

# Tourism Business Monitor

June 2012



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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.

**June 2012 fieldwork:** 11<sup>th</sup> to 15<sup>th</sup> 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

Overall we see a **positive picture for the first half of 2012**, with some improvement in visitor numbers compared with the same period in 2011. However, this is largely **driven by a buoyant first quarter**, with **Easter and May-June posing more challenging conditions**, despite the holidays and Jubilee celebrations. Visitor numbers are reported to have fallen by -2% in the May-early June period.

We see a more divided market picture with some attractions benefiting at the expense of others, most notably **outdoor attractions losing visitors to indoor alternatives**, at the hands of the weather. This effect is less notable amongst overseas visitors who are perhaps less likely to change their plans due to the more limited time window for their visit.

Nevertheless, **Outdoor attractions have the most optimistic outlook** in the run up to the school summer holidays – perhaps hoping the weather will finally change for the better, or anticipating a larger international audience.

**Larger attractions** have been less satisfied with their recent performance and have low confidence for the period running up to the summer holidays. This is explained at least in part by the fact that larger attractions were the most positive about the Diamond Jubilee, but don't have the same hopes for the Olympics.

Business **performance is down in June, further compounding an already difficult year**. The net change in visitor numbers in June is -2%, and it is -4% for the year to date, compared with the same period in 2011. Unsurprisingly, **satisfaction falls in line with these results**.

With both domestic and overseas trade down, accommodation is becoming **increasingly reliant on repeat business**. More visitors are returning than last year (the net change in visits is +21%). Have lower visitor numbers enabled establishments to provide a better quality of service driving greater commitment in customers?

Trading buoyancy and confidence varies according to the different types of accommodation:

- **Hotels** have been more resilient, seeing some growth (+1%), driven by repeat visitors and the wider domestic market. They are less satisfied with the level of advance bookings, but confidence in their outlook remains fairly consistent with the same period in 2011.
- **Guest houses/ B&Bs** report fewer visitors than this time last year, but
- **Self-catering** business performance is starting to stabilise, with nearly half reporting no change in visitor numbers vs. last year. We are no longer seeing the highs and lows of Easter trading in this sector.
- **Caravan/ camping** sites have had the most difficult year, reporting a contraction in visitor numbers of -8% this year to date, no doubt associated with the poor weather conditions. May to early June has been a better period for this accommodation type, but advance bookings are down and confidence has crashed ('very confident' 29% lower than at Easter)
- **Larger establishments** have fared better in June, but are no more confident in their outlook as satisfaction with advance bookings has fallen in line with the rest of the market.

Overall, the **Diamond Jubilee** is believed to have had a positive impact for both attractions and accommodation businesses. However, for attractions this was less than anticipated at the start of the year, with only 39% positive and 17% believing it limited visits to their attractions.

Apathy about the **Olympics** remains and positive opinion has dropped since Easter, with the majority feeling that it will have little impact on their business.

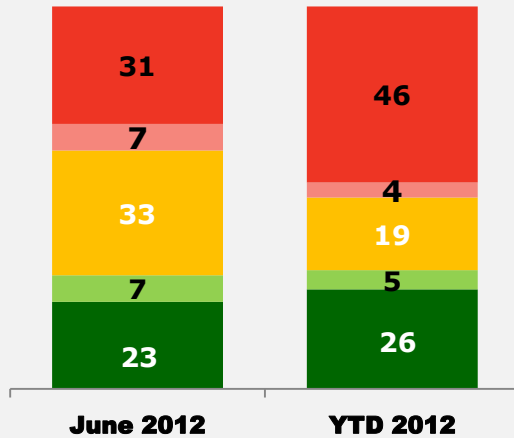
# Business Dashboards



# Business Performance Dashboard

## Accommodation

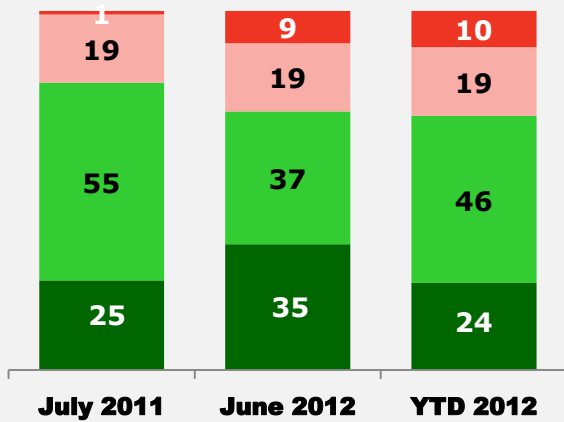
### Visitor numbers (%)



Versus same period previous year...

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

### Satisfaction (%)

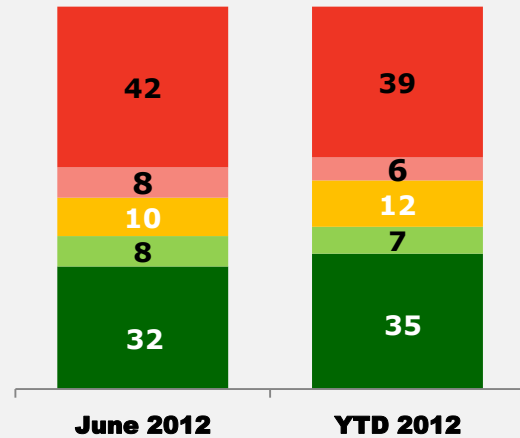


Satisfied with business performance...

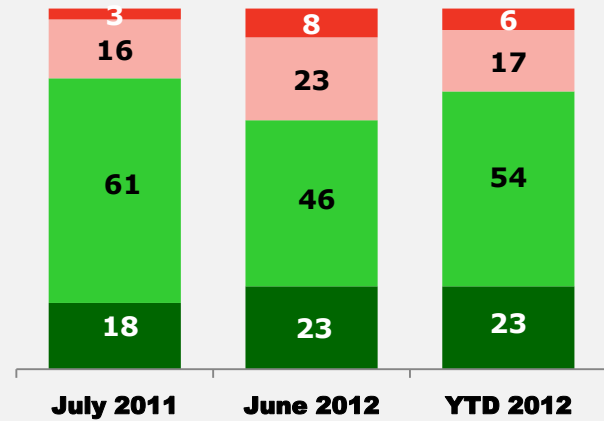
- Not at all
- Not very
- Quite
- Very

## Visitor Attractions

### Visitor numbers (%)



### Satisfaction (%)



PERIOD ASKED ABOUT FOR PAST BUSINESS PERFORMANCE

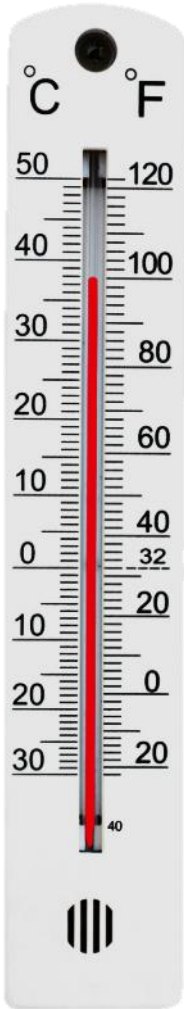
Easter 2012: January to April

June 2012: May and early June (including Jubilee)

