What will activity and adventure tourism look like in 2015?[1]

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Introduction

Activity and Adventure tourism within Scotland and the wider United Kingdom is a diverse sector. Although it is divided into small niche areas, as a whole it represents an organised yet independent avenue for tourists to experience their holiday destination. Adventure tourism is difficult to classify and little consensus among analysts continues in what constitutes this sector. The essence of adventure tourism is best defined by Ewart[1] in 1989 as:

> "…the deliberate seeking of risk and uncertainty of outcomes."

The Canadian Tourism Commission classified adventure tourism as 'an outdoor leisure activity that takes place in an unusual, exotic, remote or wilderness destination, involves some form of unconventional means of transport and tends to be associated with low or high levels of activity"[2]. As previously stated adventure tourism may represent a constituent part of an activity break or a single activity may represent adventure tourism. For VisitScotland, the adventure tourism product is represented in general by sports activities. These are divided into categories of Earth, Air, Water and Ice. This report will look at adventure tourism in terms of both tourism in which the consumer perceives a risk in terms of activities they undertake which are part of the adventure sports portfolio. To explain the consumer perceived risk comment, the individual determines their own level of risk. A competent mountain climber will have a separate set of parameters in facing a challenge to that of an inexperienced walker when confronted with the same obstacles to overcome.

The ambition of Scottish tourism is to increase revenue by 50% by the year 2015. Adventure tourism is viewed at a global level as one of the growing sectors of the visitor attraction industry[3], therefore is a prime product area to contribute to the ambition. Due to the nature of the sector it also suggests that it may have significant impact on local economies due to the start-up potentials for small businesses and diversification of existing providers in the supply of activities to feed the adventure tourism industry[4].

The objective of this paper is to:

- Review the current situation regarding adventure tourism both on a global and local level
- Give an overview of the drivers that influence adventure tourism
- Segmentation analysis looking at product categories and customer profiles
- Case study of stag and hen parties
- Forecast the economic value of UK adventure tourism markets to Scotland by 2015
- Construct two scenarios of alternative futures
- What does this mean for sector development?

Adventure Tourism

Adventure and activity based holidays are showing significant growth within the tourism industry. The global product sees both established holiday destinations and new locations all looking towards "extreme sports" as an attractor to bring in holiday makers. The trend towards experience over materialism sees the holiday maker wishing to seek content to their vacation over the traditional model of "the beach" or "the pool". The problem that holiday providers have is that the consumer wishes it all; activity, luxury and service at perceived cost effective levels.

Whilst the old European resorts have a heritage of extreme sports (mountain climbing in the Alps and the Cresta run at St Moritz) going back to the 19th Century, newer tourism destinations are capitalising on Adventure Sports whilst possibly lacking traditional activities. While traditional tourism requires significant investment in hotels - transport and so on - to start an adventure tourism business has much less requirements. Extreme tourism is growing in former Soviet Union countries (Russia and Ukraine) and South America (Peru, Chile and Argentina).

The mountainous and politically sensitive areas of Northern Pakistan have developed a popular adventure tourism reputation.

Mintel estimate that in 2000[5] the total activity holiday market (domestic and international) was around 14.7 million trips. As a percentage of all domestic holidays in that year, 10.6% involved an activity with overseas activity holidays representing 9.5% of all international holidays. To date, VisitScotland.com has 119 adventure sport companies listed. The companies cover 47 activities ranging from skiing and hiking to sphering and skydiving. It is noted that adventure tourism is split into two categories, "incidental holiday activities" (e.g. canyoning, white water rafting. i.e. one-off-events) and "short break holidays" (e.g. mountain biking, kayaking, climbing and surfing, i.e. events that are undertaken as the focus of the break). Due to a general lack of academic and commercial research in the area of adventure tourism, the organisation and management of the sector, business interaction with tourists, the types of experiences the visitors engage in and outcomes in terms of satisfaction and perception of risk are limited[6]. Principle sources of reference are provided from the work of Page et al (2005), United Kingdom Tourism Survey, VisitScotland and commercial reports (Mintel, KPMG).

Looking at the supply side of Scottish adventure tourism, analysis of various studies by Page[7] in 2003 found that there were around 800 activity holiday providers and approximately 350 specific adventure tourism businesses. The difference between the activity holiday provider and adventure tourism business is the risk element, with the former providing relatively passive activities such as walking breaks. Looking at the adventure tourism businesses a summary of the market is as follows:

- Main Activities - Water Sports (18%), Multi-Activity (16%), Mountain Biking / Cycling (12%)
- Geographical Distribution – Highlands (26%), Argyll (17%), Tayside (9%)
- Number of Employees
    - Full Time – 1 (29%), 2 (22%), 3-4 (12%)
    - Part Time – None (28%), 1 (23%), 2 (13%), 3-4 (13%)
- Main months of operation – May to September with only half operating November to February.
- Principle marketing routes – Trade/Specialist magazines (53%), Direct mail (48%), Press (47%), Tourist Board (45%).

The above figures suggest that most businesses are small seasonal companies based in rural areas targeting dedicated hobbyists or informed novices to the activities they provide. The above does not include those individuals who undertake adventure tourism independently of commercial organisations. Many people go mountaineering, sailing, climbing, hand gliding or mountain biking and do not require support from business. These individuals include day trippers or longer stay visitors who will organise their own accommodation, itinerary, equipment and travel arrangements and therefore contribute to local economies indirectly compared to consumers who buy a package from a provider.

Drivers

In an attempt to understand the Adventure Tourism market, it is necessary to analyse the drivers which form that market. Disseminating the catalysts provide an insight into the potential areas which may be developed in encouraging growth both in visitor numbers and in maximising visitor spend whilst delivering value for money to the consumer. The principal drivers identified in this study are shown in table 1:

Driver 1	Economy & Disposable Income
Driver 2	Demographics
Driver 3	Countryside Access (Land Reform Act)
Driver 4	Scotland as the UK's outdoor capital.
Driver 5	Environment / Weather
Driver 6	Consumer Perceptions
Driver 7	Health and the outdoors
Driver 8	Rise of Regulation culture

Table 1: Drivers influencing Adventure Tourism.

