“How’s Business?” April 2015

An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd
June 2015

Executive Summary

Compared to April 2015 businesses reported that:

April 2015 Visitor levels:
Increased 47% / Stayed the same 26% / Decreased 27%
Estimated actual change in visitors +2.7%

April 2015 Turnover levels:
Increased 48% / Stayed the same 21% / Decreased 31%
Estimated actual change in turnover +1.0%

April 2015 Profitability was:
Higher 37% / Stayed the same 35% / Decreased 28%

May 2015 Outlook is:
Better 37% / Same as last year 36% / Not as good 27%

Whitsun 2015 Outlook is:
Better 18% / Same as last year 58% / Not as good 24%

June 2015 Outlook is:
Better 35% / Same as last year 39% / Not as good 26%

Optimism
Optimism score is 6.44 out of a possible 10

April 2015 – Our comment

This month's report continues the positive trend for tourism in the South West so far this year with estimated increases in both visitors and turnover (+2.7% and +1% respectively) reported by businesses during April 2015 compared to the same time last year pleasing. Whilst a large proportion of businesses reported increased visitors this month the proportion of change was relatively small and reflected in these actual change estimates. The timing of Easter is also always a factor in April figures although considering that Easter was earlier this year, falling at the start of April in 2015 compared to mid-April in 2014, the April estimates are pleasing.

Visit England have recently published domestic staying visitor results from the GBTS survey for the first two months of 2015. These, like the South West How's Business Survey data show a positive start to the year with a 19% uplift in the volume of trips taken and a 16% uplift in visitor expenditure within England – though again it should be borne in mind that it is important to treat any data from the early months of the year with some caution due to low trip volumes. They also estimate that the volume of day visits in England decreased by -10% in the three months to March 2015 and value decreased by -7% compared to the same period in 2014. Visit Britain report that the volume of overseas visitors to the UK during the first quarter of 2015 increased by 1% compared to the same period during 2014 with value decreasing by -10%.

The latest published findings from the VisitEngland Staycation Monitor February 2015 suggest that the recovery continues at national level but continues to evade people and the effect during this wave of the research has been increased concern about the downturn and increased caution about the short term future – although this has not translated into behaviour changes (yet). The findings also suggest that everyday spending is increasingly subject to some form of cost-saving measure in order to fund greater spending on treats and holidays. England also remains very competitive as a holiday destination, especially for short breaks and there are also indications that the drivers of domestic trips are increasingly less likely to be practical or financial and more likely to be driven by wanting to explore England or return to a previous destination. Consumers remain cautious about the year ahead but indicate that their long term holiday plans include a balance of short breaks in England with longer trips abroad.

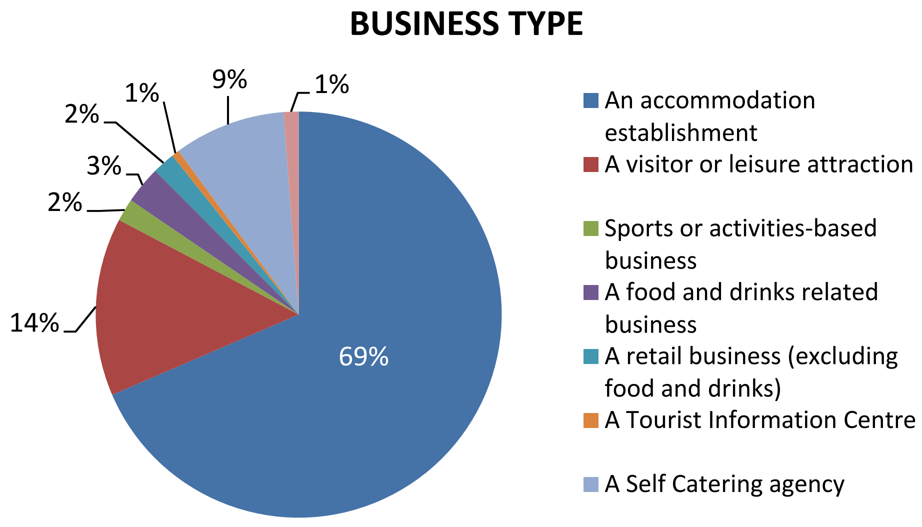
As the season begins to get into swing in the coming months we should be able to gauge a far better indication of how the year is really shaping up but for now things are positive with the outlook for May and Whitsun also looking reasonable based upon forward booking data collected during May.

April 2015 – Our comment

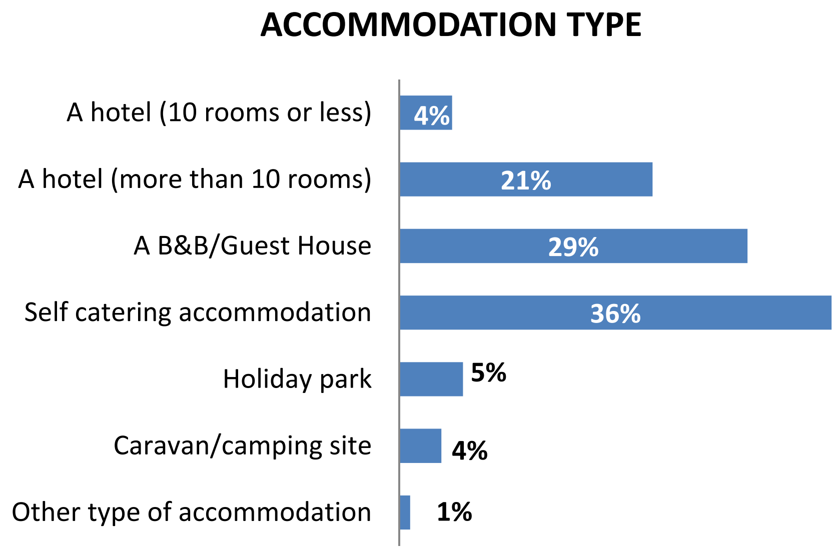
This months survey has a sample of 169 regional businesses, representing a minimum of approximately 4,700 properties when self-catering agency properties are also considered.

Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It’s very much appreciated.

