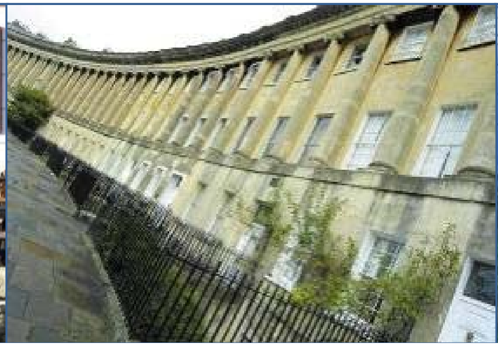
"How's Business?"
November 2015

An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd

January 2016

Executive Summary

Compared to November 2015 businesses reported that:

November 2015 Visitor levels:
Increased 32% / Stayed the same 39% / Decreased 28%
Estimated actual change in visitors +0.2%

November 2015 Turnover levels:
Increased 34% / Stayed the same 37% / Decreased 29%
Estimated actual change in turnover +0.2%

November 2015 Profitability was:
Higher 22% / Stayed the same 49% / Decreased 29%

December 2015 Outlook is:
Better 31% / Same as last year 38% / Not as good 31%

January Outlook is:
Better 20% / Same as last year 45% / Not as good 36%

Optimism
Optimism score is 6.61 out of a possible 10

November 2015 – Our comment

A stable month for the region during November 2015 with similar levels of both visitors and turnover compared to November 2014.

Business optimism increased compared with last month to 6.61 out of 10 and remains higher than during the same period in 2014. Business optimism throughout the year has remained at a good level and has been relatively stable across 2015 which hopefully reflects on a good year for the industry and in line with national tourism survey data currently available.

December booking levels also look to be similar to 2014 at the time of data collection however retail footfall figures for December were down which could impact upon day visitor numbers for the month. January outlook looked to be down at the time of data collection, although actual figures could well be different to this with late bookings likely to be a big influence in this month.

This months survey has a sample of 113 regional businesses, representing a minimum of approximately 1,300 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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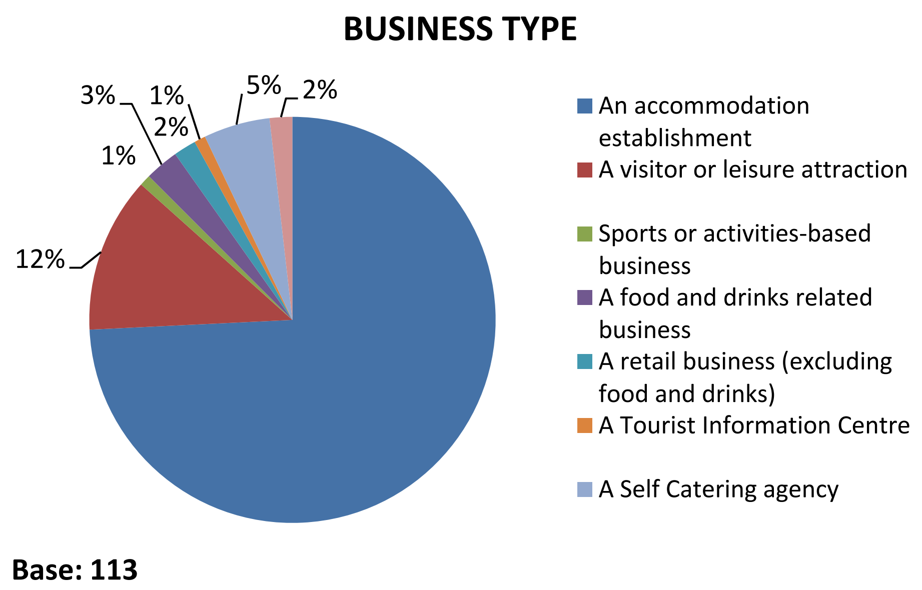
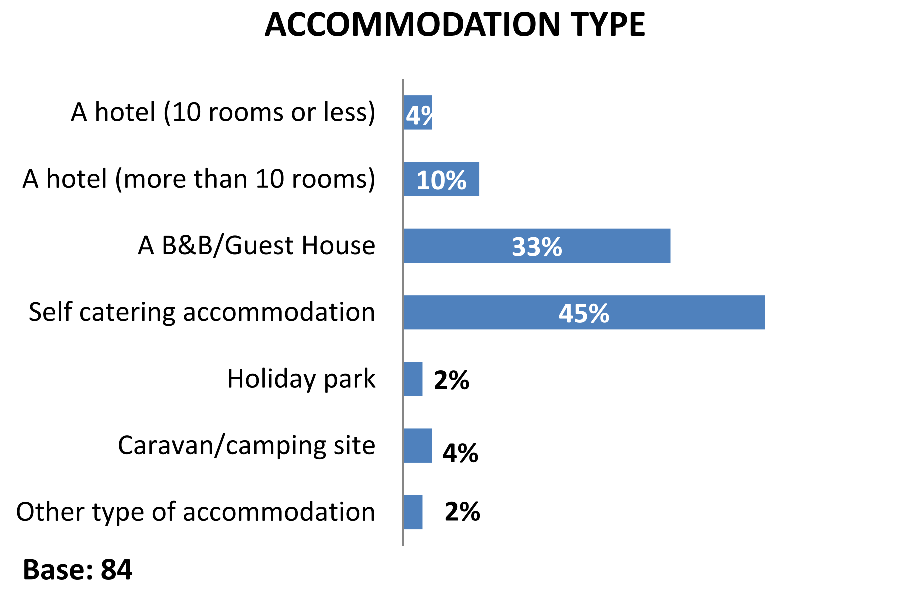
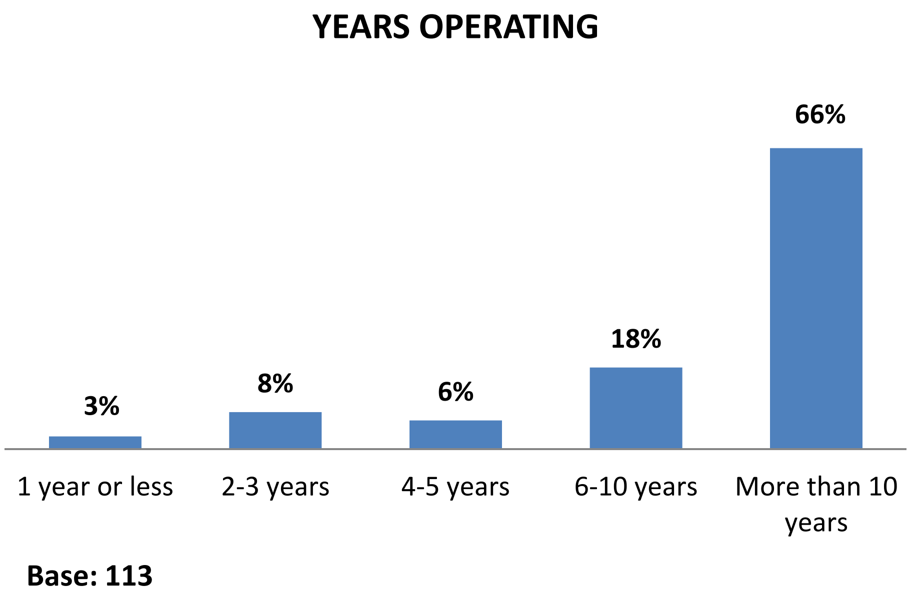
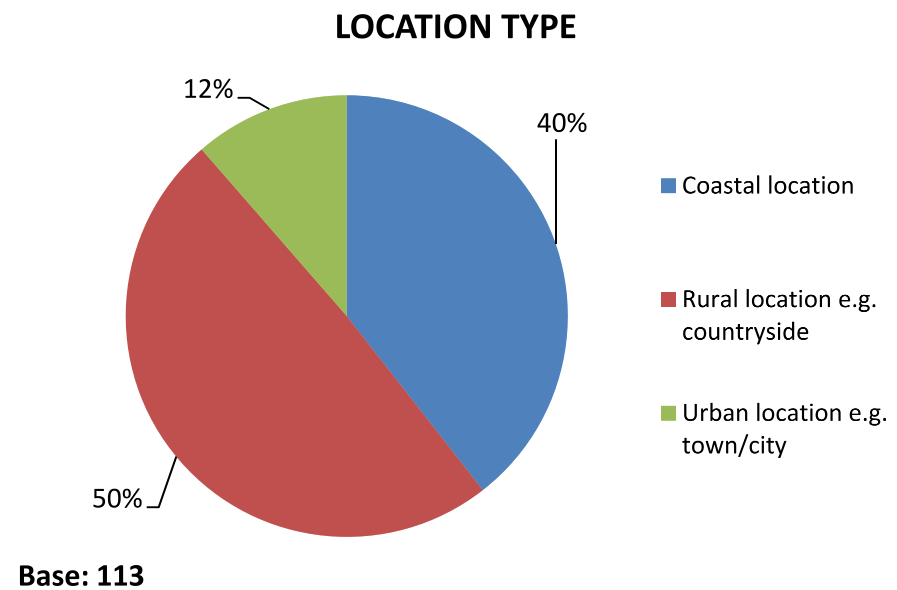
Sample profile

