



REPORT

VisitEngland
Business Confidence Monitor 2011

Wave 4 – Summer Holidays



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1. Headline Findings

Reasonable visitor numbers

- 1.1 The tourism industry in England has had a reasonable summer holiday period, with about a third (32%) of businesses reporting increased visitors and two in five (40%) reporting the same level as last summer.
- 1.2 The hotel and caravan sectors have performed the best in terms of visitor numbers, as has been the case through the research waves this year. Over a third (37%) of businesses in each of these two sectors report increased visitors.
- 1.3 Visitor numbers are not as positive as this time last year however, when about two in five (38%) businesses increased their visitor numbers on the summer before.

High satisfaction during challenging times

- 1.4 Satisfaction with performance this summer is generally high, with about a third (34%) of operators saying they are 'very satisfied' with performance, and just under half (45%) saying they are 'quite satisfied'. Operators seem to accept that economic circumstances are still very difficult and are generally content to match last year's visitor numbers.
- 1.5 Satisfaction is not as high as this time last year however, when about two in five (41%) operators were 'very satisfied' with performance.

Advance bookings slightly down but confidence is high

- 1.6 About one in four (26%) businesses are up on advance bookings for the autumn for this time of year, and more than two in five (44%) are level. Three in ten (30%) are down. However, last minute bookings are so commonplace now that it is difficult for operators to predict how the next period will be based on advance bookings alone.
- 1.7 Over a quarter (28%) of operators maintain they are 'very confident' for the autumn and just over half (53%) say they are 'fairly confident'.

Riots impacted negatively on businesses in London

- 1.8 About one in five (18%) businesses in London have experienced 'significant' negative impact on visitor numbers by the recent riots, and a similar proportion (21%) report 'some' negative impact.

- 1.9 Most (88%) London operators however believe there will be no ongoing impact over the coming months. The sample size for London is quite small (34) so the figures need to be treated with a degree of caution.
- 1.10 Outside of London the riots have had a negligible impact on the tourism industry.

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 immediately follows the school summer holidays.
- 2.2 The main objectives of this wave are to measure:
 - Business performance and satisfaction over the summer holidays
 - Business performance and satisfaction during 2011
 - Trends by visitor type
 - Expectations and confidence for the autumn
 - Impact of the recent riots
 - 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 512 interviews have been completed by telephone with business owners or managers between 30th August and 1st September. 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	1	2	13	1	17
East Midlands	10	7	6	19	42
East of England	9	9	11	23	52
London	4	28	2	-	34
North East	7	6	3	9	25
North West	20	26	14	16	76
South East	12	24	28	11	75
South West	20	25	30	25	100
West Midlands	6	14	4	7	31
Yorkshire	11	12	18	19	60
Total	100	153	129	130	512

- 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	26	79	32	63	200
Small	74	74	97	67	312
Total	100	153	129	130	512
Definition of 'large'	More than 100 bedspaces	More than 10 bedspaces	More than 10 bedspaces	More than 100 bedspaces	

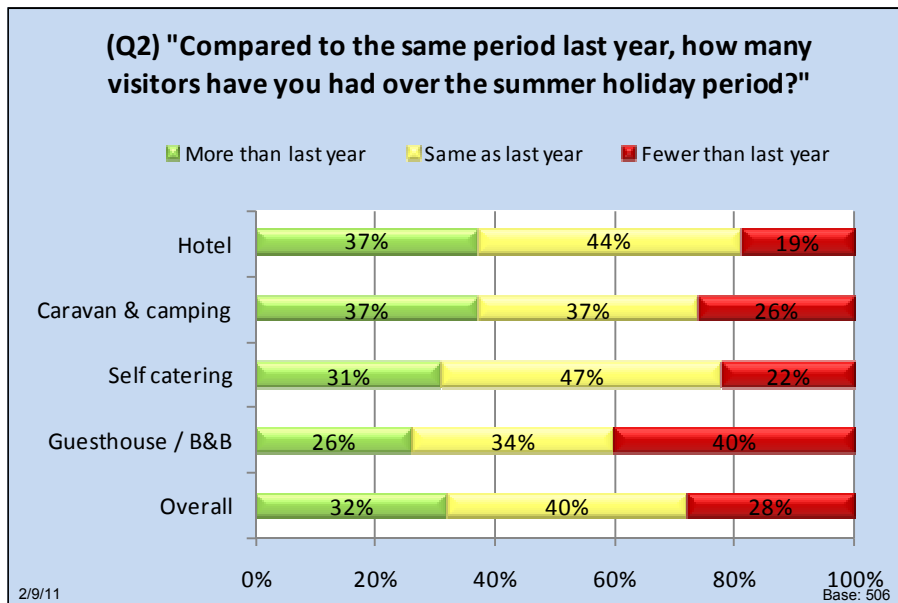
Statistical validity

- 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. Summer Performance

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 tourism industry in England has had a reasonable summer holiday period, with about a third (32%) of businesses reporting increased visitors and two in five (40%) reporting the same level as last summer.

Hotel and caravan & camping sectors continuing to perform well

3.3 The hotel and caravan sectors have performed the best in terms of visitor numbers, as has been the case through the research waves this year.

"We've been very happy this summer and this year as a whole really. We've been fully booked for the summer and almost full for the majority of the year"
 Caravan park, South East

B&Bs continuing to struggle

3.4 The guesthouse / B&B sector has been the weakest performing sector this year, and this has remained the case over the summer.

“Although we are down, we are not suffering as badly as others around us”
B&B, North West

“We are surviving on our regular clients. We are not generating any new business”
B&B, North West

Self catering operators getting used to changing booking behaviour

- 3.5 The self catering sector is perhaps the sector where traditionally guests have booked the most in advance. As the amount of time between booking and staying has radically changed during the last two years, hotel operators have become used to the new ‘order’ and take advantage of it with last minute internet-based deals, but many self catering operators are still adapting to it.