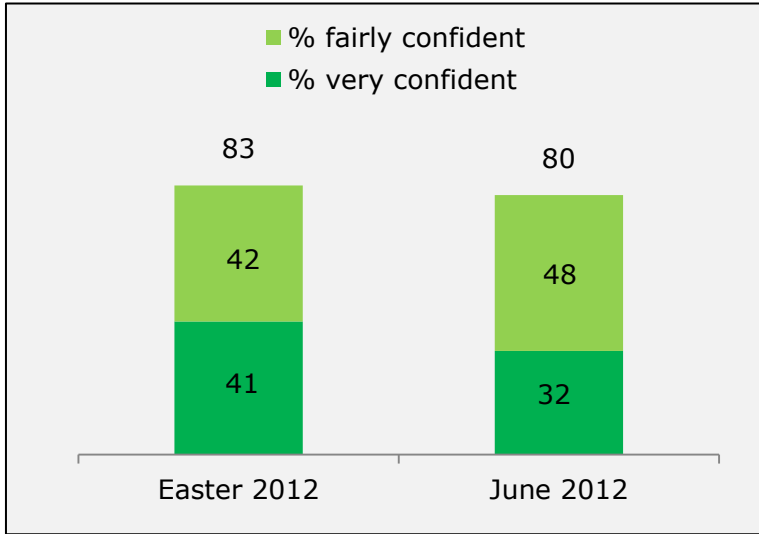
July 2011: May to mid July



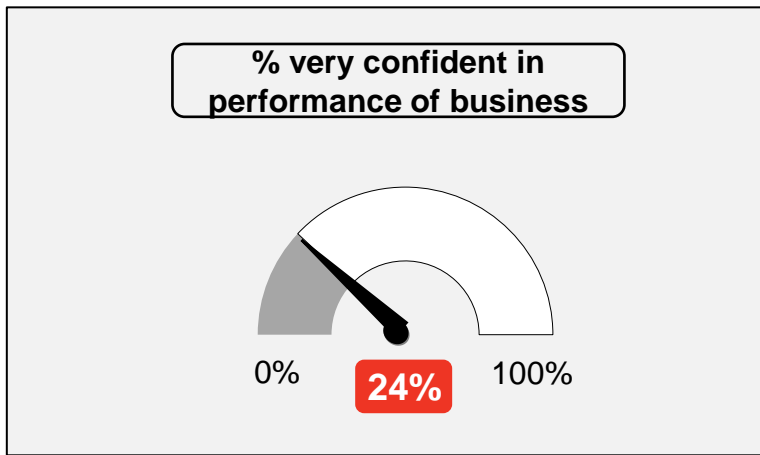
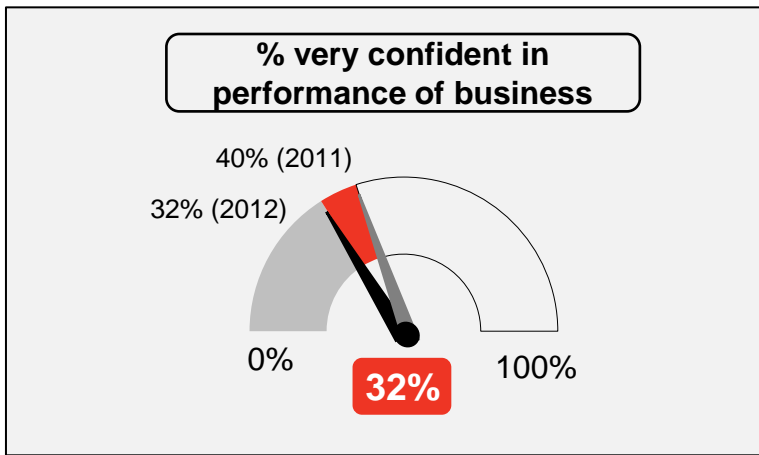
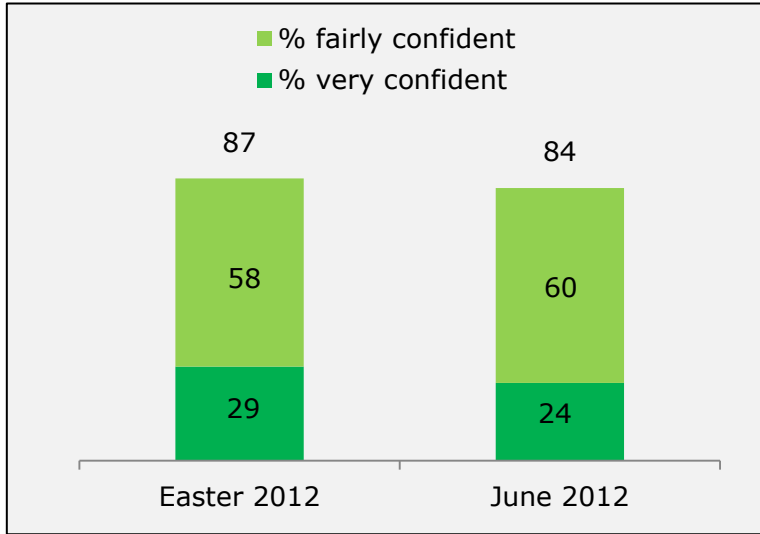
# Business Confidence Dashboard



## Accommodation



## Visitor Attractions



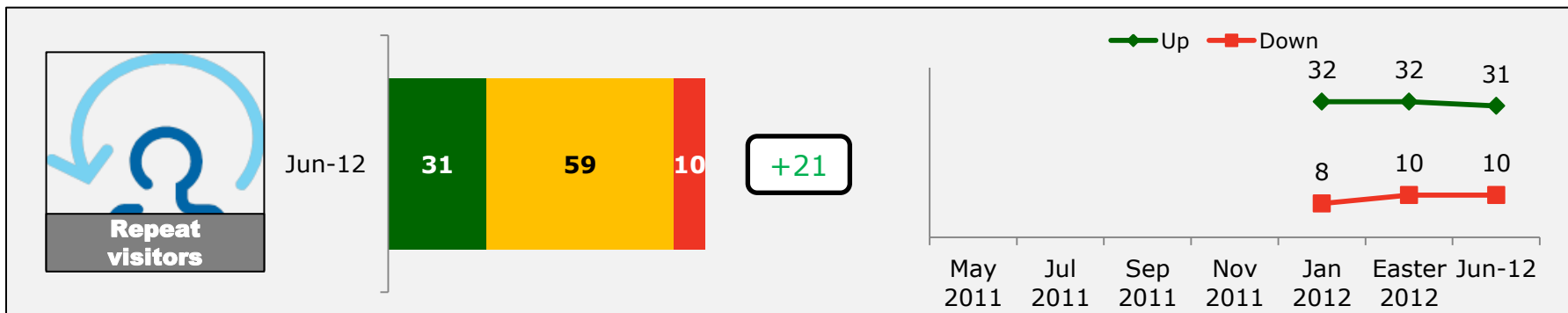
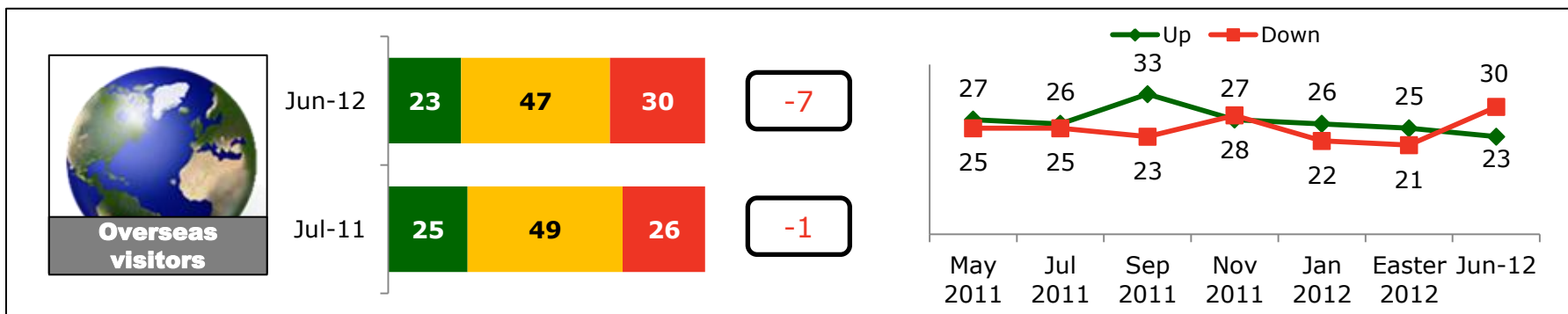
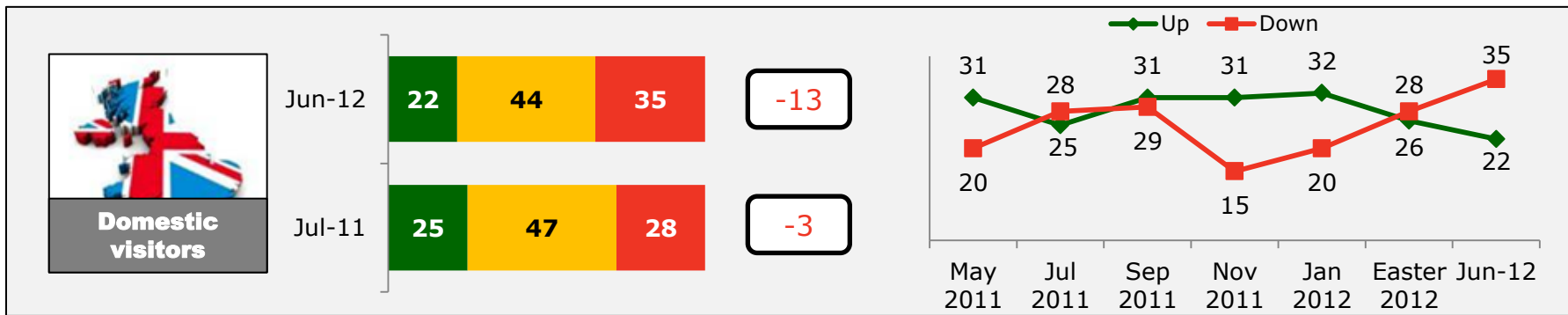
**PERIOD ASKED ABOUT FOR FUTURE BUSINESS CONFIDENCE**  
 Easter 2012: up until early June  
 June 2012: up until start of summer holidays  
 July 2011: for the summer holidays

