“How’s Business?”
June 2015

An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd

August 2015




Executive Summary

Compared to June 2015 businesses reported that:

June 2015 Visitor levels:
Increased 52% / Stayed the same 30% / Decreased 18%
Estimated actual change in visitors +7.6%

June 2015 Turnover levels:
Increased 51% / Stayed the same 29% / Decreased 20%
Estimated actual change in turnover +7.2%

June 2015 Profitability was:
Higher 36% / Stayed the same 43% / Decreased 21%

July 2015 Outlook is:
Better 38% / Same as last year 41% / Not as good 21%

School summer holidays 2015 Outlook is:
Better 25% / Same as last year 49% / Not as good 26%

Optimism
Optimism score is 6.62 out of a possible 10

June 2015 – Our comment

Another strong and positive performance during June for tourism businesses in the South West with estimated increases of in excess of +7% in both visitors and turnover (+7.6% and +7.2% respectively) compared to the same time last year. The majority of businesses reported increases in both visitors and turnover (52% and 51% respectively) this month and this is reflected in the continuing increases in the average percentage change estimates.

For the year to April 2015, Visit England report that domestic overnight trips to England were up +18% to 28.7 million from 24.3 million in 2014. Nights and spend were also up by +18%. (Source: GBTS Survey 2015).

The volume of day visits in England increased by +2% in the three months to June 2015 at 349 million visits, and value increased by +5% to £11.2 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 608 million and the value decreased by -1% to £20.4 billion. (Source: GBDVS 2015).

The latest IPS results covering May 2015 report that overseas visitors spent a record £1.93 billion (in nominal terms) while in the UK during May, 8% more than the previous record set in 2014. During the first five months of 2015 (between January and May) visitor spending was on par with the amount spent during the same period in 2014. May was also a record breaker for visits. The UK welcomed 3.56 million visits in the month, 9% more than in May 2014. It has been a strong start to the year, with visits over the first five months of the year topping all previous records at 13.58 million – 4% more than the previous record set last year. In the twelve months to May 2014, there were 4% more visits to the UK, just short of 35 million but still the highest rolling twelve month period on record. May was an exceptional month for UK visits from Other EU countries – up 42% compared to May 2014. Visits to the UK from North America also increased 8% during May compared to the previous year. (Source: IPS 2015).

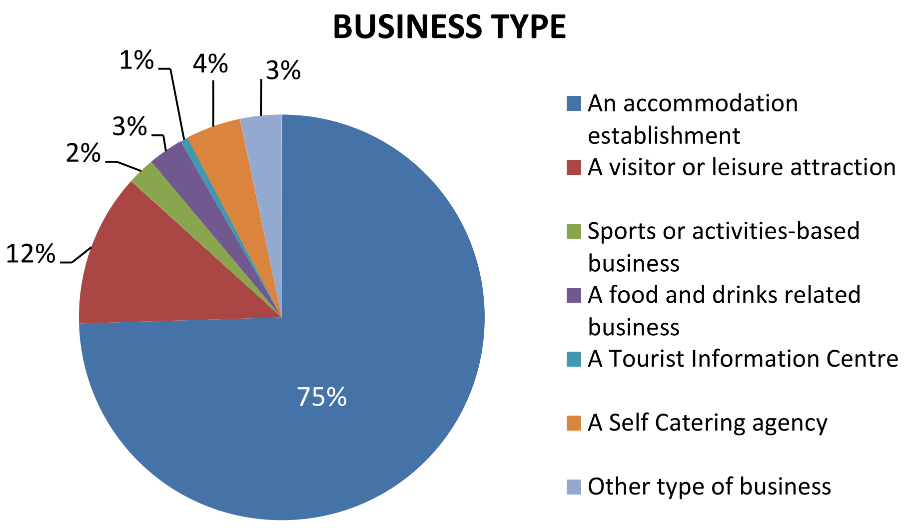
All the indications to date estimate that 2015 will be a good year for tourism in the UK, England and the South West. With the season now in full swing booking levels for July and the school summer holidays are looking positive despite the more unsettled weather conditions.

June 2015 – Our comment

This months survey has a sample of 181 regional businesses, representing a minimum of approximately 1,600 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



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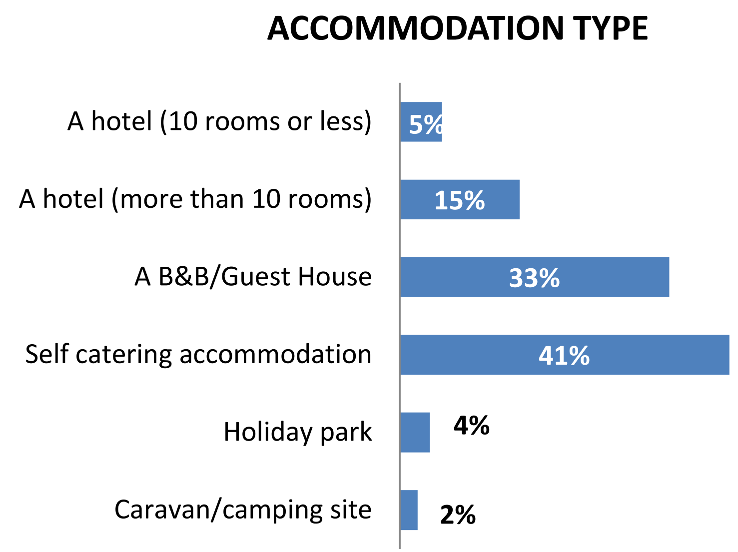

