

Tourism Business Monitor

Wave 3 – Early Summer



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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.

Amalgamation of two previous surveys discontinued at end of 2011:

- England Attractions Monitor
- Accommodation Business Confidence Monitor

Telephone survey conducted five 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.

July 2012 fieldwork: 16th to 24th July 2012, reviewing the period after the jubilee bank holiday weekend until mid July

June 2012 fieldwork: 11th to 15th June 2012, reviewing May and early June period, including the Jubilee Bank Holiday weekend.

Easter 2012 fieldwork: 16-23 April 2012, reviewing January to April period

One month on from our post Jubilee survey, the situation for accommodation businesses and visitor attractions does not appear to have improved.

Well over half of both types of business report that June/ July numbers are down compared with 2011, and satisfaction levels within the industry have followed a similar trajectory.

In line with this we see the overall year to date picture for 2012 weakening:

- **Accommodation:** 57% report a decline since 2011, with a 7% drop in guest numbers
- **Attractions:** 57% have seen a decline since 2011, with a 6% drop in visitor numbers

Accommodation:

For accommodation businesses, this is driven by a decline in both domestic and overseas business. In June we saw that repeat visits were somewhat counterbalancing poor performance amongst new guests; this continues to be the case, but to a much lesser degree in June-July, with only +5 net improvement versus +21% over the May/ early June period.

The unseasonally wet weather has affected the caravan/ campsite business the worst. Self-catering may have picked up some of this business as they report a slight increase on 2011. Nevertheless, satisfaction is down across the board

Attractions:

The retraction in visitor number is driven by the domestic market and affects all attraction types.

Optimism remains for the summer holidays, but businesses are more cautious than they were during the first half of the year:

- **Accommodation:** Only 28% are 'very confident', compared with 41% at Easter
- **Attractions:** 16% are 'very confident', compared with 29% at Easter

Confidence has declined for all attraction types and serviced accommodation. Self-catering businesses are the most optimistic, following on from a solid performance in June/ July. With the poor weather pushing business away from caravan/ campsites, and the recession limiting customer appetite for serviced accommodation, self-catering venues may be well positioned to win new custom.

Accommodation bookings are reasonable, but below what we might expect for high season, and around a third (34%) of businesses are relying on deals/ discounts to stimulate business. Visitor attractions (29%) are also seeking to promote themselves through special offers.

The Olympic torch relay has had a positive short term impact on business, but any longer term impact is expected to be marginal. Sadly, this does not seem to have stimulated positive opinion towards the Olympics; overall (net) feeling is now negative, having declined further since June.

Instead, hopes are pinned on the weather picking up and an injection of business associated with school summer holidays.

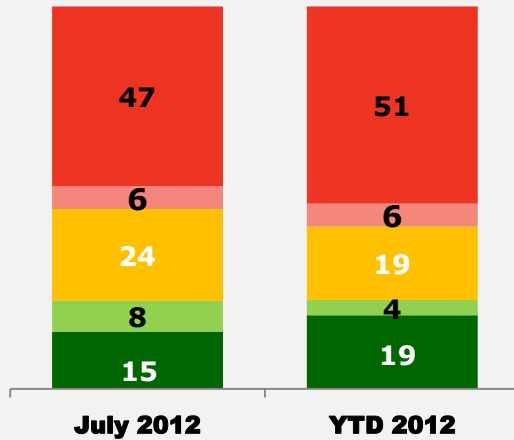
Business Dashboards



Business Performance Dashboard

Accommodation

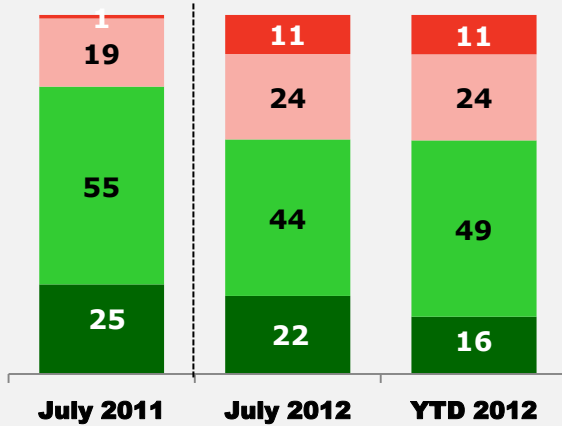
Visitor numbers (%)



Versus same period previous year...

- Down
- Slightly down
- Same
- Slightly up
- Up

Satisfaction (%)

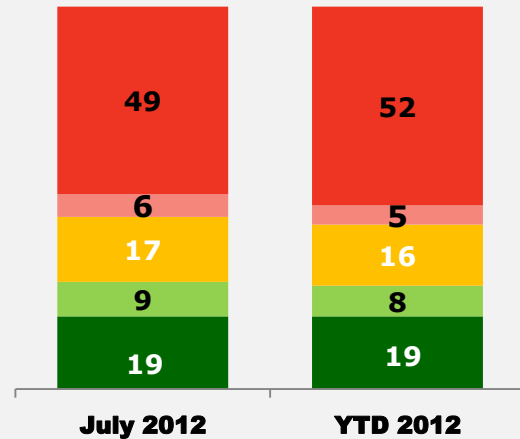


Satisfied with business performance...

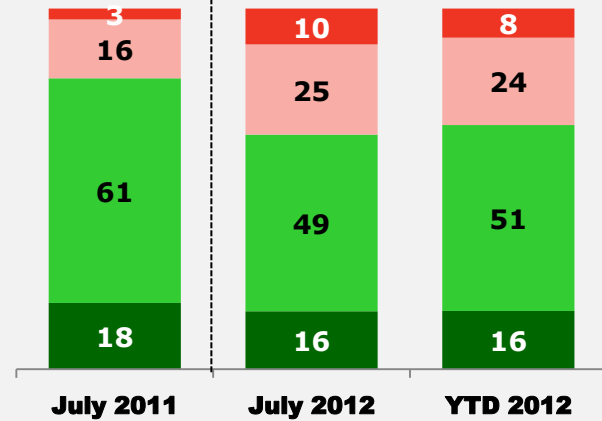
- Not at all
- Not very
- Quite
- Very

Visitor Attractions

Visitor numbers (%)



Satisfaction (%)

