



REPORT

VisitEngland  
Business Confidence Monitor 2011

Wave 5 – Autumn



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## 1. Headline Findings

### Fairly good autumn visitor numbers

- 1.1 The accommodation industry has had a reasonably good autumn. About one in three (32%) businesses report increased visitors compared to the same period last year, and about two in five (42%) report the same level. About a quarter (26%) report a decrease.
- 1.2 Visitor numbers are not quite as positive as this time last year however, when about two in five (39%) businesses increased their visitor numbers on the previous autumn.

### Warm weather has helped caravan parks and seaside businesses

- 1.3 The caravan sector has enjoyed a particularly good period, with about two in five (38%) businesses increasing their visitors. Warm autumn weather appears to have helped greatly. Presumably for the same reason, businesses in seaside locations have enjoyed a good autumn, with about two in five (39%) increasing their visitors.

### Bookings down for the remainder of the year

- 1.4 About one in six (17%) businesses which are open say that bookings for the remainder of the year are 'better than normal' but a third (34%) say bookings are 'not as good as normal'. However, the increased tendency to book last minute means that operators are generally not too concerned about advance bookings being down.

### Confident outlook for 2012

- 1.5 Confidence for 2012 is quite high, with just under a quarter (22%) of operators saying they are 'very confident' and nearly two thirds (63%) saying they are 'fairly confident'.

### Slight increase in online booking facilities

- 1.6 About two in five (42%) businesses offer immediate online booking; this is slightly higher than in May 2010 (38%) when the question was previously asked. The largest increase is in self catering, where one in three (33%) offer online booking now compared to just one in six (17%) in May 2010.
- 1.7 The hotel sector still has by far the greatest online booking presence of any sector, with about three in four (76%) businesses offering it.

### Indications that online booking facility results in better performance

- 1.8 There are indications in most sectors that the businesses which offer immediate online booking have performed the best in 2011 compared to 2010,

and that those with a website have performed better than those without one. Over two in five (44%) businesses which offer immediate online booking have increased their year to date visitor numbers in 2011, compared to one in three (33%) businesses which do not offer online booking.

### **Telephone bookings still the most popular method with customers overall**

- 1.9 In spite of online booking facilities and email correspondence giving customers methods of booking that they didn't used to have, picking up the phone still appears to be the most popular booking method overall with customers. This is even the case in the hotel sector in spite of most (76%) businesses offering online booking.

## 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 autumn half term.
- 2.2 The main objectives of this wave are to measure:
- Business performance and satisfaction during autumn
  - Business performance and satisfaction during 2011
  - Trends by visitor type
  - Expectations and confidence for the remainder of the year and for 2012
  - Expected impact of the 2012 Olympics
  - Online booking facilities

### 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 508 interviews have been completed by telephone with business owners or managers between 31<sup>st</sup> October and 2<sup>nd</sup> November. 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**

<b>Region / Sector</b>	<b>Hotels</b>	<b>Guest house / B&amp;B</b>	<b>Self catering</b>	<b>Caravan &amp; campsites</b>	<b>Total</b>
Chains	2	-	13	1	<b>16</b>
East Midlands	10	7	6	16	<b>39</b>
East of England	9	9	11	27	<b>56</b>
London	4	27	2	-	<b>33</b>
North East	7	6	3	7	<b>23</b>
North West	20	30	15	17	<b>82</b>
South East	12	26	24	11	<b>73</b>
South West	19	25	29	21	<b>94</b>
West Midlands	6	14	5	5	<b>30</b>
Yorkshire	11	13	19	19	<b>62</b>
<b>Total</b>	<b>100</b>	<b>157</b>	<b>127</b>	<b>124</b>	<b>508</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	26	63	55	62	<b>206</b>
Small	74	94	72	62	<b>302</b>
<b>Total</b>	<b>100</b>	<b>157</b>	<b>127</b>	<b>124</b>	<b>508</b>
Definition of 'large'	More than 100 bedspaces	More than 10 bedspaces	More than 10 bedspaces	More than 100 bedspaces	

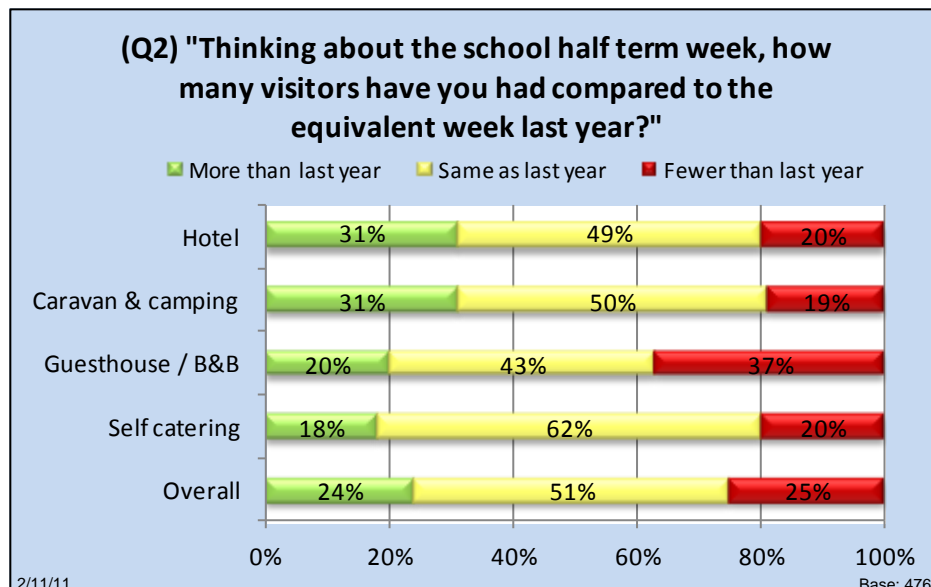
**Statistical validity**

- 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. Autumn 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.

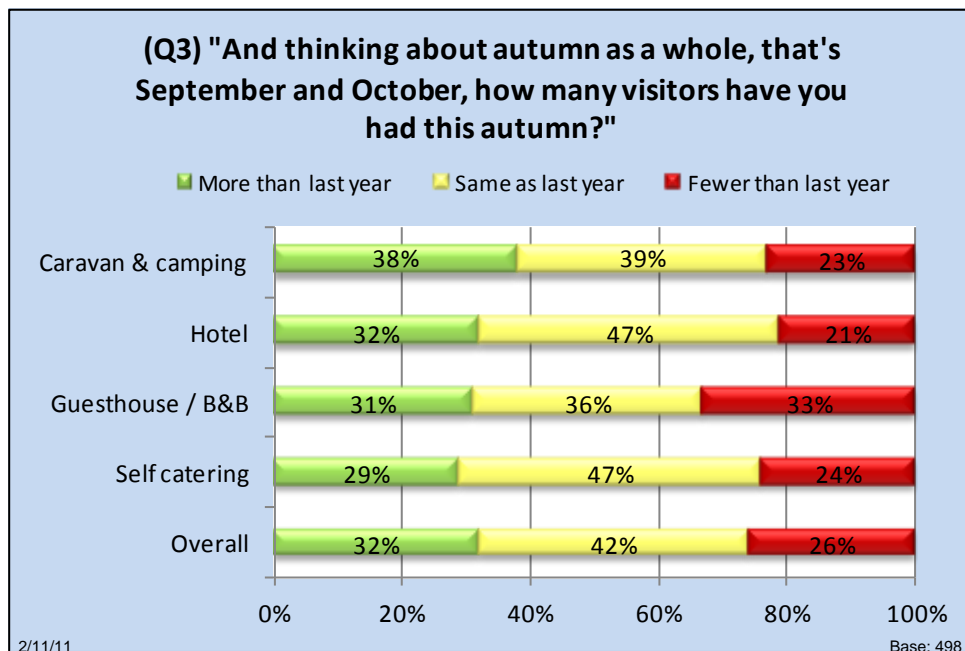
#### Half term visitor numbers



- 3.2 The accommodation industry has experienced quite a flat half term holiday overall in terms of visitor numbers. Hotels and caravan & campsites have increased their visitors but guesthouses / B&Bs have seen a decrease.

*"We have had a very good half term, but autumn going into November, things are looking down"*  
Self catering, South West

## Autumn visitor numbers



- 3.3 The accommodation industry has had a reasonably good autumn. About one in three (32%) businesses report increased visitors compared to the same period last year, and about two in five (42%) report the same level.