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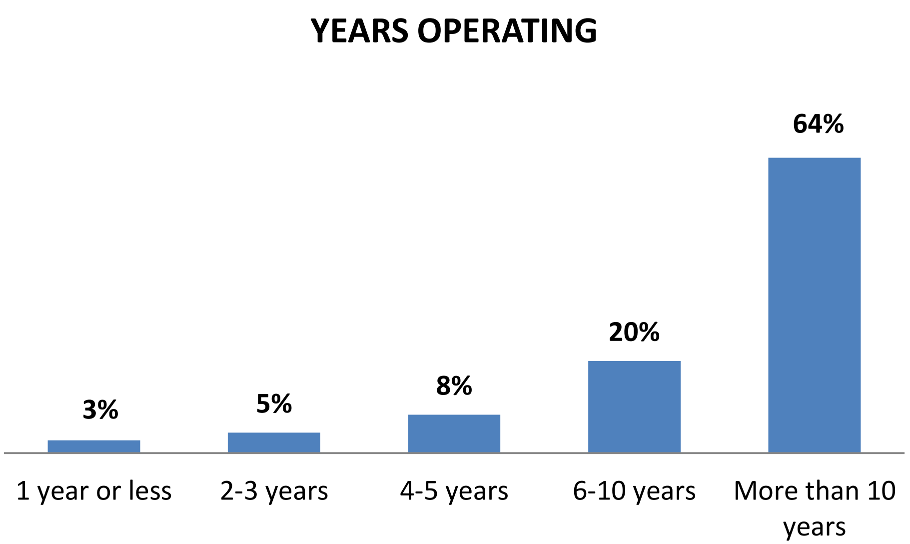

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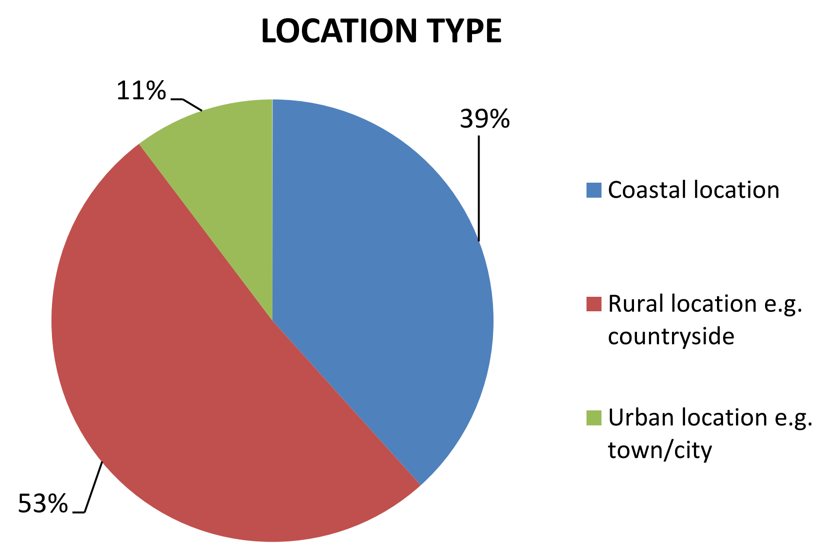

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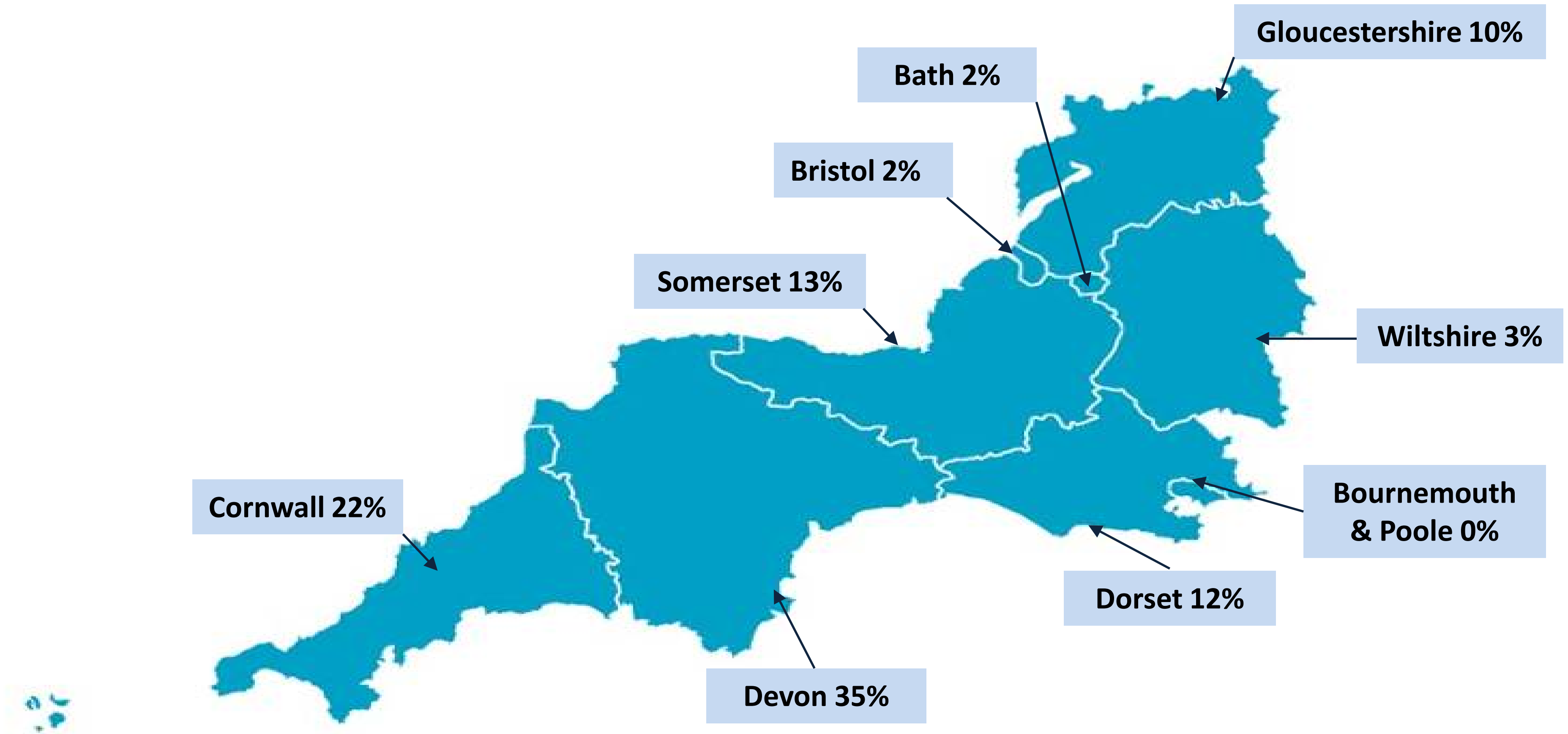
Sample profile - Business location



June 2015 – the month in context

The UK Weather

At the start of June an intense low pressure system brought rain and unseasonably strong winds to the UK. After this, the month was typified by rather quiet weather generally; after a spell of fine, settled weather there was rain or showers from time to time, and more unsettled conditions over Scotland, although generally much drier further south. Much of June was rather cool in an often westerly or north-westerly flow, but it became very warm at the end of the month.

