"How's Business?"
July 2015

An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd

September 2015




Executive Summary

Compared to July 2015 businesses reported that:

July 2015 Visitor levels:
Increased 52% / Stayed the same 31% / Decreased 17%
Estimated actual change in visitors +11.7%

July 2015 Turnover levels:
Increased 59% / Stayed the same 25% / Decreased 15%
Estimated actual change in turnover +11.6%

July 2015 Profitability was:
Higher 42% / Stayed the same 39% / Decreased 19%

August 2015 Outlook is:
Better 32% / Same as last year 44% / Not as good 24%

September Outlook is:
Better 27% / Same as last year 45% / Not as good 28%

Optimism
Optimism score is 6.75 out of a possible 10

July 2015 – Our comment

Another good month for tourism businesses in the South West during July 2015 with estimated increases of in excess of +11% in both visitors and turnover (+11.7% and +11.6% respectively) compared to the same time last year. The majority of businesses reported increases in both visitors and turnover (52% and 59% respectively) this month and this is reflected once again in the increases in the average percentage change estimates.

In the first five months of the year, the number of trips taken in England stands at 38.6 million, 16% above the same period in 2014, and the highest volume recorded for this five month period since the current survey began in 2005. The amount spent, £6.87 billion, is 17% higher than last year, and in nominal terms also a record for the current survey. (Source: GBTS 2015).

The latest IPS results covering June 2015 report that overseas visitors spent £2.1 billion (in nominal terms) while in the UK during June, just 1% below the record June 2014. With provisional International Passenger Survey (IPS) results now available for the first six months of 2015, overseas visitor spending remained on-par with the first six months of 2014 (which closed as a record spending year). Over the longer term rolling twelve months to June 2015 overseas visitor spending was £21.8 billion. The UK welcomed 3.23 million visits in the month of June, in line with the record set in June 2014. Visits during the first six months of 2015 reached 16.8 million – a 5% increase and the highest recorded over the first six months of any year. In addition, visits to the UK by overseas residents are 3% higher in the twelve months to June 2015 compared to the previous twelve month period at 34.9 million. (Source: IPS 2015).

In terms of day visits, the volume of day visits in Great Britain in the three months to July 2015 declined by -1% when compared with the same period last year, to 421 million. The value of those visits increased during the same period, to £14.5 billion, up +7% from £13.6 billion in 2014. Year to date, volume fell by -4% to 857 million and value of visits increased by +2% to £29.4 billion. Looking at England, volume increased by +2% in the three months to June 2015 at 360 million visits, and value increased by +10% to £12.4 billion, compared to the same period in 2014. Year to date the volume of day visits in England has declined relative to the same period in 2014 by –3%, to 732 million and the value increased by +3% to £25.2 billion.

All indications to date continue to suggest that 2015 will be a good year for tourism in the UK, England and the South West. With the main summer season now coming to an end booking levels for August and September remain positive despite the more unsettled weather conditions over the main school holiday period.

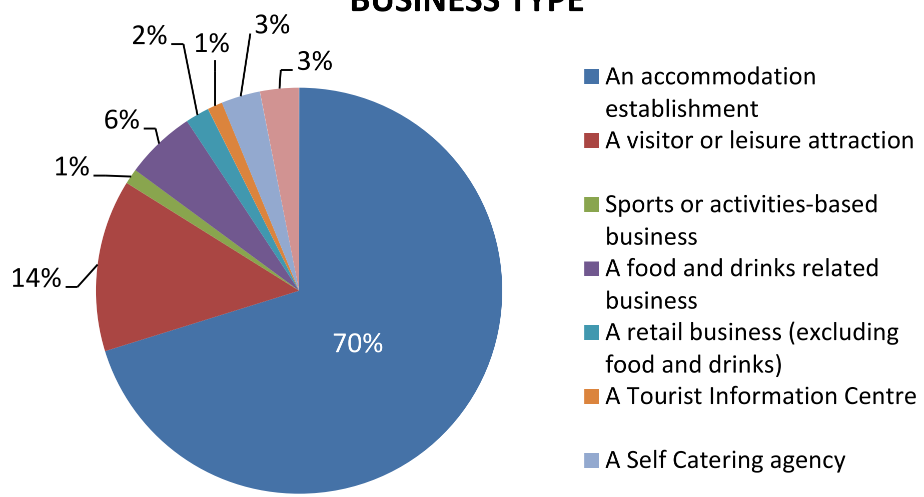
July 2015 – Our comment

This months survey has a sample of 161 regional businesses, representing a minimum of approximately 1,500 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.

