

“How’s Business?” May 2015



An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd

July 2015



Executive Summary

Compared to May 2015 businesses reported that:

May 2015 Visitor levels:

Increased 52% / Stayed the same 28% / Decreased 20%
Estimated actual change in visitors +6.8%

May 2015 Turnover levels:

Increased 53% / Stayed the same 26% / Decreased 21%
Estimated actual change in turnover +6.9%

May 2015 Profitability was:

Higher 40% / Stayed the same 35% / Decreased 25%

July 2015 Outlook is:

Better 38% / Same as last year 32% / Not as good 29%

School summer holidays 2015 Outlook is:

Better 24% / Same as last year 42% / Not as good 34%

Optimism

Optimism score is 6.60 out of a possible 10

May 2015 – Our comment

Another positive performance during May for tourism businesses in the South West with estimated increases of in excess of +6% in both visitors and turnover (+6.8% and +6.9% respectively) compared to the same time last year. Over half of businesses reported increases in both visitors (52%) and turnover this month (53%) as is reflected in the average percentage change estimates.

Visit England have recently published domestic staying visitor results from the GBTS survey for the first quarter of 2015. These, like the South West How's Business Survey data show a positive start to the year with a 22% uplift in the volume of trips taken and a 24% uplift in visitor expenditure within England – though it should always be noted to treat any data from the early months of the year with some caution due to low trip volumes. Again, while the magnitude of the increase in part reflects a poor start to 2014, the number of trips taken in England in the quarter (19.7 million) is at its highest level since 2008, while the amount spent (£3.5 billion) is a record for the quarter in nominal terms.

In contrast, the volume of day visits in England is estimated to have decreased by -8% in the four months to April 2015 and value by -3% compared to the same period in 2014.

Visit Britain report that the UK welcomed 3.14 million visits in April, 6% more than in the same month last year. Visits were tracking at record levels for the four months to April, having exceeded 10 million for the first time. Visits between May 2014 and April 2015 were 4% higher than during the previous twelve months – again setting a new record.

As the main season gets underway the year does appear to be shaping up positively within the South West with the outlook for July and the main school summer holidays looking reasonable at the moment based upon forward booking data collected during June and the current heat wave being experienced across the UK can only help improve bookings further.

May 2015 – Our comment

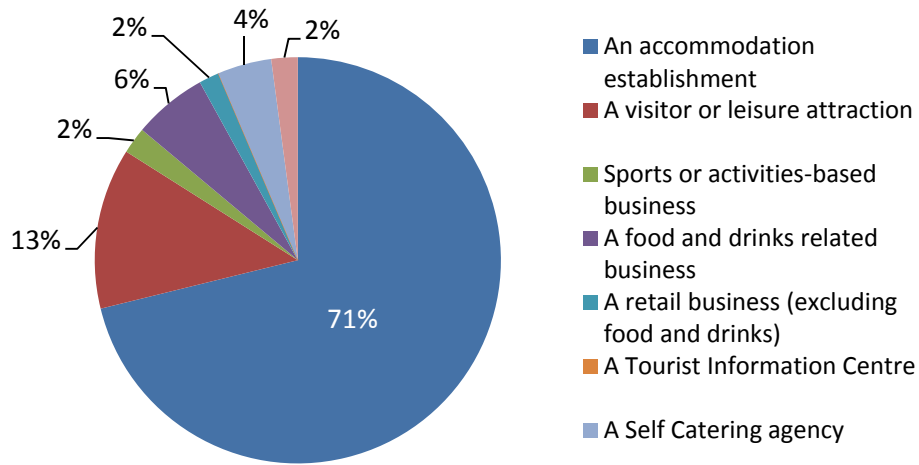
This months survey has a sample of 187 regional businesses, representing a minimum of approximately 1,285 properties when self-catering agency properties are also considered.

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.

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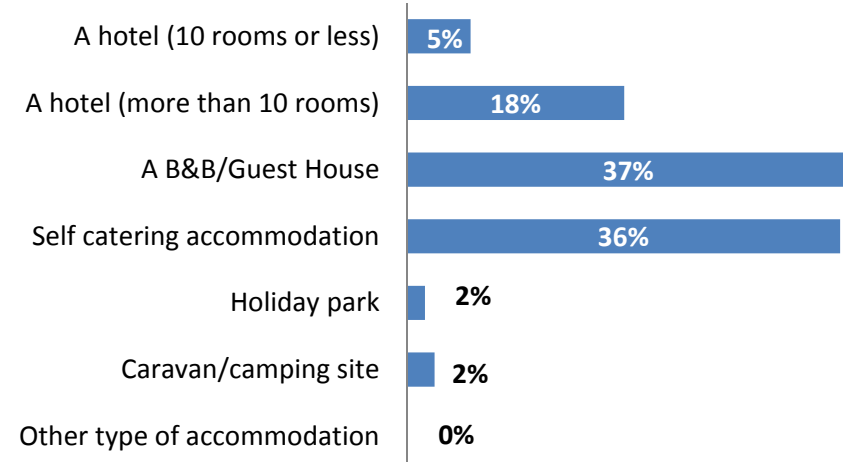
Sample profile

