

The Economic Impact of Tourism on Oxfordshire

**Estimates for 2007
based on local expenditure**

County and District Results

November 2008

**Prepared by:
Tourism South East
Research Unit
40 Chamberlayne Road
Eastleigh
Hampshire
SO50 5JH**

**TOURISM
SOUTH EAST**

Document control sheet

Client	Oxfordshire County Council
Document Title	The economic impact of tourism in Oxfordshire
Version	1
Status	Draft
Reference	
Author	Parves Khan
Date	24 November 2008

Contact details		
Main point of contact	Telephone number	Email address
Parves Khan	02380 625459	pkhan@tourismse.com

CONTENTS

1.	Introduction	1
1.1	Study objectives	1
1.2	Local survey data	1
2.	Summary of Results	3
2.1	Domestic staying visitor expenditure	3
2.2	Overseas staying visitor expenditure	5
2.3	Tourism day trip expenditure	7
2.4	Total visitor expenditure	8
3.	Economic impact estimates	9
3.1	Total business turnover generated	9
3.2	Total actual jobs supported	9

OXFORDSHIRE TOURISM VOLUME & VALUE COMPARATIVE FIGURES

	Cherwell	Oxford	South Oxon	Vale of White	West Oxon	County
Domestic overnight trips	363,000	584,000	338,000	230,000	433,000	1,948,000
Domestic trip nights	941,000	1,420,000	930,000	619,000	1,076,000	4,986,000
Overseas overnight trips	40,000	437,000	40,000	32,000	38,000	586,000
Overseas trip nights	298,000	3,135,000	284,000	234,000	321,000	4,272,000
Tourism day visits 2007	5,645,000	5,265,000	3,548,000	3,250,000	3,209,000	20,917,000
Domestic overnight trip spend total (National average)	£50,685,000	£87,064,000	£46,277,000	£29,611,000	£73,712,000	£287,349,000
Domestic overnight ave. spend per night per person (National average)	£53.86	£61.31	£49.76	£47.84	£68.51	£57.63
Domestic overnight ave. spend per trip per person (National average)	£139.63	£149.08	£136.91	£128.74	£170.24	£147.51
Domestic overnight trip spend total (local)	£30,177,870	£87,230,600	£34,047,300	£11,661,960	£55,941,240	£200,387,340
Domestic overnight ave. spend per night per person (local)	£32.07	£61.43	£36.61	£18.84	£51.99	£40.19
Domestic overnight ave. spend per trip per person (local)	£83.13	£149.37	£100.73	£50.70	£129.19	£102.87
Overseas overnight trip spend total (National average)	£12,108,000	£183,018,000	£11,395,000	£8,798,229	£14,754,000	£230,073,229
Overseas overnight ave. spend per night per person (National average)	£40.63	£58.38	£40.12	£37.60	£45.96	£53.86
Overseas overnight ave. expenditure per trip per person (National average)	£302.70	£418.81	£284.88	£274.94	£388.26	£391.95
Overseas overnight trip spend total (local)	£11,922,980	£219,105,150	£5,941,280	£4,539,600	£13,533,360	£164,343,840
Overseas overnight ave. spend per night per person (local)	£40.01	£69.89	£20.92	£19.40	£42.16	£38.47
Overseas overnight ave. expenditure per trip per person (local)	£298.07	£501.38	£148.53	£141.86	£356.14	£280.45

NB: National average expenditure for overnight visitors presented in the above table includes 40% of travel expenditure which takes place outside the destination. The local average figure only includes travel expenditure which took place in the destination visited. In the report we have presented the national average figures with and without the 40% deduction to maintain consistency with the way in which expenditure data has been presented in the first economic impact report based on national average expenditure data.

Continued overleaf

Tourism day visit spend total (National average)	£192,904,001	£189,540,000	£123,623,000	£113,522,000	£111,134,000	£730,723,000
Tourism day visit ave. expenditure per person (National average)	£34.17	£36.00	£34.84	£34.93	£34.63	£34.93
Tourism day visit spend total (local)	£300,031,750	£147,156,750	£36,757,280	£27,495,000	£42,198,350	£474,397,560
Tourism day visit ave. expenditure per person (local)	£53.15	£27.95	£10.36	£8.46	£13.15	£22.68
Total visitor volume total	6,048,000	6,286,000	3,926,000	3,512,000	3,680,000	23,451,000
Total visitor expenditure total (National average)	£255,697,001	£459,622,000	£181,295,000	£151,931,229	£199,600,000	£1,248,145,229
Total visitor expenditure total (local)	£342,132,600	£453,492,500	£76,745,860	£43,696,560	£111,672,950	£839,128,740
Total business turnover total (National average)	£294,416,000	£604,321,000	£204,192,000	£169,636,000	£224,644,000	£1,497,209,000
Total business turnover total (local)	£353,798,962	£596,261,800	£86,438,626	£48,788,585	£125,684,660	£986,405,437
Total Actual Jobs supported total (National average)	5,728	11,462	3,641	3,046	3,873	27,749
Total Actual Jobs supported total (local)	7,007	11,309	1,541	876	2,167	18,326