*"September has been as busy as August. We have had a lot of repeat business"*

Self catering, South West

### Warm weather has helped caravan parks

- 3.4 The caravan sector has enjoyed a particularly good period, with about two in five (38%) businesses increasing their visitors. Warm autumn weather appears to have helped greatly in this weather-dependent sector.

*"We have had more business this autumn as the weather has been a lot better"*

Caravan park, East Midlands

*"The weather has been good in October and has increased business for us"*

Caravan park, East of England

### Coastal locations also up

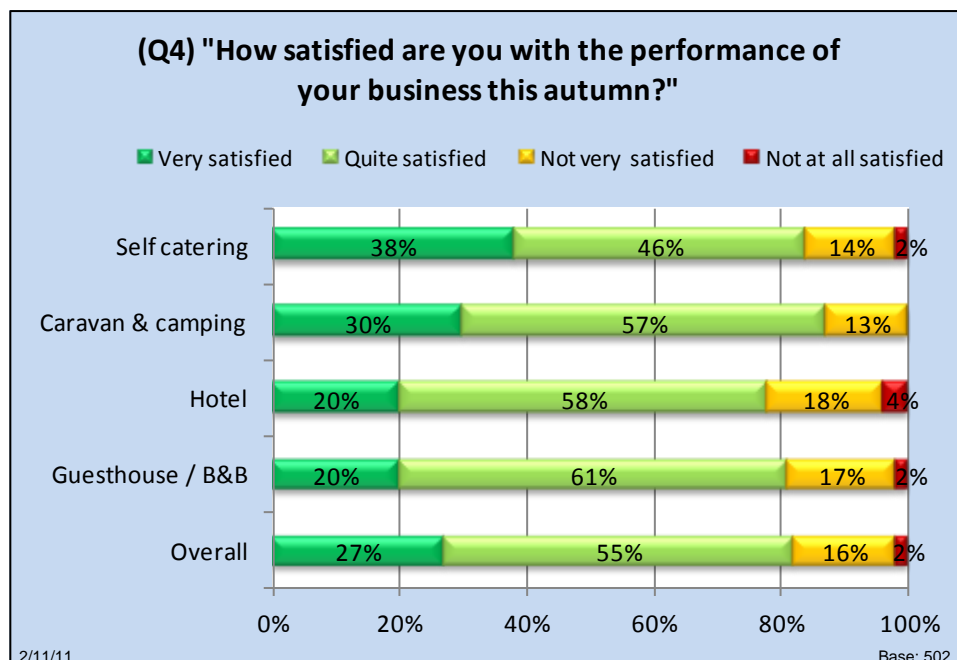
- 3.5 Businesses in coastal locations have also enjoyed a good autumn, with about two in five (39%) increasing their visitor numbers and a further two in five (40%) maintaining the same level. The warm weather may well have played a part in this.

*"We were 65% full last September and this year it is more towards 95%"*

Self catering, Yorkshire

*"The weather has been good in October and has increased business for us"*  
Caravan park, East of England

## Satisfaction with performance



- 3.6 Satisfaction with performance this autumn is generally quite high, with about a quarter (27%) of operators saying they are 'very satisfied' with performance, and over half (55%) saying they are 'quite satisfied'.

### Satisfaction levels well above actual performance in guesthouses / B&Bs

- 3.7 Satisfaction levels are notably high in the guesthouse / B&B sector in relation to actual performance. Of the 50 guesthouses / B&Bs reporting decreased visitors this autumn, over half (29) of them say they are satisfied with performance.
- 3.8 There are two main reasons for this. One is that they expected performance to be much worse and so were pleasantly surprised (and grateful) if their visitor levels were only slightly down on last year.

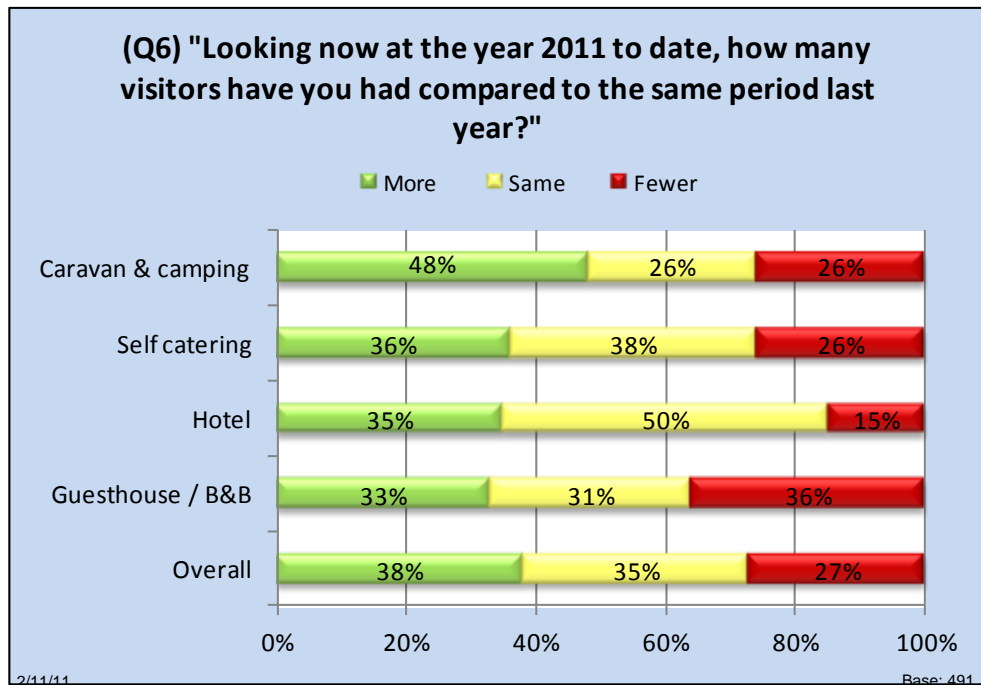
*"We're about 5 or 10% down but we feared it being a lot worse"*  
B&B, East Midlands

- 3.9 The other reason is that many (lifestyle) B&B operators do not rely on the tourism income because their main source of income lies elsewhere. Among this group there is a certain amount of apathy about their performance.

*“We didn’t have as many visitors this autumn but we’re not so bothered to be honest as we’re not relying on the income”*  
B&B, South West

## 4. 2011 Performance

### Visitor numbers



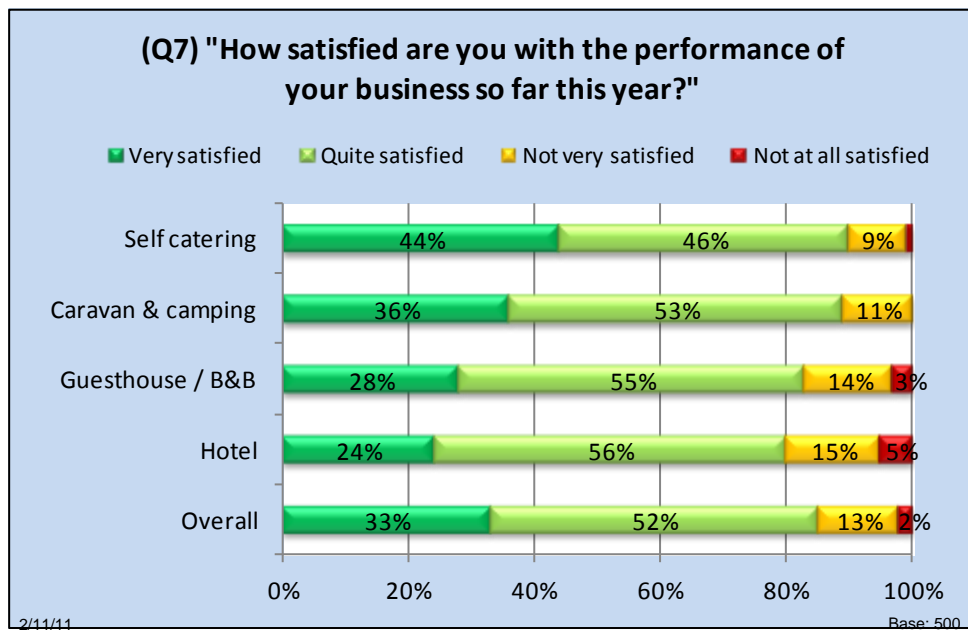
- 4.1 Performance year to date is quite strong, with nearly two in five (38%) businesses having more visitors than in 2010.

#### Caravan & camping enjoying a good year

- 4.2 The caravan & camping sector is having a good year following a warm autumn boosting their visitor numbers. About half (48%) are up on 2010.