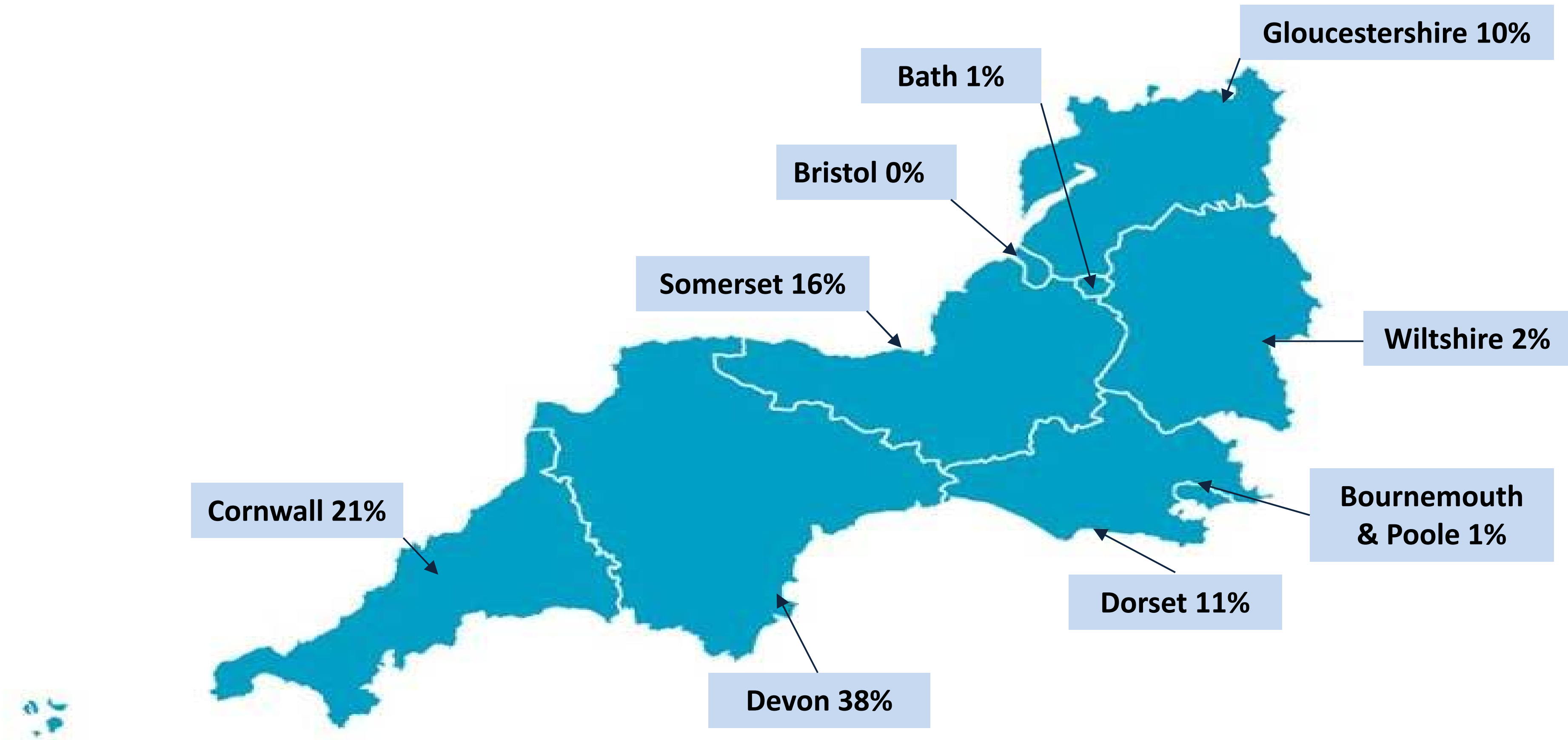








Sample profile - Business location



November 2015 – the month in context

The UK Weather

November was a generally mild month with an often humid south-westerly flow bringing cloudy conditions. It was dry and exceptionally warm during the first few days with record-breaking temperatures locally but the rest of the month was unsettled and often windy and the autumn storms 'Abigail', 'Barney' and 'Clodagh' all caused some disruption. There was a notable absence of frost apart from during a brief cold snap from the 21st to 23rd which brought some snow to northern and eastern Britain, especially on high ground, and there was also some snow in Scotland near the end of the month.

