



REPORT

VisitEngland
Business Confidence Monitor 2012

Wave 1 – New Year



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1. Headline Findings

Mixed Christmas & New Year period

- 1.1 About three in ten (29%) businesses which remained open increased their visitor numbers during the Christmas & New Year period and about two in five (38%) had the same level. However one in three (33%) received fewer visitors.
- 1.2 One of the reasons given for being busier than last Christmas is that figures are compared against a period blighted by snow 12 months ago, whereas decreased visitor levels are generally thought to be due to fewer people being able to afford to go away at this time of year.

2011 was a good year compared to 2010

- 1.3 The English tourism industry enjoyed a good year in 2011. About two in five (41%) businesses report increased visitors, compared to only one in four (25%) experiencing a decrease.
- 1.4 It was an excellent year for hotels (55% increasing visitors) and caravan & campsites (46% increasing visitors). The self catering and guesthouse / B&B sectors finished the year about level overall.
- 1.5 Strong domestic and repeat visitor markets appear to be behind the success in 2011.

Advance bookings in 2012 are down compared to the norm

- 1.6 Just one in six (17%) businesses have more bookings for spring & Easter compared to normal for this time of year, compared to one in three (34%) which have fewer.
- 1.7 Similarly, one in six (17%) businesses have more bookings for 2012 beyond Easter compared to normal, but about three in ten (28%) have fewer.

Confidence slightly subdued compared to 2011

- 1.8 About one in six (18%) operators are feeling 'very confident' for the spring & Easter period, compared to a higher proportion (26%) answering the same question 12 months ago.
- 1.9 About one in six (17%) operators are 'very confident' about 2012 beyond Easter, but this time last year, three in ten (30%) were saying that about the year ahead.

Little change in the expected impact of the Olympics

- 1.10 The benefits of the Olympics are still just expected to be felt by businesses in London, with little optimism outside of London.

Some optimism surrounding the Queen's Jubilee

- 1.11 Over a third (37%) of operators expect to see a positive impact on their business from the Jubilee and extra bank holiday. Half (51%) expect little or no impact.

2. Research Background

Objectives

- 2.1 This survey is part of the 2012 'Business Performance Monitor', which aims to measure business performance and confidence in the English tourism industry over the main holiday periods. This survey wave immediately follows the Christmas & New Year holiday period and also looks at 2011 as a whole.
- 2.2 The main objectives of this wave are to measure:
 - Business performance and satisfaction during Christmas & New Year
 - Business performance and satisfaction during 2011
 - Trends by visitor type
 - Expectations and confidence for 2012
 - Expected impact of the 2012 Olympics
 - Expected impact of the Queen's Jubilee

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 503 interviews have been completed by telephone with business owners or managers between 4th and 9th January. 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	13	-	17
East Midlands	11	7	6	16	40
East of England	9	9	11	24	53
London	4	27	2	-	33
North East	8	6	3	9	26
North West	19	25	13	17	74
South East	12	24	24	10	70
South West	19	24	31	26	100
West Midlands	6	14	4	5	29
Yorkshire	11	12	19	19	61
Total	101	150	126	126	503

- 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

Size / Sector	Hotels	Guest house / B&B	Self catering	Caravan & campsites	Total
Large	31	62	44	60	197
Small	70	88	82	66	306
Total	101	150	126	126	503
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. Christmas & New Year Performance

3.1 Two in three (65%) businesses interviewed stayed open over the Christmas & New Year period. The remainder either did not expect there to be enough demand, only have a ten month license (caravan & campsites) or the owners like to have that time to themselves.

“We deliberately tone down our business at this time of year so we can have a holiday ourselves”

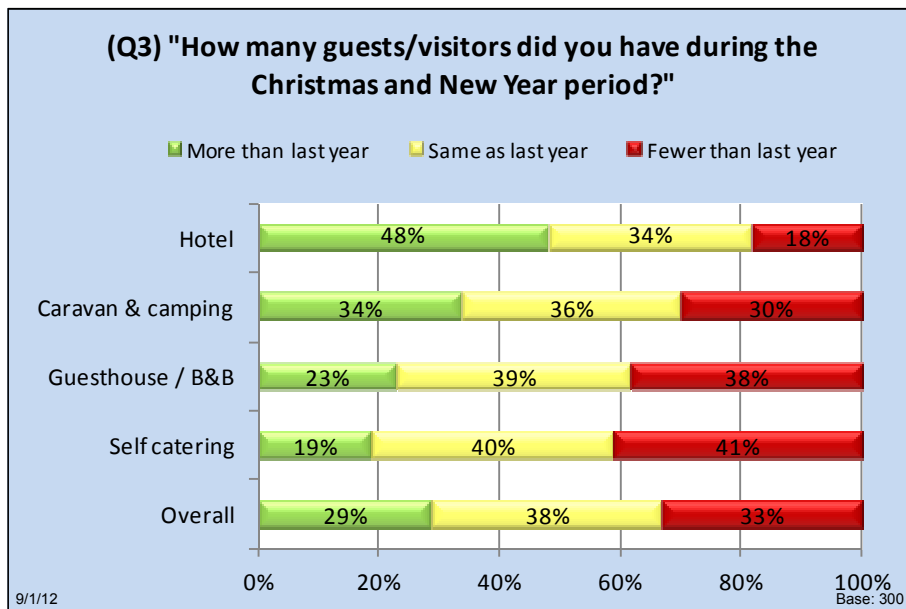
Self catering, South West

“We don't open over Christmas, although we used to, because bookings dried up”

Self catering, East of England

Visitor numbers

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



Very good period for hotels

3.2 About half (48%) of hotels which were open increased their visitors during the Christmas & New Year period. Many enjoyed hosting festive celebrations, although some admit that the numbers look good because the question compares this year against last year, which was blighted by snow.

“The lead up to Christmas was slow, but the actual Christmas was good”
Hotel, South West

“We had a busy Christmas and New Year this year only because we had better weather”
Hotel, Yorkshire

“Last year a lot of customers were snowed in, so this year’s figures look good”
Caravan park, South West

Poor end to the year for self catering

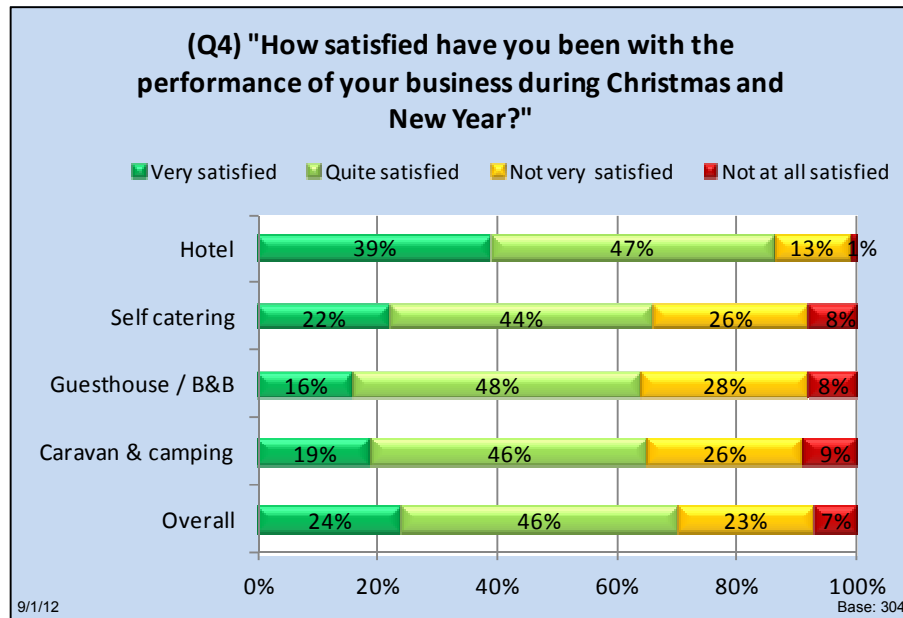
3.3 More self catering operators (89%) remained open this period than in any other sector, but many were left disappointed. It is thought many people can’t afford to go away at this time of year anymore. A few operators also suggest that last Christmas’ arctic weather may have put some people off booking this year.

