sea to mountain scenery.

The upland (Highland and Island) geography offers a high quality of resource for activity holidays: fishing, sailing, hill walking, mountaineering and skiing all have various degrees of development potential. Sporting and special activities are highly rated by car borne tourists to Scotland (Professional Studies Ltd., 1977), with the 40% indicating an interest in hill walking being the largest activity group. There are also indications that horse riding and pony trekking potential is not fully exploited. Between one in four and one in six tourists expecting to take part in these sports when interviewed on their entry to Scotland, failed to do so.

A general conclusion on the marketing of activity holidays in upland areas is that tourists require prior knowledge of facilities and need to know in full details of booking and costs as an input to their pre-holiday planning.

Of immediate interest is the effect inflation has had and is likely to have on holidaytaking trends and the subsequent effect on supply. As far as Scotland is concerned, certain demand patterns are emerging which may be wholly ascribed to price inflation.

Firstly, the results from the 1976 tourist season in Scotland indicate that although the number of holiday and business tourist trips taken in Scotland increased by 5% and 7% respectively, the number of nights spent dropped by 15% and 20%, and expenditure by 5% and 14% (Professional Studies Ltd., 1977). Overseas visitors increased by 15% on 1975 figures, and the European market provided the highest increase.

A further indicator of interest in Scotland as a holiday destination has been the decrease in the number of personal callers at the Scottish Tourist Board's Information Centre in London; this has fallen by 26% when compared with 1975, which also revealed a decrease from 1974. The cost of travel to Scotland and the higher petrol costs in remoter areas are doubtless having an effect on holiday budgeting by British residents, while the drop in total holidaytaking by all British residents, first apparent in the 1974 season, is likely to continue. A study (Business and Economic Planning, 1977) recently commissioned by the national tourist boards forecasts an increase of only 1% in all tourism nights by British tourists in Britain, and a decrease of 1%-2% in holiday tourism nights for 1977. This forecast is founded on the expectation that real disposable income will fall by 2%, as prices rise at a considerably faster rate than wages. Recently published statistics have shown that average wages at the end of the Government's Phase II policy were indeed more severely constrained than prices.

Demand for accommodation by all tourists in Scotland in the twelve months of 1976 produced a drop of 1% in hotel occupancy (to 43%), although occupancy by overseas visitors continued to rise, but one bright feature has been the continuing growth of self-catering demand in Scotland. Market studies show an improvement for built properties for most months of 1976, most significantly in the early season (Professional Studies Ltd, 1977).

These demand trends can be summarised and ascribed to price inflation and

the value of the pound:
(i) Holidaytaking: British residents are taking more but shorter holidays in Scotland. They are also spending proportionately less than the average rate of retail price inflation, reflecting lower disposable incomes. Overseas, and particularly European, visitors are on the increase and are as attracted to self-catering accommodation as British residents. Europeans are used to self-catering holidays in their own countries and are keen on outdoor, sporting activities.
(ii) Business tourism: the effects of North Sea Oil and a projected increase in general industrial activity (Business and Economic Planning, 1975) will see a continuing marginal increase in business tourism, most likely to be supplied by the hotel sector.

The longer term implications for Scotland and for farm holiday enterprises in particular can be considered as:
(i) A trend towards centre-based holidays with perhaps more frequent holidays taken in the 'shoulder' months, and demand for self-catering accommodation.
(ii) A need for budgetable holidays, with costed activity choices related to accommodation.
(iii) A trend towards an increased average party size, with perhaps families travelling together to share expenses.
(iv) An increase in demand by tourists for cheaper local produce to supplement 'imported' foodstuffs; this could be of marginal but significant importance to farms making self-catering provision.
(v) The need to market skillfully a holiday experience as value for money; in particular the European market would respond to this kind of selling approach.

POTENTIAL SUPPLY

A major study of the potential for tourism and recreation on farms, crofts and estates in Scotland has been commissioned by the Scottish Tourist Board, the Highlands and Islands Development Board (HIDB) and the Countryside Commission for Scotland. Although not yet complete, this study (Denman, in preparation) gives strong indications that both tenants and owners have open minds about developing recreation provision on their land. Any conflict of land use hinges on the matter of scale, and on the location of land holdings affecting impact from day trip demand. It appears that farmers are less opposed to the 'tourist' than might be supposed.