1. INTRODUCTION

1.1 Study objectives

To enable Oxfordshire County Council to assess annual performance of the County's economy, key performance indicators are being gathered in a regular basis. An assessment of the visitor economy has been based on outputs produced by the Cambridge Model. The County Council commissioned Tourism South East to produce Cambridge Model outputs for 2005, 2006 and 2007 using the standard version of the model.

As the standard Cambridge Model uses national average expenditure data from the national tourism surveys¹ to inform judgements regarding visitor expenditure in local areas, it was felt that the 2007 outputs should also be based on local average expenditure data thereby reflecting a 'truer' picture of visitor expenditure in the County. To this end, a county-wide survey with a random sample of visitors was carried out in 2007.

This report presents key outputs based on national average and local expenditure estimates, thereby enabling a comparison of the two.

1.2 Local survey data

The survey was carried out between 18th July and 4th October 2007 to gather information on visitor expenditure in the local area. Adults were sampled on a random basis at key locations within a range of towns across the County, with the interview schedule including weekday and weekend sessions. The towns used were:

Cherwell – Banbury and Bicester

Oxford City – Oxford City

South Oxfordshire – Dorchester on Thames, Henley, Thame and Wallingford

Vale of White Horse – Abingdon and Wantage

West Oxfordshire – Burford, Chipping Norton, Witney and Woodstock

Interview sessions, each lasting for approximately 5 hours, were undertaken, resulting in a total of 822 completed interviews. 48% of interviews were gained in Oxford City², 16% were from West Oxfordshire, 13% were from South Oxfordshire, 12% were from Vale of White Horse and the remaining 10% were from Cherwell.

In order to ensure consistency with the definition of a 'visitor', a filter card was used to exclude residents of the district and also those on day visits concerned with their normal work, study or household shopping.

All visitors were asked to estimate the amount of money they had spent on the following items:

Accommodation (all commercial accommodation stayed at

¹ National average expenditure figures are however adjusted to reflect the types of trips which make up the local tourism market and the type of local businesses present on which visitors spend their money.

² Oxford City contributed additional resources to enable a larger sample to be contacted

Volume, Value and Economic Impact of Tourism on Oxfordshire

Eating & drinking (in cafes, pubs, restaurants, hotels etc.)

Shopping (souvenirs, guidebooks, clothes, groceries, etc)

Entertainment (admissions to attractions, theatre/cinema tickets, guided tours etc.)

Travel & transport in the area (fuel, fares, parking charges, car hire and taxi).

Visitors were asked to provide figures for expenditure that took place in the destination only. This would exclude for example expenditure on petrol which was purchased on route, outside the destination. It should also be noted that the figures collected for shopping expenditure excludes any large purchases over £500. As the sample is relatively low, a single large purchase item can easily skew results providing an over-inflated average expenditure figure.

A final point to highlight is that the average per visitor per night/day expenditure figure for each destination is based on information provided by all the visitors interviewed and this includes visitors who spent nothing during their trip on particular items. For example, visitors staying in the homes of friends and relatives during their overnight trip will have incurred no accommodation expenditure.

2. SUMMARY OF RESULTS

2.1 Domestic staying visitor expenditure

Of the 822 visitors interviewed, 121 (15% of sample) were domestic overnight visitors.

Table 1a: Domestic staying visitor ave. expenditure per person per night based on local survey

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Base	121	10	50	13	35	13
Accommodation	£13.03	£14.52	£22.36	£5.84	£1.62	£20.80
Catering	£14.33	£10.47	£18.96	£17.22	£5.22	£19.77
Entertainment	£2.74	£0.00	£6.32	£0.95	£0.08	£6.36
Retail	£8.68	£6.82	£12.10	£12.31	£9.13	£3.06
Travel	£1.41	£0.26	£1.69	£0.29	£2.29	£2.00
Average spend total	£40.19	£32.07	£61.43	£36.61	£18.84	£51.99
<i>Ave per trip per person</i>	<i>£83.13</i>	<i>£149.37</i>	<i>£100.73</i>	<i>£50.70</i>	<i>£129.19</i>	<i>£102.87</i>

The first aspect to point out in the interpretation of the expenditure data for domestic overnight visitors is the small sample base on which they are based. In total, 121 domestic visitors staying overnight in Oxfordshire provided us with expenditure figures. Whereas this sample size is valid to provide a County overall average expenditure figure, the district figures need to be treated with caution. Given the small sample base, and in addition, the low volume of business visitors encountered (who tend to be high spenders) the average expenditure figures at destination level are likely to be an under-estimation, especially at Cherwell where we would expect spend on retail to be much higher given the presence of Bicester Village.

