

Tourism Business Monitor 2017

Wave 1 – Christmas and New Year



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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:

Jan 2016: 3-11 Jan 2016, reviewing the Christmas and New Year period 2016

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

Businesses, particularly within the accommodation sector, have reported a softening of performance during the Christmas / New year period compared with the same period last year. This is reflected in lower levels of confidence going forward – those feeling very confident within the accommodation sector are notably down compared with the same period last year and significantly lower than the very positive feeling in July this year – perhaps reflecting tough trading during the second half of the year.

For accommodation providers, whilst domestic visitors appear to be running at similar levels to last year, there are more businesses reporting declines in overseas visitors and fewer reporting increases. Guest houses/B&Bs and to a lesser extent, self-catering businesses have borne the brunt of this decline and this is reflected in much lower levels of confidence among these businesses.

Within both accommodation and attraction sectors, there is a continuing growing gap between the performance and confidence of the larger businesses and smaller businesses, with the former performing much more positively.

Business optimism for 2017 has therefore taken a hit. 57% of attractions are predicting a better 2017 than 2016 compared with 71% at this stage last year. For accommodation providers, 51% are predicting a better 2017 compared with 55% last year.

However, the lower confidence going forward seems to reflect recent past performance more than consideration of the future and the likely impact of Brexit. Compared with opinion immediately post the referendum in early July, businesses are now much more positive about its impact – with many reporting concrete positive impacts in terms of enquiries already, particularly for the domestic market.

- 28% of accommodation and 15% of attraction businesses report an increase in **domestic** enquiries (only 8% and 3% reported fewer enquiries respectively)
- 22% of accommodation and 12% of attraction businesses report an increase in **overseas** visitors (15% and 10% fewer)

Positivity about the future of inbound visitors from Europe is also now much improved, especially among attraction businesses. Back in July, as many attractions felt that European visitors would decline (10%) as increase (9%). Now, 18% feel there will be an increase and only 12% a fall.

Business Dashboards

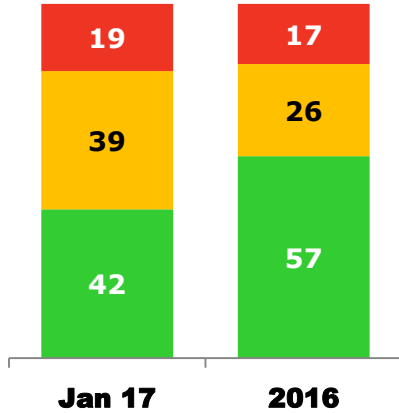


Business Performance Dashboard

For attractions, the Christmas/New Year period was positive, with 56% of businesses reporting an increase in visitors and only 15% a decrease compared with the same period last year. For accommodation, fewer were positive – 42% saw an increase in visitors compared with 48% in the same period last year.

ACCOMMODATION

Visitor numbers (%)

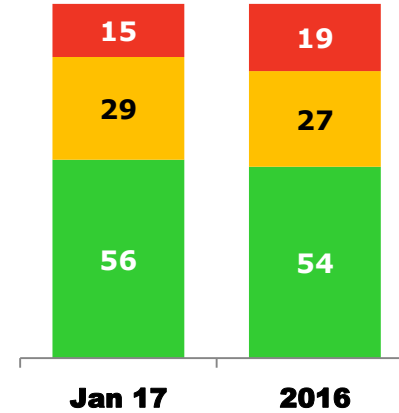


Versus same period previous year...

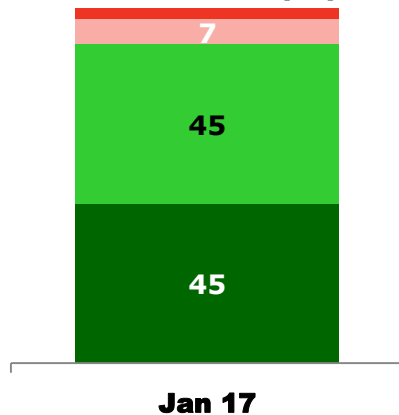
- Down
- Same
- Up

ATTRACTIONS

Visitor numbers (%)

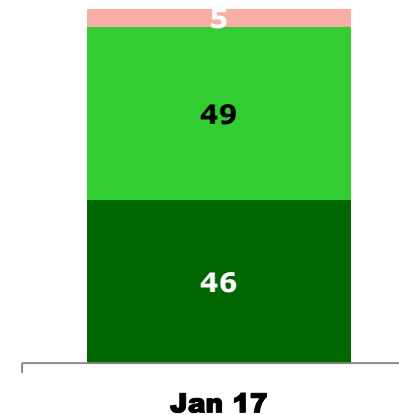


Satisfaction (%)



Satisfied with business performance...

- Not at all
- Not very
- Quite
- Very



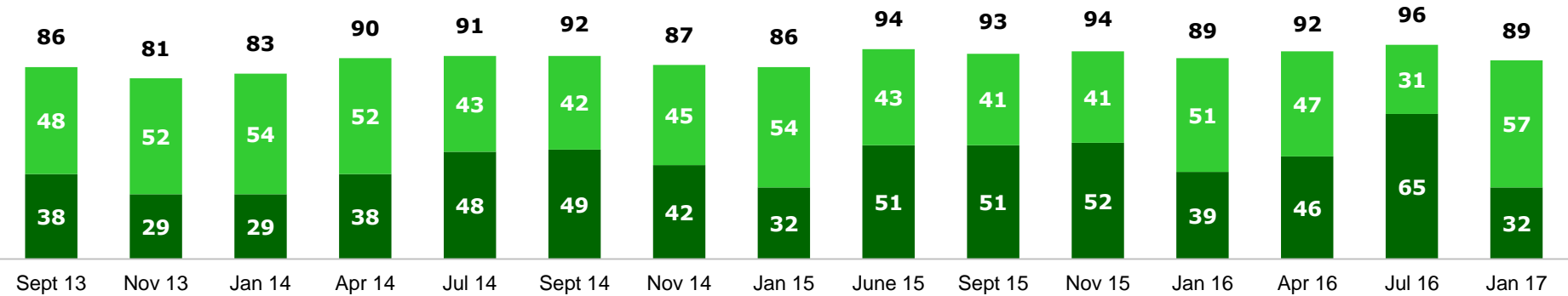
PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2017: Christmas and New Year period 2016

Business Confidence Dashboard: Confidence for next period

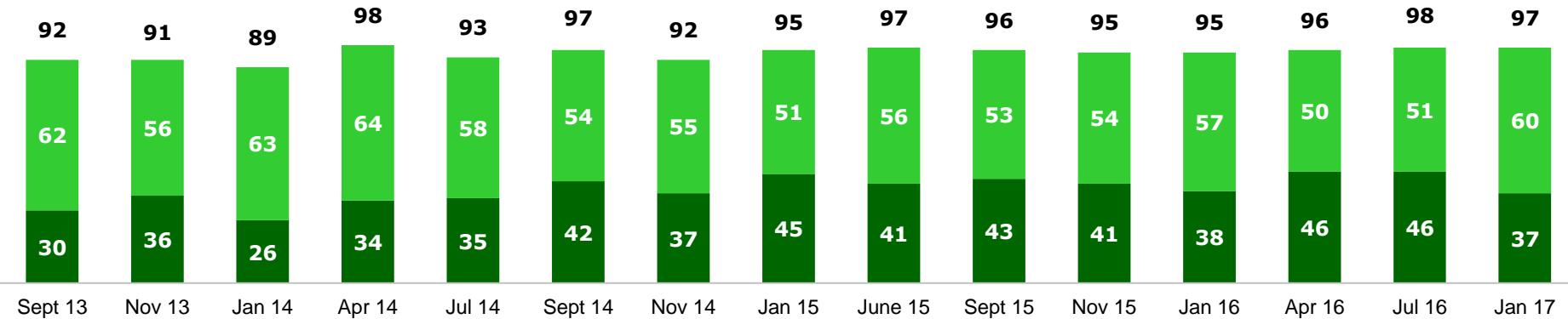
Confidence has also declined within the accommodation sector – only 32% are very confident about the next period compared with 39% in the same period last year and is well down on the 65% reported in July. Confidence within the attractions sector has remained more stable – at similar levels to last year.

ACCOMMODATION

Very confident Fairly confident



ATTRACTIONS



Until end of October	Until end of the year	Until end of Easter	Until early Summer	Until end of school summer holidays	Until end of October	Until end of the year	Until end of Easter	Until end of the school summer holidays	Until end of October	Until end of the year	Until end of Easter	Until early Summer	Until end of school summer holidays	Until end of Easter
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Visitor Profile



Changing Visitor Profile (year-to-date vs. previous year): Accommodation

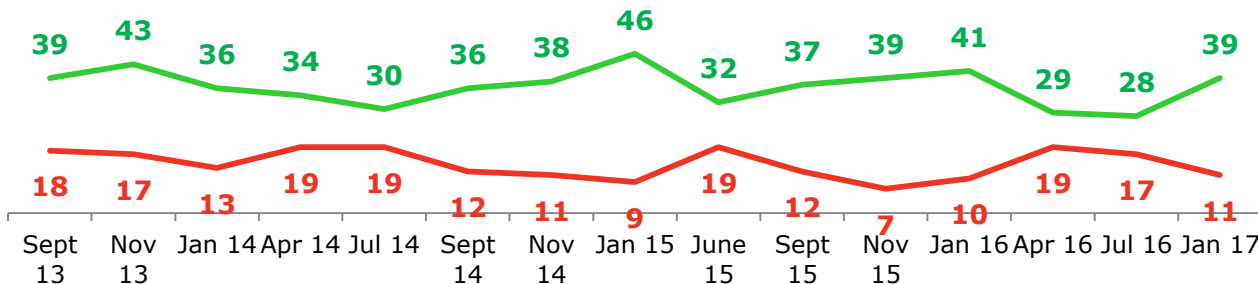
Whilst businesses reported a similar picture to last year for domestic visitors during Christmas/New Year, they reported a worsening of the picture for overseas visitors. 16% of businesses reported a drop in overseas visitors compared with the same period last year (only 12% this time last year).