“People seem to be booking more last minute than before and we are having to work hard for our bookings, for example discounting prices”
Self catering, South East

“People are booking much later this year, about a week or two before coming”
Self catering, South West

“In previous years I have had to turn people away but this year people are leaving bookings until a week or two before”
Self catering, South West

August performance was possibly down

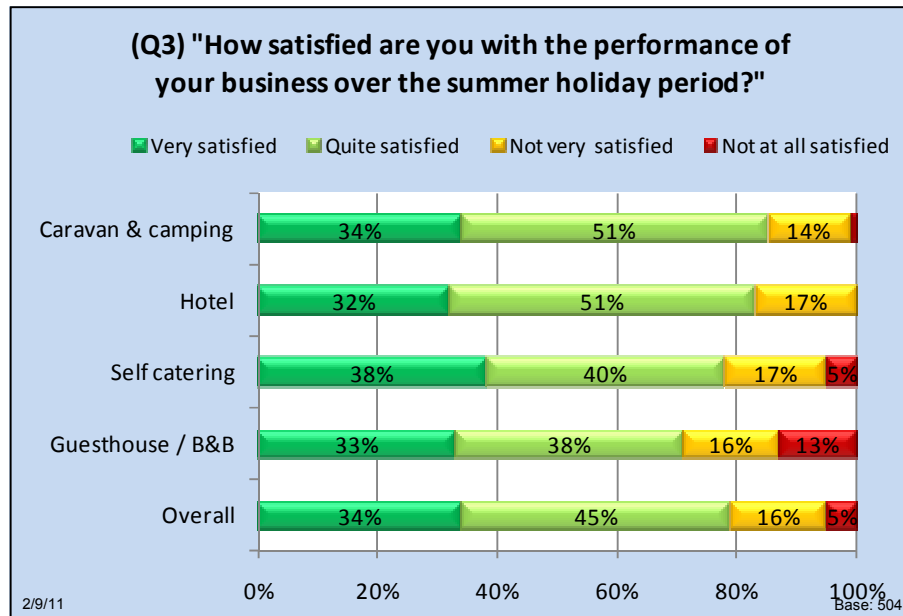
- 3.6 No questions have been asked specifically to measure performance by individual months over the summer, but some comments suggest that July performance was much better than August.

“July was better than normal but August was a terrible month for bookings”
Self catering, South West

“We are down 20% for August but the rest of the year has been healthy”
Caravan park, South West

“It’s a mix. August has been awful but June and July were very good”
Hotel, East Midlands

Satisfaction with performance



- 3.7 Satisfaction with performance this summer is generally high, with about a third (34%) of operators saying they are 'very satisfied' with performance, and just under half (45%) saying they are 'quite satisfied'.

Challenging times

- 3.8 Operators seem to accept that economic circumstances are still very difficult and are generally content to match last year's visitor numbers.

"Because of the state of the economic climate, we're happy with what we have achieved"

Hotel, South West

"I don't think it is because they [visitors] don't want to come; I think people just have to cut back"

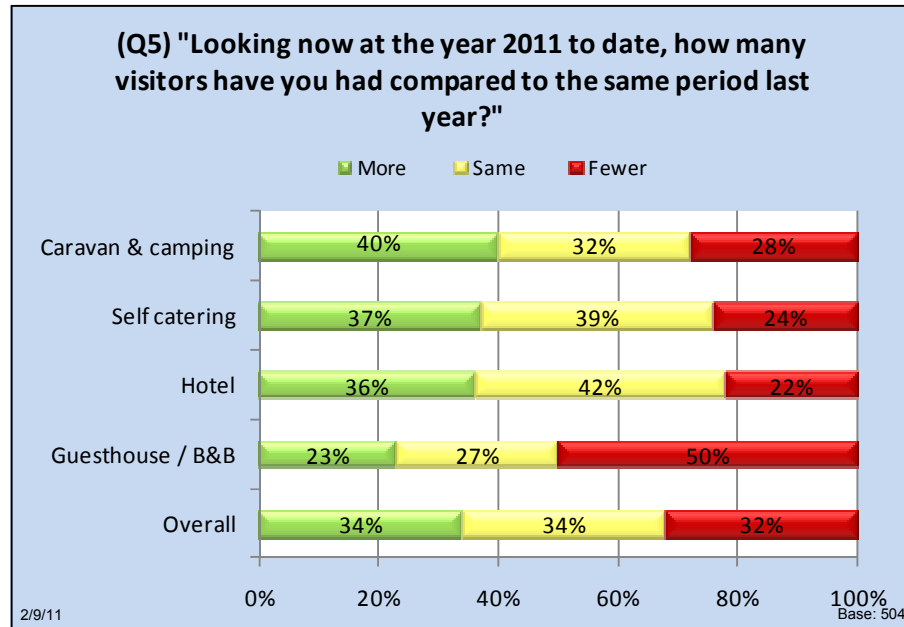
Self catering, East of England

"I wouldn't say we are satisfied but we think it could have been worse"

Hotel, North West

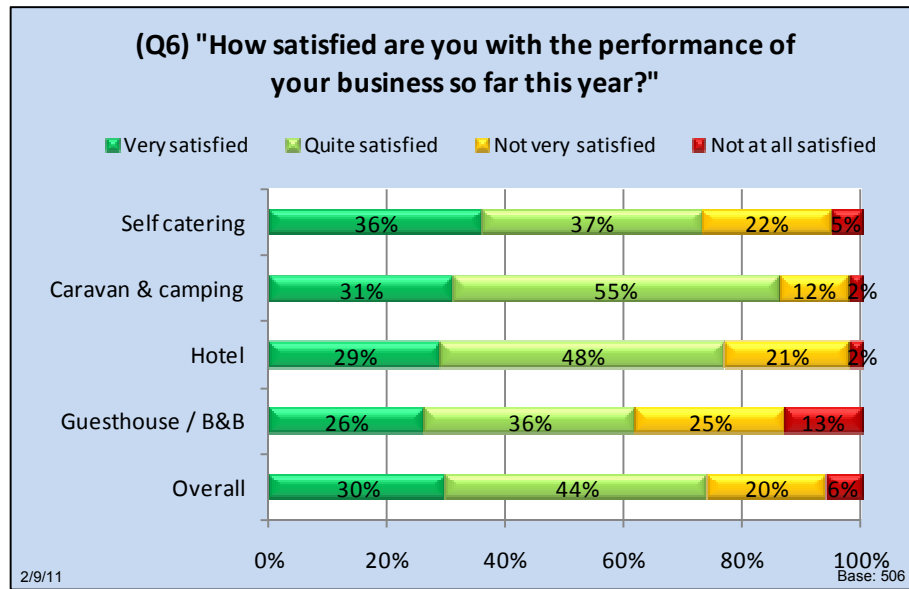
4. 2011 Performance

Visitor numbers



- 4.1 Performance year to date reflects the summer figures, with hotels, self catering and caravan & campsites doing well but guesthouses & B&Bs having a tough time.

