



REPORT

VisitEngland  
Business Confidence Monitor 2011

Wave 2 – Easter



VisitEngland™

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## 1. Headline Findings

### Encouraging Easter performance

- 1.1 The English tourism industry has performed well over the Easter holiday period. Just over a third (36%) of businesses report increased visitor numbers and about two in five (42%) report the same level.
- 1.2 Caravan & campsites have benefited the most from the excellent April weather, with about half (51%) increasing visitor numbers and a further two in five (40%) receiving the same level.
- 1.3 Caravan & campsite operators are delighted with their Easter performance, with seven in ten (70%) saying they are 'very satisfied' and about one in four (24%) saying they are 'fairly satisfied'.

### Impact of Royal Wedding relatively limited

- 1.4 The Royal Wedding brought an extra bank holiday into the calendar but for three in five (60%) businesses this had little or no impact on them as people stayed at home to watch the wedding on the TV or had a street party. Just over one in four (28%) businesses say the wedding had a positive impact.

### Good start to the year

- 1.5 About two in five (39%) businesses have had more visitors to date compared to the same period last year, and just over a third (36%) have had the same level. Business is going particularly well for caravan & campsites (49% have increased visitors) and hotels (42% have increased visitors).

### And the summer is looking good too

- 1.6 About two in five (39%) businesses say booking levels for the remainder of spring and summer are better than normal, and a further one in three (34%) say bookings as the same as normal.
- 1.7 Figures vary greatly by sector, with hotels enjoying the best prospects, where two in three (65%) have increased advance bookings.

### Expected impact of Olympics is limited

- 1.8 The majority (68%) of respondents believe the 2012 Olympics will have little or no impact on their business. Even in the south east, an impact is generally expected by businesses in London but not outside of London.

## 2. Research Background

### Objectives

- 2.1 This survey is part of the 2011 'Business Confidence Monitor', which aims to measure business performance and confidence in the English tourism industry over the main holiday periods. This survey wave follows a busy period of bank holidays, which included Easter, the Royal Wedding and the first May bank holiday.
- 2.2 The main objectives of this wave are to measure:
- Business performance and satisfaction during Easter
  - Impact of Royal Wedding
  - Business performance and satisfaction during 2010
  - Trends by visitor type
  - Advance bookings and confidence for remainder of spring & summer
  - Extent of VAT rise being passed onto customers
  - Expected impact of the 2012 Olympics

### Methodology

- 2.3 Strategic Marketing and VisitEngland worked together to design a questionnaire for telephone interviewing. A copy of the marked-up questionnaire is included as an appendix.
- 2.4 A total of 500 interviews have been completed by telephone with business owners or managers in early May. Calls have been introduced on behalf of VisitEngland and have been conducted during daytime and evening hours.

### Sampling

- 2.5 VisitEngland provided Strategic Marketing with a database of all graded accommodation businesses in England. We devised the sample quotas on the following page in order that the sample is representative of the industry by sector and region. The overall size of each sector quota has been set in accordance with the relative number and size of businesses which that sector contributes to the industry. The size of each regional quota has been set using VisitBritain's 2007 Census of Accommodation Stock.
- 2.6 London hotels are the exception. The graded accommodation database is lacking in London hotels and so the quota is the most realistic number of

telephone interviews achievable from a very limited data set within a given timeframe. Weighting the results of this cell is not possible with only four interviews.

- 2.7 Some multiple business contacts on the database share the same contact person and telephone number as they are part of the same chain or agency. We have set separate quotas for these 'chains' which lie outside of regional categorisation.

#### Sample breakdown by region and sector

Region / Sector	Hotels	Guest house / B&B	Self catering	Caravan & campsites	Total
Chains	2	2	12	1	17
East Midlands	10	6	6	15	37
East of England	9	8	12	23	52
London	4	28	2	-	34
North East	7	6	4	9	26
North West	20	27	16	15	78
South East	12	24	21	11	68
South West	19	24	32	24	99
West Midlands	6	14	5	5	30
Yorkshire	11	12	18	18	59
<b>Total</b>	<b>100</b>	<b>151</b>	<b>128</b>	<b>121</b>	<b>500</b>

- 2.8 In addition to sampling by region within each sector, we have also sampled by business size, defined by bedspaces, because if left to chance, the overall sample would be biased towards smaller businesses. These quotas are shown on the following page.
- 2.9 Within each sector we have viewed the available bedspace data and split the contacts into 'large' and 'small' businesses. The definition of 'large' is different for each sector, and is detailed in the table below.

**Sample breakdown by size and sector**

<b>Size / Sector</b>	<b>Hotels</b>	<b>Guest house / B&amp;B</b>	<b>Self catering</b>	<b>Caravan &amp; campsites</b>	<b>Total</b>
Large	25	66	30	51	<b>172</b>
Small	75	85	98	70	<b>328</b>
<b>Total</b>	<b>100</b>	<b>151</b>	<b>128</b>	<b>121</b>	<b>500</b>
Definition of 'large'	More than 100 bedspaces	More than 10 bedspaces	More than 10 bedspaces	More than 100 bedspaces	

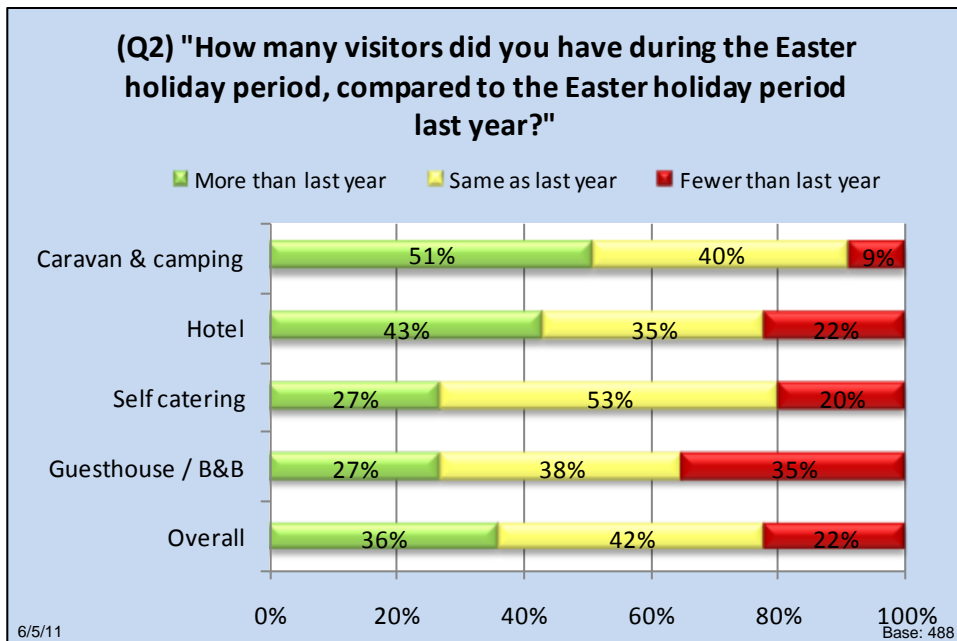
**Statistical validity**

- 2.10 Throughout the results sections of this report, differences by sector, size or location (Seaside / Large town/city / Small town / Countryside/village) are reported if they statistically valid at the 95% confidence level. Differences by region are not reported because the individual sample sizes are not large enough to make robust comparisons.
- 2.11 More details on statistical validity are available on request.

### 3. Easter

3.1 Respondents answering 'don't know' to the following questions have been excluded from the results and the figures have been re-based accordingly.

#### Visitor numbers



3.2 The English tourism industry has performed well over the Easter holiday period. Just over a third (36%) of businesses report increased visitor numbers and about two in five (42%) report the same level.