**NET:
Up - Down**

◆ Up ■ Down



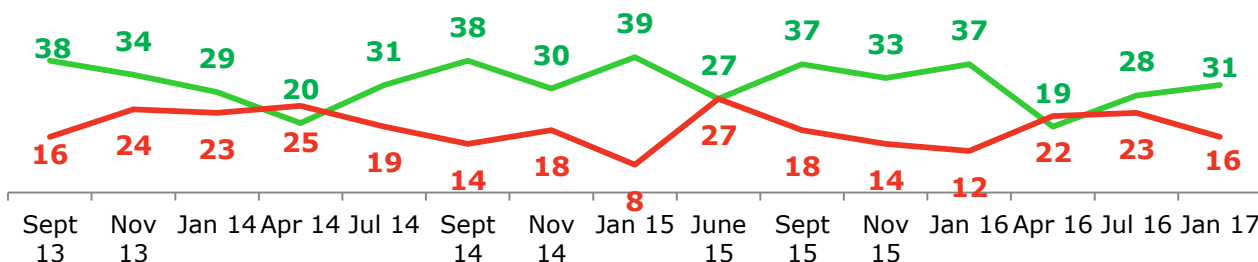
Domestic visitors



+28



Overseas visitors

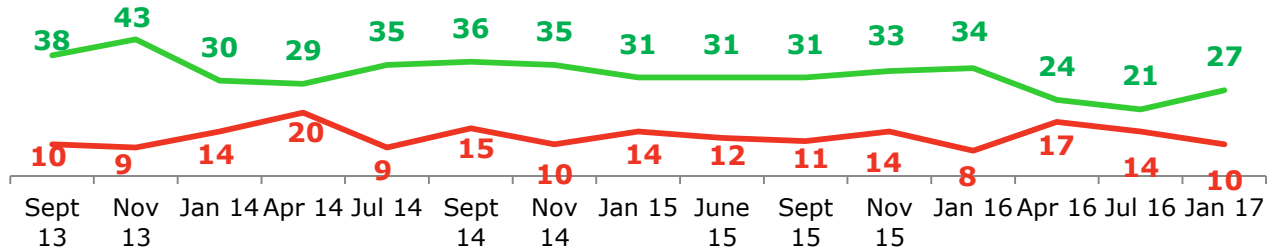
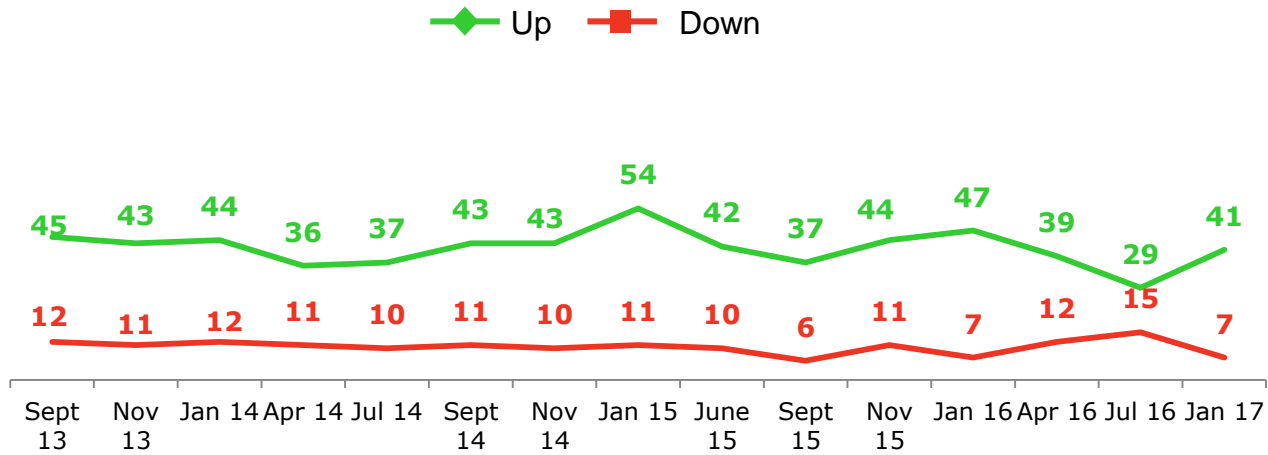


+15

PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2017: The whole of 2016

Changing Visitor Profile (year-to-date vs. previous year): Attractions

Looking back over 2016 as a whole, attractions have reported good levels of visitor numbers, particularly in terms of the domestic market. However, growth in both markets is lower than in recent January waves of research.



PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2017: The whole of 2016

Business Performance

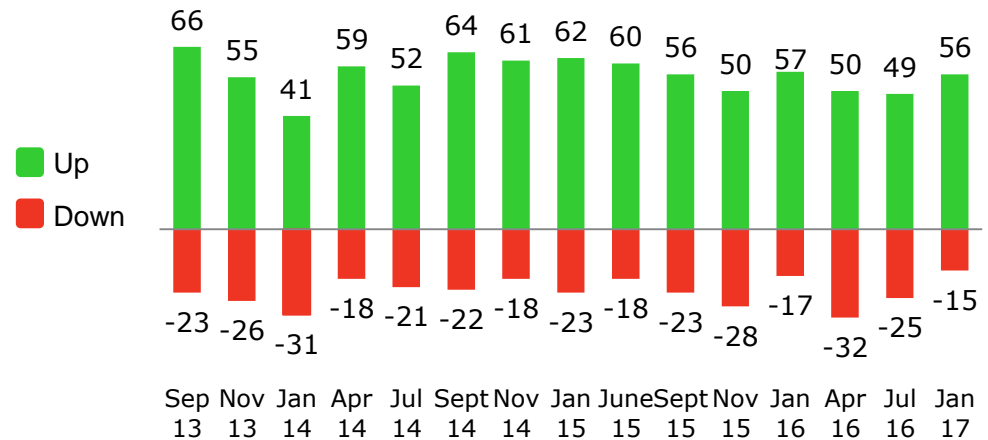
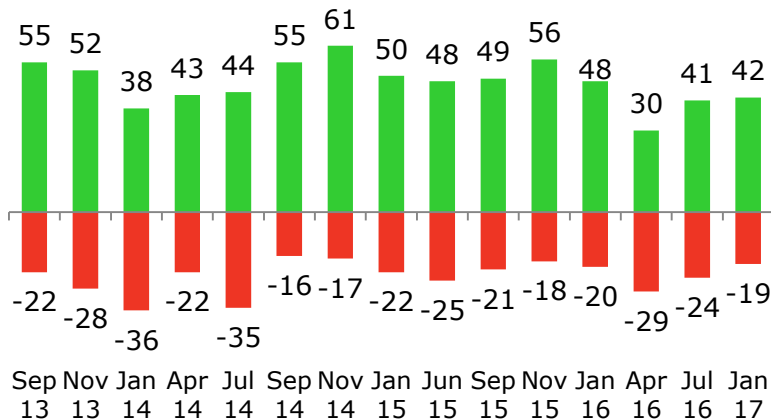
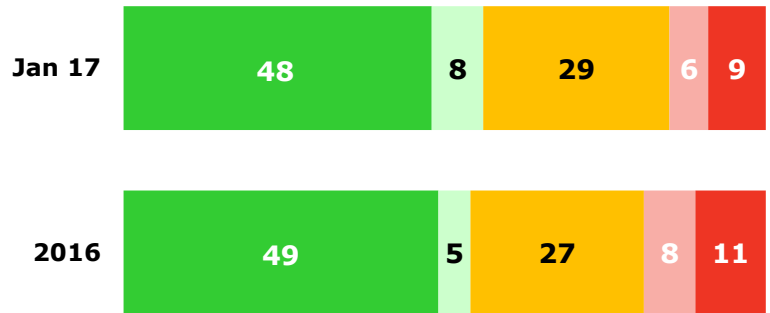
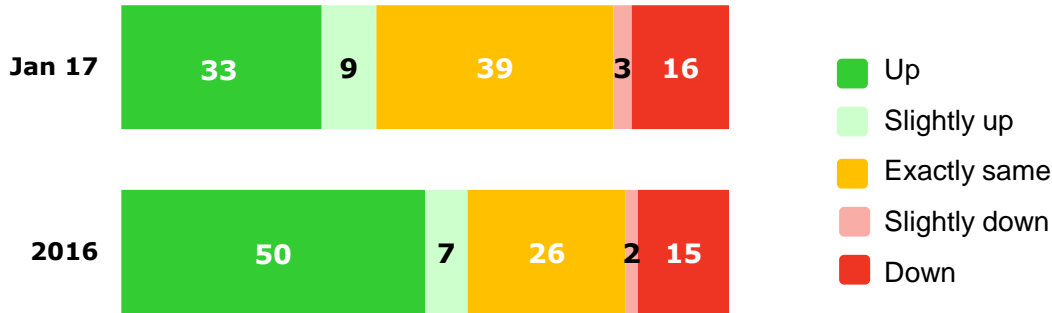


Visitor Numbers: Year-on-year changes (up /down)

For accommodation sites, visitor numbers for the Christmas and New Year period are lower than 2016 as a whole. Whilst only 19% of sites reported a drop in visitor numbers, 39% reported no difference in their visitor numbers vs. the same period last year. When looking at attractions, 56% experienced an increase in visitor numbers over the Christmas and New Year period, a figure that is slightly higher than the 54% who reported an increase for 2016 as a whole.