“People are being careful with their money so we haven’t done very well at all this Christmas”
Self catering, South West

“We were about 50% capacity on Christmas business this year, compared to our normal 100% - mostly because people don’t seem to have the money to stay away and they seem to be travelling less”
Self catering, South East

“Last year the weather was very bad and I think people were cautious about the same thing happening again this year so that impacted on this year’s bookings”
Self catering, South West

Satisfaction with performance



- 3.4 Hotels operators have been left feeling satisfied after a busy period, whereas feelings in the other sectors are mixed.

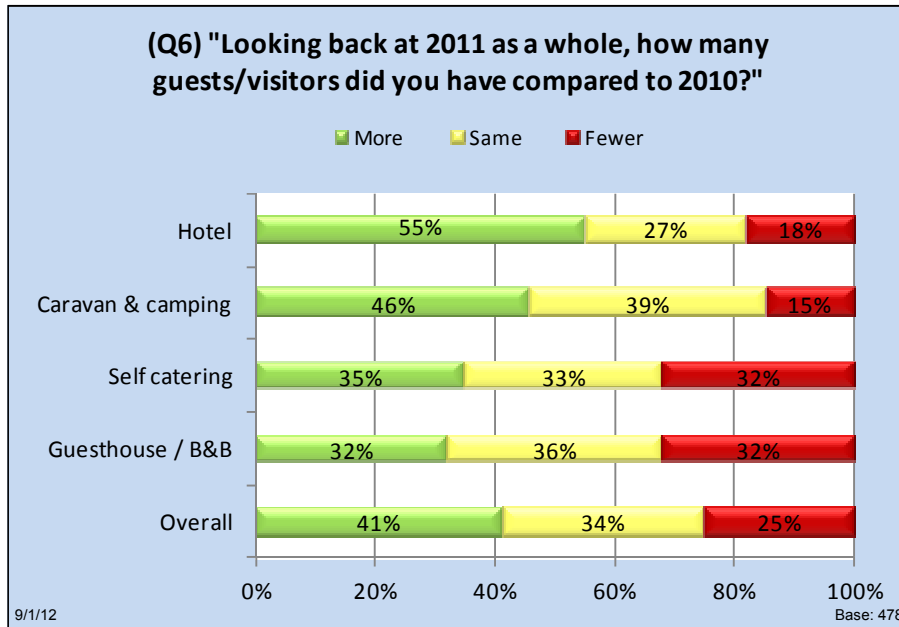
"Christmas was fantastic, we had a very good one"
 Hotel, East Midlands

"We had a good year but a disappointing Christmas! We think that Christmas may have been tighter because it was the weekend and because people don't generally have money to spend"
 Hotel, East Midlands

"We were disappointed"
 Self catering, East of England

4. 2011 Performance

Visitor numbers



2011 was a good year compared to 2010

4.1 The English tourism industry enjoyed a good year in 2011. About two in five (41%) businesses report increased visitors, compared to only one in four (25%) experiencing a decrease.

Excellent year for hotels

4.2 The hotel sector enjoyed an excellent 2011, with over half (55%) of businesses increasing their visitor numbers. It is worth noting however that some of this volume increase has effectively been 'bought' through special offers and reduced room rates.

"We have struggled to maintain prices and service, and the profit margin is down, mainly down to VAT and offering deals"

Hotel, North West

"We had a really busy year last year and we just keep getting busier so we can't complain. I think more people are staying in the UK for their holidays"

Hotel, West Midlands

Excellent year for caravan & campsites

- 4.3 The caravan & camping sector had an excellent 2011 compared to 2010, which itself was up on 2009.

“People seem to stay in England as opposed to going abroad as it is cheaper. We have more Scandinavian visitors due to Visit Cornwall’s promotions. We had one family come back six times in the year”

Caravan park, South West

“We had a really good year in 2011. Everyone seemed to be staying in the UK for their holidays”

Caravan park, West Midlands

Maintaining ground in guesthouse / B&B and self catering

- 4.4 The guesthouse / B&B and self catering sectors have not enjoyed the gains in visitor levels that hotels and caravan & campsites have had, but they seem generally happy not to have lost ground during challenging times.

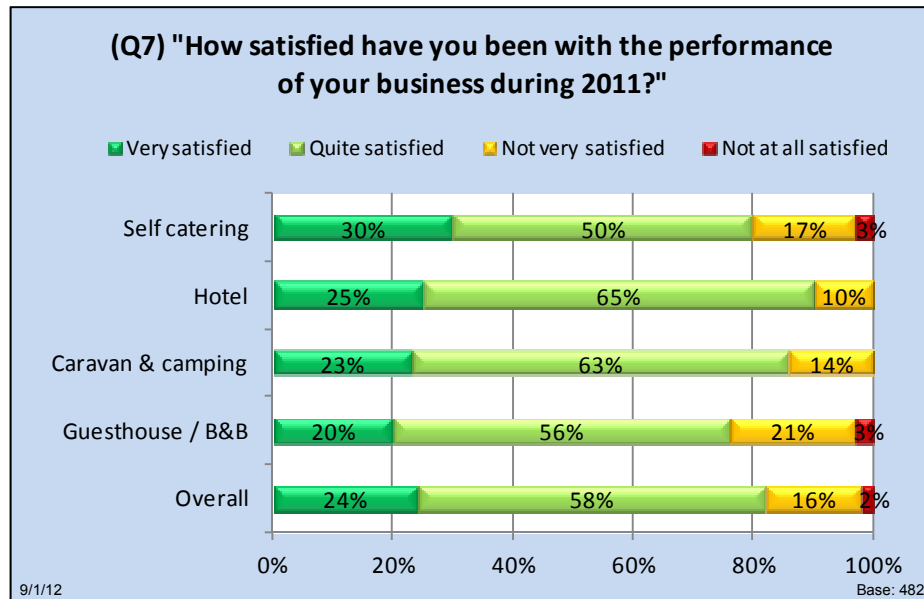
“Our 2011 was the same as 2010 which was quite surprising with the current climate”

B&B, Yorkshire

“We would find that people would book far in advance, but then a high percentage cancelled when the final deposit was due”

