Tourism Business Monitor 2016

Accommodation Report

Wave 3 – After the Easter holidays up until mid-July
Contents

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Background, objectives and research method

Tourism Business Monitor designed to measure, monitor and understand tourism business performance and confidence and the factors which influence them.

Telephone survey conducted 4-5 times per year immediately following key tourism periods among:

- c. 500 accommodation establishments (c. 250 serviced / c. 250 non-serviced), including mix by region, establishment size and hotels / guest houses / B&B / self-catering / caravan and campsites.
- c. 300 visitor attractions including mix by region, attraction type, size (measured by annual visitor admissions) and free / paid admission.

Questions on ‘hot topics’ included on a periodic basis.

Fieldwork dates:

**Jul 2016**: 18-25 Jul 2016, reviewing period after the Easter holidays up until mid-July
**Apr 2016**: 18-24 Apr 2016, reviewing the Easter period 2016
**Jan 2016**: 5-11 Jan 2016, reviewing the Christmas and New Year period 2015
**Nov 2015**: 2-8 Nov 2015, reviewing mid-September until the end of the October
**Sept 2015**: 3-10 Sept 2015, reviewing the period from end of May until the end of the school summer holidays
**June 2015**: 1-5 June 2015, reviewing the period from Easter up until the end of May
**Jan 2015**: 5-9 Jan 2015, reviewing the Christmas and New Year period 2014
**Nov 2014**: 3-9 Nov 2014, reviewing mid-September until the end of the October
**Sept 2014**: 8-14 Sept 2014, reviewing the period from mid-July up until the end of the summer holidays
**Apr 2014**: 24 Apr-1 May 2014, reviewing the Easter period 2014
**Jan 2014**: 6-12 January 2014, reviewing the Christmas and New Year period 2013
**Nov 2013**: 4-10 Nov 2013, reviewing mid-September until the end of October
**Sept 2013**: 9-14 Sept 2013, reviewing the period from mid-July up until the end of the summer holidays
**Jul 2013**: 11-19 Jul 2013, reviewing period after the Easter holidays up until mid-July
## Accommodation sample targets (total 500)

<table>
<thead>
<tr>
<th>Region</th>
<th>Serviced Accommodation</th>
<th>Non-serviced Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% 100 Hotels 150 Guest Houses / B&amp;Bs</td>
<td>% 150 Self-catering 100 Caravan / Campsites</td>
</tr>
<tr>
<td>North (North East, North West, Yorkshire)</td>
<td>32 42</td>
<td>40 26</td>
</tr>
<tr>
<td>Midlands (East Midlands, East, Heart of England)</td>
<td>22 29</td>
<td>29 29</td>
</tr>
<tr>
<td>South (South East, South West)</td>
<td>36 70</td>
<td>79 45</td>
</tr>
<tr>
<td>London</td>
<td>10 9</td>
<td>2 0</td>
</tr>
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</table>

- 25 hotels with over 100 bed spaces
- 60 guest houses / B&Bs with over 10 bed spaces
- 35 self-catering with over 10 bed spaces
- 40 caravan / campsites with over 100 bed spaces

This is the target sample for each wave, reflecting the profile of accommodation in England. There are minor variations wave on wave, which are corrected by weighting the profile if needed.
Summary – General Performance

- After a somewhat mixed performance over Easter, accommodation businesses have reported a net increase in visitors for the period up to mid July
  - Hotels and caravan/campsites were most likely to report an increase in visitor numbers

- Business confidence about the summer holiday period was strong.
  - In the accommodation sector, the number reporting forward bookings to be “very good” was at a record high for the survey, as was the proportion claiming to feel “very confident” about the summer especially amongst hotels and caravan/campsites.