% ACCOMMODATION

% ATTRACTIONS



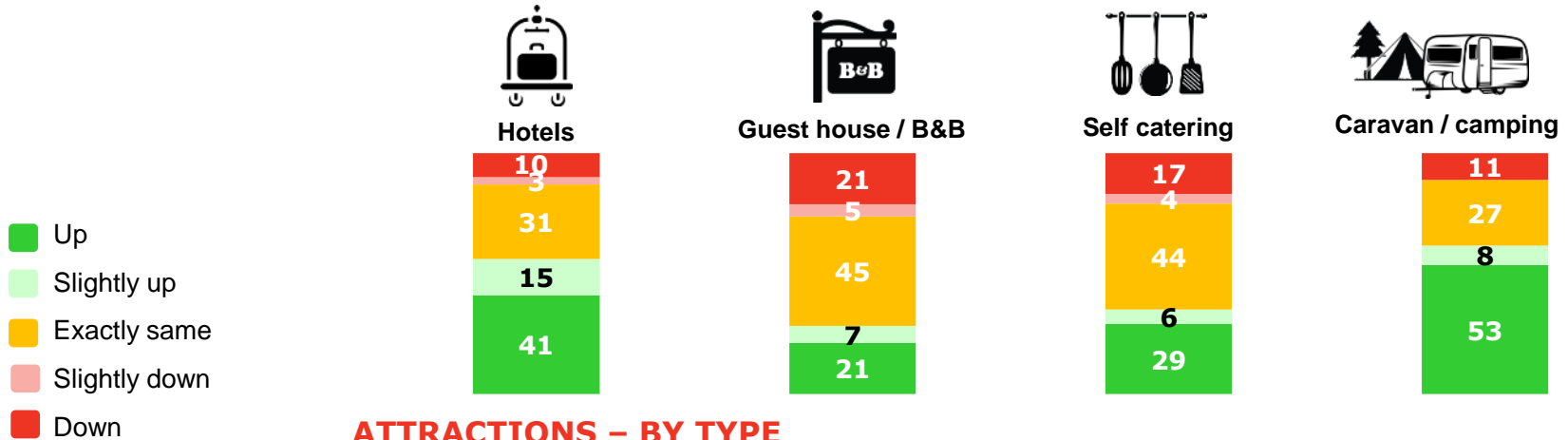
PERIODS ASKED ABOUT FOR PAST BUSINESS PERFORMANCE

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

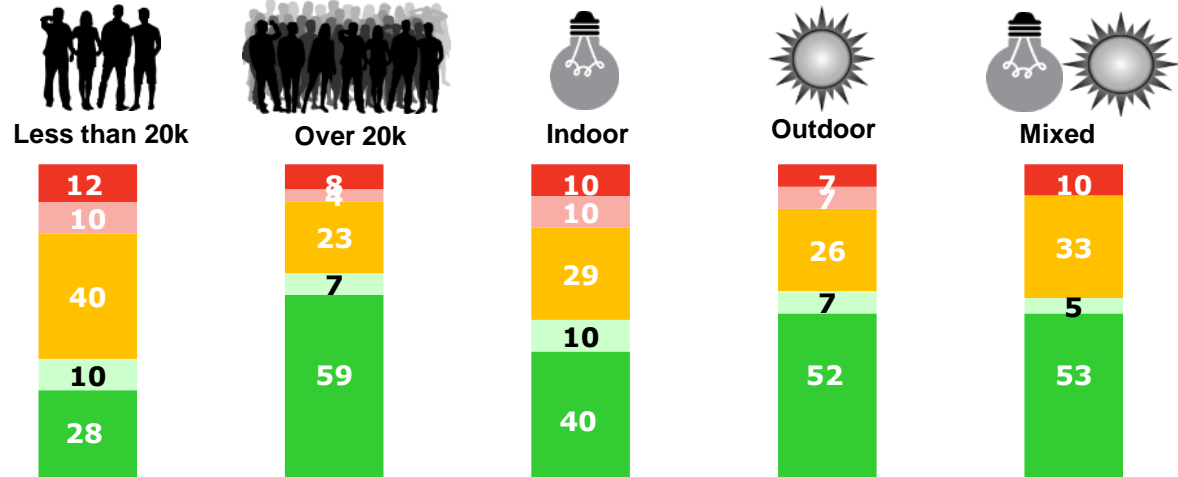
Changing business performance: By business type

Guest houses/B&Bs and to a lesser extent, self-catering providers appear to have borne the brunt of the drop in performance. Almost as many guest houses/B&Bs reported declines as increases in visitors for this period. All attractions site types reported varying degrees of visitor number increases, with larger sites and outdoor attractions achieving the highest levels of growth.

ACCOMMODATION - BY TYPE



ATTRACTIONS - BY TYPE

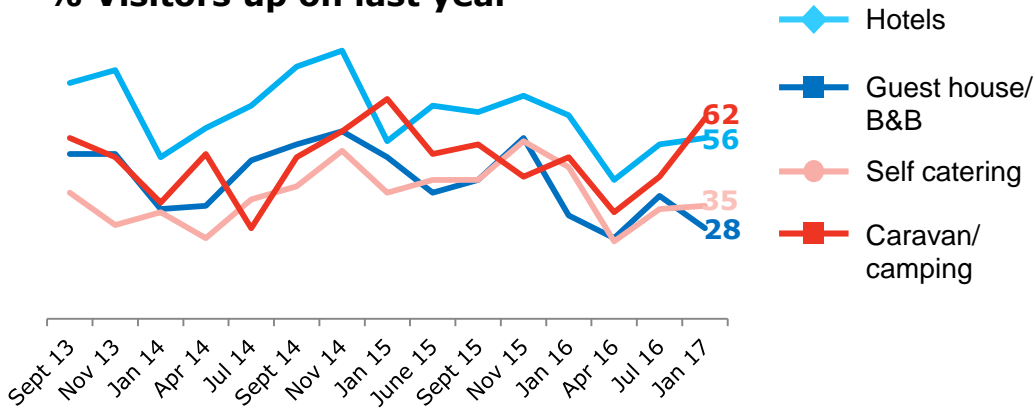


PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2017: Christmas and New Year period 2016

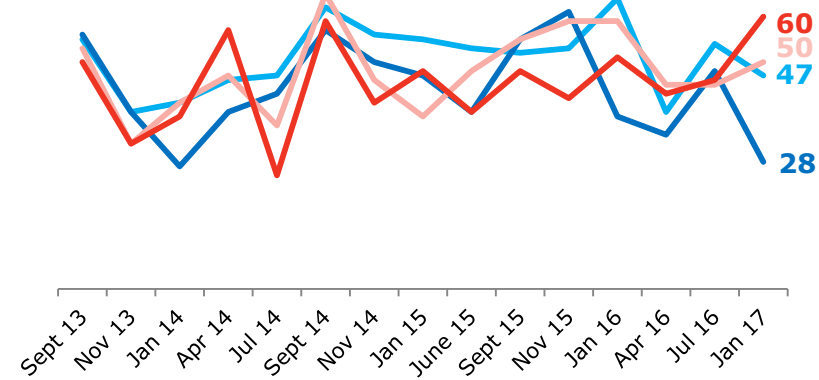
Changing business performance: By business type (trends)

With 67% of accommodation sites reporting increased levels of visitor numbers over the Christmas and New Year period, larger accommodation sites (especially hotels) performed better than their smaller counterparts. Across all attraction locations, sites based outdoors reported the highest levels of growth, with 59% reporting increased visitor numbers over Christmas and New Year compared with the same period last year.

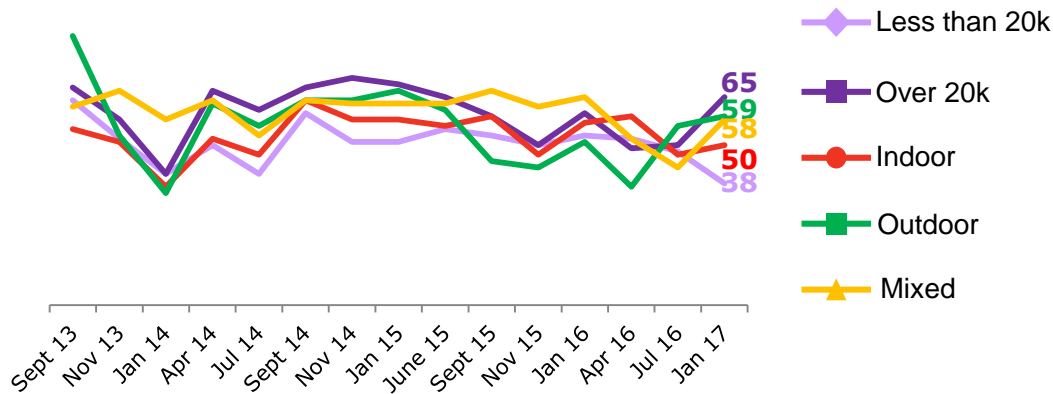
ACCOMMODATION – BY TYPE % Visitors up on last year