Driver 1: Economy / Disposable Income

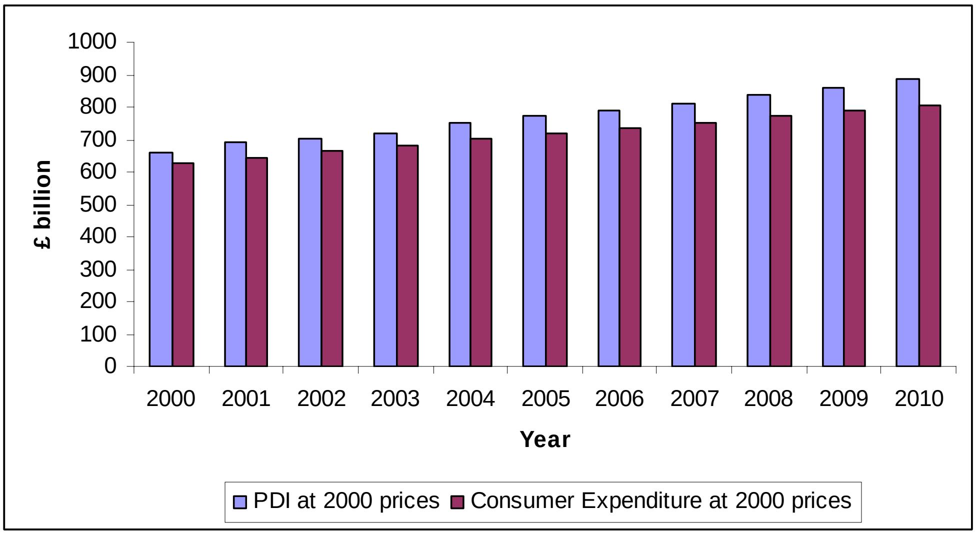

Figure 1: Trends in Personal Disposable Income and Consumer Expenditure, 2000-10 (Source – Mintel)

Over the last decade favourable economic conditions, amongst other factors have resulted in a change in attitude towards holidays and tourism. Along with the high disposable income, affordable yet good quality accommodation, budget air travel and greater individual awareness of destinations (due to internet research and lower reliance on tour operators providing packages) have made vacations a necessity rather than a luxury within household budgets. Consumers are demanding more from destinations whilst expecting to pay less.

The holiday is increasingly seen as a necessity within households; however the level of expenditure is related to the state of the economy[8]. This economic environment will be an influence over the consumers' holiday choice over the duration, destination and quality of experience. Activity or adventure holidays are usually seen as supplementary breaks to a main annual holiday, especially within the domestic market. As such, being an additional luxury, these breaks will increase or decrease in frequency dependent on the wealth of the consumer. Adventure breaks that are part of a principal holiday are increasing in market share due to the consumer's desire to develop experience instead of the traditional holiday model of escape and relax through inactivity. Looking at forecasts for personal disposable income (PDI) and consumer expenditure for the period 2000 to 2010, a variable start in terms of PDI occurred with a forecast growth of 2.5-3.0% up to 2010. Consumer Expenditure is forecast to fall to around 2.1-2.5% for the same period. This forecast suggests that economic conditions, barring any shocks, look favourable to retain the consumer trend of multiple short breaks.

Driver 2: Demographics (Domestic / International)

It is an accepted stereotype that the image of the "activity or adventure" tourist is one of a young, independently wealthy individual without family commitments. It is the stereotype who it is believed can afford the time and costs of travel, accommodation, equipment and training required to indulge there hobby or interest. Market research by VisitScotland[9] and mirrored by Mintel[10] have found that the market for adventure sports transcends socioeconomic groups, ages and gender. Whereas it was originally thought that the cost of equipment and tuition would have favoured upper socioeconomic groups this has found not to be the case. This study is in line with current thinking in tourism that the activity aspect is becoming more important within holidays than possibly the destination or relaxation. Figure 2 represents the percentage change in each socio-economic group between 2000 to 2005 and 2005 to 2010. As it is forecast the overall wealth is likely to increase over the next few years, the trend is towards increasing the upper socio-economic groups. In itself this tendency will not affect the growth in adventure tourism in terms of trips, it will however influence the level of spend and the potential value of the industry in the future.

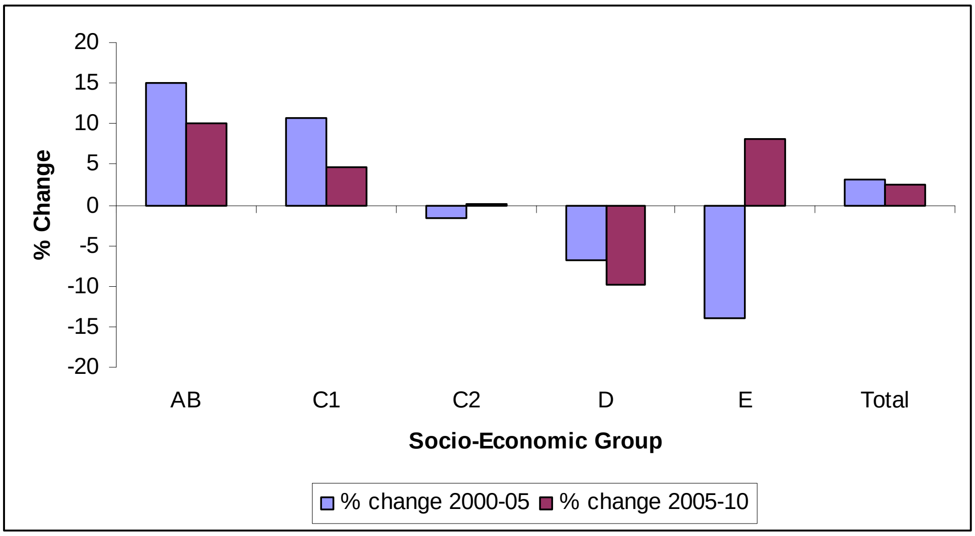

Figure 2: Forecast adult population trends, by socio-economic group % Change (Source – Mintel)

An increasing demographic, which is likely to dominate for the near future is from the 45-64 year old age group, a sector which is time and cash rich (Figure 3). The baby-boomer generation is health conscious and

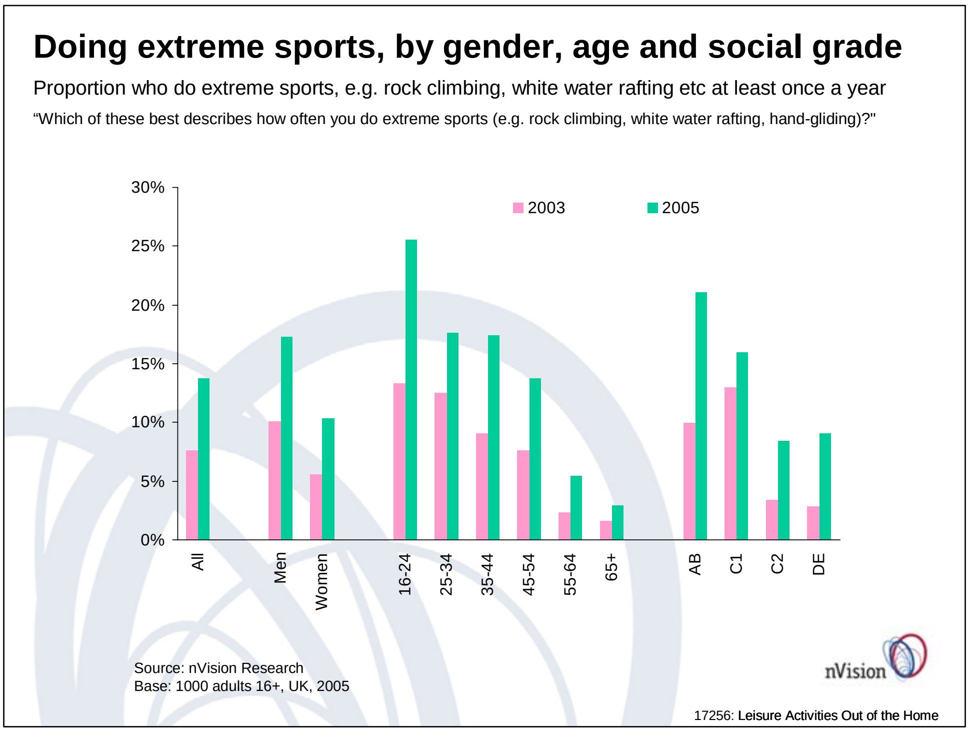

Figure 3: Doing extreme sports, by gender, age and social grade (Source – nVision)