Sample profile



Base: 169



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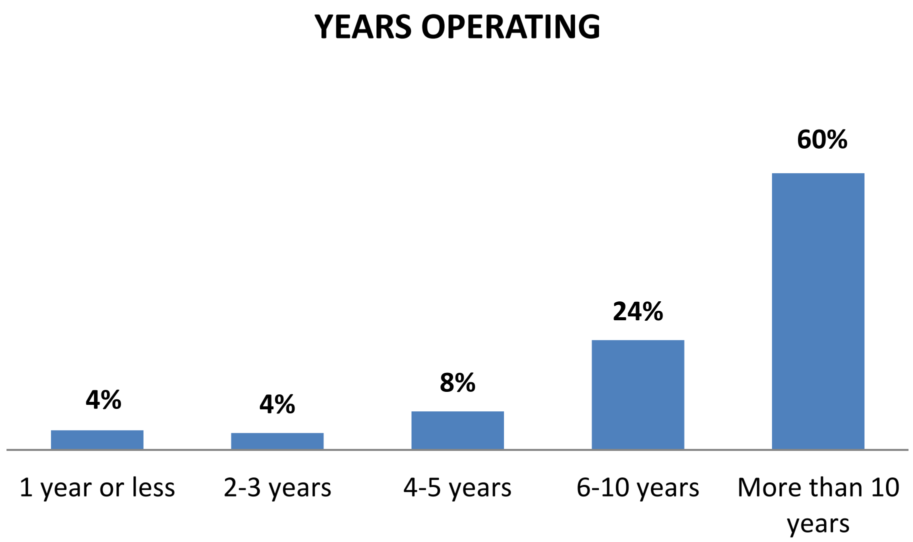

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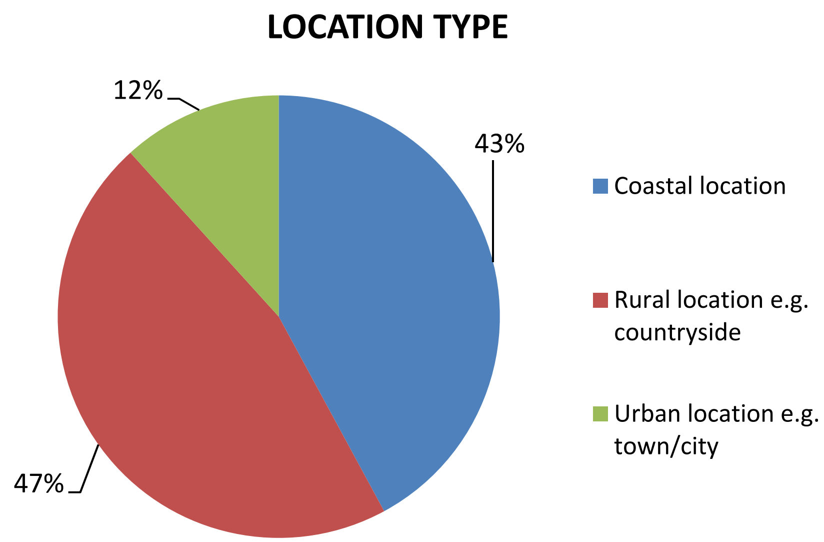
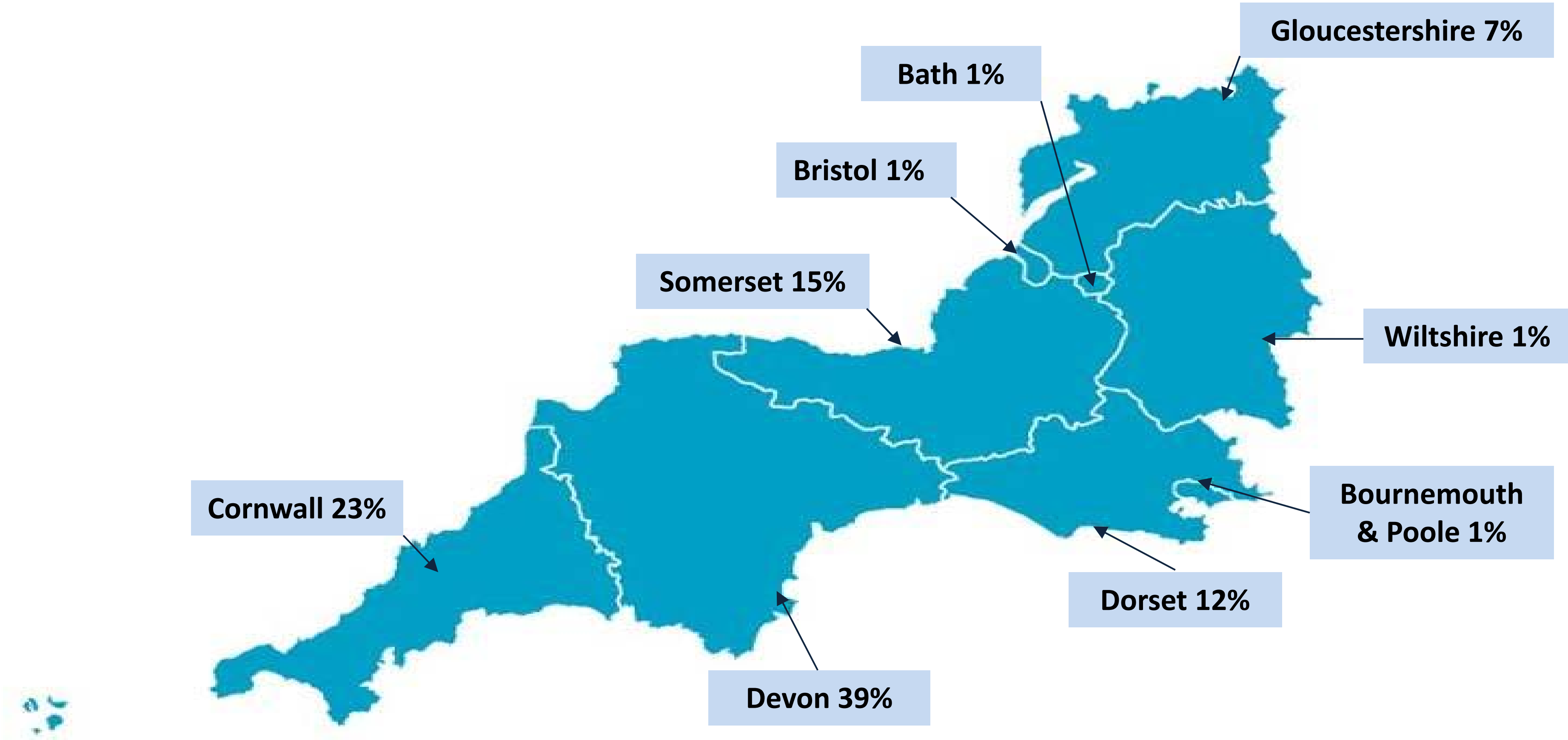


Base: 169

Sample profile - Business location



April 2015 – the month in context

The UK Weather

At the start of the month the UK was in a rather unsettled weather type, but within a few days a much more settled pattern became established under the influence of high pressure. This was interrupted for a few days towards mid-month, followed by more fine weather with some very warm days and plenty of sunshine across many areas. However, the final six days of the month were unsettled and cold with some sharp frosts and snow across high ground in the north.