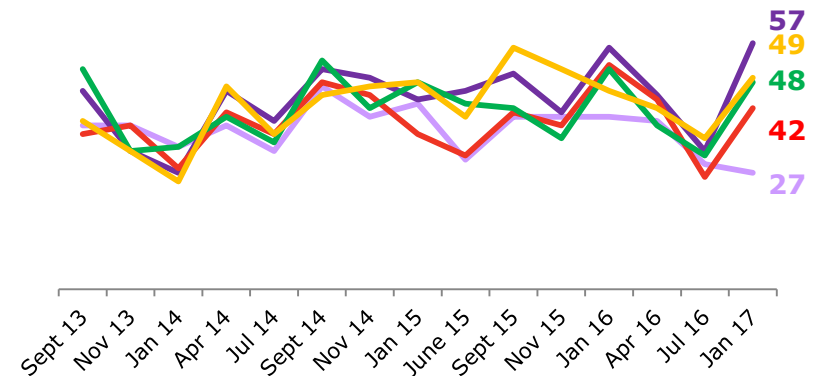
% Very Satisfied



ATTRACTIONS – BY TYPE % Visitors up on last year



% Very Satisfied



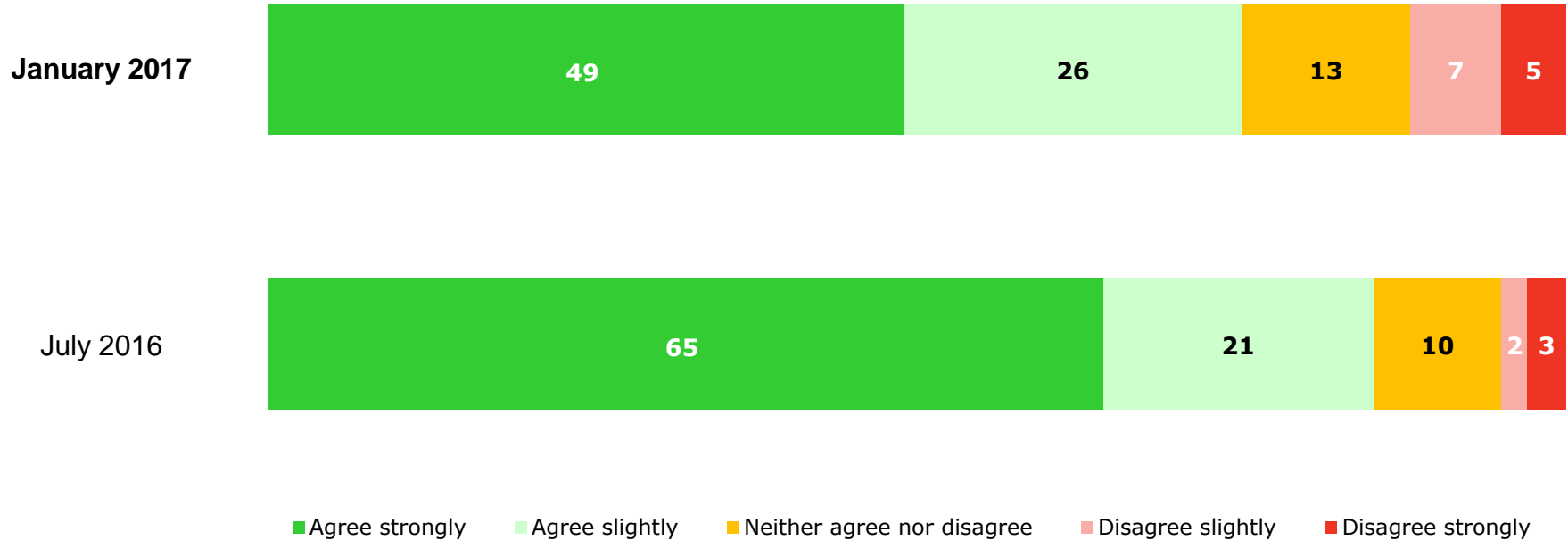
PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE
Jan 2017: Christmas and New Year period 2016

Impact of EU referendum - Accommodation



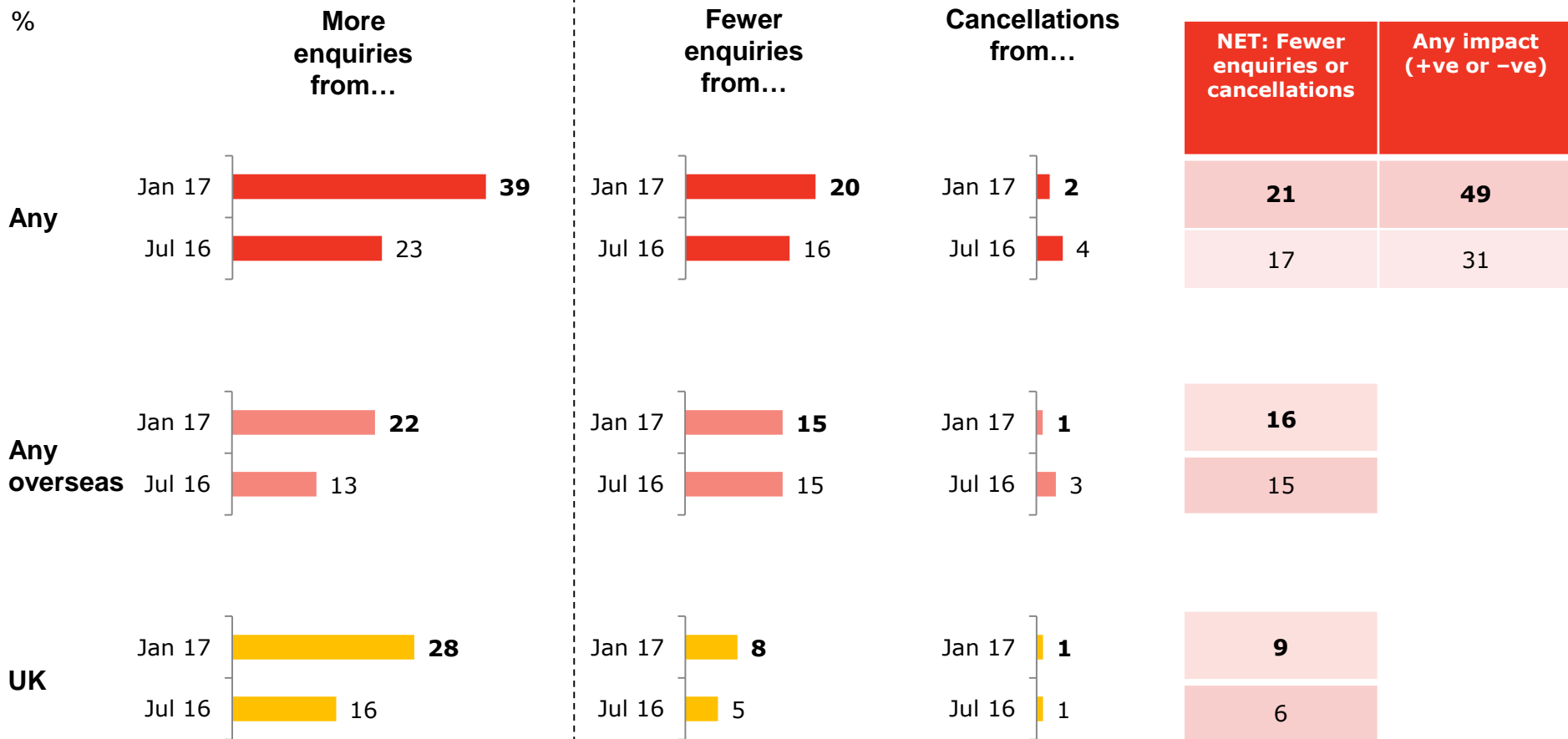
“It’s too early to say what impact the EU referendum will have on my business”: Agreement

Despite the referendum taking place at the end of June, 75% of accommodation sites still agree that it is too early to say what kind of impact Brexit will have long-term. However, confidence in its impact is growing – back in July, 86% felt it was too early.



Ways in which the EU referendum has already affected businesses: All & domestic visitors

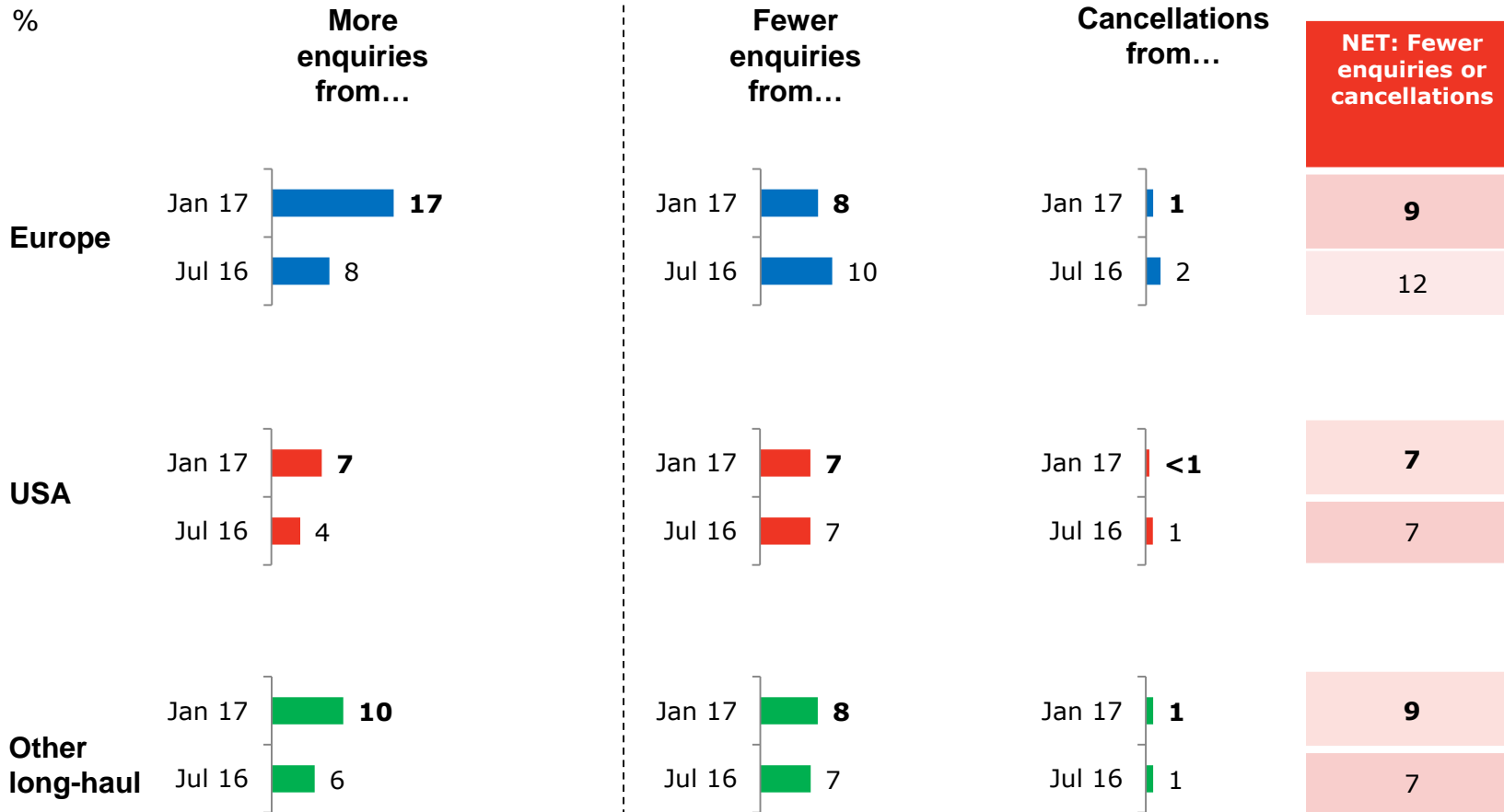
Since the referendum, the impact on accommodation sites appears to be positive, with an additional 16% reporting an increase in enquiries in January (compared to July). Whilst an extra 4% reported a drop in enquiries, cancellations dropped by 2%. The impact continues to be most positive among the domestic market.