compared to previous generations seeking new experience, adventure and are prepared to pay. A greater awareness of the wider world plays it part in the baby boomers looking towards adventure tourism. Whist they may not all be looking for the high adrenalin sports that younger consumers seek in activity holidays there is great scope for hiking/trekking, sailing and horse riding. The generalisation for this sector is towards activities that are low impact and non-competitive which couples can do together. The baby boomers are of benefit to the tourism industry overall as they usually require as part of their package a generally higher quality accommodation, spend more on dining out and will have a disposable income for added extras, in comparison to other age groups. Statistics show that the 45 to 64 year old age group in the UK will be 15% larger in 2010 than in 2000, whereas the 15 to 19 year olds will see a decline in 1% for the same period.

Driver 3: Countryside Access (Land Reform Act)

The Land Reform (Scotland) Act 2003 created a framework for responsible access to land and inland water. The act formalised the tradition in Scotland for unhindered access to open countryside, provided that care is taken not to cause damage or interfere with activities such as farming or game stalking. Similar legislation was passed in England and Wales with the Countryside and Rights of Way Act 2000.

The role that the two acts had on the public was to raise awareness of access to the countryside. Although in real terms the areas that were popular with the public were always accessible, within Scotland it allowed clarity in the public conscious to where they can and cannot go. Principal concerns for tourism were towards environmental impact. If there was a dramatic increase in visitors to the countryside what impact on the landscape, fauna and flora would occur? This to date has not transpired - concerns over the most popular areas still exists, however the public are in turn increasingly environmentally conscious.

The Land Reform (Scotland) Act 2003 also has provision for tenants, and particularly crofters, to buy their land from lairds. With tourism a growing industry, this provides opportunity for growth in remote areas for adventure tourism. Balances between community, environment and economy must be maintained but diversity can only benefit the areas concerned.

Driver 4: Scotland as the UK's outdoor capital

History has shown us that Scotland has for the past 200 years been a playground for the outdoor sportsperson. The Victorian hunting lodges, increasing interest in walking as a recreational pursuit and the continued development and management of the open spaces have maintained a heritage of adventure tourism. In recent years, to cater to the ever diversify marketplace one area of Scotland has promoted itself as the outdoor capital of Scotland. Lochaber, near Fort William, and Perthshire have cashed in on its natural resources to develop a centre for adventure sports. Whilst all over Scotland adventure tourism is possible, the latter area is attracting investment and business start ups to continue to attract visitors. One of the benefits of maximising its profile as an outdoor specialist is the attraction of world class adventure sports events which increases the profile of the area.

Scotland has in recent years hosted several world events which have in turn promoted Adventure Sports. The UCI Mountain biking World Cup in Fort William and the O'Neill Highland Open surf championships at Thurso promote Scotland's adventure tourism portfolio to a world stage. Both events attract large crowds which in turn boost accommodation figures, local businesses and raise the local sports profile. The fact that these world events are run in Scotland is testament to the environment in which they are performed. Scotland is increasingly perceived as a world class centre for mountain biking which in turn justifies investment in facilities which contributes towards further improvement.

From a surfing perspective, the O'Neill Highland Open is part of the ASP world qualifying series (WQS) and has been awarded a maximum six-star WQS rating as well as being recognised as possibly the coldest destination on the tour. The UCI Mountain biking world cup is competed annually at Fort William. Having been awarded an 'A grade' by the International Mountain Biking Association, the predictions for the 2007 competition are that 40,000 spectators will attend and the local economy will gain a direct benefit of up to £2 million during the event[11].

These events represent a sample of the world coverage adventure sports in Scotland receives. National and regional events occur all the time and promote the grassroots participation. It terms of tourism, larger event coverage allows justification in facilities, which in turn encourages public usage, combined with the advertising the events generate.

Driver 5: Environment / Weather

Market research commissioned by VisitScotland in 2003[12] found an ongoing perception that weather is poor in Scotland for extreme/adventure sports, a factor which is contradicted in research performed for Perthshire Tourist Board[13] in the same year. In either case looking subjectively at the climate Scottish weather is generally more temperate than that of other locations at the same latitude. When it comes to adventure tourism, the weather is actually seen as an attractor for some as it adds an additional element to enhance the overall experience. The weather is also essential for some sports with the ski industry having a very loyal following so that when snow falls on the slopes at Aviemore they inform the consumer and many will drop commitments at short notice to enjoy the sport.

Having an uncertainty to the weather does have opportunities for suppliers and clothing retailers. The requirements for the provision of wet and dry, warm and cold weather equipment by visitors opens the possibility for snap purchases on site.

The forecast long term trend for the Scottish climate is on of longer, dryer summers and warmer wetter winters[14]. Prospects for snow fall and cold periods are likely to decrease as time goes on (up to 2080[15]) which will impact on some of the iconic landscapes and wildlife which currently inhabit a peri-alpine niche. As it is widely accepted that climate change is unavoidable until current levels of intervention to prevent further rises of temperature take effect, tourism globally as well as locally will need to adapt to the developments. For adventure tourism it may mean that a possible reliability in good summer weather can develop; for some activities a year round business can occur, rather than closing for winter. On the downside, looking to the very long term it may mean a decline in snow skiing (but opportunity for grass skiing or dry slopes development) and for sea borne activities, growth in winter storm surges in the future may mean rescheduling.

On balance climate change could provide greater opportunity for adventure tourism in Scotland. With a changing climate longer summer seasons or temperate winter seasons could extend tourism activity beyond normal parameters at present. As temperatures increase in Mediterranean countries, overseas visitors may look to Scotland as a welcome destination for outdoor activities and even enjoy the possibility of rain when the go hiking, mountain biking or dog-sledding. As with all businesses adaptation and preparation are key to staying ahead in what is increasingly a global competitive market.