#### Ideal weather for camping

3.3 Caravan & campsites have benefited the most from the excellent April weather.

*"We were fully booked this Easter holiday period. It's due to the weather I think. Camping is just good value for money and great fun and when the weather is good it's even better. That's something you can't get in a hotel"*  
 Caravan park, West Midlands

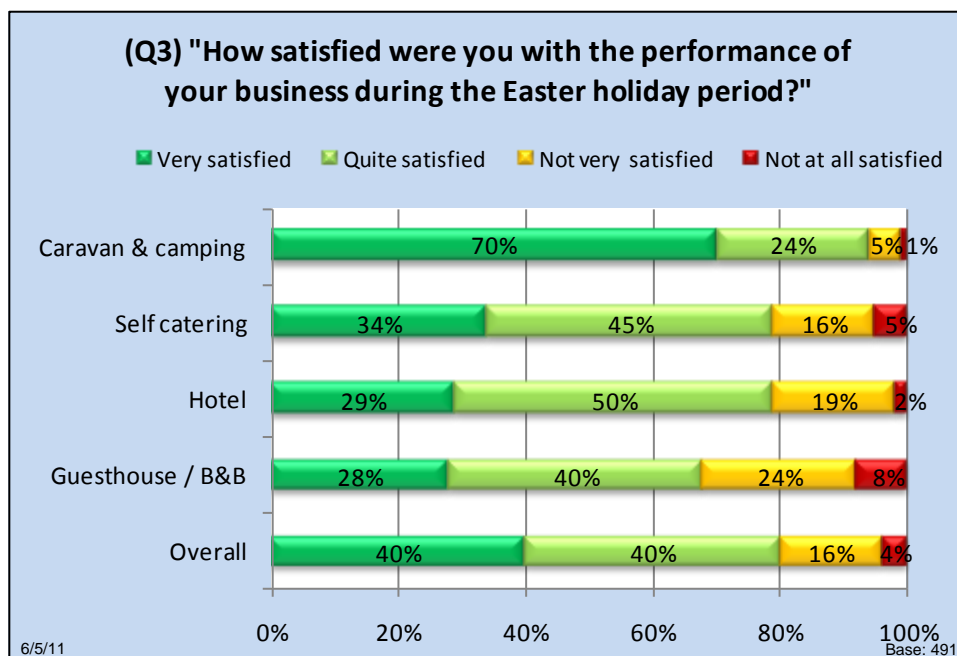
### Not so great for B&Bs

3.4 Not all B&Bs have enjoyed a good Easter like so many businesses in the other sectors.

*"This is the first year that we were empty. I think this is because of the two bank holidays being straight after each other"*  
 B&B, South East

*"I think the recession is just hitting us"*  
 B&B, South East

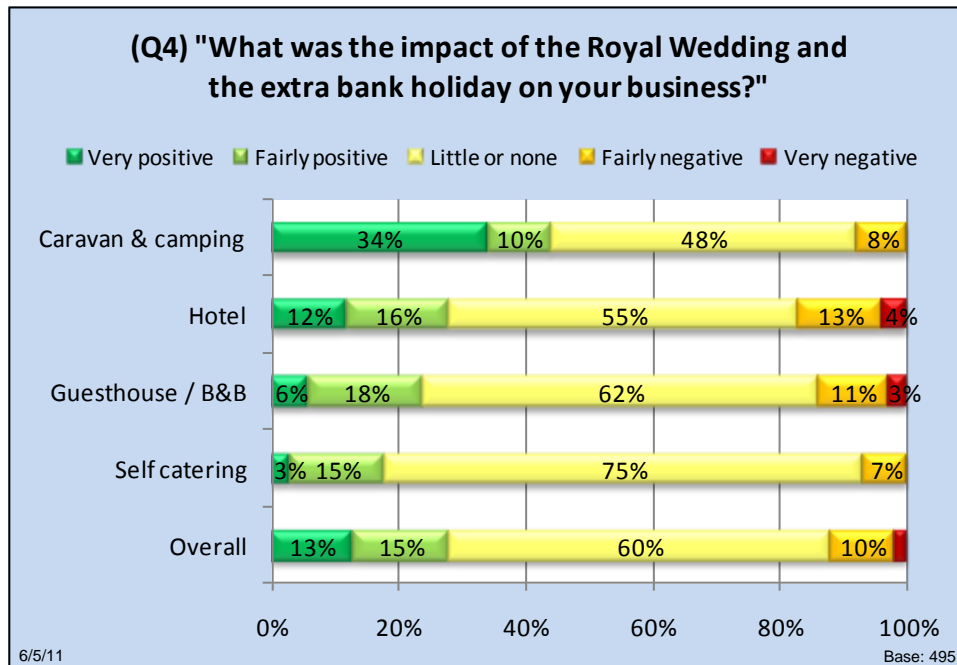
### Satisfaction with performance



3.5 Caravan & campsites are delighted with their Easter performance, with seven in ten (70%) saying they are 'very satisfied' and about one in four (24%) saying they are 'fairly satisfied'.

3.6 The difference between actual performance and satisfaction with performance varies by sector. The B&B sector has not performed especially well over Easter, but satisfaction levels are relatively high.

## 4. Royal Wedding



- 4.1 The Royal Wedding brought an extra bank holiday into the calendar but for three in five (60%) businesses this had little or no impact on them as people stayed at home to watch the wedding on the TV or had a street party.

*"I thought we might get higher bookings because of the extra bank holiday, but I think more people stayed at home to watch the wedding and less went away"*

Self catering, North West

*"More people had street parties and stayed at home"*

B&B, South West

### Too many bank holidays close together

- 4.2 The timing of the extra bank holiday was probably too close to other bank holidays for the tourism industry to really gain any benefit.

*"This the first year that we were empty. I think this is because of the two bank holidays being straight after each other"*

B&B, South East

*"Too many bank holidays"*

B&B, South East

*“Too many holidays - people stayed at home for the long weekend rather than going away”*

Self catering, West Midlands

*“On the Monday we were completely empty so it could have been that people were not going away”*

Self catering, South West

#### **Extra time off work**

4.3 Just over one in four (28%) businesses say the wedding had a positive impact.

*“I believe the royal wedding and extra bank holidays helped me because people had more time off work”*

B&B, North East

*“It has boosted business”*

Self catering, Yorkshire

#### **Get me out of here**

4.4 Some operators had people coming to stay with them to get away from it all.

*“People were coming to stay with us to get away from the Royal Wedding”*

Hotel, North West

*“We had people staying who came here to get away from the wedding”*

Self catering, East Midlands

#### **No apparent advantage being in London**

4.5 A number of operators in the north have commented that they are too far away from London to benefit from the occasion, implying that they might have done if they were located in London.

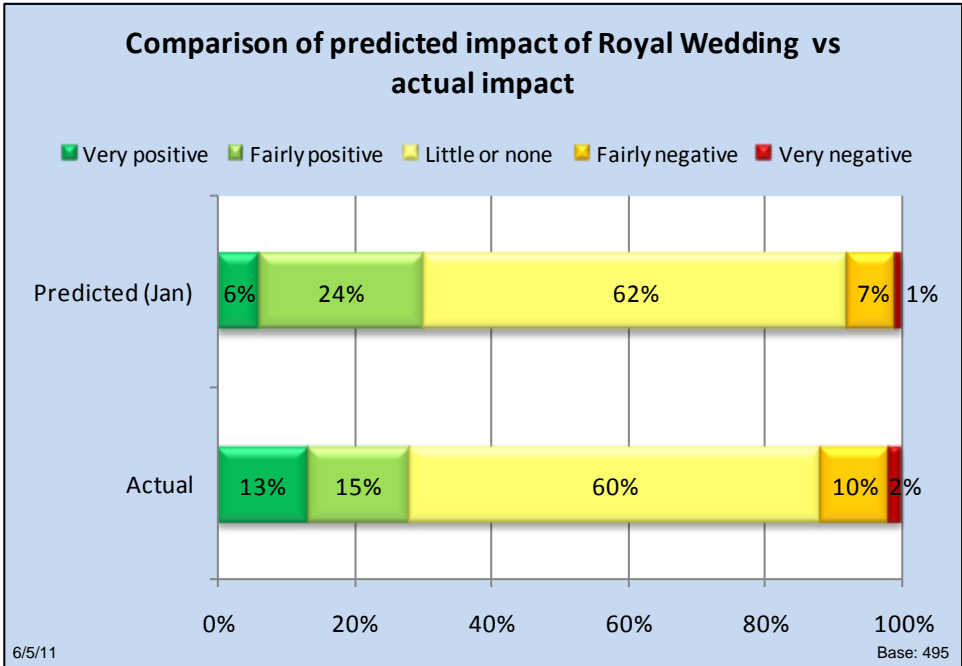
*“The Royal Wedding had no effect on us as we are based in the Lake District”*