Source: Met Office

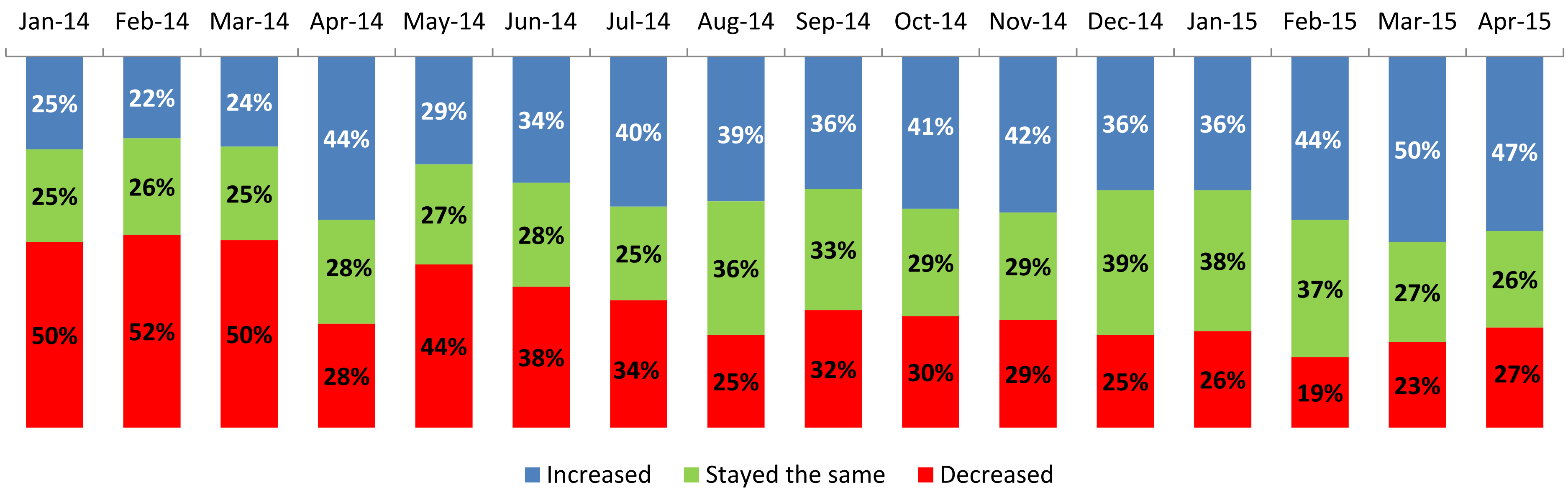
The UK Economy

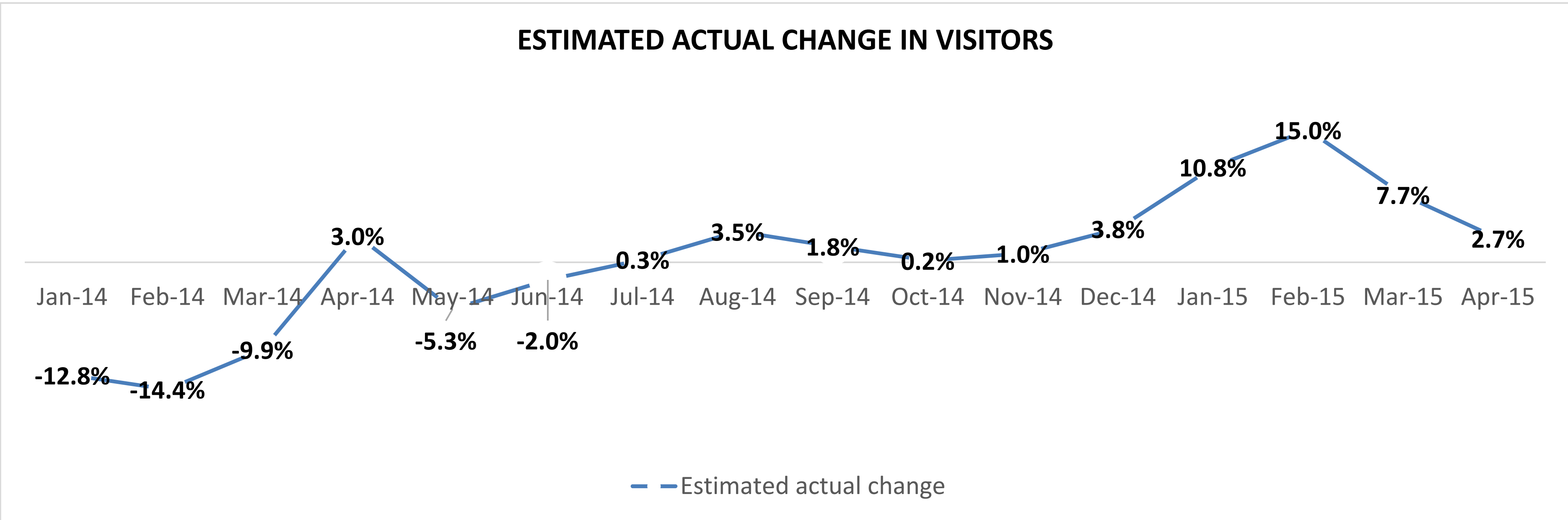
The rate of economic growth halved in the three months to the end of March, official figures show, marking the slowest quarterly growth for two years. The UK economy grew by 0.3% in the quarter, the Office for National Statistics (ONS) said. That compares with 0.6% in the last three months of 2014. The ONS said the economy was 2.4% larger than the same period a year earlier.

Growth of 0.5% in the services industry was offset by a 1.6% fall in the pace of economic output in construction. The UK services sector accounts for around three quarters of economic growth, with construction, manufacturing and production accounting for the remaining quarter.