Source: Met Office

The UK Economy

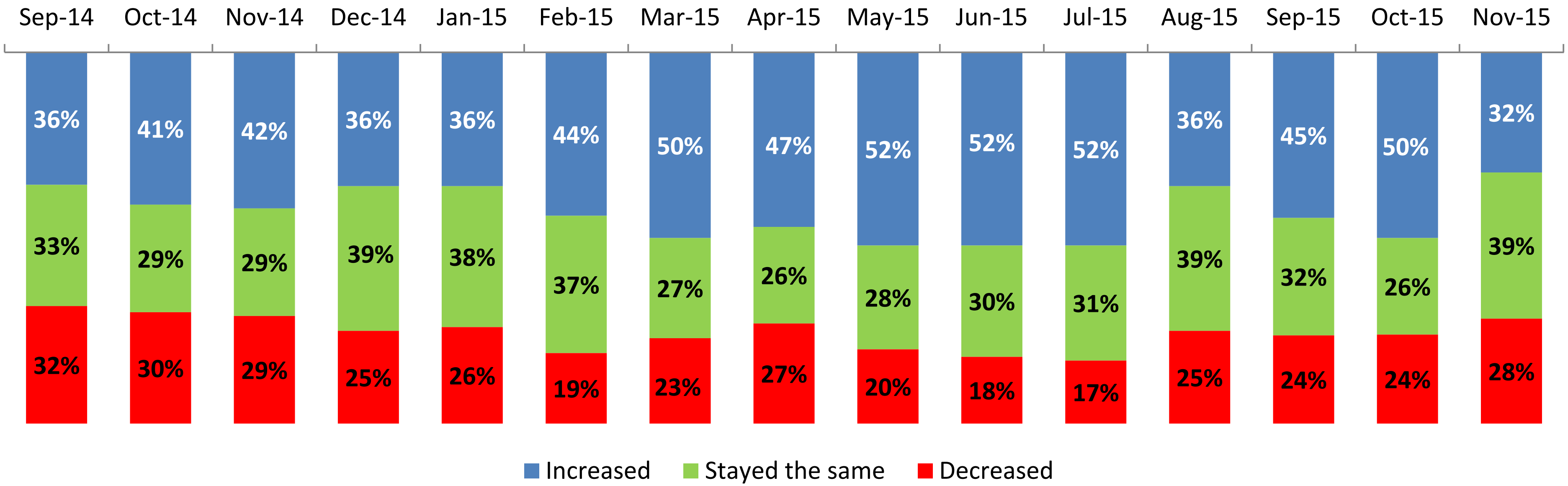
The Bank of England's chief economist, Andy Haldane, warned that the UK's "economic aircraft appears to be losing speed on the runway". Mr Haldane added that any rate rise would "increase unnecessarily the chances of the economy falling below critical velocity". He is considered to be the most cautious policy-maker when it comes to raising interest rates. Interest rates have been at 0.5% since 2009 and the financial crisis.

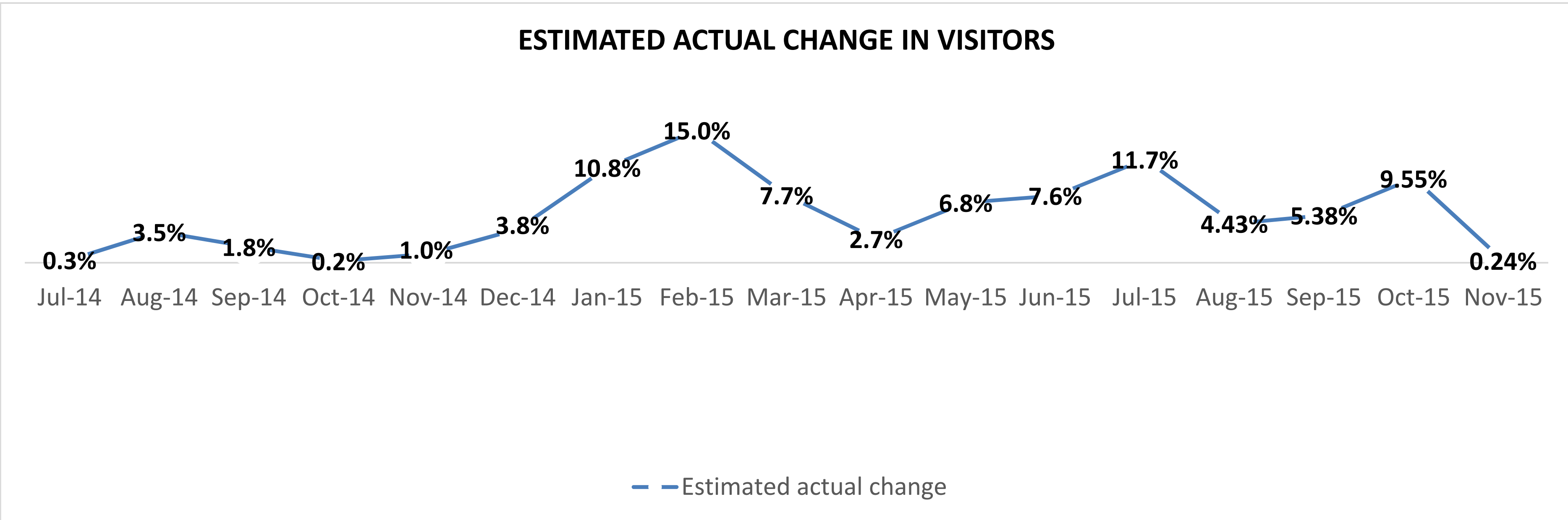
The first increase is now expected in late 2016. Forecasts were put back after the Bank of England's last inflation report in which the Bank said the outlook for global growth had weakened. In a speech to trade union body the TUC, Mr Haldane also indicated that the next rate move could equally be a cut rather than a rise. "Now more than ever in the UK, policy needs to be poised to move off either foot depending on which way the data break," he said in his speech. Mr Haldane said that because wage growth could be weaker than currently expected, inflation may undershoot the Bank's November predictions, when it estimated that inflation would rise above its 2% target in two years. The Consumer Price Index currently stands at 0.1%. "Against that backdrop, my view is that the case for raising interest rates is still some way from being made," Mr Haldane said. "Whatever the reason, the economic aircraft appears to be losing speed on the runway. That is an awkward, indeed risky, time to be contemplating take-off. "Meanwhile, inflationary trends do not at present give me sufficient confidence that inflation will be back at target, even two years hence.“

Mr Haldane also had strong words on the UK's increasingly expensive housing market. "The UK housing market is broken," he told the TUC meeting. “There is a chronic and accumulated imbalance between demand and supply, and it is that which is sending skyward - and has sent skyward - house prices."

