

Case Study: Discover Leisure

Syllabus elements: 1.1, 1.2, 1.4, 2.1, 2.2, 2.3, 2.4, 3.8, 4.1, 4.2, 4.4, 4.5, 4.6

Almost since the invention of the motor car, caravan holidays have been popular in the UK. Every summer an estimated one million caravan owners hitch up their mobile homes to their cars, hang out the extra-wide wing mirrors, and head off into the wild blue yonder. Since caravanning is frequently a family pastime, this means that well over two million people holiday regularly in caravans, mobile homes, and trailer tents.

According to the Caravan Club, caravanners spend over £370 million in various local economies each year, making caravanning a major part of the UK's internal tourism industry. Caravan Club approved sites are numerous – there is one for every 30 square miles of the UK on average, and not all are in the countryside – many cities have Caravan Club approved sites. Rival organisation, the Camping and Caravanning Club, has an equally impressive pedigree – it was founded by one Thomas Hiram Holding, who had first learned to love the great outdoors as a child crossing the American prairies in a wagon train. A later president of the club was Lord Baden-Powell, the founder of the Boy Scout movement.

This huge market is served by many companies, selling everything from towing brackets to touring caravans. One of the largest is Discover Leisure. Discover Leisure was formed in 2003 to exploit opportunities in the leisure industry, beginning by acquiring a boating business, YorkBoat. This business was later sold, and Discover Leisure concentrated on caravanning, acquiring Harrington's Caravans, Leisure World Holdings, Mendip Caravans, and Barron's Holdings. All these firms are caravan retailers and dealers, but Leisure World Holdings also included an import business, bringing in caravans and motor homes from Germany.

The resulting company is now the biggest caravan retailing company in the UK, with 16 sites in England and Wales and an annual turnover reputed to be approaching £60 million. The company's directors are certainly experienced in creating a successful business – they were almost all involved in the development of Dixon Motors PLC, a company which grew from nothing to an £800 million turnover in less than 15 years. When the company sold out to Royal Bank of Scotland Group in 2002, the directors re-formed to create Discover Leisure, bringing their business expertise with them.

Business is not limited to caravans and motor homes. The company offers a wide range of spares and accessories, and also a range of leisure clothing (mainly outdoor-pursuits garments rather than fashion items). The company

aims to be “the unrivalled leader in the caravan, motor home and family retail outdoor leisure market”. This aim is to be achieved by adhering to four business principles, all based around the company’s staff. Staff will be motivated to:

1. Create solutions
2. Work with each other
3. Lead by example
4. Deliver results

This reads very much like a sales manager’s manifesto, which is not surprising as the company chairman, David Morrow, has a substantial sales background. Having marketers in the boardroom is not as common as one might suppose for UK companies; Discover Leisure are certainly bucking the trend here, but it seems likely that this will be to the company’s benefit in the longer term. With rising fuel costs making foreign travel more expensive, and with improvements in the level of comfort available in caravans and motor homes, caravanning and camping look set to become even more popular in years to come. Even if the level of adventure is somewhat lower than crossing the prairie in a wagon train, caravanning still provides a cheap, flexible way of being at one with nature.

Questions

You are to assume the role of marketing manager for the Caravan Club. The leading officials of the club have asked you to outline ways in which the Club can forge closer links with companies such as Discover Leisure. You should pay particular attention to:

The needs of Discover Leisure

The needs of your members

The possible problems of linking up with commercial organisations