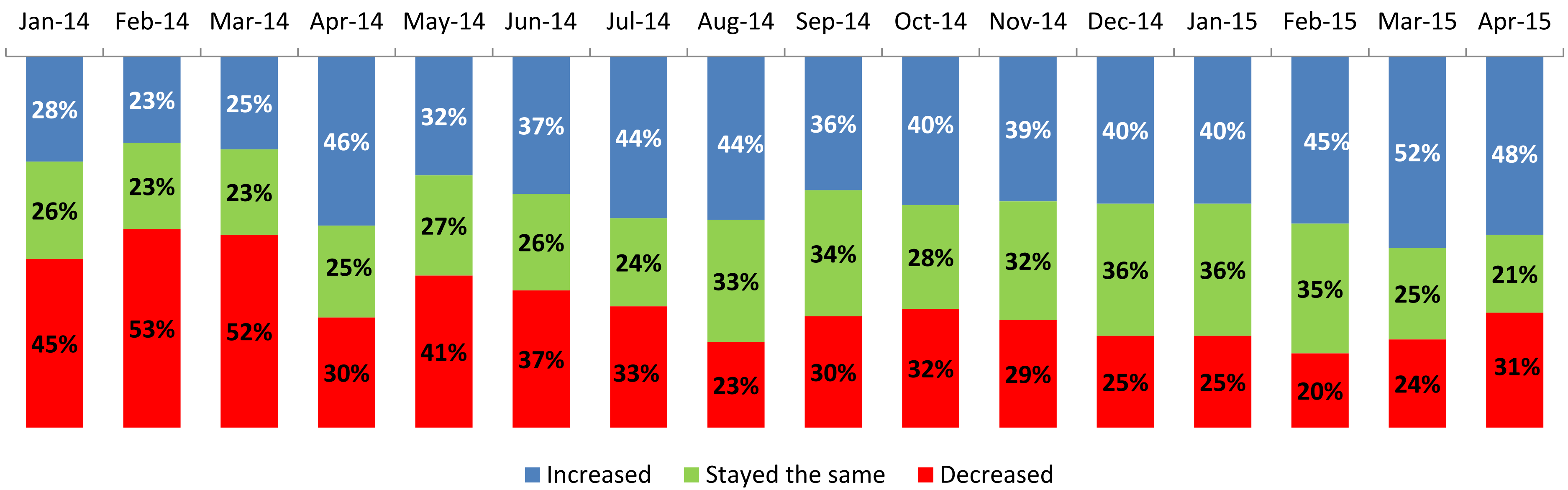
Source: bbc.co.uk

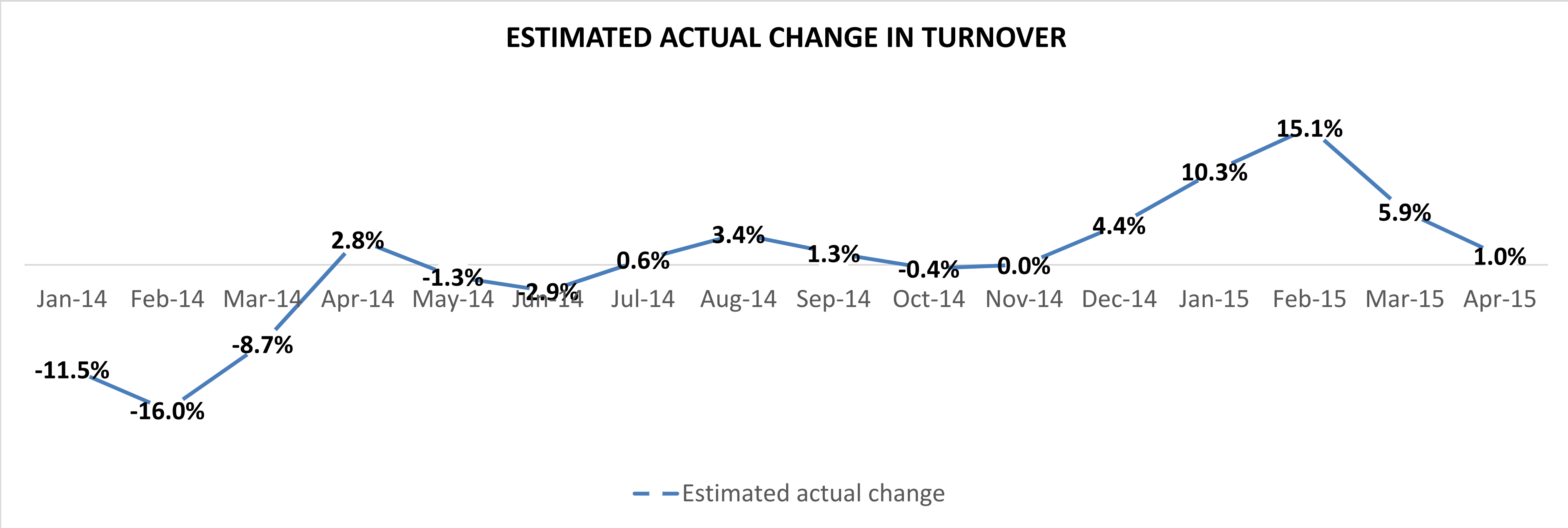
Regional performance – Number of visitors compared to previous year