Self catering, North West

*“I think I am too far away from London for the Royal Wedding to affect me”*

Self catering, Yorkshire

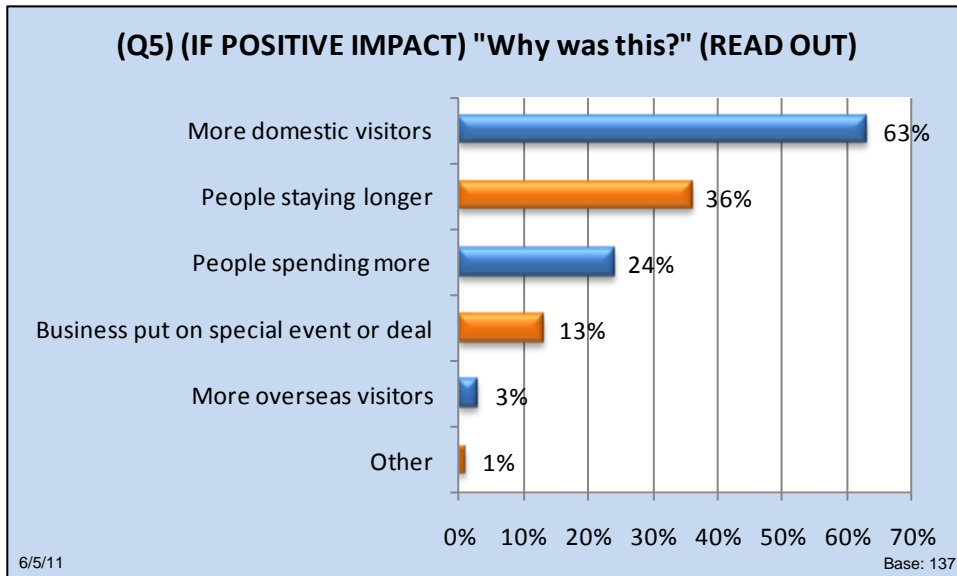
4.6 However the results show otherwise. About two in three (65%) respondents in London say it had little or no impact – higher than the national average (60%) – and more respondents (15%) in London say it had a negative impact than any other region. The sample size is however small (34) and biased towards guesthouses & B&Bs so the figures should be treated with caution.



**Predictions were right**

4.7 In January, businesses were asked about the expected impact of the Wedding on their business. These results are shown in the top bar above and compared to the answers to the same question post-event. The impact was mostly as predicted.

## Reasons for Positive Impact



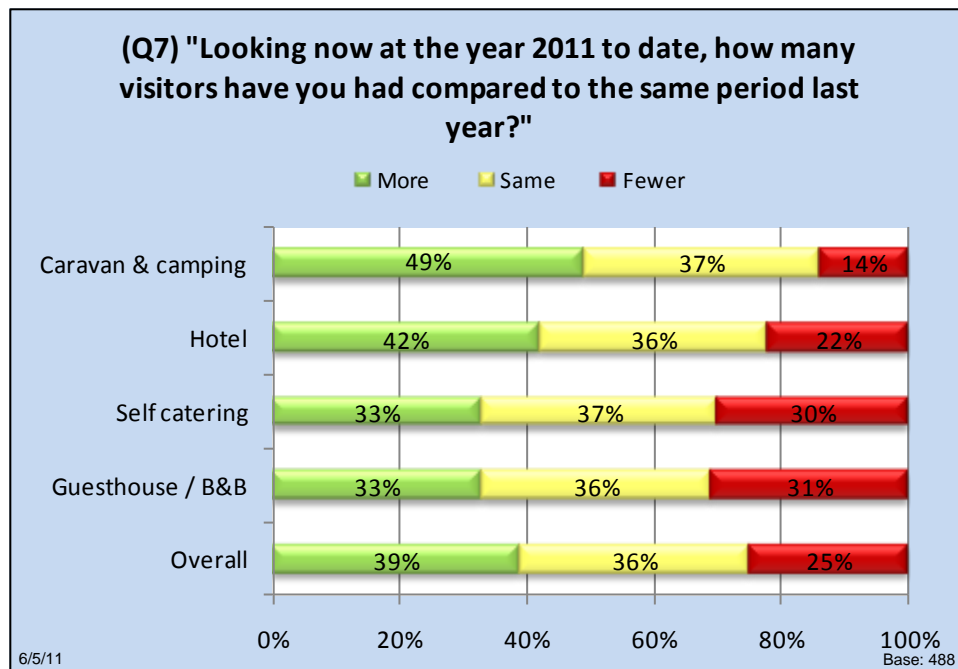
- 4.8 For those experiencing a positive impact from the Wedding, the main reasons are given above.

*"It had a positive impact as people only had to take three days off work to get a good break and they took advantage of this"*

Self catering, East of England

## 5. 2011 Performance

### Visitor numbers



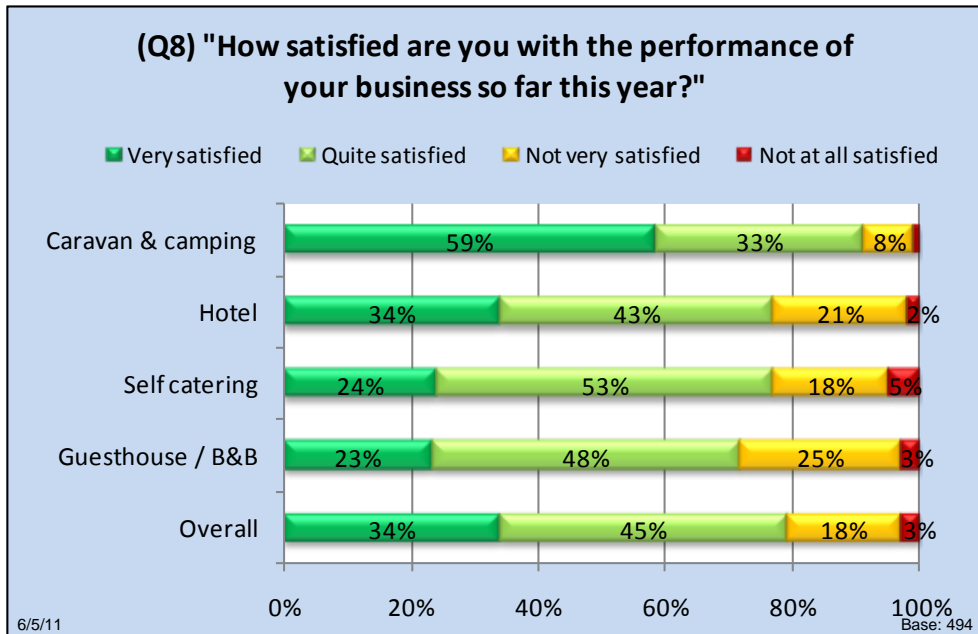
- 5.1 About two in five (39%) businesses have had more visitors to date compared to the same period last year, and just over a third (36%) have had the same level.
- 5.2 Performance to date has been better among 4 & 5 star businesses (44% are up) than among 1 – 3 stars (33% are up).