Ways in which the EU referendum has already affected businesses:

Overseas visitors

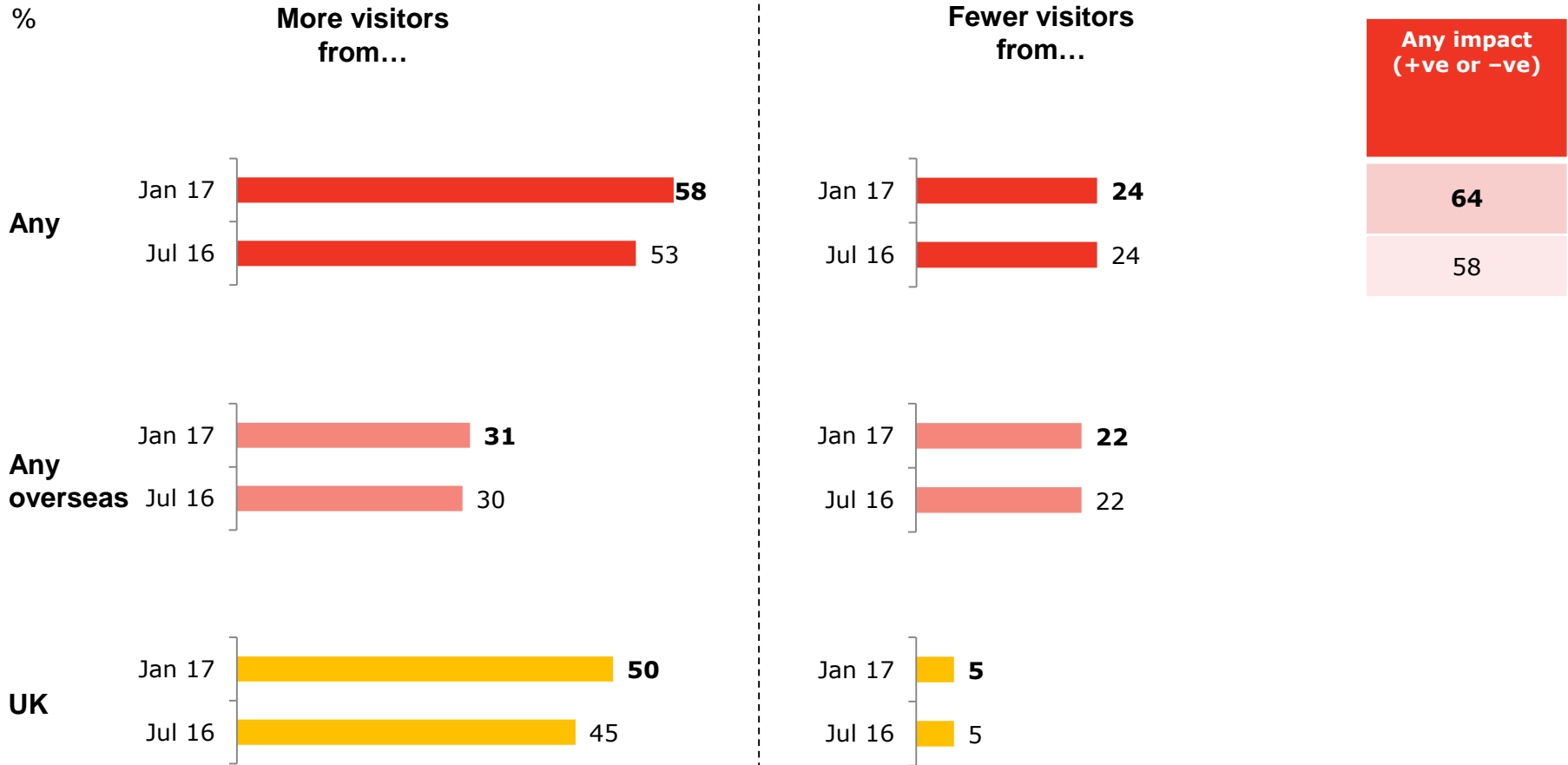
Encouragingly, accommodation sites saw an increase in enquiries from all overseas markets. This is mainly driven by the European market, where reports of increased enquiries more than doubled (17% in January, up from 8% in July 2016).



Ways in which the EU referendum will affect businesses in future:

All & domestic visitors

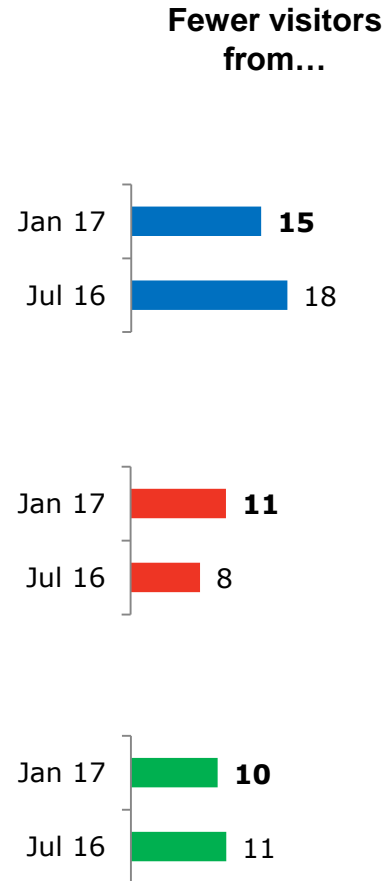
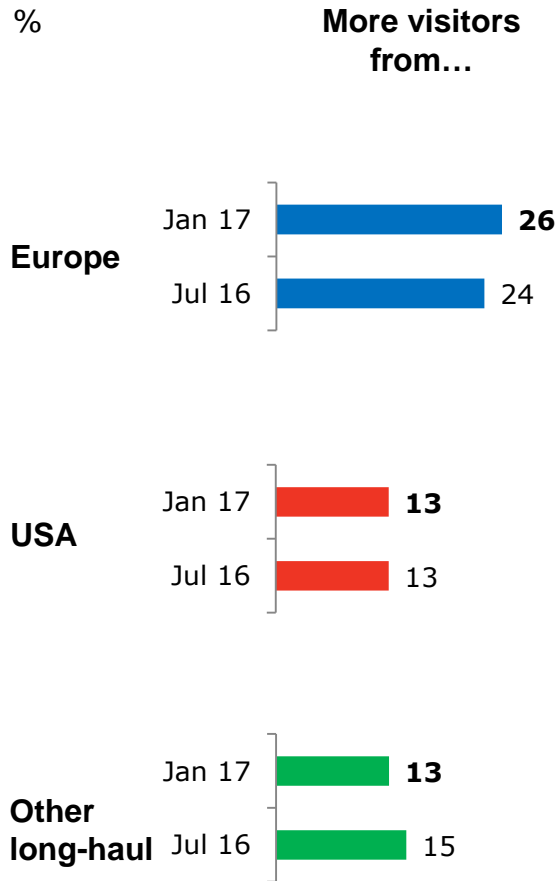
Compared to results seen in the previous wave, views on the future impact of Brexit are again more optimistic, with 58% of sites expecting more visitors going forward.



Ways in which the EU referendum will affect businesses in future:

Overseas visitors

When focusing on overseas markets specifically, views on the future impact of Brexit for inbound European visitors has improved since July.