Self catering, East Midlands

Satisfaction with performance



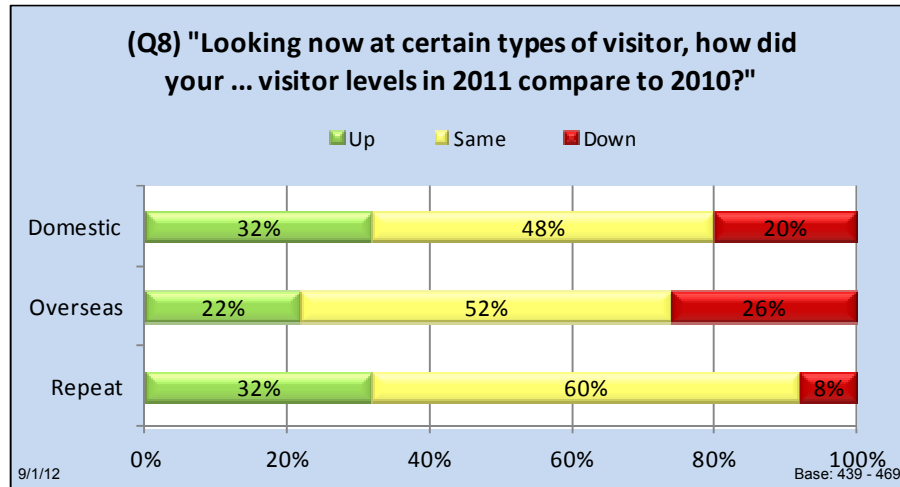
Relief with performance

4.5 Operators across all sectors have ended 2011 feeling relieved with how their business performed. Many admit that it could have gone very much the other way.

"We had fewer guests last year but I am fairly happy because in the current climate, it could have been a lot worse"
 B&B, Yorkshire

"2011 was very similar to 2010 in every way. We were happy because we had no idea how the year was going to go with the recession"
 B&B, Yorkshire

5. Visitor Trends



- 5.1 Strong domestic and repeat visitor markets appear to be behind the success in 2011.

"We have had fewer overseas visitors but a lot more domestic and repeat visitors, which is great"
B&B, Yorkshire

"We have been having more domestic visitors, especially from the south of England, as people seem to be holidaying in the UK instead of taking expensive overseas trips"
Caravan park, North West

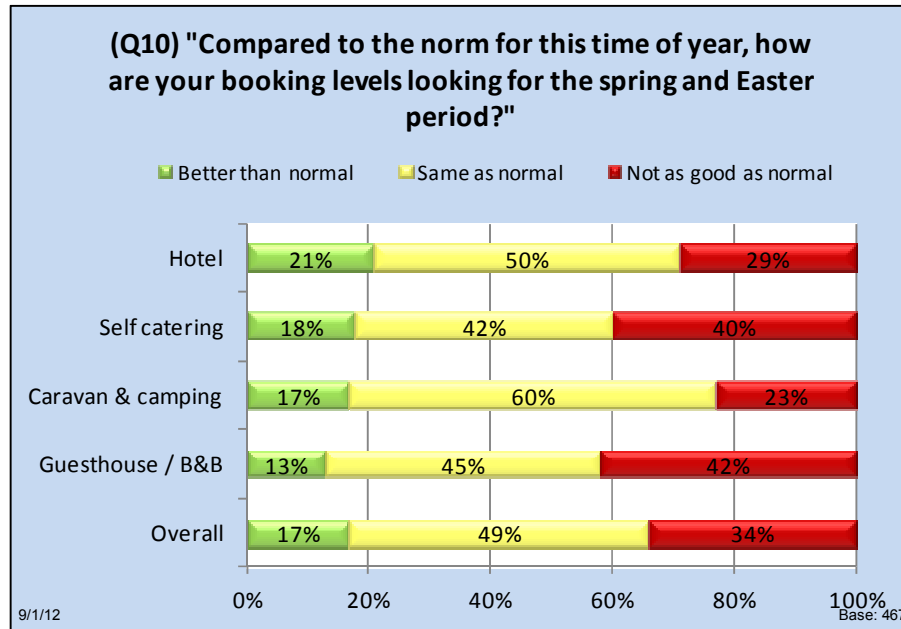
- 5.2 Repeat visitors are heavily relied upon by some businesses. At some point, they will need to attract new ones.

"We have been going for 12 years and are probably losing repeat customers to infirmity and death, so we may need to modernise to attract new ones"
Self catering, East Midlands

"The site opened in 1945/46 after the war, and some people are still coming here from then"
Caravan park, North East

6. Advance Bookings

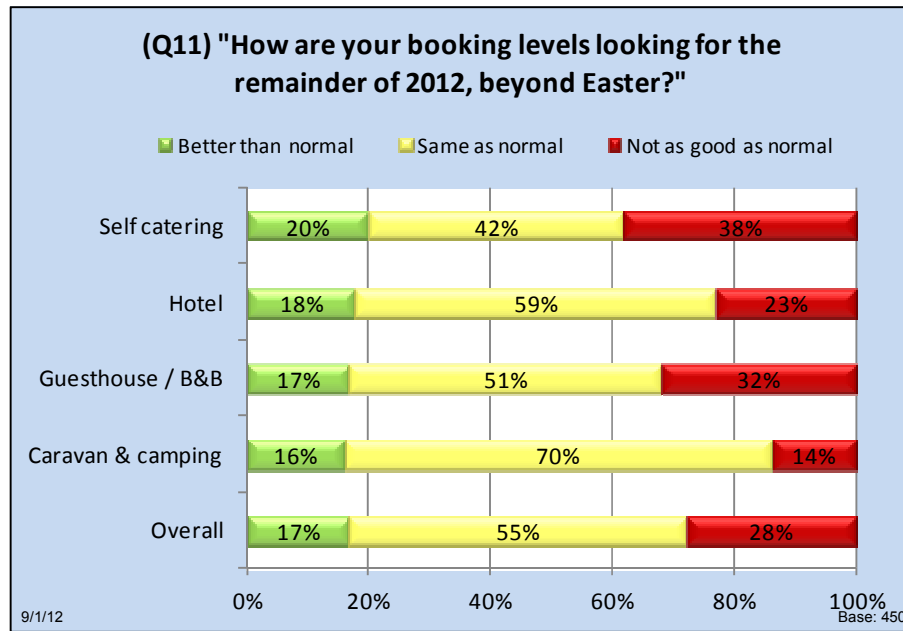
Spring and Easter



- 6.1 Advance bookings for spring and Easter are down compared to the norm in all sectors. Increasing tendency to book last minute means that operators are generally not too concerned yet.