Source: Met Office

The UK Economy

The UK economy grew faster than previously estimated in the first three months of the year, figures have shown.

The Office for National Statistics (ONS) said the economy grew by 0.4% in the quarter, compared with an earlier estimate of 0.3%.

Growth was boosted by a better performance from the construction industry than previously estimated.

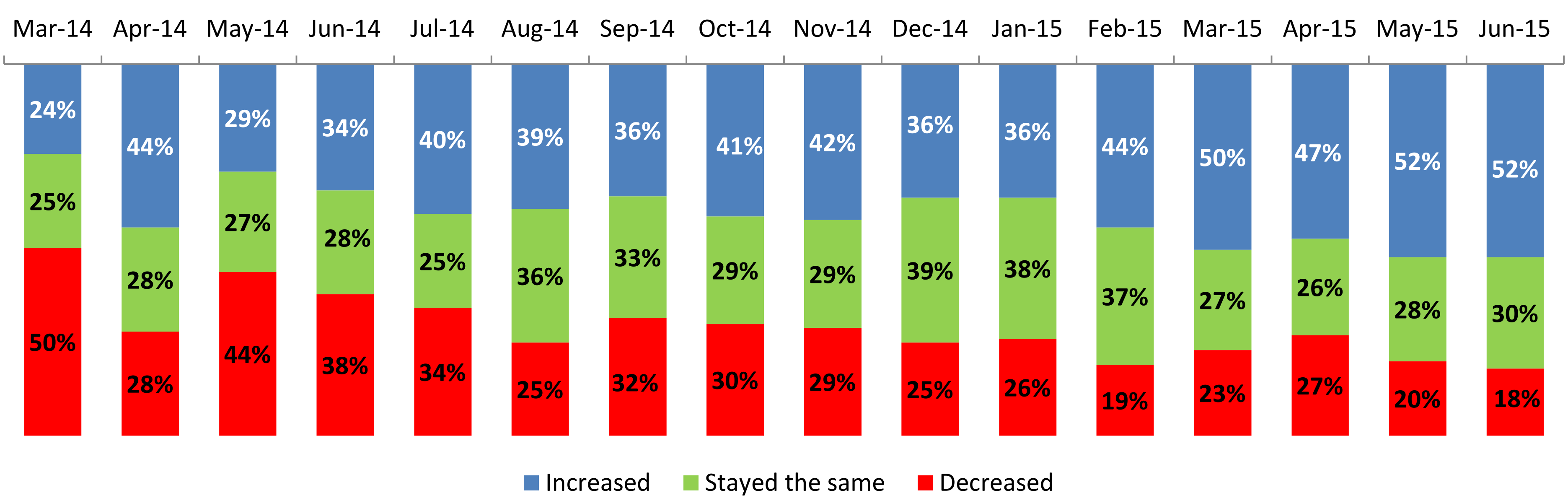
On an annual basis, the economy grew by 2.9% from the first quarter of 2014, up from a previous estimate of 2.4%. The latest revision is the third estimate for the period.

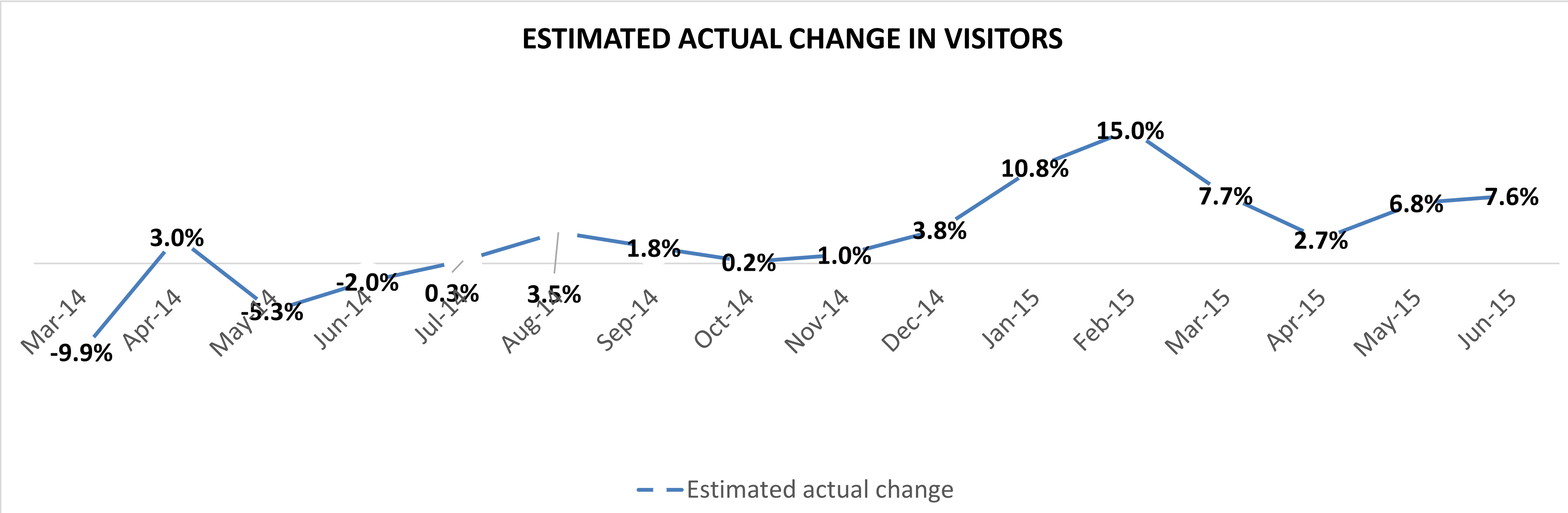
For 2014 as a whole, economic growth was revised up to 3% from 2.8%. That marked the fastest rate of economic growth since 2006.

The ONS figures showed household disposable income grew by 4.5% year-on-year, the fastest annual pace since the second quarter of 2001.