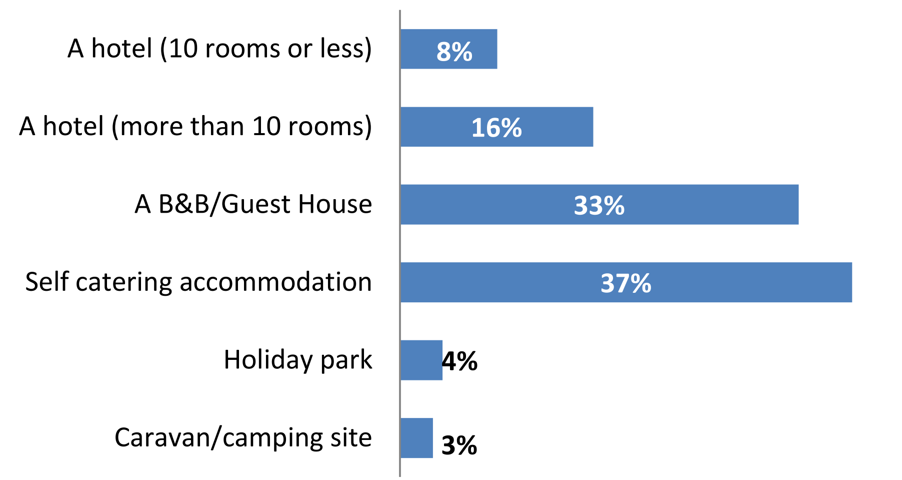
Sample profile

BUSINESS TYPE



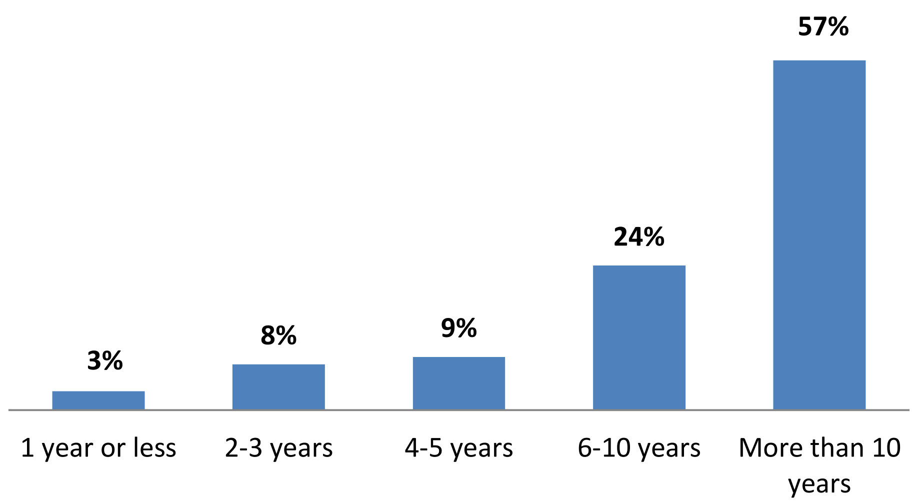
Base: 161

ACCOMMODATION TYPE



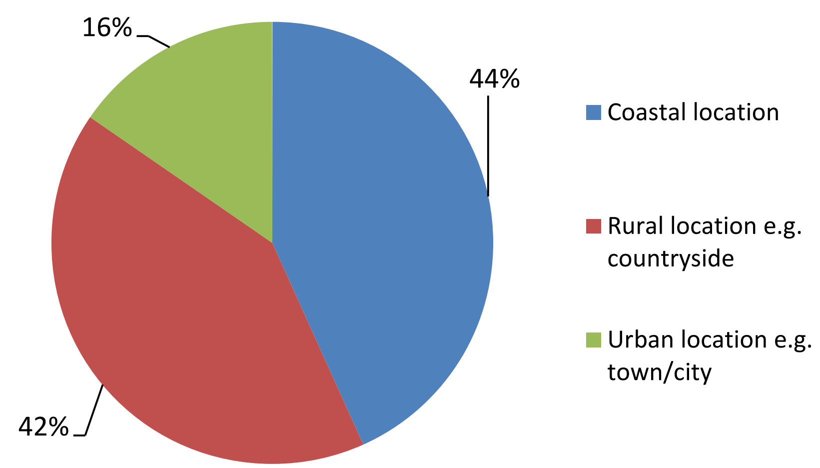
Base: 113

YEARS OPERATING



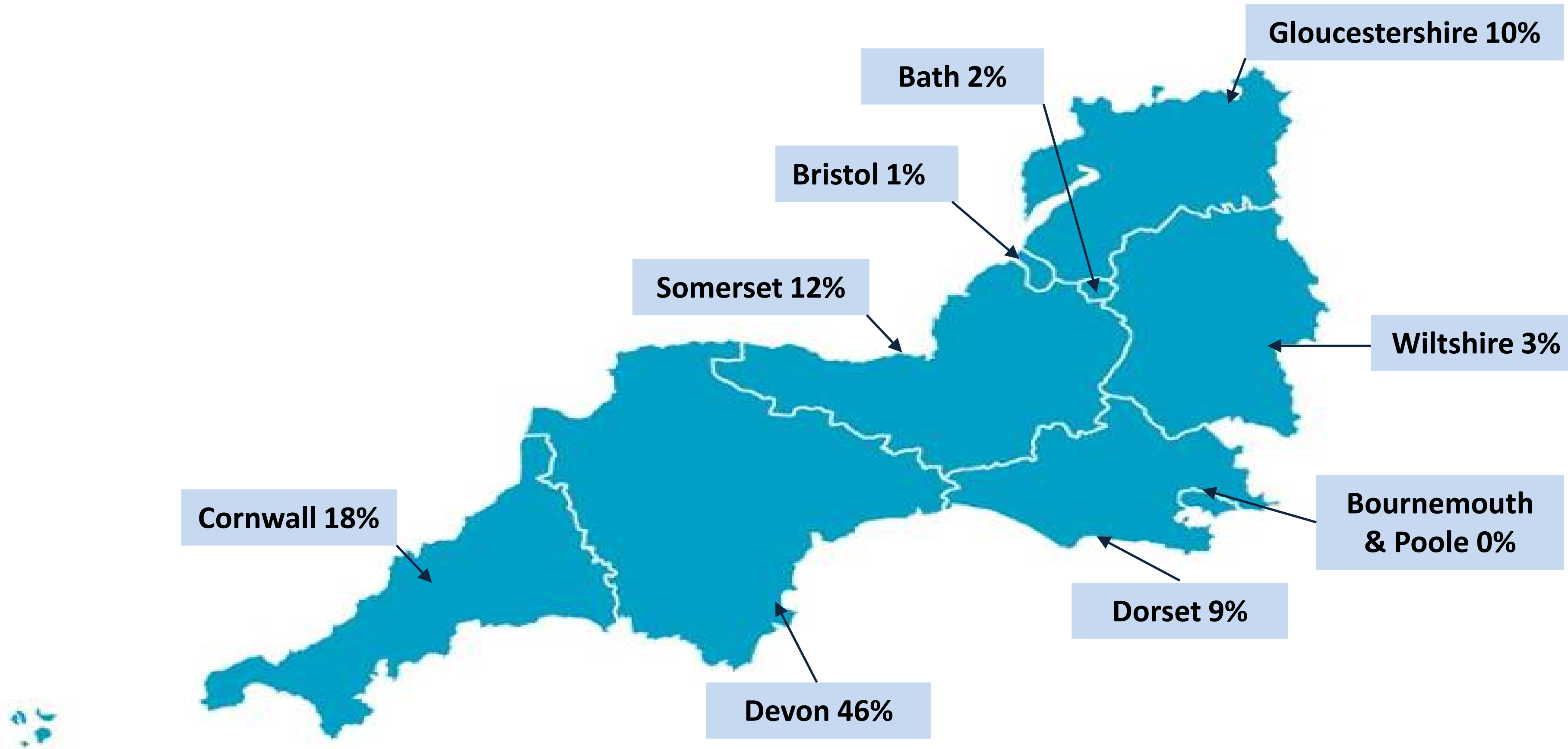
Base: 161

LOCATION TYPE



Base: 161

Sample profile - Business location



July 2015 – the month in context

The UK Weather

At the start of July there was very hot air over the UK, particularly England, with a humid southerly flow from the continent. This gave record-breaking July temperatures in parts of the south-east, and the highest temperature anywhere in the UK since August 2003. After this, however, the month was typified by a westerly Atlantic weather type, bringing cool and rather changeable weather generally, with rain or showers for much of the time, and only a few dry and warm days. There were some cold nights, especially in the last few days, and overall it was rather a cool month despite the hot start.