BUSINESS TYPE



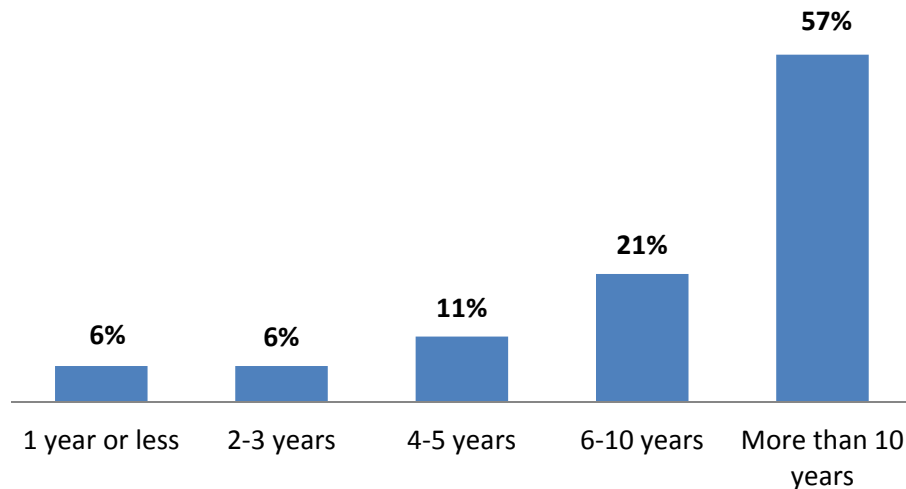
Base: 187

ACCOMMODATION TYPE



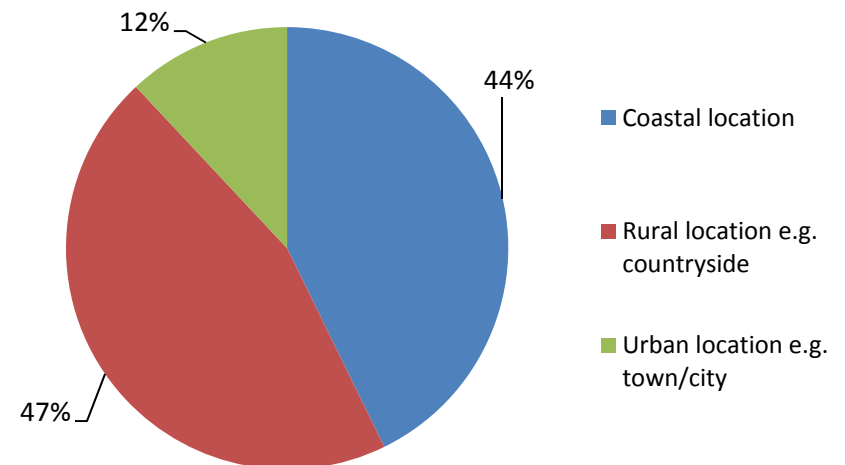
Base: 133

YEARS OPERATING



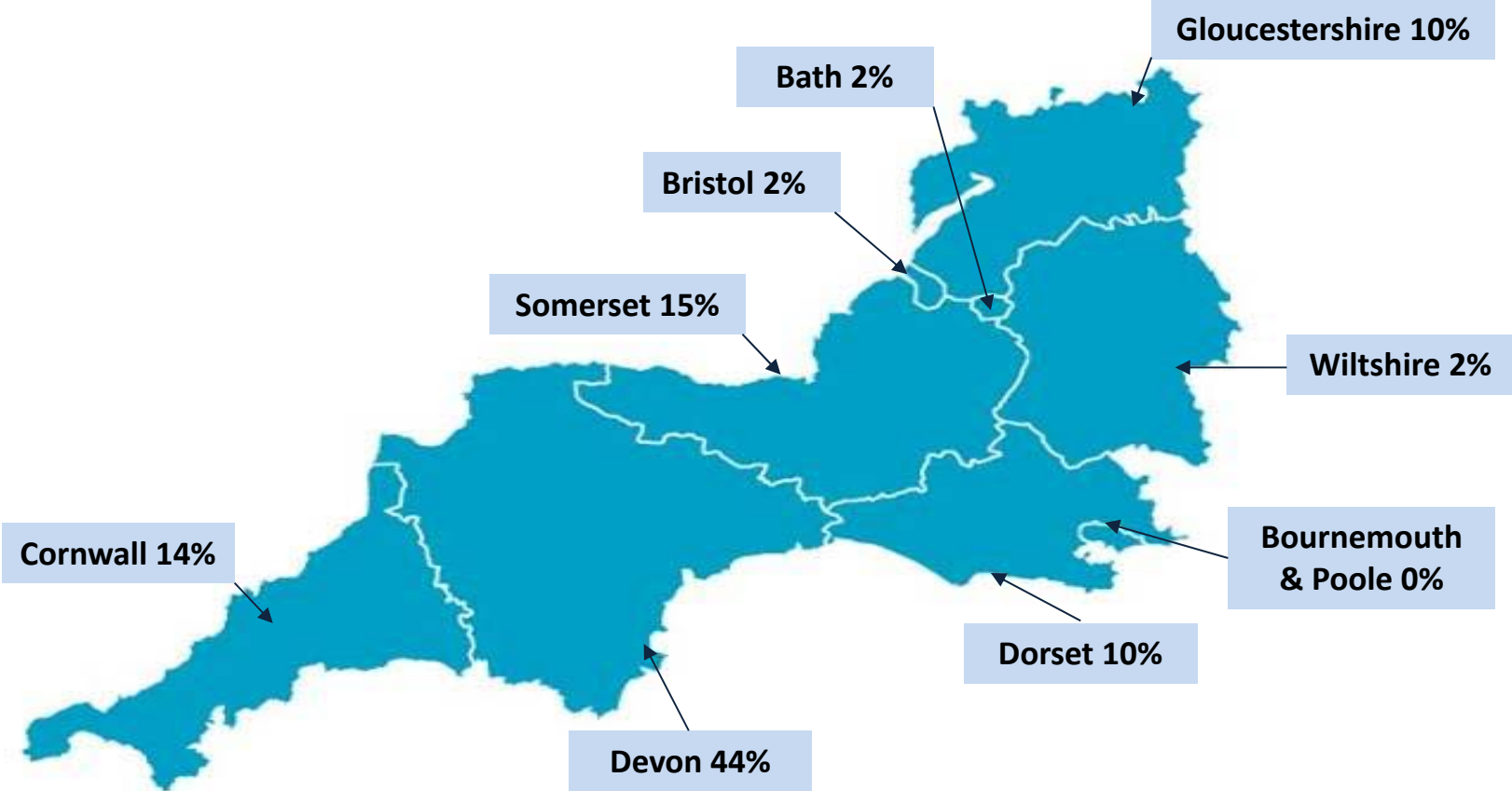
Base: 187

LOCATION TYPE



Base: 187

Sample profile - Business location



May 2015 – the month in context

The UK Weather

At the start of the month the UK was in a rather unsettled weather type with some heavy rain in western and northern areas. This set the scene for the month with a predominantly north-westerly airflow bringing rather wet and cool conditions - especially during the first half. There were only occasional short fine spells mainly in the south. Daytime temperatures were particularly suppressed and nowhere reached 24 °C during the month.