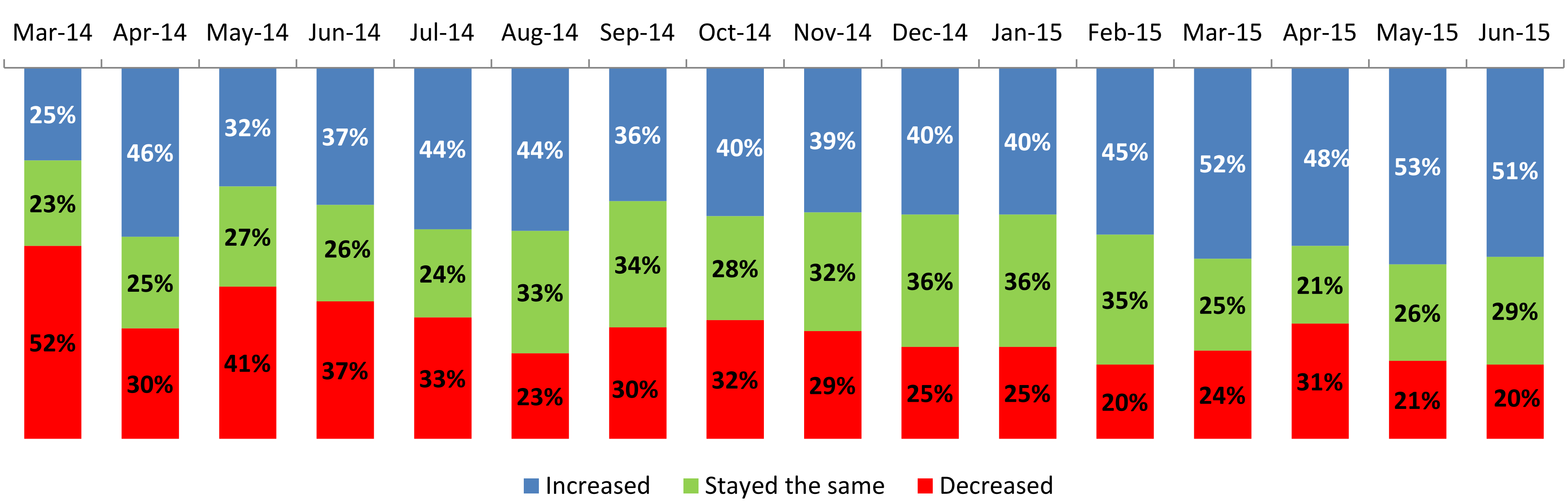
Source: BBC.co.uk

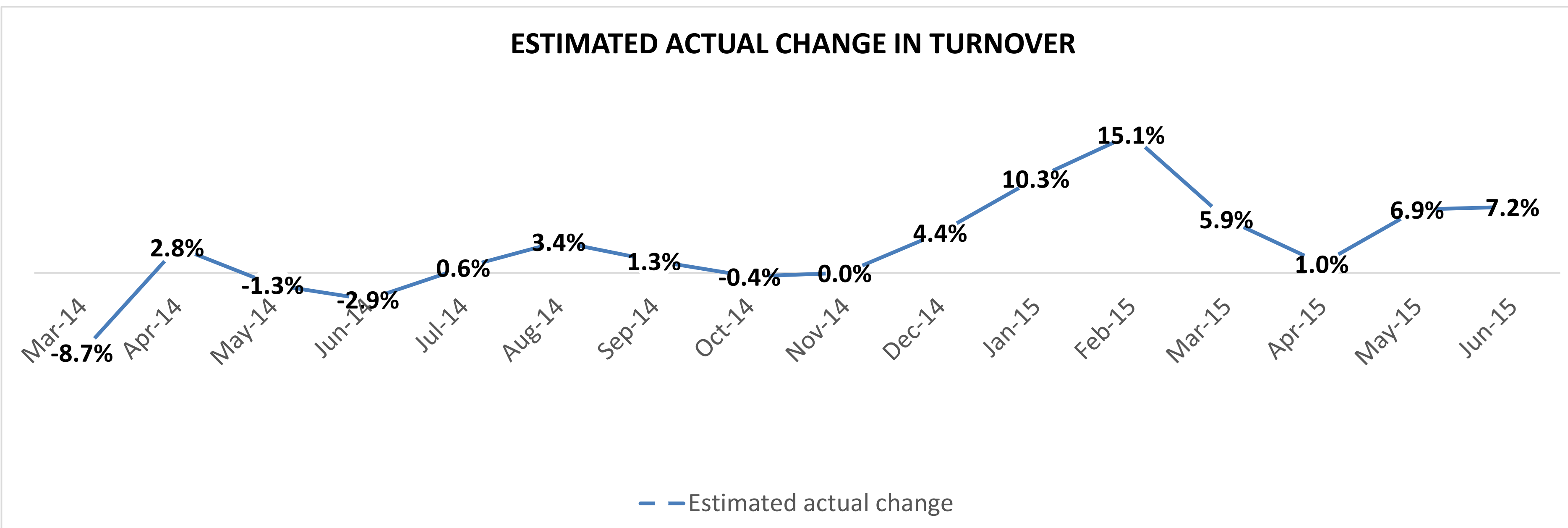
Regional performance – Number of visitors compared to previous year