Driver 6: Consumer Perceptions

Research by VisitScotland[16] into perceptions and barriers of consumers to Adventure Tourism to Scotland found several key elements to the attitudes to choosing Scotland as an adventure tourism destination. Looking to visitors from beyond Scotland the following trends were discovered. The perceptions of Scotland increased the closer, geographically and historically (for example family ties) you got to Scotland. Amongst dedicated and skilled enthusiasts, Scotland had a good reputation and had been visited often. For those who may have less experience in activity sports Scotland as an adventure tourism destination diminished, especially the further away from Scotland they were. The stereotypical adventure tourist (e.g. age 20-35, independent and solvent) commented that they "still had loads of places to go" which implies that they may visit Scotland once to partake in their chosen activity but will not possibly come back but travel elsewhere, possibly abroad.

The barriers the consumer perceives are primarily in the choice between domestic and overseas travel. With international destinations increasingly becoming accessible, the cost difference between a foreign destination and the UK has become negligible, and some consider foreign destinations cheaper. Distance was also a seen as a barrier with the border seen a "mental barrier" when considering a destination for a spontaneous visit. Researchers found that respondents from the North-West of England were surprised when told that travel time to Dumfries and Galloway was the same as it is to travel and queue to get to the Lake District or Wales. Additional misconceptions by consumers with regards choosing Scotland as an adventure destination included the requirement for additional preparation and equipment, poor facilities at sites ("…will I be able to get a drink at the end of the day?") and remoteness (especially for beginners who feared a feeling of abandonment in isolated areas). For some these factors may enhance an adventure tourism tour, to others, particularly a beginner to the sport, they will be a detractor. The misconception by the consumer of their perception of Scotland can partly be overcome through advertising, communication and increasing profile. Scotland provides a diverse range of activities for all skill levels combined with sophisticated and world class facilities. The encouraging message that Scotland is seen by the experienced adventure tourist as a world class destination should be harnessed and passed down to the up and coming adventure tourists.

Driver 7: Health and the outdoors

A significant driver in the growth of the adventure tourism industry is the health and wellbeing of the consumer base. As there is a perceived minimum fitness level to undertake most sports, wellbeing amongst the population will define the potential customers who would look towards adventure tourism. Modeling trends in the UK show that by 2010 one in three women and more than one in four men will be obese. Obesity will be overtaking smoking as the leading preventable cause of illness and death. Estimates by HM Treasury suggest the total cost to the NHS and economy will be around £3.6 billion[17]. Obesity doesn't develop overnight. It takes about 3,500 excess calories to gain just 1lb therefore what are the causes of obesity? It is suggested that although many excuses are put forward to an increasingly heavy nation, three factors determine weight gain[18]. These are:

- Genetics: Some people have a predisposition to weight gain; others have a naturally high metabolism which requires a greater calorific intake to maintain. Identification of the body type the individual represents will determine the level of diet control that person must undertake to regulate there body weight.
- Food: A diet that contains high fat content or calories will lead to a greater possibility of obesity compared to a balanced diet. A phenomenon associated with comfort eating for mood improvement also contributes to this trend; however when a diet skewed towards high fat or is calorie rich is combined with low physical activity rates the possibility of obesity increases.
- Physical Activity: People who are physically active are generally less likely to gain weight compared to those who are inactive.

The Parliamentary Office of Science and Technology[19] identified the factors that are behind the decline in physical activity in the UK. These are identified as being:

- Reduced occupational physical activity.
- Increased car use (particularly for short journeys)
- Decline of walking (perceived personal safety issues particularly for children, women and the elderly).
- Increase in energy saving devices in public places (elevators, escalators and automatic doors)
- Reduction of physical education and sport in some schools.
- Adults fear of children's safety in unsupervised play.
- Substitution of physical activity leisure with sedentary pastimes like television, computer games and the internet.

The UK and the devolved governments have supported several initiatives to promote healthy eating and increase physical activity in an attempt to curb growing obesity and inactivity levels. As time goes on and the wider implications of obesity begin to affect society a greater awareness of personal health and fitness could occur amongst the nation. In the short term adventure holidays may be seen as a way of introducing healthy activity to a sedentary lifestyle; in the longer term it is possible that generational comparison can occur. This is where children of parents who are inactive and have developed conditions related to their obesity (for example type II diabetes) will consider their own health more carefully. This swing in attitude could herald a renaissance in adventure tourism and a greater use of the outdoors for health and well being. This attitudinal shift is only possible if access and barriers to adventure tourism are reduced; the barriers being psychological, physical, economic and regulatory.

Driver 8: Rise of regulation culture

Research by AXA Insurance[20] has found that in 2006, one in three adults (approximately 13.6 million people) intended to take an activity holiday, with only 16% of them intending taking out adequate travel insurance. The survey went on to speculate that over 200,000 UK tourists could suffer from an accident or injury whilst undertaking an activity holiday. However it is postulated through separate studies that the nature of the majority of tourist injuries could be minor accidents (slips, trips and falls which constitute the majority of insurance claims[21]) Whilst the adventure tourist from the UK is unprepared should the unfortunate happen it is possible that the attitude of the consumer is one where the activity provider is responsible for safety. If this is the case and it is not necessary for the tourist to have adequate insurance for the activities they are undertaking a growth in over regulation grows where both authorities and business compete to protect consumers or commerce from growing claims for compensation.

The Adventure Activities Licensing Authority provides indemnity cover for educational outdoor establishments, with over 1077 centres in the UK (of which Scotland has 164 centres as of February 2007) therefore schools have some assurance that they are protected from potential litigation should anything happen. Organisations providing adventure activities privately (such as tourism providers) require indemnity insurance to be provided by them. Insurance cost increases are a constant worry to specialist operators which are invariably smaller operators and/or family owned. Increasing premiums affect margins and therefore growth potential in the industry. An adventure sports provider in Snowdonia[22] decided not to expand as individual insurance was cheaper than corporate insurance, therefore restricting the ability to take on more staff and resulted in having to turn business away when capacity was met.

The fear that many adventure sports providers have is the encroaching problem of a "compensation culture". It is a trend originating from the United States and refers to "the litigious nature of modern society" and the "blame and claim culture"[23]. A survey in 2004 found that 96 per cent of people believe claiming compensation is more prevalent now than ten years ago. Despite some views that the compensation culture is beginning to bedevil

British society it is claimed that there is little evidence to substantiate this and there is a concerted effort at the highest levels to defuse the hysteria around it. The Better Regulation Task Force (BRTF), an independent advisory group established by government in 1997, set out to 'explode the urban myth' that the UK 'is in the grip of a "compensation culture" in its report 'Better Routes to Redress'[24]. The report attributes the current perception of a compensation culture to a combination of factors which 'all led to the apparent explosion of litigation in the latter half of the 1990s and the early years of the 21st century': the abolition of legal aid for most personal injury claims; the introduction of conditional fee arrangements; and the appearance and growth of claims management companies. Media coverage of apparently outrageous or spurious claims (whose truth is often much more serious) has fuelled the fire of public perceptions. In a speech by Prime Minister Tony Blair, in response to the BRTF report, he stated between 2000 and 2005 the overall number of accident claims fell by 5.3 per cent, therefore reinforcing that there is not a compensation culture within the UK.