Source: Met Office

The UK Economy

The Bank of England cut its 2015 growth forecast from 2.9% to 2.5%, and for next year from 2.9% to 2.6%, as governor Mark Carney unveiled his quarterly inflation report.

It backed expectations that interest rates may rise in about a year's time.

Mr Carney also said deflation could emerge during the year, but that inflation was expected to pick up notably towards the end of the year.

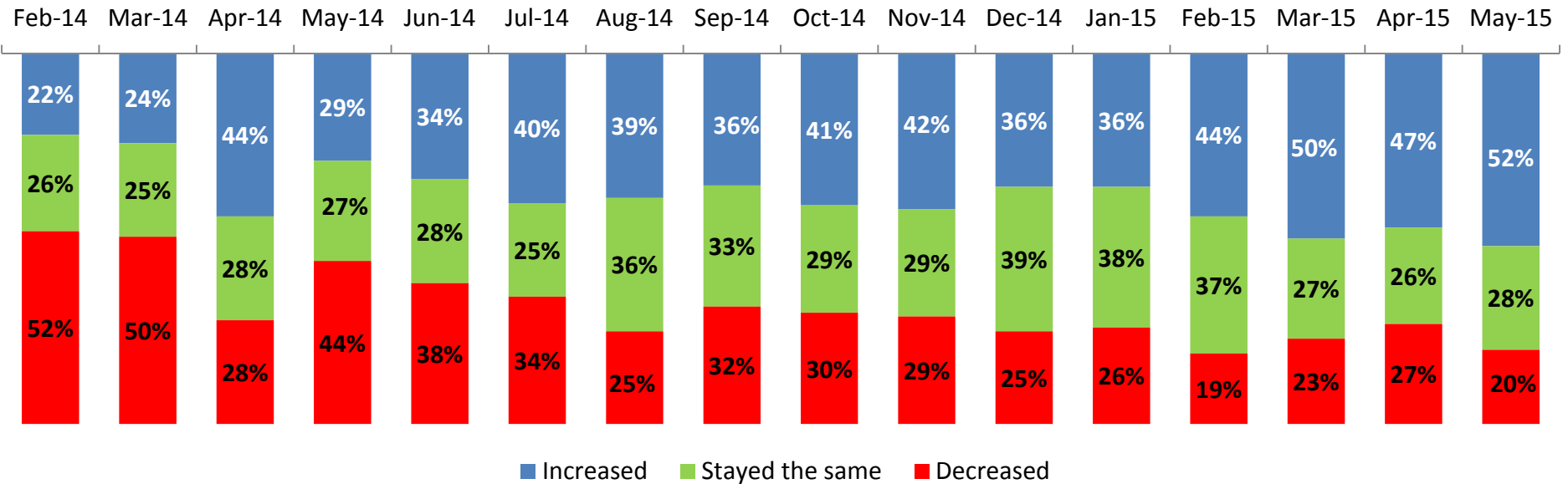
Inflation was 0% in March for a second month, well below the Bank's 2% target.

The figure marks the lowest rate of Consumer Prices Index inflation since estimates of the measure began in 1988.

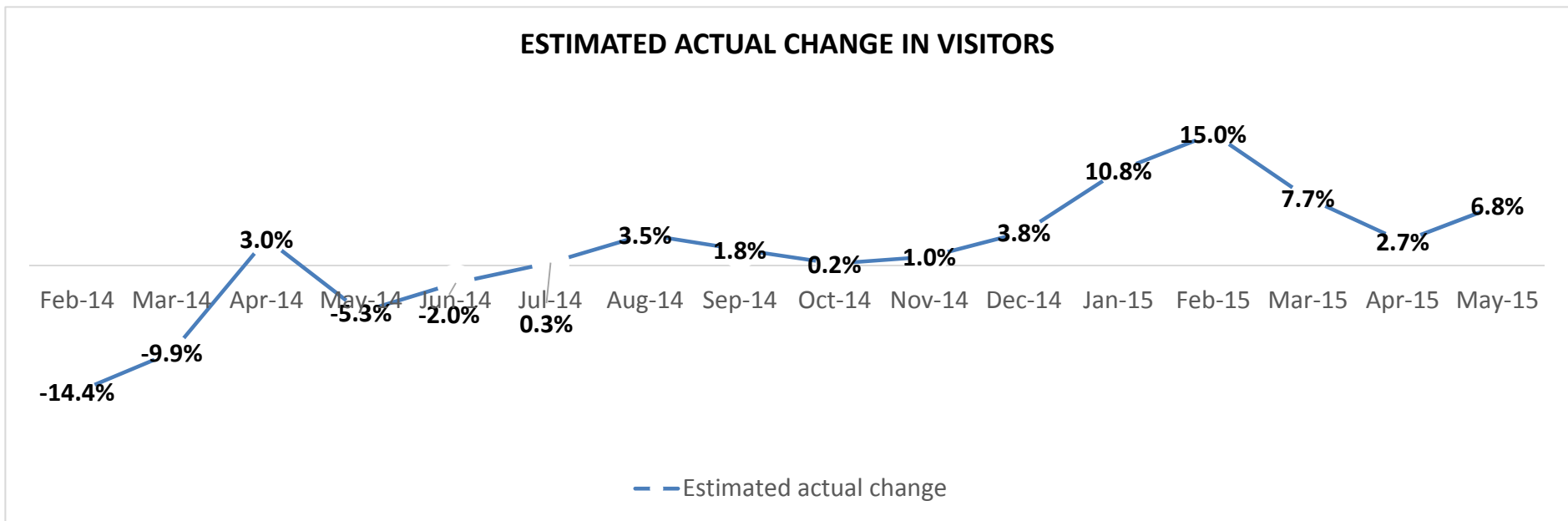
The Bank's base rate has been at a record low of 0.5% for more than six years.