"Our booking levels are down on last year but I am not worried because people are always booking last minute these days"
 B&B, West Midlands

2012 beyond Easter

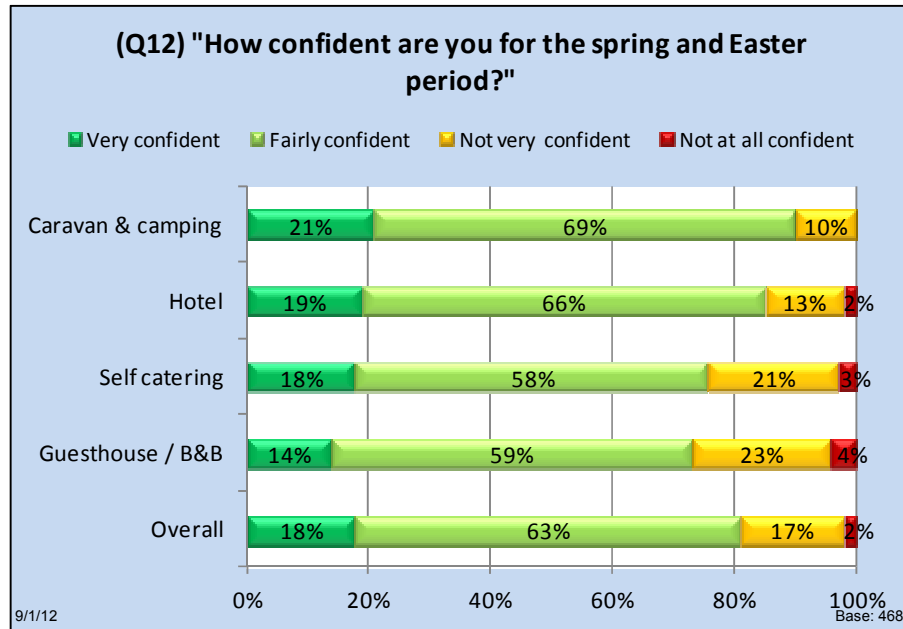


- 6.2 In similar fashion, advance bookings beyond Easter are down in all sectors, but it is early to be getting concerned.

"I am finding that a lot of people are waiting until the last minute to book so I'm not too worried"
B&B, West Midlands

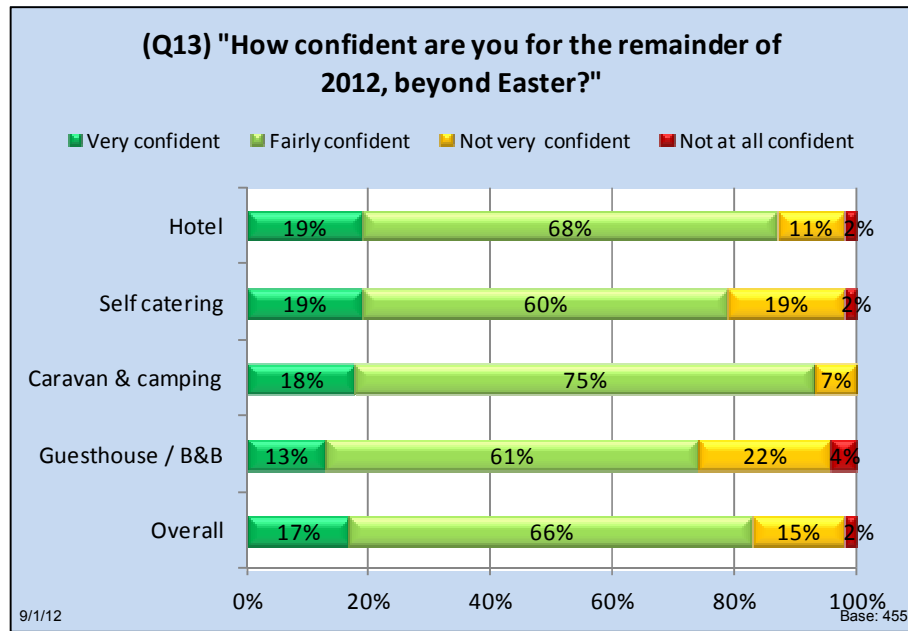
7. Confidence

Spring and Easter



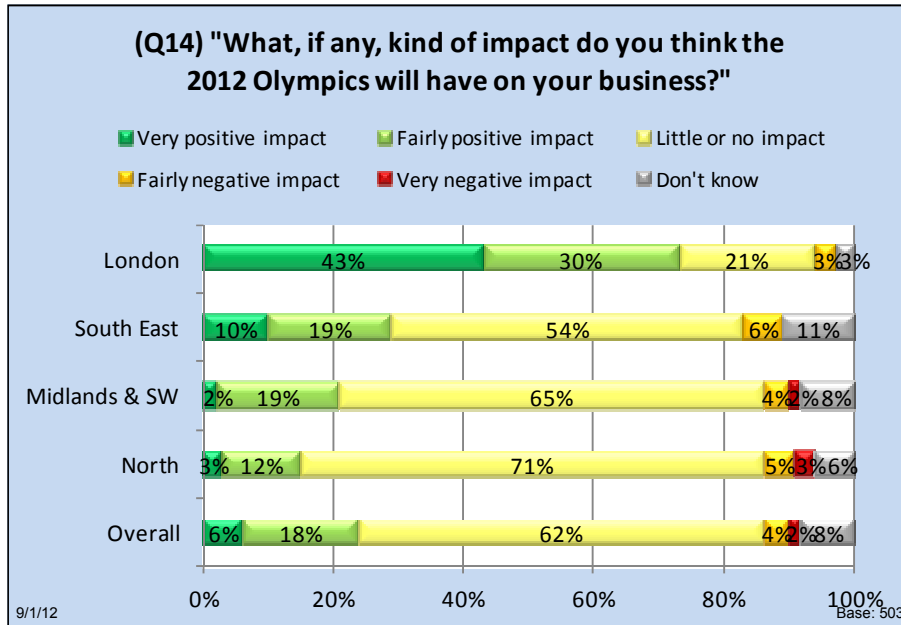
- 7.1 About one in six (18%) operators are feeling 'very confident' for the spring & Easter period, but 12 months ago a higher proportion (26%) were very confident about the equivalent period.

2012 beyond Easter



- 7.2 Confidence for the remainder of the year beyond Easter has also turned a bit lukewarm. One in six (17%) are 'very confident' but this time last year three in ten (30%) were very confident.

8. Impact of 2012 Olympics



- 8.1 The benefits of the Olympics are still just expected to be felt by businesses in London, with little optimism outside of London.
- 8.2 The reasons remain the same as in previous surveys – too far away, don't believe tourists will travel to other parts of the country, people will want to stay at home to watch it on TV.