To the adventure tourism provider the presence or lack of an actual compensation culture is partly irrelevant. The threat to litigate by the consumer leads to greater awareness towards safety and therefore partial removal of the essence of danger that the consumer may be seeking in undertaking the activity in the first place. The rise in regulation culture suppresses the excitement that adventure tourism looks to promote and therefore develops a cycle of decline within the industry. The comparison of New Zealand which has a self-regulated adventure tourism environment and Scotland with a highly regulated tourism environment, Page[25] et al found there was no major impact on the extent of accidents. Therefore it is shown that by a code of standards either voluntary or enforced, operators are increasingly made aware of the potential risks and can therefore invest and prepare to minimize them.

Segmentation

In understanding the adventure tourism market it is necessary to be able to segment the consumers. The ability to categorise a consumer into an identifiable group assists in marketing, information provision and product development. It is important not to stereotype a consumer however as each visit may be determined by a different category.

The general market segments identified by INSIGHTS[26] in a 2003 study show the UK adventure tourism market segments as follows:

- Samplers – Those who are trying an outdoor activity for the first time or undertake the activity on very occasional basis. E.g. Special occasion groups, Hen & Stag Groups, Corporate Groups
- Learners – Those that are learning an outdoor activity or seeking to improve their skills. E.g. youth groups, training groups, individuals seeking proficiency.
- Dabblers – People who occasionally take part in an outdoor activity when on holiday or as part of their leisure time. They will have learned how to undertake their chosen activity and has some knowledge or skill but will not be regularly undertaking the activity. Holidays provide a primary opportunity to undertake the activity for this group. E.g. friendship groups or individuals who have some experience in an outdoor activity.
- Enthusiasts – People who regularly take part in an outdoor activity and are very keen on it. They are experts in the activity which requires knowledge and skill.

People may well fall into different market segments at different times depending on the activity they are undertaking. For example, an enthusiastic climber may become a paragliding learner or canoeing sampler. Another factor is that within a single activity people may progress so a sampler climber may move to being a learner, dabbler and then enthusiast as experience and interest grows. ACK Tourism went on to define the relative size of market segments by activity; these are shown in table 2.

Activity	Samplers	Learners	Dabblers	Enthusiasts
Mountain Biking	10%	10%	35%	45%
Horse Riding	25%	10%	15%	50%
Water sports	7%	10%	10%	73%
Adventure Sports	8%	10%	10%	72%

Table 2: Relative size of market segments by activity for activity tourism markets (Source: adapted INSIGHTS 2003)

Based on the finding of the AXA Insurance survey, of the 13.6 million people in the UK planning an adventure based holiday, 2.6 million are looking to horse riding and 7.4 million will be doing water sports. Based on the results in Table 2, 1.3 million horse riders will be enthusiasts and 650,000 will be samplers. In water sports 518,000 will be samplers and 5.4 million will be enthusiasts. The relevance of this data on industry is in supply. Enthusiasts (dependant on the nature of the activity) will possibly have a large proportion of the equipment and training to undertake their holiday and will plan independently therefore will have lower requirement for direct adventure tourism industry. Indirect industry (such as accommodation, restaurants or services providers) will have more to offer this segment. For samplers, direct adventure tourism providers will be much more appealing as they will provide equipment, advice and training. Finding the balance to provide the appropriate service to each segment will maximise yield and customer expenditure.

It has been observed that each segment responds to different marketing initiatives. It should be noted however that if a consumer is transferring from one group to another, particularly from an enthusiast group to a less experienced group they may hold on to an enthusiast profile in terms of marketing. Dabblers may use literature and websites provided by tourism agencies and official sources at the pre-visit stage for initial ideas and to research, plan and book. Dabblers may also use specialist magazines, commercial websites and word of mouth. Having some knowledge of they activity they are doing, but not necessarily knowledge of where to do it they usually have activities planned prior to arriving at the destination but may be influenced by literature and information centre advice on arrival. Samplers will probably not have pre-planned any outdoor activity prior to arriving at the destination. As samplers are primarily spontaneous in their decision to undertake an activity, leaflets at information centres and at their accommodation are key sources. Day visitor Samplers may use official websites to get ideas from promotions to go and partake in an outdoor activity. Enthusiasts are unlikely to look at official (public sector / tourist board) information sites. Enthusiasts will primarily rely on their own knowledge, word of mouth or specialist magazines. Learners are likely to access information through accredited activity centres and approved sources. It is likely a learner will pre-book everything prior to arrival. Having links between accredited learning centres and accommodation providers, equipment providers will maximise the potential for consumer opportunities as it will be a one-stop shop for the potential learner adventure tourist.

VisitScotland segments its activities into defined product groups. This segmentation is to assist in marketing and industry communication. The current range of adventure sports in Scotland is shown in table 3:

Water	Earth	Ice	Air
Body boarding Canyoning Cliff jumping Coasteering Diving Fun Yakking/Duckies Kayak surfing Kitesurfing Open (Canadian) canoeing Powerboating/jet boating River bugging Sea kayaking Surfing Wakeboarding Water skiing Whitewater kayaking Whitewater rafting Twilight Rafting Windsurfing Jet skiing	Blo-karting/X-sail Caving and potholing Hillwalking Hovercrafting Indoor climbing Mountain biking Mountain boarding Outdoor climbing Scrambling Bridge Swinging Kart Racing Off-Road Driving Paintball Quad Biking Skateboarding Sphereing	Ice climbing Ski mountaineering Skiing & snowboarding Sled dog racing Telemark skiing Winter mountaineering	Flying Lessons Gliding Hang-gliding Helicopter flights Hot-air ballooning Microlighting Paragliding Sky diving Power Kiting

Table 3: Range of adventure sports in Scotland

From the variety of activities it is clear that there is diversity between guided and unguided activities, one-off events and holiday based activities, each of which will attract one or many individuals from the segments described above.

Case Study – Stag & Hen Groups & Adventure Tourism

One of the potential growth sectors for the adventure tourism market is from the Stag and Hen party. Due to various factors pre-nuptial celebrations are increasingly lasting longer than the traditional one night. The factors for this phenomenon include increasing personal disposable income, changing demographic of weddings (people are waiting longer before marrying) and the evolution of the tourism industry (namely the growth of the budget airline). Democratisation of the tourism industry has made the short break more affordable, and as such weekend stag and hen parties are rising in prominence. With the advent of the budget airline, foreign destinations are also growing in popularity however it has been noted that whereas in the past a younger demographic would have been content with a traditional night out prior to a wedding, the older demographic today prefers a multi activity break with friends which includes one or multiple activity pursuits along with food tourism and traditional stag activities including drinks or casinos. Morgan Stanley predicted the UK expenditure on Stag and Hen weekends in 2004 would be £532 million[27] with stag parties spending on average £250 each on a weekend[28]. Stag parties are developing in sophistication and travelling further a field. Hen parties tend to be more UK based with an average spend of £194 each[29]. Popular activities for stag weekends include golf breaks, paintballing and quad bikes with hen weekends preferring stretch limos, nightclubs and spa breaks[30].