Source: bbc.co.uk

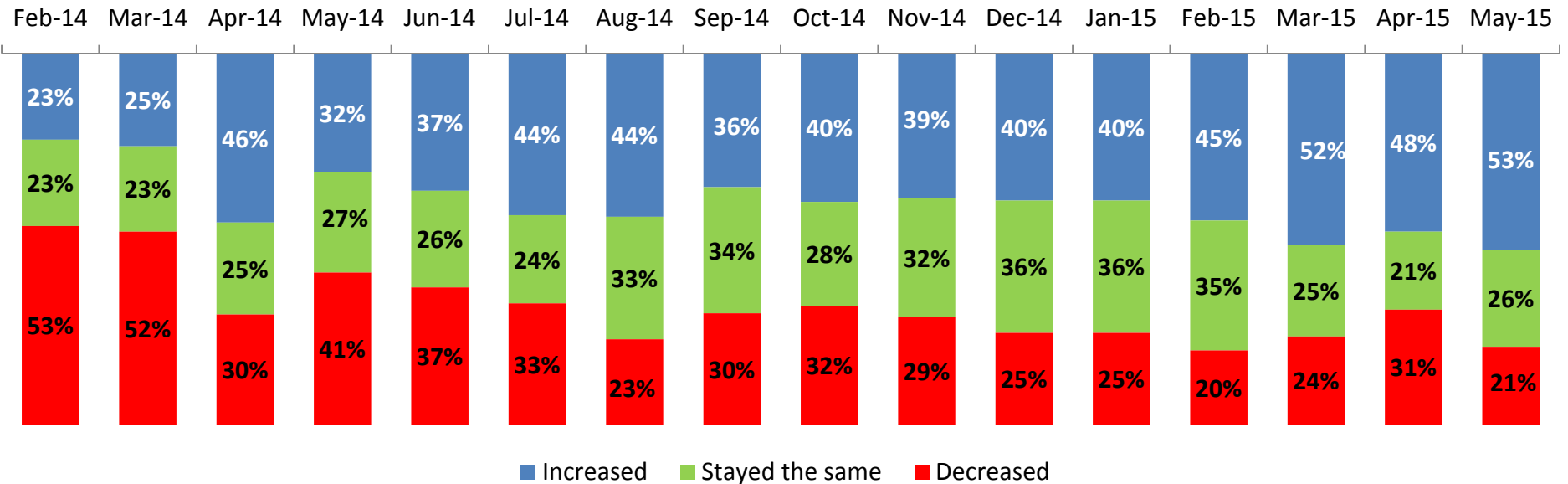
Regional performance – Number of visitors compared to previous year



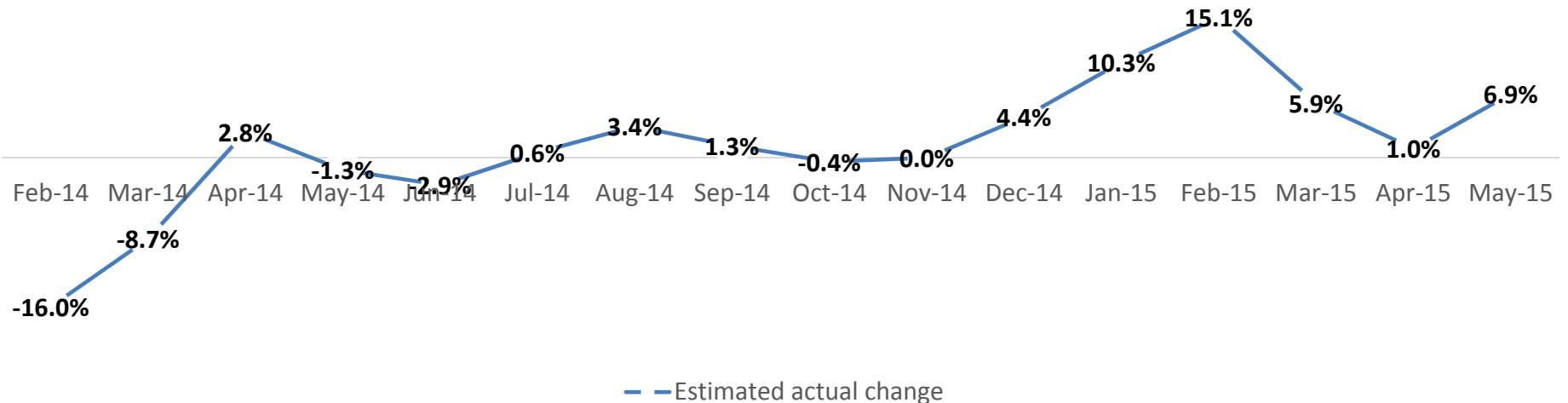
ESTIMATED ACTUAL CHANGE IN VISITORS



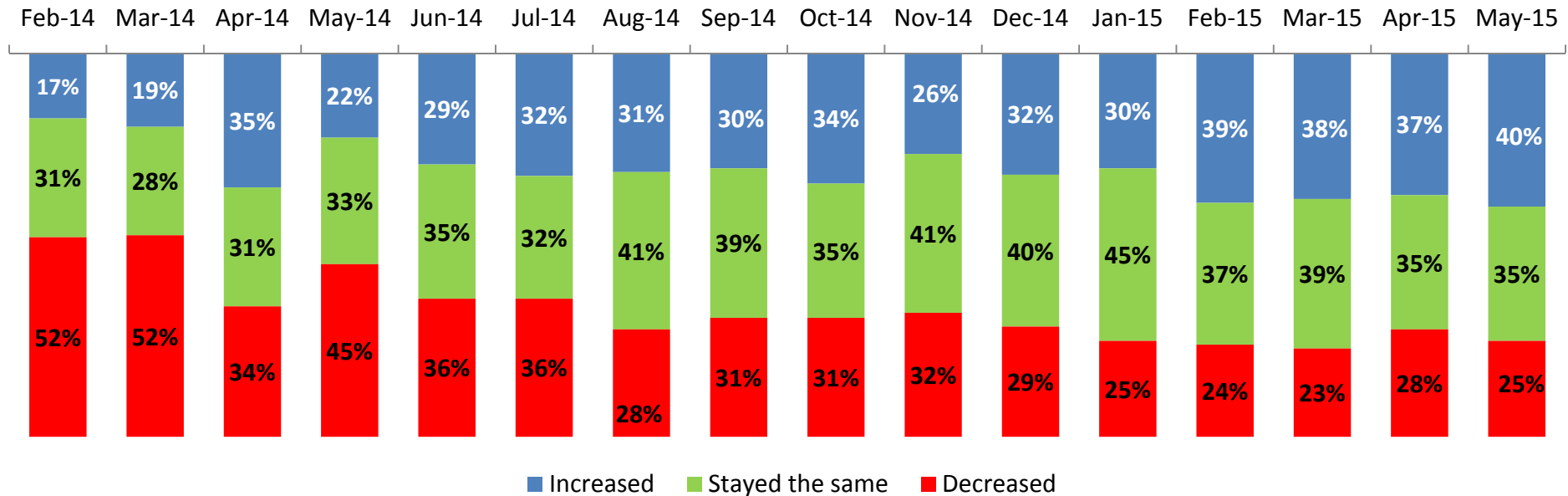
Regional performance – Turnover compared to previous year