# Visitor profile



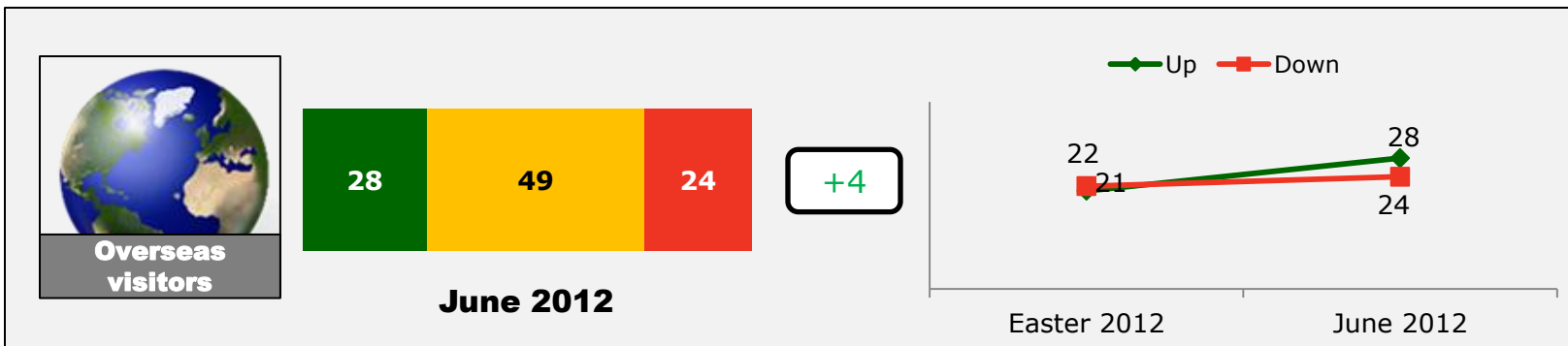
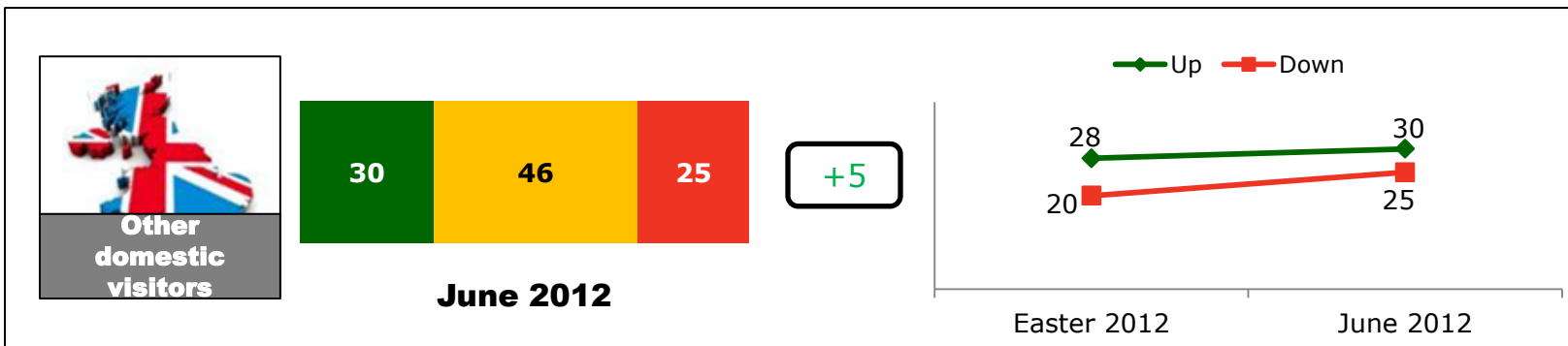
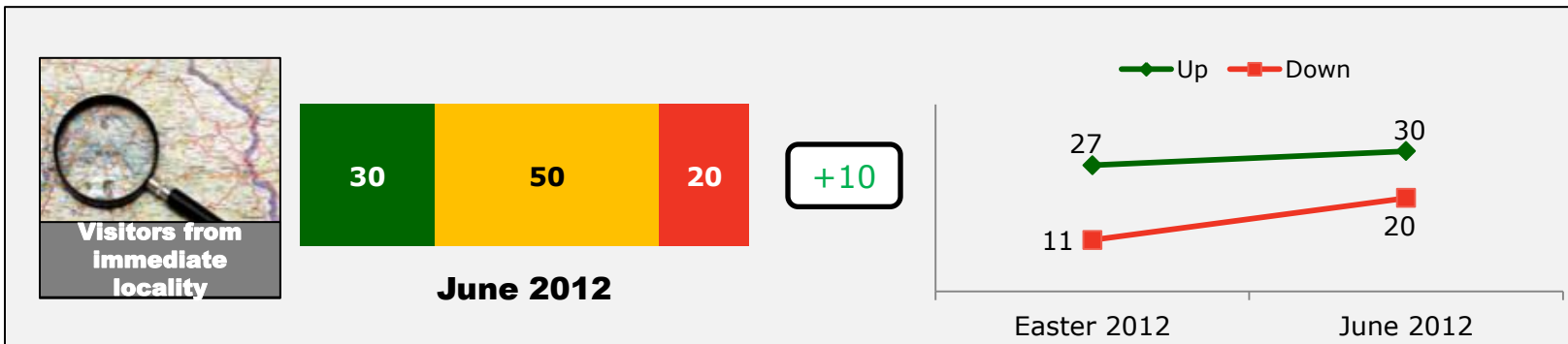
# Changing Visitor Profile (year-to-date vs. previous year): Accommodation