The crofting system of land tenure which predominates in the Highlands and Islands has its own characteristics and has a strong influence on patterns of community life. Recently the HIDB has been looking to the Irish experience in the Gaeltacht and in particular at the kinds of encouragement offered to cooperatives by the Irish Government. Crofting in Scotland depends on grants and loans for its viability and recent legislation, ensuring crofters have rights to purchase their croft lands, is intended to reform the crofting system by injecting new capital. The theory is that crofters purchasing their crofts will be able to raise capital by using their value as collateral. But the basic problem is still that crofters have little capital initially at their disposal, and many are reluctatnt to enter into a new way of life while the existing system continues to ensure their security of tenure. The word 'community' often follows 'crofting' in the Highlands and Islands, and shared work is an expression of this community life. But there are more issues than those of traditional sharing of labour. MacDonald (1977) points out: "Six tractors sitting side by side on six acre crofts and working six days a year may be an exaggeration of what happens, but not a very big one. The fact that 44.5% of inputs in crofting counties is tied up in machinery compared with only 28.4% in the whole of Scotland bears this out. The logic of this is that various forms of co-operative effort ought to be explored as the way to more intensive use of machinery."

As with capital expenditure on machinery on upland farms and crofts, so with newly built provision in any recreation enterprise. We have not yet begun to realise the potential of accommodation and recreation facilities, and its marketing on a cooperative, community basis. The past success of bed and breakfast has established it as the most popular form of accommodation in rural Scotland. Crofts and farms are also allowed two or three caravans on their land for seasonal letting. Both of these types of accommodation are becoming less satisfactory: bed and breakfast because it became popular in the car-borne tourist boom of the 1960's and the early 1970's, and fuel costs are only one item likely to curtail demand in the future. Static caravans present the kind of visual intrusion which is extremely difficult to offset in the open treeless landscape of crofting and upland farm areas. Public awareness of environmental factors and the planning policies of local authorities will continue to restrict static caravan proliferation: camp-sites for touring caravans, some statics and for tent pitches, located in valley floors and screened by coniferous planting, will be more acceptable than a scatter of caravans across open hillsides.

Local development control policies are now turning in favour of vernacular building forms and local authorities and other statutory bodies are in the field with guidance on development (Peak Park Planning Board, 1976). Redundant farm buildings are of course a valuable resource for new types of accommodation and facilities. Much more could be made of converting existing buildings so that their character is retained and the value of the farm landscape enhanced, incidentally adding to the value of the holiday experience itself.

NATIONAL AGENCY POLICIES

Besides the market and the effects of inflation, one other external factor — government development policy — will have an influence on unrealised potential and tourist accommodation supply in particular. Since 1975, the Scottish Tourist Board with other national agencies have been working corporately to evolve compatible policies for tourism, countryside recreation and sport (Countryside Commission for Scotland, 1976a & b). This work is of a long-term, strategic nature but is being carried out in collaboration with the Scottish Regional Councils, the aim being to effect implementation in accordance with the objectives of regional, social and economic development. In the context of the scale of such work, farm tourism is very much a tactical matter: but there are characteristics of rural communities which have strategic significance for recreation development in Scotland. First among these is the process of farm amalgamation and increasing productive efficiency on arable farms, producing fewer jobs and promoting a movement of scattered rural populations into existing settlements. This pattern is by no means uniform, especially throughout Scotland's uplands. Population movement from upland areas in particular may be caused by other more onerous factors, such as remoteness from services and the land use policies of estate owners and local authorities. There are indications that population loss in rural areas has been generally reversed since 1971. Between 1961 and 1971 there was a population decline in rural Scotland, with continuous negative net migration rates and low rate of natural increase. However, the increases in population in rural areas since 1971 have not been wholly due to natural increase but to positive net migration. This may be ascribed to the job opportunities created by the exploration and early exploitation stage of North Sea Oil, and not to any increase in agricultural manpower. Once these labour intensive stages of oil-related development are past, the employment scene will probably revert to pre-1971 conditions.