#### Excellent start for caravan & camping

- 5.3 The caravan & camping sector has performed particularly well so far this year, with about half (49%) of businesses up on visitor numbers.

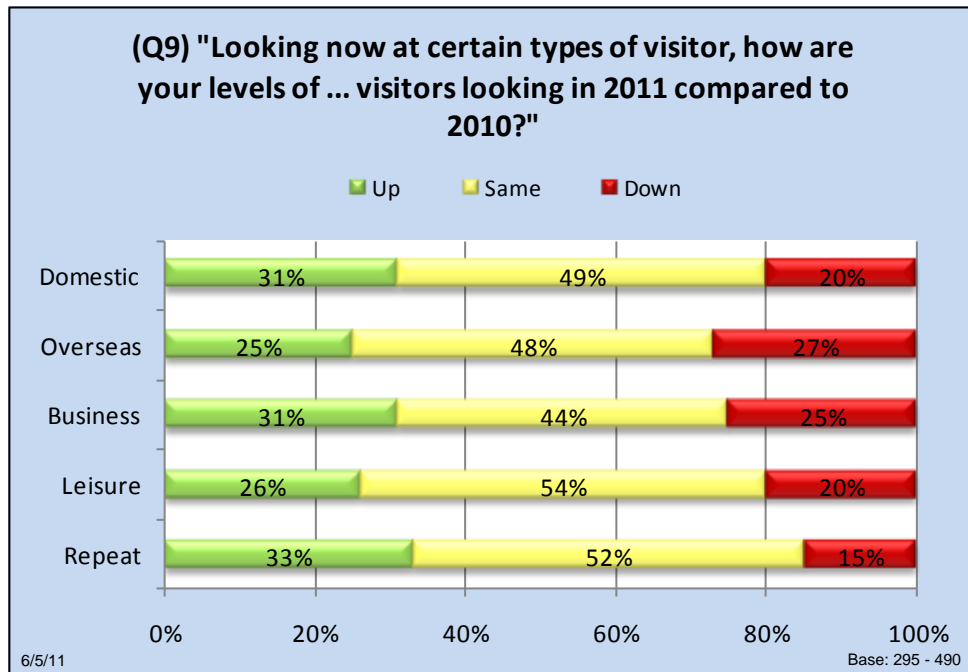
*"We have been much busier this year due to the weather mostly"*  
Caravan park, Yorkshire

## Satisfaction with performance



- 5.4 Satisfaction levels with performance YTD are reasonably in line with actual performance.
- 5.5 Satisfaction levels are higher among 4 & 5 star businesses (41% very satisfied) than among 1 – 3 star businesses (26% very satisfied).

## 6. Visitor Trends



6.1 The domestic market is looking good this year.

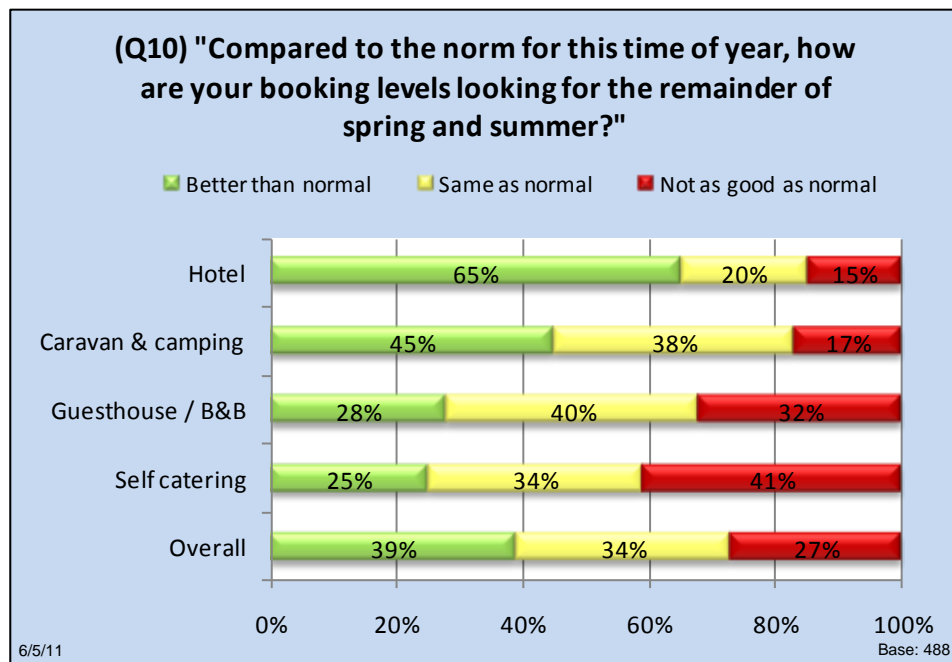
*"I think we have benefited from the economic downturn because people are staying in the UK rather than going abroad"*  
 Self catering, South East

6.2 Business tourism also seems to be recovering from a very difficult couple of years in the recession.

*"A lot of business people had new contracts given to them at the beginning of March which has increased our demand"*  
 B&B, London

## 7. Outlook

### Booking levels



- 7.1 Bookings levels for the remainder of spring and the summer are looking very healthy overall.

#### Hotels looking very strong

- 7.2 The hotel sector has been performing very well for some time now, and this looks set to continue. Hotels also pick up lots of last minute bookings due to late deal tactics, so they have even more reason to be optimistic right now.

*"Everyone is waiting for the last second deals"*

Hotel, East Midlands

*"Things always pick up last minute"*

Hotel, North West

#### Caravan & camping success to continue

- 7.3 The success of the caravan & camping sector looks set to continue through the summer as booking levels are much higher than last year.

*“Our booking levels for the remainder of spring and summer are very good”*  
Caravan park, Yorkshire

*“Booking levels are looking steady for the spring and summer period and tend to pick up at the last minute if the weather is good”*  
Caravan park, West Midlands

#### **Later bookings than usual in self catering**

- 7.4 The self catering sector is the only sector where the advance booking levels at this time may cause concern. One operator even had to check their website was actually functioning:

*“I am panicking - I even got my son to check that our website is working as we have had no enquiries through the website”*  
Self catering, East of England

- 7.5 Some operators say that summer bookings are coming in much later this year and that the late Easter has played a part in this.

*“Bookings are being made later due to the late Easter, but I am hopeful that this is just a timing issue and that they will pick up during the next few weeks”*  
Self catering, North West

*“I think people are booking later because of the late bank holidays for Easter. I am hopeful that bookings will start to pick up now for summer”*  
Self catering, South West

*“Things have changed. People used to book in December and January, but now seem to be leaving it later. I am sure that the bookings will soon come tumbling in”*  
Self catering, South West

- 7.6 Other self catering operators agree that bookings are being made later, but say that the economic climate is the reason.