"I think the Olympics is being solely pushed as a London event and the rest of the country is being ignored"
Self catering, South West

"I believe the Olympics will make life very difficult for us. When the World Cup was on it had a bad effect on our business because people want to stay at home to watch it"
Self catering, South West

"We will be busy during the Olympics and hope that business increases throughout the year"
B&B, London

"We are going to be crazily busy during the Olympics and we expect more people for the Jubilee as well"
Guesthouse, London

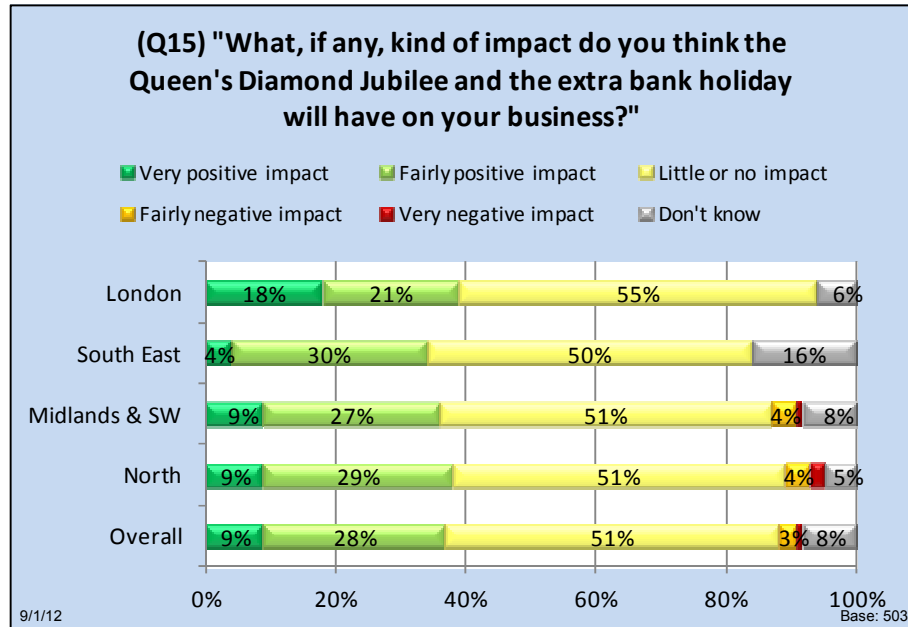
“The Olympics will see people flood to London, and I don't think they'll spread out”

Hotel, South West

“We have many groups from London and overseas booked in during the Olympics as they are trying to avoid London at that time. I think York will do very well at that time”

Hotel, Yorkshire

9. Impact of Queen's Jubilee



Some optimism surrounding the Queen's Jubilee

- 9.1 Over a third (37%) of operators expect to see a positive impact on their business from the Jubilee. The reason is the extra bank holiday.

"We will hopefully get people wanting to make the most of the extra bank holiday during the Jubilee and stay with us"
Self catering, East of England

"The Jubilee should be great! ... I think it will be a lovely time to celebrate and be very good for business"
Self catering, South West

"The Jubilee should be good as we've already had a few bookings and I think places will fill up quickly"
Self catering, South West

"The Jubilee should lead to us getting a few more nights stays. We tend to find long weekends lead to higher spend at the bar!"
Hotel, East Midlands

"People get an extra day off work, so may come to see us in the Lake District"
Hotel, North West

We're having a party

9.2 A few operators have already started planning celebrations.

"We are very excited about the Diamond Jubilee. We are actually offering a special Diamond Jubilee package. We are offering garden parties, a champagne reception, a diamond dinner dance, we will be watching one of the beacons being lit and then having a regal BBQ"

Hotel, South East

It's not relevant to us

9.3 Half (51%) of operators say the Jubilee will have 'little or no impact' on their business. In spite of the fact that the extra bank holiday applies to all parts of the country, many operators' perception, especially in the north, is that this is a London event and therefore it's not relevant to their business.

"We are based up north so I don't think the Jubilee will have any impact on us. I think it will have great impact on businesses down south"

B&B, Yorkshire

"People's heads will be turned and their orientation will be towards London. Both the Olympics and the Jubilee will reduce the domestic and overseas visitors we have"

Self catering, North West

"The Olympics and Jubilee won't have any impact on us whatsoever. We are too far away from the action to affect us"

B&B, Yorkshire

Armchair viewing

9.4 Some operators believe that people will stay at home to watch the event on TV.

"Both the Olympics and the Jubilee will have a negative effect as people tend to stay at home"

Self catering, North West

Comparisons with the Royal Wedding

9.5 Some operators base their judgement of the likely impact on last year's experience with the Royal Wedding – whether that was positive or negative.

"As with the Royal Wedding, the Jubilee will have a negative effect as more people will stay at home"

Self catering, West Midlands

“We’re hoping the Royal Wedding will bring us some custom as the Royal Wedding did last year”
B&B, North West

“I don’t think the Jubilee will make any difference to us if the royal wedding is anything to go by. We were just the same as normal, not any busier”
Caravan park, Yorkshire

We’ll be booked up anyway

- 9.6 Some operators have commented that with or without the extra bank holiday, they would be booked up at that time of year anyway.

“I’m already fully booked for June as it is our peak time”
Self catering, South West

“The Jubilee week is always busy and we are already booked”
Self catering, South East

10. Trend Figures across Research Waves

10.1 This survey is the first wave conducted in 2012. Below are charts based on results from this survey and the following previous surveys:

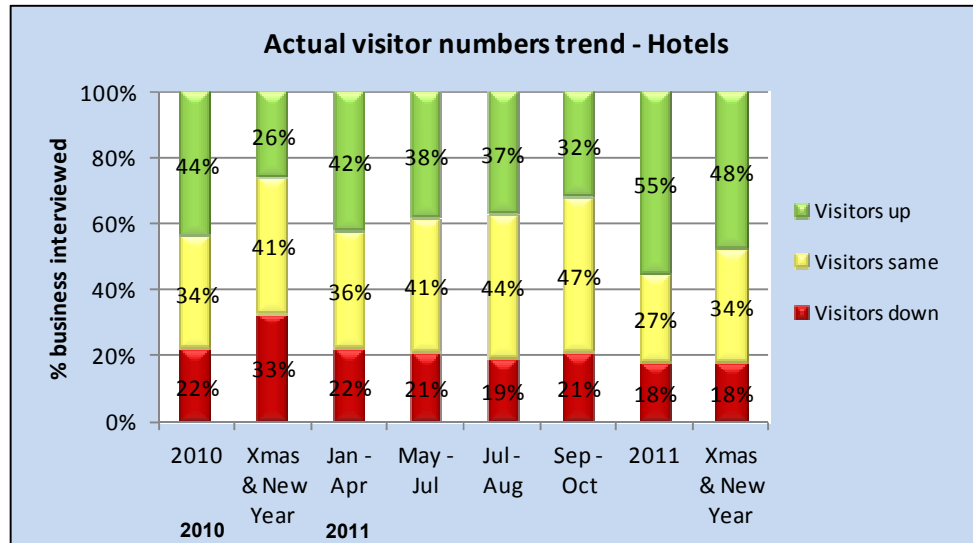
2011

- Wave 1 (January)
- Wave 2 (Easter)
- Wave 3 (May to Mid July)
- Wave 4 (Summer holidays)
- Wave 5 (Sep – Oct)