Satisfaction with performance

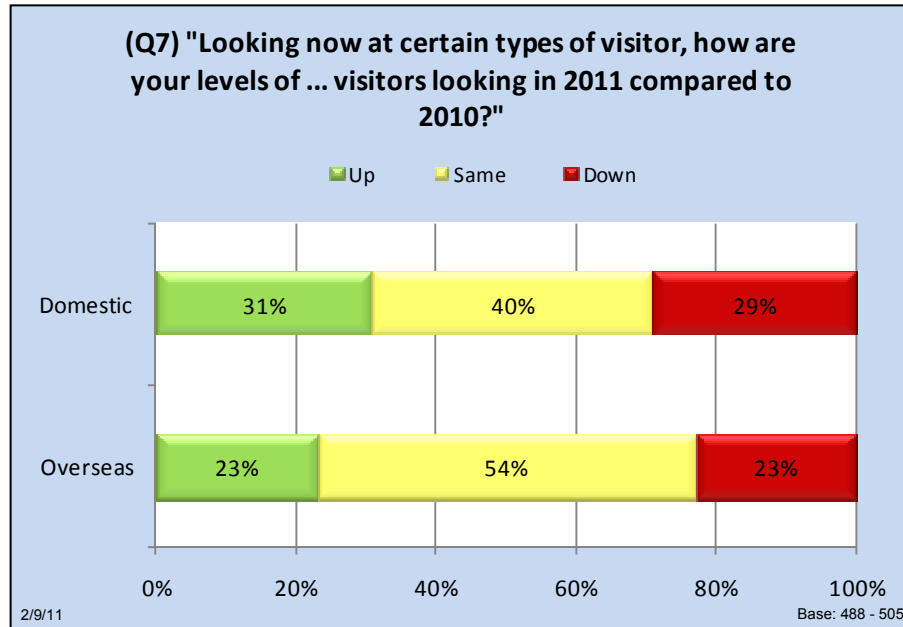


4.2 Satisfaction with performance is generally high in the well-performing self catering, caravan & camping and hotel sectors.

4.3 Feelings are quite mixed in the guesthouse / B&B sector.

"Hit and miss"
B&B, East of England

5. Visitor Trends



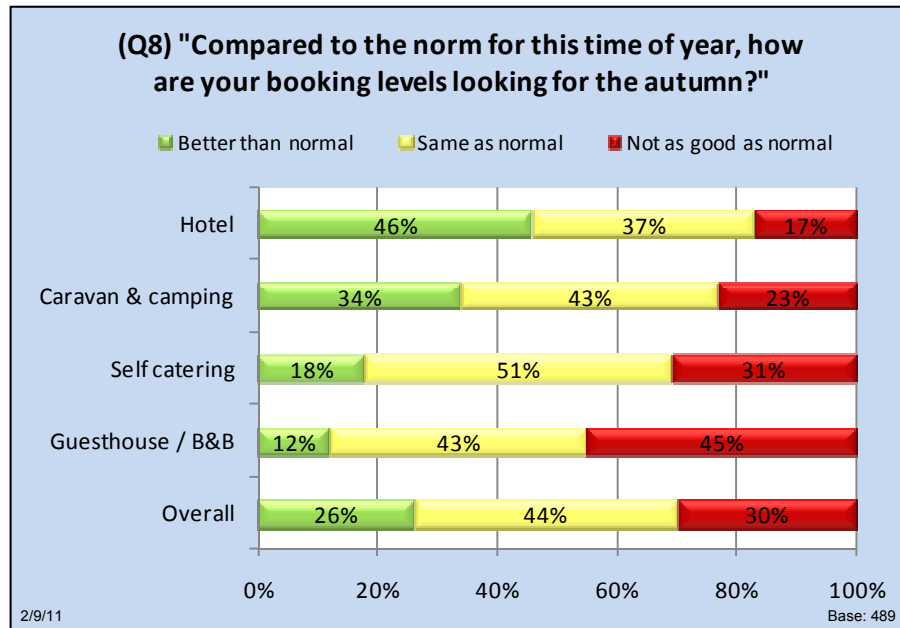
5.1 Both domestic and overseas visitor levels are fairly stable this year.

"We've had a lot of American visitors this year"
B&B, East Midlands

"No overseas visitors"
B&B

6. Outlook

Booking levels



- 6.1 About one in four (26%) businesses are up on advance bookings for the autumn for this time of year, and more than two in five (44%) are level. Three in ten (30%) are down. However, last minute bookings are so commonplace now that it is difficult for operators to predict how the next period will be based on advance bookings alone. This seems especially the case in the hotel sector.

"Everything these days is very last minute"
 Hotel, East of England

"Everything is last minute these days, it's hard to foresee how things will happen. Back in the day you'd be able to see on your calendar that Monday to Thursday would be full and you'd try to push for some weekend traffic and things were stress free. Now people book very late and can completely take you by surprise"
 Hotel, North East

"We're confident as at that time of year we get a lot of last minute bookings - the pattern has changed completely from recent years. It used to be that people would book far in advance so to secure a room; now you get people

trying to book a place last minute and if they are unsuccessful they don't see it as a problem but more of saving for next year's break or something"

Hotel, South East

"Last minute booking numbers are high these days because people are wavering as to whether they should spend money or not"

Hotel, West Midlands

"People are booking last minute this year so it is hard to know how it will be"

Self catering, South East

"Someone always comes along"

Self catering, South East

"This year it seems people are waiting to make sure they have the money before they book. Also people aren't spending much money in the shop. They are only buying bare essentials whereas normally they buy the kids treats. No local craft has been sold"

Caravan park, South West

Autumn months – the new summer?

- 6.2 There is some evidence of tourists changing their holidays from summer to autumn due to weather patterns over the last few years.

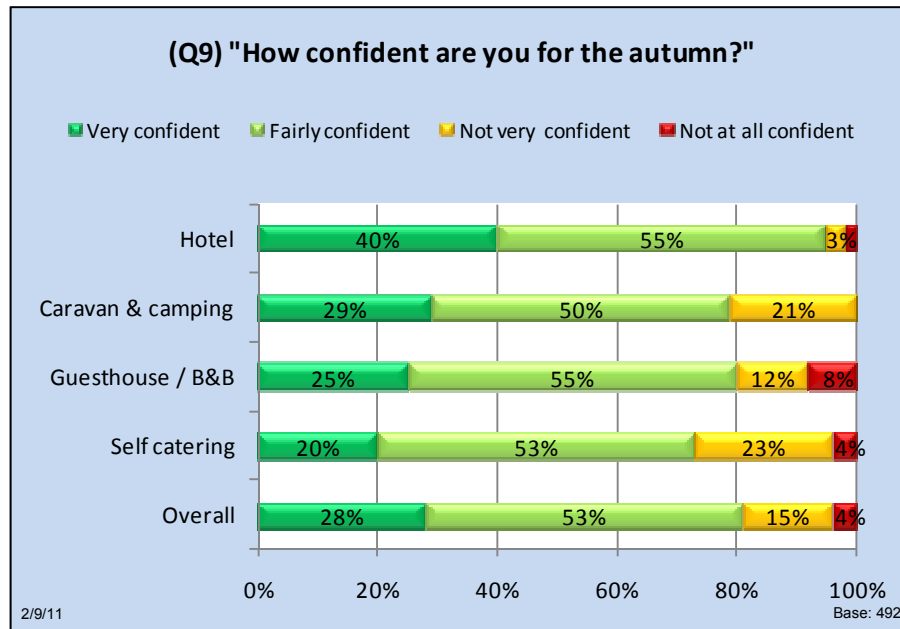
"A lot of guests seem to come in September/October time as we have had good weather at this time of year for the last couple of years"