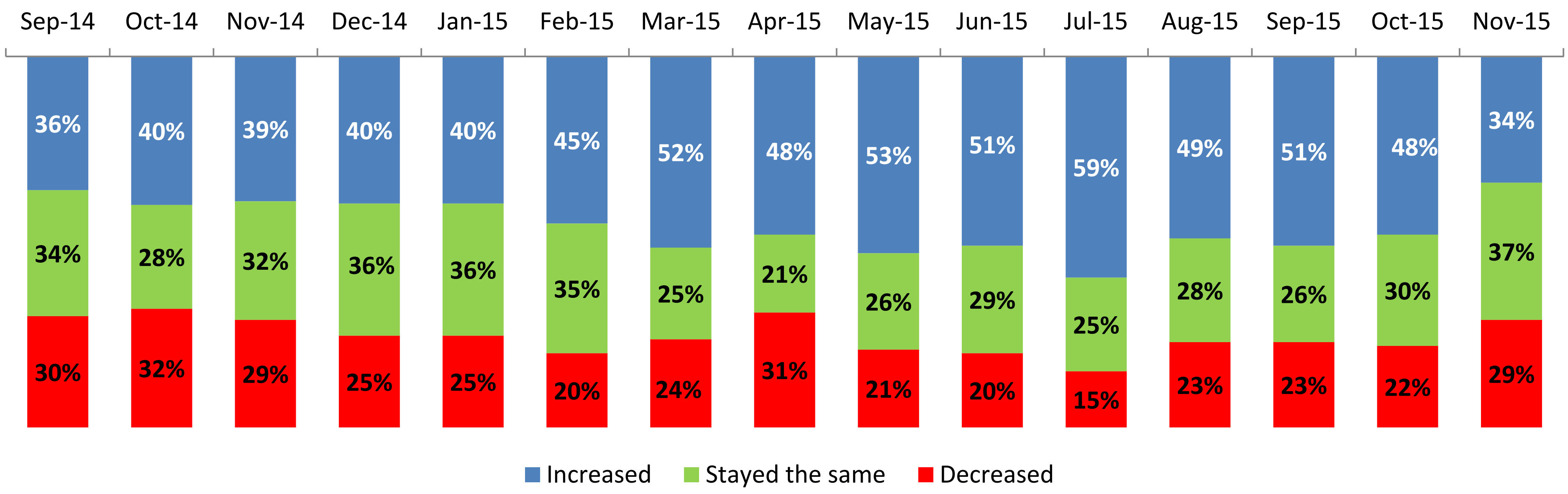
Source: BBC.co.uk

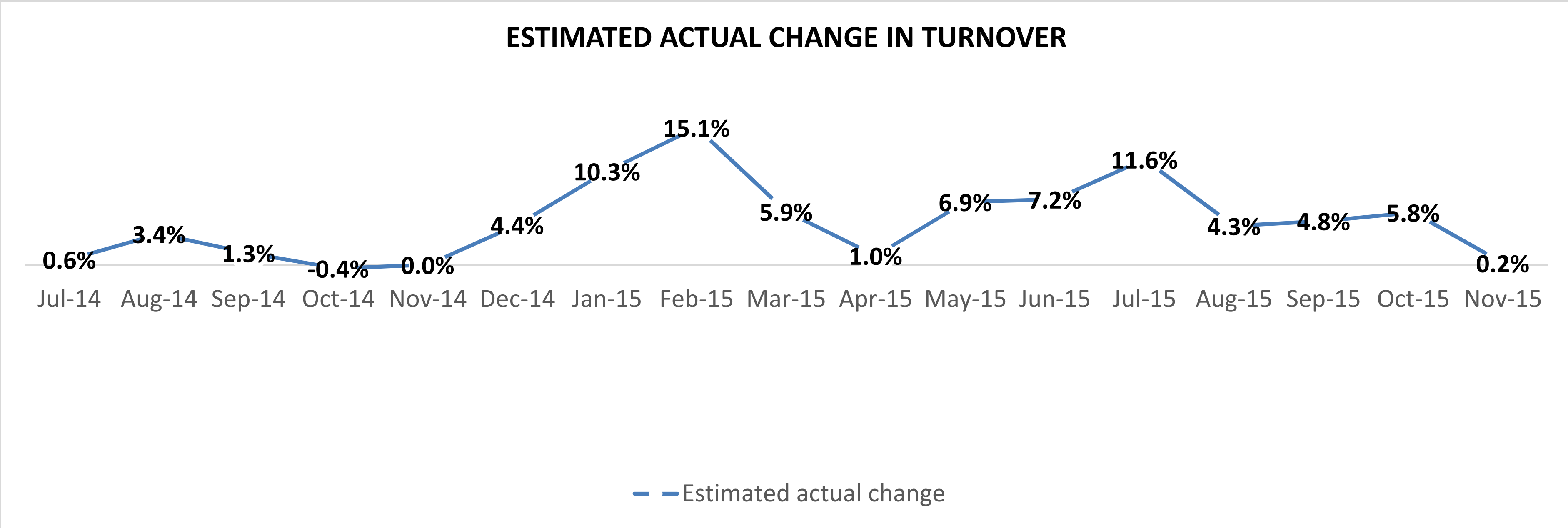
Regional performance – Number of visitors compared to previous year