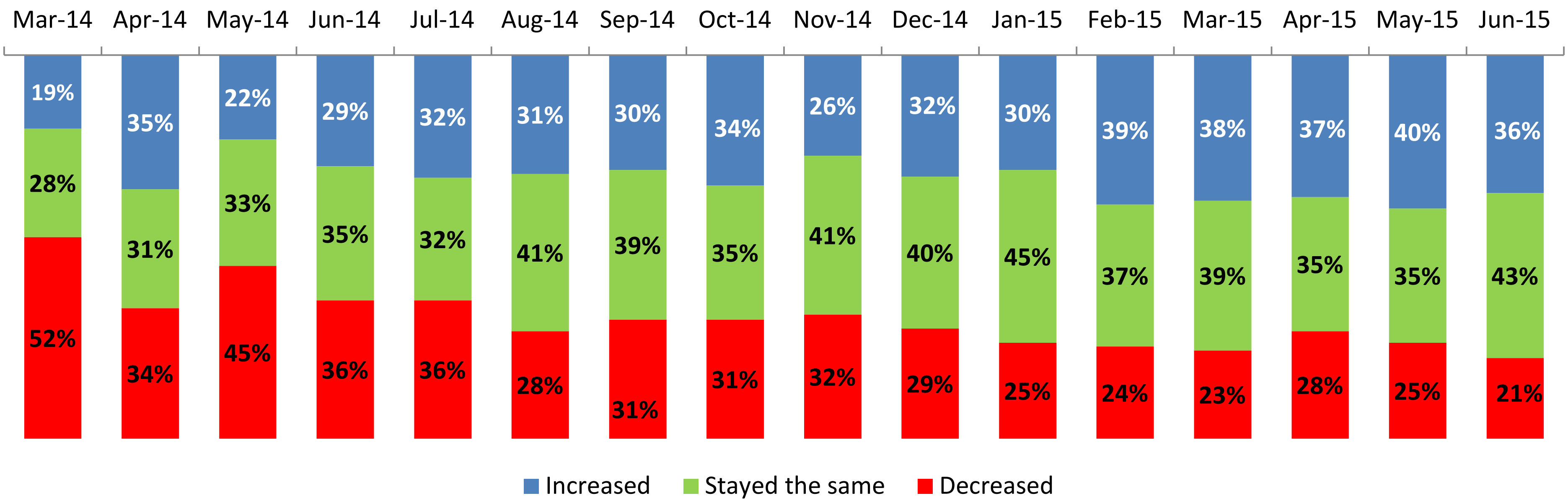


Regional performance – Turnover compared to previous year





Regional performance – Profitability compared to previous year



Occupancy increase and moderation of costs.

More customers, warmer weather, slight price increase.

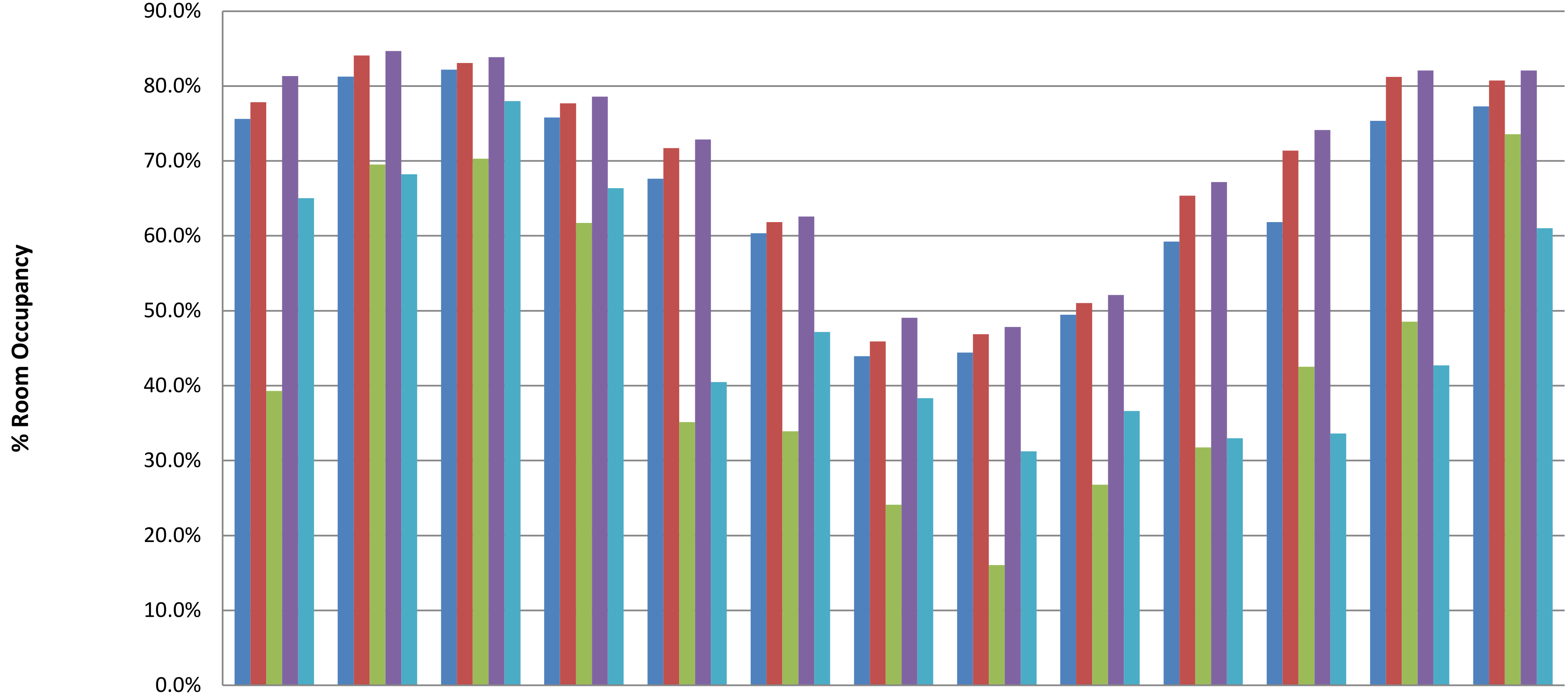
Longer stays by guests and higher prices for rooms.

Commissions to on-line booking sites. Higher food prices for locally sourced breakfast items.

Insufficient rise in rates to cover increased costs.

Much lower takings and we lowered prices to try to get last minute bookings.