*“I am noticing that I am not getting my bookings in advance like normal. I feel like the recession is just hitting me”*  
Self catering, West Midlands

*“I think people are leaving it a bit later to book than in previous years, probably because of the economic situation”*  
Self catering, South West

#### **Shift from full weeks to short breaks in self catering**

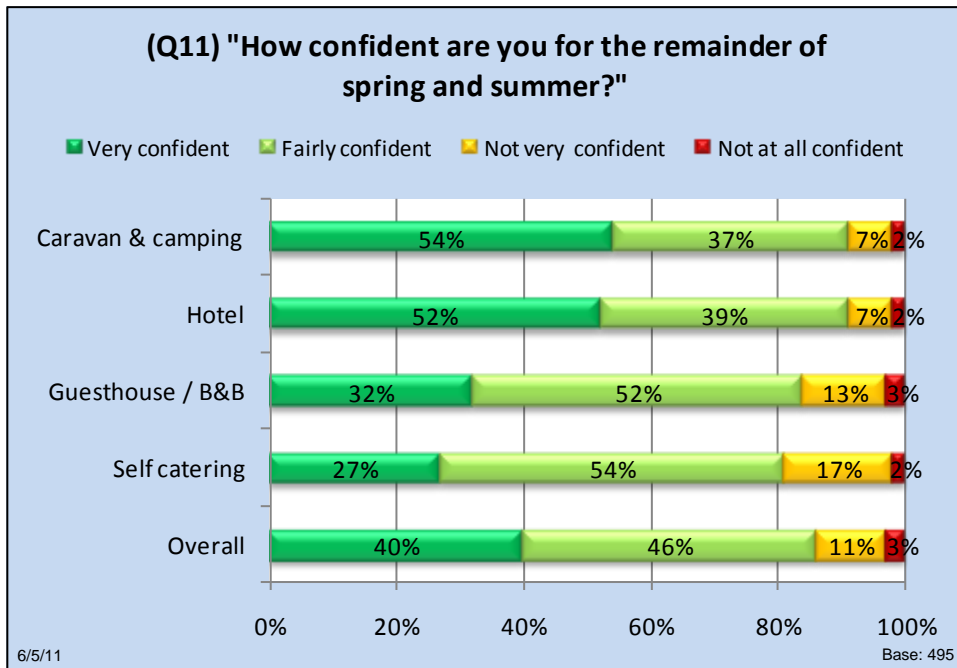
- 7.7 The self catering sector is perhaps seeing a shift from full week bookings towards short stays this year.

*"I have had an increase in enquiries for short breaks and weekend breaks as opposed to week and two week holidays"*  
 Self catering, East Midlands

*"I am getting more weekend break enquiries than full week enquiries"*  
 Self catering, East Midlands

*"July and August enquiries are mainly for short breaks rather than full weeks"*  
 Self catering, South West

## Confidence



7.8 Confidence is understandably high in the hotel and caravan & camping sectors, where advance bookings are high and the year has started very well.

7.9 But confidence is also high in the guesthouse / B&B and self catering sectors as operators are expecting the last minute bookings to come in.

*"I keep thinking that people will arrive"*  
 B&B, North East

## 8. Trend Figures across Research Waves

8.1 This survey is the second wave conducted in 2011. Below are charts based on results from the following previous surveys:

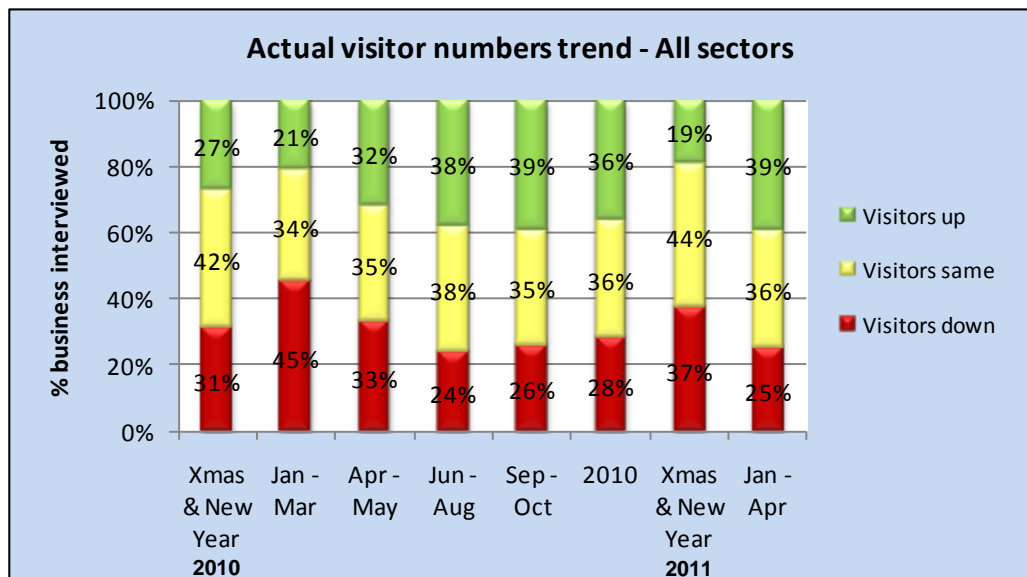
### 2010

- Wave 1 (January)
- Wave 2 (Q1 / Easter)
- Wave 3 (April & May)
- Wave 4 (June to August)
- Wave 5 (September & October)

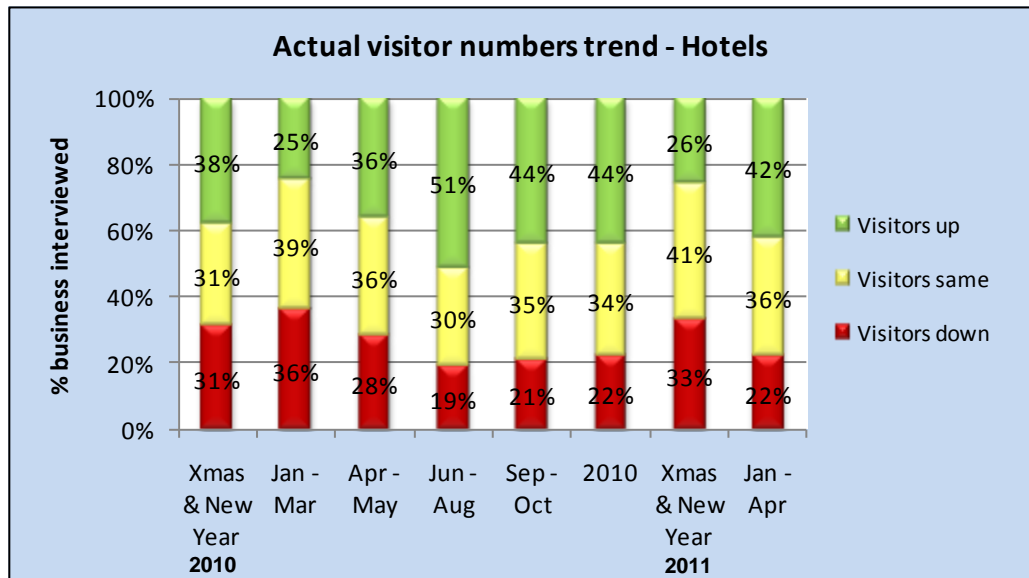
### 2011

- Wave 1 (January)
- Wave 2 (Easter)

### Visitor numbers

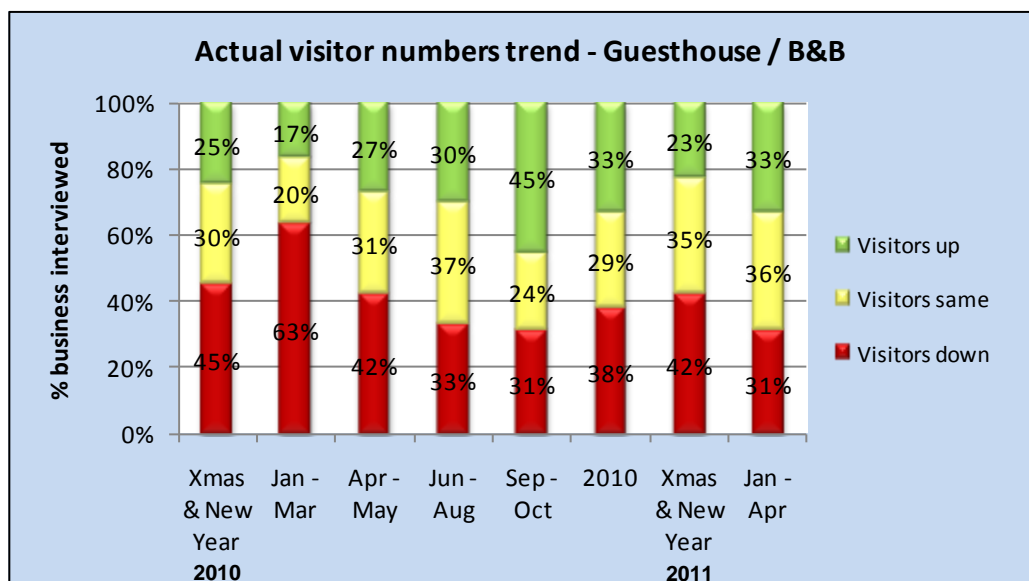


8.2 Following a temporary blip in performance during the frozen winter, the industry is back on track with good results this period.