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



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

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

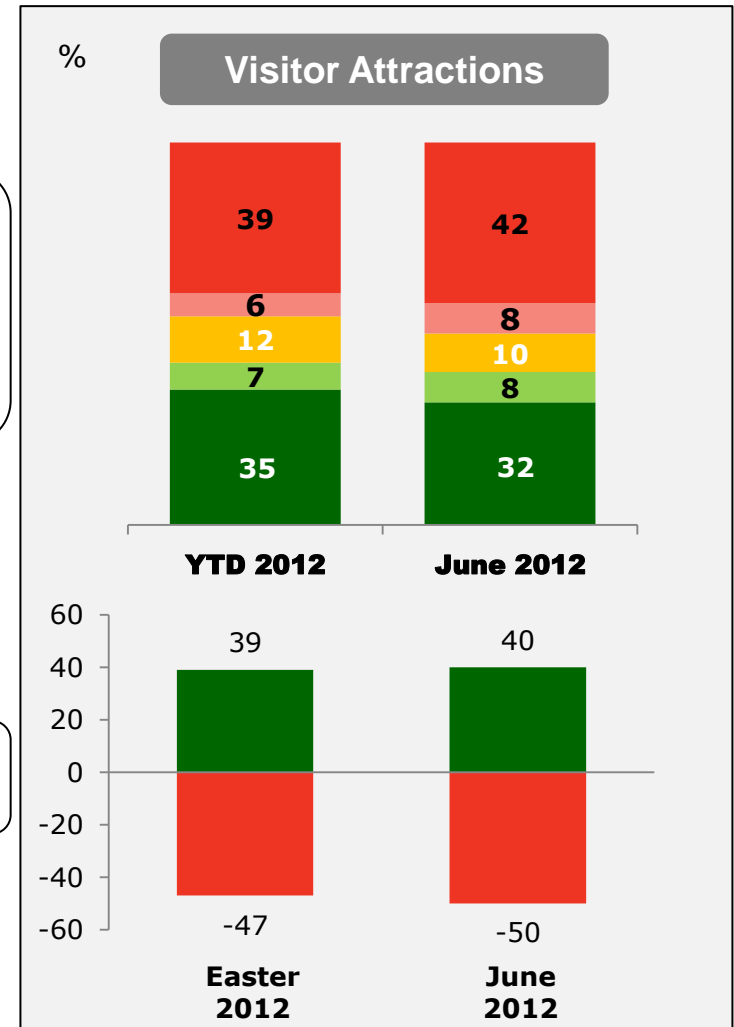
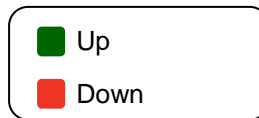
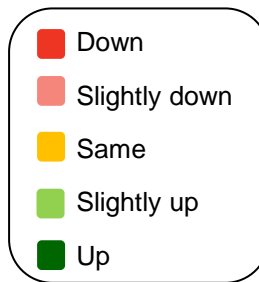
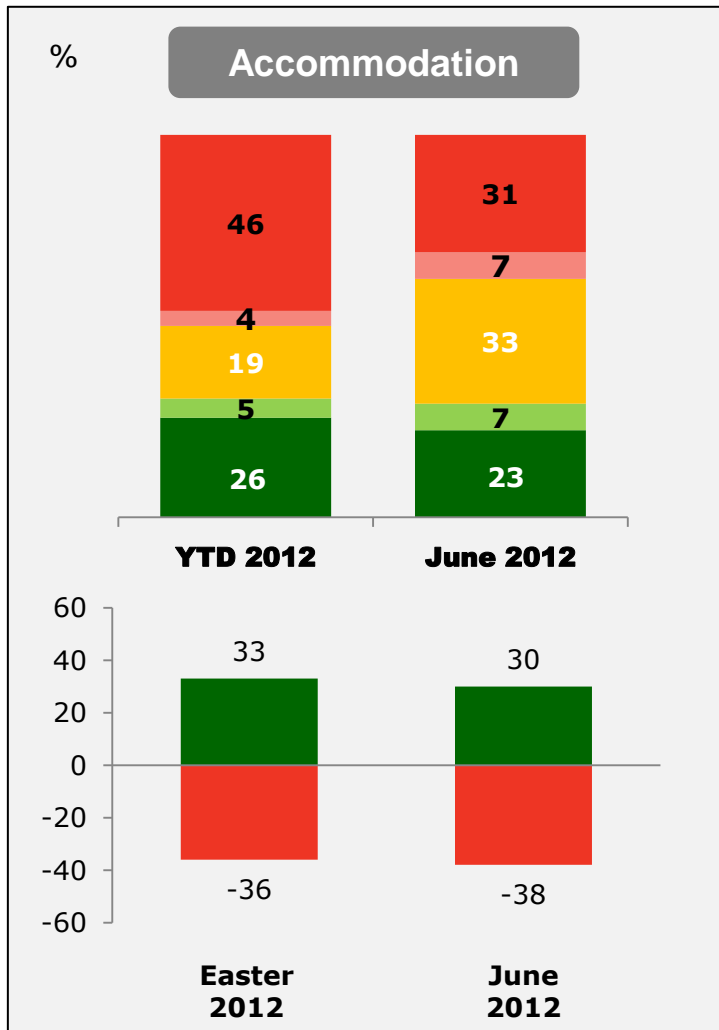


# Business performance



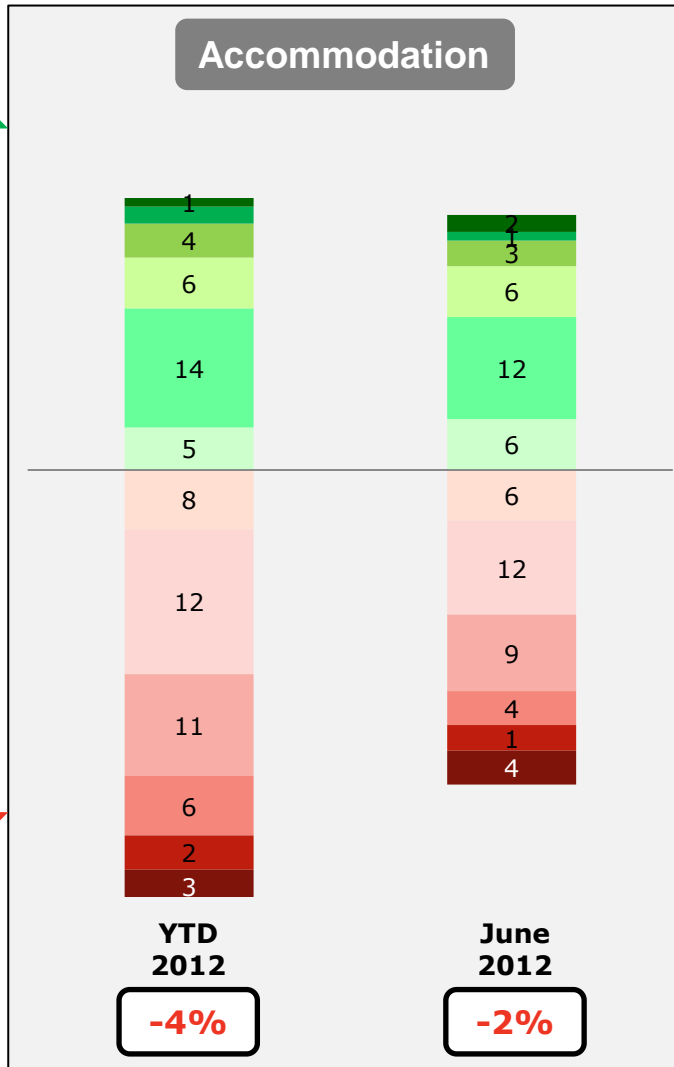
## Visitor Numbers: Year-on-year changes (up / down)

May-June has further compounded the difficult trading conditions in 2012, with more businesses saying they have had less visitors than during the same period last year.



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

Visitor numbers have fallen in the May-June period, despite the Queen's Diamond Jubilee and extra bank holiday.



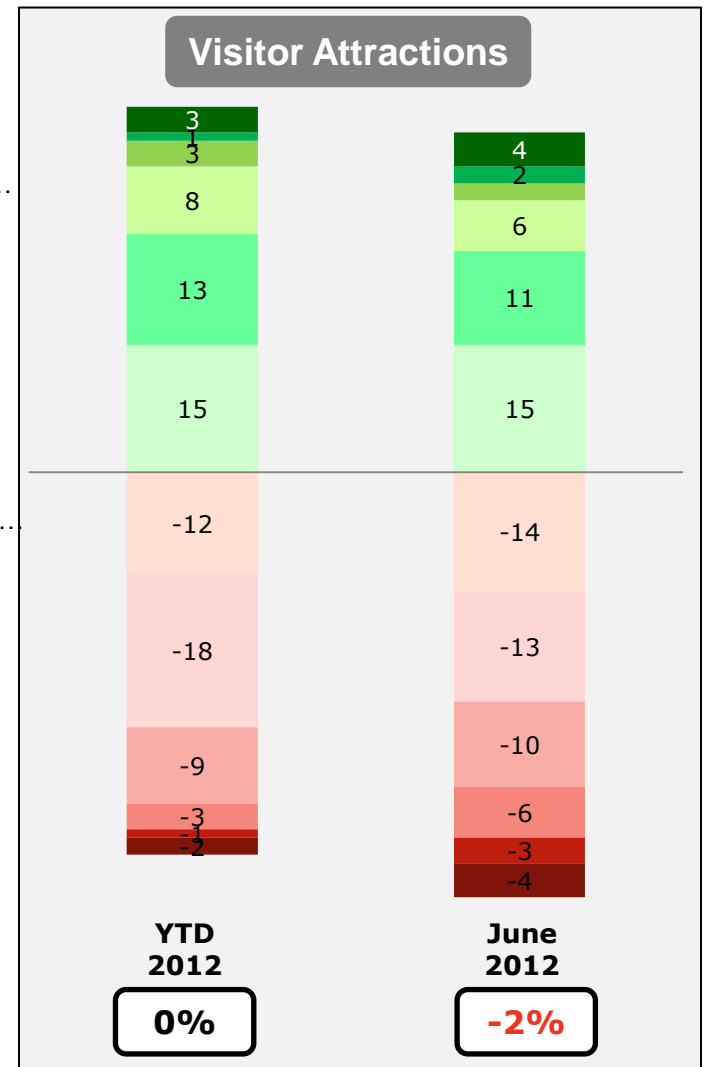
Increase in visitors...