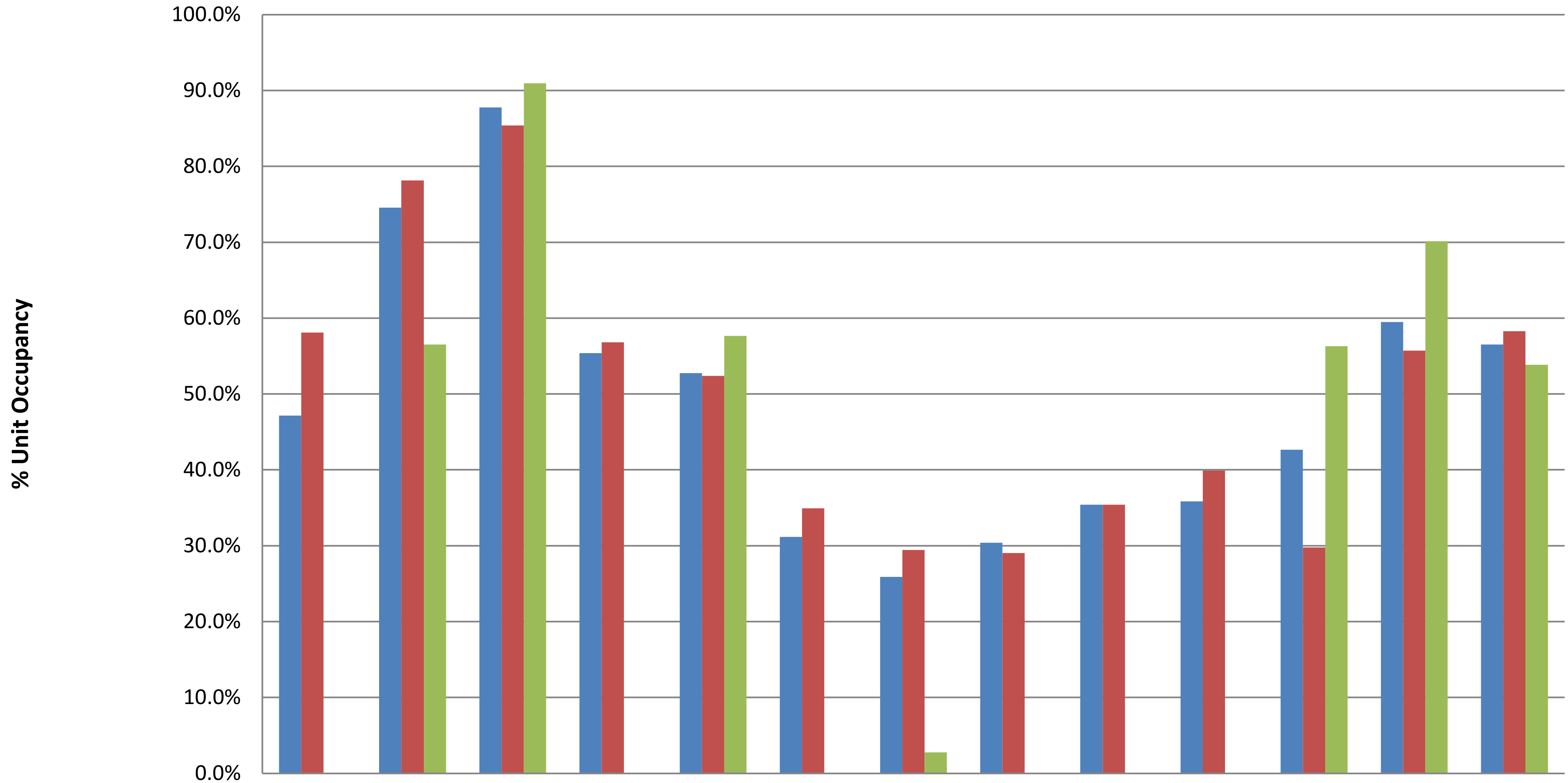
Regional performance – Serviced Room Occupancy



	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
South West	75.6%	81.3%	82.2%	75.8%	67.6%	60.3%	43.9%	44.4%	49.5%	59.2%	61.8%	75.3%	77.3%
All Hotels	77.8%	84.1%	83.1%	77.7%	71.7%	61.9%	45.9%	46.9%	51.0%	65.4%	71.4%	81.2%	80.7%
Hotels <11 Rooms	39.3%	69.5%	70.3%	61.7%	35.1%	33.9%	24.1%	16.0%	26.8%	31.8%	42.5%	48.5%	73.6%
Hotels >11 Rooms	81.3%	84.7%	83.8%	78.6%	72.8%	62.6%	49.1%	47.8%	52.1%	67.2%	74.1%	82.1%	82.1%
B&B/Guest House	65.0%	68.2%	78.0%	66.4%	40.5%	47.2%	38.3%	31.2%	36.6%	33.0%	33.6%	42.7%	61.0%

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.

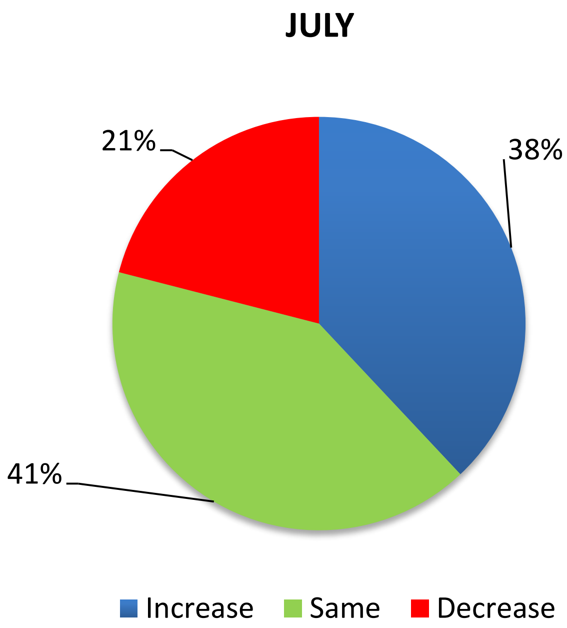
Regional performance – Self Catering Unit Occupancy

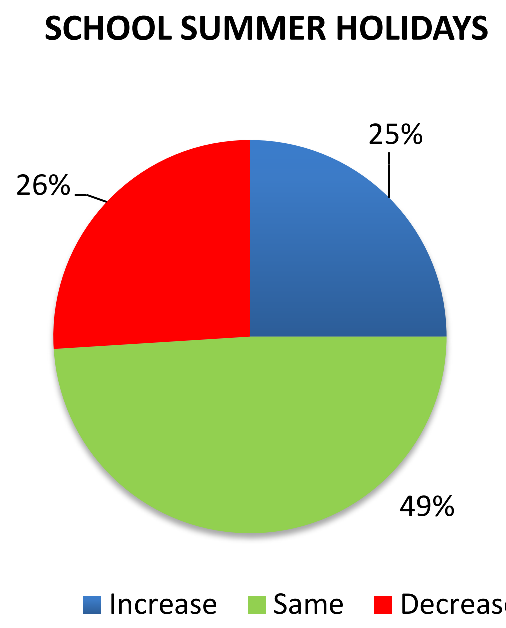


	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
South West	47.1%	74.6%	87.8%	55.4%	52.7%	31.2%	25.9%	30.4%	35.4%	35.9%	42.6%	59.5%	56.5%
Self Catering Accomm	58.1%	78.2%	85.4%	56.8%	52.4%	34.9%	29.5%	29.0%	35.4%	39.9%	29.8%	55.7%	58.3%
Holiday Parks		56.5%	91.0%		57.7%		2.8%				56.3%	70.1%	53.8%