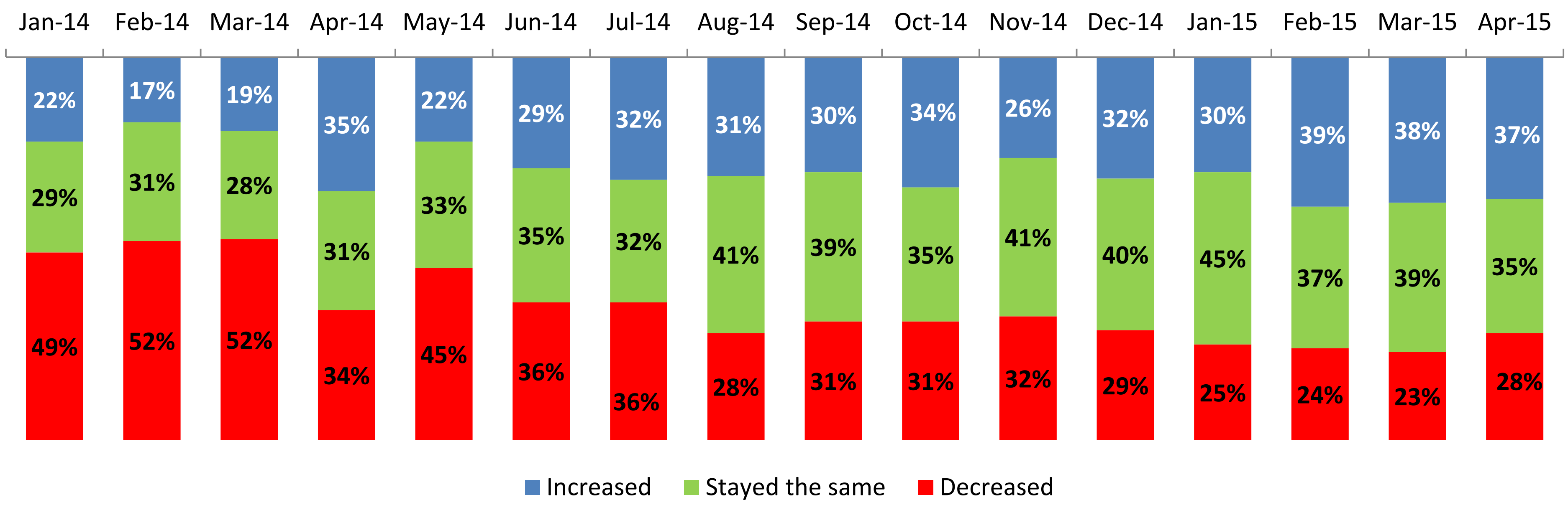


Regional performance – Turnover compared to previous year





Regional performance – Profitability compared to previous year



Solid booking throughout the month

Offering a number of deals

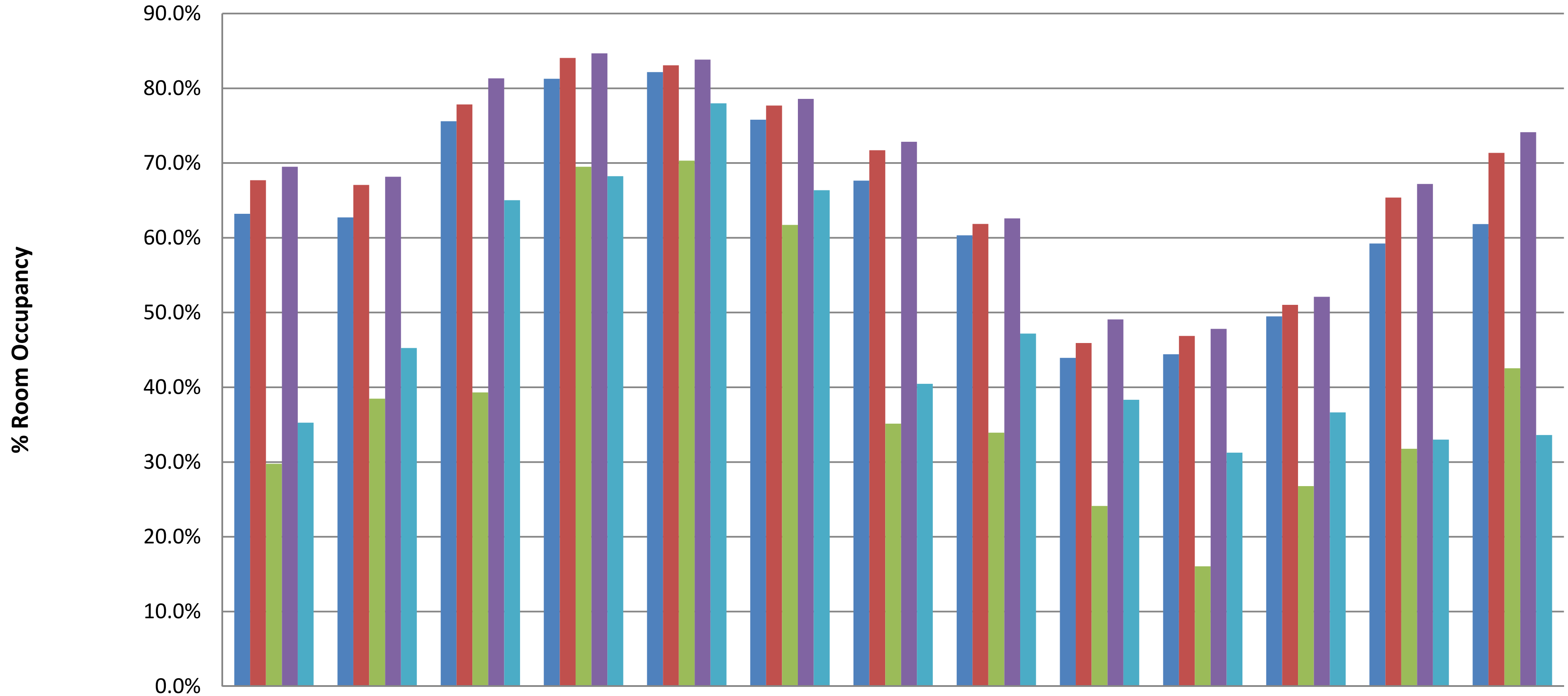
More Customers and booking earlier at the full price

Easter fell earlier in the year

I have half the number of holiday cottages but outgoings are not much lower

Costs rising faster than revenue

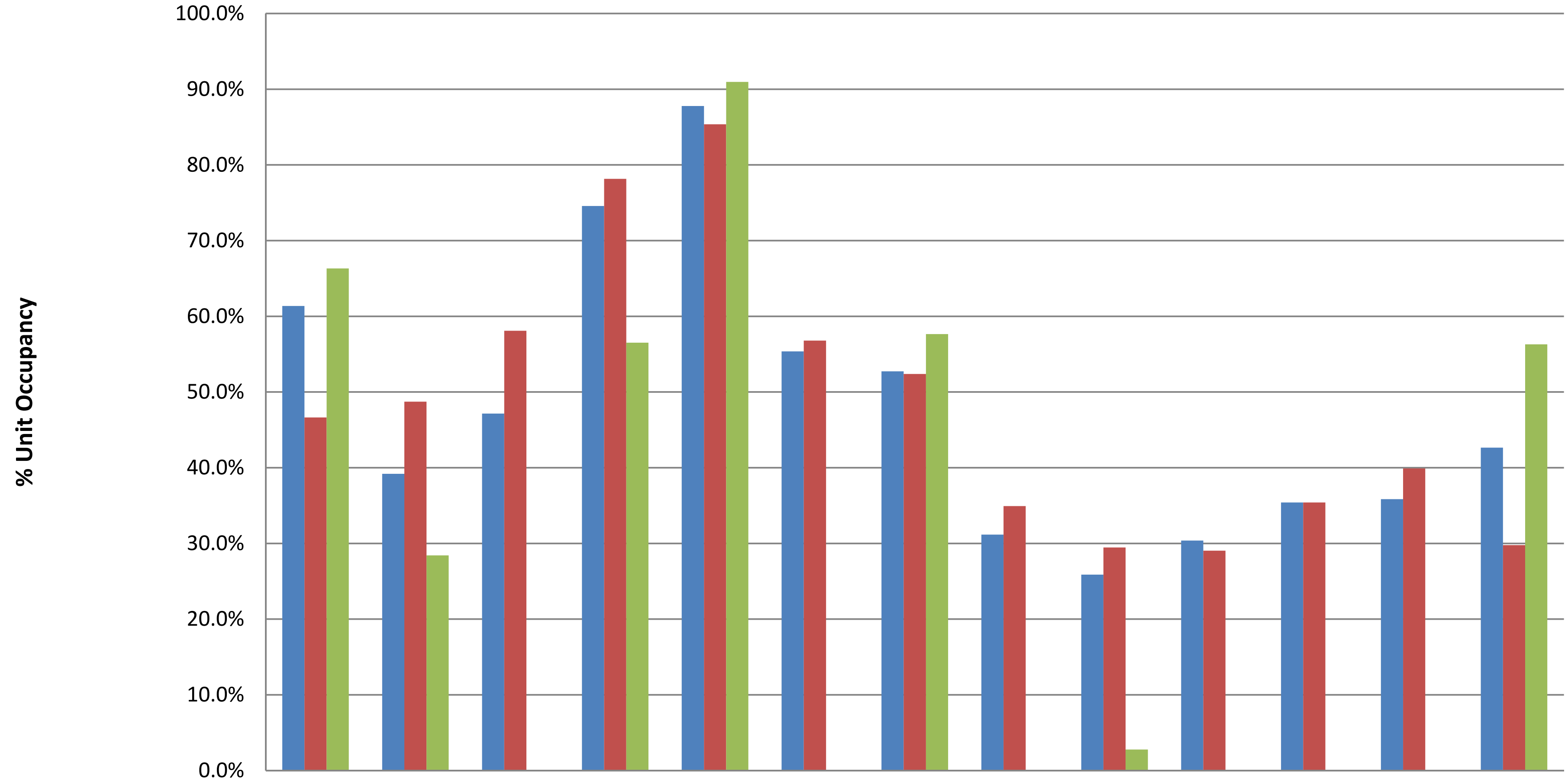
Regional performance – Serviced Room Occupancy



