

The Value of Cycle Tourism

Opportunities for the Scottish economy

SUMMARY REPORT



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JUNE 2013

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Executive Summary

BACKGROUND, SCOPE AND PURPOSE OF THE REPORT

This report demonstrates the value of leisure cycle tourism to the Scottish economy and highlights opportunities for further expansion of the sector. Through examination of existing research and by means of a business survey, the report delivers a comprehensive evidence-based analysis of the leisure cycling industry in Scotland. The report concludes by setting out a strategic direction for cycle tourism stakeholders in determining investment roles and opportunities within the industry.

FINDINGS

The study identified four major areas of economic contribution from cycle tourism in Scotland. Their combined values range between £117.2 million and £239 million per year, depending on the source used. Separate contributing elements are presented in the table below:

Economic Values	(£ millions)/year
Health benefits	4.0
Leisure cycle events	5.6
Leisure cycle-related infrastructure	1.5
Expenditure by leisure cyclists	106.2 - 228.2
Total economic contribution	117.4 – 239.3

In addition to the monetised benefits identified above, leisure cycle tourism contributes £58.5 million to the Gross Value Added (GVA) of Scotland.

When combined with mountain biking, for which separate prior research has been conducted by Ekos in 2009, the total value of cycle tourism in Scotland is estimated to be between £241 million and £362 million per year, with a cumulative annual contribution to GVA of £129m.



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Key Recommendations

The report sets out ten recommendations aligned with the 'Priorities for Action' identified in the Scottish Tourism Alliance's 2012 strategy, *Tourism Scotland 2020*:

STRENGTHENING LEADERSHIP AND COLLABORATION

1. Strengthen leadership and coordination across the sector
2. Deliver better collaboration between local/regional stakeholders

KNOWING OUR MARKETS

3. Establish more comprehensive monitoring arrangements
4. Focus promotional activities on key market segments
5. Brand Scotland as a top destination for cycle touring
6. Develop key themed areas for leisure cycle tourism

MANAGING THE CUSTOMER JOURNEY

7. Continue the development and marketing of cycle routes
8. Enhance information provision and technology integration

BUILDING SUSTAINABLE TOURISM

9. Continue to support cycle events, and extend this support to smaller events
10. Create a development strategy for the growth of cycle tourism



Keith Marshall

Recommendations

The recommendations set out below align with the framework used by the Scottish Tourism Alliance in the strategy document, *Tourism Scotland 2020*.¹ They are grouped in the four 'Priorities for Action' categories used in the Strategy: (I) 'Strengthening leadership and collaboration', (II) 'Knowing our markets', (III) 'Managing the customer journey' and (IV) 'Building sustainable tourism'.

STRENGTHENING LEADERSHIP AND COLLABORATION

Recommendation 1: Strengthen leadership and coordination across the sector

The opportunities for development of the sector would be greatly enhanced by assigning the coordination and leadership role to a single body. This body's tasks would include implementing and/or coordinating marketing, commercial promotion, monitoring, and other essential elements of leisure cycle tourism development. An option would be to strengthen the Cycle Tourism Forum so that it can take up this role. The Forum already has strong representation from key public and third sector stakeholders, and their support, participation and involvement provides a sound basis for the future development of cycle tourism. Other organisations could take responsibility for delivering certain aspects, working in collaboration with the Forum.

The work of the coordinating body would be augmented by greater private sector involvement. As such, it is recommended that stronger links be forged with the Scottish Tourism Alliance, an industry-led consortium of tourism-related operators, in order to deliver a more comprehensive approach to the development of the sector. Links already exist with the 'Developing Mountain Biking in Scotland' initiative (DMBinS²) and could be developed further. Whatever model is pursued, there would be a requirement for funding to support and enable the body to develop a strategic work plan and to coordinate delivery.