Based on the survey results, the average expenditure each day/night by a domestic visitor staying overnight in Oxfordshire during their trip is £40.19. This is significantly lower than the national average expenditure figure. According to the United Kingdom Tourism Survey, average expenditure per visitor per night in 2007 was £53.70.

The Cambridge Model estimate drawing on the national average data is slightly higher for Oxfordshire at £57.63 per person per night.

Table 1b: Domestic staying visitor ave. expenditure per person per night based on national averages

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Accommodation	£18.55	£19.23	£20.51	£15.95	£13.21	£20.69
Catering	£9.97	£8.01	£10.12	£8.62	£9.67	£12.83
Entertainment	£11.66	£9.92	£12.29	£9.91	£10.13	£14.77
Retail	£4.84	£3.72	£5.10	£4.02	£4.27	£6.52
Travel	£12.61	£12.99	£13.30	£11.26	£10.55	£13.70
Average spend total	£57.63	£53.86	£61.31	£49.76	£47.84	£68.51
<i>Ave per trip per person</i>	<i>£139.63</i>	<i>£149.08</i>	<i>£136.91</i>	<i>£128.74</i>	<i>£170.24</i>	<i>£147.51</i>

Apart from Oxford where the local estimate for average expenditure is almost identical to the national average estimate, the estimates generated by the standard Cambridge Model for domestic staying

Volume, Value and Economic Impact of Tourism on Oxfordshire

visitor average expenditure per person per night is significantly higher for all destinations concerned when compared to the local survey figures.

One obvious difference between the local and national average figures relate to average expenditure on travel/transport. The latter figure includes all expenditure on travel and therefore includes expenditure which benefits businesses outside the primary destination visited. For example, it includes the cost of coach and train tickets bought in the home location and petrol purchased on route.

When it comes to working out the turnover businesses in the primary destination receive from visitor expenditure, the standard Cambridge Model deducts 40% of travel expenditure from the average expenditure figures as it is assumed 60% of total travel expenditure accrues to the destination area. The figures in Table 1c below presents the standard Cambridge estimates with the 40% reduction in travel expenditure to enable a more direct comparison with the local estimates based on the survey data.

Table 1c: Domestic staying visitor ave. expenditure per person per night based on national averages with travel reduction

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Accommodation	£18.55	£19.23	£20.51	£15.95	£13.21	£20.69
Catering	£9.97	£8.01	£10.12	£8.62	£9.67	£12.83
Entertainment	£11.66	£9.92	£12.29	£9.91	£10.13	£14.77
Retail	£4.84	£3.72	£5.10	£4.02	£4.27	£6.52
Travel	£7.56	£7.79	£7.98	£11.26	£6.33	£8.22
Average spend total	£52.59	£48.67	£55.99	£49.76	£43.62	£63.02
<i>Ave per trip per person</i>	<i>£134.61</i>	<i>£126.17</i>	<i>£136.14</i>	<i>£136.91</i>	<i>£117.39</i>	<i>£156.60</i>

Even with the reduction in the travel expenditure, the difference in expenditure on travel between the local survey results and the standard Cambridge Model estimates continues to be significant, with the standard Model allocating a far higher proportion of total expenditure on travel.

We believe the difference for this is that the vast majority of visitors staying overnight in Oxfordshire walked or used public transport when travelling around the destination stayed at, unlike the national average picture which suggests that most domestic visitors use their car to travel around the destination, and thus a significant proportion of their expenditure goes towards purchasing petrol.

Based on local expenditure data gathered by the survey it is estimated that domestic overnight visitors spent approx £200.38 million in Oxfordshire. The figure produced by the standard Cambridge Model is higher at approx £262.21 million spent in Oxfordshire (£287.34 million with all travel expenditure).