Source: Met Office

The UK Economy

UK economic growth accelerated in the second quarter of the year, helped by a big jump in oil and gas production, official figures have shown.

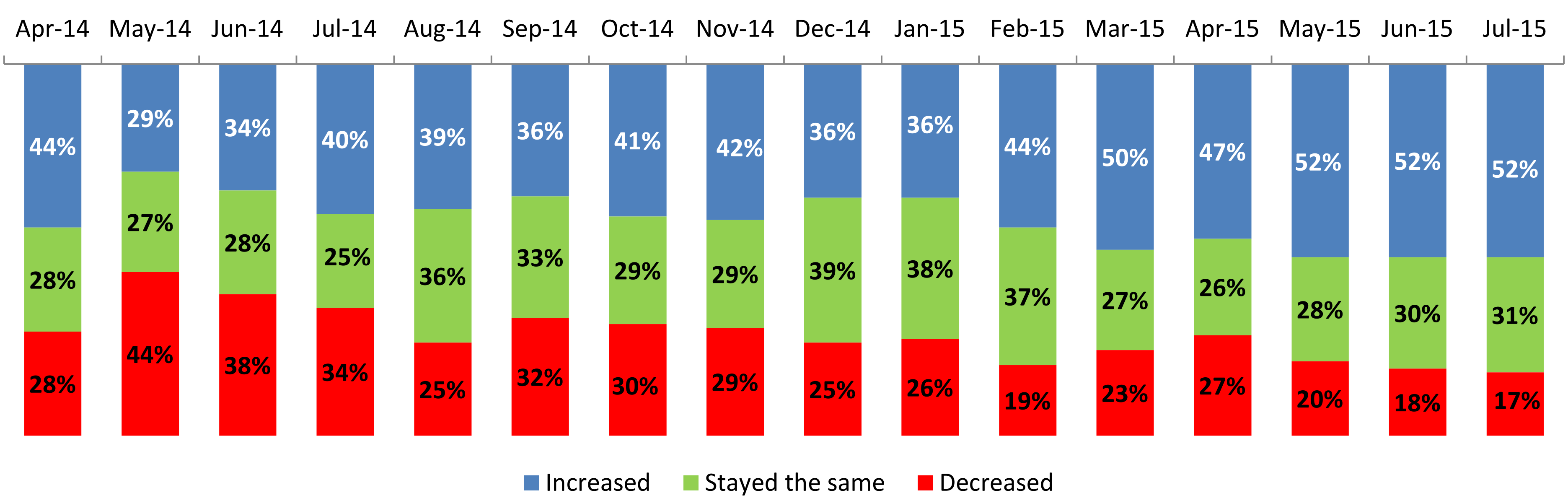
The UK's economy grew by an estimated 0.7% in the April to June period, the Office for National Statistics (ONS) said. That compared with growth of 0.4% in the first quarter of the year. Output in the economy during the second quarter was 2.6% higher than the same period a year earlier, the ONS said.

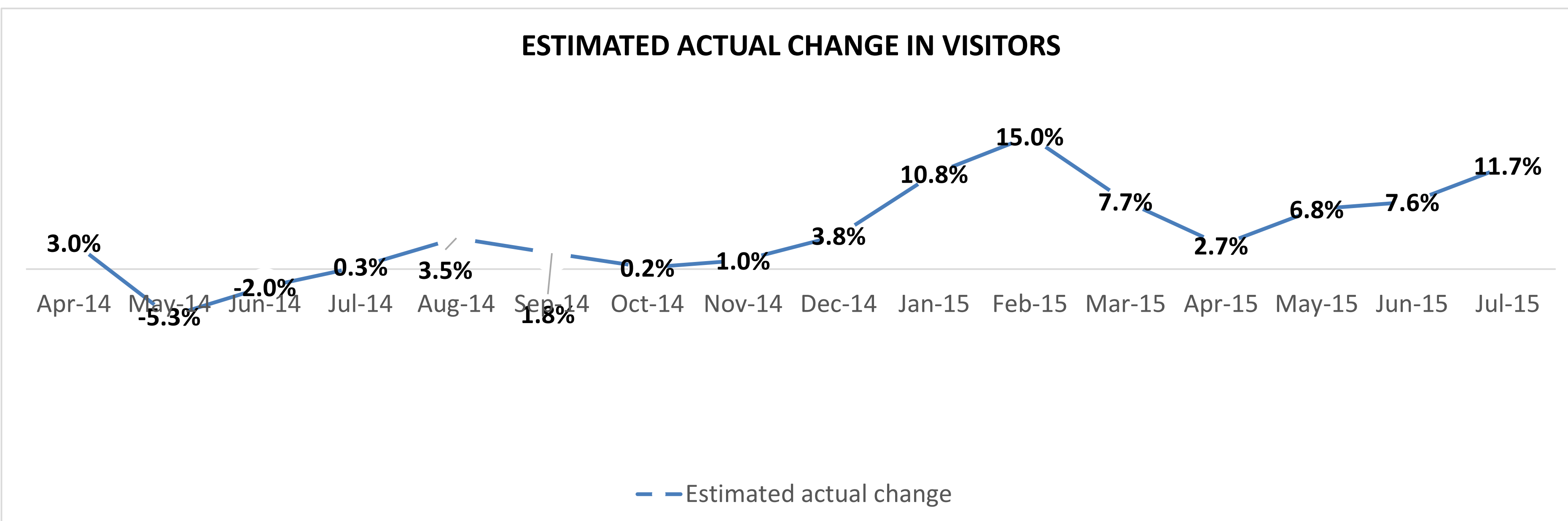
"After a slowdown in the first quarter of 2015, overall GDP growth has returned to that typical of the previous two years," said ONS chief economist Joe Grice. He added, however, that Tuesday's economic growth figure showed GDP per capita - economic growth as shared out among each member of the population - was back to "broadly level with its pre-economic downturn peak in 2008".