*"We have been busier this year purely because of the weather"*  
 Caravan park, East Midlands

## Satisfaction with performance

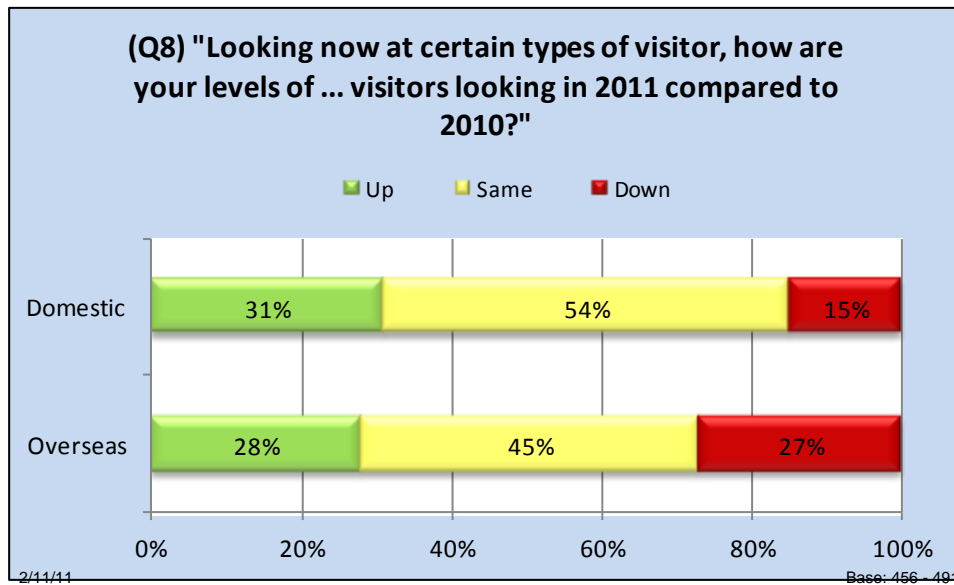


- 4.3 Satisfaction with performance this year is very high across the industry. One in three (33%) operators are 'very satisfied' and about half (52%) are 'quite satisfied'.
- 4.4 Across the whole of the self catering and caravan & camping samples there was only one operator saying they are 'not at all satisfied'.
- 4.5 There is a general sense that this year could have been very difficult but it has turned out better than expected.

*"We seem to be having a weird year. We're getting late, last minute bookings. We've done quite well because of golf tournaments in the area. Things are looking better, not great, but better"*  
Hotel, South East

*"Things are looking up. We've had a slight increase in visitor numbers. I'd say we've got a long way to go before figures are as good as 2007/2008 but any increase is a good thing when talking about visitor numbers"*  
Hotel, South East

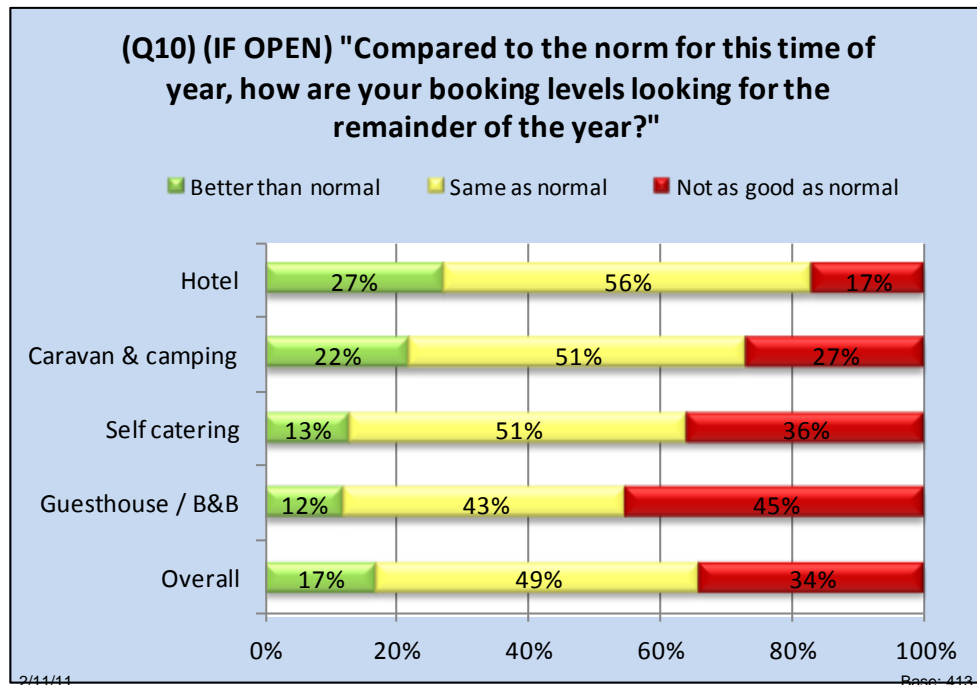
## 5. Visitor Trends



- 5.1 Domestic visitor levels are up on 2010, whereas overseas visitor levels vary.  
*"The difference in currencies, that is the euro, has increased the number of overseas visitors"*  
 Self catering, Chain  
*"Due to the London riots, overseas visitors were down and that is the main bulk of our business and has cost us around £17,000 in three weeks"*  
 Caravan park, East of England

## 6. Outlook

### Booking levels



- 6.1 Booking levels among businesses remaining open this winter are down for the remainder of the year, especially in the self catering and guesthouse / B&B sectors. However, the increased tendency to book last minute means that operators are generally not too concerned about advance bookings being down.

*"We get a lot of last minute bookings. People wait and wait until we put deals up and then pounce on us, but in this economic climate, who can blame them?"*

Hotel, North East

*"We get a lot of last minute bookings, especially this time of year. I'm confident it will pick up as people are always short of money at this time of year due to Christmas, so they wait until the last moment when they can get deals"*

Hotel, East Midlands

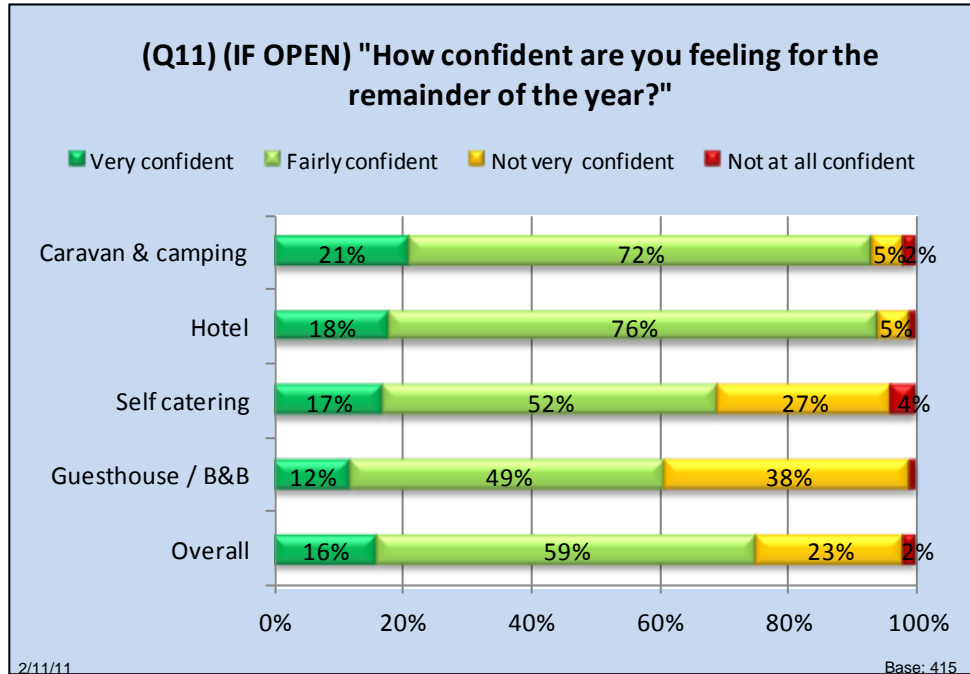
*"We have had a huge increase in last minute bookings. We used to get bookings for Christmas weeks in advance; now they wait, but we're confident the bookings will come last minute"*

Hotel, East Midlands

*"We've found this year stressful as most bookings have been last minute, and I think next year will go roughly the same"*