Table 1d: Total domestic overnight trip expenditure

	Total overseas expenditure based on survey data	Total overseas expenditure based on national averages
Cherwell	£30,177,870	£45,798,470
Oxford	£87,230,600	£79,505,800
South Oxon	£34,047,300	£46,276,800
Vale	£11,661,960	£27,000,780
West Oxon	£55,941,240	£67,809,520
Oxfordshire	£200,387,340	£262,213,740

2.2 Overseas staying visitor expenditure

Table 2a: Overseas staying visitor ave. expenditure per person per night based on local survey

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Base	130	6	109	3	8	4
Accommodation	£14.91	£4.17	£32.82	£0.00	£2.67	£20.00
Catering	£15.15	£24.44	£15.39	£8.75	£9.67	£17.50
Entertainment	£1.32	£0.00	£4.12	£2.17	£0.31	£0.00
Retail	£9.19	£10.00	£15.45	£10.00	£6.75	£3.75
Travel	£0.88	£1.26	£2.10	£0.00	£0.00	£0.91
Average spend total	£38.47	40.01	69.89	£20.92	£19.4	£42.16
<i>Ave per trip per person</i>	<i>£298.07</i>	<i>£501.38</i>	<i>£148.53</i>	<i>£141.86</i>	<i>£356.14</i>	<i>£280.45</i>

Apart of Oxford City where over 100 overseas visitors staying in the City/District were encountered, the sample for each of the other destinations is too low to provide reliable data. Therefore considerable caution should be taken when evaluating these results. The figures should be treated as useful in so far as they provide a comparison to the standard Cambridge Model outputs rather than as indicative of actual expenditure.

The estimates produced by the standard Cambridge Model are presented in Table 2b below. The national average figures have been adjusted and refined by the Cambridge Model to reflect the local distribution of businesses and the high volume of overseas visitors who spent their trip staying in the homes of family and friends (see Table 14 in The Economic Impact of Tourism in Oxfordshire).

Overall, the average expenditure per night for an overseas visitor staying in Oxfordshire is lower than the national average of £64. This is due to the estimates which have been made regarding the type of accommodation used by visitors during their trip. Based on commercial bedstock capacity across the county we believe that around 44% of overseas visitors stayed in the homes of friends and family compared to national average of 38%. In some districts such as Cherwell it is estimated that as much as 53% of overseas trips involved staying in the home of friends and family. As these trips do not incur any accommodation expenditure, the impact is to reduce the overall average expenditure per trip.

Table 2b: Overseas staying visitor ave. expenditure per person per night based on national averages

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Accommodation	£17.36	£9.45	£19.12	£13.71	£9.24	£12.04
Catering	£14.41	£8.45	£15.88	£8.67	£10.76	£13.31
Entertainment	£10.59	£1.19	£11.42	£7.90	£7.75	£9.74
Retail	£6.76	£11.36	£6.94	£5.92	£6.24	£6.47
Travel	£4.74	£3.80	£5.03	£3.92	£3.61	£4.40
Average spend total	£53.86	£34.25	£58.38	£40.12	£37.60	£45.97
<i>Ave per trip per person</i>	<i>£391.95</i>	<i>£302.70</i>	<i>£418.81</i>	<i>£284.88</i>	<i>£274.94</i>	<i>£388.26</i>

Volume, Value and Economic Impact of Tourism on Oxfordshire

Table 2c: Overseas staying visitor ave. expenditure per person per night based on national averages with travel reduction

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Accommodation	£17.36	£9.45	£19.12	£13.71	£9.24	£12.04
Catering	£14.41	£8.45	£15.88	£8.67	£10.76	£13.31
Entertainment	£10.59	£1.19	£11.42	£7.90	£7.75	£9.74
Retail	£6.76	£11.36	£6.94	£5.92	£6.24	£6.47
Travel	£2.85	£1.52	£3.02	£2.35	£2.17	£2.64
Average spend total	£51.96	£31.97	£56.37	£38.56	£36.15	£44.20
<i>Ave per trip per person</i>	<i>£387.10</i>	<i>£229.35</i>	<i>£400.23</i>	<i>£281.97</i>	<i>£305.37</i>	<i>£322.22</i>

Overseas expenditure on travel tends to be significantly lower than domestic trip expenditure as it excludes airplane ticket fares and the vast majority of overseas travellers tend to travel around destinations visited using public transport.

Based on local expenditure data gathered by the survey it is estimated that overseas overnight visitors spent approx £180.10 million in Oxfordshire. The standard Cambridge Model estimate is higher at approx £188.82 million expenditure in Oxfordshire (£230.07 million with all travel expenditure).