The economy has now seen 10 quarters of sustained economic growth.

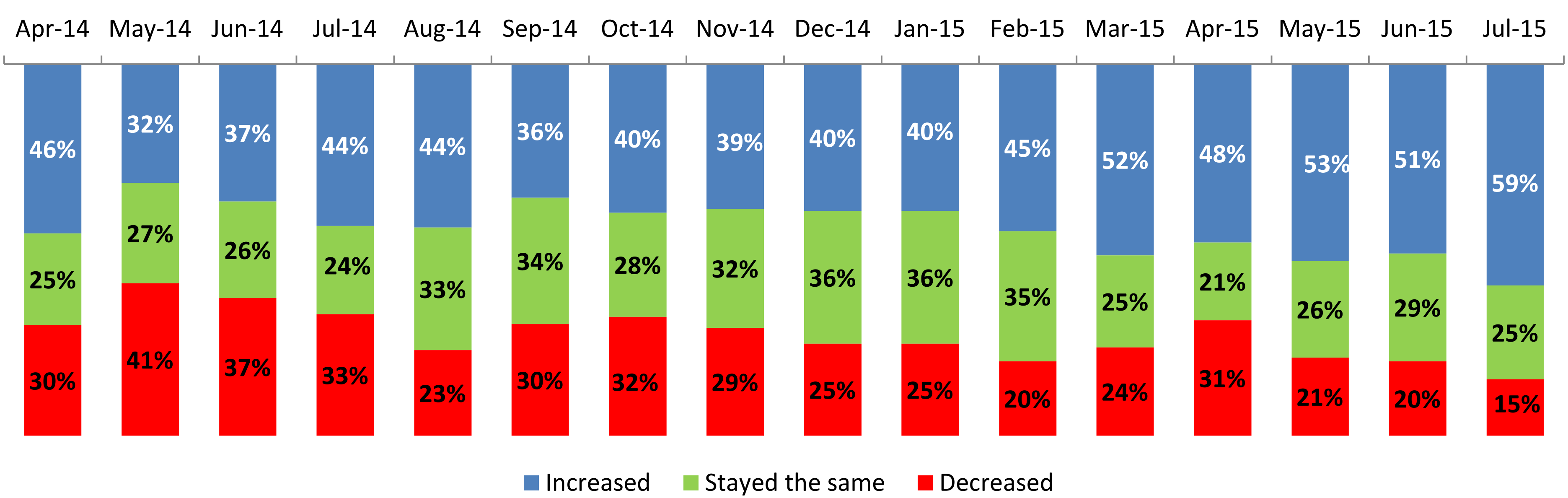
Source: BBC.co.uk

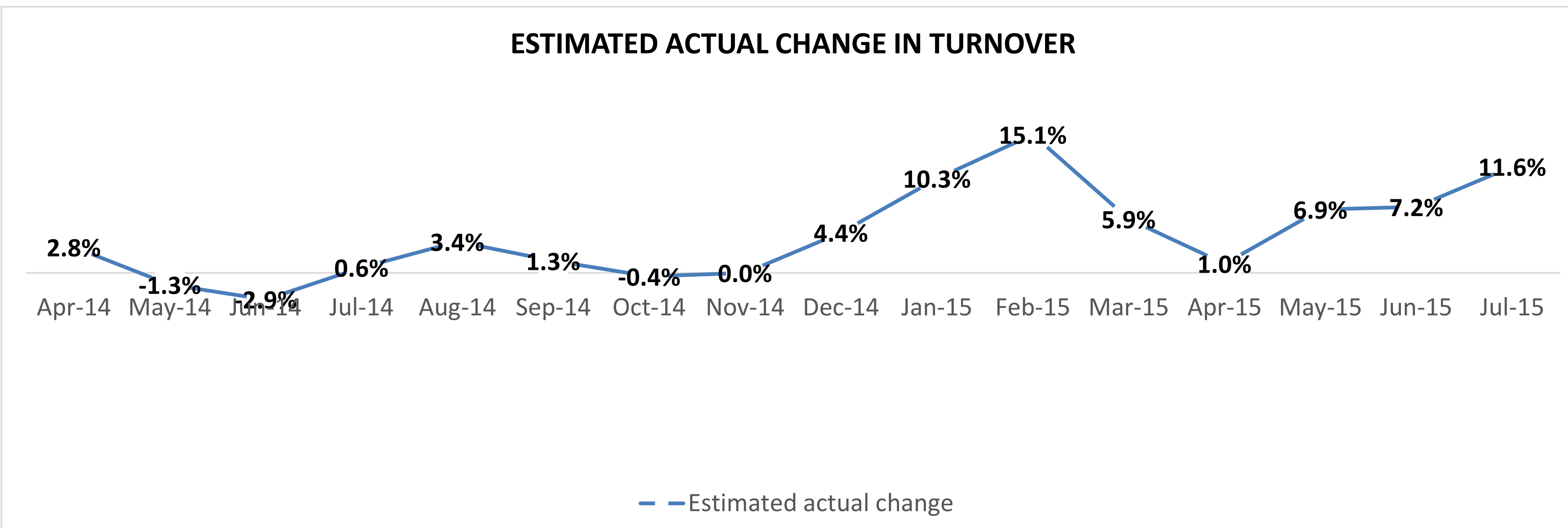
Regional performance – Number of visitors compared to previous year