ESTIMATED ACTUAL CHANGE IN TURNOVER



Regional performance – Profitability compared to previous year



**Increase in turnover,
higher spend per head**

**More longer
staying guests**

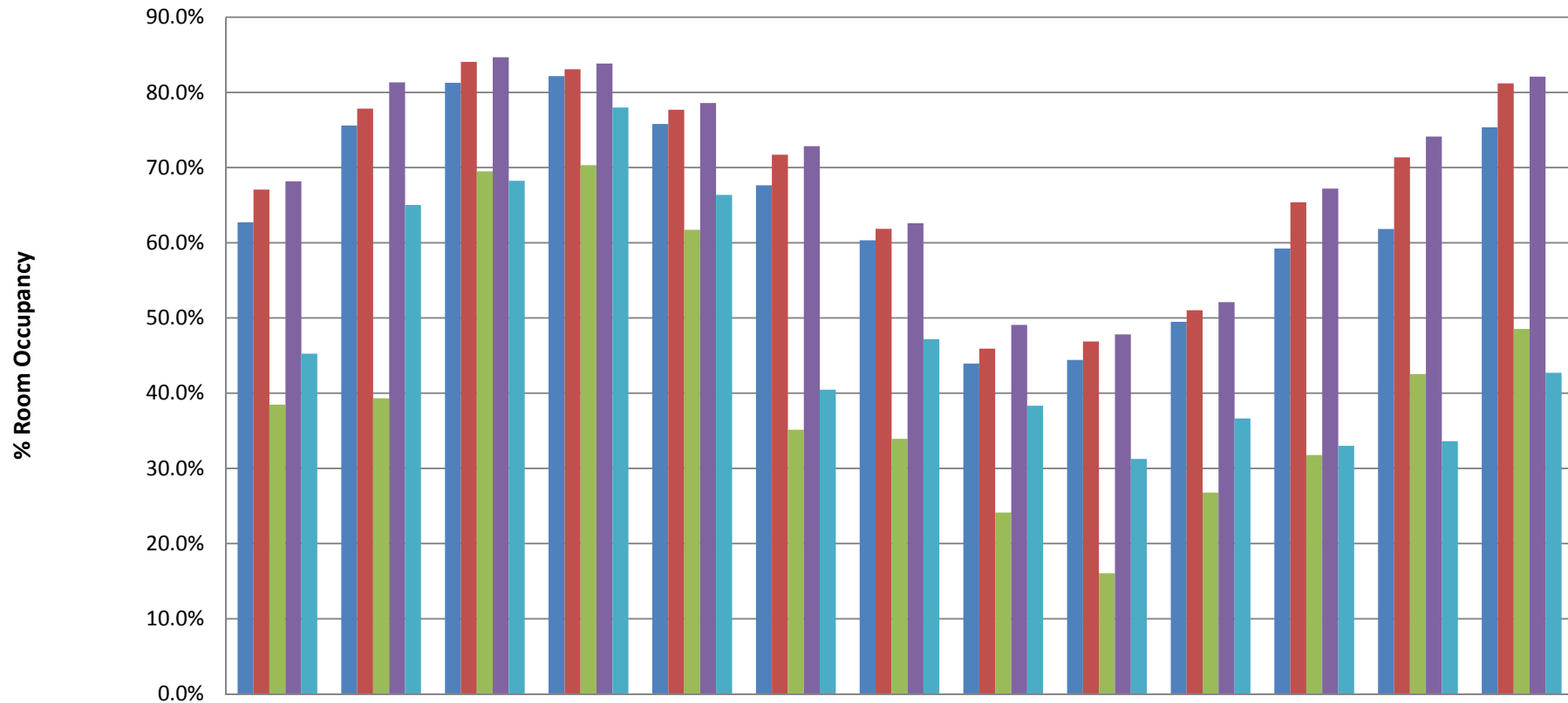
**Greater yield on food
and beverages together
with events**