Visitor numbers

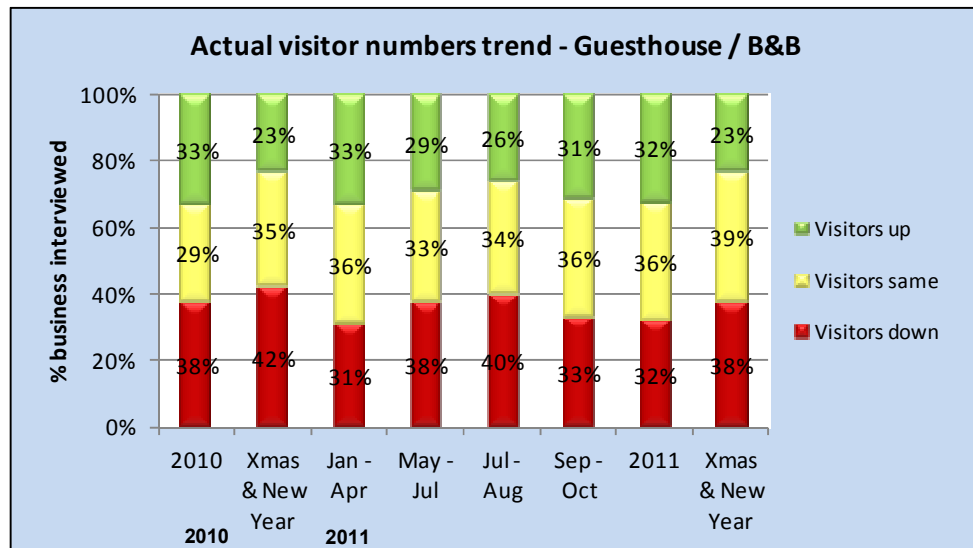


10.2 Visitor numbers this period are more positive than this time last year, which was blighted by heavy snow.

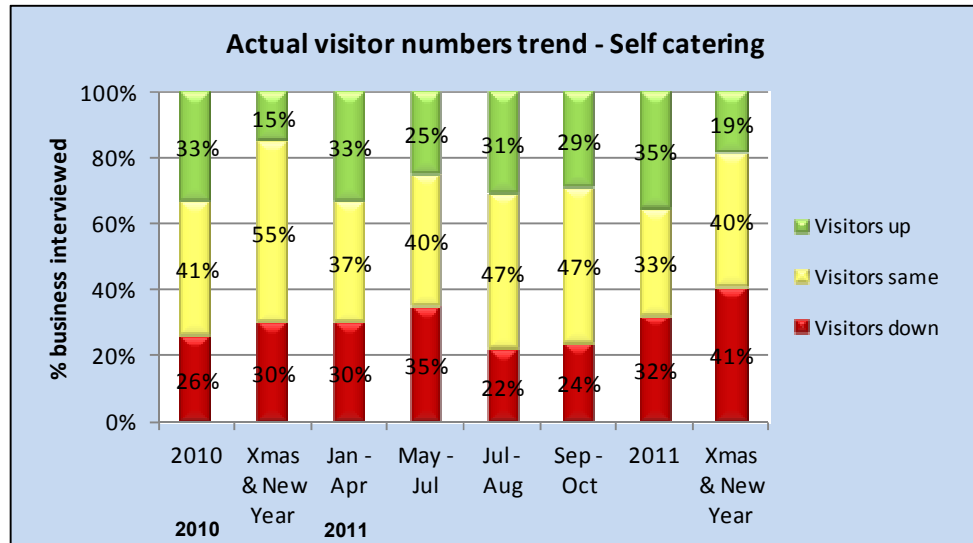


Charts by actual visitor numbers are now split by sector – the first chart (above) is for hotels.

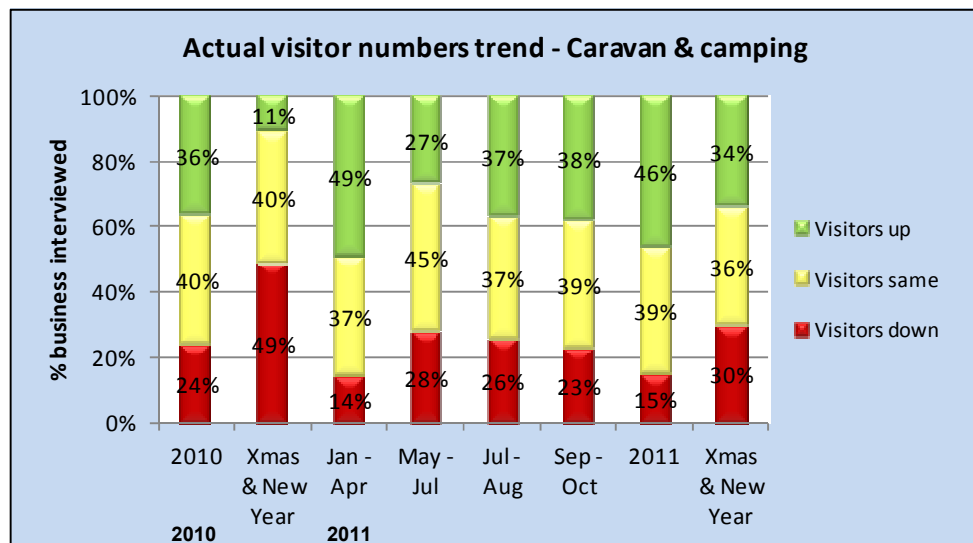
10.3 The hotel sector performed strongly through 2011.



10.4 Performance in the guesthouse / B&B sector turned out ok in the end for 2011, with many operators admitting it could have been much worse.