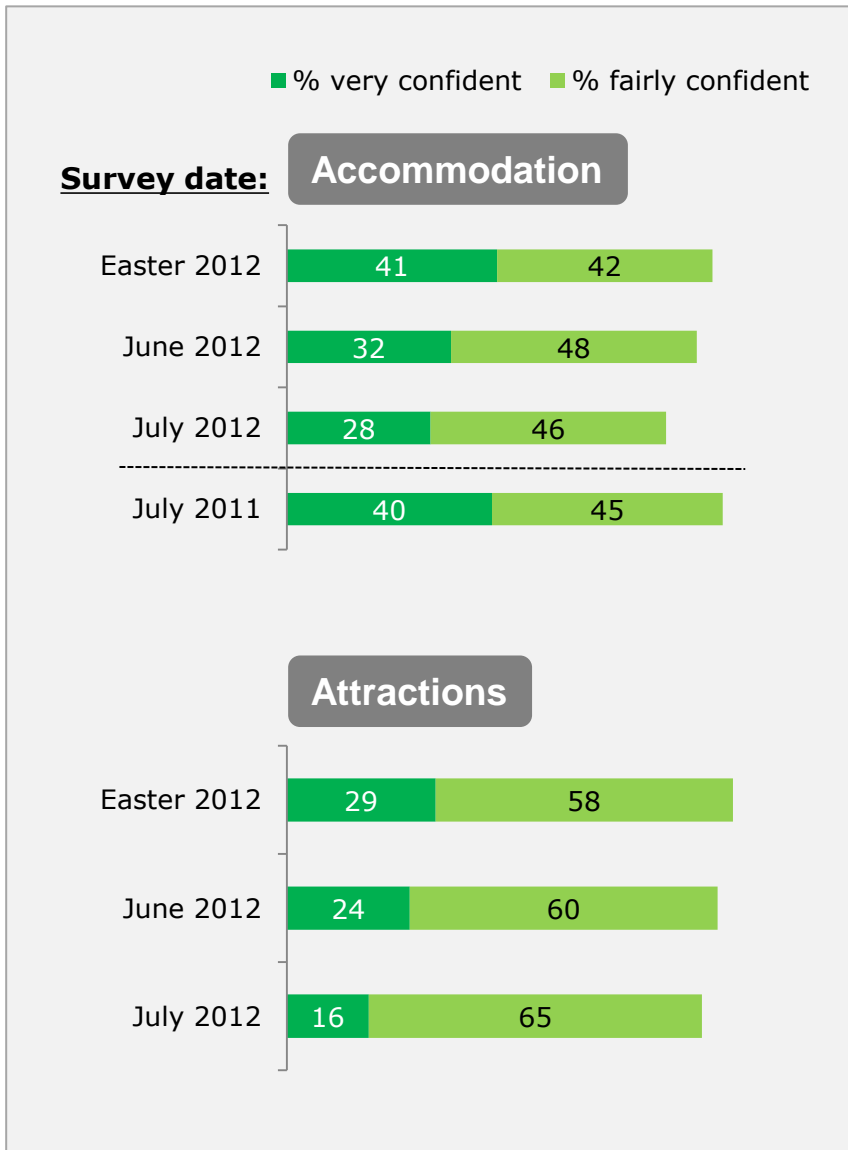


PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE

July 2012: Post Jubilee bank holiday (early June) to late July

July 2011: May to mid July

Business Confidence Dashboard: confidence for next 1.5-2 months



Period asked about:

| Survey conducted: | Period asked about |
|-------------------|------------------------------|
| Easter 2012 | Until after Jubilee bank hol |
| June 2012 | Until start of summer hols |
| July 2012 | Until end of summer hols |
| July 2011 | Until end of summer hols |



Visitor profile

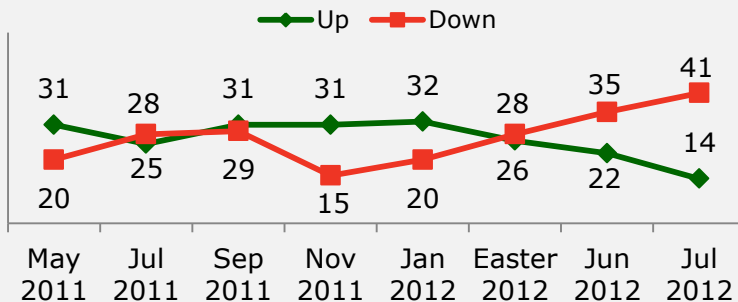
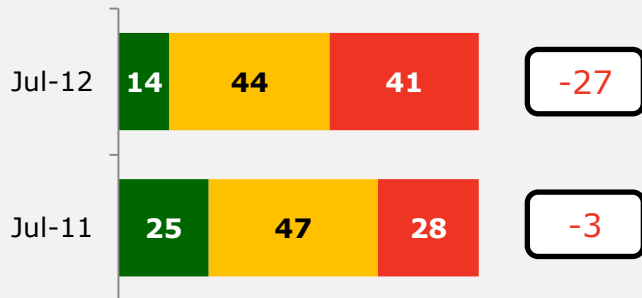


Changing Visitor Profile (year-to-date vs. previous year): Accommodation

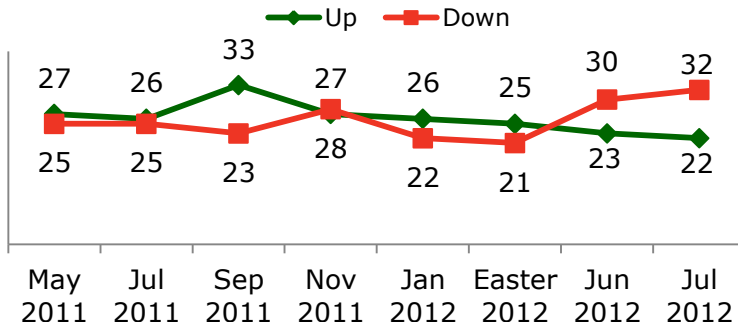
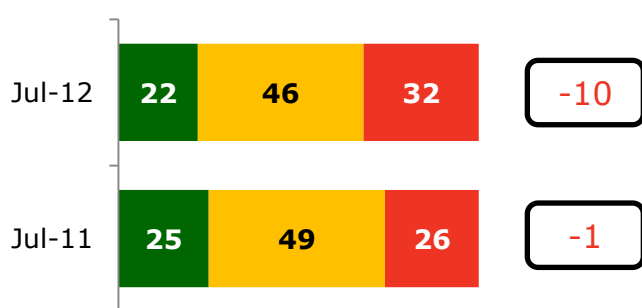
■ Up ■ Same ■ Down **NET:**
Up - Down



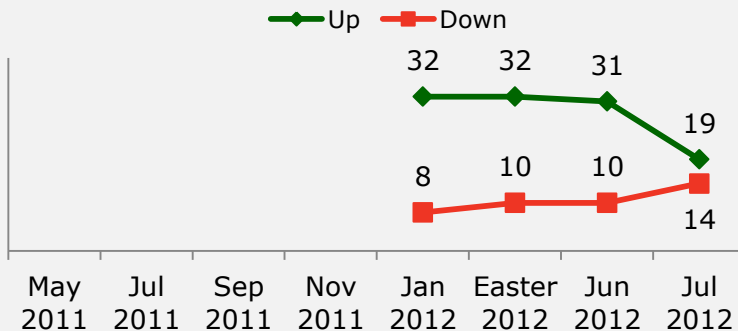
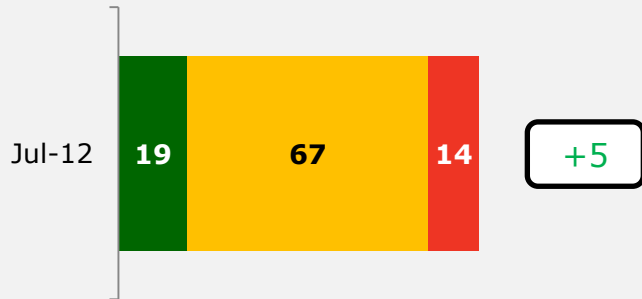
Domestic visitors



Overseas visitors



Repeat visitors



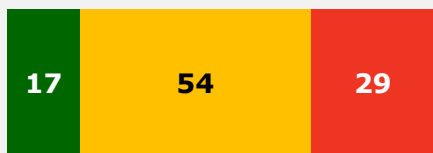
Changing Visitor Profile (year-to-date vs. previous year): Attractions