Caveat Emptor – Please note that any individual company mentioned in this case study should not be taken as an endorsement of quality or value for money by VisitScotland. The organisations highlighted are representative of the range available within the sector as a whole.

Looking at the market in Scotland, a specialist company "StagHenScotland.com" provide complete adventure tourism packages for the pre-nuptial market. The company works with local suppliers around the country to provide individual activities such as paintball, white-water rafting or canyoning along with budget to deluxe packages including, accommodation, meals and activities starting from £99 through to tailored packages at a variety of locations from Edinburgh, Perthshire up to the Highlands. "EdinburghStagParty.com" promotes a combination of activities from the traditional stag and hen events through to adventure activities such as rafting, cliff jumping or highland games. In addition to the promotion of the activities EdinburghStagParty.com specifically mentions insurance products and safety advice therefore pre-advising potential customers of the risks and precautions that should be considered. Listed as one of the top 50 best activity weekends by the Independent in 2002 on their website, naelimits.com is another adventure tourism provider which caters to but exclusively for the prenuptial market. Day itineraries are available from £85 where two activities can be done from a choice of 10 ranging from rafting to clay pigeon shooting. Advice is given on the site discouraging mixing alcohol with participation with the activities. Value added options are also promoted with an on-site photographer available to record the event and tailored packages to provide a specific experience.

Research by Mintel[31] found 57% of adults who have been or might go on a stag or hen night have or would undertake three or more activities. Of the 57% previously mentioned 65% would involve an activity associated with adventure tourism. The trend in the selection of activities is one of balance for the consumer, therefore the Mintel research suggests that a typical stag/hen weekend would involve Extreme Sports followed by a meal and concluding with a pub or club.

Prospects for Adventure Sports

Adventure Tourism is expected to remain a niche market within the overall holiday market within Scotland. The popularity of the activities and the facilities are likely to increase over time as the sector is expected to continue to grow over the medium term. Consumer research[32] has found that although 37% of people prefer a relaxing holiday, interest in activity breaks is increasing with 35% of respondents having already sampled adventure tourism and 50% interested in going in the future. The advent of the low cost airline carrier has its pro's and con's to Scottish tourism. The airlines provide a gateway for Scottish residents to fly to foreign destinations but it also opens Scottish Tourism up to foreign visitors who want to sample the adventure tourism activities that are gaining a worldwide reputation. In terms of market share, the domestic market will continue to dominate the adventure tourism market, however with the multi-holiday culture found in the UK; the activity break in Scotland may decline in duration as it is seen more as a short break activity. The overseas market is likely to be more dynamic as a greater diffusion of European countries begin to travel, particularly as the newer accession countries tend to have a younger demographic, and therefore propensity to travel and seek adventure.

Increasing personal disposable income and a focus on healthy living are seen as drivers to growing the activity holiday market. The drivers for growth will need to be met by a flexible and dynamic industry which, whist being driven by market forces will need to continually develop to ensure that consumer needs are met and as wide a range of attractions are provided. As most consumers, as is shown in the segmentation, will use adventure tourism companies if they are infrequent, inexperienced or sampling new activities (experienced adventure tourists are generally more independent than other consumers in this sector) customer focus and clear communication to provide sufficient information for consumers to make an informed choice.

Adventure tourism covers individual activities through to short and long breaks. A multitude of organisations are involved in providing services from accommodation and food outlets to government agencies such as the Forestry Commission for Scotland. As visitors could undertake adventure tourism as independents or through packages and it can be one of potentially 47 or more activities, establishing a precise value is near impossible.

The Mintel report on Activity Holidays found in its consumer research that 30% of consumers agree that "Activity holidays are a great way to escape the pressures of everyday life", 28% say "Activity holidays are a great way to socialise and meet new friends" and 25% said "they are ideal for families". The report went on to outline the most and next most popular desired future activities by socio-demographic category. Men were found to prefer water sports (58%) and scuba diving (55%) activities where as women preferred skiing/snowboarding (52%) and hiking

(56%). The age group which expressed the greatest interest in an adventure sports holiday were the 25-34 year olds (24%) and 35-44 year olds (21%) with skiing / snowboarding the most popular amongst the two age groups. Unsurprisingly it was the pre/no family group (42%) which expressed the biggest desire for any kind of adventure holiday, however in the family category it was the Families with under 10s only group (33%) which had the greatest interest in adventure holidays with winter and water sports being the most popular activities. Third age groups (20% interest in a future adventure holiday) stated that hiking/walking holidays would be the most likely activity they would undertake with cycling and horse riding as alternate options.

Looking at the geographical location of the respondents and their interest in a future adventure holiday, the results are shown in table 4(a & b):

Base: 1983 adults aged 15+	**Any activity holiday**	**Skiing/ snow-boarding**	**Walking/ rambling/ hiking**	**Scuba diving**	**Watersports (eg sailing, windsurfing, canoeing)**	**None of these**
	%	**%**	**%**	**%**	**%**	**%**
London	20	25	14	18	26	18
South	10	10	12	9	8	10
Anglia/Midlands	23	24	28	20	22	24
South West/Wales	12	11	15	11	11	11
Yorkshire/North East	16	13	16	21	14	16
North West	11	10	7	11	10	13
Scotland	9	10	8	11	10	9

Table 4a: Most popular types of desired future activity holiday by region (source Mintel/NOP)

Base: 1983 adults aged 15+	**Horse riding/ pony trekking**	**Cycling**	**Multi-activity**	**Mountaineering/ rock climbing**	**Golf**	**None of these**
	%	**%**	**%**	**%**	**%**	**%**
London	17	16	23	19	16	18
South	16	8	11	6	6	10
Anglia/Midlands	17	22	23	23	32	24
South West/Wales	16	14	10	9	10	11
Yorkshire/North East	17	16	19	21	14	16
North West	7	19	11	18	12	13
Scotland	10	7	7	5	11	9

Table 4b: Next most popular types of desired future activity holiday by region (source Mintel/NOP)

The principal markets for Scottish tourism are found in the North and South-East of England. From table 4a it is shown that combined these markets represent over 50% likelihood of a desire for a future activity holiday. Looking to specific activities Multi-activity breaks and Mountaineering are the most popular with scuba diving and cycling next. The Scottish market has a lower desire towards activity breaks in this survey, however water sports and skiing proved to be the most popular activities when questioned.

The responses from the Mintel survey have shown that there is a strong potential market for activity sports based in regions which show a favourable interest in holidaying in Scotland. Of the activities which have been shown to be most popular, Scotland already has an infrastructure and landscape which may be marketed towards the adventure sports tourist.