Caravan park, Yorkshire

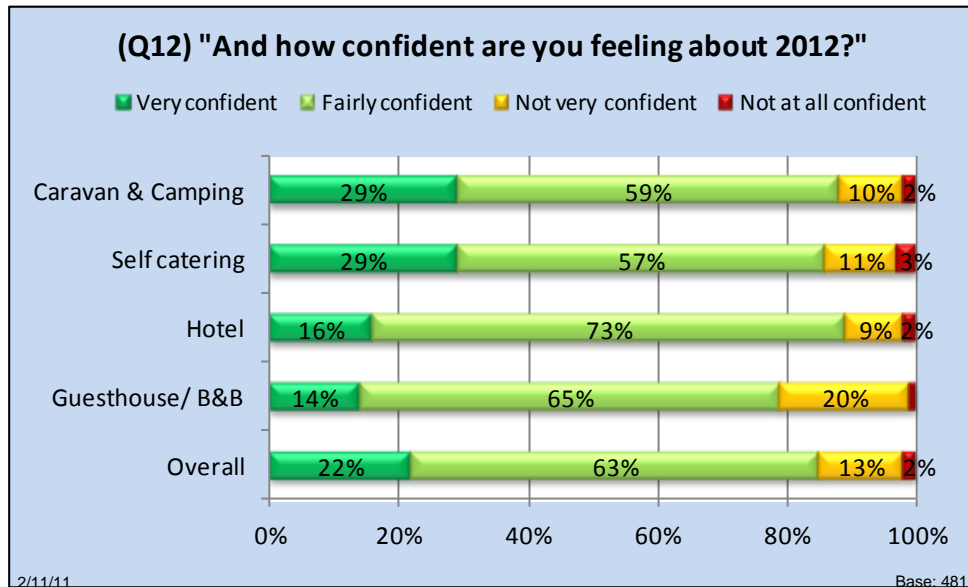
## Confidence for the remainder of the year



- 6.2 Confidence for the remainder of the year is highest in the hotel and caravan & camping sectors, which is where booking levels are highest.
- 6.3 Confidence levels are more uncertain in the self catering and guesthouse / B&B sectors.

*"It's very quiet now up until Christmas"*  
 Self catering, South East

## Confidence for 2012

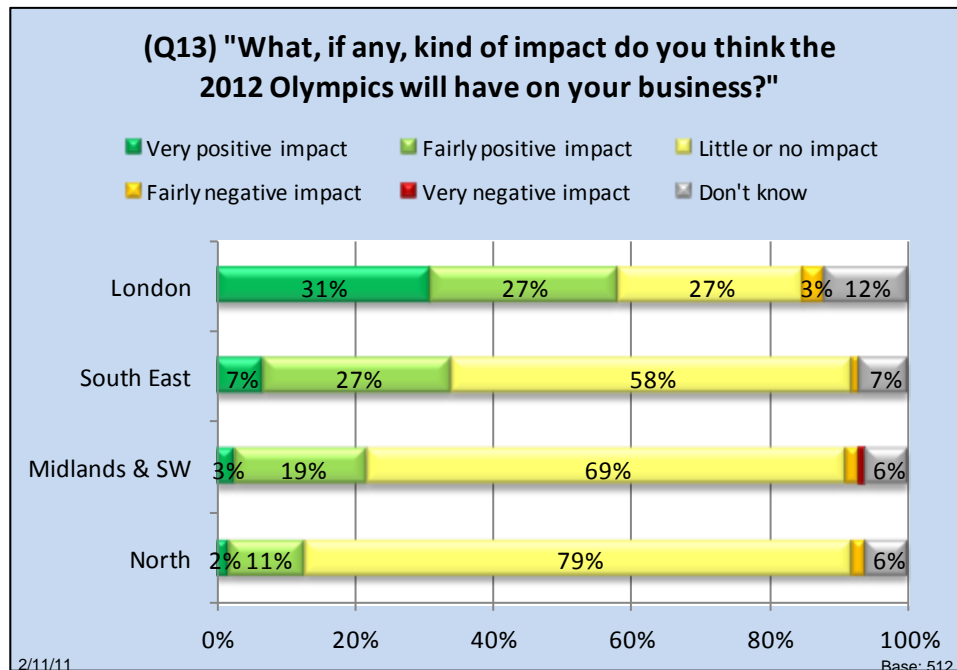


6.4 Confidence for 2012 is quite high in all sectors. After this year has turned out bit better than expected, there is a general feeling that next year will be as good or better.

*"Although it's a time of recession I'm having lots of bookings and doing deals so I'm confident for next year"*  
 Self catering, East of England

*"Business is doing very well and I already have 30 weeks booked for next year"*  
 Self catering, Yorkshire

## 7. Impact of 2012 Olympics



- 7.1 Expectation of positive impact of the Olympics is still generally confined to London.

*"I'm fully booked throughout the Olympics with overseas guests coming to visit to be close to the games"*  
Self catering, London

### Close to an Olympic venue

- 7.2 Operators outside of London who expect a positive impact on their business include those fortunate to be close to an Olympic location such as a training venue or part of the torch relay route. Other operators tend to see their business as being too far away to be affected.

*"We're close to an equestrian training centre being used for the Olympics so hopefully that will be a positive for our company"*  
Caravan park, Yorkshire

*"I think because the torch is coming from Lands End it could have a positive effect on our business. We've already had people making enquiries about it"*  
Caravan park, South West

### Other positives

- 7.3 Other reasons for expected positive impact outside of London include the raised profile to overseas visitors, and domestic tourists wanting to get away from it.

*“The Olympics could be positive in making more overseas people aware of  
England and our area”*

Self catering, South East

*“People will want to escape the Olympics and that may mean more bookings  
for us”*

Self catering, South West

*“We're going to be showing it so I hope people will come to watch it here whilst  
on holiday”*

Caravan park, East of England

## 8. Trend Figures across Research Waves

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

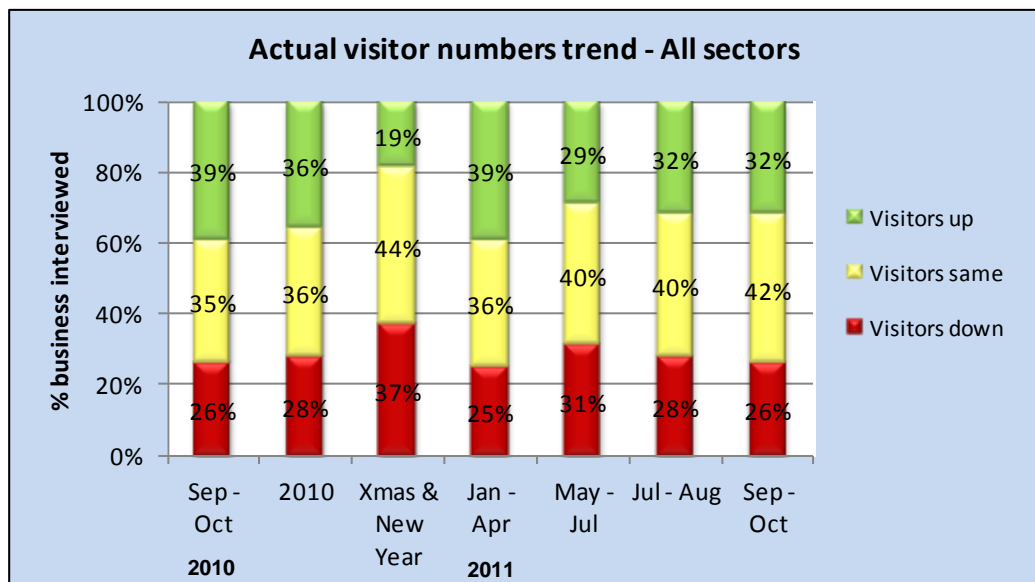
### 2010

- Wave 5 (September & October)