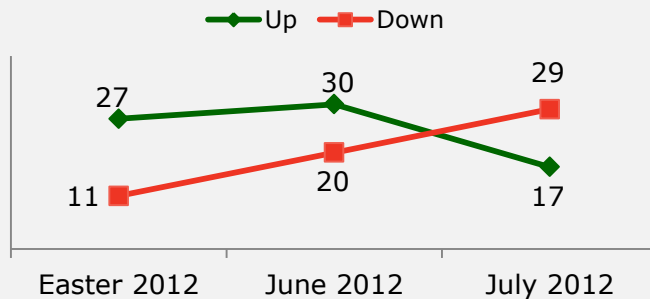
NET:
Up - Down



July 2012



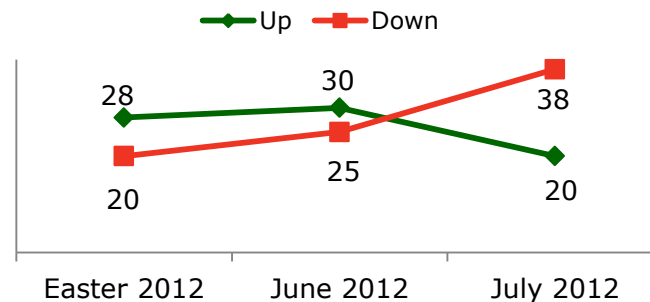
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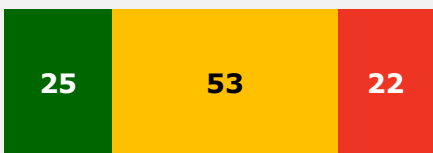
July 2012



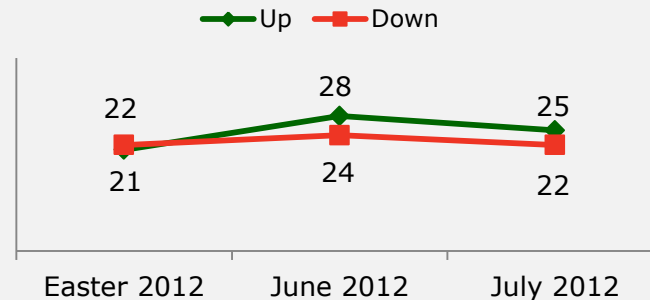
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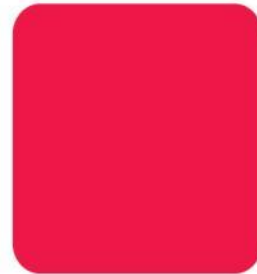
July 2012



+3

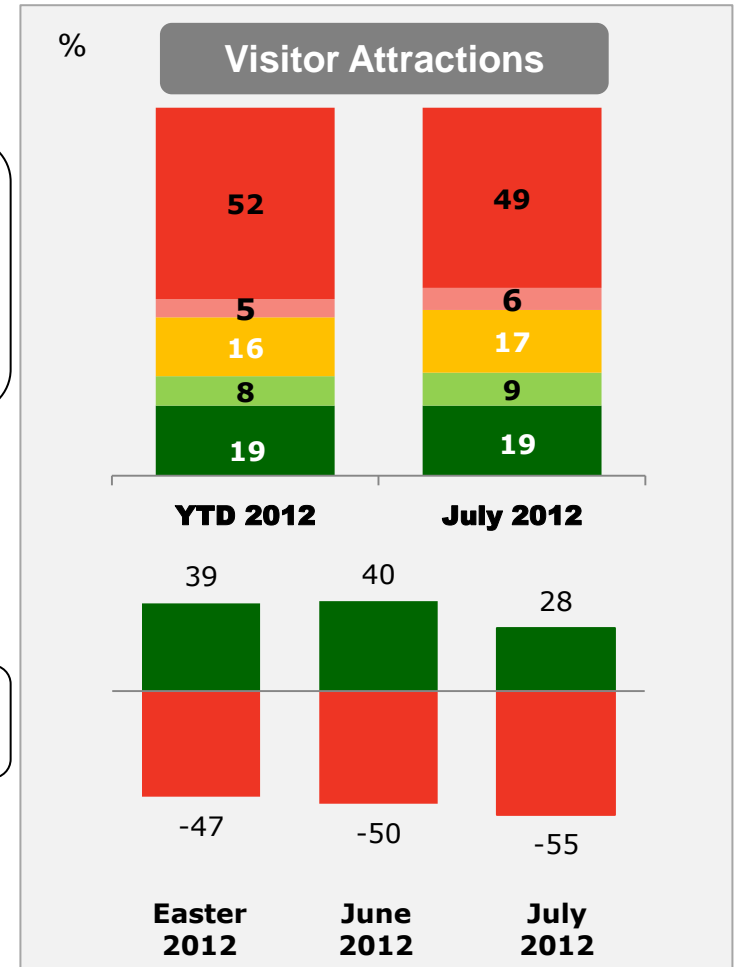
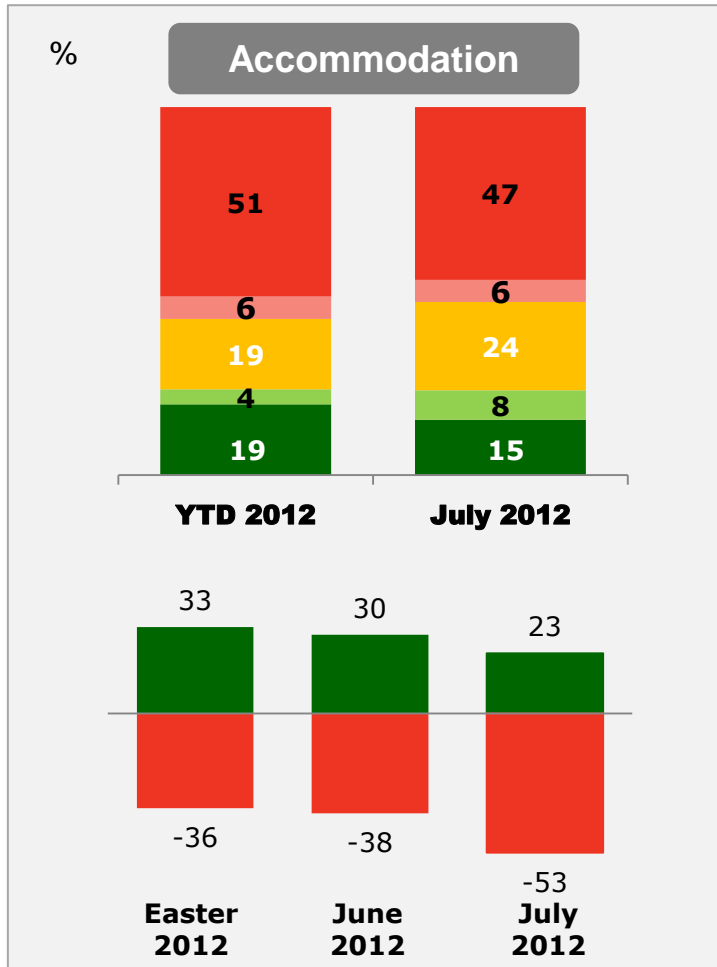


Business performance



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

June-July has seen a further retraction in visitors, which has impacted total visitor numbers for 2012, with only around 1 in 4 businesses being up on last year, while well over half report fewer visitors than in 2011.