Forecasts & Scenarios

The United Kingdom Tourism Survey calculated the 2003 volume and value of Scottish activity holidays at 2.2 million trips and £631 million expenditure. The figures quoted show values where activity holidays are part or all of the holiday. As adventure tourism is increasingly activity based this figure is used as a base for scenarios into future volume and value. Calculations based on the Mintel forecast[33] suggest that from 2003 to 2007 there will be a 25% increase in activity holidays. The growth is due to increased personal disposable income, increasing consciousness in health and wellbeing and greater interest in participation in activity sports. Based on the above predication, three scenarios have been formulated to illustrate the impact on adventure tourism should specific events occur.

A benchmark scenario has been created based around, although not exclusively on the Mintel forecast for Activity Holidays. This follows trends for the UK and has been extrapolated to the Scottish Adventure tourism market. This scenario assumes a static environment where no further investment and development occurs, therefore is seen as a benign forecast. Scenario 1 is called "Scotland, Outdoor Centre of Excellence" where adventure tourism to Scotland follows growth patterns in line with the ambitions project. It is assumed that 4% annual growth in visits and 2.5% annual growth revenue from Adventure Tourism is participating in the Scottish Tourism Ambitions project as a whole. Scenario 2 is entitled "Nanny State", and is modelling a declining market. This forecast is based on over regulation which is impacting on visitor numbers. The results of the models are shown in Figures 4 and 5 which show a smooth average forecast for visits and expenditure from 2002 to 2015.

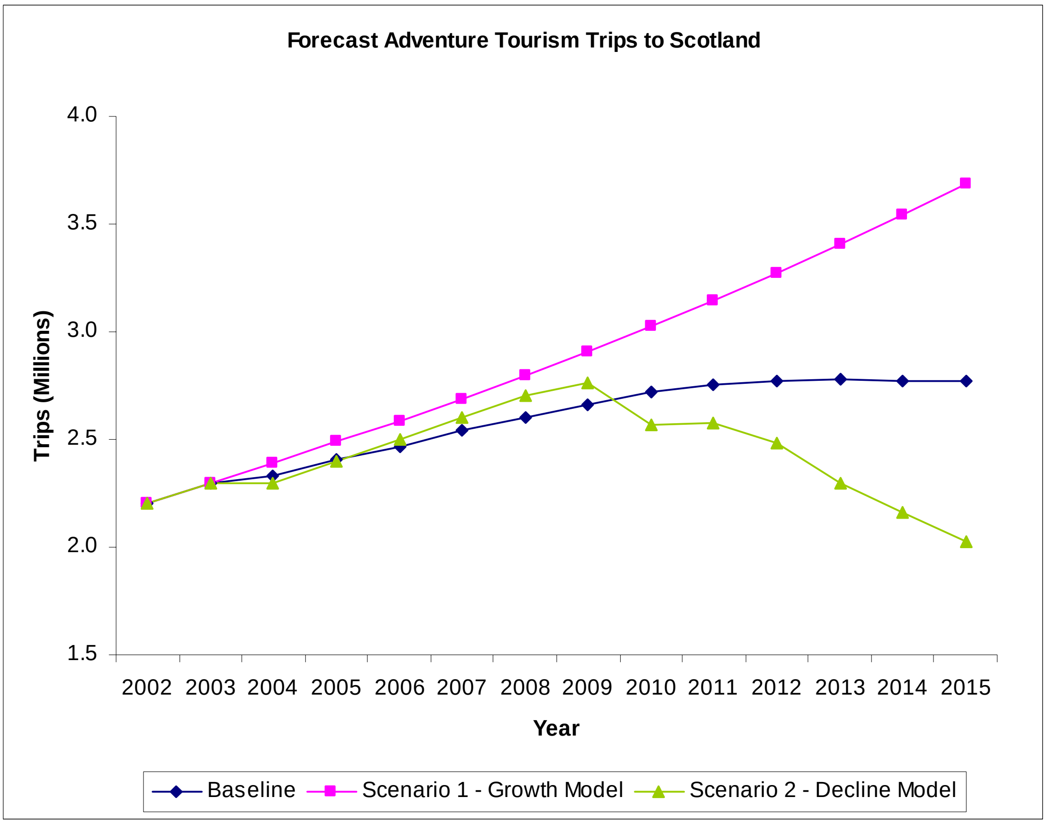

Figure 4 – Forecast Adventure Tourism Visitor Trips to Scotland 2002 - 2015

Baseline scenario is based on forecast economic factors such as personal disposable income and demographic indicators. From the start point in 2002, Adventure Tourism grows from 2.2 million trips and £592 million expenditure to a peak of 2.8 million trips in 2011 and £756 million expenditure in 2013. As the market matures visitor numbers stabilise with a slight decline in revenue due to consumer forces seeking value for money. The volume and value of Adventure Tourism in 2015 is 2.8 million trips and £752.3 million expenditure.

Scenario 1 – "Scotland, Outdoor Centre of Excellence" has Scotland as "the" location for outdoor sports. The notoriety of the landscape, facilities and range of activities promotes further worldwide sporting events to be hosted from Scotland. As the global and national reputation increases visitor numbers grow, with industry responding by providing a balance for beginners to experts without compromising the experience for anyone. The result is that Trips and Expenditure grow from the 2002 levels (2.2 million trips and £592 million expenditure) in line with the ambitions project resulting in a continued growth to 2015. The contribution Adventure Tourism makes in 2015 is £848.6 million from 3.7 million trips.