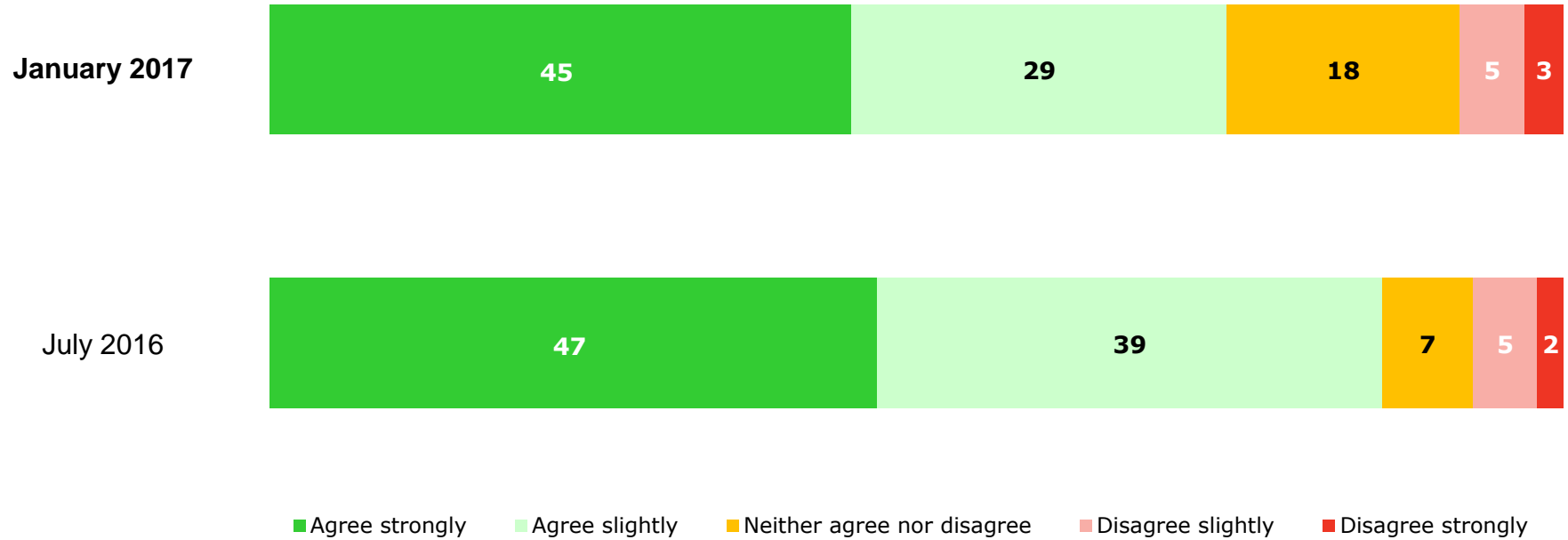


Impact of EU referendum - Attractions



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

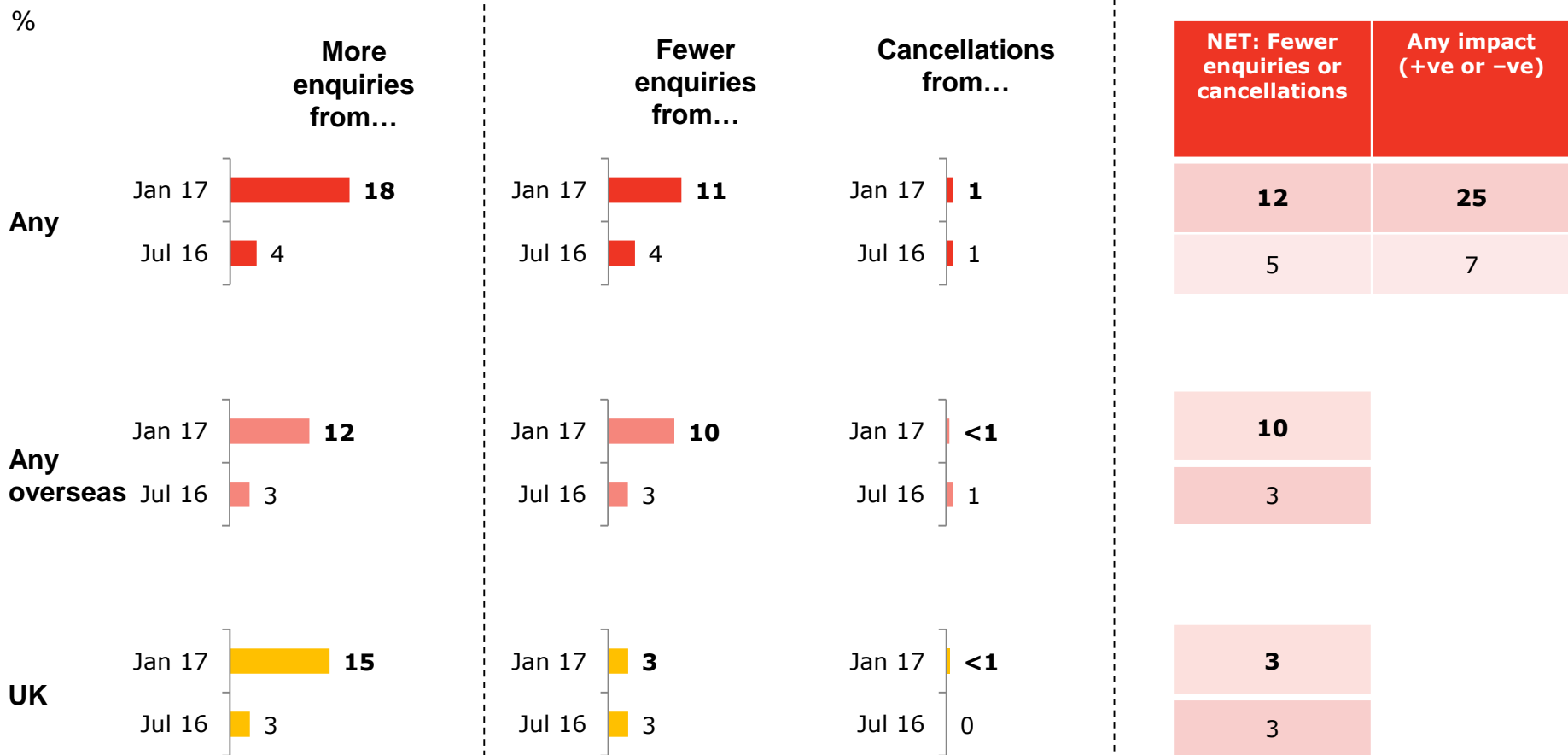
As the time has progressed since the EU referendum, agreement that it is still too early to judge the impact of Brexit has reduced. 75% feel it is still too early compared with 86% back in July.



Ways in which the EU referendum has already affected businesses:

All & domestic visitors

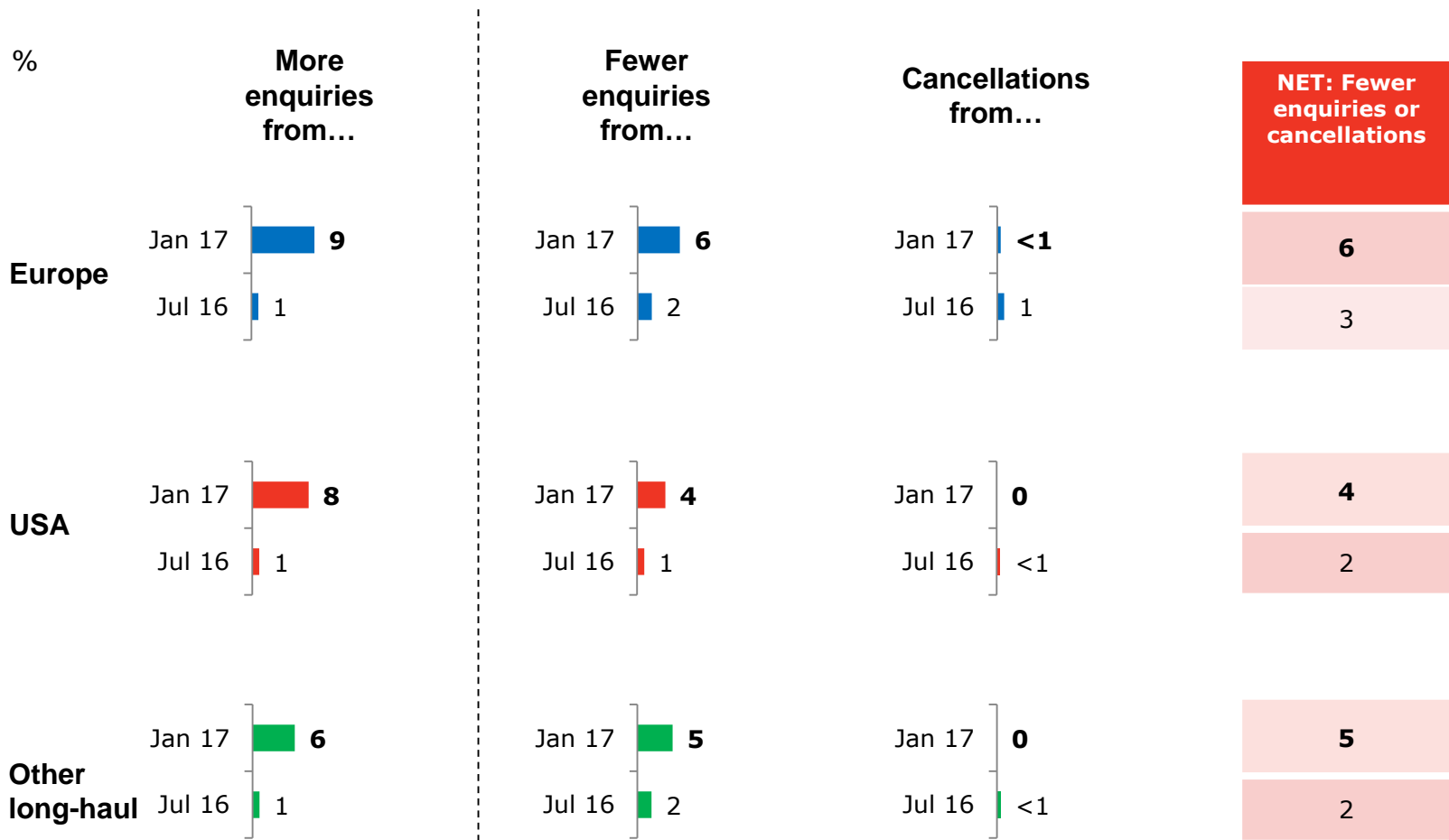
In contrast to July, where the initial impact of the referendum vote appeared to be minimal, some attractions are now noticing changes. The proportion of attractions reporting increases in enquiries has increased dramatically (18%, up from 4%). However, this is driven primarily by the domestic market, with almost as many attractions reporting decreases as increases in overseas enquiries during this latest period.