- Over 50%
- 31-50%
- 21-30%
- 11-20%
- 5-10%
- Less than 5%

Decrease in visitors...

- Less than 5%
- 5-10%
- 11-20%
- 21-30%
- 31-50%
- Over 50%

Average % change

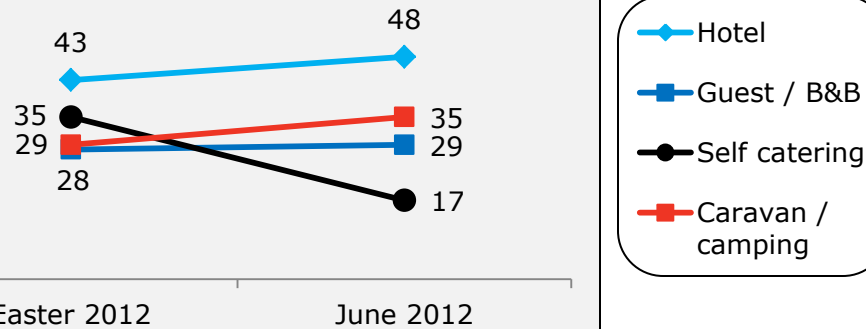


# Changing business performance: By business type

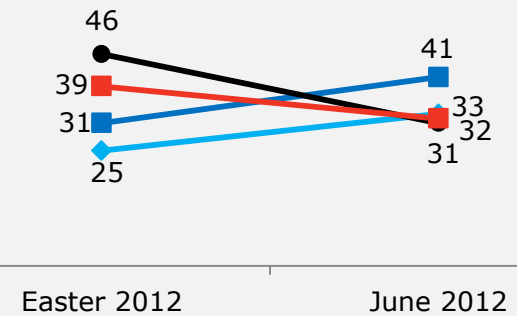
Business performance of outdoor attractions and self-catering accommodation has declined since Easter.

## ACCOMMODATION - BY TYPE

### % Visitors up on last year

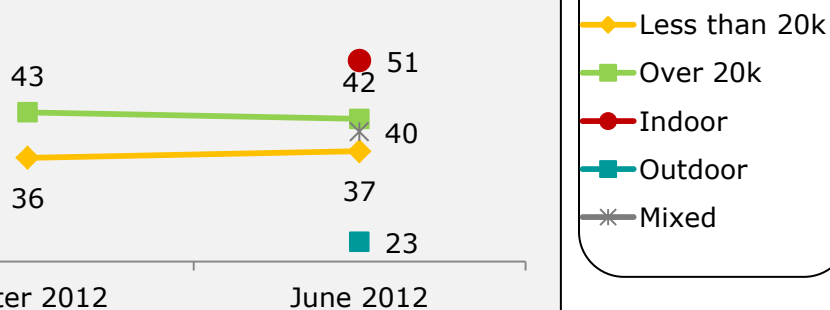


### % Very satisfied

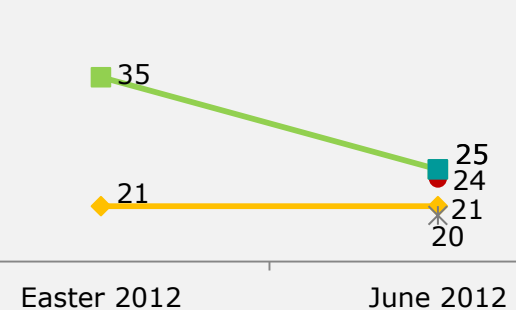


## ATTRACTIONS - BY TYPE

### % Visitors up on last year



### % Very satisfied

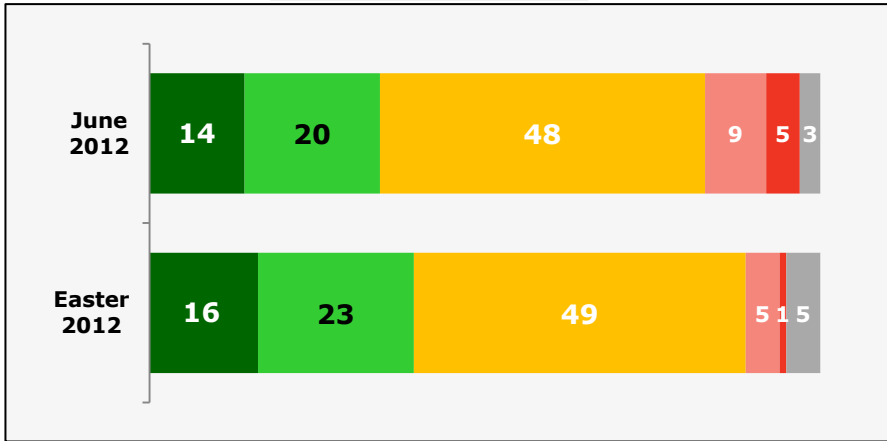




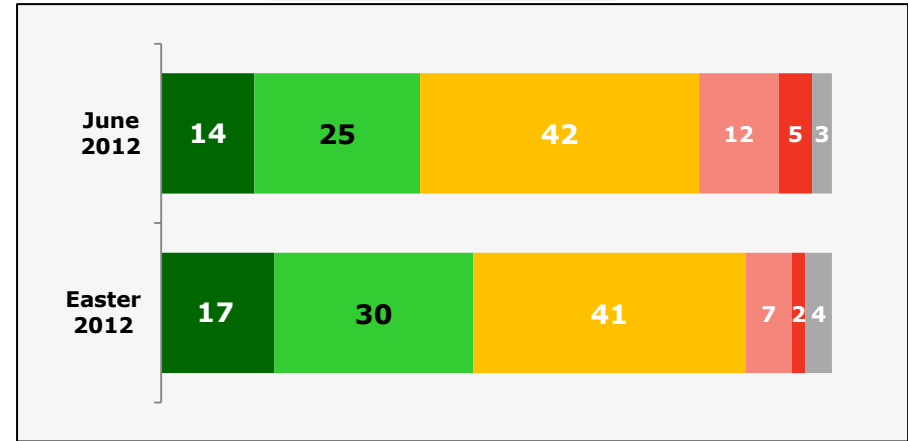
# Impact of Queen's Diamond Jubilee and extra Bank Holiday

Positive opinion about the Jubilee declined after the event, but overall the take out was positive.

## Accommodation

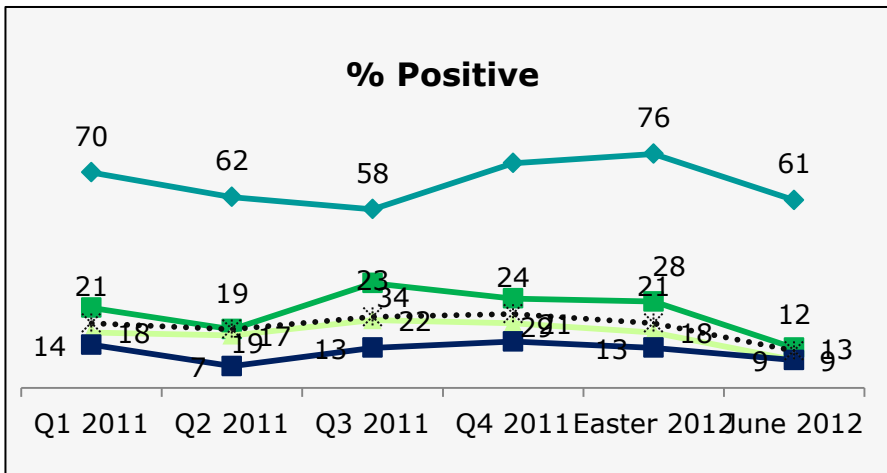


## Visitor Attractions

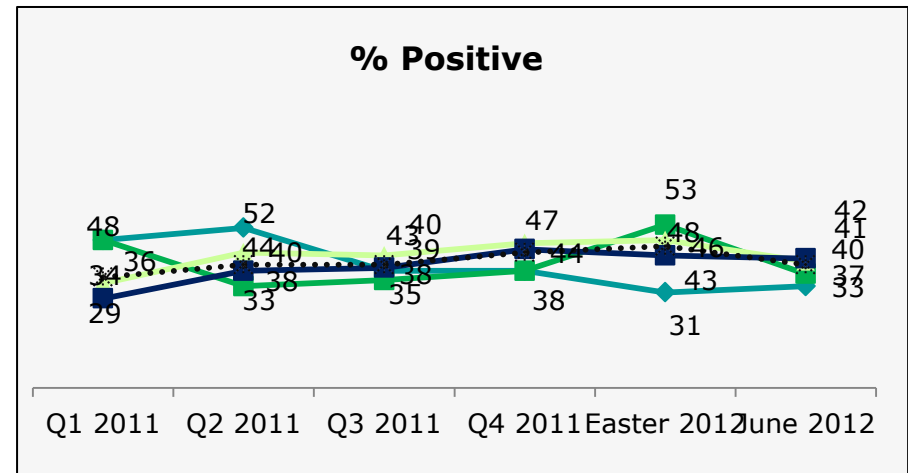


■ Very Positive   
 ■ Fairly Positive   
 ■ Little or none   
 ■ Fairly Negative   
 ■ Very Negative   
 ■ DK