Self catering, South West

"September has been a better month weather-wise down here over the last few years"

Self catering, South West

Confidence

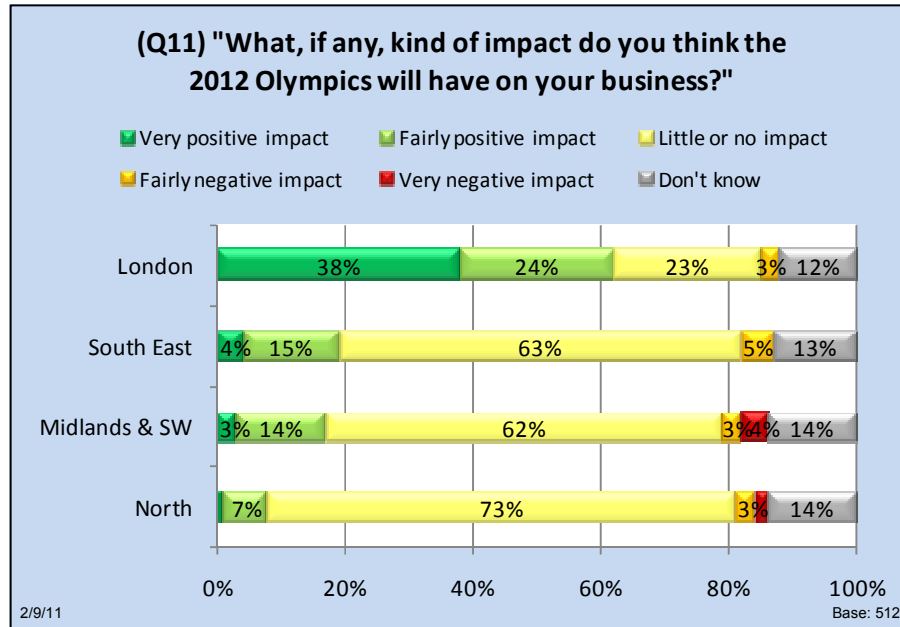


- 6.3 Over a quarter (28%) of operators maintain they are 'very confident' for the autumn and just over half (53%) say they are 'fairly confident'.
- 6.4 The expectation of last minute bookings is a key reason behind the high confidence, especially in the hotel sector.

"Last minute bookings always come in so I'm very confident about the autumn"
 Hotel, North West

"I'm confident due to last minute bookings"
 Hotel, South East

7. Impact of 2012 Olympics



- 7.1 Expectation of positive impact of the Olympics is still generally confined to London. Some operators outside of London are expecting a positive effect on their business, but they are in the minority. Apart from being too far away to benefit, other reasons given include overseas tourists being 'frightened off' coming to England, disruption to regular custom, and domestic holidaymakers staying at home to watch the Games on TV.

"I am worried that overseas visitors will book with us and that we will lose our bread and butter customers that come back to us year on year. I don't know what to do about it to be honest"
 Self catering, East of England

"I have been working in this industry for 30 years and it is quiet when there is any sporting event on"
 Self catering, North West

"I haven't had any overseas booking for the Olympic period, so I think the Olympics are scaring off overseas trade"
 B&B, South East

"The Olympic torch is being carried through our village, so this may bring in extra customers"
 Hotel, North West

“I believe the Olympics will have a negative effect on our business as everyone will head to London or will be too glued to the television to even contemplate staying with us”

Hotel, South West

“We are fully booked for the Olympic Games and also for some time coming up to the Games. We have some of the British team and Olympic committee members staying with us”

Hotel, South West

“The amount of people coming to England for the Olympics is huge. London will not be able to hold them all, and I'm sure if overseas visitors make the effort to come over to England for the Olympics they are likely to make a big trip of it and visit other parts of the UK”

Hotel, South West

“The Olympics will be catastrophic for us. There are no events down our way. This town will be dead”

Hotel, South West

“We had hoped that this year would be significantly busier due to the Olympics coming up. This hasn't been the case ... we are however still hopeful that next year's Olympics will bring a significant increase in numbers to us”

Caravan park, South West

“I don't think the Olympics will have any impact here. If they do I think it will be negative as people will probably stay in to watch it on TV”

Self catering, South West

“People in the police force and nurses in the health service have actually had to cancel holidays that they have had booked with us for the time of the Olympics as they need to be available to work over that time”

Self catering, South West

8. Trend Figures across Research Waves

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

2010

- Wave 4 (June to August)
- Wave 5 (September & October)

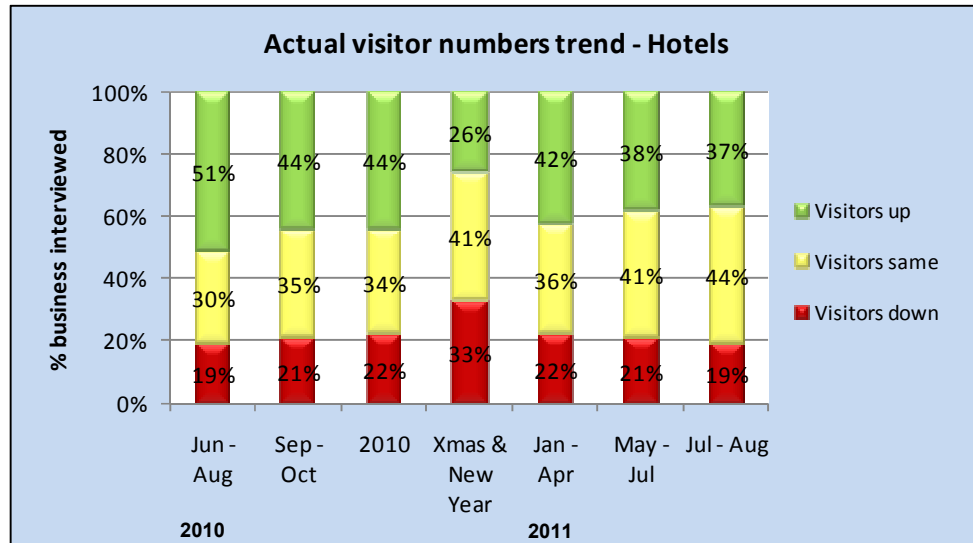
2011

- Wave 1 (January)
- Wave 2 (Easter)
- Wave 3 (May to Mid July)