	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
South West	63.2%	62.7%	75.6%	81.3%	82.2%	75.8%	67.6%	60.3%	43.9%	44.4%	49.5%	59.2%	61.8%
All Hotels	67.7%	67.1%	77.8%	84.1%	83.1%	77.7%	71.7%	61.9%	45.9%	46.9%	51.0%	65.4%	71.4%
Hotels <11 Rooms	29.8%	38.5%	39.3%	69.5%	70.3%	61.7%	35.1%	33.9%	24.1%	16.0%	26.8%	31.8%	42.5%
Hotels >11 Rooms	69.5%	68.2%	81.3%	84.7%	83.8%	78.6%	72.8%	62.6%	49.1%	47.8%	52.1%	67.2%	74.1%
B&B/Guest House	35.3%	45.3%	65.0%	68.2%	78.0%	66.4%	40.5%	47.2%	38.3%	31.2%	36.6%	33.0%	33.6%

It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

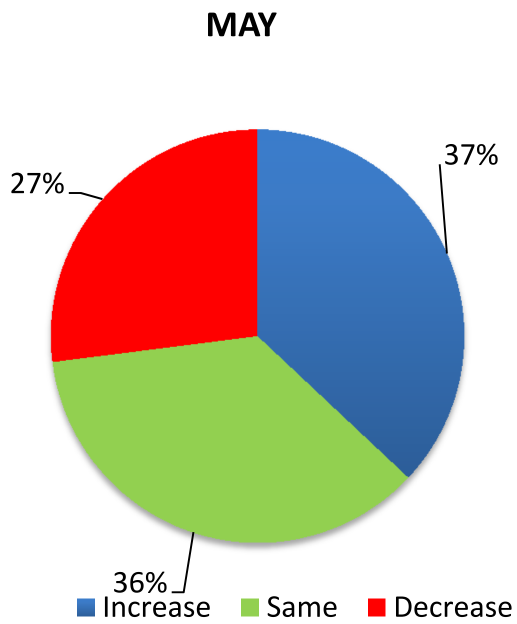
Regional performance – Self Catering Unit Occupancy

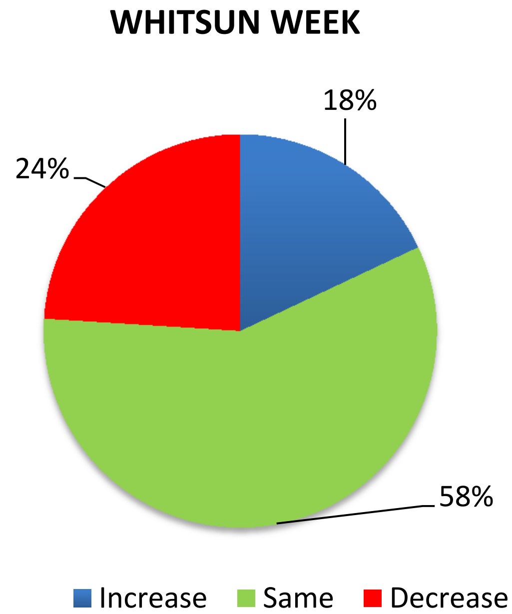


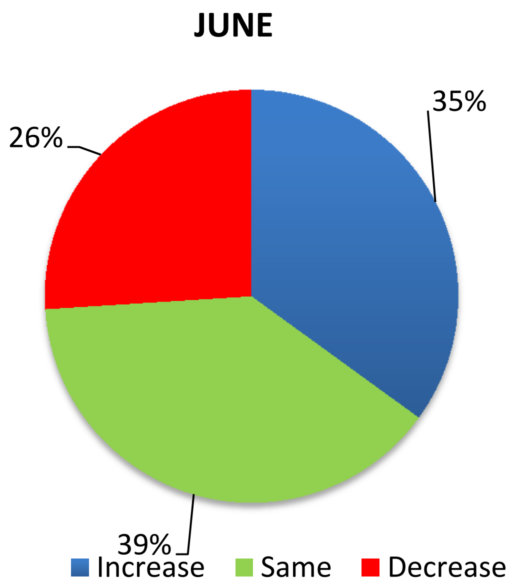
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
South West	61.4%	39.2%	47.1%	74.6%	87.8%	55.4%	52.7%	31.2%	25.9%	30.4%	35.4%	35.9%	42.6%
Self Catering Accomm	46.6%	48.7%	58.1%	78.2%	85.4%	56.8%	52.4%	34.9%	29.5%	29.0%	35.4%	39.9%	29.8%
Holiday Parks	66.3%	28.4%		56.5%	91.0%		57.7%		2.8%				56.3%