Recommendation 2: Deliver better collaboration between local/regional stakeholders

Stronger leadership is required to facilitate greater collaboration between local, regional and national stakeholders. Networks and partnerships need to be strengthened. Small businesses (e.g. accommodation providers, event organisers, cycle tour operators, food & refreshment facilities) on their own can have only limited reach in communicating opportunities for leisure cycle tourism. Creating partnerships amongst local/regional cycle-related service providers would increase the recognisability of particular areas, and would assist in attracting more cyclists, and hence more income. Not only does there need to be greater integration between private and public bodies, but there also needs to be greater coordination across public bodies in different geographical regions.

KNOWING OUR MARKETS

Recommendation 3: Establish more comprehensive monitoring arrangements

Attention needs to be given to improving monitoring of cycle tourism, specifically with regard to the economic impacts of cycling and in particular with regards to its wider impacts in more rural areas.

This report concludes that there is a need for better, more consistent use of cycle counters and associated data collection.

1 <http://scottishtourismalliance.co.uk/wp-content/uploads/2012/06/Tourism-Strategy.pdf>

2 <http://www.dmbins.com>

There is also a need to gather knowledge to better understand the motivation and expectations of cycling visitors so that Scotland can make better provision for them. Ideally, one organisation would be made responsible for collating, analysing and disseminating data.

We recommend that the monitoring of cycle tourism be considered alongside the refresh of the Cycling Action Plan for Scotland (CAPS). Furthermore, steps should be taken to explore how monitoring cycle tourism could be coordinated amongst partners and groups (e.g., the National Cycling Interest Group and the Cycle Tourism Forum). This would feed into and support the key set of indicators for CAPS at a national level, as well as local authority priorities at a more local/regional level.

Recommendation 4: Focus promotional activities on key market segments

Two key, but quite distinct, market segments display the strongest development potential. Firstly, an increase in the number of 'sportives' will help promote the 'cycle specialists' market.³ Secondly, and at the other end of the market spectrum, the 'beginners' market (e.g. families, women, and newcomers to cycling) will require a different set of measures (e.g. the provision of safe, off-road cycle routes). Attention also needs to be given to widening the age demographic away from the core 30-50 market. Meanwhile, there should be a greater focus on promoting multiple day tours, given that they are more financially remunerative than single day trips.

Recommendation 5: Brand Scotland as a top destination for cycle touring

Establishing Scotland as a must-see destination for long distance cyclists would serve as a vehicle to attract increasing numbers of cycle tourists worldwide and particularly from across the Continent. A lead organisation should be given the role of working with industry to develop appropriate branding for Scottish leisure cycle tourism. Although Scotland is already well known for what it can offer to mountain bikers, it is necessary to increase the profile of the leisure cycle tourism offer. As opposed to mountain biking, where participants access only one or a few destinations/centres, leisure cycling takes cyclists through different types of landscapes, covering a much greater variety of scenery; it also introduces cultural and historical elements, already very well developed and promoted.

Recommendation 6: Develop key themed areas for leisure cycle tourism

Attention should be given to developing themed areas for leisure cycle tourism. Theming could generate higher economic returns, as cycle tours could be set up to be (i) multi-day, (ii) around rural, less developed tourist areas, (iii) linked to already well-established tourist attractions, (iv) a way to attract new market segments to cycling. The coordinating body could be tasked with, firstly, developing guidelines on theming and, then, working with collaboration with local/regional stakeholders in putting in place themed routes.

MANAGING THE CUSTOMER JOURNEY

Recommendation 7: Continue the development and marketing of cycle routes

In order to meet the CAPS (Scottish Government, 2010) target of 10% of all journeys by bike by 2020, there is a need for local and national government to continue investment in the development of new cycle routes and the maintenance of those already in place. The economic benefits of investment in cycle infrastructure are extraordinarily high, often demonstrating benefit-cost ratios as high as 19:1 (Grous, 2011). Therefore it is clear that even moderate investment in assisting the development of leisure cycle development would create multiple benefits. For example, while two EuroVelo routes currently run through Scotland, (EuroVelo Route 1 – The Atlantic Coast Route and EuroVelo Route 12 – The North Sea Cycle Route), they are not being developed, advertised and promoted to their full extent.