Ways in which the EU referendum has already affected businesses:

Overseas visitors

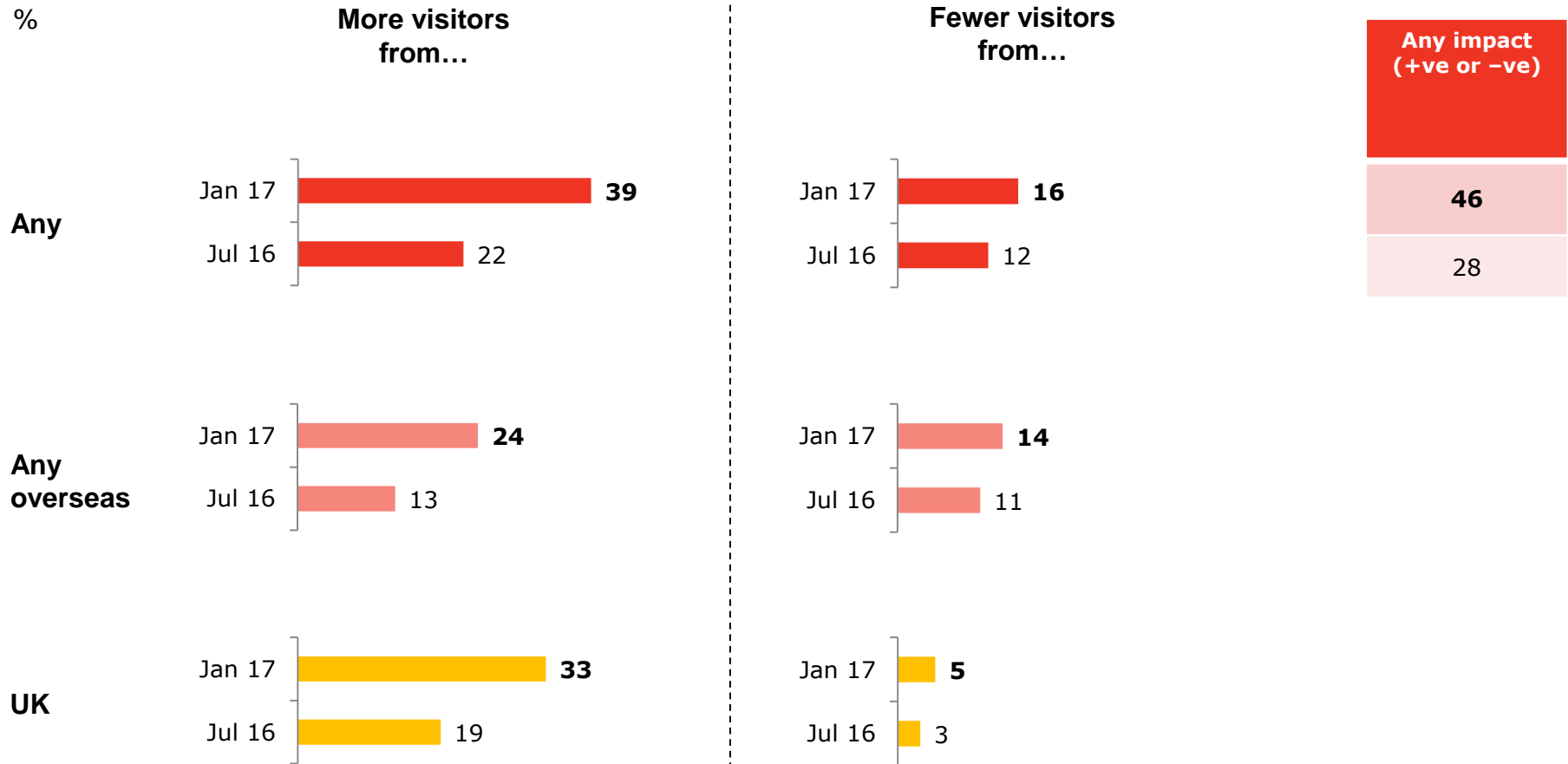
Looking at overseas markets in more detail, it is clear that the current impact of the referendum vote has had a mixed impact. More attractions reported enquiries from all areas, but incidences of attractions having fewer enquiries also went up – albeit to a lesser extent.



Ways in which the EU referendum will affect businesses in future:

All & domestic visitors

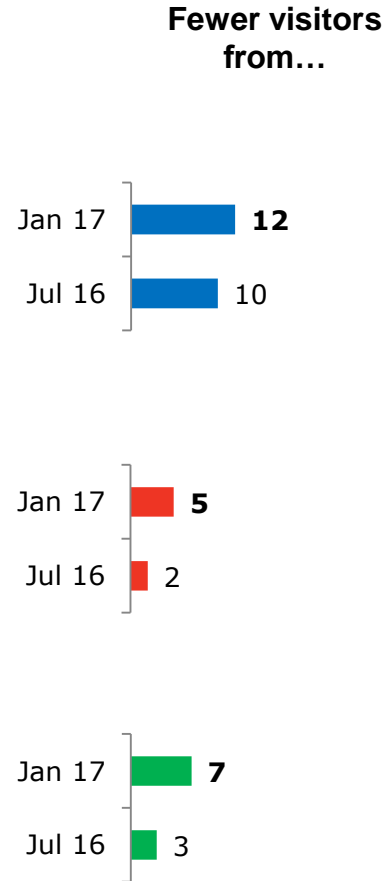
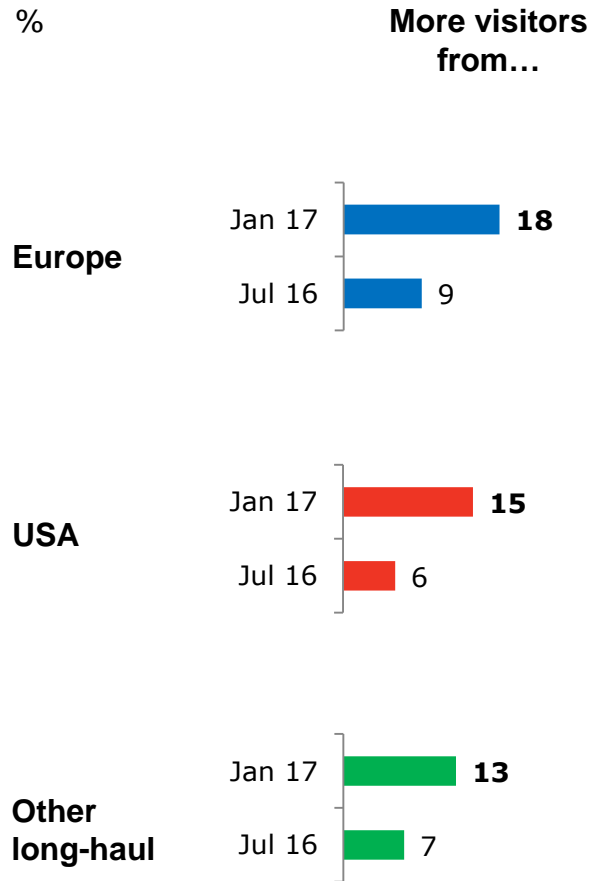
Looking ahead, it is clear that attractions are still cautious about the ongoing development of Brexit, with the number of sites expecting 'more visitors' and also 'fewer visitors' both increasing, although the net impact again appears to be a positive one.



Ways in which the EU referendum will affect businesses in future:

Overseas visitors

Attractions do not expect the impact of Brexit to just be limited to Europe, with similar trends expected across all three overseas markets. Positivity towards the impact of Brexit on European visitors has improved significantly.

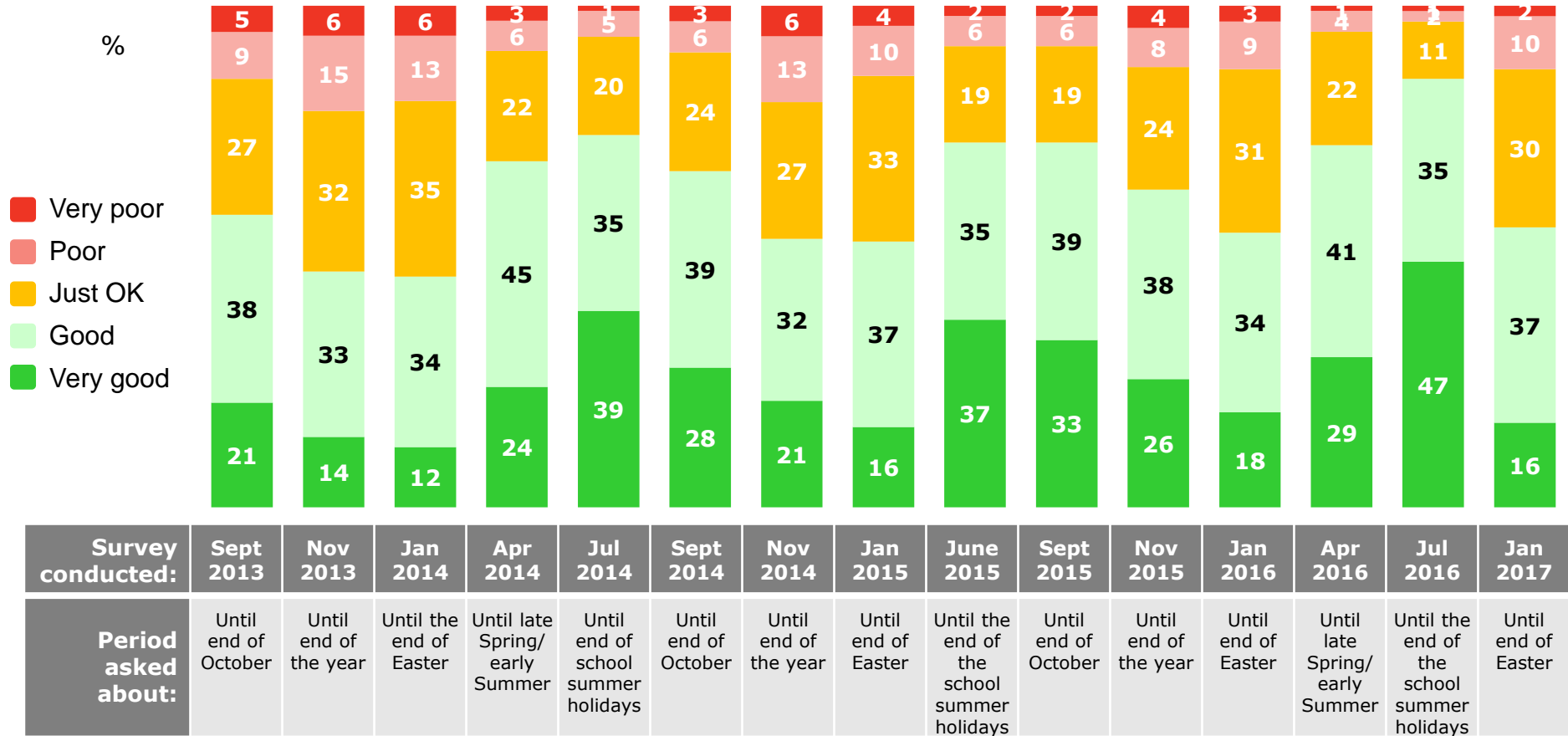


Business Confidence



Advance booking levels: Accommodation

Opinion on advanced bookings always tend to be lower in January. Current levels are broadly in line with January 2015 and 2016.