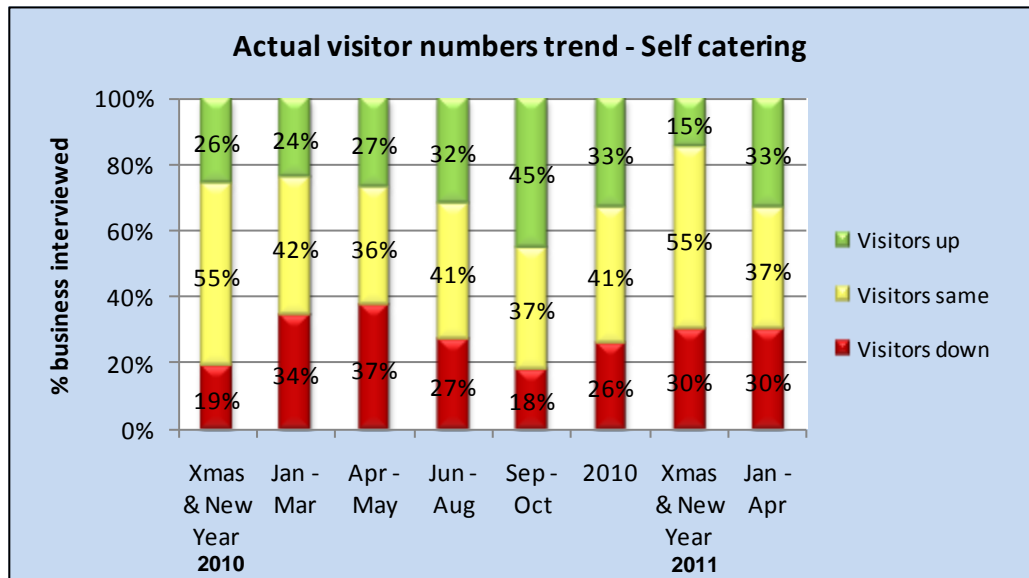


8.3 Charts by actual visitor numbers are now split by sector – the first chart (above) is for hotels.

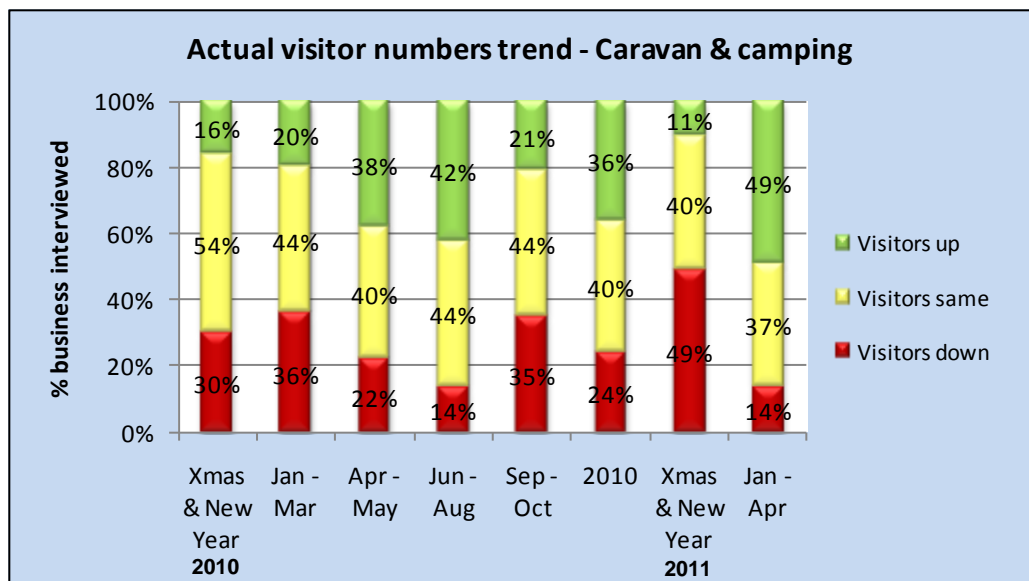
8.4 The frozen winter proved to be a temporary blip in the performance of the hotel sector, which has looked strong for some time now.



8.5 Performance in the guesthouse / B&B sector continues to be mixed.

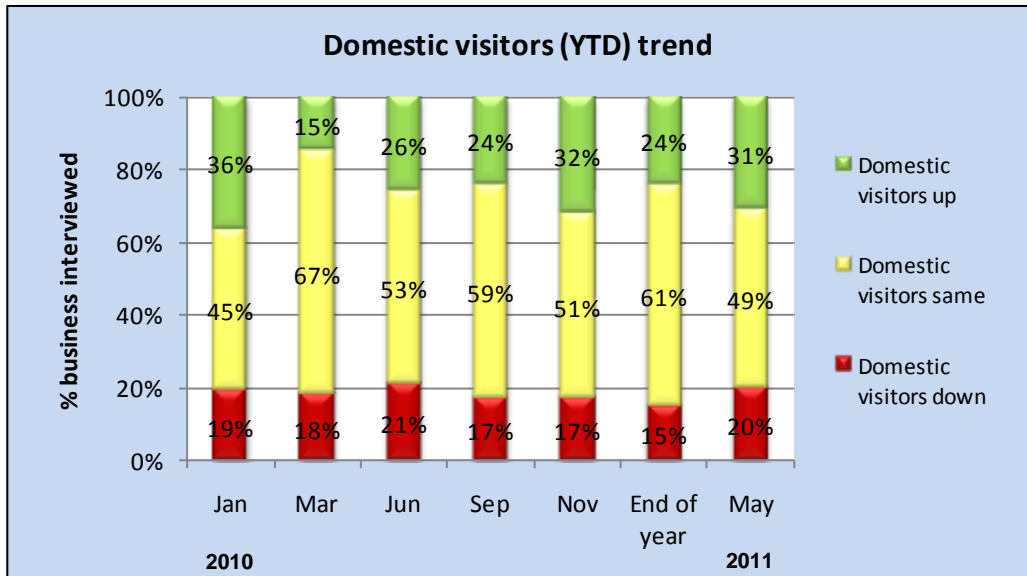


8.6 The picture in self catering looks similar to 2010 – mixed fortunes.

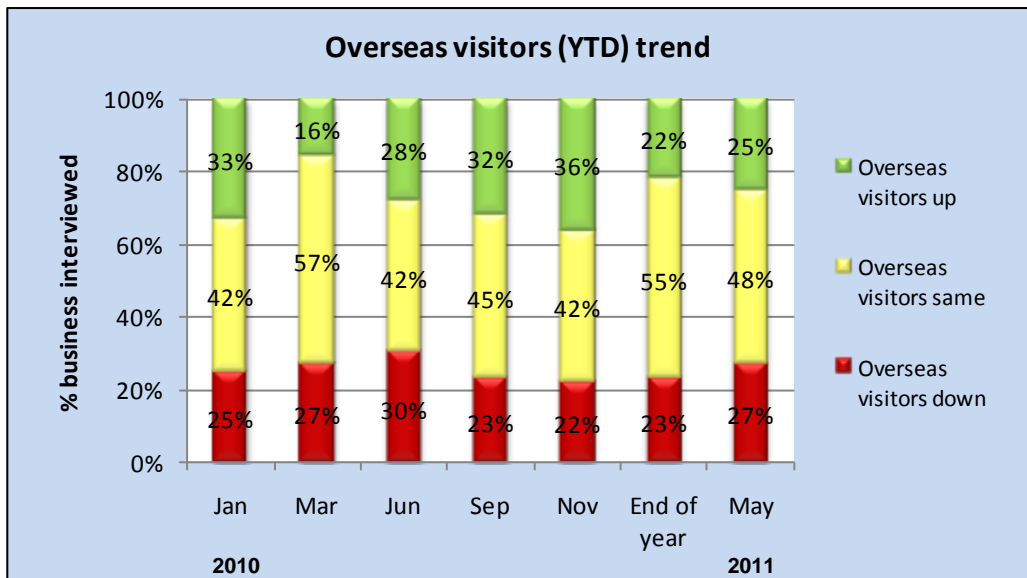


8.7 The weather dependence of the caravan & camping sector is reflected in the erratic ups and downs on the trend chart. The excellent sunny weather in April has caused the sector to boom.