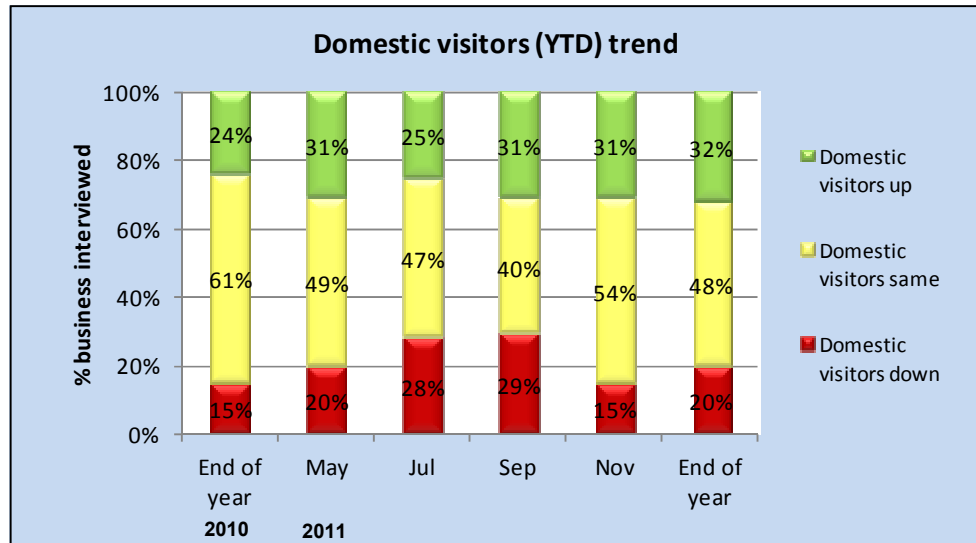


10.5 Christmas & New Year was a disappointing period for self catering after most businesses had stayed open for it.



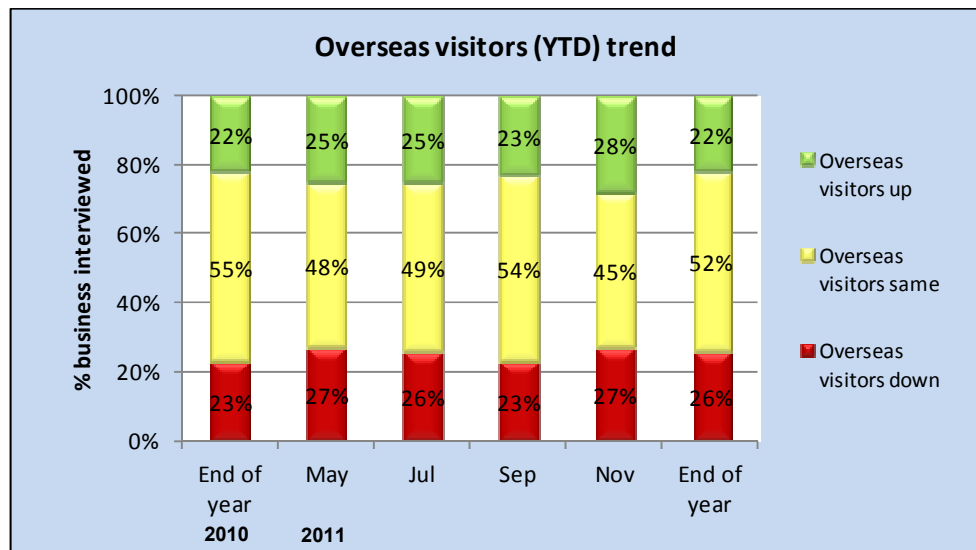
10.6 The weather dependence of the caravan & camping sector is reflected in the erratic ups and downs on the trend chart. 2011 was an excellent year for the sector, on the back of an already good year in 2010.

Visitor numbers by type



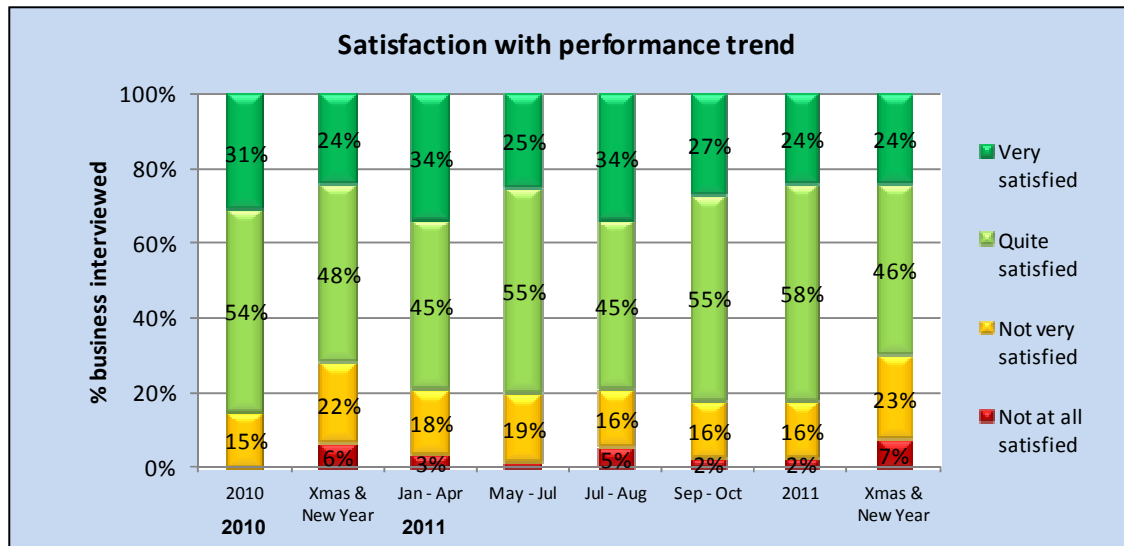
Charts now show visitor numbers by type. Respondents were asked each wave to comment on visitor numbers for the year to date rather than just specifically for the research period. Therefore the x axis shows the month in which the question was asked, rather than the research period. The first chart (above)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

10.7 A successful year for the industry in 2011 was largely down to the strength of domestic tourism.



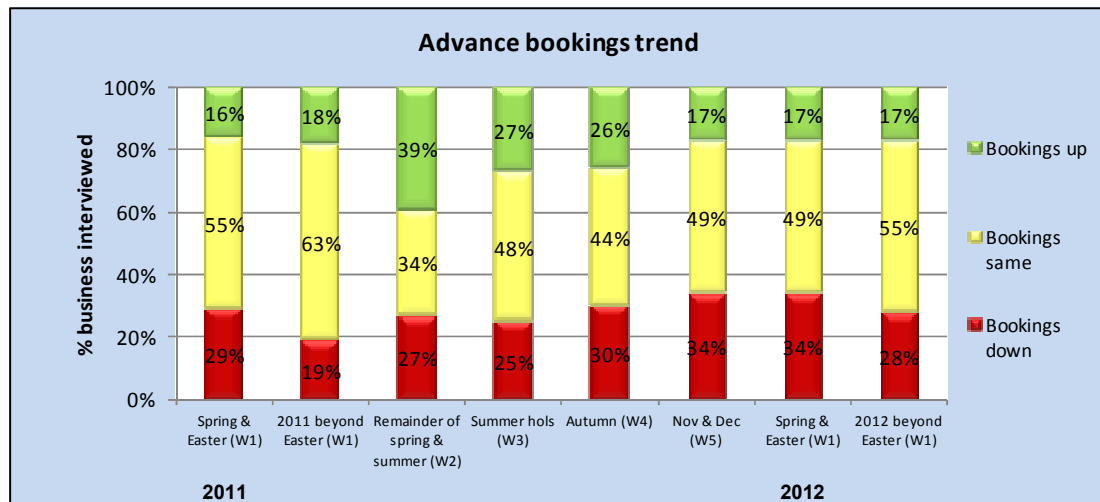
10.8 Overseas visitor levels have remained broadly the same over the last two years.

Satisfaction with performance



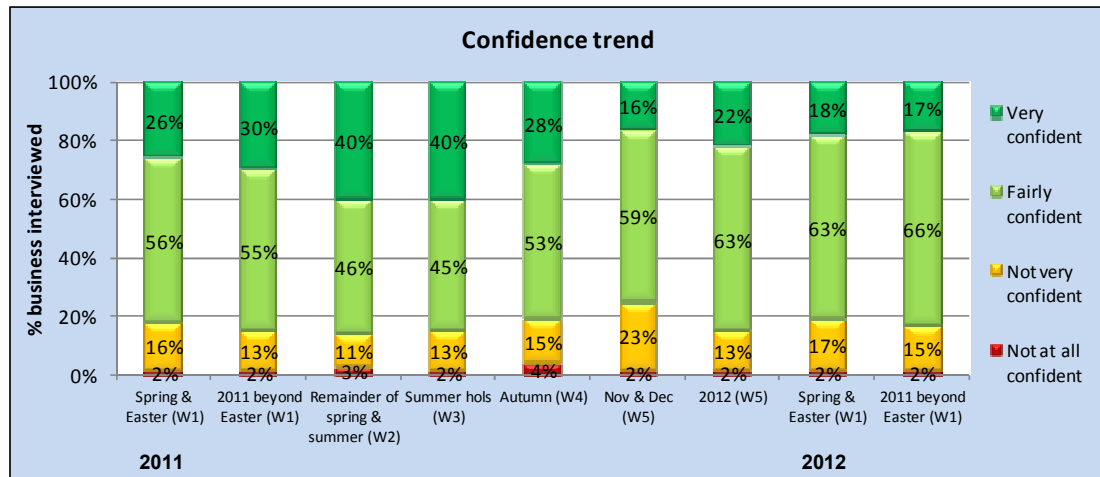
10.9 Satisfaction with performance has always outweighed actual results since the question has been asked. Satisfaction took a slight knock this period as many did not receive the level of visitors they had hoped for. The results are very similar to the equivalent period last year.