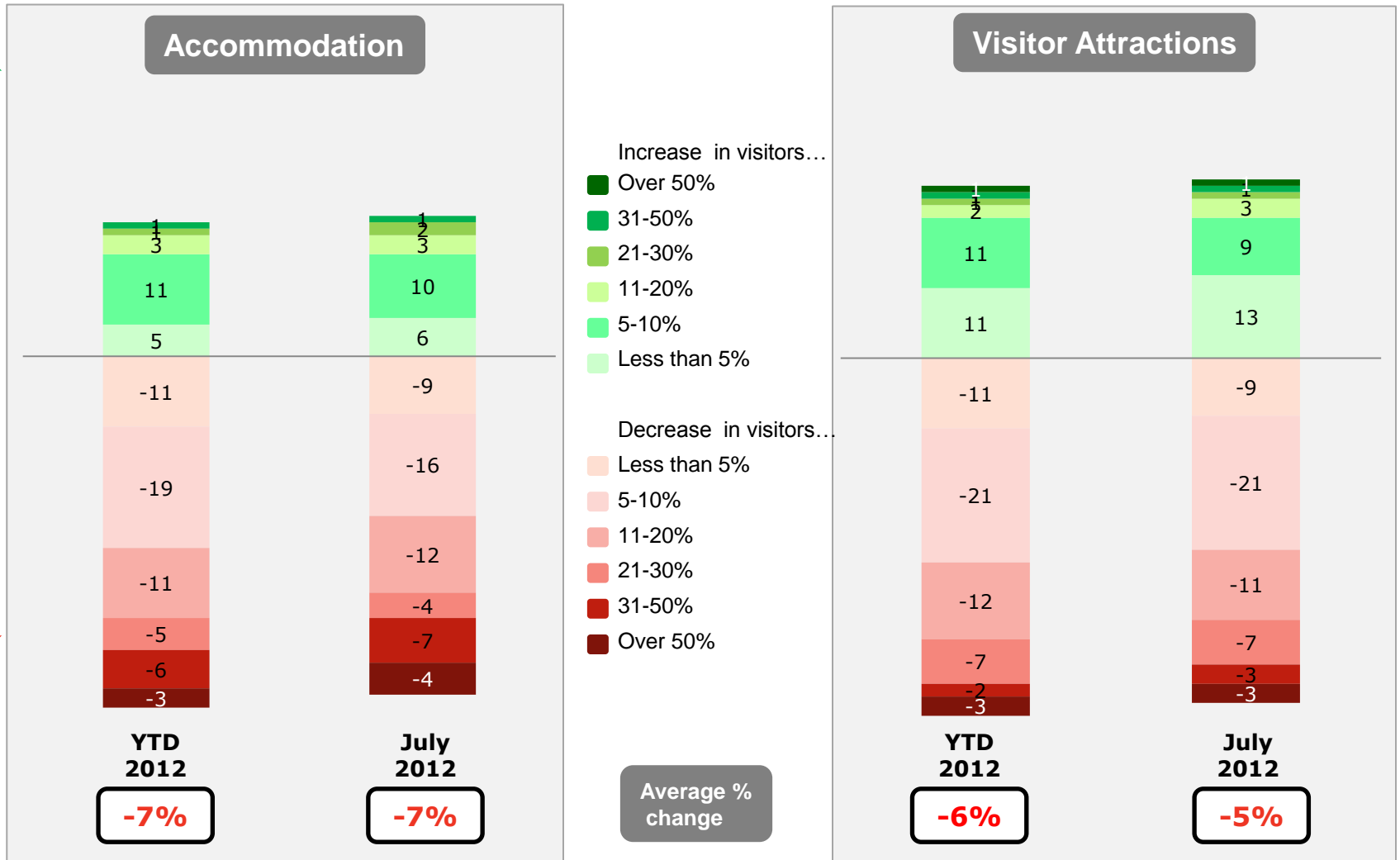


PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE

July 2012: Jubilee bank holiday weekend until mid July
 June 2012: May and early June until after Jubilee Bank Holiday
 Easter 2012: January to April period

Visitor Numbers: Year-on-year changes (%)

Visitor numbers for mid June – mid July are down on 2011, largely due to the unseasonal bad weather. Accommodation businesses have been particularly badly hit.

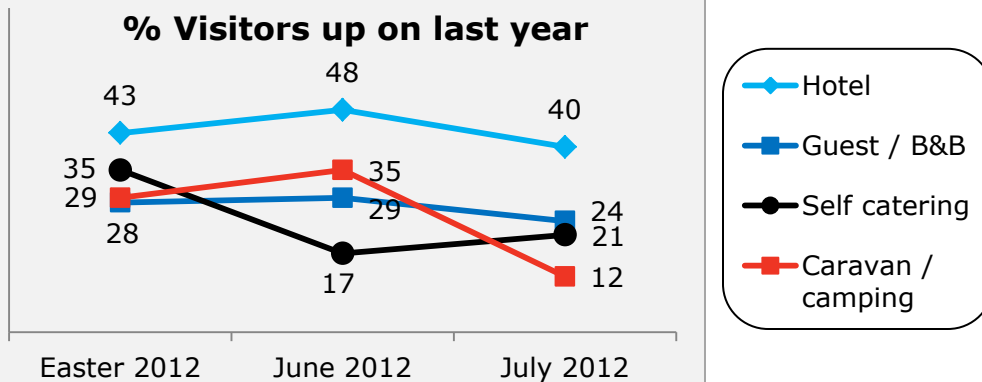


Changing business performance: By business type

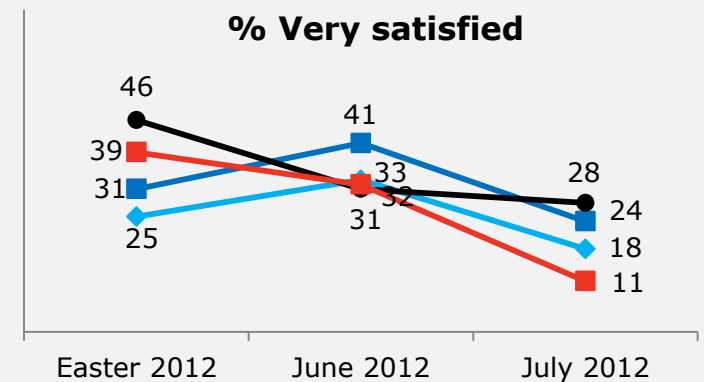
Caravan/camping sites have been severely affected by the poor weather and flooding seeing a sharp decline in visitor numbers since early June. However, self-catering businesses have regained some ground after a poor performance in June – perhaps winning some of the camping business? All attraction types have taken a hit to visitor numbers.

ACCOMMODATION - BY TYPE

% Visitors up on last year

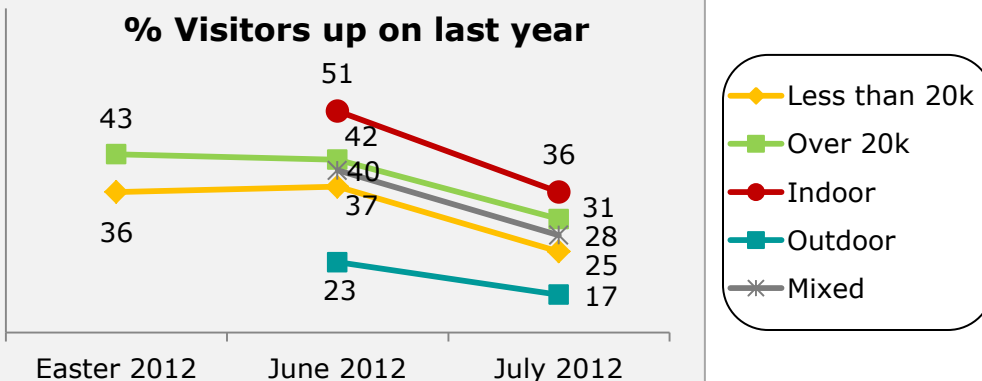


% Very satisfied

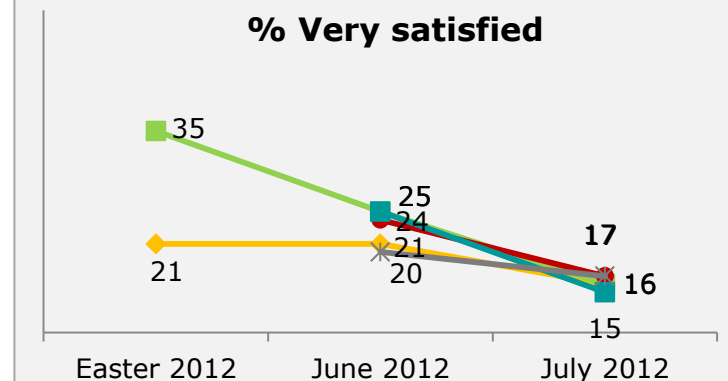


ATTRACTIONS - BY TYPE

% Visitors up on last year



% Very satisfied



Impact of the weather on business performance



“

*As a caravan site people will not bring their vans if it's pouring down with rain. Plus we have had floods so the grounds are wet and people can't park their caravans.
(Accommodation)*