**Insufficient trade to
offset operational costs**

**More online bookings
and therefore higher
commission levels**

**Visitors looking for last
minute reductions**

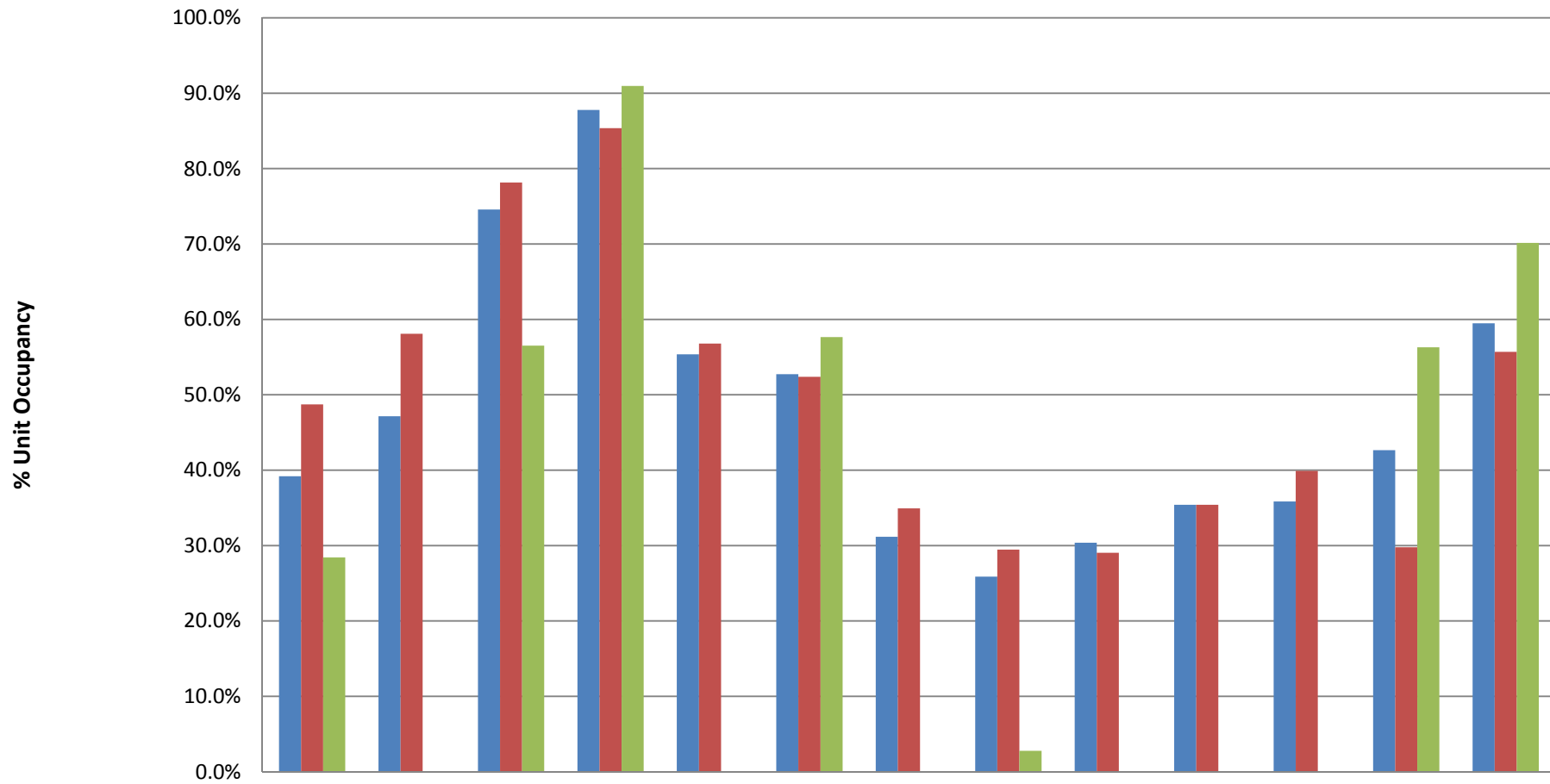
Regional performance – Serviced Room Occupancy



	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
South West	62.7%	75.6%	81.3%	82.2%	75.8%	67.6%	60.3%	43.9%	44.4%	49.5%	59.2%	61.8%	75.3%
All Hotels	67.1%	77.8%	84.1%	83.1%	77.7%	71.7%	61.9%	45.9%	46.9%	51.0%	65.4%	71.4%	81.2%
Hotels <11 Rooms	38.5%	39.3%	69.5%	70.3%	61.7%	35.1%	33.9%	24.1%	16.0%	26.8%	31.8%	42.5%	48.5%
Hotels >11 Rooms	68.2%	81.3%	84.7%	83.8%	78.6%	72.8%	62.6%	49.1%	47.8%	52.1%	67.2%	74.1%	82.1%
B&B/Guest House	45.3%	65.0%	68.2%	78.0%	66.4%	40.5%	47.2%	38.3%	31.2%	36.6%	33.0%	33.6%	42.7%

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

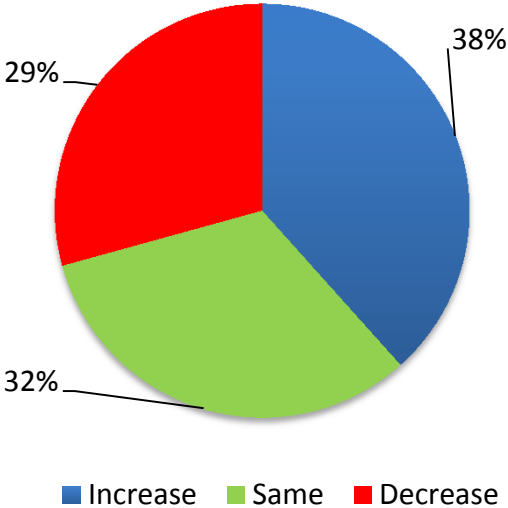


	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
■ South West	39.2%	47.1%	74.6%	87.8%	55.4%	52.7%	31.2%	25.9%	30.4%	35.4%	35.9%	42.6%	59.5%
■ Self Catering Accommodation	48.7%	58.1%	78.2%	85.4%	56.8%	52.4%	34.9%	29.5%	29.0%	35.4%	39.9%	29.8%	55.7%
■ Holiday Parks	28.4%		56.5%	91.0%		57.7%		2.8%				56.3%	70.1%

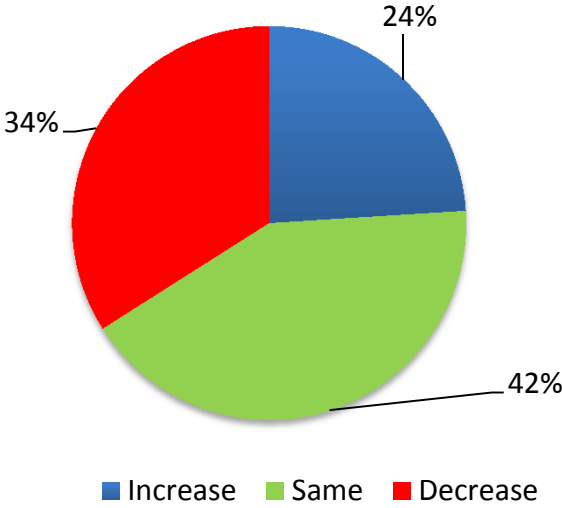
It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Regional outlook – Based upon forward booking levels