Visitor numbers

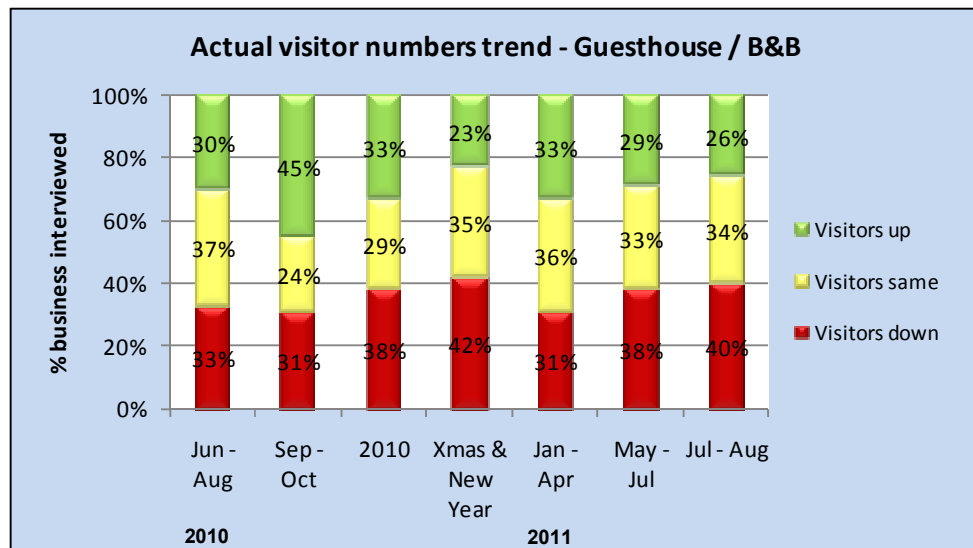


8.2 Visitor numbers have remained relatively flat following a more promising start to this year. The results this summer are also not as positive as this time last year.

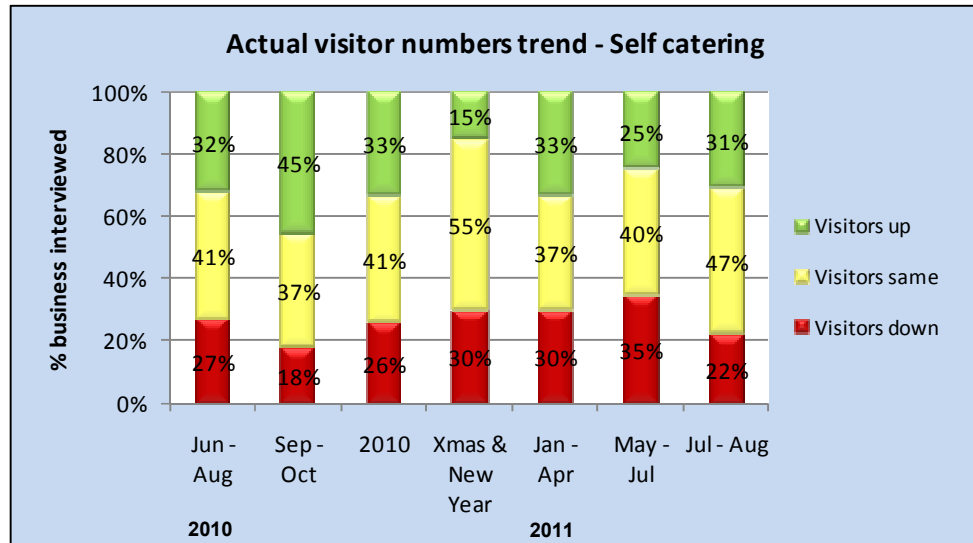


8.3 Charts by actual visitor numbers are now split by sector – the first chart (above) is for hotels.

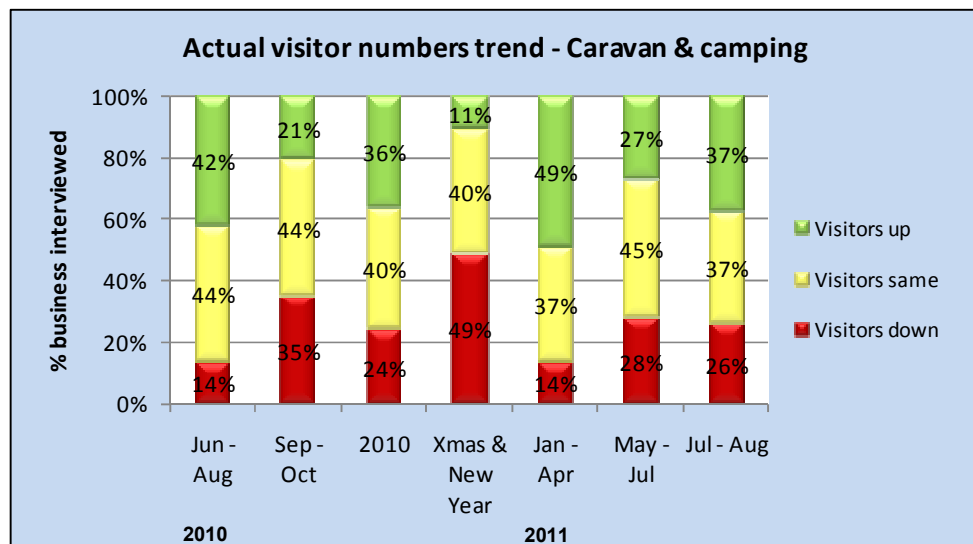
8.4 The hotel sector has maintained its strong performance in terms of visitor numbers this period. However the results this summer are not as positive as this time last year, when about half (51%) of hotels were up on the year before.



8.5 Performance in the guesthouse / B&B sector has dipped again this period. This has been the most precarious of the four sectors to be in over the past 18 months.