Advance bookings



10.10 Advance booking levels have generally been declining for about the past 12 months.

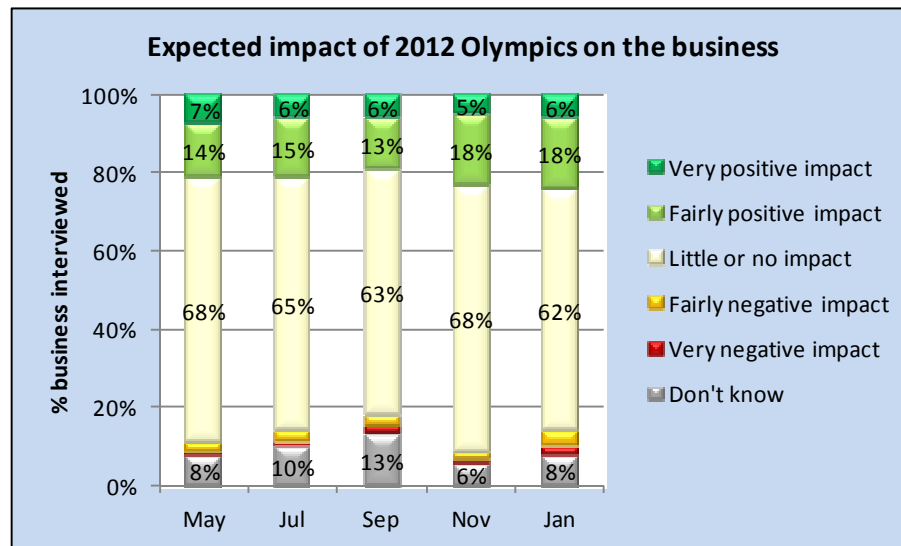
Confidence



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, hence the dip in confidence for the coming period but the renewed confidence for next year.

10.11 Confidence is noticeably lower than it was 12 months ago.

Impact of Olympics



10.12 In spite of the allocation of tickets and the Olympics drawing closer, the expectations of the impact have remained pretty much unchanged.

Appendix – Marked-up Questionnaire

(CODE FROM DATABASE) Sector

Hotel	101
Guesthouse / B&B.....	150
Self catering.....	126
Caravan & camping.....	126

Q1 Were you open for business during the Christmas and New Year period? (ANSWER YES IF SOME OF THE TIME)

Yes 65% Go to Q2
 No 35% Go to Q5

Q2 Were you also open for business during the Christmas and New Year period the year before?

Yes 94% Go to Q3
 No 6% Go to Q5

Q3 How many guests/visitors did you have during the Christmas and New Year period?

More than last year..... 29%
 Same as last year 38%
 Fewer than last year 33%

Q4 And how satisfied have you been with the performance of your business during Christmas and New Year?

Very satisfied 24%
 Quite satisfied 46%
 Not very satisfied 23%
 Not at all satisfied..... 7%

Q5 Has your business been established for longer than 2 years?

Yes 98% Go to Q6
 No 2% Go to Q10

Q6 Looking back at 2011 as a whole, how many guests/visitors did you have compared to 2010?

More than in 2010 41%
 Same as in 2010..... 34%
 Fewer than in 2010..... 25%

Q7 How satisfied have you been with the performance of your business during 2011?

Very satisfied 24%
 Quite satisfied 58%
 Not very satisfied 16%
 Not at all satisfied..... 2%

Q8 Looking now at certain types of visitor, how did your ... (READ FROM LIST) visitor levels in 2011 compare to 2010?

	Up on 2010	Same as 2010	Lower than 2010
Domestic	32%	48%	20%
Overseas	22%	52%	26%
Repeat	32%	60%	8%

Q9 RECORD ALL USEFUL COMMENTS ABOUT CHRISTMAS & NEW YEAR OR 2011 PERFORMANCE

n/a

Q10	Compared to the norm for this time of year, how are your booking levels looking for the spring and Easter period?	
	<i>Better than normal</i>	17%
	<i>Same as normal</i>	49%
	<i>Not as good as normal</i>	34%
Q11	And how are your booking levels looking for the remainder of 2012, beyond Easter?	
	<i>Better than normal</i>	17%
	<i>Same as normal</i>	55%
	<i>Not as good as normal</i>	28%
Q12	How confident are you for the spring and Easter period?	
	<i>Very confident</i>	18%
	<i>Fairly confident</i>	63%
	<i>Not very confident</i>	17%
	<i>Not at all confident</i>	2%
Q13	And how confident are you for remainder of 2012, beyond Easter?	
	<i>Very confident</i>	17%
	<i>Fairly confident</i>	66%
	<i>Not very confident</i>	15%
	<i>Not at all confident</i>	2%
Q14	What, if any, kind of impact do you think the 2012 Olympics will have on your business?	
	<i>Very positive</i>	6%
	<i>Fairly positive</i>	18%
	<i>Little or none</i>	62%
	<i>Fairly negative</i>	4%
	<i>Very negative</i>	2%
	<i>Don't know</i>	8%
Q15	What, if any, kind of impact do you think the Queen's Diamond Jubilee and the extra bank holiday will have on your business?	
	<i>Very positive</i>	9%
	<i>Fairly positive</i>	28%
	<i>Little or none</i>	51%
	<i>Fairly negative</i>	3%
	<i>Very negative</i>	1%
	<i>Don't know</i>	8%
Q16	RECORD ALL USEFUL COMMENTS, ESPECIALLY ABOUT OLYMPICS AND JUBILEE	n/a
Q17	Which of the following best describes your location?	
	<i>Seaside</i>	24%
	<i>Large town or city</i>	14%
	<i>Small town</i>	11%
	<i>Countryside / village</i>	51%
Q18	(IF SELF CATERING) Are you an agent or an owner/manager?	
	<i>Agent</i>	10%
	<i>Owner/manager</i>	90%

Q19

What is your official star grading?

5 star.....	13%
4 star.....	45%
3 star.....	27%
2 star.....	9%
1 star.....	0%
Budget hotel	1%
Awaiting grading	0%
Other.....	1%
Not currently graded	3%

Thank you for your time

(CODE FROM DATABASE) Size

Large.....	39%
Small.....	61%

(CODE FROM DATABASE) Region

Chain	3%
East Midlands	8%
East of England	11%
London	7%
North East	5%
North West	15%
South East.....	14%
South West.....	20%
West Midlands.....	6%
Yorkshire.....	12%