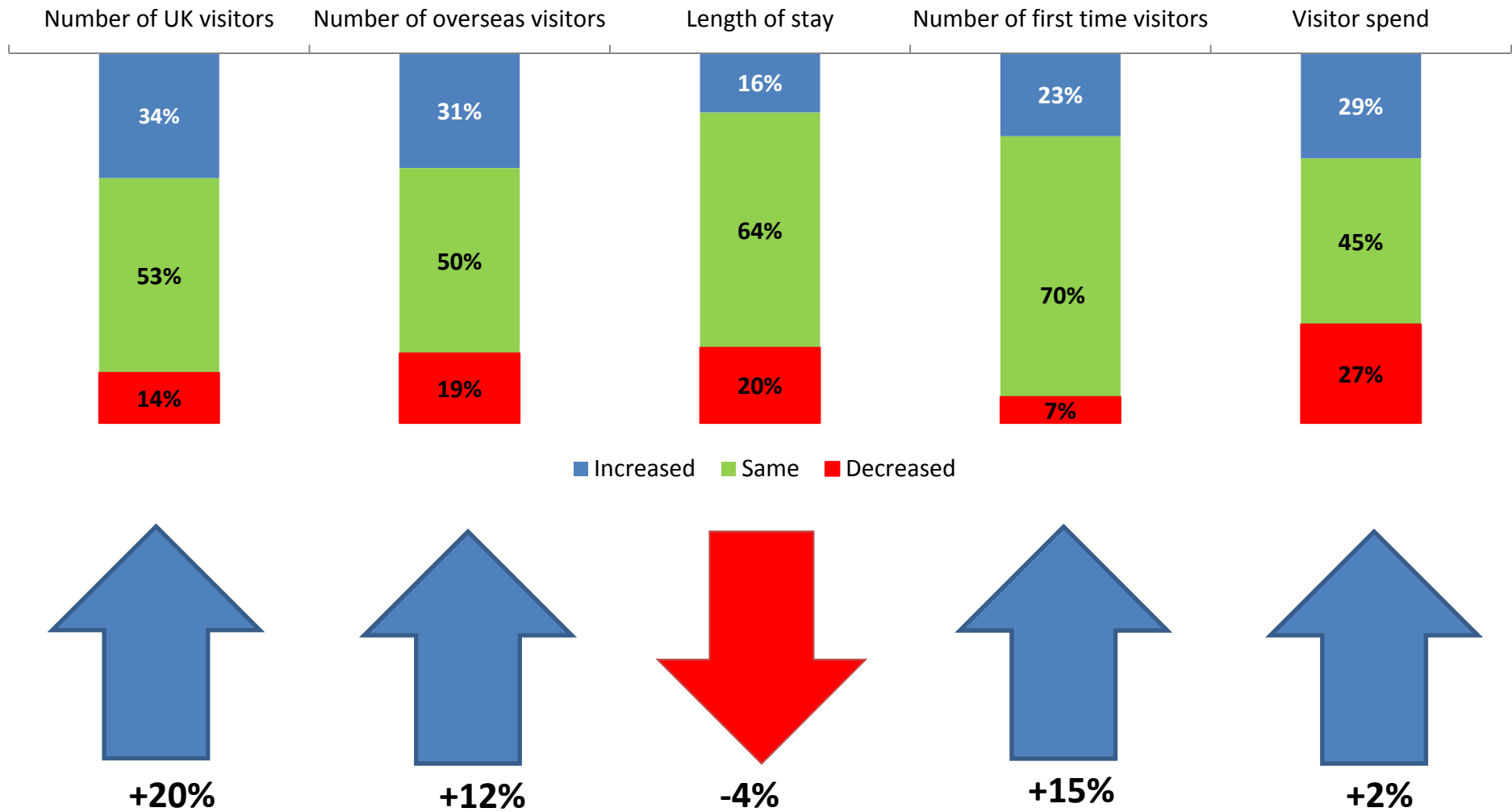
JULY



SCHOOL SUMMER HOLIDAYS



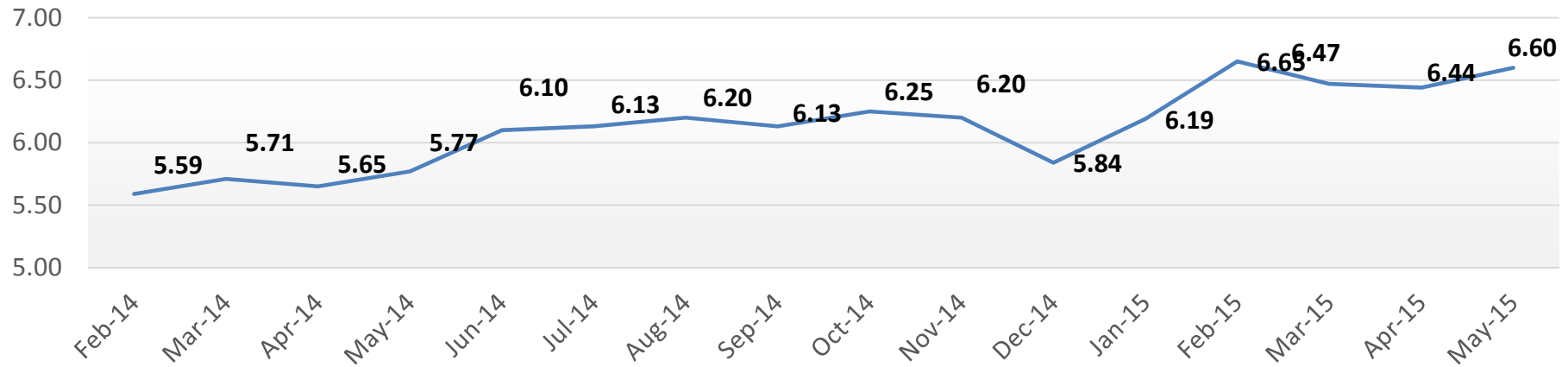
Regional – Visitor characteristics compared to previous year



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)



Given decent weather in the summer encouraging last minute visitors this should be an excellent season.

Good weather really helps!

Business is on the up but the road works are a nightmare with visitors complaining of getting lost in the many diversions, it has to be done sometime !!!

£/euro exchange rate means it is cheaper for Brits to go abroad and more expensive for Europeans to visit here. A double whammy!