³ Developing "hill-climb" type challenges, discussed above, can also serve to create a continuous demand from specialised cyclists. Not linking those challenges with a particular event would encourage individual or small groups of cyclists to engage independently (the majority of cyclists cycle individually or in small groups). This can be expected to attract more cyclists and would likely spread cycling activity more equally throughout the year.

THEMED CYCLE TOUR OPPORTUNITIES

Scotland's natural landscape is rich and diverse, appealing to a wide range of cyclists. It varies in scenery, terrain challenges and length between service points. The need to identify and communicate these benefits is essential in attracting more people to leisure cycling.

There are numerous examples from around the world where links have been forged between cycling and the natural and/or cultural environment. For example, cycle tours have built up around vineyards in areas associated with wine production. New Zealand, California, South Africa and France link their wine regions' already established wine production reputation with cycling. Cycle routes developed around a specific theme can help create a brand and wider recognition of the area, and assist in reaching new markets that are not already engaged in leisure cycling.

A natural association in Scotland would be to use its worldwide recognition as the birthplace of whisky, along with several other strong touristic associations with rural Scotland, such as culture (castles) and wildlife (birds), amongst others. The development of cycle routes built around whisky distilleries could work well due to several factors: (I) almost all whisky distilleries are set up and situated in rural areas often surrounded by scenic landscape, away from high levels of traffic, (II) a majority of single malt distilleries are concentrated in the Speyside area, making it favourable for the development of less challenging routes of shorter distance, and (III) general whisky tours mainly attract similar age groups to those already participating in touring/leisure cycling.



Recommendation 8: Enhance information provision and technology integration

There is a need for greater centralisation of information on leisure cycle tourism opportunities (as has been provided for mountain biking through the DMBiS project). At present, information is spread around different websites, making finding suitable routes a time-consuming task. A central body could work with local authorities, cycle clubs and cycle operators to identify, create and promote routes, thereby providing cyclists with a better experience in finding information on where to cycle. Work is already underway to improve the cycling information available on VisitScotland.com and to make that information more accessible. In addition, consideration could be given to creating a central web portal to direct users to all sources of cycling information across Scotland.

An opportunity exists to utilise digital technology to access, communicate and understand cyclists' needs and preferences before, during and after their visit; this could increase the efficiency of targeting customers and developing products and services to suit them. Greater integration of these technologies (such as portable GPS-enabled navigation devices and social media channels) with cycle tourism marketing and communications activities could play a significant role in contributing to an understanding of cycle tourism-related market behaviours.

BUILDING SUSTAINABLE TOURISM

Recommendation 9: Continue to support cycle events, and extend this support to smaller events

In order to maximise the potential of cycle events, a funding stream should be put in place to support smaller events. As EventScotland supports some of the larger cycle events, there is a need to balance this and establish financial support for smaller events. This measure is expected to generate strong economic benefit, spreading impact more widely and involving small local communities. The external funding would also help organising fringe and low-season events.

Recommendation 10: Create a development strategy for the growth of cycle tourism

The Scottish Tourism Alliance strategy states that there is a 'need to work together at business, local and national level to maximise the potential of our rich tourism assets'. To coordinate and support further progress of cycle tourism in Scotland, there is a need to have clearly defined goals and objectives. Developing a strategy to support current growth and further progress of cycle tourism is an essential part of progressing with a sustainable tourism agenda in Scotland. If an adequately resourced central coordinating body is established for cycle tourism, this would provide a basis from which to encourage coordination between the industry's key stakeholders and initiate development and delivery of a comprehensive development strategy for the growth of cycle tourism in Scotland.





A REPORT COMMISSIONED BY SUSTRANS SCOTLAND

Sustrans Scotland commissioned Transform Scotland to fully investigate and cost the anecdotal evidence we have gathered over many years of delivering the National Cycle Network in Scotland that business from leisure cycling is a much larger income stream to 'Scotland plc' than has been recognised to date. This report clarifies the important role that cycling plays in promoting the offer Scotland makes to visitors and residents, while also creating opportunities for business development throughout the country.

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