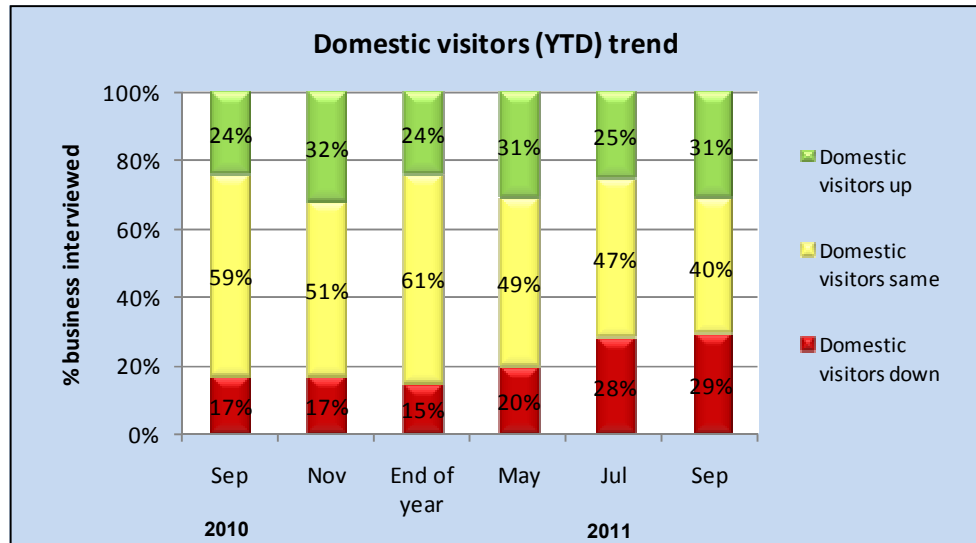


8.6 Visitor numbers in self catering continue to fluctuate.

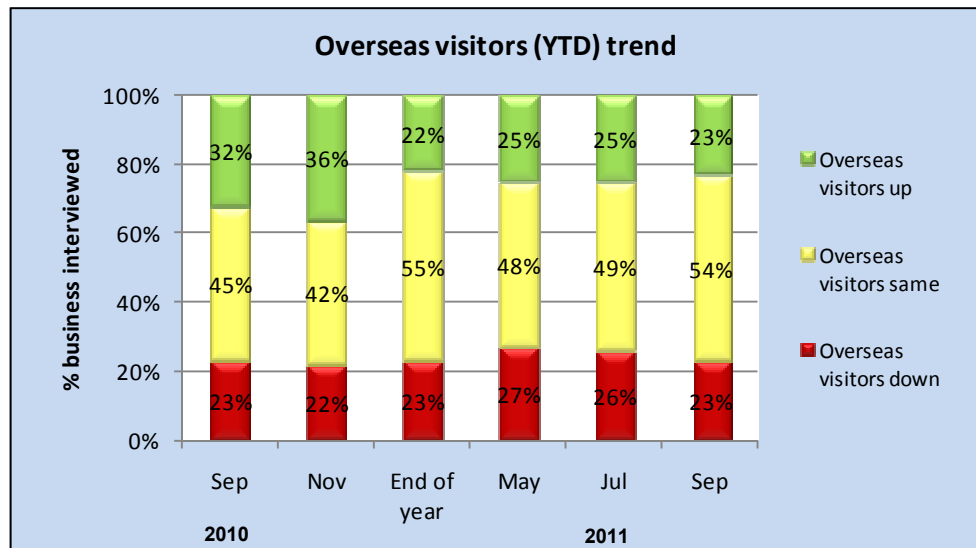


8.7 The weather dependence of the caravan & camping sector is reflected in the erratic ups and downs on the trend chart. The sector has bounced back this summer following a more unsettled spell of weather in the previous period (May to mid-July).

Visitor numbers by type

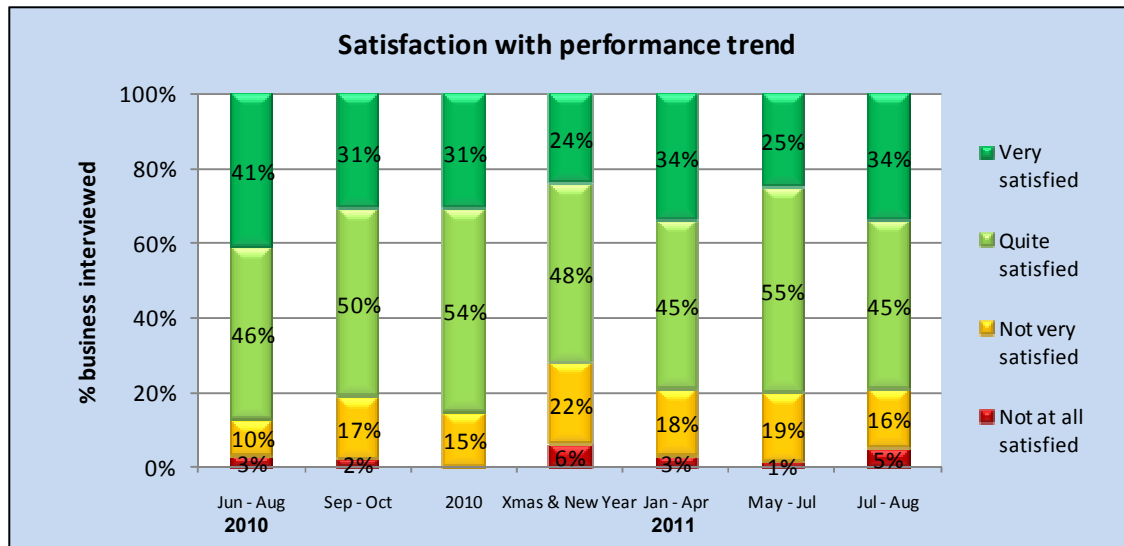


8.8 Charts now show visitor numbers by type. Respondents were asked each wave to comment on visitor numbers for the year to date rather than just specifically for the research period. Therefore the x axis shows the month in which the question was asked, rather than the research period. The first chart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



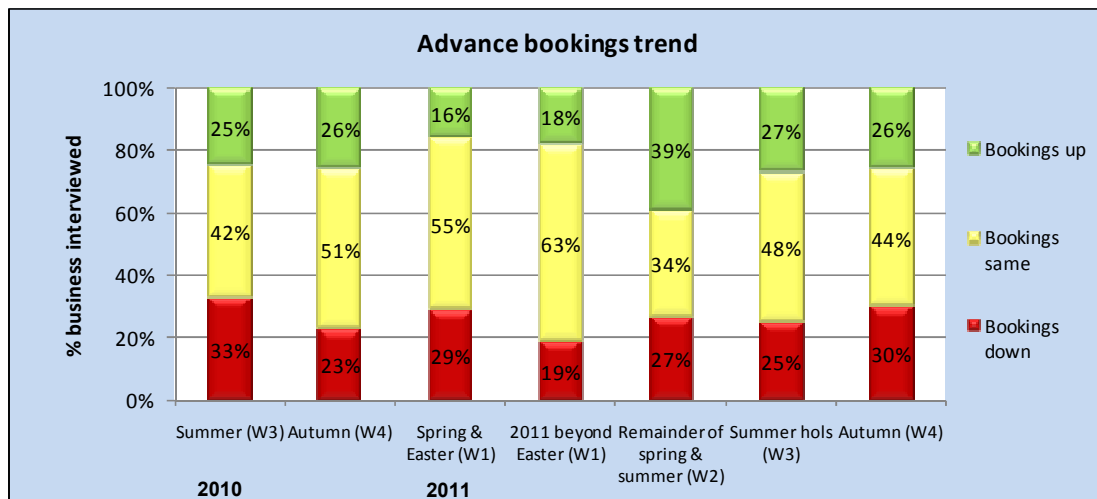
8.9 Overseas visitor levels have remained broadly the same over the last two years.