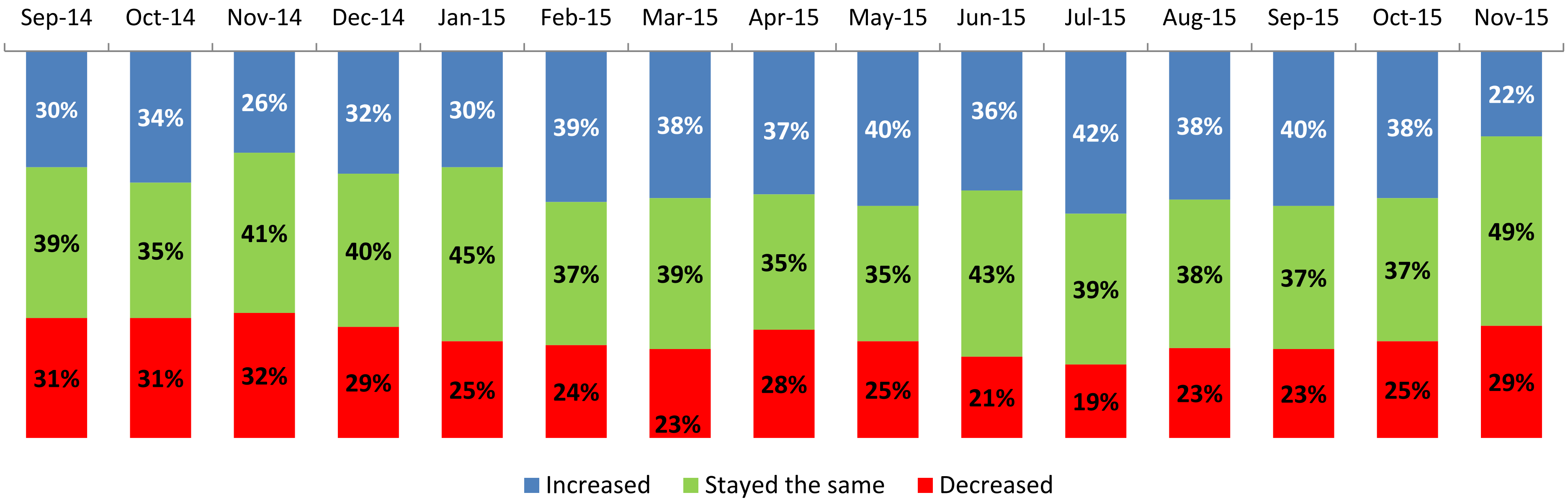


Regional performance – Turnover compared to previous year





Regional performance – Profitability compared to previous year



Cheaper oil prices, warmer weather - less fuel used.

Less discounts offered.

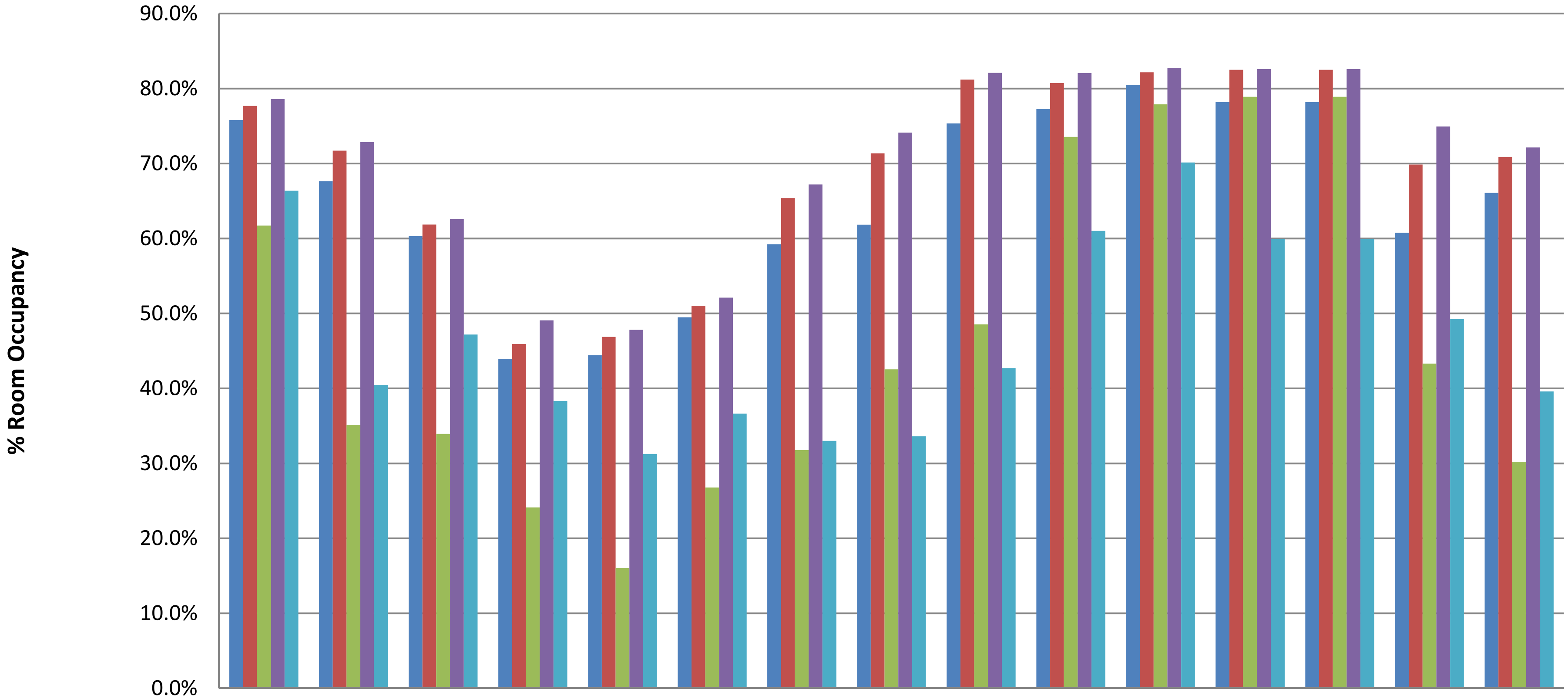
More visitors, similar staffing levels.

Travel Lodges, Premier Inns, cut price establishments.

Too many agency bookings.

No real idea, our business has simply ground to a halt in the month.