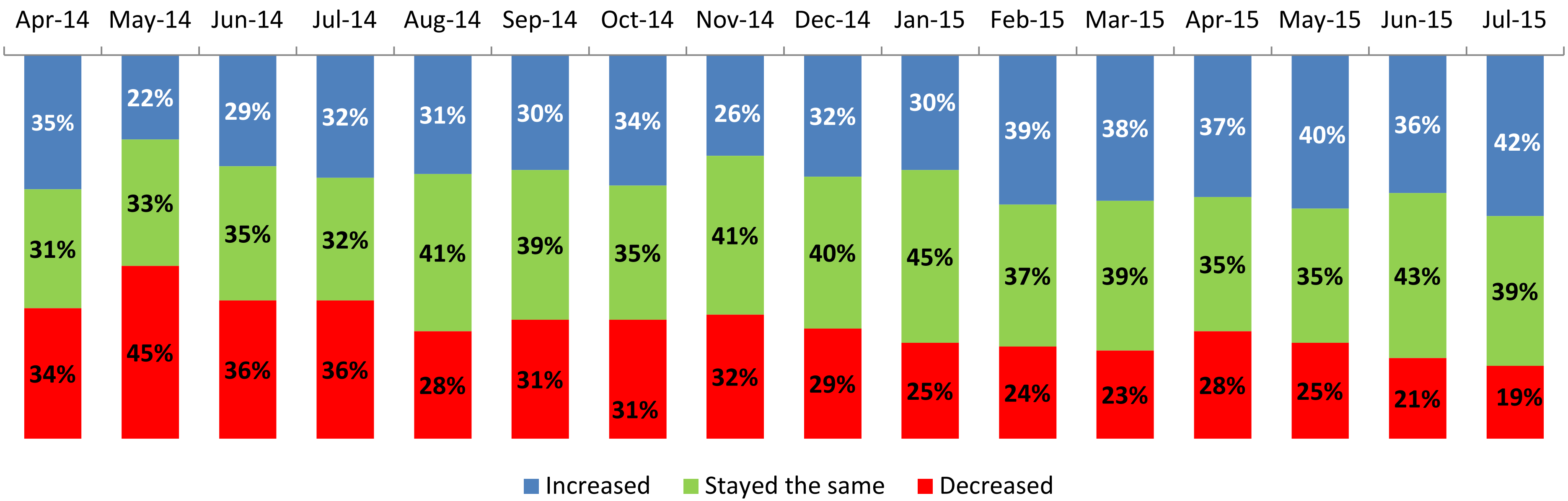


Regional performance – Turnover compared to previous year





Regional performance – Profitability compared to previous year



Perfect attraction weather - also kids breaking up from school earlier this year. of August.

Fewer customers but a higher spend.

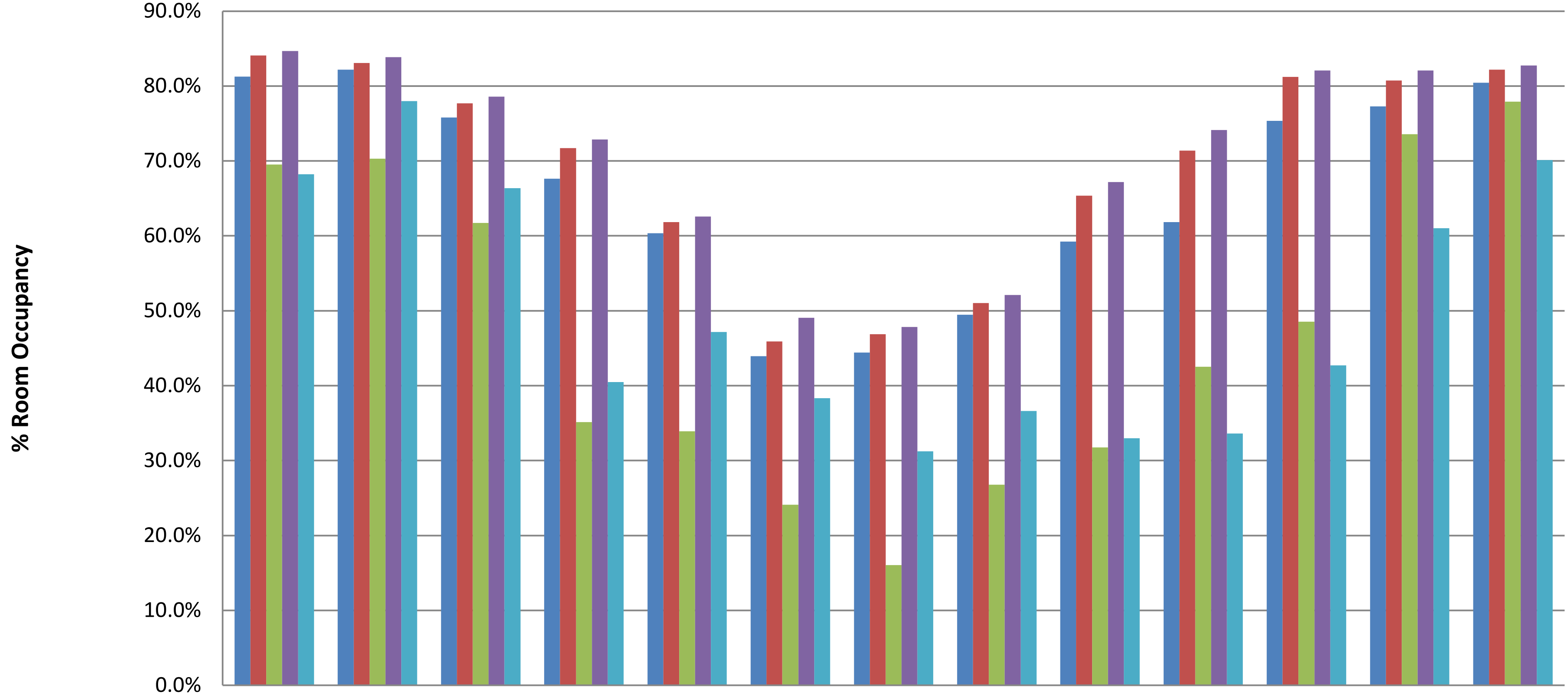
More overseas visitors. Also people fed up with airport problems and possible risk of terrorism.

Lot more shorter breaks, so linen cost etc. increase.

Many visitors look like they are staying in the camp sites or have not got the money to spend on activities.

More commission bookings.