## % Positive



## % Positive



## Positive verbatim comments on business performance



*Early good weather, an increased interest in cycling. The long bank holiday may have had an influence (Attraction)*

*Significant and additional events. It has drawn in more visitors - good publicity and positive press (Attraction)*

*We had visits from Argentina academia which gave the monument good promotion (Attraction)*

*Visitors are getting fed up with city centres and looking for something different (Attraction)*

*Because of the publicity we've been having lately with all our new displays. Also the weather was bad so people tend to do indoor activities when the weather is bad (Attraction)*

*We are becoming better known by previous visitors (Attraction)*

*Because of the bank holiday, people were free and they had time to do things and were looking for things to do, so they came to our attraction(Attraction)*

*We get return guests in the June may season so we're very busy(Accommodation)*

*The way that we advertise our business; not just using our web site but also being on other web sites that advertise self catering accommodation (Accommodation)*

*Promotional factors have influenced for example special prices (Accommodation)*

*I guess it's special events in the locality. There's the rose bowl, there's the Titanic centenary; We've got university graduation visits, we've business people who stay. (Accommodation)*

*The internet has helped because we got quite a few bookings through the internet (Accommodation)*



## Negative verbatim comments on business performance

“

*The Jubilee weekend was a debt to our company, there were other things going on and we were not top of the that list (Attraction)*

*The weather hits us hard because we are a farm type of attraction with historic shops (Attraction)*

*Well each time that we have had a major event it has rained which obviously limits the number of people coming (Attraction)*

*Lot of other attractions in the area that people are being attracted to rather than here (Attraction)*

*The weather and recession produce a negative effect (Attraction)*

*The weather. People do not want to come to outdoor attractions when the weather is wet and windy (Attraction)*

*I think unpredictability of the weather/specifically people arriving for a week potentially left to go home early when the weather was bad (Accommodation)*

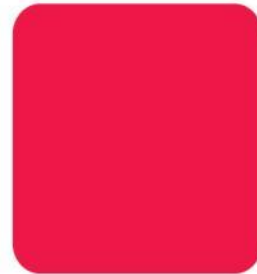
*The weather - people don't want to come out in the wind and the rain (Accommodation)*

*I mean we've had three cancellations this week because people have seen the weather forecast and decided not to come (Accommodation)*

*TV filled with bank and debt adverts makes people scared to spend. Also lots of sports events; when there are big sporting events it is quiet for me (Accommodation)*

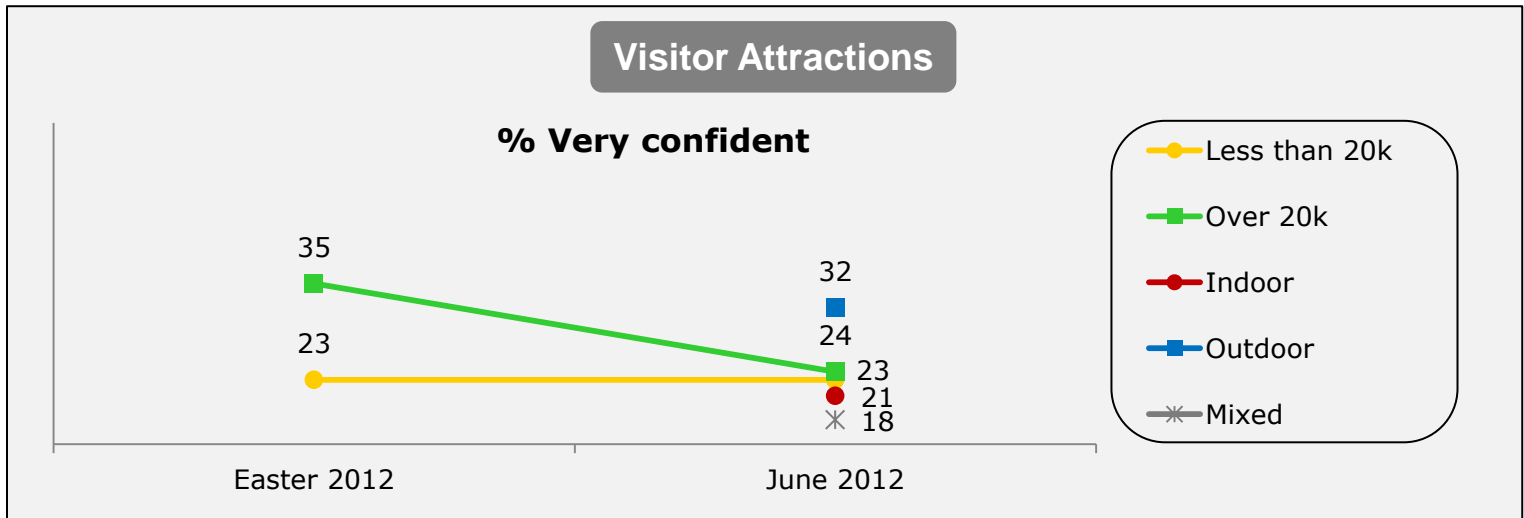
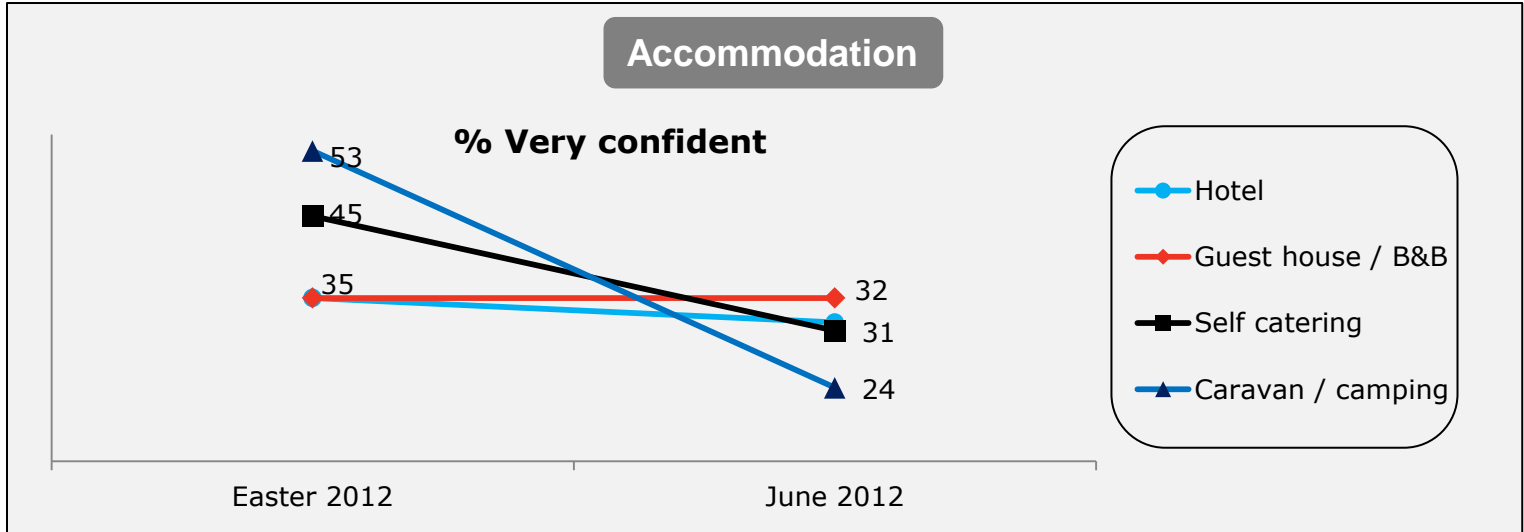
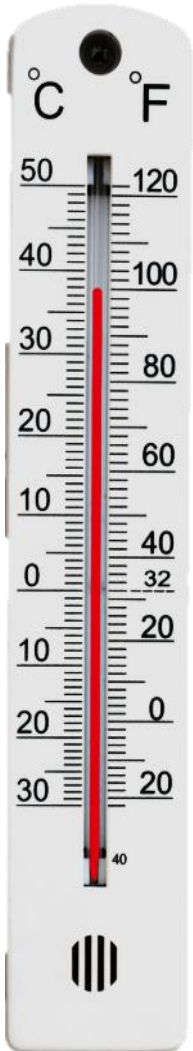
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Business confidence