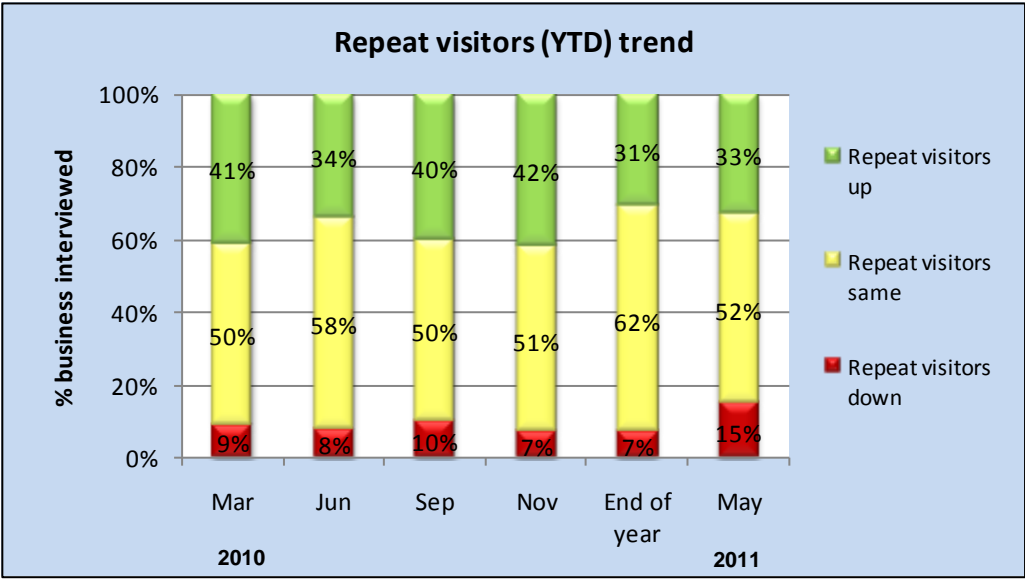
Visitor numbers by type



8.8 Charts now show visitor numbers by type. Respondents were asked each wave to comment on visitor numbers for the year to date rather than just specifically for the research period. Therefore the x axis shows the month in which the question was asked, rather than the research period. The first chart (above) shows the trend for domestic visitors.

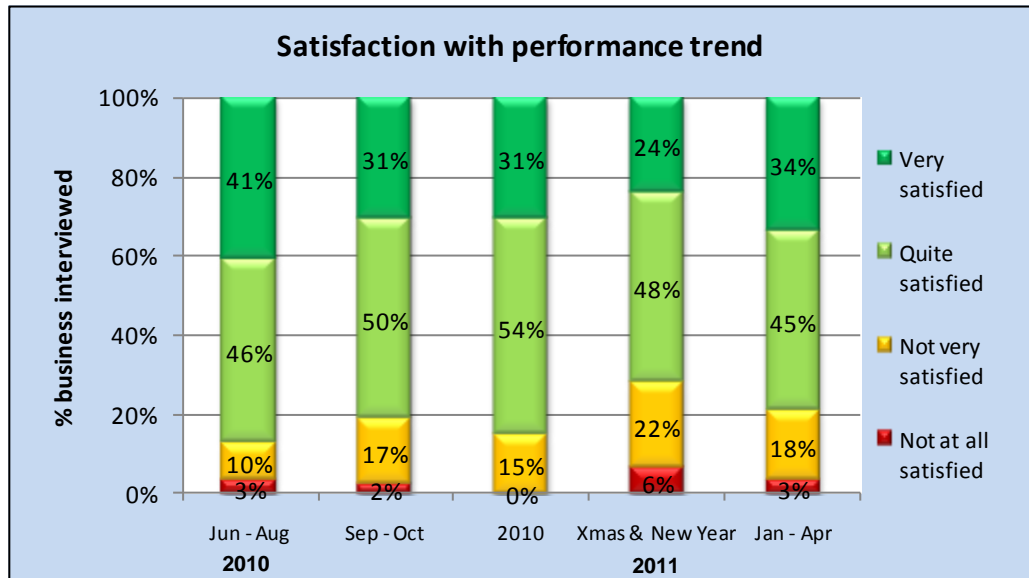


8.9 Overseas visitor levels have remained broadly the same over the last two years.



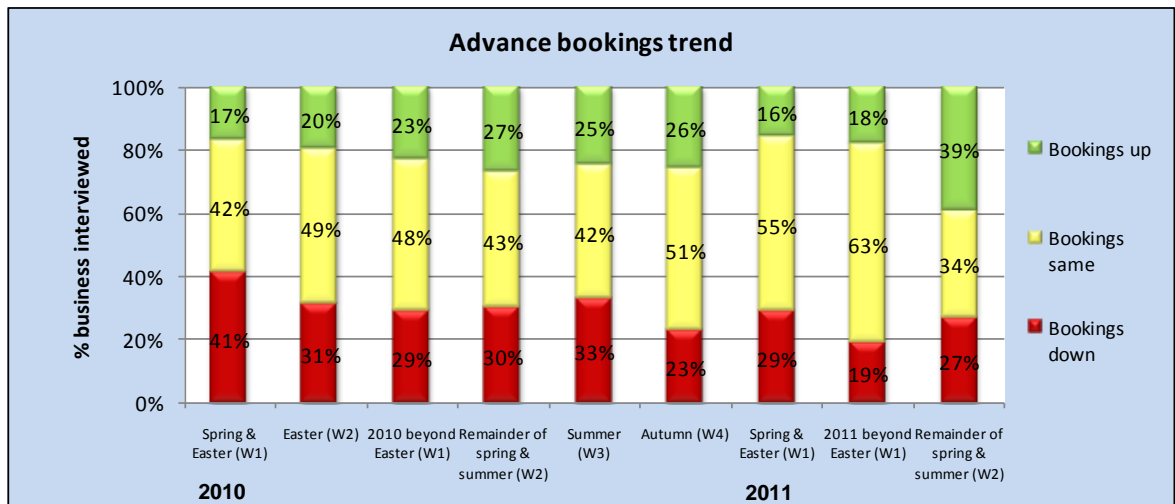
8.10 Repeat visitors have kept the industry stable during difficult economic times. Experienced operators often comment on the critical importance of this particular visitor group.