*Who camps in the rain? The events that attract campers are being cancelled.
(Accommodation)*

We decided to keep our prices down - normally we would be at mid-season prices but we decided to keep them at low season because we weren't getting many visitors. It was a way of trying to combat the weather. (Accommodation)

People only come out if the weather is good. I get lots of last minute bookings if it is good weather. (Accommodation)

We have been flooded out three times. Fortunately we haven't lost any stock but we lose an extra day to wash the floors and clean the mud; this is the reason we have lost so many visitors. (Attraction)

Well the weather has not been brilliant so people have been doing more of our indoor activities which is good for us. (Attraction)

People are increasingly reluctant to come out in the rain and hence our visitor numbers are significantly less than they should be in July. (Attraction)

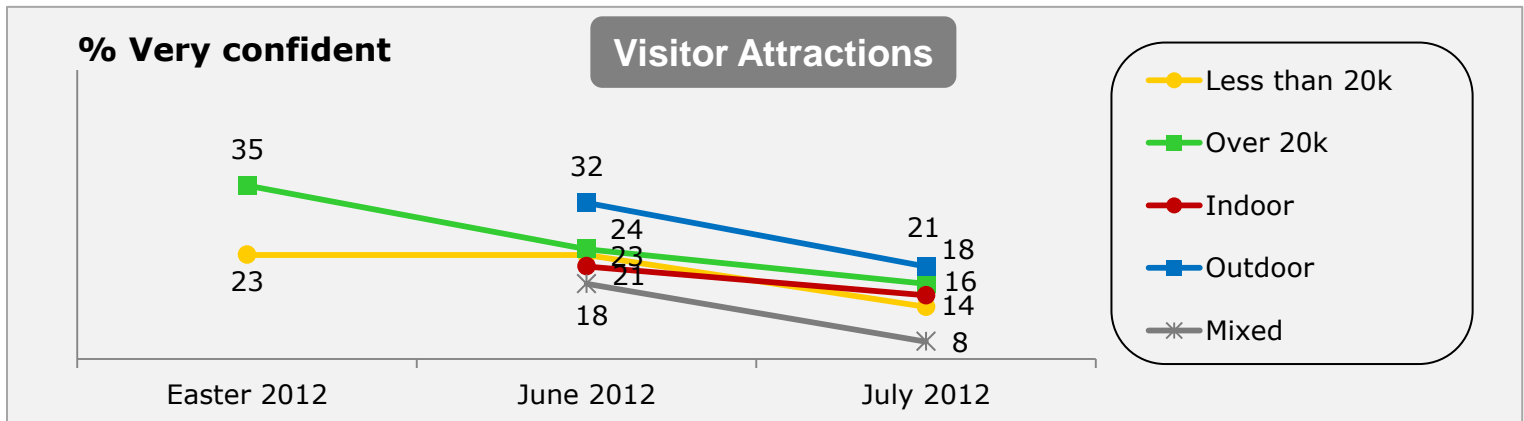
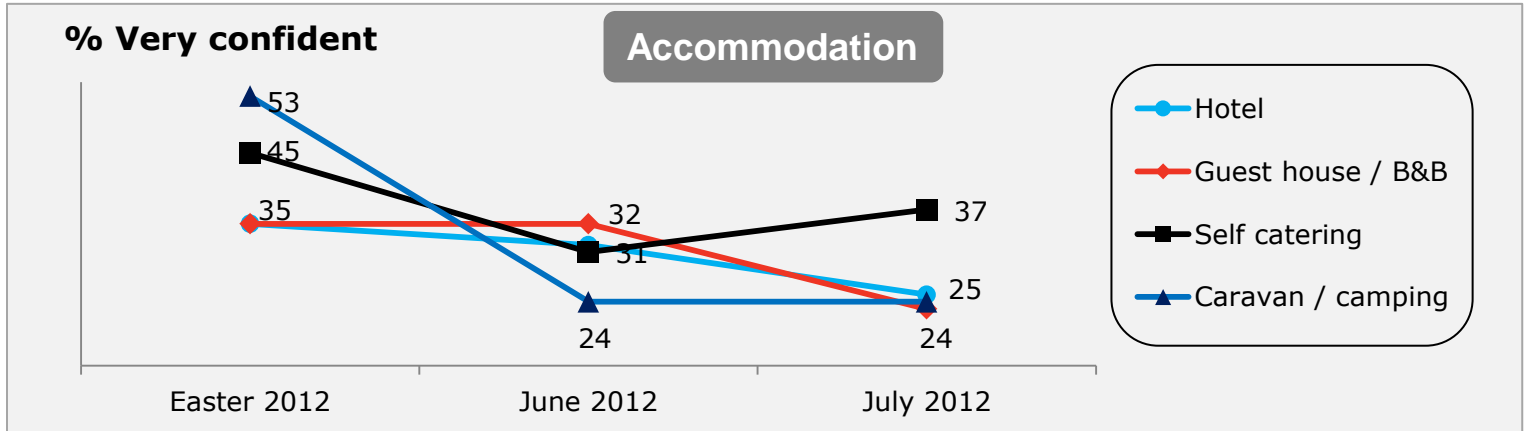
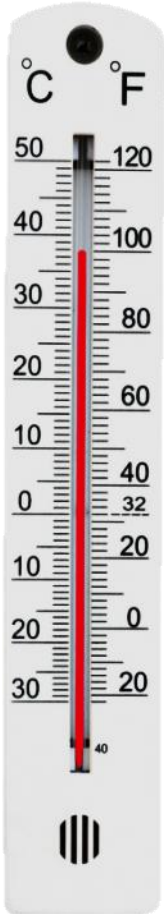
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Business confidence