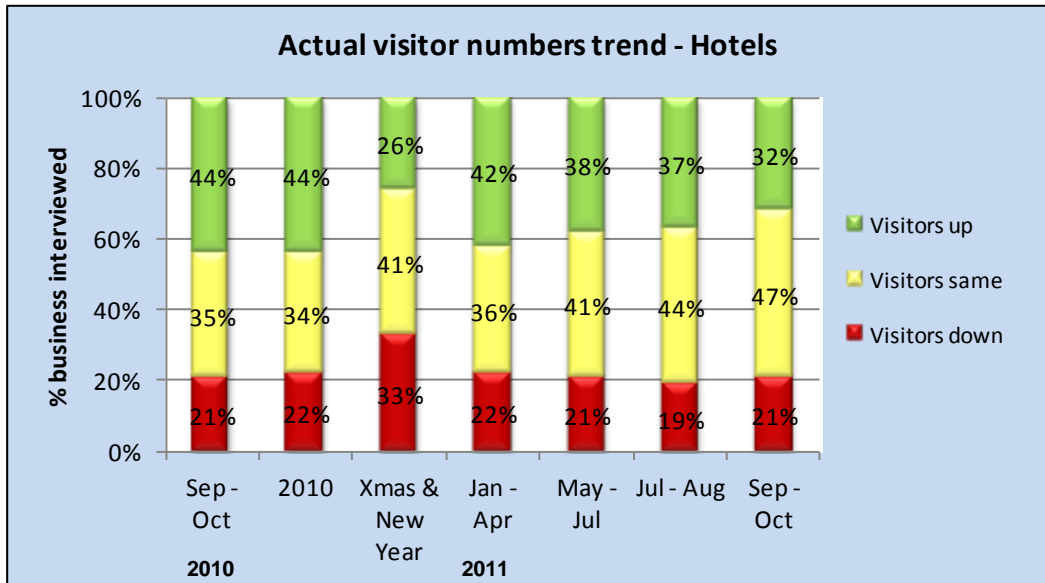
### 2011

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

### Visitor numbers

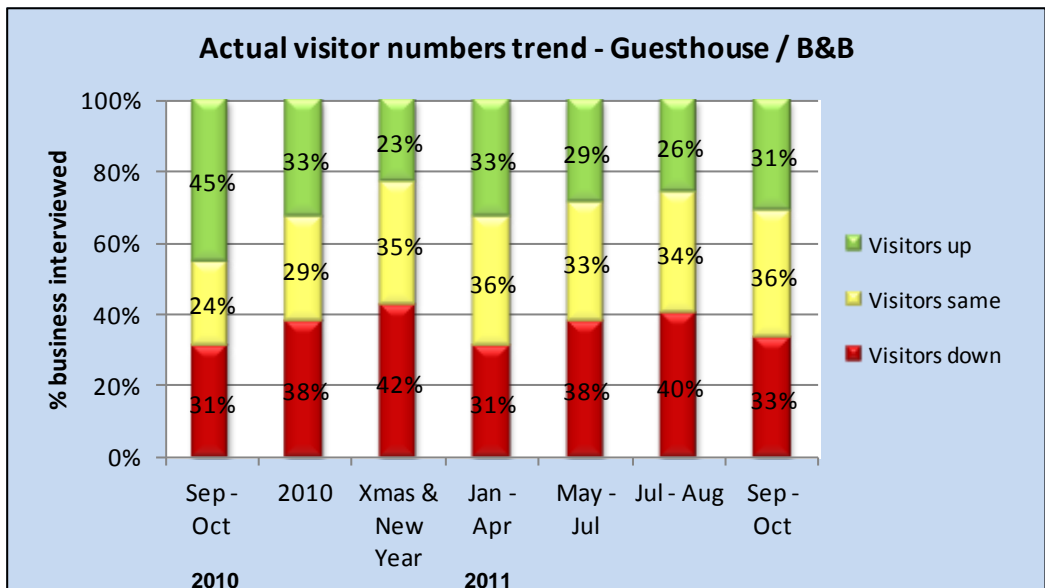


8.2 Following a promising start to the year, visitor numbers have remained steady from May through to October. Visitor numbers this autumn are not quite as positive as this time last year however.

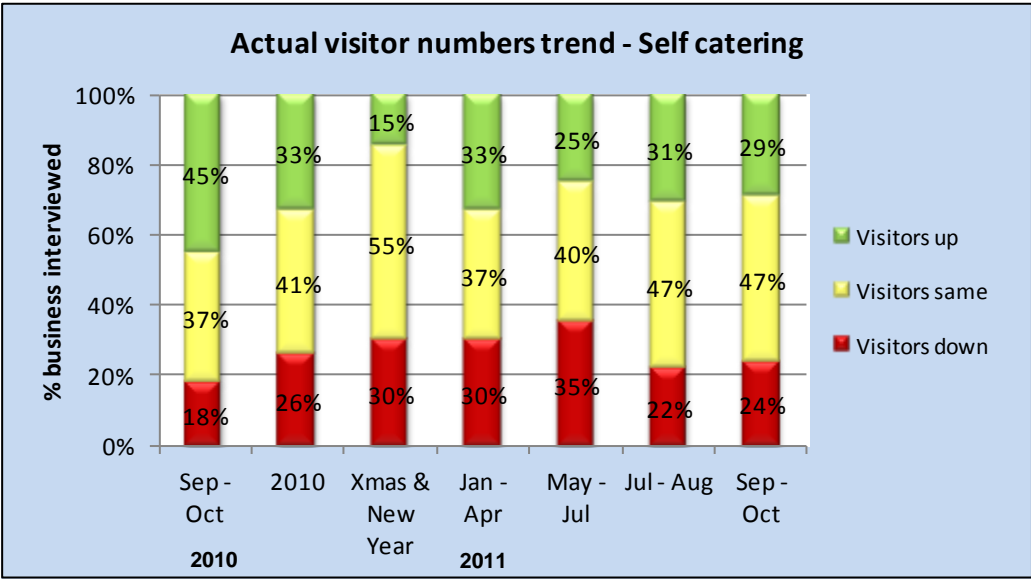


8.3 Charts by actual visitor numbers are now split by sector – the first chart (above) is for hotels.

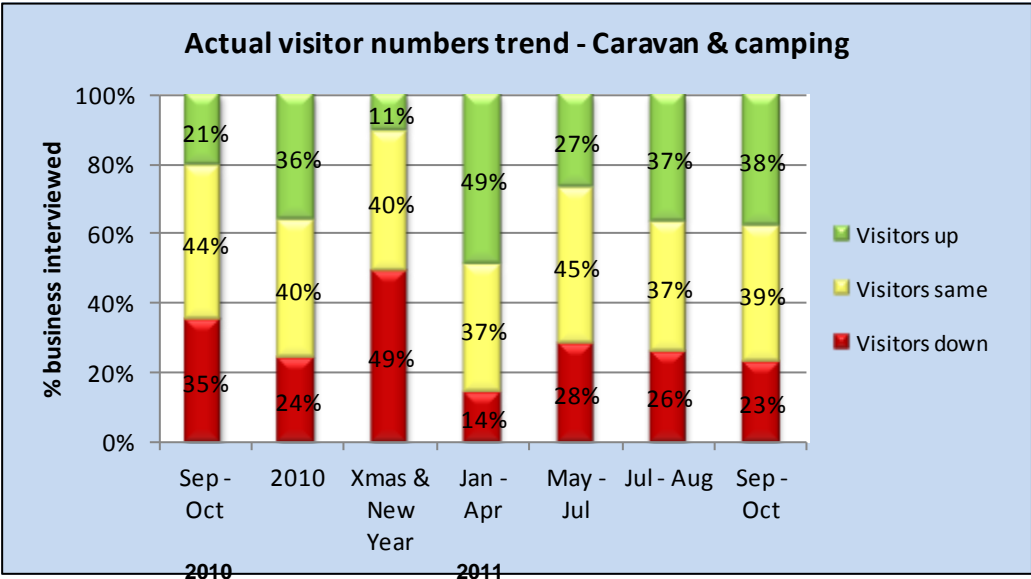
8.4 The hotel sector has performed strongly in terms of visitor numbers over the past 12 months but the success has gradually been tailing off through 2011.