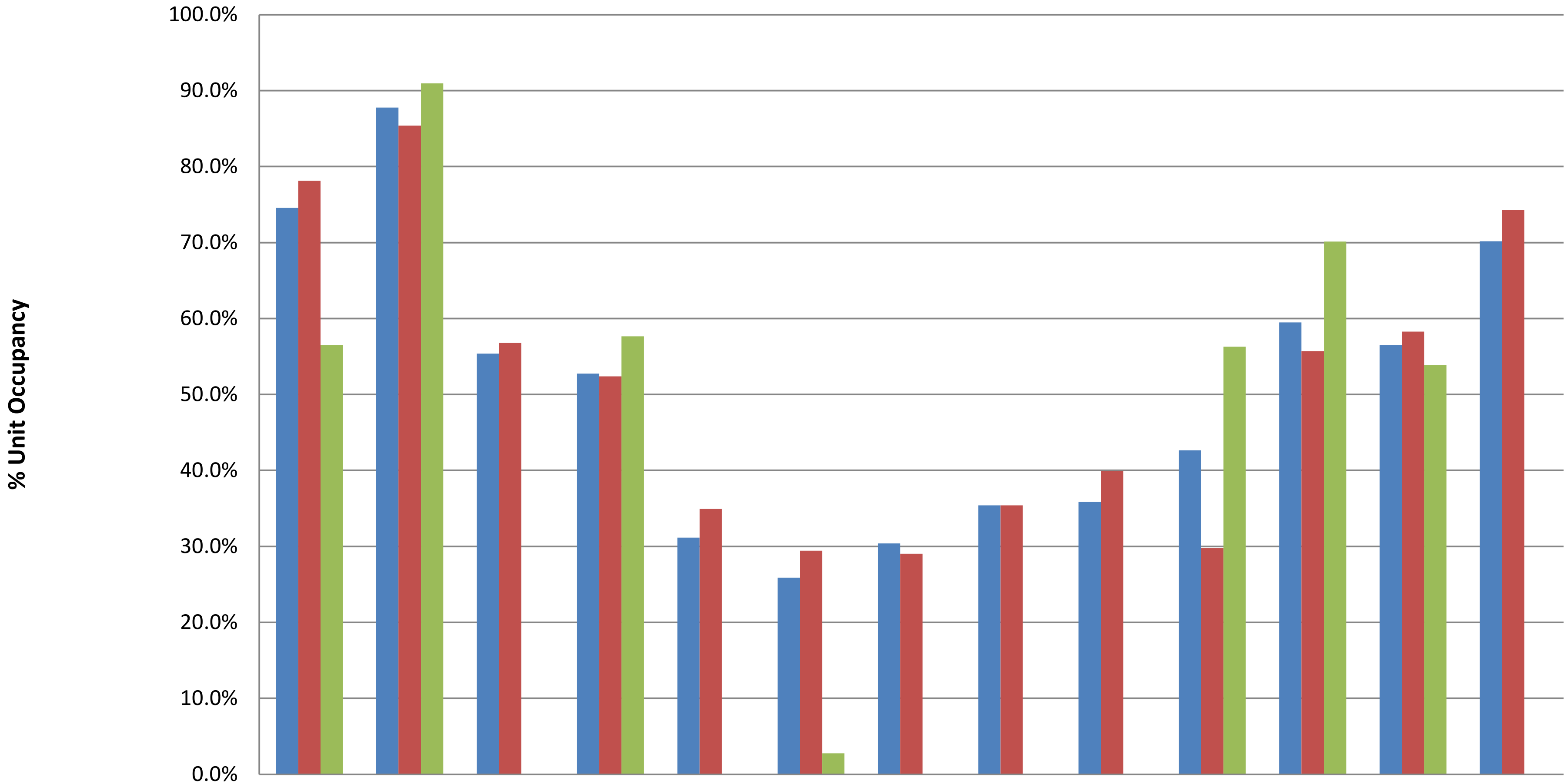
Regional performance – Serviced Room Occupancy



	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
South West	81.3%	82.2%	75.8%	67.6%	60.3%	43.9%	44.4%	49.5%	59.2%	61.8%	75.3%	77.3%	80.4%
All Hotels	84.1%	83.1%	77.7%	71.7%	61.9%	45.9%	46.9%	51.0%	65.4%	71.4%	81.2%	80.7%	82.2%
Hotels <11 Rooms	69.5%	70.3%	61.7%	35.1%	33.9%	24.1%	16.0%	26.8%	31.8%	42.5%	48.5%	73.6%	77.9%
Hotels >11 Rooms	84.7%	83.8%	78.6%	72.8%	62.6%	49.1%	47.8%	52.1%	67.2%	74.1%	82.1%	82.1%	82.7%
B&B/Guest House	68.2%	78.0%	66.4%	40.5%	47.2%	38.3%	31.2%	36.6%	33.0%	33.6%	42.7%	61.0%	70.1%

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.

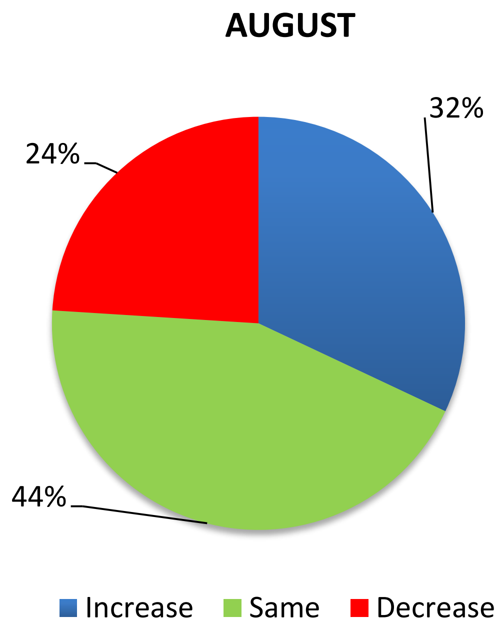
Regional performance – Self Catering Unit Occupancy

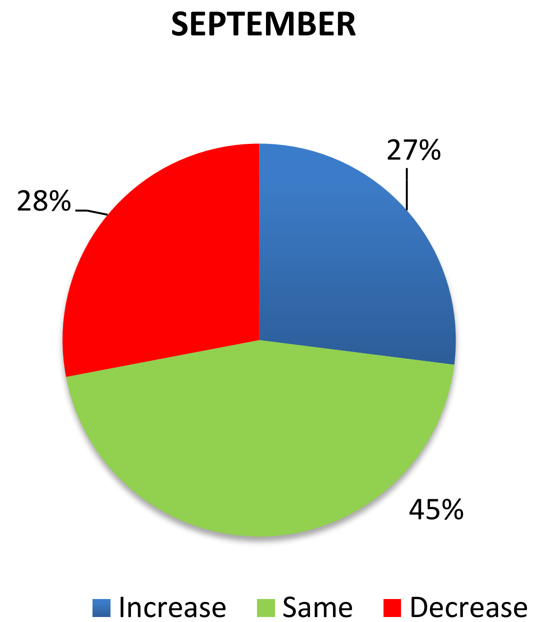


	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
South West	74.6%	87.8%	55.4%	52.7%	31.2%	25.9%	30.4%	35.4%	35.9%	42.6%	59.5%	56.5%	70.2%
Self Catering Accomm	78.2%	85.4%	56.8%	52.4%	34.9%	29.5%	29.0%	35.4%	39.9%	29.8%	55.7%	58.3%	74.3%
Holiday Parks	56.5%	91.0%		57.7%		2.8%				56.3%	70.1%	53.8%	