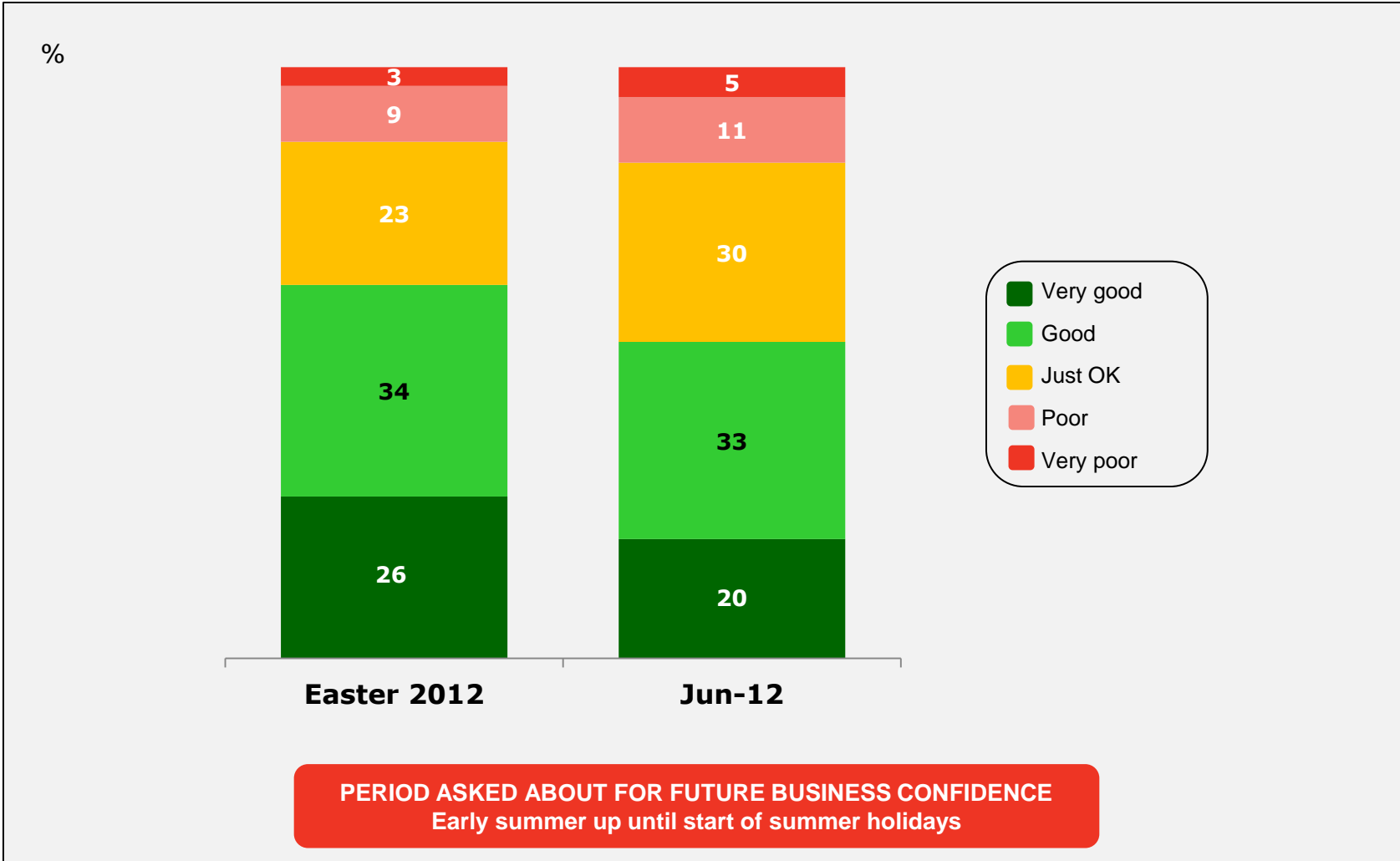
# Confidence in performance for forthcoming period

Difficult recent trading conditions have affected confidence amongst caravan/ camp sites and self-catering accommodation, with significant declines since Easter. Larger attractions also move into the next quarter with more trepidation.



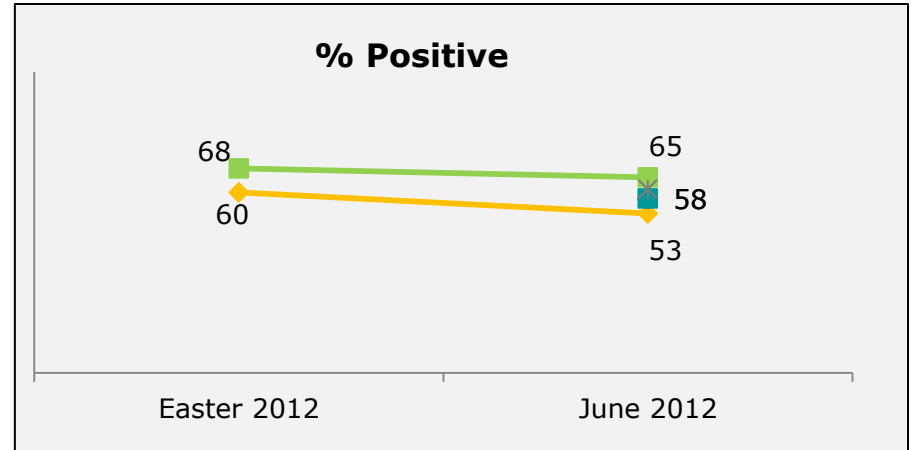
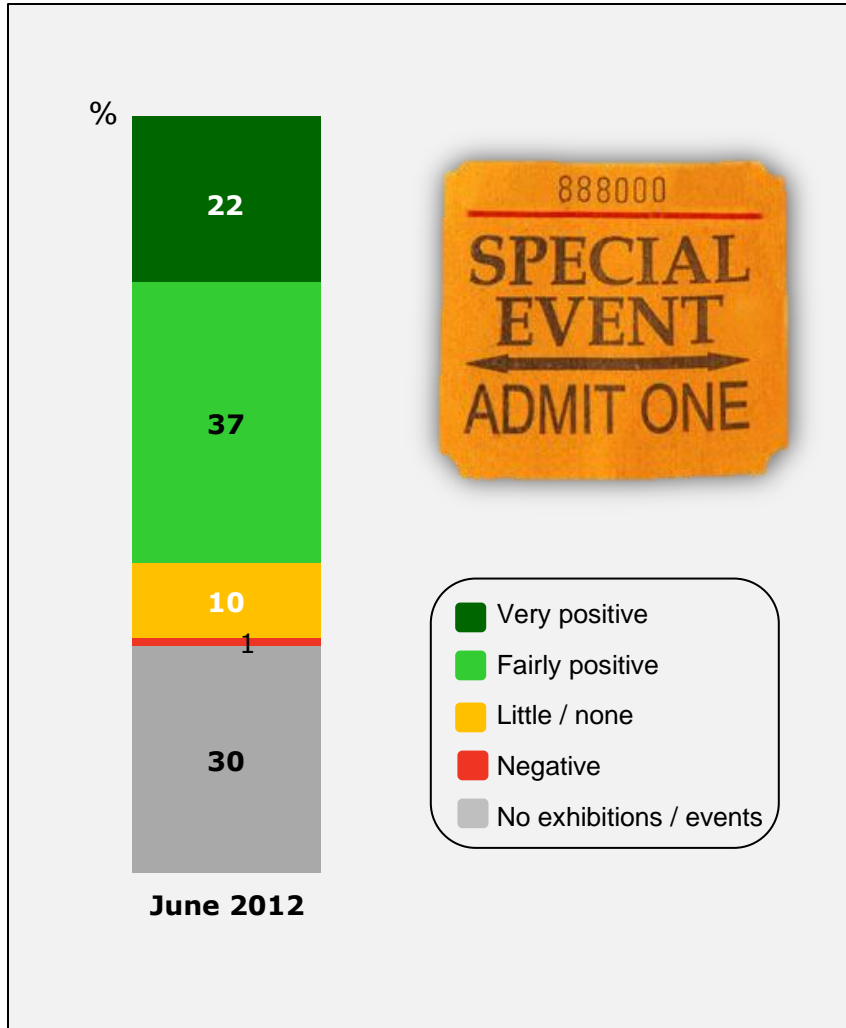
# Advance booking levels: Accommodation

Advanced booking levels are lower moving into the early summer



## Impact of exhibitions/ events: Attractions

70% are running events between June and start of the summer (late July) – slightly less than in the Easter-early summer period. Attraction staff remain upbeat about these events, believing these events will have a positive impact on business.