8.5 Performance in the guesthouse / B&B sector has improved this period following a precarious 12 months.

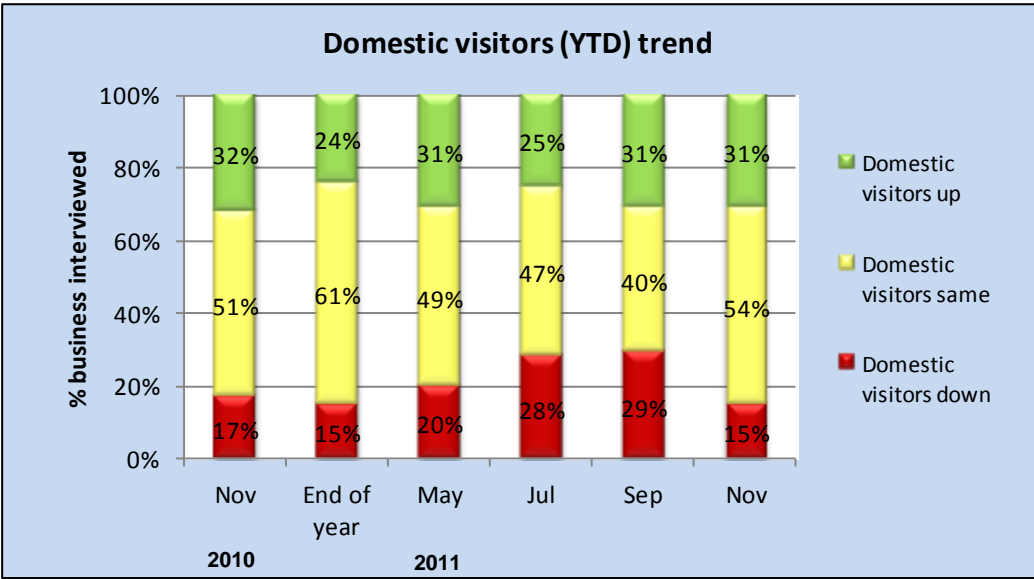


8.6 Visitor numbers in self catering have remained quite steady during the last two periods, following times of fluctuation.

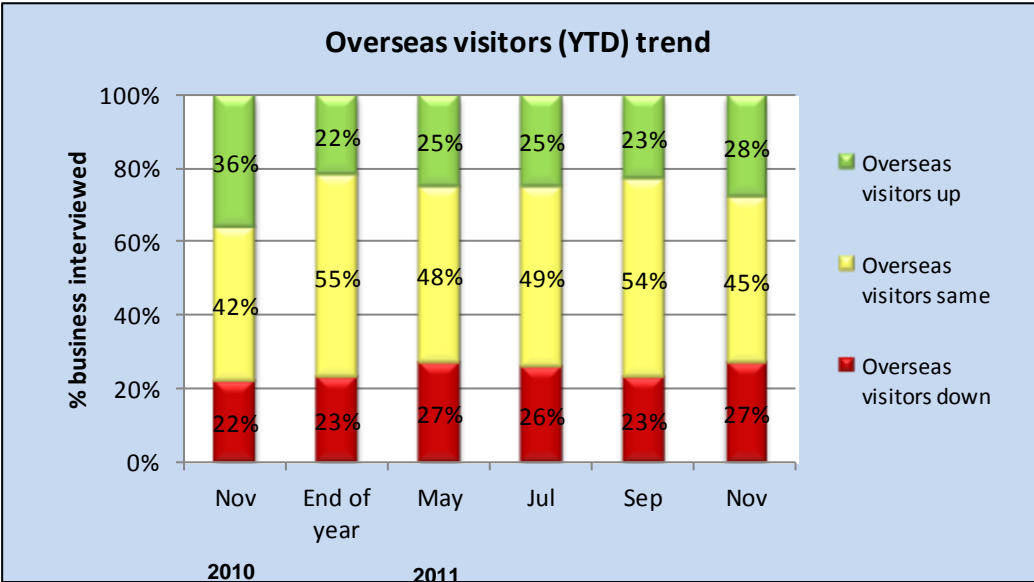


8.7 The weather dependence of the caravan & camping sector is reflected in the erratic ups and downs on the trend chart. The sector has enjoyed two good periods in a row following some fine weather.

Visitor numbers by type

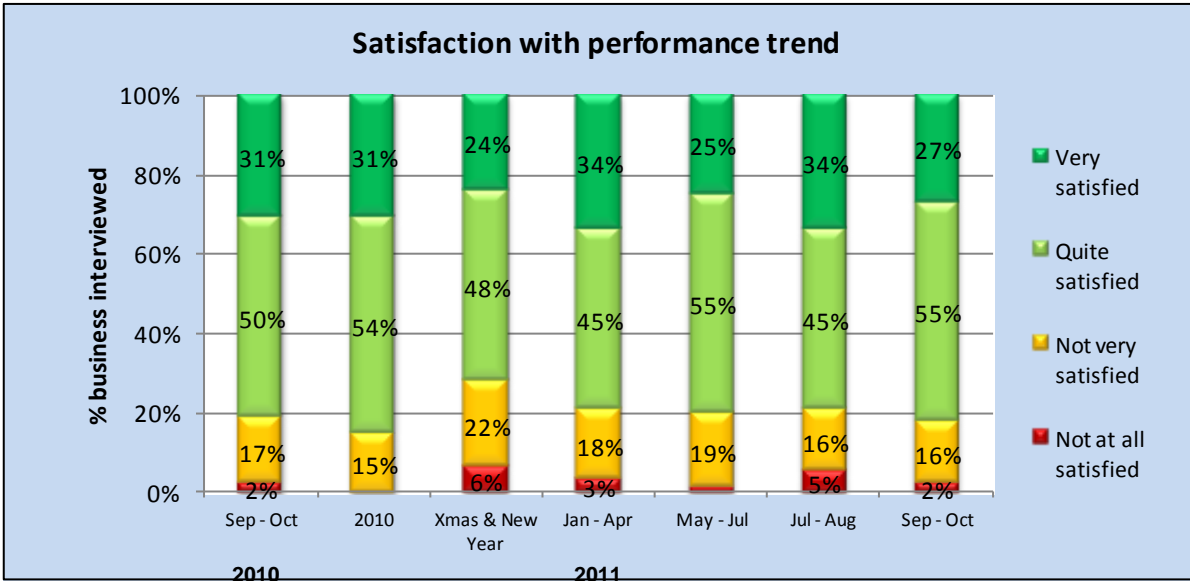


8.8 Charts now show visitor numbers by type. Respondents were asked each wave to comment on visitor numbers for the year to date rather than just specifically for the research period. Therefore the x axis shows the month in which the question was asked, rather than the research period. The first chart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



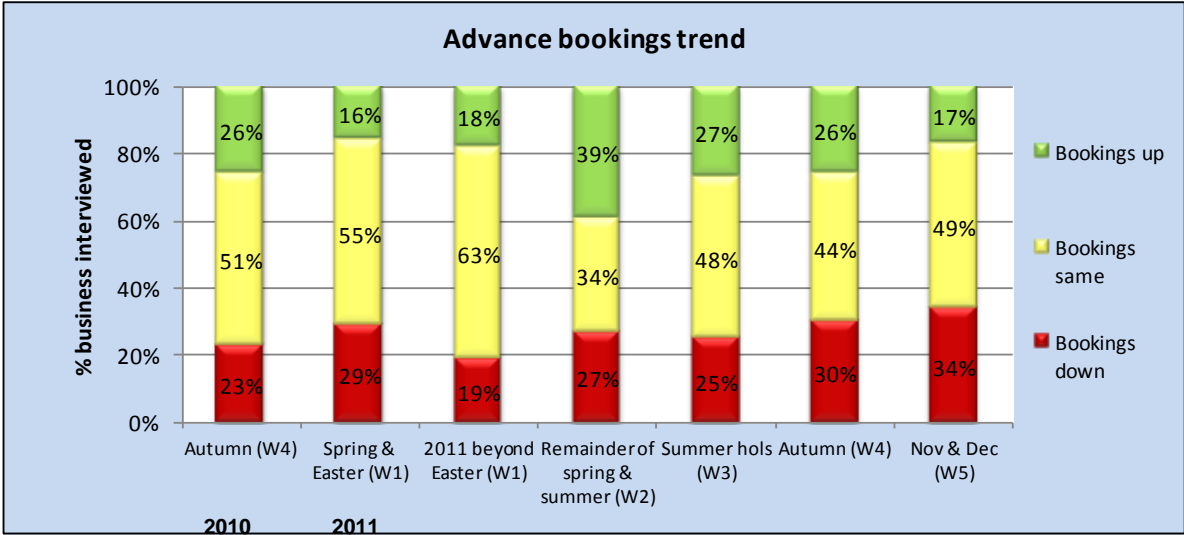
8.9 Overseas visitor levels have remained broadly the same over the last two years.