Satisfaction with performance



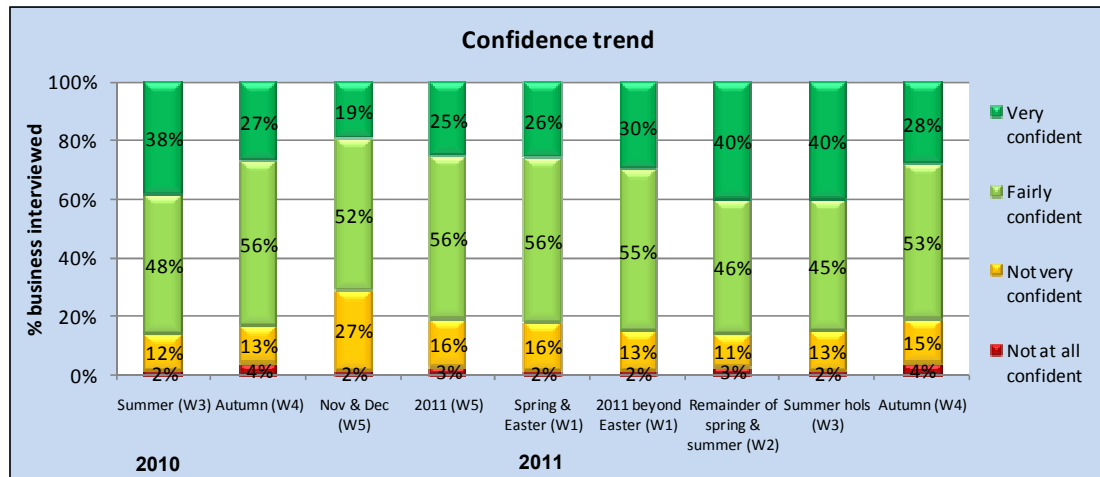
8.10 Satisfaction with performance has always outweighed actual results since the question has been asked. Satisfaction has remained high this period. However, satisfaction is not as high as this time last year – this is in line with the less positive visitor numbers.

Advance bookings



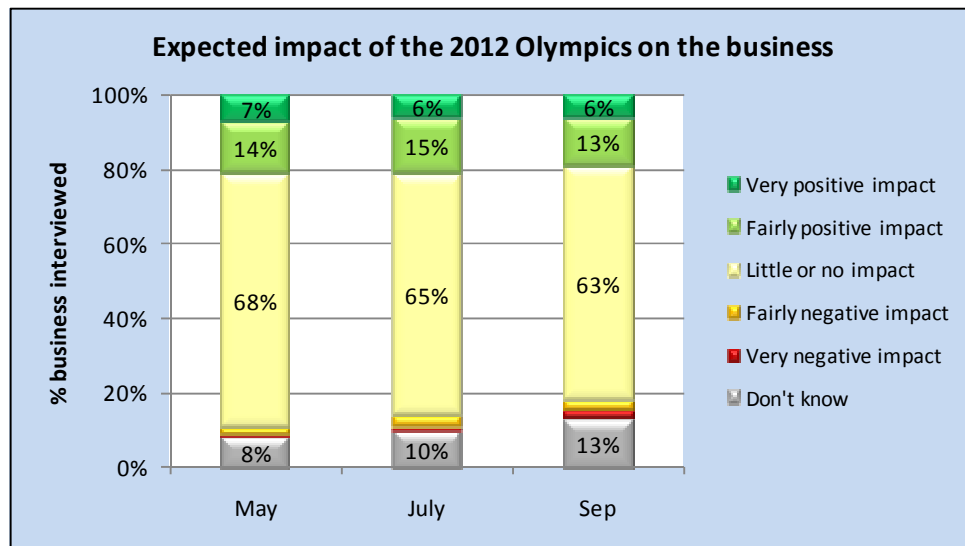
8.11 The autumn is looking reasonably positive considering the last minute booking trend is expected to continue.

Confidence



8.12 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.

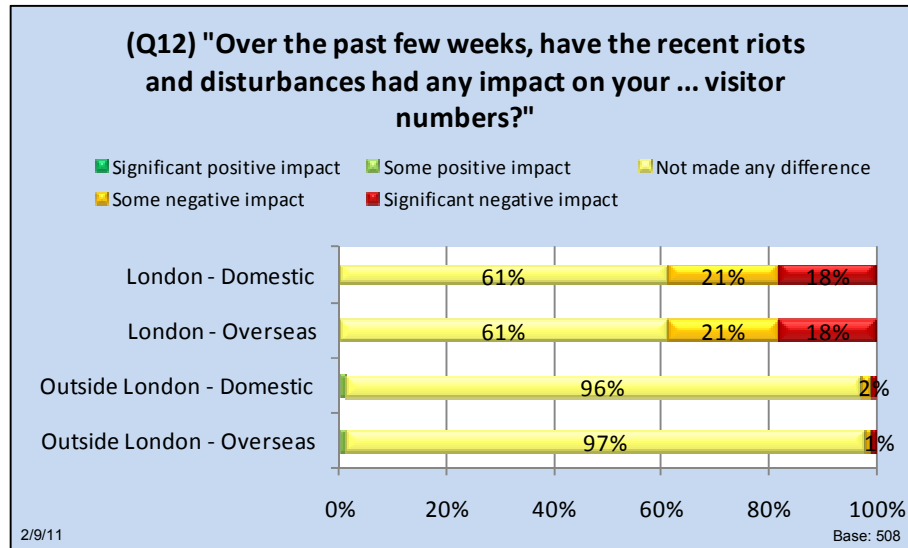
Impact of Olympics



8.13 In spite of Olympic tickets being allocated in between the May and July research waves, the proportion of businesses expecting a positive impact has not increased.

9. Impact of Recent Riots

Recent impact



- 9.1 About one in five (18%) businesses in London have experienced 'significant' negative impact on visitor numbers by the recent riots, and a similar proportion (21%) report 'some' negative impact. The sample size for London is quite small (34) so the figures need to be treated with a degree of caution.

"People were cancelling their booking and staying out of London altogether"
 Hotel, London

London's burning

- 9.2 England has received unfavourable press abroad, with even some recommendations not to travel here.