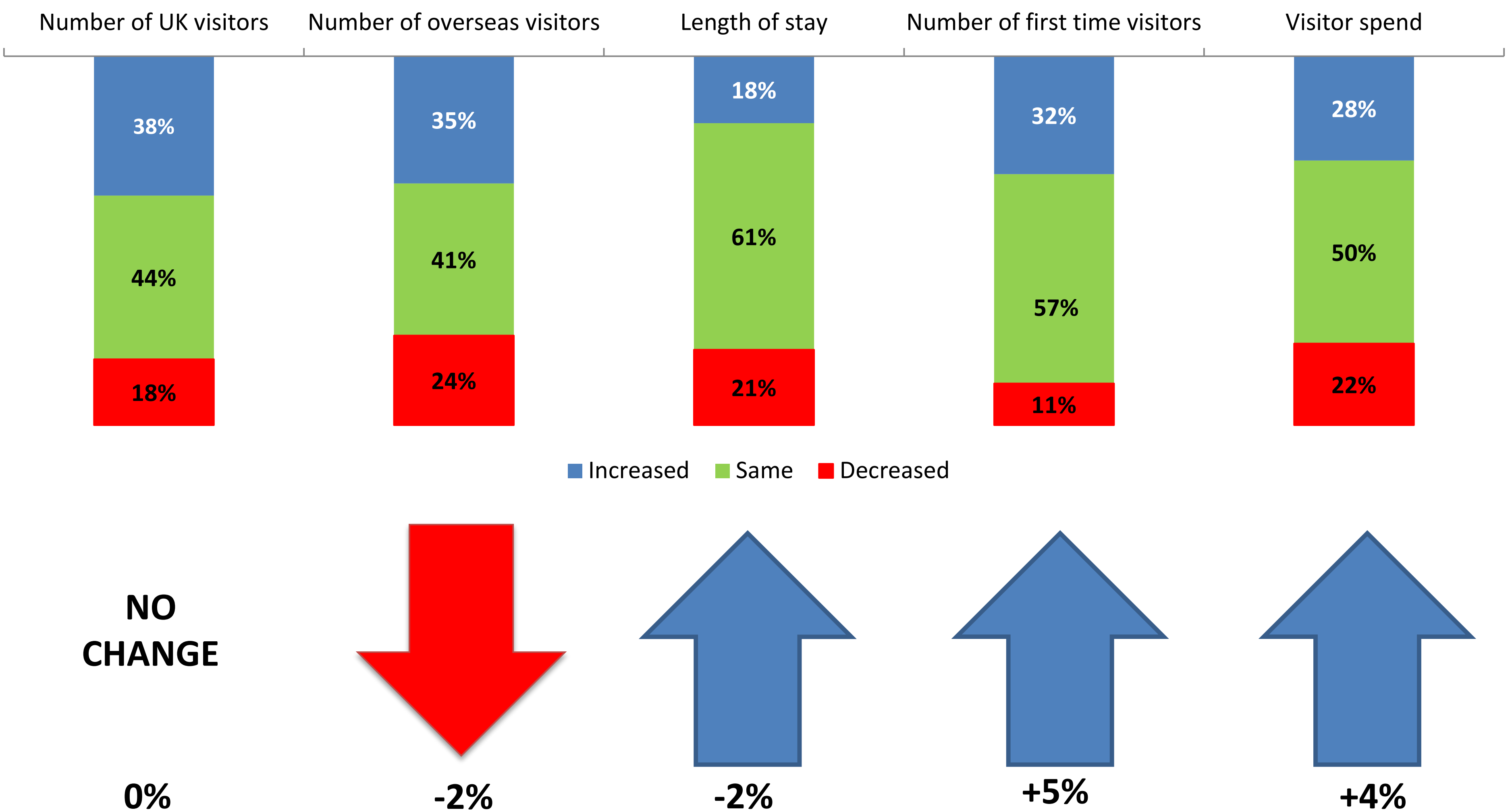
It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Regional outlook – Based upon forward booking levels



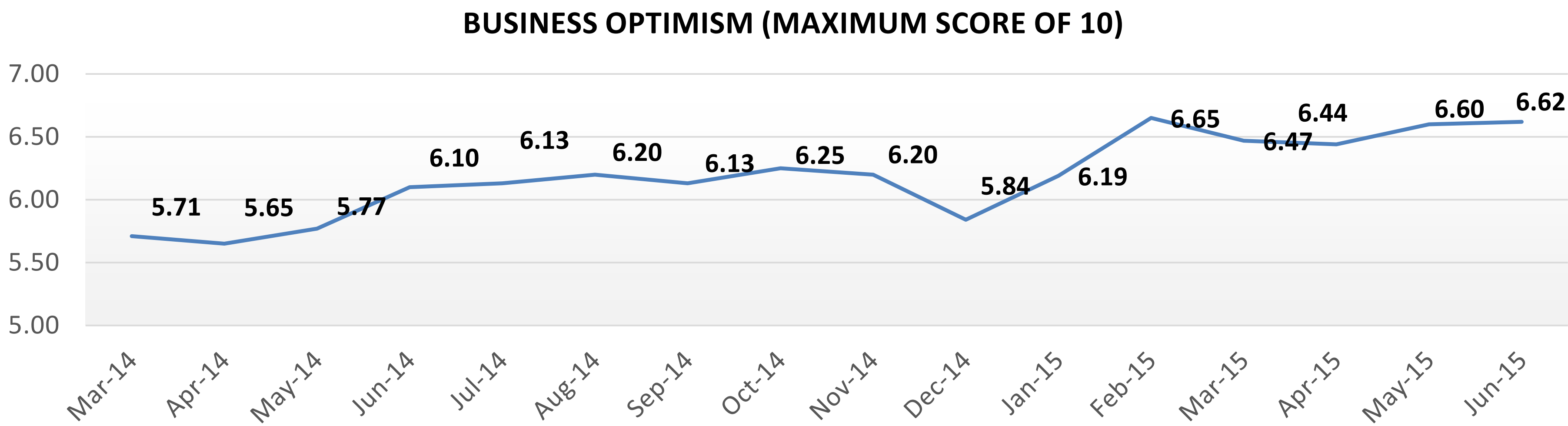


Regional – Visitor characteristics compared to previous year



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



Ilfracombe has brought in several new events at weekends which have attracted additional visitors. Art galleries have also opened or changed to larger venues.