Satisfaction with performance



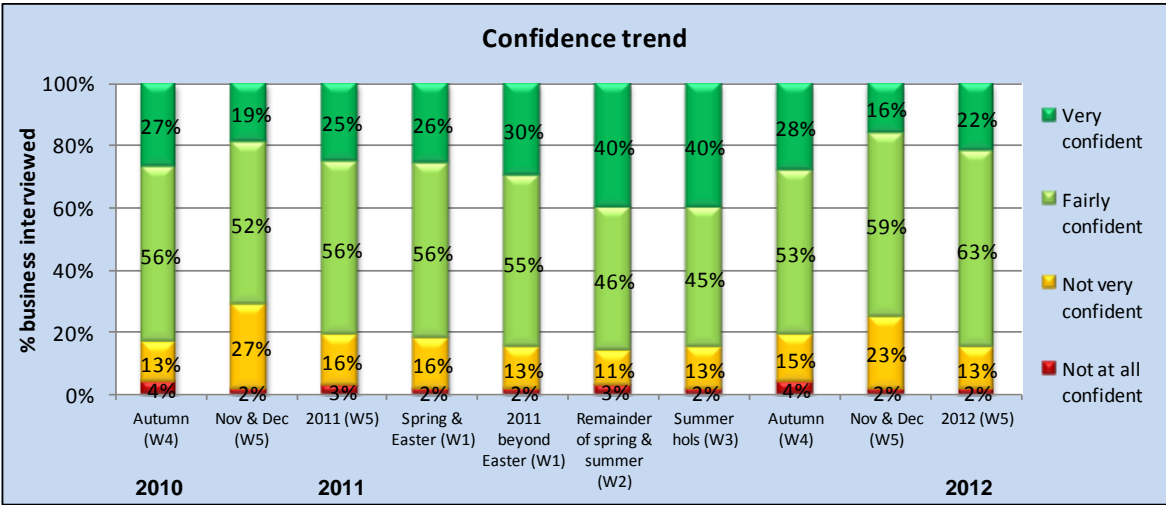
8.10 Satisfaction with performance has always outweighed actual results since the question has been asked. Satisfaction has remained high this period and is similar to the equivalent period last year.

Advance bookings



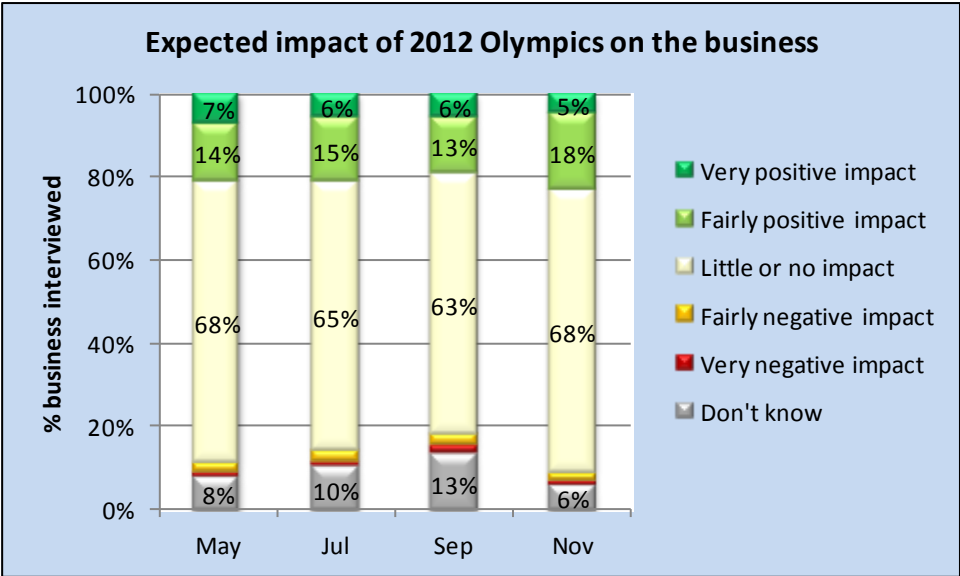
8.11 Advance booking levels have been declining for about the past six months.

**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 but the renewed confidence for next year. Confidence for 2012 is similar to how it was for 2011 12 months ago.

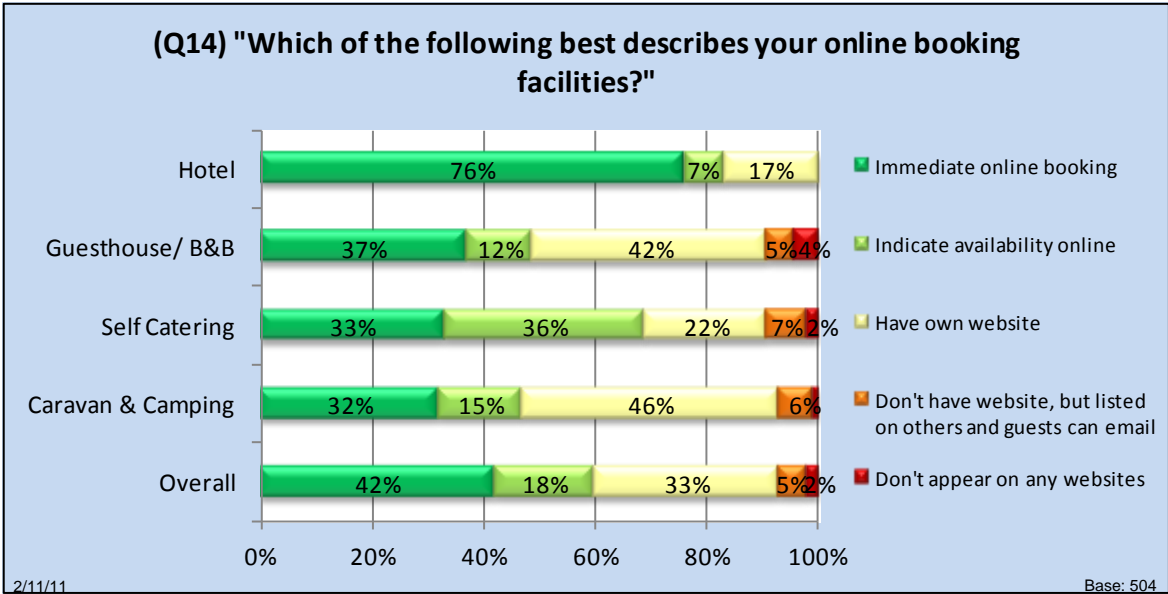
**Impact of Olympics**



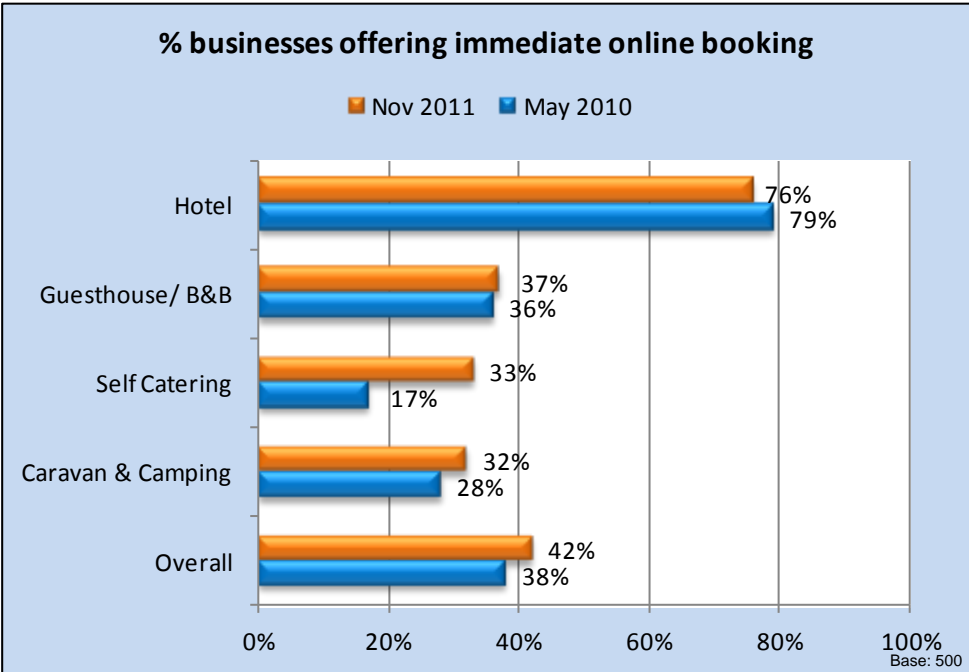
8.13 In spite of the allocation of tickets and the Olympics drawing closer, the expectations of the impact have remained pretty much unchanged through the year.