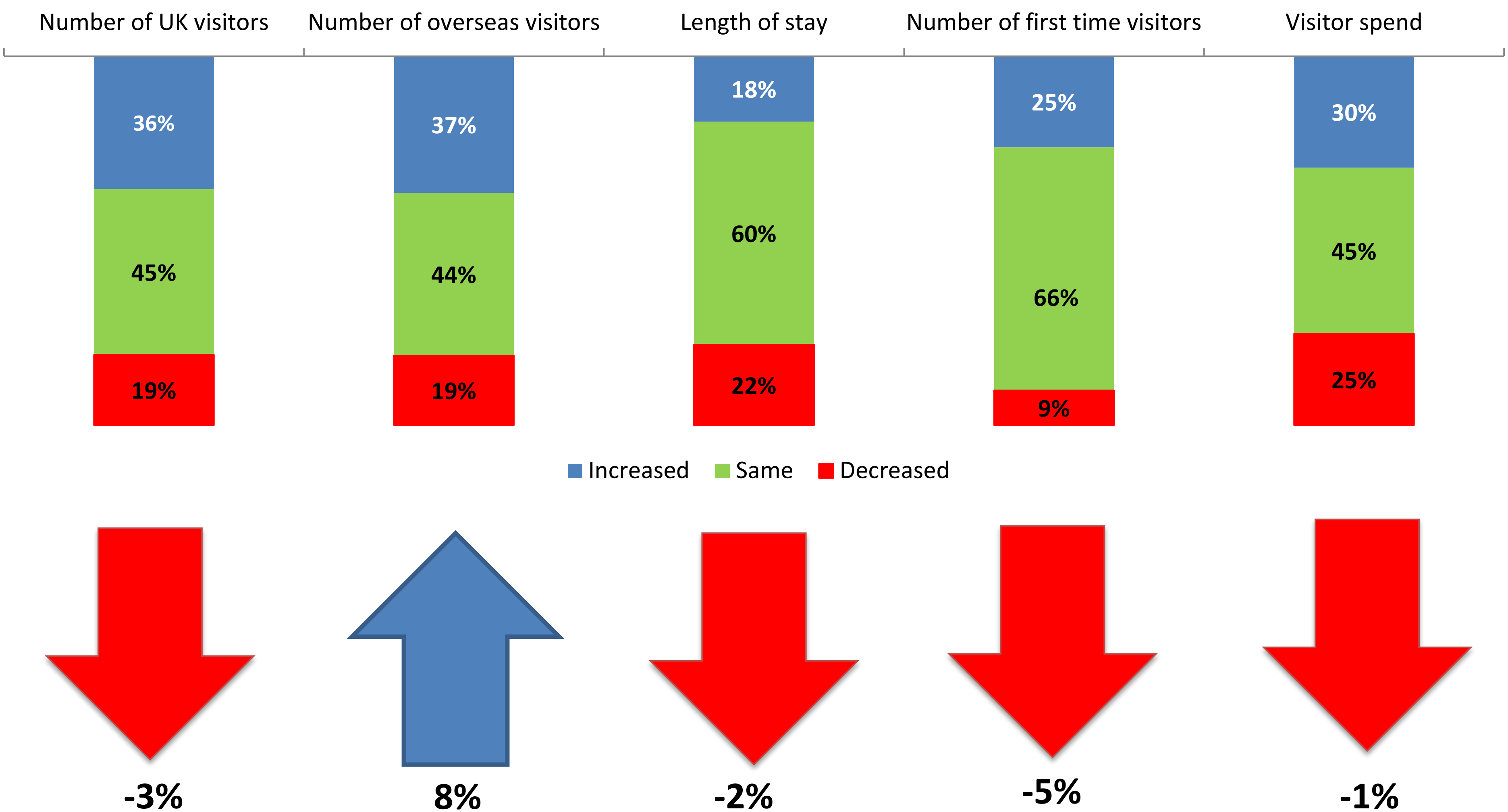
It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Regional outlook – Based upon forward booking levels





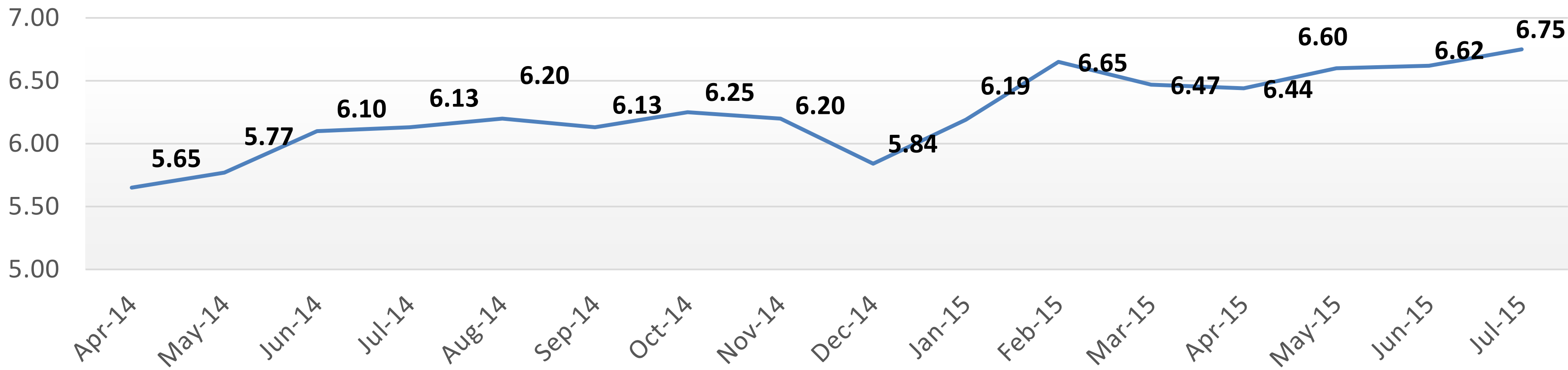
Regional – Visitor characteristics compared to previous year



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)



Cooler weather can sometimes be beneficial to city tourism as when it is really hot visitors tend to head for the coast.