- Expectations of overall 2016 performance remain positive on balance, but optimism is more muted than in recent survey periods.
**Summary – Brexit Impacts and Expectations**

- Only a minority of accommodation businesses have so far seen any referendum impacts. Impacts experienced to date are on balance positive for domestic visitors but slightly negative for overseas visitors
  - Only 1-2% have seen any actual cancellations

- **Looking forward**
  - Almost half of accommodation businesses believe that the referendum will have a positive impact on domestic visitor numbers
  - Most accommodation businesses don’t expect any impact on overseas visitor numbers – but among those who do, the balance of expectations is positive (though sentiment is far more mixed than for the domestic market)

- 86% of businesses strongly or slightly agree that it is too early to say what Brexit impacts will be.
**Business Performance Dashboard: Accommodation**

**VISITOR NUMBERS**

<table>
<thead>
<tr>
<th>Visitor numbers (%)</th>
<th>Jul 2016</th>
<th>YTD 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down</td>
<td>24</td>
<td>26</td>
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<tr>
<td>Same</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>Up</td>
<td>41</td>
<td>43</td>
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</tbody>
</table>

Versus same period previous year…
- Down
- Same
- Up

**SATISFACTION**

<table>
<thead>
<tr>
<th>Satisfaction (%)</th>
<th>Jul 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>11</td>
</tr>
<tr>
<td>Not very</td>
<td>39</td>
</tr>
<tr>
<td>Quite</td>
<td>48</td>
</tr>
</tbody>
</table>

Satisfied with business performance…
- Not at all
- Not very
- Quite
- Very

**Visitor numbers during the period after the Easter holidays up until mid-July, compared with same period 2015 (%)**

- **Hotels**
  - Down: 54%
  - Same: 32%
  - Up: 14%

- **Guest house / B&B**
  - Down: 38%
  - Same: 35%
  - Up: 27%

- **Self catering**
  - Down: 34%
  - Same: 35%
  - Up: 31%

- **Caravan / camping**
  - Down: 44%
  - Same: 34%
  - Up: 21%

**Satisfaction with Performance during period (%)**

- **Hotels**
  - Satisfied: 54%
  - Neutral: 37%
  - Dissatisfied: 91%

- **Guest house / B&B**
  - Satisfied: 48%
  - Neutral: 42%
  - Dissatisfied: 90%

- **Self catering**
  - Satisfied: 45%
  - Neutral: 33%
  - Dissatisfied: 79%

- **Caravan / camping**
  - Satisfied: 46%
  - Neutral: 46%
  - Dissatisfied: 92%

**PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE**

**July 2016**: period after Easter Holidays up until mid-July
**Business Confidence Dashboard: Accommodation**

<table>
<thead>
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<th>Fairly confident</th>
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<td>Apr 14</td>
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<td>Jul 16</td>
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<table>
<thead>
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<th>Fairly confident</th>
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<td>35</td>
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<td></td>
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<td>23</td>
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</table>

**Hotels**

**Guest house / B&B**

**Self catering**

**Caravan / camping**

**PERIOD ASKED ABOUT FOR FUTURE BUSINESS CONFIDENCE**

**July 2016:** Until end of school summer holidays
Visitor Profile
Changing Visitor Profile (year-to-date vs. previous year): Accommodation

The period following the Easter holidays until Mid-July saw a greater proportion of accommodation businesses report an increase than a decrease in visitors from the UK. After a disappointing Easter period, accommodation sites saw overseas visitor numbers start to grow once again.

**PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE**

**July 2016:** period after Easter Holidays up until mid-July
Changing Visitor Profile (year-to-date vs. previous year): Accommodation type

In terms of domestic visitors, Hotels reported the highest growth vs. the same period in 2015. Guest Houses and B&Bs reported significant growth across both markets, but overseas visitor numbers to self-catering sites have regressed.

PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
July 2016: period after Easter Holidays up until mid-July
Past Performance
Visitor numbers: Year-on-year changes

Visitor numbers for the recent period are in line with year to date figures, with 41% reporting increases. A quarter of all accommodation sites saw a drop in numbers vs. the same period in 2015.

PERIODS ASKED ABOUT FOR PAST BUSINESS PERFORMANCE

**Jan:** Christmas and New Year period / **Apr:** Easter period / **June:** Easter up until the end of May / **Jul:** After Easter holidays up until mid-July / **Sept:** Mid-July/End of May (Sept 2015) up until the end of the summer holidays / **Nov:** Mid-September until the end of October
Visitor numbers: Year-on-year changes by accommodation type

Self-catering sites reported the least amount of growth, with only a 4% net increase in visitor numbers. Hotels continue to perform well and report healthy increases in visits.