Table 2d: Total overseas overnight trip expenditure

	Total overseas expenditure based on survey data	Total overseas expenditure based on national averages
Cherwell	£11,464,060	£15,484,080
Oxford	£125,431,350	£100,225,950
South Oxon	£19,848,760	£16,009,080
Vale	£4,895,280	£9,023,040
West Oxon	£6,227,400	£11,604,150
Oxfordshire	£180,107,520	£188,822,400

2.3 Tourism day trip visitor expenditure

The day visitor average expenditure figures presented in Table 3a combine results for both day visitors from home and day visitors travelling from holiday bases outside the destination interviewed at.

As the sample is much larger we are more confident on the reliability of the results.

Table 3a: Day visitor ave. expenditure per person per day based on local survey

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Base	550	70	223	93	52	112
Catering	£7.09	£7.58	9.89	4.40	4.17	5.87
Entertainment	£1.68	£0.00	3.59	0.91	0.15	0.63
Retail	£12.98	£45.10	12.72	4.64	3.79	6.08
Travel	£0.93	0.47	1.75	0.41	0.35	0.57
Average spend total	£22.68	53.15	27.95	10.36	8.46	13.15

According to the survey results day visitors spent on average £22.68 per person. According to the last national day visit survey in 2005 the average expenditure is £42.93. When we produced the first County-wide study in 2005 consultations with tourism officers indicated that this expenditure figure was too high and would over-inflate the contribution from day trips. The national average figure was adjusted to an average spend of around £34 to £36 per person.

Table 3b: Day visitor ave. expenditure per person per day based on national averages

Category of expenditure	Oxfordshire	Cherwell	Oxford	South Oxon	Vale	West Oxon
Catering	£11.13	£12.03	£16.24	£6.03	£6.04	£5.99
Entertainment	£13.41	£3.31	£12.67	£14.60	£14.64	£14.51
Retail	£3.39	£15.41	£3.49	£3.38	£3.39	£3.36
Travel	£7.01	£3.42	£3.60	£10.84	£10.86	£10.77
Average spend total	£34.93	£34.17	£36.00	£34.84	£34.93	£34.63

Based on local expenditure data gathered by the survey it is estimated that day visitors spent approx £474.39 million in Oxfordshire. The standard Cambridge Model estimate is significantly higher at approx £730.72 million expenditure in Oxfordshire (given the higher average spend per person per trip).

Table 3c: Total day visitor trip expenditure

	Total day trip expenditure based on survey data	Total day trip based on national averages
Cherwell	£300,031,750	£192,904,001
Oxford	£147,156,750	£189,540,000
South Oxon	£36,757,280	£123,623,000
Vale	£27,495,000	£113,522,000
West Oxon	£42,198,350	£111,134,000
Oxfordshire	£474,397,560	£730,723,000

2.4 Total visitor expenditure

In total local survey data indicate that approx £854.89 million was spent by visitors in Oxfordshire in 2007. Standard Cambridge Model outputs based on national average expenditure data indicate that just over a billion pounds was spent by visitors during their trip in Oxfordshire, 38% more spend

Table 4: Total visitor trip expenditure

	Total visitor expenditure based on survey data	Total visitor based on national averages
Total domestic overnight	£200,387,340	£262,213,740
Total overseas overnight	£180,107,520	£188,822,400
Total day	£474,397,560	£730,723,000
Total visitor expenditure	£854,892,420	£1,181,759,140

3. Economic impact estimates

With the addition of multipliers the local survey data indicate that approx £988.40 million was directly and indirectly received by businesses in Oxfordshire through visitor expenditure on goods and services in the County. Standard Cambridge Model outputs based on national average expenditure data indicate that £1.49 billion was received by local businesses through visitor spending.

3.1 Total business turnover generated

	Total turnover based on local survey data	Total turnover based on National average
Oxfordshire	£986,405,437	£1,497,209,000
Cherwell	£353,798,962	£294,416,000
Oxford	£596,261,800	£604,321,000
South Oxon	£86,438,626	£204,192,000
Vale of White	£48,788,585	£169,636,000
West Oxon	£125,684,660	£224,644,000

In total local survey data indicate that approx 18,326 Actual Jobs were supported by visitors expenditure in Oxfordshire. Standard Cambridge Model outputs based on national average expenditure data indicate that 27,749 Actual Jobs were supported in Oxfordshire in 2007.

3.2 Total jobs supported

	Total actual jobs based on local survey data	Total actual jobs based on National average
Oxfordshire	18,326	27,749
Cherwell	7,007	5,728
Oxford	11,309	11,462
South Oxon	1,541	3,641
Vale of White	876	3,046
West Oxon	2,167	3,873