Employment in agriculture and other primary sectors in rural Scotland shows considerable variation in volume between regions. If we accept that primary sector employment will continue to show a decline, then those regions of Scotland which have proportionally high volumes of employment in this sector are likely to face the severest future employment losses. In regional economic terms, those regions would benefit from new diversified job opportunities, which may partially be supplied by the encouragement of tourism. Again, areas with an already high incidence of employment in the service sector might be less appropriate for tourism development. Essential for these areas will be a developing manufacturing sector, to raise activity rates and to offer a spread of jobs beyond service employment.

Such wider implications of population and employment are introduced here to affirm that issues of tourism development are not only important at the individual tactical level of farm tourism: there are wider implications, and in particular it is important to see tourism as a device to complement the employment structure of any one area. Often it may be more important to promote tourism as a means of raising family incomes through providing seasonal and part-time jobs, than by creating full-time work. It is this ability to be utilised in a small-scale and diversified fashion which characterises tourism's potential for local economies and emphasises its importance in rural areas.

Implications of these broader background factors for national policy must be that tourism development should relate to local needs. The aim should be to direct tourist expenditure where it would benefit local economies in a form most fitting their needs. These are the kinds of considerations which will help (along with the policies adopted by Regional Authorities) to direct central government expenditure through such media as Section 4 grant-aid under the Development of Tourism Act.

Work on assessing the economic benefit of tourism (Henderson & Cousins, 1975) has shown the degree to which expenditure on differing kinds of accommodation and facilities has a direct effect on local economies. One of the more revealing findings of this work was the relatively low economic benefit accruing to rural areas, even those areas providing tourist accommodation, since purchase of goods and services were predominantly outside rural areas. There is therefore an obvious need to encourage tourists to spend money in local facilities and, where possible, on local produce and locally produced products.

CONCLUSIONS

This paper has briefly summarised the main factors influencing tourism development in rural and upland areas, with particular reference to Scotland. Some general guidance on development objectives can be set out:

(i) Tourism provision and the tourist industry is diverse and dispersed. Its development in rural areas depends upon external factors influencing demand, upon private sector entrepreneurs willing to take risks (not necessarily only on farms), and upon the levels and trends of employment in agriculture and forestry.

(ii) The impact of tourism needs direction and control. But because the tourist industry exists predominantly as a free market activity, its development is ultimately controlled by the market. National agencies with the remit to encourage tourism must seek to encourage the right kind of scale of provision, and in partnership with the private sector.

(iii) The issues facing farm tourism are essentially those of demand trends and there is every indication of a current and foreseeable demand for centre-based, budgetable holidays offering access to countryside recreation activities. Farm tourism has a marketable image, but price inflation must point to a cooperative approach by providers to cut costs to consumers at a time when the market is potentially widened by consumers 'trading down'.

(iv) Farm holidays are naturally attractive to families. Operators will have to consider the kinds of package most attractive to families both in the form of accommodation and activities. The special needs of children should be anticipated. Travel will begin to be the most onerous cost factor, even for British residents seeking home-based holidays. Even on holiday, the centre-based tourist will be looking for ways to economise on travel to centres of attraction.

(v) Upland recreation has been traditionally seen to pose physical impact problems: visual intrusion, noise, erosion and conflict with other land uses. Public awareness of such problems has been heightened and more sensitive development control policies have been the result. Such impact problems are a matter of scale to fit capacity and underline the need to relate tourism development closely to complement local needs rather than supplant them. The most significant development for remoter areas is the effect of increasing fuel costs and the likely reduction in car-based touring holidays.

(vi) The economic benefit of tourism to receiving areas is not the only determinant of scale: there is a continuing need to conserve the built and landscape heritage which are the generators of public interest.

(vii) Not all upland areas are identical. In Scotland there are traditional differences between crofting communities and other farming communities. There is a danger in assuming that the geographic homogeneity of the uplands might produce a common programme of recreation and tourism development. The issues are essentially local, but strategy must be related to the wider background.

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