### Visitor Numbers by Accommodation Type

- **Hotels**
  - Jul 2016: 11%
  - YTD 2016: 32%
- **Guest house / B&B**
  - Jul 2016: 21%
  - YTD 2016: 35%
- **Self catering**
  - Jul 2016: 27%
  - YTD 2016: 35%
- **Caravan / camping**
  - Jul 2016: 15%
  - YTD 2016: 34%

**PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE**

**July 2016**: period after Easter Holidays up until mid-July
Changing business performance: By accommodation type & bed spaces

The proportion of accommodation sites reporting an increase in visits and satisfaction has increased across the board. Particularly in hotels and larger businesses.

**ACCOMMODATION TYPE**

**% Visitors up on last year**

- Hotels
- Guest house / B&B
- Self catering
- Caravan / camping

**BED SPACES**

**% Visitors up on last year**

- Up to 10 bed spaces
- 11 – 100 Bed spaces
- Over 100 bed spaces

**PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE**

July 2016: period after Easter Holidays up until mid-July
Positive verbatim comments on business performance: Accommodation

"Foreign clients are making the most of the drop of value of the pound

Word of mouth

I believe that the terrorist events overseas mean that people are choosing a domestic holiday

Advertising online through booking.com and laterooms.com

More people are looking to stay in England"
We were not open for the first quarter of the year, this had an effect on the business.

The weather plays a huge part, it floods quite easily here and we had really bad rain a few weeks ago.

The business doesn't really attract many visitors off peak.
Impact of EU referendum
Most accommodation businesses are so far unaffected by the referendum. 23% of accommodation businesses reported more enquiries. On balance, impacts are positive for the domestic market, where 16% of accommodation providers report an increase in enquiries or bookings, but slightly negative for overseas markets. Very few businesses have so far experienced actual cancellations.

Ways in which the EU referendum has already affected businesses: All accommodation

- More enquiries/bookings from...
  - Any market: 23
  - Europe: 8
  - USA: 4
  - Other long-haul: 6
  - UK: 16

- Fewer enquiries, bookings OR cancellations from...
  - Any market: 17
  - Europe: 12
  - USA: 7
  - Other long-haul: 7
  - UK: 6

- Fewer enquiries/bookings from...
  - Any market: 16
  - Europe: 10
  - USA: 7
  - Other long-haul: 7
  - UK: 5

- Cancellations from...
  - Any market: 4
  - Europe: 2
  - USA: 1
  - Other long-haul: 1
  - UK: 1
Other ways in which the EU referendum has *already* affected businesses

“I’ve actually had more interest since the drop in value of the pound

There are definitely more visitors from the UK

Exchange rate is a big factor

Visitors have called to see whether they would still be welcome

We’ve had a few cancellations
Ways in which the EU referendum will affect businesses in future: all accommodation

Looking further ahead, the predicted impact is positive, particularly in regards to the domestic market. 45% of accommodation businesses expect more visitors to visit from the UK. Although sentiment is more mixed with regard to the overseas market, here too businesses feel that the impact will be if anything positive.
Other ways in which the EU referendum will affect businesses in future

“Only positively

I don't think it will effect us in any way

“Yes, our staff predominantly come from overseas

“
“It’s too early to say what impact the EU referendum will have on my business”: agreement

Despite optimistic predictions of tourism in England post-Brexit, 86% agree that it’s too early to say what impact the EU referendum will have on accommodation businesses.
Future Performance
Satisfaction with the level of advance bookings is at a record high - 47% of accommodation businesses reporting “very good” advance booking levels.

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</tr>
</thead>
<tbody>
<tr>
<td>Period asked about:</td>
<td>Until end of school summer holidays</td>
<td>Until end of October</td>
<td>Until the end of the year</td>
<td>Until late Spring/early Summer</td>
<td>Until end of school summer holidays</td>
<td>Until end of Easter</td>
<td>Until end of the year</td>
<td>Until the end of the school summer holidays</td>
<td>Until end of October</td>
<td>Until end of the year</td>
<td>Until end of Easter</td>
<td>Until late Spring/early Summer</td>
<td>Until the end of the school summer holidays</td>
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</tbody>
</table>
Confidence for forthcoming period: By accommodation type

The upcoming summer holidays has led to high levels of advanced booking across all types of accommodation, having a knock-on effect on business confidence. 74% of Caravan/ Camp sites are ‘very confident’ of a successful summer.

