



Caravan & Camping Sites in the UK

All information correct as at 08.03.19

Information Source: **IBISWorld**
WHERE KNOWLEDGE IS POWER

Caravan & Camping Sites in the UK: Sector Overview

What trends are shaping the industry?

The Caravan and Camping Sites industry has exhibited growth over the past five years. After contracting sharply during the economic downturn, the industry bounced back strongly, largely on account of the rise of the staycation trend. Rising disposable incomes and consumer confidence at the beginning of the period led to a resurgence in international travel, which weakened consumer demand for caravan and camping holidays. However, the depreciation of the pound following the UK's decision to leave the European Union has stimulated demand for British towns and cities as holiday destinations from both domestic and international tourists. In recent years, operators have invested in new forms of accommodation, such as on-site cabins and luxury rooms, at competitive tariffs, which has helped attract new patrons and appeal to customers with growing disposable incomes. Over the five years through 2018-19, industry revenue is estimated to grow at a compound annual rate of 5.8%, including a forecast 2.3% rise in the current year, to reach £4.3bn.

The Outlook

Industry revenue growth is expected to continue in the short term, as currency fluctuations continue to make the UK a relatively affordable destination for both international and domestic holiday-makers. However, low consumer confidence could limit discretionary spending on holidays and place downward pressure on revenue growth. Nevertheless, high uncertainty could also be an advantage to operators as some domestic tourists opt for cheaper camping breaks over foreign holidays. Industry operators face a degree of uncertainty surrounding the long-term future of international and domestic tourism. Long-term currency trends and the potential introduction of barriers to free movement could undermine both inbound and outbound tourism. Volatile weather patterns are likely to exacerbate the seasonality of industry demand, although operators are expected to continue to entice customers year-round through the use of off-peak discounts and loyalty schemes. Over the five years through 2023-24, industry revenue is forecast to grow at a compound annual rate of 2% to reach £4.8bn.

Key Statistics

Revenue

£4.3bn

Annual Growth 14–19

5.8%

Annual Growth 19–24

2%

Profit

£821.8m

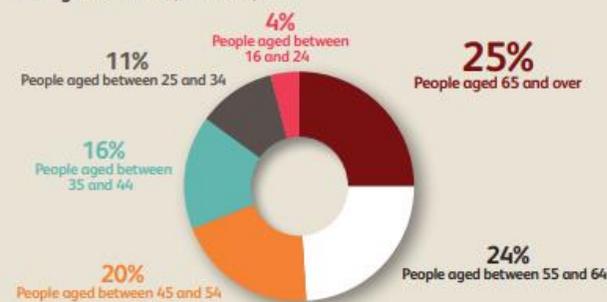
Wages

£703.4m

Businesses

2,102

Major market segmentation (2018-19)



Total £4.3bn

SOURCE: WWW.IBISWORLD.CO.UK

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Regional Insights

The South West

- The South West accounts for the largest number of establishments, at 18.4%. Cornwall, Devon and Dorset are popular for holidaymakers seeking warmer weather and beaches. Ideal surfing conditions also make the region a hotspot.

Wales

- Approximately 16.5% of establishments are located in Wales, which accounts for the second largest share of establishments, with most sites being located on the coastline. Sites in the vicinity of the Pembrokeshire Coast National Park and Snowdonia are particularly popular. The Brecon Beacons National Park also attracts a large number of campers in the summer.

The South East

- The South East's proximity to London has long made it attractive to tourists. Its proximity to the Northern Europe also makes it a popular location for international visitors. However, the north Kent coast, which is famous for its beaches, has become less desirable in recent times owing to the growth of cheap overseas holidays. The region accounts for 11.7% of establishments. Camping in the region's beauty spots remains popular.

Sector Trends

Total domestic tourism

Domestic tourism is measured as the total amount spent on tourism by both UK and non-UK residents. Changes in the level of domestic tourism are determined by a number of factors, including economic conditions, exchange rates, unemployment and the relative cost of travelling internationally. The level of domestic tourism is expected to grow in 2018-19, creating an opportunity for the industry.

Average maximum temperature

Since caravanning and camping are based outdoors, their popularity is heavily dependent on weather conditions. People often plan caravan and camping holidays for the summer in anticipation of warm, dry conditions. Good weather is therefore important for the success of the industry. The average temperature is expected to rise in 2018-19.

Fuel prices

Since caravanning can involve significant travel time, the length and extent of road trips can depend on the price of petrol when planning a holiday. As the world price of oil is expected to trend higher over the next five years, the price of fuel is expected to rise during 2018-19.

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