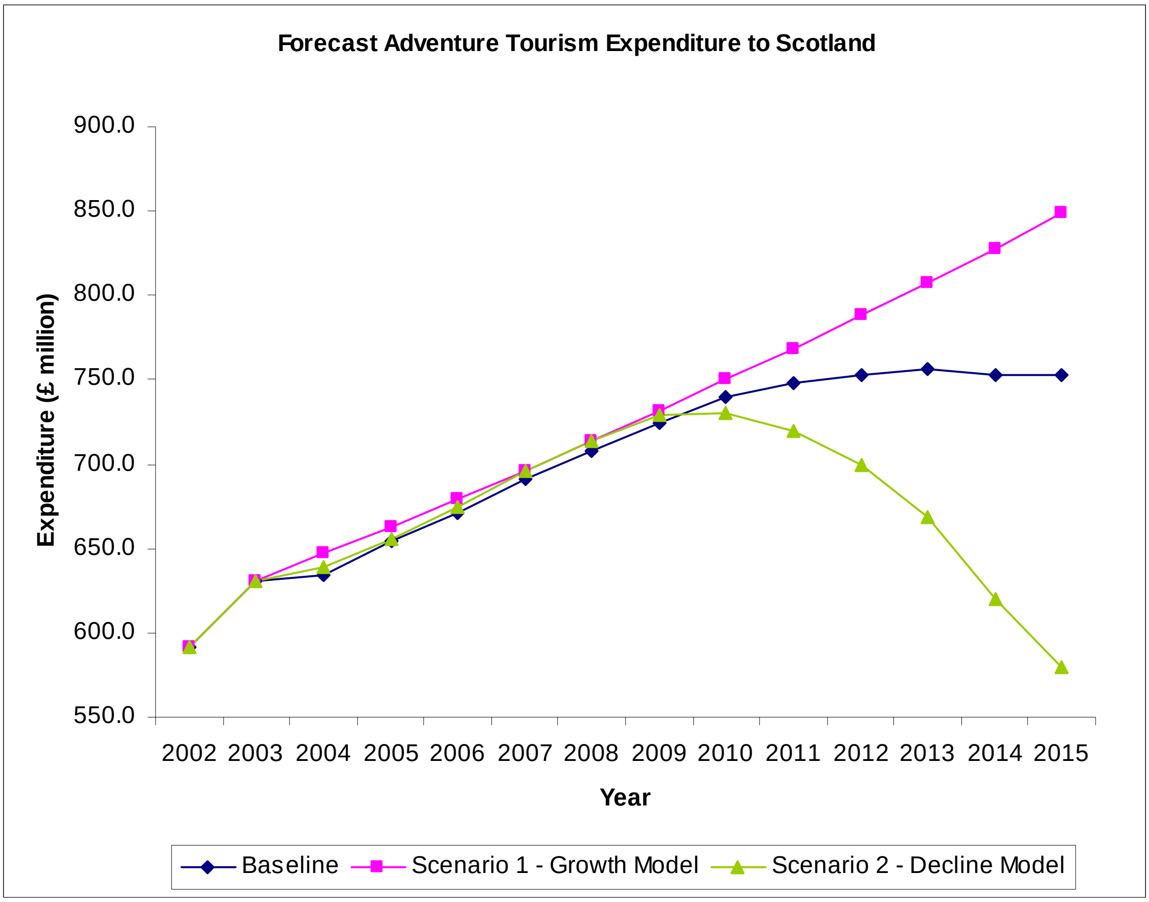

Figure 5 – Forecast Adventure Tourism Visitor Expenditure\ to Scotland 2002 - 2015

Scenario 2 – "Nanny State" is based on the premise that as adventure tourism grows in popularity it becomes subject to over regulation. As greater control of activities by the State occurs, over regulation damages creativity, innovation and competition therefore fewer companies open in the sector. Increasing licensing fees and exorbitant compulsory insurance policies mean that costs have to be passed on to the consumer resulting in higher prices and a growth in unregulated activities which damages the reputation of respectable firms. Consumers absorb the costs initially due to the innate attraction of adventure tourism in Scotland until the essential element of the activities (the risk, the adrenalin or the wilderness aspect) is diminished through regulation that the consumers travel elsewhere for the essence of adventure tourism they are looking for. In this forecast, regulation begins in 2008, with the 2002 values for trips and expenditure ((2.2 million trips and £592 million expenditure) growing to 2.7 million trips and £714 million by 2008, growing another 4% in trips and 2% expenditure in 2009/10 as consumers still come to Scotland for Outdoor Activities under the regulated industry.

By 2015, the over regulation has caused visits for Adventure Sports to decline to 2 million with expenditure of £580 million.

So, what does this mean for sector development?

The role of sector development in adventure sports will be essential to ensure we live up to the promise as "Europe's Adventure Capital".

Firstly, it will be important to offer tourists an all round experience. It is not enough to simply offer world class adventure sports – we must also cater for their social needs and provide them with suitable hygiene factors e.g. suitable accommodation, transport links etc. We have to educate tourism businesses to think about this emerging but lucrative sector by disseminating research findings to these businesses so they understand the needs of the market and how to target them effectively. This should extend to include businesses who are not solely tourism related e.g. outdoor shops, restaurants, pubs etc.

The diversity in the range of adventure sports in Scotland allows us a year round product offering. Marketing must communicate that sports are available all year round, while businesses should ensure opening reflects this and also consider special offers to ensure visitors keep coming throughout the shoulder season. VisitScotland can assist by helping facilitate the development of new products such as the "Adventure Passport" which was launched last year, which offers discounts on a range of sports and also other tourism products in the Fort William and Lochaber area.

The Adventure consumer tends to be a younger consumer and accordingly will be more internet savvy. Booking online will be a priority for these consumers. At present, while many of the Adventure businesses have a web presence and offer some elements of online booking, there is no one-stop shop for booking Adventure activities. A requirement for this is one area that could be explored through further research.

In terms of booking, we should learn from our competitors and New Zealand, well know for it's excellence in Adventure Tourism, uses it's Tourist Information Centres very effectively for booking sports. The staff in the tourism information centres have a vast knowledge of the sports on offer and can book a wide range of sports for visitors in a one-stop shop. Fort William and Lochaber TIC are looking to pilot a similar approach from summer 2007. If successful this could be rolled out.

In terms of quality, VisitScotland are putting together guidelines to ensure all Activity Providers can be part of a QA scheme. This scheme will consider the overall visitor's experience with relevant health and safety regulations and insurance requirement will be fed into this scheme. This will eventually allow us to only promote businesses who have been visited by a VisitScotland Quality Assurance advisor.

At the moment most of our marketing activity is focussed on the UK market, but as the international market becomes more important to Scotland, there will be a requirement for business's to look at how they position themselves to attract the overseas markets. Working with other partners, like Scottish Development International, we would be able to coach businesses on becoming "buyer-ready" and offer opportunities for Adventure Tourism operators to meet buyers from international markets. We would also look to conduct further research into the international Adventure market to fully understand the needs of overseas consumer.

Emma Campbell
Sector Development Manager - Active Scotland, VisitScotland

Conclusion

Scotland has a long tradition of providing an ideal environment for adventure sports. Adventure Tourism is increasing in product range and diversity and companies are responding to demand. Adventure tourism is a difficult area to define. It transcends all areas of the industry by being a single activity event, a purpose of a short or long break and can be either organised by the individual or provided by a company.

Adventure tourism has been found, through market research, to cover all age, gender and social groups and response to research shows that an increasing percentage of the population want to try an activity break. It is currently found that Adventure Holidays are usually an additional short break and as such may be subject to a decline should economic conditions deteriorate. The outlook for the economy in the medium term is optimistic, and the forecast for Adventure Tourism is good, particularly with overseas markets. Scotland's reputation on the world stage for many activity sports grows annually with many high profile competitions returning year after year.
As with many other areas of tourism providers can benefit from following trends and adapting to changing markets. Currently 70% of the market is domestic, however the main growth areas will be from abroad which will perhaps require adaptation (language skills, translation of safety instructions, hire contracts etc) to accommodate these burgeoning consumer groups. It is clear that Scotland has a lot to offer in terms of Adventure Tourism and with a growing reputation from professional sportspeople and the natural environment the future of this sector is promising. Adventure tourism is a valuable component of the overall Scottish Tourism product. As such it may not contribute a significant amount in terms of direct revenue compared to other areas of the tourism economy. Adventure tourism however does add value in terms of diversity in visitor experience and in that sense it is highly significant and valuable.

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