CONFIDENCE: From now until end of school summer holidays

% Very confident

ADVANCED BOOKINGS: From now until end of school summer holidays

% Very good / good
Confidence & bookings for forthcoming period: By accommodation size

Sites with larger capacities tend to be most confident of having a successful summer holiday period, but advance bookings are encouraging across all sizes of accommodation.

CONFIDENCE: From now until end of school summer holidays

% Very confident

ADVANCED BOOKINGS: From now until end of school summer holidays

% Very good/ good
Confidence for forthcoming period: By location

In terms of location, accommodation businesses in large towns are least confident, but 80% were still positive about levels of advanced booking. 91% of businesses in small towns described their advance booking levels as ‘good’ or ‘very good’.

CONFIDENCE: From now until end of school summer holidays

% Very confident

ADVANCED BOOKINGS: From now until end of school summer holidays

% Very good / good
Business optimism for 2016: Accommodation

Despite high levels of advance-booking, business confidence about 2016 is at a lower level than in previous survey periods, which might reflect the effect of post-referendum headlines about the impact of the referendum in the economy is a whole.
Positive verbatim comments on business optimism for 2016: Accommodation

"Already up to now, we have had more bookings than last year.

Exchange rate/ the euro against the pound

The change in the marketing strategy and the change in target audience has definitely boosted booking levels.

Because of the unknown consequences of Brexit

Because the exchange rate has bought a lot of international visitors

I think a lot more people are not going abroad because they are too frightened."
Negative verbatim comments on business optimism for 2016: Accommodation

“I think the EU referendum has had a slight affect on bookings...we have not had many UK bookings recently

Sales of holiday homes have seen a short blip since Brexit”
Performance and confidence snapshot: July 2016

<table>
<thead>
<tr>
<th>Visitor Numbers (period after the Easter holidays up until mid-July)</th>
<th>Confidence (up until end of school summer holidays)</th>
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</thead>
<tbody>
<tr>
<td>Up</td>
<td>Same</td>
</tr>
<tr>
<td>TOTAL (%)</td>
<td>41</td>
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</table>

<table>
<thead>
<tr>
<th>Type (%)</th>
<th>Up</th>
<th>Same</th>
<th>Down</th>
<th>Very</th>
<th>Very / fairly</th>
</tr>
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<tbody>
<tr>
<td>Hotel</td>
<td>54</td>
<td>32</td>
<td>14</td>
<td>65</td>
<td>93</td>
</tr>
<tr>
<td>Guest / B&amp;B</td>
<td>38</td>
<td>35</td>
<td>27</td>
<td>63</td>
<td>96</td>
</tr>
<tr>
<td>Self catering</td>
<td>34</td>
<td>35</td>
<td>31</td>
<td>61</td>
<td>96</td>
</tr>
<tr>
<td>Caravan / camping</td>
<td>44</td>
<td>34</td>
<td>21</td>
<td>74</td>
<td>97</td>
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<th>Bed-spaces (%)</th>
<th>Up to 10</th>
<th>11-100</th>
<th>Over 100</th>
<th>Up</th>
<th>Same</th>
<th>Down</th>
<th>Very</th>
<th>Very / fairly</th>
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<tbody>
<tr>
<td>Up to 10</td>
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<th>4 star</th>
<th>1-3 star</th>
<th>Budget / other</th>
<th>Up</th>
<th>Same</th>
<th>Down</th>
<th>Very</th>
<th>Very / fairly</th>
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<td>35</td>
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<tr>
<td>4 star</td>
<td>43</td>
<td>32</td>
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<td></td>
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<table>
<thead>
<tr>
<th>Location (%)</th>
<th>Seaside</th>
<th>Large town / city</th>
<th>Small town</th>
<th>Rural</th>
<th>Up</th>
<th>Same</th>
<th>Down</th>
<th>Very</th>
<th>Very / fairly</th>
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BDRC Continental comply with ISO 20252, the recognised international quality standards for market research, thus the project has been carried out in accordance with these standards.

- Adherence to the standard is independently audited once per year.
- Where subcontractors are used by BDRC Continental, they are briefed to ensure any outsourced parts of the research are conducted in adherence to ISO 20252.

Full methodological details relevant to the project, are available upon request.