"I think how the riots were reported worldwide will affect bookings for the time of the Olympics and tourism in general. I have had a lot of people calling from abroad asking about the riots as in America and other countries they made it look like the whole of London was on fire"
 Self catering, South West

"We've had some Spanish and Italian visitors cancel because of the riots as European press has completely put them off England"
 Hotel, South East

“We had one booking cancelled from an overseas client as they feared for their safety”

Hotel, South East

“We had some people stay with us rather than go into London because of the riots. So it was beneficial for us”

Hotel, East of England

Negligible impact on the whole outside of London

9.3 However, even with unfavourable publicity, the riots have had a negligible impact on the tourism industry outside of London.

“We’ve had a few cancellations due to the riots. Nothing major and I doubt it will having an effect on us”

Hotel, East Midlands

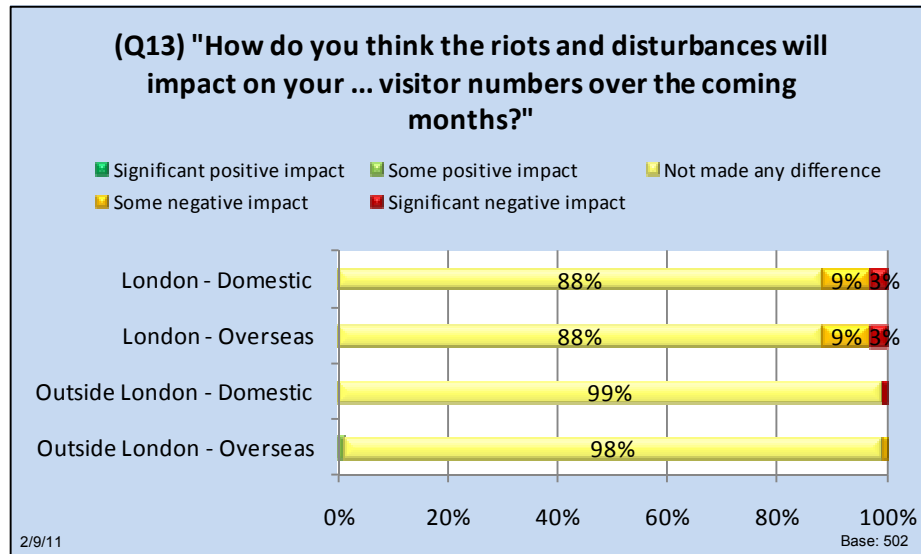
“We’ve had some enquiries about the rioting, but it hasn’t stopped any business”

Hotel, North West

“We only had one riot and it had little effect”

Self catering, East of England

Future impact



9.4 Most (88%) operators in London and nearly all (98%) operators outside London believe there will be no ongoing impact over the coming months.

“Although a number of people cancelled due to the riots, it doesn’t seem to be a lingering problem”
Guesthouse, London

VisitEngland Business Confidence Monitor 2011

Wave 4 - Summer Holidays

Introduction provided separately

(CODE FROM DATABASE) Sector

Hotel	100
Guesthouse / B&B.....	153
Self catering.....	129
Caravan & camping.....	130

Q1 Has your business been established for longer than 12 months?

Yes	99%	Go to Q2
No	1%	Go to Q9

Q2 Compared to the same period last year, how many visitors have you had over the summer holiday period?

More than last year.....	32%
Same as last year	40%
Fewer than last year	28%

Q3 And how satisfied are you with the performance of your business over the summer holiday period?

Very satisfied	34%
Quite satisfied	45%
Not very satisfied	16%
Not at all satisfied.....	5%

Q4 RECORD ALL USEFUL COMMENTS

n/a

Q5 Looking now at the year 2011 to date, how many visitors have you had compared to the same period last year?

More than last year.....	34%
Same as last year	34%
Fewer than last year	32%

Q6 And how satisfied are you with the performance of your business so far this year?

Very satisfied	30%
Quite satisfied	44%
Not very satisfied	20%
Not at all satisfied.....	6%

Q7 Looking now at certain types of visitor, how are your levels of ... (READ FROM LIST) visitors looking in 2011 compared to 2010?

	Up on 2010	Same as 2010	Lower than 2010
Domestic	31%	40%	29%
Overseas	23%	54%	23%

Q8 Compared to the norm for this time of year, how are your booking levels looking for the autumn?

Better than normal.....	26%
Same as normal	44%
Not as good as normal	30%

Q9	And how confident are you for the autumn?	
	<i>Very confident</i>	28%
	<i>Fairly confident</i>	53%
	<i>Not very confident</i>	15%
	<i>Not at all confident</i>	4%

Q10 RECORD ALL USEFUL COMMENTS ON OUTLOOK n/a

Q11	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>	13%
	<i>Little or none</i>	63%
	<i>Fairly negative</i>	3%
	<i>Very negative</i>	2%
	<i>Don't know</i>	13%

Q12	Over the past few weeks, have the recent riots and disturbances had any impact on your ... visitor numbers?					
		<i>Significant negative impact</i>	<i>Some negative impact</i>	<i>Not made any difference</i>	<i>Some positive impact</i>	<i>Significant positive impact</i>
	Domestic	2%	3%	94%	1%	0%
	Overseas	2%	3%	94%	1%	0%

Q13	And how do you think the riots and disturbances will impact on your ... visitor numbers over the coming months?					
		<i>Significant negative impact</i>	<i>Some negative impact</i>	<i>Will not make any difference</i>	<i>Some positive impact</i>	<i>Significant positive impact</i>
	Domestic	1%	1%	98%	0%	0%
	Overseas	1%	1%	97%	1%	0%

Q14 RECORD ALL USEFUL COMMENTS n/a

Q15	Which of the following best describes your location?	
	<i>Seaside</i>	25%
	<i>Large town or city</i>	15%
	<i>Small town</i>	13%
	<i>Countryside / village</i>	47%

Q16	(IF SELF CATERING) Are you an agent or an owner/manager?	
	<i>Agent</i>	12%
	<i>Owner/manager</i>	88%

Q17	What is your official star grading?	
	<i>5 star</i>	13%
	<i>4 star</i>	45%
	<i>3 star</i>	28%
	<i>2 star</i>	8%
	<i>1 star</i>	1%
	<i>Budget hotel</i>	1%
	<i>Awaiting grading</i>	1%
	<i>Other</i>	0%
	<i>Not currently graded</i>	3%

Thank you for your time

(CODE FROM DATABASE) Size

<i>Large</i>	39%
<i>Small</i>	61%

(CODE FROM DATABASE) Region

<i>Chain</i>	3%
<i>East Midlands</i>	8%
<i>East of England</i>	10%
<i>London</i>	7%
<i>North East</i>	5%
<i>North West</i>	15%
<i>South East</i>	15%
<i>South West</i>	19%
<i>West Midlands</i>	6%
<i>Yorkshire</i>	12%

ID

ID

n/a