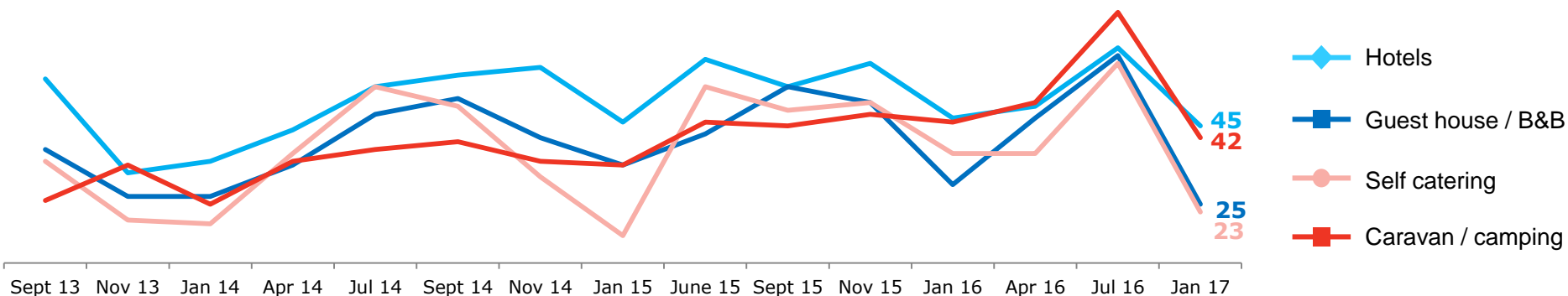


Confidence in performance for forthcoming period: By business type

Business confidence has reduced considerably amongst accommodation sites, particularly amongst B&Bs/guesthouses and self-catering sites, where only 25% and 23% of sites stated that they were 'very confident' for the forthcoming period respectively. In spite of positive predictions around Brexit from attractions, the air of uncertainty and recent past performance looks to have tempered confidence levels, which are in line with or below figures seen in previous recent January waves.

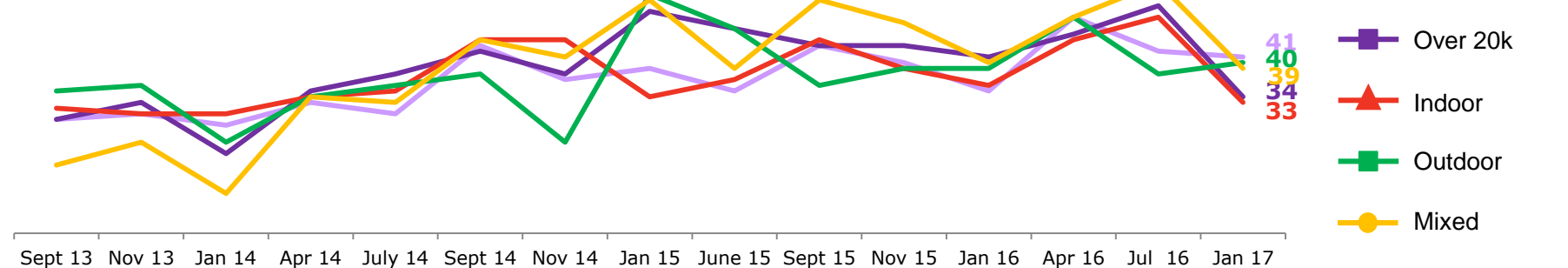
ACCOMMODATION – BY TYPE

% 'very confident'



ATTRACTIONS – BY TYPE

% 'very confident'

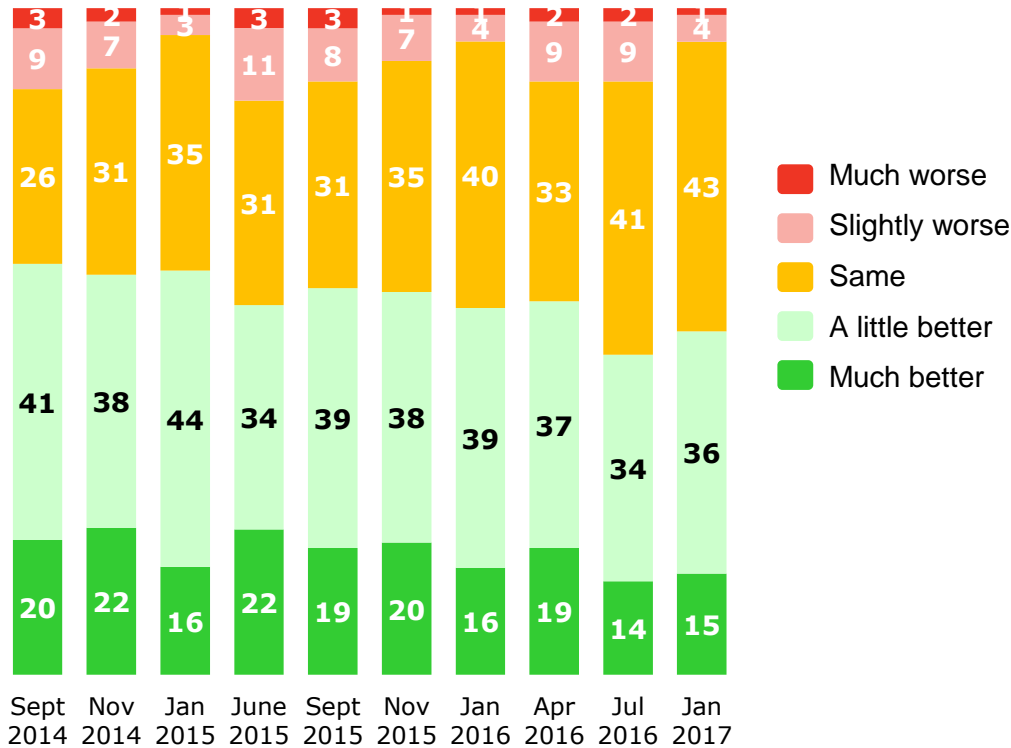


Sept 2013	Nov 2013	Jan 2014	Apr 2014	July 2014	Sept 2014	Nov 2014	Jan 2015	June 2015	Sept 2015	Nov 2015	Jan 2016	Apr 2016	July 2016	Jan 2017
Until end of Oct	Until end of the year	Until end of Easter	Until late Spring/early Summer	Until end of school summer holidays	Until end of October	Until end of the year	Until end of Easter	Until end of school summer holidays	Until the end of October	Until end of the year	Until end of Easter	Until late Spring/early Summer	Until end of school summer holidays	Until end of Easter

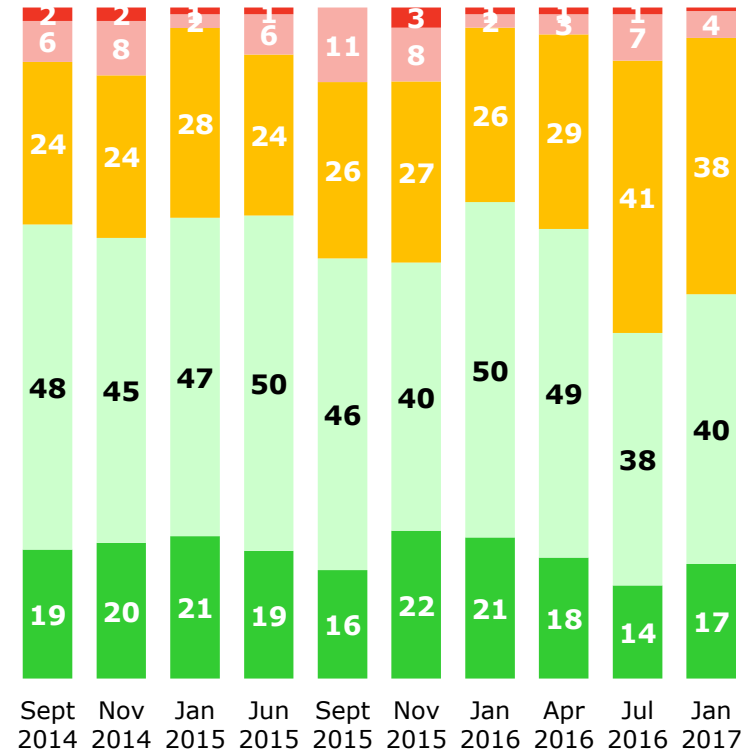
Business optimism for 2017

For accommodation sites, there are lower levels of optimism for the 2017 as a whole compared with recent January periods. Similarly, business optimism amongst attractions remains cautious and down compared with recent Januarys, with only 57% predicting a better 2017 than 2016 compared with 71% this time last year and 68% the year before that.

ACCOMMODATION



ATTRACTIONS



Positive verbatim comments on business optimism for 2017:

Accommodation



I think people will stay in the UK more.

We’ve just never had so many bookings so early.

Because with all the issues around the EU and the terrorism issue, the domestic holiday market is very strong right now.

Because the bookings are already in, despite raising our prices.

We have invested in more marketing.



Positive verbatim comments on business optimism for 2017:

Attractions



It is part of a positive trend that we are experiencing with The National Trust.

Because we are having an expansion due to an increase in demand.

*There have been more bookings for most periods of the year by both overseas
and domestic visitors.*

The local domestic market is getting better.

We have invested a lot of money in infrastructure and marketing.



VisitEngland 



Quality Standards and Other Details

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.