Confidence in performance for forthcoming period

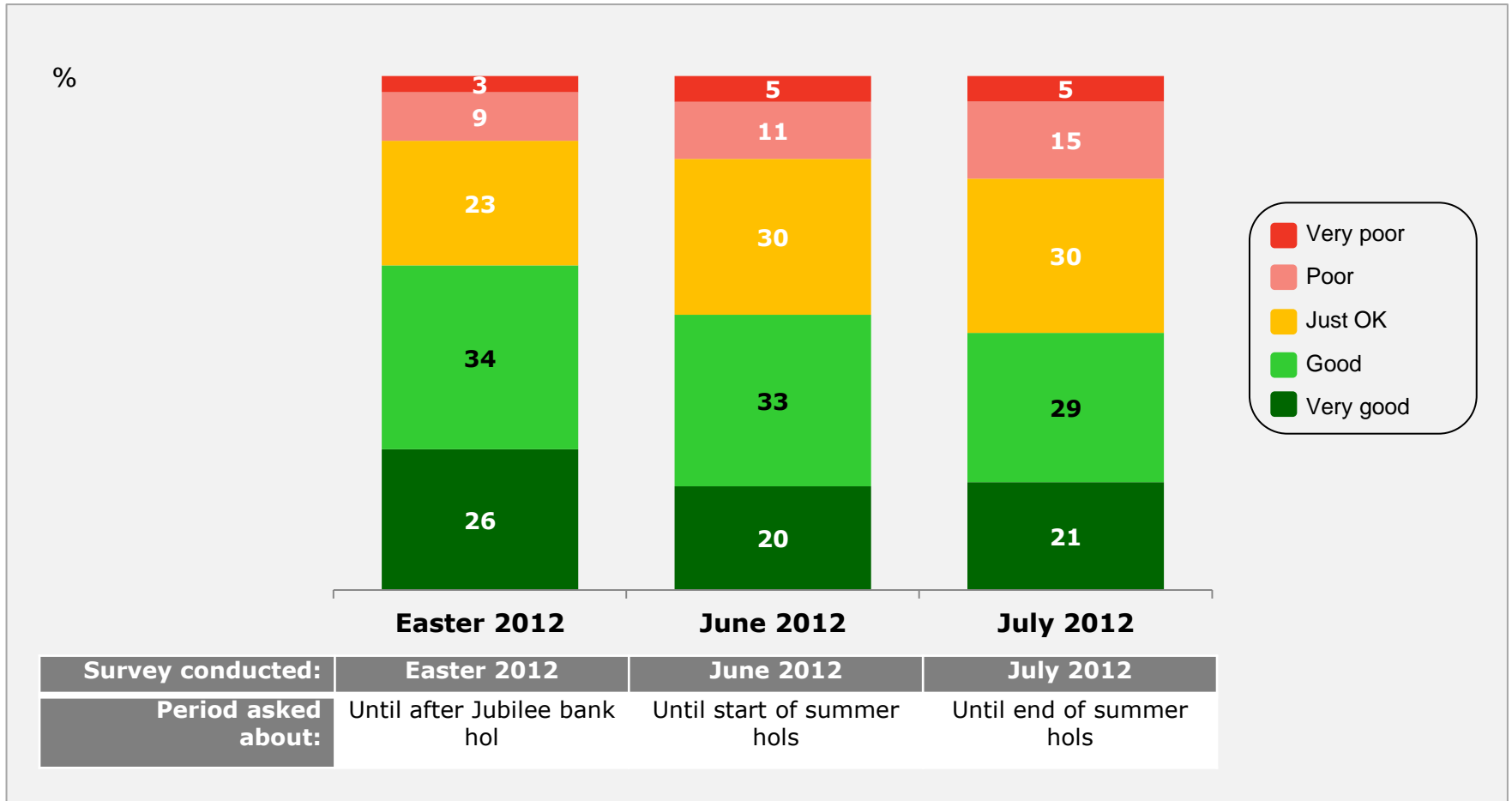
Confidence remains low for accommodation and attractions, following the wettest June on record. However, self-catering businesses have reported an increase in confidence, following on from a stronger performance in June/ July.



| Survey conducted: | Easter 2012 | June 2012 | July 2012 |
|---------------------|------------------------------|----------------------------|--------------------------|
| Period asked about: | Until after Jubilee bank hol | Until start of summer hols | Until end of summer hols |

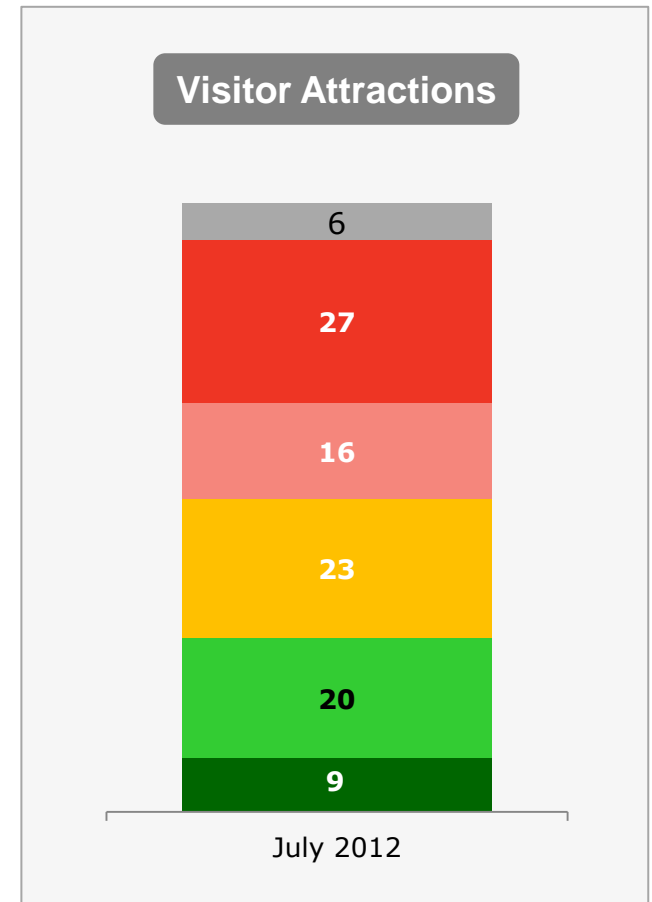
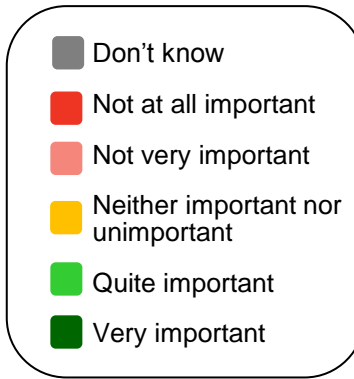
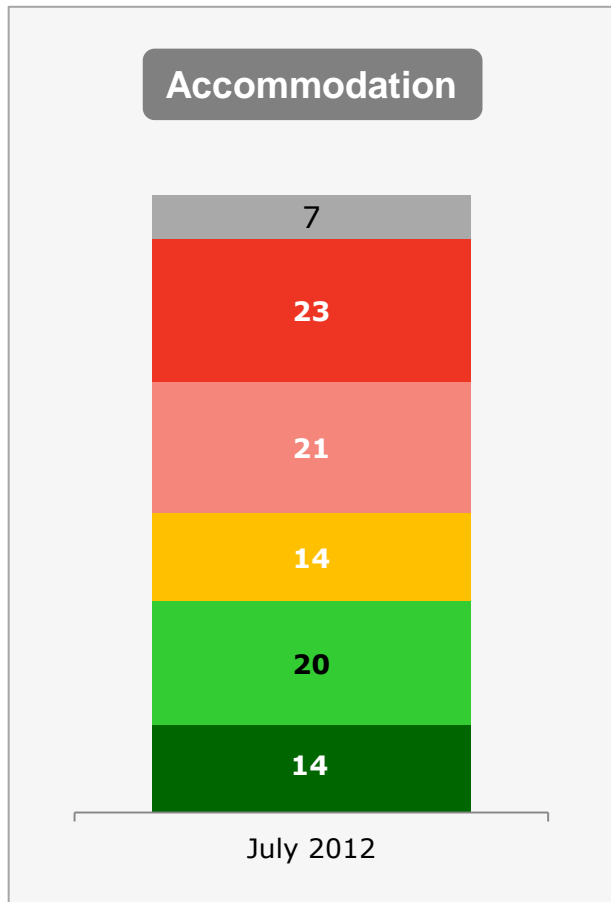
Advance booking levels: Accommodation

Outlook has deteriorated further in July, with only half of accommodation businesses having good levels of advance bookings.