It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

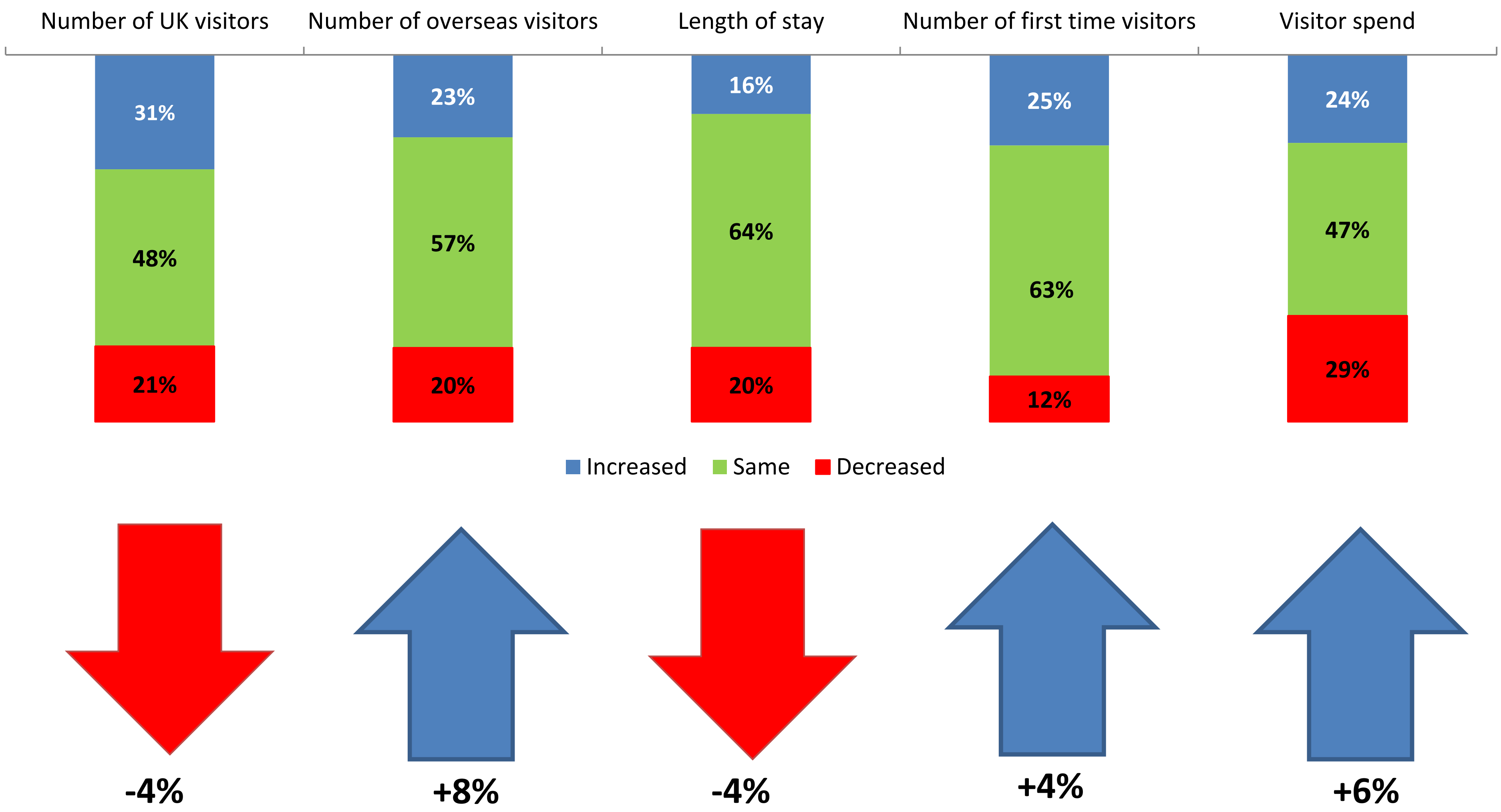
Regional outlook – Based upon forward booking levels







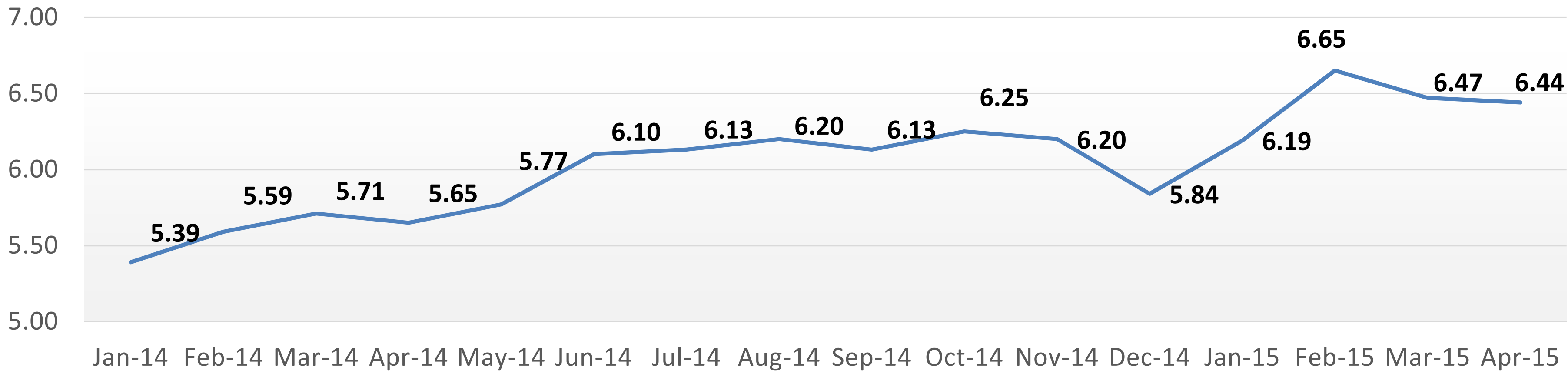
Regional – Visitor characteristics compared to previous year



Change compared to previous month. (Calculated as; The difference in the proportion of businesses reporting increases minus the proportion reporting decreases between the current and previous month).

Regional performance – Business optimism and performance feedback

BUSINESS OPTIMISM (MAXIMUM SCORE OF 10)



Confidence in the market is growing slowly but steadily

Bring on more sunshine and accurate weather forecasts!

Our business improved in April 2015, and this is the first real increase since the economic crisis began

Council cutbacks, Travel Lodge on sea front!! Package holidays abroad

VAT on serviced accommodation needs to be reduced to 5% to help UK Tourism and be more in line with European VAT rates

School Holiday fines regime is a disaster for tourism

Area Performance - April (2015 v 2014)

VISITOR NUMBERS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Increased	47%	50%	100%	100%	50%	43%	50%	64%	33%	41%	0%
Stayed the same	26%	50%	0%	0%	25%	25%	30%	36%	0%	23%	50%
Decreased	27%	0%	0%	0%	25%	32%	20%	0%	67%	36%	50%
Base	161	<5	<5	<5	36	60	20	11	<5	22	<5

TURNOVER	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Increased	48%	100%	100%	-	50%	46%	47%	80%	33%	36%	0%
Stayed the same	21%	0%	0%	-	25%	21%	26%	10%	0%	23%	50%
Decreased	31%	0%	0%	-	25%	32%	26%	10%	67%	41%	50%
Base	154	<5	<5	-	36	56	19	10	<5	22	<5