## 9. Online Booking Facility

### Facilities in place



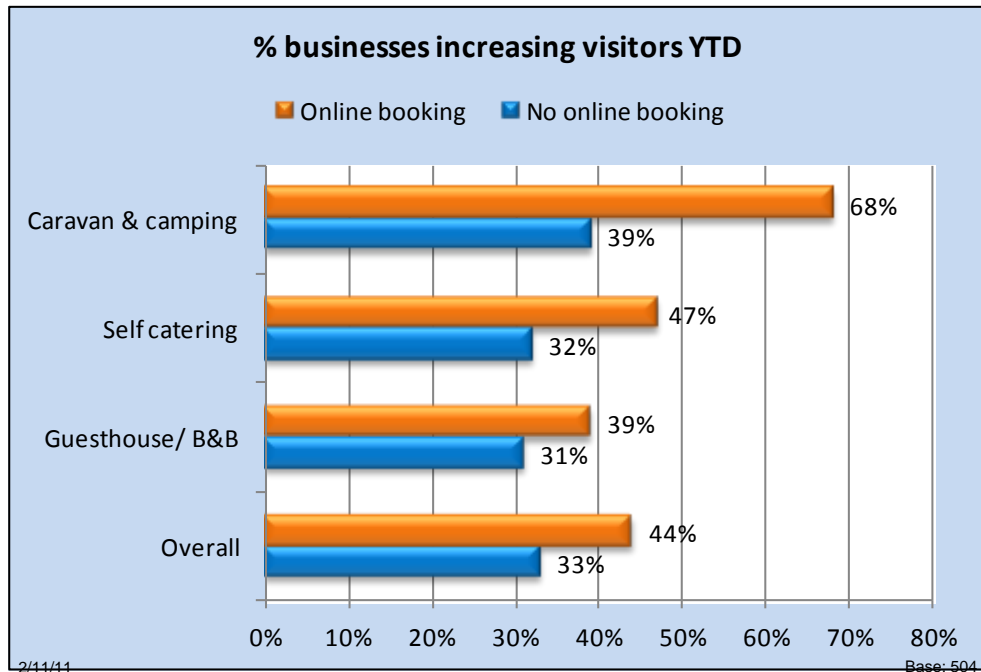
9.1 About two in five (42%) businesses offer immediate online booking; this is slightly higher than in May 2010 (38%) when the question was previously asked, shown on the chart below:



- 9.2 The largest increase in online booking facilities is in self catering, where one in three (33%) offer online booking now compared to just one in six (17%) in May 2010.
- 9.3 The hotel sector still has by far the greatest online booking presence of any sector, with about three in four (76%) businesses offering it.

**Indications that online booking facility results in better performance**

9.4 There are indications in most sectors that the businesses which offer immediate online booking have performed the best in 2011 compared to 2010, and that those with a website have performed better than those without one.

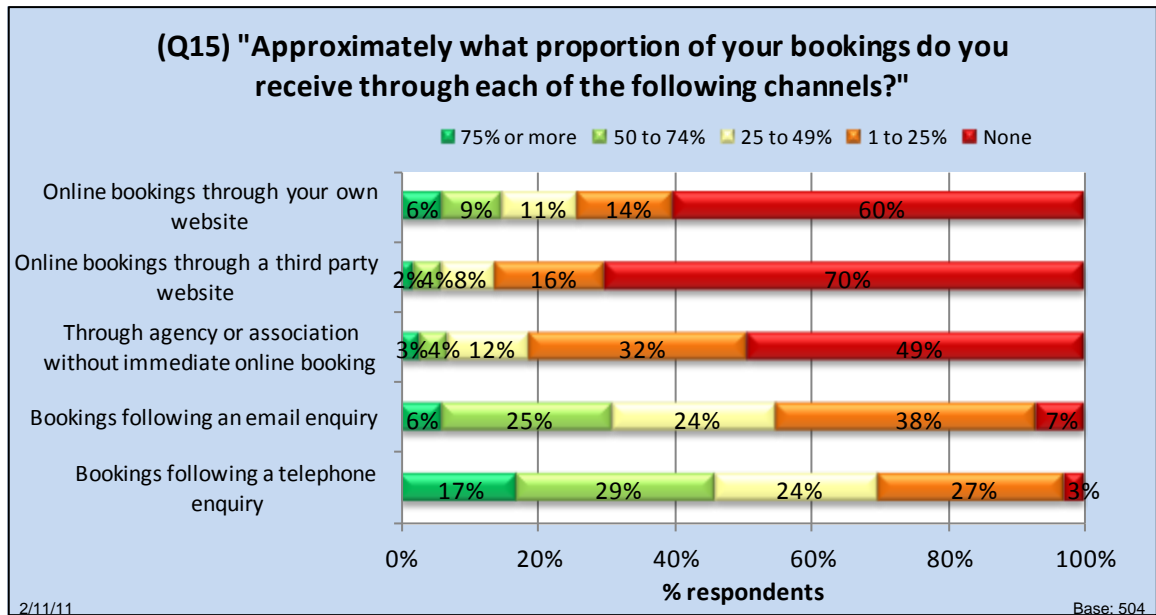


9.5 The above chart shows the proportion of businesses increasing their year to date visitor numbers split by those offering immediate online booking and those not offering it.

9.6 The figures in the caravan & camping and self catering sectors need to be viewed with caution as the base numbers of those offering online booking are low. The hotel sector is not shown because the base number of those not offering online booking is very low, but the sector is included in the overall figures.

## Methods of booking

- 9.7 Respondents were asked to state what percentage of their bookings come through each of five channels. The first two channels relating to online bookings on the chart below were just asked to businesses which offer the facility; however we have answered 'none' for businesses which don't have the facility in order that the base for each channel is the same in the results.

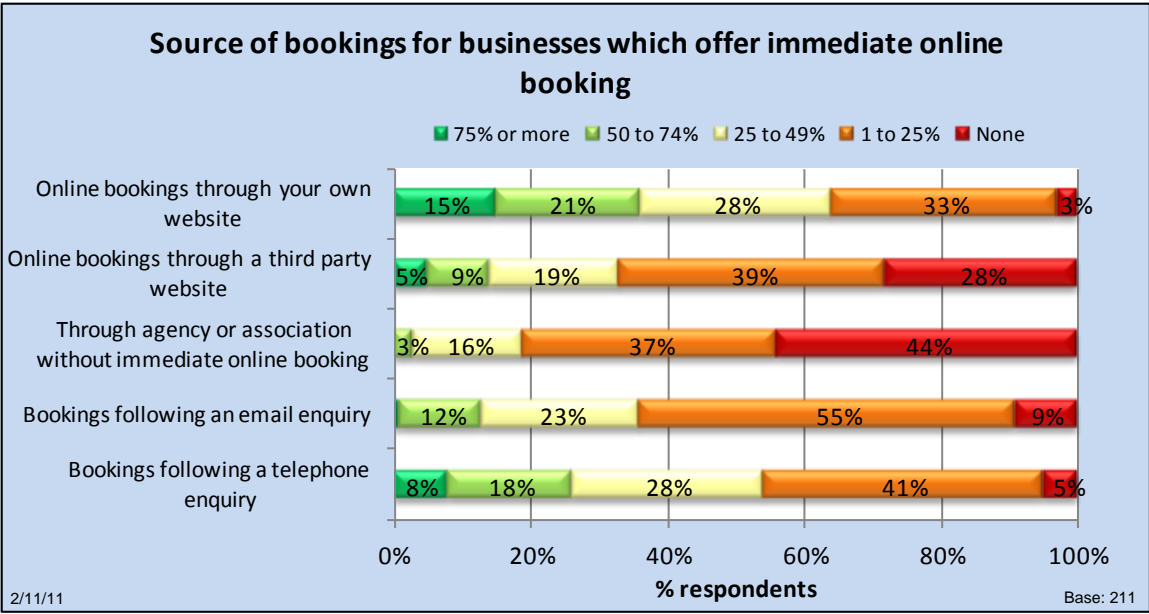


### Telephone bookings still the most popular method with customers

- 9.8 In spite of online booking facilities and email correspondence giving customers methods of booking that they didn't used to have, picking up the phone still appears to be the most popular booking method overall with customers. This is even the case in the hotel sector in spite of most (76%) businesses offering online booking.
- 9.9 It seems that some customers and owners (especially of small businesses) prefer telephone bookings because they like to ask/answer questions that way, and in the case of small businesses owners, they like to know who is coming into their home.

*"All bookings are over the phone. I find it much more personal and people like to ask questions which can only be answered over the phone"*

Self catering, South East



9.10 Among businesses which offer immediate online booking, about a third (36%) of respondents say that online bookings through their own website account for more than 50% of bookings. However, the telephone is still a popular alternative, with one in four (26%) saying this method accounts for more than 50% of bookings in spite of offering the online booking facility.