Having a generally better year, fewer poor, normally popular months. In 2014, June was really poor but this year occupancy was more than double and back to previous levels.

I am confident the new South Devon Link Road will improve visitor numbers to the area; also the improvements to the railway line at Dawlish.

Government still needs to address the high rate of VAT compared to our European counterparts.

I think the strong pound has driven away visitors from the Eurozone.

Many more short breaks - we have never taken short break bookings through the peak season before but this year the majority of our bookings are for short breaks - more work - more income - more expense.

Area Performance - July (2015 v 2014)

VISITOR NUMBERS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	52%	33%	0%	0%	59%	53%	56%	56%	50%	33%	25%
Stayed the same	31%	67%	100%	100%	31%	23%	44%	28%	50%	33%	75%
Decreased	17%	0%	0%	0%	9%	23%	0%	17%	0%	33%	0%
Base	178	<5	<5	<5	32	81	18	18	<5	15	<5

TURNOVER	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	59%	100%	0%	0%	69%	58%	56%	71%	40%	47%	50%
Stayed the same	25%	0%	0%	100%	25%	19%	33%	24%	60%	27%	50%
Decreased	15%	0%	100%	0%	6%	23%	11%	6%	0%	27%	0%
Base	175	<5	<5	<5	32	78	18	17	5	15	<5

PROFITABILITY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	42%	33%	0%	0%	52%	42%	39%	41%	40%	36%	25%
Stayed the same	39%	67%	0%	100%	34%	34%	33%	53%	40%	29%	75%
Decreased	19%	0%	0%	0%	14%	24%	11%	6%	20%	36%	0%
Base	163	<5	<5	<5	29	74	18	17	5	14	<5

*** Sample less than 20**

Area Outlook – Booking levels (2015 v 2014)

JULY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Better	32%	33%	0%	50%	29%	29%	47%	38%	40%	21%	25%
The same	44%	67%	0%	50%	50%	42%	29%	46%	20%	57%	75%
Not as good	24%	0%	100%	0%	21%	29%	24%	15%	40%	21%	0%
Base	152	<5	<5	<5	28	65	17	13	5	14	<5

SCHOOL SUMMER HOLIDAYS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Better	27%	0%	0%	0%	29%	20%	31%	58%	20%	21%	25%
The same	45%	50%	0%	100%	46%	46%	44%	33%	40%	50%	50%
Not as good	28%	50%	100%	0%	25%	34%	25%	8%	40%	29%	25%
Base	143	<5	<5	<5	28	59	16	12	5	14	<5

*** Sample less than 20**

Business Type Performance – July 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	52%	49%	77%	50%	30%	25%	0%	100%	17%	46%	55%	43%	50%	75%	0%
Stayed the same	31%	39%	0%	50%	20%	0%	50%	0%	67%	39%	40%	43%	25%	0%	0%
Decreased	17%	11%	23%	0%	50%	75%	50%	0%	17%	14%	5%	14%	25%	25%	0%
Base	178	122	26	<5	10	<5	<5	6	6	28	42	44	<5	<5	0

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	59%	58%	88%	50%	27%	25%	0%	100%	33%	57%	60%	55%	75%	75%	0%
Stayed the same	25%	31%	0%	0%	27%	25%	0%	0%	50%	36%	30%	30%	25%	25%	0%
Decreased	15%	11%	13%	50%	45%	50%	100%	0%	17%	7%	10%	16%	0%	0%	0%
Base	175	120	24	<5	11	<5	<5	6	6	28	40	44	<5	<5	0

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	42%	39%	59%	50%	30%	67%	0%	80%	20%	52%	37%	36%	50%	0%	0%
Stayed the same	39%	41%	32%	0%	40%	0%	50%	20%	60%	33%	45%	40%	50%	67%	0%
Decreased	19%	19%	9%	50%	30%	33%	50%	0%	20%	15%	18%	24%	0%	33%	0%
Base	163	114	22	<5	10	<5	<5	5	5	27	38	42	<5	<5	0

*** Sample less than 20**

Business Type Outlook – Booking levels 2015 v 2014

JULY	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	32%	29%	40%	0%	50%	0%	0%	67%	40%	21%	43%	20%	50%	0%	0%
Same	44%	51%	30%	0%	0%	0%	0%	17%	0%	43%	32%	73%	50%	75%	0%
Worse	24%	20%	30%	0%	50%	0%	100%	17%	60%	36%	25%	7%	0%	25%	0%
Base	152	124	10	0	6	0	<5	6	5	28	44	44	<5	<5	0

SCHOOL SUMMER HOLIDAYS	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	27%	21%	56%	0%	50%	0%	0%	83%	0%	26%	29%	11%	25%	25%	0%
Same	45%	50%	22%	0%	33%	0%	100%	17%	25%	56%	32%	59%	75%	50%	0%
Worse	28%	29%	22%	0%	17%	0%	0%	0%	75%	19%	39%	30%	0%	25%	0%
Base	143	117	9	0	6	0	<5	6	<5	27	38	44	<5	<5	0

*** Sample less than 20**

Business type and area occupancy levels

The tables below show the estimated occupancy for July 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		
Jul-15	**% RM OCCUPANCY**	**SAMPLE**
South West	80.43%	67
All hotels	82.17%	24
Hotel 10 rooms or less	77.90%	7
Hotel more than 10 rooms	82.74%	17
B&B	75.33%	26
Guest House	64.92%	17
Former Avon	72.15%	5
Cornwall	84.87%	8
Devon	81.68%	40
Dorset	78.92%	<5
Gloucestershire	79.65%	<5
Somerset	52.83%	<5
Wiltshire	69.62%	<5

SELF-CATERING UNIT OCCUPANCY		
Jul-15	**% UNIT OCC**	**SAMPLE**
South West	70.18%	45
Self-catering accommodation	74.29%	42
Holiday Park	64.48%	<5
Former Avon	36.19%	<5
Cornwall	87.97%	9
Devon	73.26%	13
Dorset	60.38%	7
Gloucestershire	84.41%	6
Somerset	78.02%	7
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;