Importance of discounting and deals to business performance in the upcoming period

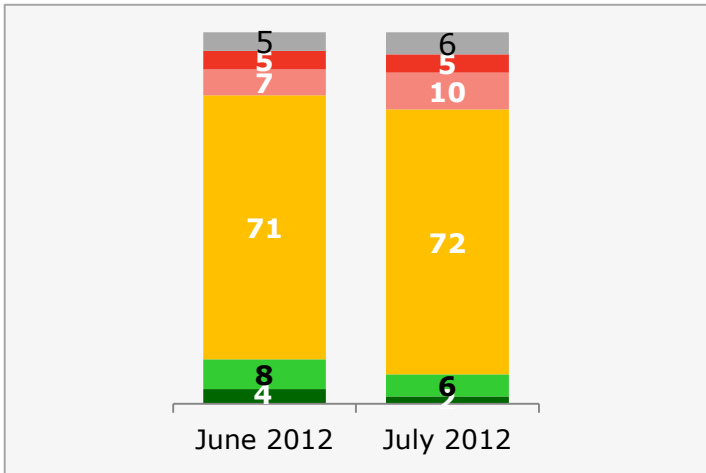
Despite it being high season, over 1/3rd of accommodation businesses are relying on discounting to boost bookings, and visitor attractions are not much better off.



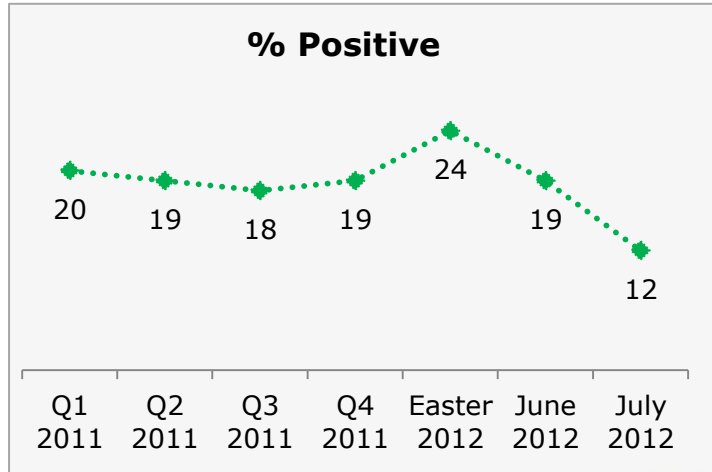
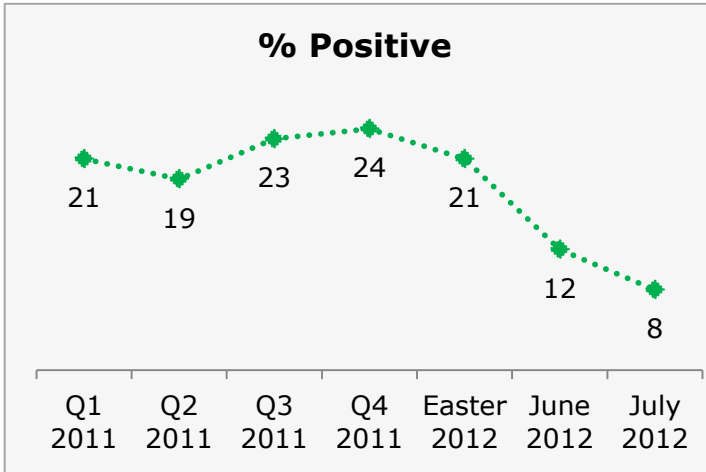
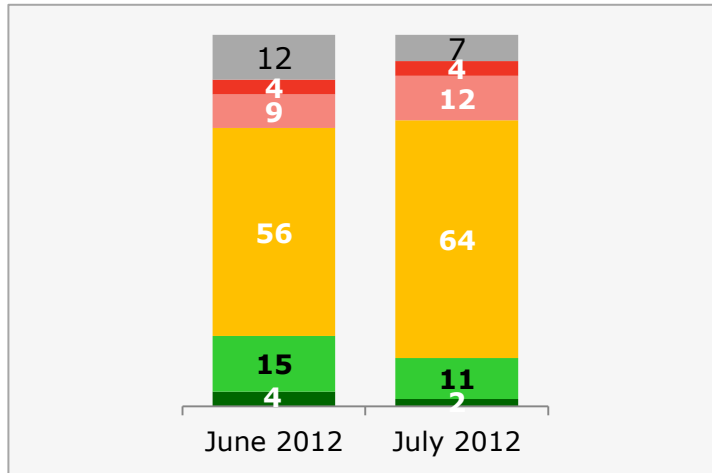
Impact of 2012 Olympics

Positive opinion towards the Olympics has continued to drop further in July, with the majority still feeling that it will have little impact on their business.

Accommodation

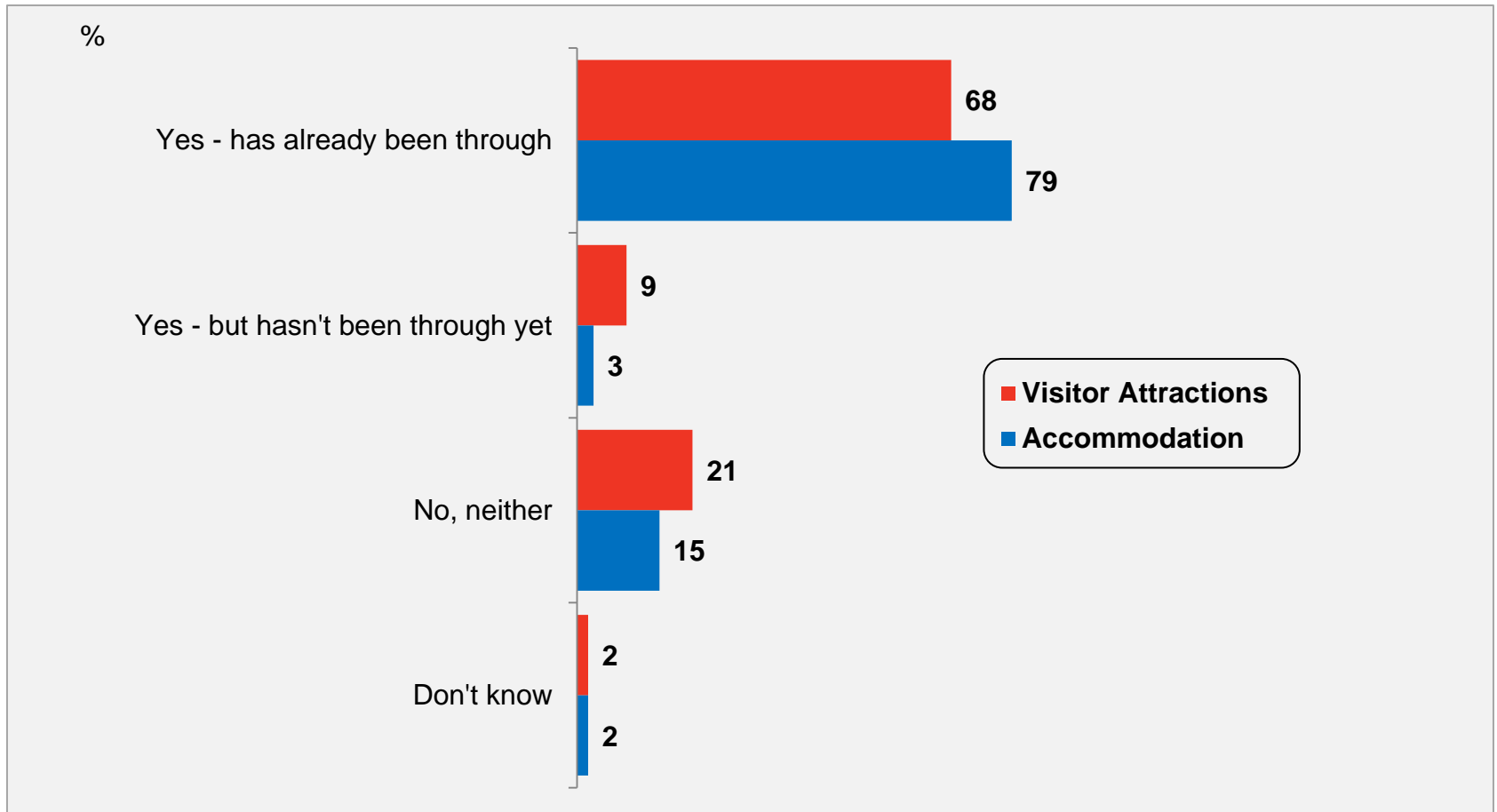


Visitor Attractions



Olympic Torch – Is it passing through your area?