PROFITABILITY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	Gloucs	*North Somerset	Somerset	*Wilts
Increased	37%	50%	0%	-	35%	37%	33%	55%	33%	36%	0%
Stayed the same	35%	50%	100%	-	44%	33%	50%	27%	0%	23%	50%
Decreased	28%	0%	0%	-	21%	30%	17%	18%	67%	41%	50%
Base	150	<5	<5	-	34	54	18	11	<5	22	<5

*** Sample less than 20**

Area Outlook – Booking levels (2015 v 2014)

MAY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Better	37%	50%	-	100%	48%	34%	32%	50%	67%	19%	0%
The same	36%	50%	-	0%	24%	40%	47%	30%	0%	43%	50%
Not as good	27%	0%	-	0%	27%	26%	21%	20%	33%	38%	50%
Base	141	<5	-	<5	33	47	19	10	<5	21	<5

WHITSUN	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Better	18%	100%	-	100%	18%	18%	17%	22%	50%	5%	0%
The same	58%	0%	-	0%	58%	57%	72%	67%	50%	57%	50%
Not as good	24%	0%	-	0%	24%	24%	11%	11%	0%	38%	50%
Base	139	<5	-	<5	33	49	18	9	<5	21	<5

JUNE	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Better	35%	50%	-	100%	42%	34%	39%	33%	0%	10%	50%
The same	39%	50%	-	0%	33%	32%	44%	67%	100%	48%	50%
Not as good	26%	0%	-	0%	24%	34%	17%	0%	0%	43%	0%
Base	138	<5	-	<5	33	47	18	9	<5	21	<5

*** Sample less than 20**

Business Type Performance – April 2015 v 2014

VISITOR NUMBERS	Region	All Accomm	Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other accomm
Increased	47%	43%	67%	67%	25%	0%	0%	64%	50%	59%	59%	27%	17%	25%	0%
Stayed the same	26%	28%	8%	33%	25%	67%	100%	21%	50%	31%	15%	34%	50%	25%	0%
Decreased	27%	29%	25%	0%	50%	33%	0%	14%	0%	10%	26%	39%	33%	50%	100%
Base	161	110	24	<5	<5	<5	<5	14	<5	29	27	41	6	<5	<5

TURNOVER	Region	All Accomm	*Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accomm
Increased	48%	46%	63%	67%	25%	0%	0%	64%	0%	70%	59%	24%	50%	25%	0%
Stayed the same	21%	22%	0%	0%	25%	67%	100%	21%	100%	15%	11%	37%	33%	0%	0%
Decreased	31%	31%	37%	33%	50%	33%	0%	14%	0%	15%	30%	39%	17%	75%	100%
Base	154	108	19	<5	<5	<5	<5	14	<5	27	27	41	6	<5	<5

PROFITABILITY	Region	All Accomm	*Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accomm
Increased	37%	37%	33%	33%	60%	0%	0%	50%	0%	46%	52%	20%	50%	25%	0%
Stayed the same	35%	38%	33%	0%	20%	33%	100%	21%	100%	35%	24%	48%	50%	25%	100%
Decreased	28%	26%	33%	67%	20%	67%	0%	29%	0%	19%	24%	33%	0%	50%	0%
Base	150	104	18	<5	5	<5	<5	14	<5	26	25	40	6	<5	<5

*** Sample less than 20**

Business Type Outlook – Booking levels 2015 v 2014

MAY	Region	All Accomm	*Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accomm
Better	37%	35%	38%	0%	25%	-	0%	69%	0%	39%	29%	39%	17%	50%	0%
Same	36%	36%	50%	50%	50%	-	100%	23%	0%	39%	39%	27%	67%	0%	100%
Worse	27%	29%	13%	50%	25%	-	0%	8%	100%	21%	32%	34%	17%	50%	0%
Base	141	112	8	<5	<5	-	<5	13	<5	28	31	41	<5	<5	<5

WHIT SUN	Region	All Accomm	*Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accomm
Better	18%	17%	0%	0%	25%	-	0%	43%	0%	28%	8%	10%	33%	50%	0%
Same	58%	58%	88%	50%	25%	-	100%	50%	100%	62%	65%	59%	33%	0%	100%
Worse	24%	26%	13%	50%	50%	-	0%	7%	0%	10%	27%	32%	33%	50%	0%
Base	139	109	8	<5	<5	-	<5	14	<5	29	26	41	6	<5	<5

JUNE	Region	All Accomm	*Attraction	*Sports/ Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accomm
Better	35%	32%	25%	100%	25%	-	-	57%	0%	39%	26%	34%	17%	50%	0%
Same	39%	41%	50%	0%	25%	-	-	29%	0%	61%	33%	37%	33%	25%	0%
Worse	26%	27%	25%	0%	50%	-	-	14%	100%	0%	41%	29%	50%	25%	100%
Base	138	109	8	<5	<5	-	-	14	<5	28	27	41	6	<5	<5

*** Sample less than 20**

Business type and area occupancy levels

The tables below show the estimated occupancy for February 2015 for serviced and self-catering accommodation types. It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

SERVICED ROOM OCCUPANCY		
APRIL 15	**% RM OCCUPANCY**	**SAMPLE**
South West	61.84%	53
All hotels	71.36%	23
Hotel 10 rooms or less	42.54%	5
Hotel more than 10 rooms	74.13%	18
B&B	44.44%	18
Guest House	24.75%	12
Former Avon	88.93%	5
Cornwall	39.32%	10
Devon	58.22%	23
Dorset	60.82%	<5
Gloucestershire	80.22%	<5
Somerset	54.61%	6
Wiltshire	57.78%	<5

SELF-CATERING UNIT OCCUPANCY		
APRIL 15	**% UNIT OCC**	**SAMPLE**
South West	42.65%	42
Self-catering accommodation	29.77%	37
Holiday Park	56.30%	5
Former Avon	66.00%	<5
Cornwall	50.99%	12
Devon	26.55%	11
Dorset	69.54%	6
Gloucestershire	100.00%	<5
Somerset	54.33%	10
Wiltshire	0.00%	0

The South West Research Company Ltd. – About Us

Business partners Paul Haydon and Diane Goffey have gathered over twenty five years research experience in the tourism industry and offer an extensive knowledge of tourism and research and statistics built up over many years with an established network of contacts in the industry. Based in the South West, we are proud to be part of and contribute to one of the major industries in our region. This report is not funded or sponsored and is provided by us for the benefit of those working in the regions' tourism industry.

We offer a full range of research services tailored specifically to meet our clients needs and available budgets. **For further information on the services we offer or to register for the How's Business survey please contact info@tswrc.co.uk**

South West based current and previous clients include;