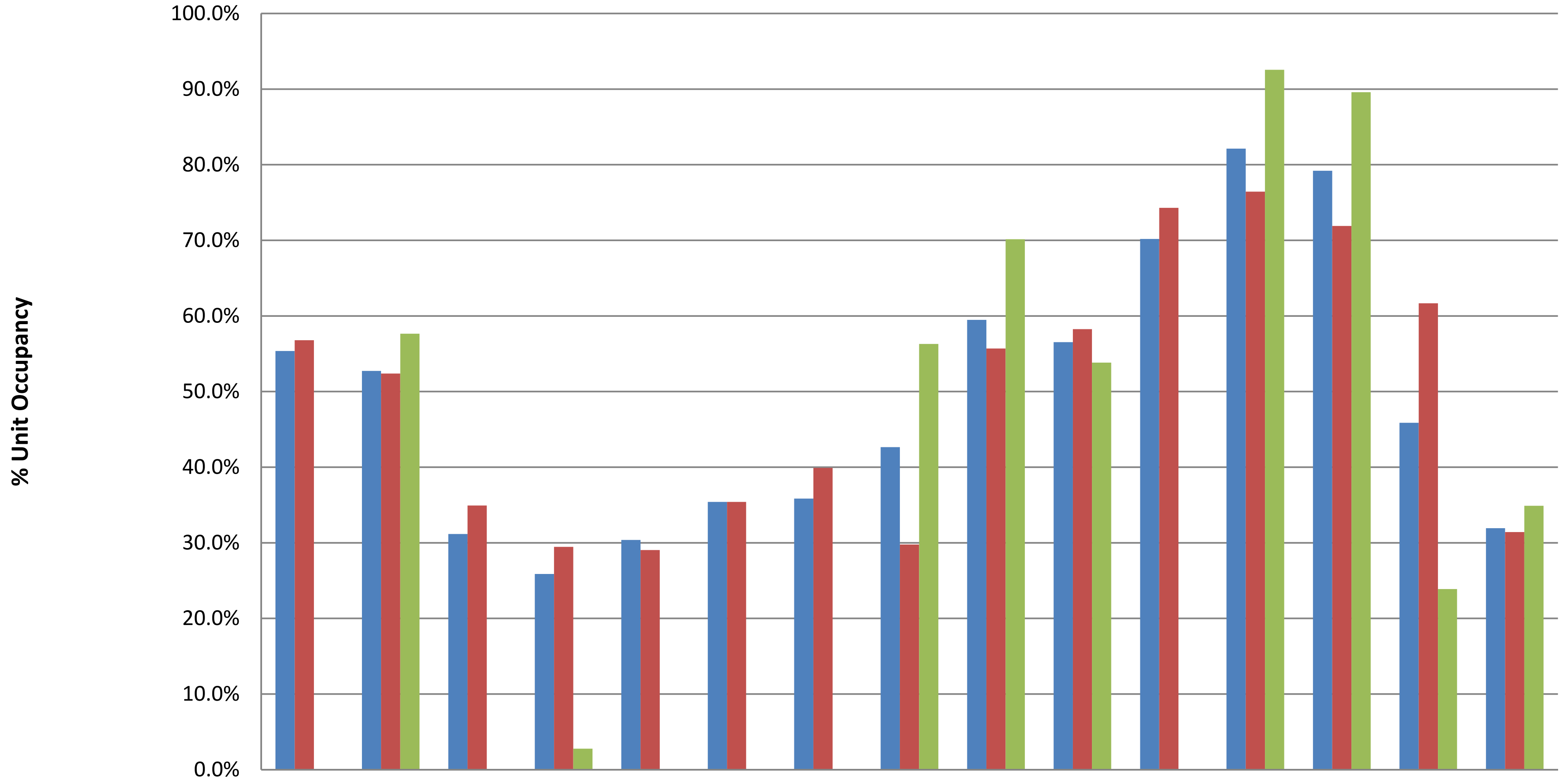
Regional performance – Serviced Room Occupancy



	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
South West	75.8%	67.6%	60.3%	43.9%	44.4%	49.5%	59.2%	61.8%	75.3%	77.3%	80.4%	78.2%	78.2%	60.7%	66.1%
All Hotels	77.7%	71.7%	61.9%	45.9%	46.9%	51.0%	65.4%	71.4%	81.2%	80.7%	82.2%	82.5%	82.5%	69.9%	70.9%
Hotels <11 Rooms	61.7%	35.1%	33.9%	24.1%	16.0%	26.8%	31.8%	42.5%	48.5%	73.6%	77.9%	78.9%	78.9%	43.3%	30.2%
Hotels >11 Rooms	78.6%	72.8%	62.6%	49.1%	47.8%	52.1%	67.2%	74.1%	82.1%	82.1%	82.7%	82.6%	82.6%	74.9%	72.1%
B&B/Guest House	66.4%	40.5%	47.2%	38.3%	31.2%	36.6%	33.0%	33.6%	42.7%	61.0%	70.1%	59.9%	59.9%	49.2%	39.6%

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.

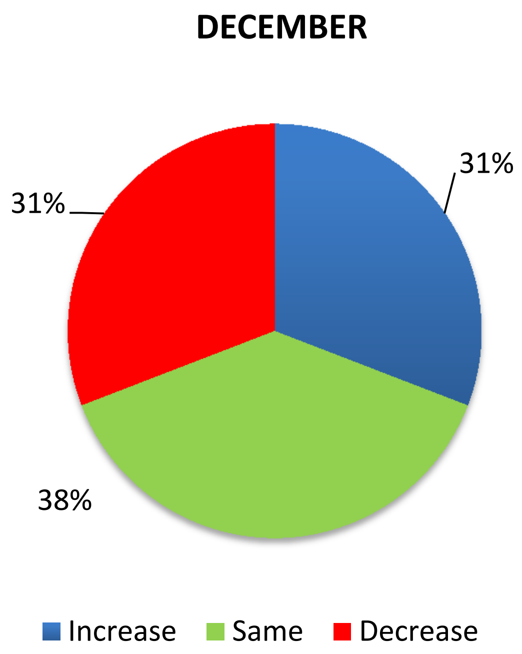
Regional performance – Self Catering Unit Occupancy

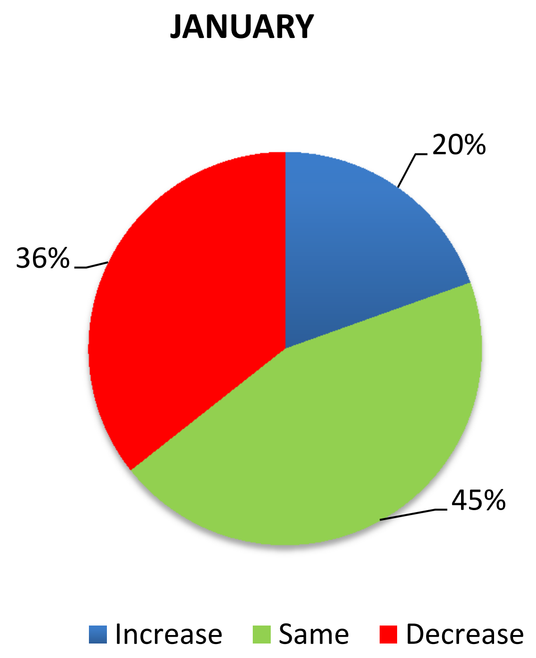


	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15
South West	55.4%	52.7%	31.2%	25.9%	30.4%	35.4%	35.9%	42.6%	59.5%	56.5%	70.2%	82.1%	79.2%	45.9%	31.9%
Self Catering Accomm	56.8%	52.4%	34.9%	29.5%	29.0%	35.4%	39.9%	29.8%	55.7%	58.3%	74.3%	76.4%	71.9%	61.7%	31.4%
Holiday Parks		57.7%		2.8%				56.3%	70.1%	53.8%		92.6%	89.6%	23.9%	34.9%