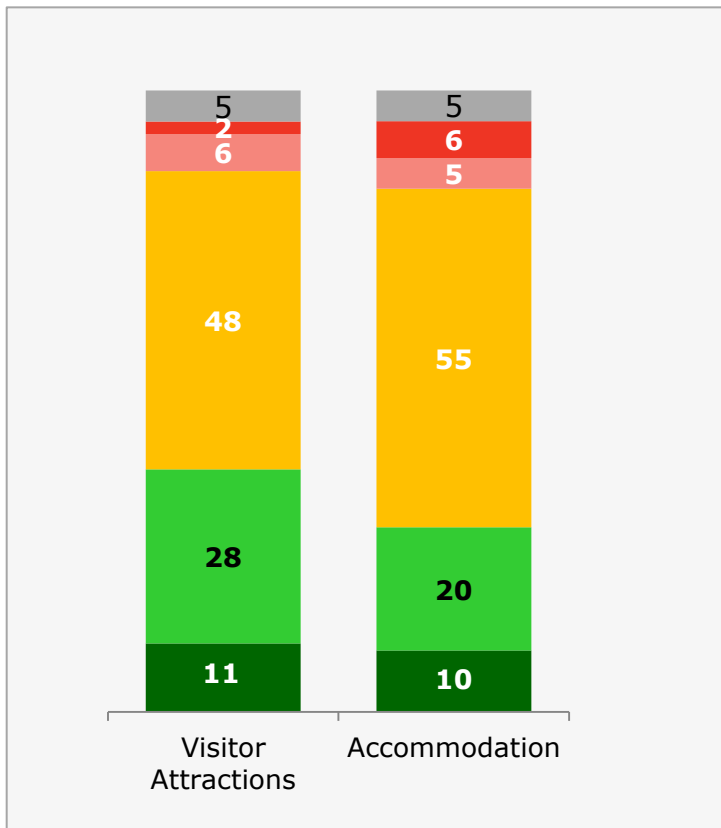
The route taken by the torch will reach 82% of accommodation businesses and 77% of visitor attractions.



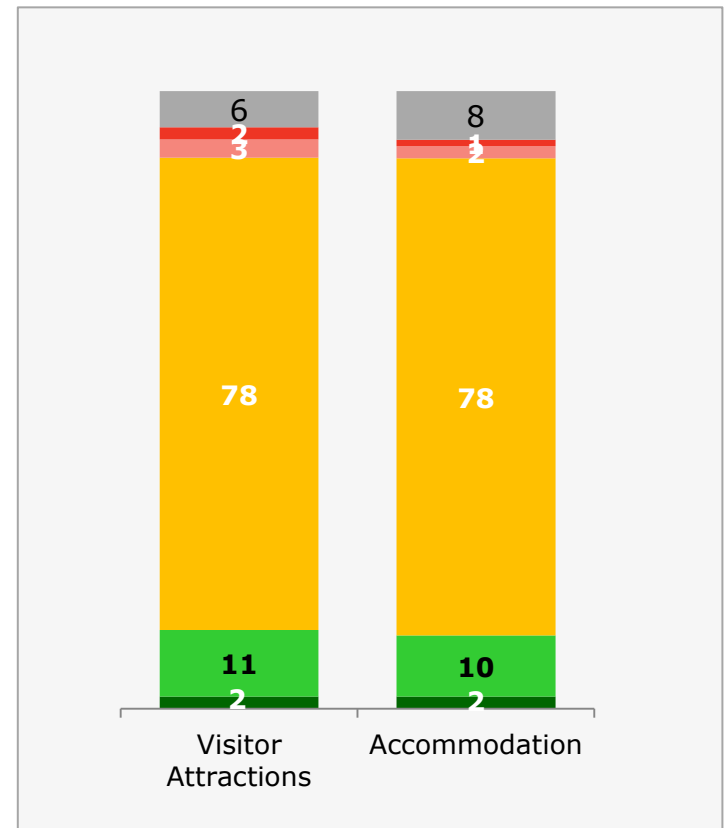
Impact on business of Olympic Torch passing through local area

Overall, the Olympic torch is expected to have a positive effect in the short-term, but most businesses feel that the longer term impact on businesses will be marginal.

Immediate Impact



Longer-term Impact



Comments on impact of the Olympic Torch passing through local area

“

POSITIVE:

*If people go out to see it people often stop and have ice creams and look at shops there.
(Accommodation)*

*It would have helped local businesses when people came to see the torch such as local shops, cafes etc. but it was all over within 2 to 3 hours so I don't think it will have a lasting impact.
(Attraction)*

Good impact - brought more people into town to buy stuff. (Attraction)

NEUTRAL:

*Really it was more local people that went to see the torch more than anything.
(Accommodation)*

No impact at all because the Olympic torch just went straight past. (Attraction)

NEGATIVE:

A lot of people didn't go into town to avoid it - and the people who did go in to see the torch didn't go to the shops. (Accommodation)

We were quiet on that day because lots of people chose to go and look at the torch. (Attraction)

”

Positive verbatim comments on business confidence



Cautiously optimistic. We are going to have to be flexible and look for opportunities (Attraction)

Good due to the fact that we are getting repeat visitors. We are booked up until September (Accommodation)

The state of the country has not affected the self catering industry at all. In fact if anything it has helped me a little. (Accommodation)

Optimistic because it's the summer holidays; its our peak time, always (Attraction)

Pretty positive - I say that because I know how much work we have on. We have a consistent flow of projects on so it's looking pretty good (Attraction)

I have the same people every year and I'm always as full as I want to be (Accommodation)

If people are struggling for money, they'll decide to stay at home rather than go abroad, that'll be good for us (Accommodation)

A lot more people are staying at home on holiday so we might get a few more visitors who would have gone abroad previously, but that's when the weather is nice (Attraction)

We are supposed to be in a recession but we have actually retained the number of visitors so I am satisfied with that (Attraction)

We get good publicity from the Olympics which should increase or at best maintain our visitor numbers (Attraction)

A lot of people wanted to escape from London to come up here (Accommodation)



Negative verbatim comments on business confidence

Weather's been bad and people haven't got the money (Accommodation)

Not too hopeful. Competition from other bed and breakfasts and new bed and breakfasts that have opened in the area (Accommodation)

It's going to depend on the weather. People do not come to our events if it is raining. We have to restrict our activities if the ground is waterlogged - I am wondering whether our event on Saturday will attract anybody because I am looking out the window and it is still raining (Attraction)

As an independent charity we are not commercial so we are resigned to the recession (Attraction)

Weather, recession, etcetera - bookings are down on a normal year by at least 15% (Accommodation)

People are looking for better deals and being a bed & breakfast we have our constraints, we are somewhat limited (Accommodation)

People do not have much money so they cut back on their spending and the first thing they cut back is on holidays (Accommodation)

We've had a lot of torrential rain which we believe has stopped people from coming out and we had nearby flooded roads which stopped people from getting to us (Attraction)

We are on the verge of collapse because nobody is spending - there is too much money being spent on the Olympics (Attraction)

The economic climate, price of fuel, and the weather of course. This is the worst year since we've been trading (Accommodation)