Gove Gove Gove Gove! All our increase in turnover was all due to weekends and half term. Midweek term time was dead - no children Our weekday term time visitors are "mature mainly with dogs"

Children not allowed out of school during school term

Area Performance - May (2015 v 2014)

<u>VISITOR NUMBERS</u>	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Increased	52%	33%	-	33%	63%	55%	35%	50%	75%	40%	100%
Stayed the same	28%	67%	100%	33%	7%	27%	41%	28%	0%	44%	0%
Decreased	20%	0%	-	33%	30%	18%	24%	22%	25%	16%	0%
Base	178	<5	<5	<5	27	74	17	18	<5	25	<5

<u>TURNOVER</u>	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Increased	53%	67%	-	0%	56%	56%	29%	76%	75%	40%	75%
Stayed the same	26%	33%	100%	33%	15%	26%	35%	6%	0%	44%	25%
Decreased	21%	0%	-	67%	30%	18%	29%	18%	25%	16%	0%
Base	175	<5	<5	<5	27	73	17	17	<5	25	<5

<u>PROFITABILITY</u>	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Increased	40%	33%	-	0%	52%	43%	18%	31%	75%	32%	75%
Stayed the same	35%	67%	-	67%	22%	35%	53%	31%	0%	40%	25%
Decreased	25%	0%	100%	33%	26%	22%	18%	38%	25%	28%	0%
Base	167	<5	<5	<5	27	68	17	16	<5	25	<5

* Sample less than 20

Area Outlook – Booking levels (2015 v 2014)

<u>JULY</u>	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Better	38%	33%	-	0%	43%	38%	59%	29%	50%	24%	50%
The same	32%	67%	-	67%	22%	27%	24%	64%	25%	33%	50%
Not as good	29%	0%	100%	33%	35%	35%	12%	7%	25%	43%	0%
Base	157	<5	<5	<5	23	66	17	14	<5	21	<5

<u>SCHOOL SUMMER HOLIDAYS</u>	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	Somerset	*Wilts
Better	24%	0%	-	50%	22%	20%	35%	15%	50%	24%	50%
The same	42%	50%	-	50%	35%	47%	35%	62%	0%	33%	50%
Not as good	34%	50%	100%	0%	43%	32%	24%	23%	50%	43%	0%
Base	145	<5	<5	<5	23	59	17	13	<5	21	<5

* Sample less than 20

Business Type Performance – May 2015 v 2014

<u>VISITOR NUMBERS</u>	Region	All Accom	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%	65%	75%	33%	67%	-	63%	25%	55%	42%	52%	0%	100%	-
Stayed the same	28%	29%	9%	0%	44%	33%	-	38%	75%	34%	27%	31%	0%	0%	-
Decreased	20%	21%	26%	25%	22%	0%	-	0%	0%	10%	31%	17%	100%	0%	-
Base	178	127	23	<5	9	<5	-	8	<5	29	45	48	<5	<5	-

<u>TURNOVER</u>	Region	All Accom	*Attraction	*Sports/Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/Guest House	Self Catering	*Holiday Park	*Caravan/campsite	*Other Accom
Increased	53%	48%	65%	75%	50%	100%	-	63%	50%	55%	36%	52%	50%	100%	-
Stayed the same	26%	30%	5%	0%	20%	0%	-	38%	50%	24%	36%	31%	0%	0%	-
Decreased	21%	21%	30%	25%	30%	0%	-	0%	0%	21%	27%	17%	50%	0%	-
Base	175	126	20	<5	10	<5	-	8	<5	29	44	48	<5	<5	-

<u>PROFITABILITY</u>	Region	All Accom	*Attraction	*Sports/Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/Guest House	Self Catering	*Holiday Park	*Caravan/campsite	*Other Accom
Increased	40%	36%	56%	50%	30%	100%	-	57%	25%	52%	24%	38%	0%	33%	-
Stayed the same	35%	36%	17%	25%	50%	0%	-	43%	75%	17%	48%	36%	50%	67%	-
Decreased	25%	28%	28%	25%	20%	0%	-	0%	0%	31%	29%	27%	50%	0%	-
Base	167	121	18	<5	10	<5	-	7	<5	29	42	45	<5	<5	-

* Sample less than 20

Business Type Outlook – Booking levels 2015 v 2014

JULY	Region	All Accommm	*Attraction	*Sports/Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accommm
Better	38%	36%	56%	67%	20%	-	-	50%	33%	40%	32%	36%	100%	33%	-
Same	32%	32%	44%	0%	20%	-	-	38%	67%	40%	26%	32%	0%	67%	-
Worse	29%	32%	0%	33%	60%	-	-	13%	0%	20%	43%	32%	0%	0%	-
Base	157	129	9	<5	5	-	-	8	<5	30	47	47	<5	<5	-

SCHOOL SUMMER HOLIDAYS	Region	All Accommm	*Attraction	*Sports/Activities	*F&D	*Retail	*TIC	*SC Agency	*Other Business	Hotel	B&B/ Guest House	Self Catering	*Holiday Park	*Caravan/ campsite	*Other Accommm
Better	24%	20%	50%	100%	20%	-	-	50%	33%	37%	12%	17%	50%	0%	-
Same	42%	42%	50%	0%	60%	-	-	38%	33%	41%	40%	41%	50%	67%	-
Worse	34%	38%	0%	0%	20%	-	-	13%	33%	22%	48%	41%	0%	33%	-
Base	145	120	8	<5	5	-	-	8	<5	27	42	46	<5	<5	-

* Sample less than 20

Business type and area occupancy levels - TBU

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.

<u>SERVICED ROOM OCCUPANCY</u>		
May 15	% RM OCCUPANCY	SAMPLE
South West		
All hotels		
Hotel 10 rooms or less		
Hotel more than 10 rooms		
B&B		
Guest House		
Former Avon		
Cornwall		
Devon		
Dorset		
Gloucestershire		
Somerset		
Wiltshire		

<u>SELF-CATERING UNIT OCCUPANCY</u>		
May 15	% UNIT OCC	SAMPLE
South West		
Self-catering accommodation		
Holiday Park		
Former Avon		
Cornwall		
Devon		
Dorset		
Gloucestershire		
Somerset		
Wiltshire		

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;

eden project

ENGLISH RIVIERA TOURISM COMPANY
WORKING IN PARTNERSHIP

BATH TOURISM PLUS

VISIT
DEVON

VISITWILTSHIRE

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