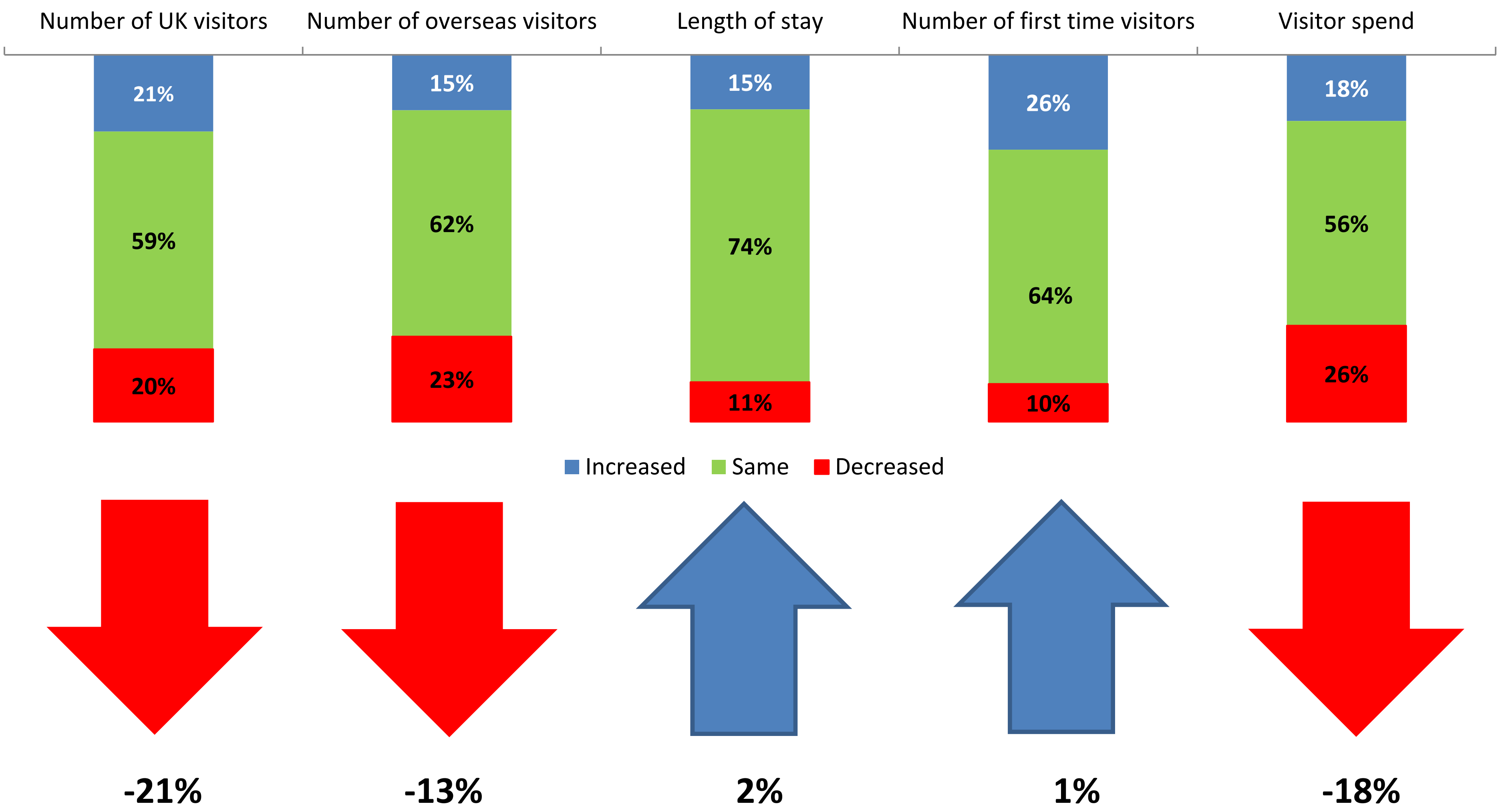
It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Regional outlook – Based upon forward booking levels



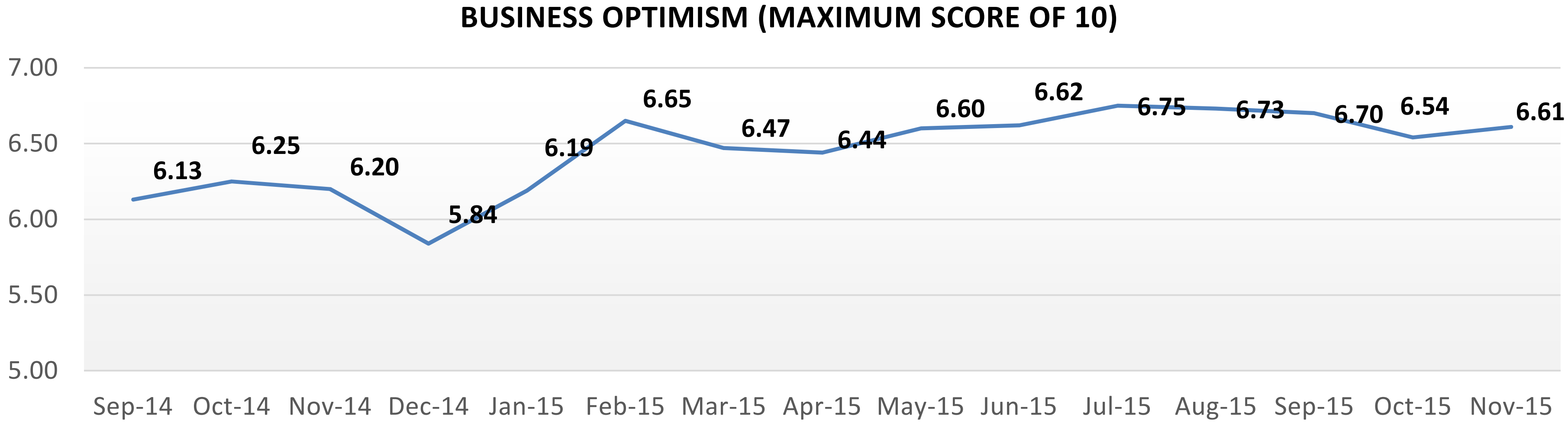


Regional – Visitor characteristics compared to previous year



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



The Poldark factor is significant.