**Satisfaction with performance**



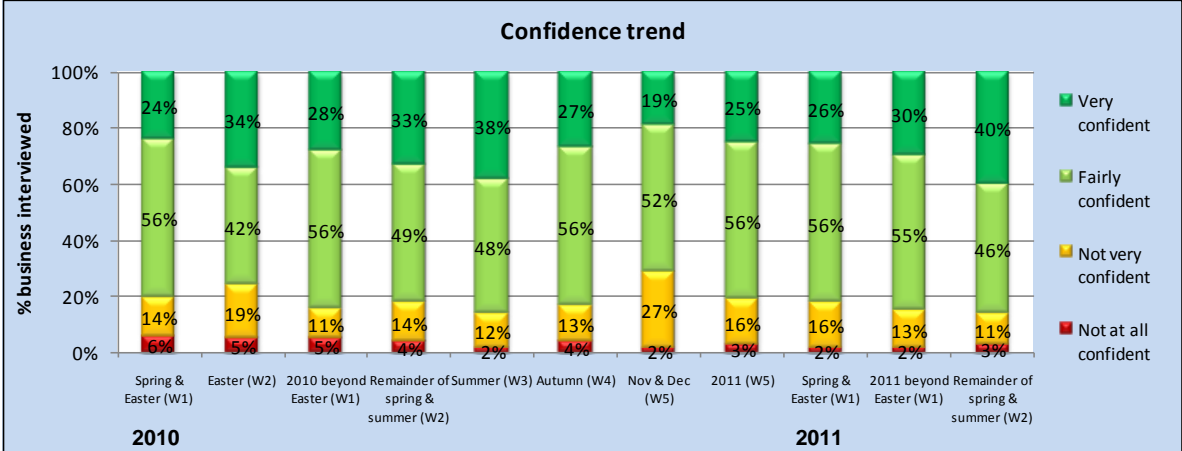
8.11 Satisfaction with performance has always outweighed actual results since the question has been asked. Satisfaction has remained high this period.

**Advance bookings**



8.12 In the climate of last minute booking behaviour, actual results usually turn out to be better than advance bookings suggested. This spring and Easter has certainly turned out much better than booking levels back in January suggested. This summer may well see the industry boom.

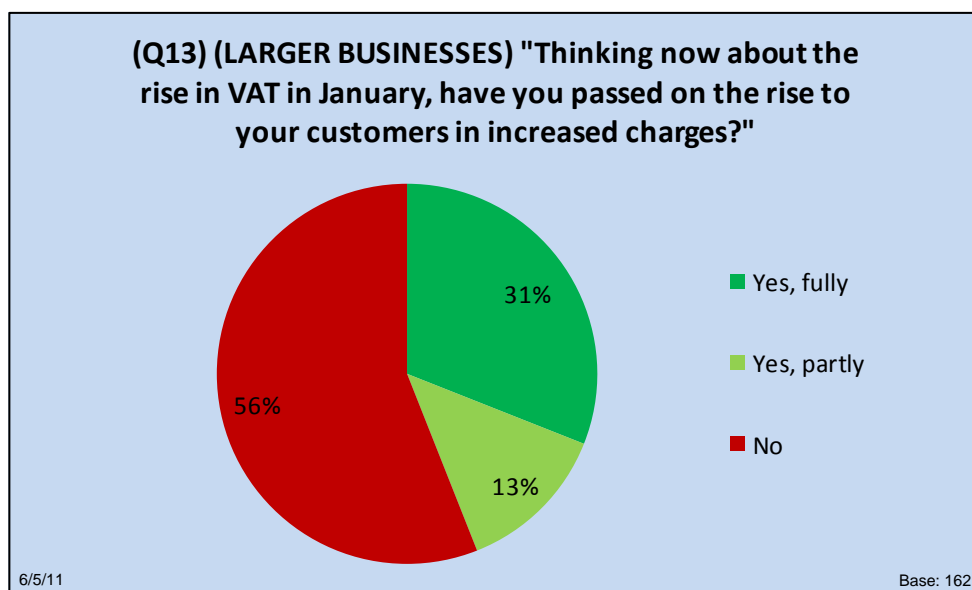
**Confidence**



8.13 Each wave, respondents have been asked their level of confidence about future periods. The chart shows which wave (W1, W2, W3, W4 or W5) the figures are drawn from. Confidence tends to be quite seasonal. Current confidence levels are the highest they have been since the trend analysis began in January 2010.

## 9. VAT Increase

- 9.1 Most (80%) self catering and guesthouse / B&B operators have not passed on the VAT increase to their customers in increased charges, but this is because many are not VAT registered as their annual turnover is below the compulsory VAT registration threshold (£73,000).
- 9.2 Results are therefore best viewed for the larger businesses in the sample, shown on the chart below (please refer to page 6 for the definition of 'large' for each sector).



- 9.3 Only about a third (31%) of larger operators have passed on the VAT increase in full. Many simply feel the competition is too great for them to raise their prices.

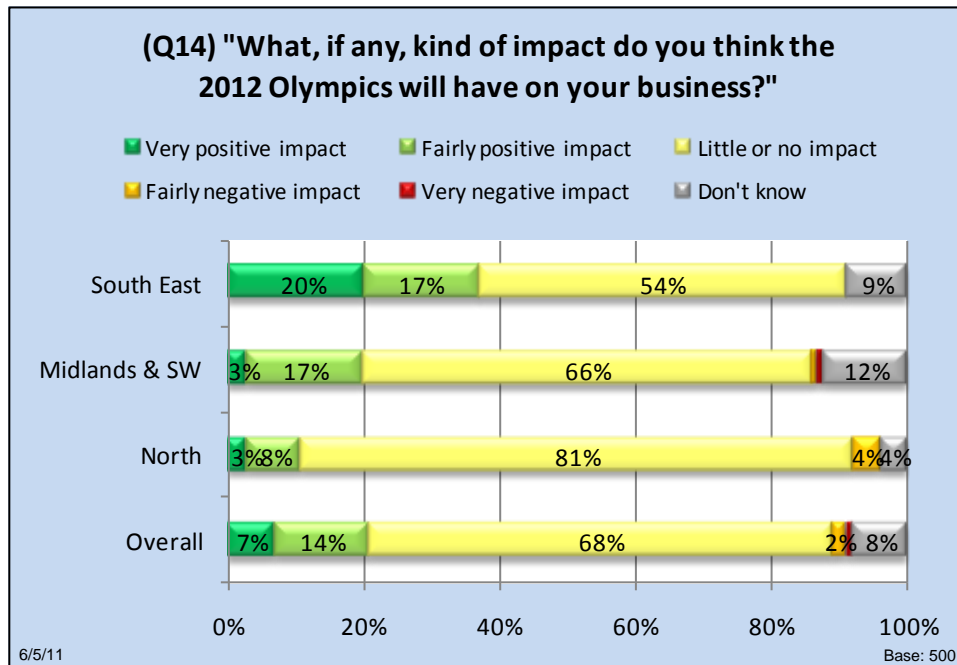
*"We've held our prices this year just so that we can keep a happy camping site"*

Campsite, West Midlands

*"We've been scared of putting the prices up too much as it would scare off the customers"*

Caravan park, East Midlands

## 10. Impact of 2012 Olympics



- 10.1 The majority (68%) of respondents believe the 2012 Olympics will have little or no impact on their business. Even in the south east, the impact is generally expected by businesses in London but not outside of London.

*"It all depends on many factors: how busy all the hotels in London will get, how far people will be willing to travel to go and see the Olympics etc. In all honesty I think we're too far away and it will be chaos trying to get into London, unless they devise some park and ride schemes or deals with the trains"*

Hotel, South East

*"Olympics will bring in customers but will also scare away many of the business customers"*

Hotel chain

*"We have already had a lot of interest regarding the Olympics"*

Guesthouse, London

*"I should think the Olympics would have an impact on us ... there will be many people training for the Olympics and I'm sure it will bring a lot of the press"*

Caravan park, East Midlands

*"The Olympics won't impact us, we're too far away. Maybe if tourists from abroad want to make a big trip of it; coming to watch the Olympics and then*

*touring the rest of the country we'd see some business. But in all honestly I can't see that happening as it would be a very expensive trip, and people just don't have the money to throw around on things like that these days. I don't think people will travel as far because of fuel prices"*  
Caravan park, Yorkshire