

Batticaloa/Passikudah: A Visitor Flow Assessment

In 2018, Australia's Market Development Facility, operating under Sri Lanka's Ministry of Tourism Development, carried out a Visitor Flow Assessment in the Eastern Province. The findings for the three main areas selected – Trincomalee, Batticaloa and Arugam Bay – present a look into one of Sri Lanka's most promising emerging destinations for tourism, and what could be done to help it reach potential.

What is a Visitor Flow Assessment?

A Visitor Flow Assessment analyses the composition of visitors to a destination, categorising them by granular features such as preferences and behaviour (for example, mode of travel, activities engaged in and spending patterns), as well as by country/region.



Purpose of Study

The Eastern Province is an 'Emerging Destination' with high tourism potential. MDF is working with provincial bodies and businesses to improve destination management in the region, and the first step is understanding the need and the gaps.



This is where the Visitor Flow Assessment comes in. Batticaloa is one of the three key destinations in the East (the other two are Trincomalee and Arugam Bay). The analysis looks at key visitor flows to the destination, barriers to tourism growth and broad recommendations for improvement.

Destination Profile



Main tourist season:

July and August



Visitor perceptions:

The destination is made up of two distinctive locations – the historical Batticaloa town and beach-centric Passikudah. Overall, a relaxed and nature-focused destination.



Arrivals: Estimated at 70,000 visitors annually



Accommodation options:

A strong luxury segment available in Passikudah beach, with several upmarket resorts; the rest of the destination



Key groups:

Flashpackers, Organized Western Groups, Diaspora Tourism, Backpackers, Divers (Niche) and Sports Events

comprises smaller hotels and guesthouses catering to the more budget-oriented international or domestic market



Key Visitor Flows



INDEPENDENT DOMESTIC TOURISTS (HIGHER-SPENDING):

Groups of friends/families visiting Passikudah for the beach and Batticaloa for history and culture, typically spending USD80-150 per day. Arrivals peak in March, May, September and December.



LOCAL TOURISTS (LOWER-SPENDING):

Groups of families, traveling on public holidays/weekends. Visits friends/family, religious sites. Typically spend USD10-50 per day.



FLASHPACKERS:

Flashpackers visit Batticaloa/Passikudah as part of a longer trip through Sri Lanka and often decide about local destinations spontaneously, e.g. while travelling in the Cultural Triangle. This group is drawn to the beach, dive activities or available authentic experiences. Flashpackers source information online or use the main travel guide books.



BACKPACKERS:

Batticaloa/Passikudah tends to be more of a transit point for backpackers travelling between Arugam Bay and Trincomalee. Spending is limited to USD20-40 per day, with an average stay of only 1-2 nights.



CORPORATES AND OFFICIALS:

Predominantly male, aged 35-50. Visits on work. Typically spends USD50-80 per day. Stays 1-3 nights.



INDIAN PILGRIMS:

Not a substantial visitor flow, as the religious sites in the area are not as significant as the sites in areas like Trincomalee.



DIASPORA:

The segment comprises Sri Lankan Tamils now living in the US, the UK, Germany or Switzerland. Visits for family/friends and the beach. Typically spends USD100-150 per person per day.

CHINESE GROUPS:

Chinese groups so far only visit Passikudah and not Batticaloa. The main 'pull' factors are the beach and, to some extent, diving. Peak travel is during Chinese New Year in February.



WESTERN GROUPS:

Batticaloa/Passikudah are included in larger itineraries by the international travel agents (and their Sri Lankan counterparts) organising the trips for Western Groups – but only to a limited extent, as these older tourists prefer to visit beach destinations elsewhere. Average stay duration is up to 2 nights, with peaks during July and August, spending USD150-200 per day. The segment sources its information through travel agents, online sources and word of mouth.



BEACH & RELAX:

Limited to Passikudah, where visitors spend 1-2 weeks in an upmarket resort and do not leave the premises often except for meals at restaurants nearby. Information is sourced online and booking is via OTAs, while some visitors organise their trip via source-country-based travel agents.



MEETINGS, INCENTIVES, CONFERENCES AND EXHIBITIONS (MICE):

MICE tourism is focused mainly on Passikudah; there is a dearth of facilities in Batticaloa. Passikudah sees an

estimated 1,000 MICE visitors (higher than Trincomalee) but is still below potential due to accessibility issues. Groups are channelled mainly through large firms in Colombo and specialised MICE providers.



DIVERS:

Typically 25-50 years of age and mostly from Europe. Average stay is up to 7 days and spend is USD100-150 per day. Divers predominantly visit during the Dry Season, with peaks in July and August.



HONEYMOONERS:

Honeymooners visit for upmarket resorts in a warm climate near a beautiful beach, typically spending USD150-250 per day.



SCHOOL GROUPS:

Insignificant in terms of numbers and spending.



NGO WORKERS AND 'VOLUNTOURISM':

There seems to be a reasonably significant visitor flow of NGO workers or volunteers visible in the destination. Numbers were high immediately after the end of the civil war in 2009 and the Indian Ocean Tsunami in 2004. Average spending is USD20-50 per day per person. The group spends several months to years in the location and hence builds local knowledge. Their own employers are important influencing channels.





Recommendations



INTRODUCE NEW ACTIVITIES

Batticaloa/Passikudah has sufficient room inventory, therefore setting up new hotels would only drive down prices. Introducing new, different activities to the destination would engage visitors better and result in longer stays.



FOCUS ON VISITOR FLOWS WITH DIFFERENT PEAK TIMES

Visitor flows differ according to season, with multiple peaks. Identifying these and marketing activities accordingly would ensure strong business revenues throughout the year, instead of relying on a narrow tourist season of a few months.



PRUDENT ACCOMMODATION PRICING AND REVENUE MANAGEMENT

Due to the narrow tourist season and relatively low number of guests, accommodation providers can be motivated to earn all their revenues through a few guests - by hiking prices drastically. This can, however, negatively affect the experience of guests who may feel that they are being unfairly charged. Prudent pricing based on demand/ revenue management can be useful in this regard.



DEVELOP ACTIVITIES/ EXPERIENCES TARGETING HIGHER-SPENDING VISITOR FLOWS

Flashpackers, Organized Western Groups, Diaspora Tourism, Backpackers and Divers are among high-spending visitor flows; exploring and further developing activities targeted at these groups would increase revenues in the region.



IMPROVE ACCESS TO INFORMATION AND MARKETING/PROMOTION

There is a lack of information online and offline on activities/experiences available, prices and how to book. Filling these gaps would increase tourist footfall. Better and more targeted marketing (particularly on digital/social media) would be useful.



PROVIDE COST-EFFICIENT TRANSPORT SERVICES

The long distance from Colombo, as well as the distances between hotspots, is a key barrier to visiting Batticaloa/ Passikudah. Comfortable and affordable (reasonably priced) transport options which can be booked online - such as tourist bus services - are a key need.

Market Development Facility (MDF) is Australia's flagship private sector development program. In Sri Lanka, MDF's focus is on diversifying tourism with new products and services and supporting authentic Sri Lankan products. MDF is implemented by Palladium in partnership with Swisscontact.