As long as the weather is good it can be a really good year

Sunshine

Booking have taken off in July. Hot weather and general feel good factor. Also a lot of hotels and B&B's have given up.

Euro is 15% down versus the pound which means its more expensive to come to the UK and more UK customers going to Europe as its 15% cheaper

Business still very up and down. June and July are strong, August is slow to pick up, September is okay and October is looking weak.

Not optimistic due to the "Gove effect" back in force term time after summer break. Expect to be dead September onwards weekday term time and will again shut cafe weekdays and only have coffee bar open.

Area Performance - June (2015 v 2014)

VISITOR NUMBERS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	52%	50%	0%	25%	51%	52%	59%	39%	75%	53%	60%
Stayed the same	30%	50%	0%	50%	33%	19%	27%	50%	0%	37%	40%
Decreased	18%	0%	100%	25%	15%	29%	14%	11%	25%	11%	0%
Base	179	<5	<5	<5	39	63	22	18	<5	19	5

TURNOVER	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	51%	50%	0%	25%	49%	54%	55%	47%	50%	50%	60%
Stayed the same	29%	50%	0%	50%	33%	21%	18%	41%	25%	33%	40%
Decreased	20%	0%	100%	25%	18%	25%	27%	12%	25%	17%	0%
Base	175	<5	<5	<5	39	61	22	17	<5	18	5

PROFITABILITY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	36%	25%	0%	0%	39%	36%	36%	22%	50%	40%	60%
Stayed the same	43%	75%	0%	75%	42%	39%	36%	56%	25%	40%	20%
Decreased	21%	0%	0%	25%	19%	25%	14%	22%	25%	20%	20%
Base	164	<5	<5	<5	36	59	22	18	<5	15	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	38%	25%	0%	25%	47%	39%	45%	19%	25%	29%	20%
The same	41%	75%	0%	50%	38%	32%	27%	69%	50%	41%	80%
Not as good	21%	0%	100%	25%	15%	29%	18%	13%	25%	29%	0%
Base	164	<5	<5	<5	34	59	22	16	<5	17	5

SCHOOL SUMMER HOLIDAYS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Better	25%	25%	0%	25%	18%	29%	32%	19%	25%	13%	25%
The same	49%	75%	0%	50%	59%	47%	41%	63%	0%	44%	25%
Not as good	26%	0%	100%	25%	24%	24%	18%	19%	75%	44%	50%
Base	158	<5	<5	<5	34	55	22	16	<5	16	<5

*** Sample less than 20**

Business Type Performance – June 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%	50%	73%	25%	40%	-	100%	50%	50%	74%	52%	33%	40%	100%	-
Stayed the same	30%	32%	14%	75%	20%	-	0%	13%	50%	26%	32%	35%	40%	0%	-
Decreased	18%	19%	14%	0%	40%	-	0%	38%	0%	0%	16%	31%	20%	0%	-
Base	179	133	22	<5	5	0	<5	8	6	27	44	54	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	51%	50%	55%	50%	40%	-	100%	63%	50%	78%	50%	31%	80%	100%	-
Stayed the same	29%	27%	30%	50%	20%	-	0%	25%	50%	19%	33%	31%	0%	0%	-
Decreased	20%	22%	15%	0%	40%	-	0%	13%	0%	4%	17%	37%	20%	0%	-
Base	175	131	20	<5	5	0	<5	8	6	27	42	54	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	36%	35%	39%	50%	0%	-	-	67%	33%	58%	18%	31%	80%	67%	-
Stayed the same	43%	43%	44%	25%	100%	-	-	0%	50%	35%	63%	35%	20%	33%	-
Decreased	21%	22%	17%	25%	0%	-	-	33%	17%	8%	20%	35%	0%	0%	-
Base	164	126	18	<5	<5	0	0	6	6	26	40	52	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	38%	37%	20%	67%	20%	-	-	63%	50%	44%	38%	31%	60%	33%	-
Same	41%	41%	70%	33%	20%	-	-	38%	0%	41%	40%	43%	40%	33%	-
Worse	21%	22%	10%	0%	60%	-	-	0%	50%	15%	22%	26%	0%	33%	-
Base	164	134	10	<5	5	0	0	8	<5	27	45	54	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	25%	21%	33%	100%	25%	-	-	50%	25%	35%	23%	11%	40%	0%	-
Same	49%	52%	56%	0%	25%	-	-	50%	25%	50%	44%	58%	40%	67%	-
Worse	26%	28%	11%	0%	50%	-	-	0%	50%	15%	33%	30%	20%	33%	-
Base	158	130	9	<5	<5	0	0	8	<5	26	43	53	5	<5	0

*** Sample less than 20**

Business type and area occupancy levels

The tables below show the estimated occupancy for June 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

June 15	% RM OCCUPANCY	SAMPLE
South West	77.29%	64
All hotels	80.74%	22
Hotel 10 rooms or less	73.55%	7
Hotel more than 10 rooms	82.07%	15
B&B	59.64%	24
Guest House	62.11%	18
Former Avon	84.70%	7
Cornwall	67.44%	12
Devon	78.40%	27
Dorset	66.53%	<5
Gloucestershire	77.18%	<5
Somerset	52.43%	5
Wiltshire	71.26%	5

SELF-CATERING UNIT OCCUPANCY

June 15	% UNIT OCC	SAMPLE
South West	56.53%	58
Self-catering accommodation	58.26%	53
Holiday Park	53.84%	5
Former Avon	34.31%	<5
Cornwall	64.10%	15
Devon	52.91%	17
Dorset	42.93%	9
Gloucestershire	98.15%	<5
Somerset	75.24%	9
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**

The South West Research Company

South West based current and previous clients include;

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The South West Tourism Alliance

VisitCornwall

DORSET from the country to the coast

THERMAE BATH SPA

National Trust

national coastal tourism academy

SOMERSET County Council

South West Coast Path Association

Wye Valley & Forest of Dean Tourism Association

Destination Bristol