We are finding increased visitor numbers during the "shoulder months" particularly those without school ages children and more visitors are taking short breaks. Overseas visitors are increasing particularly from those from Australia and New Zealand.

As with many tourism businesses here, I am hoping the new Link Road will receive great publicity so that it attracts tourists to the area.

The increased costs of Living wage and pensions is having a negative effect.

Weather in November stopped any last minute spontaneous bookings, hence bookings down. Traditionally our worst month anyway so losses minimal.

Weather was the problem in November and our Sundays are getting quieter due possibly to visitors taking 2 night breaks at weekends to get children back to school Monday morning.

Area Performance - November (2015 v 2014)

VISITOR NUMBERS	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	32%	100%	0%	0%	29%	36%	33%	45%	25%	21%	0%
Stayed the same	39%	0%	0%	0%	50%	26%	33%	45%	50%	57%	50%
Decreased	28%	0%	100%	0%	21%	38%	33%	9%	25%	21%	50%
Base	109	<5	<5	0	24	39	12	11	<5	14	<5

TURNOVER	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	34%	0%	0%	0%	33%	34%	17%	50%	50%	38%	0%
Stayed the same	37%	100%	0%	0%	46%	29%	33%	40%	25%	46%	50%
Decreased	29%	0%	100%	0%	21%	37%	50%	10%	25%	15%	50%
Base	105	<5	<5	0	24	38	12	10	<5	13	<5

PROFITABILITY	Region	*Bath	*B&P	*Bristol	Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Increased	20%	0%	0%	0%	26%	21%	22%	18%	50%	17%	0%
Stayed the same	44%	0%	0%	0%	61%	45%	44%	45%	25%	58%	50%
Decreased	26%	100%	0%	0%	13%	34%	33%	36%	25%	25%	50%
Base	111	<5	0	0	23	38	9	11	<5	12	<5

*** Sample less than 20**

Area Outlook – Booking levels

December	Region	*Bath	*B&P	*Bristol	*Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Better	31%	0%	0%	0	47%	33%	10%	10%	75%	23%	0%
The same	38%	0%	0%	0	32%	39%	70%	50%	0%	31%	50%
Not as good	31%	100%	100%	0	21%	27%	0%	40%	25%	46%	50%
Base	94	<5	<5	0	19	33	10	10	<5	13	<5

January	Region	*Bath	*B&P	*Bristol	*Cornwall	Devon	*Dorset	*Gloucs	*North Somerset	*Somerset	*Wilts
Better	20%	0%	0%	0	16%	21%	25%	50%	0%	10%	0%
The same	45%	0%	0%	0	63%	48%	25%	38%	25%	30%	50%
Not as good	36%	100%	100%	0	21%	30%	50%	13%	75%	60%	50%
Base	87	<5	<5	0	19	33	8	8	<5	10	<5

*** Sample less than 20**

Business Type Performance – November 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	32%	30%	43%	0%	0%	50%	100%	33%	50%	27%	21%	37%	0%	33%	50%
Stayed the same	39%	40%	29%	100%	67%	0%	0%	50%	50%	36%	46%	39%	0%	33%	50%
Decreased	28%	30%	29%	0%	33%	50%	0%	17%	0%	36%	33%	24%	100%	33%	0%
Base	109	80	14	<5	<5	<5	<5	6	<5	11	24	38	<5	<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	34%	33%	55%	0%	0%	50%	100%	33%	0%	36%	22%	39%	0%	33%	50%
Stayed the same	37%	35%	27%	100%	67%	0%	0%	50%	100%	27%	43%	37%	0%	0%	50%
Decreased	29%	32%	18%	0%	33%	50%	0%	17%	0%	36%	35%	24%	100%	67%	0%
Base	105	79	11	<5	<5	<5	<5	6	<5	11	23	38	<5	<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	20%	20%	27%	0%	0%	50%	100%	40%	0%	20%	13%	24%	0%	0%	0%
Stayed the same	44%	49%	55%	100%	33%	0%	0%	40%	100%	50%	52%	49%	50%	50%	0%
Decreased	26%	31%	18%	0%	67%	50%	0%	20%	0%	30%	35%	27%	50%	50%	0%
Base	111	75	11	<5	<5	<5	<5	5	<5	10	23	37	<5	<5	<5

*** Sample less than 20**

Business Type Outlook – Booking levels

Dec	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	31%	32%	33%	0%	0%	0	0	50%	0%	55%	5%	41%	100%	0%	50%
Same	38%	33%	67%	100%	67%	0	0	33%	100%	36%	41%	27%	0%	67%	0%
Worse	31%	36%	0%	0%	33%	0	0	17%	0%	9%	55%	32%	0%	33%	50%
Base	94	76	6	<5	<5	0	0	6	<5	11	22	37	<5	<5	<5

Jan	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	20%	18%	40%	0%	0%	0	0	33%	0%	25%	9%	26%	0%	0%	0%
Same	45%	42%	60%	100%	50%	0	0	33%	100%	38%	52%	40%	100%	0%	0%
Worse	36%	39%	0%	0%	50%	0	0	33%	0%	38%	39%	34%	0%	100%	100%
Base	87	71	5	<5	<5	0	0	6	<5	8	23	35	<5	<5	<5

*** Sample less than 20**

Business type and area occupancy levels

The tables below show the estimated occupancy for October 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

Nov-15	% RM OCCUPANCY	SAMPLE
South West	66.09%	30
All hotels	70.89%	8
Hotel 10 rooms or less	30.19%	<5
Hotel more than 10 rooms	72.14%	6
B&B	29.03%	15
Guest House	51.43%	7
Former Avon	83.33%	<5
Cornwall	6.14%	<5
Devon	70.02%	14
Dorset	28.70%	<5
Gloucestershire	70.77%	<5
Somerset	18.68%	<5
Wiltshire	52.19%	<5

SELF-CATERING UNIT OCCUPANCY

Nov-15	% UNIT OCC	SAMPLE
South West	31.94%	36
Self-catering accommodation	31.43%	34
Holiday Park	34.89%	<5
Former Avon	18.69%	<5
Cornwall	35.62%	10
Devon	32.02%	10
Dorset	20.21%	6
Gloucestershire	64.76%	<5
Somerset	35.33%	<5
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**

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The South West Tourism Alliance

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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