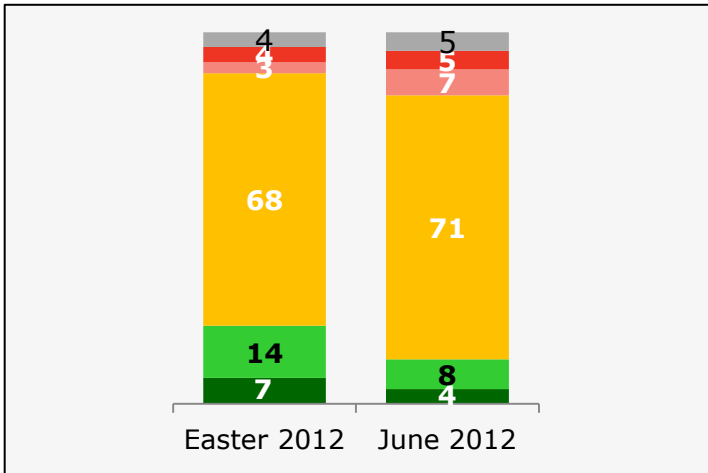
Less than 20k Over 20k Indoor Outdoor Mixed



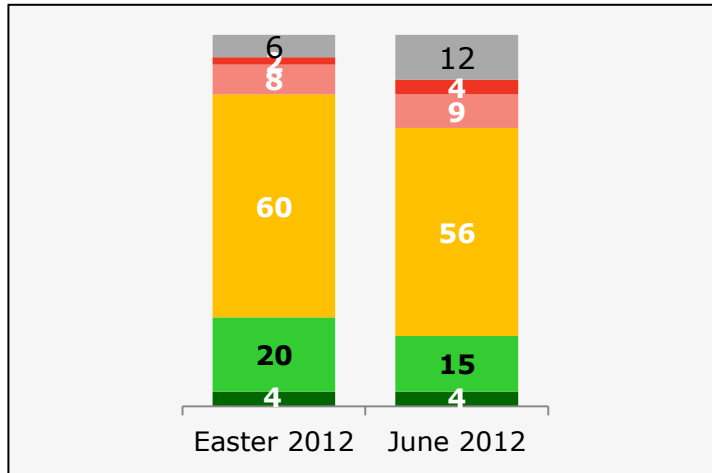
# Impact of 2012 Olympics

Positive opinion towards the Olympics has dropped in June, with the majority feeling that it will have little impact on their business.

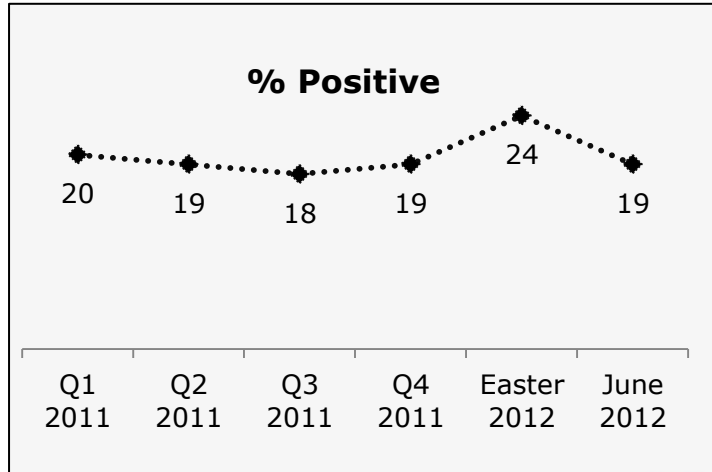
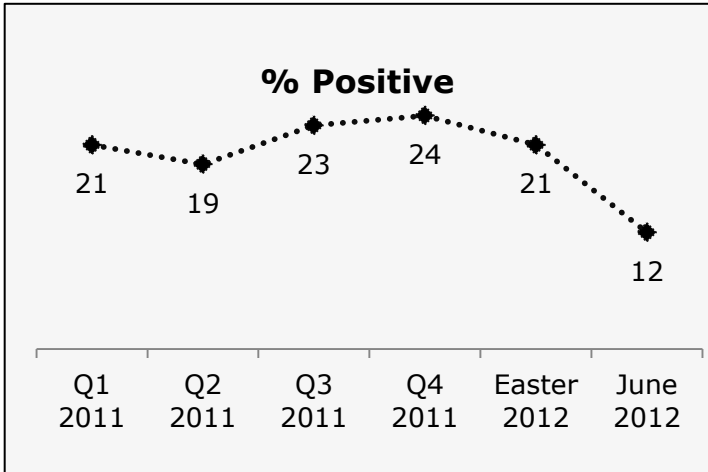
**Accommodation**



**Visitor Attractions**



- Very positive
- Fairly positive
- Little / none
- Fairly negative
- Very negative
- Don't know





## Positive verbatim comments on business confidence

“

*Very positive because a lot has changed here since this time last year (Attraction)*

*We are very positive - We are putting on themed tours and events (Attraction)*

*We are hoping to attract a lot of people with a wide variety of events. We have got things like art work shops, performances, children's activities (Attraction)*

*Fairly confident. Well we are developing a new museum service and we have £3.5 million lottery funding coming in(Attraction)*

*Positive about it because we are out in the community a lot more this year ; more people seem to know about us (Attraction)*

*Very positive. Well just on the number of forward booking we have so far, we have 85% occupancy between now and the end of September because we are in a heritage area full of national trails (Accommodation)*

*Quite confident. Our bookings are up this year since the Jubilee weekend. More people are having holidays in the UK(Accommodation)*

*It's looking good. We have a good wedding business and most of our business is weddings (Accommodation)*

*Very good. The bookings are just looking very strong. We are a popular site - we have also made some improvements - things like new shower blocks and more pitches (Accommodation)*

*Good because the bookings are there. I think this is because of the website and the feedback we've been getting . Recommendations - previous customers are recommending (Accommodation)*

”

## Negative verbatim comments on business confidence

“ *Everybody's struggling. Its a bad time for Art galleries in this economic climate. We are luxury and people are not spending money like they did last year (Attraction)*

*Fairly negative where we are: its quite rural and people aren't spending money on luxury items everyday - people just can't afford it (Attraction)*

*At the moment grim - I totally rely on the weather (Attraction)*

*Well we had taken into consideration that due to the Diamond Jubilee and the up coming Olympics that our numbers would be down compared to last year (Attraction)*

*I would say we are probably looking at slightly worse than last year. Absolutely everything to do with the weather that is the only factor that hits us really (Attraction)*

*I am not optimistic. Its based on the fuel price really: it's having a big impact on our business (Accommodation)*

*Not good because it's a bad time all around . They don't have money or confidence and I believe the extended collapse of the euro zone has taken all the confidence. People are worried what is going to happen (Accommodation)*

*The economy, weather and the marketing has an effect on the business' prospects. If people don't have spare cash they don't come away and if they do it's just for a couple of days or a long weekend, not for a whole week (Accommodation)*

*Pretty gloomy really but I think every body is. I think people are not planning holidays in advance at the moment and last minute bookings - they're trying to get a last minute bargain (Accommodation)* ”

*I don't think [the booking levels] are going to be particularly good. The weather for one thing is appalling for this time of year and the recession is taking it's toll as well (Accommodation)*

