



## **TOURISM INDUSTRY PERFORMANCE MONITOR**

### **ANALYSIS OF RESULTS FOR 2007 & 2008**

**'DESTINATION WORCESTERSHIRE'**

PREPARED BY THE  
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## Overview

The industry performance monitor is a quarterly survey designed to take a snapshot of the local tourism industry's performance in very general terms, and to monitor how tourism businesses are feeling about current and future business.

Input to the Industry Performance Monitor is by an on-line survey sent to members of 'Destination Worcestershire'.

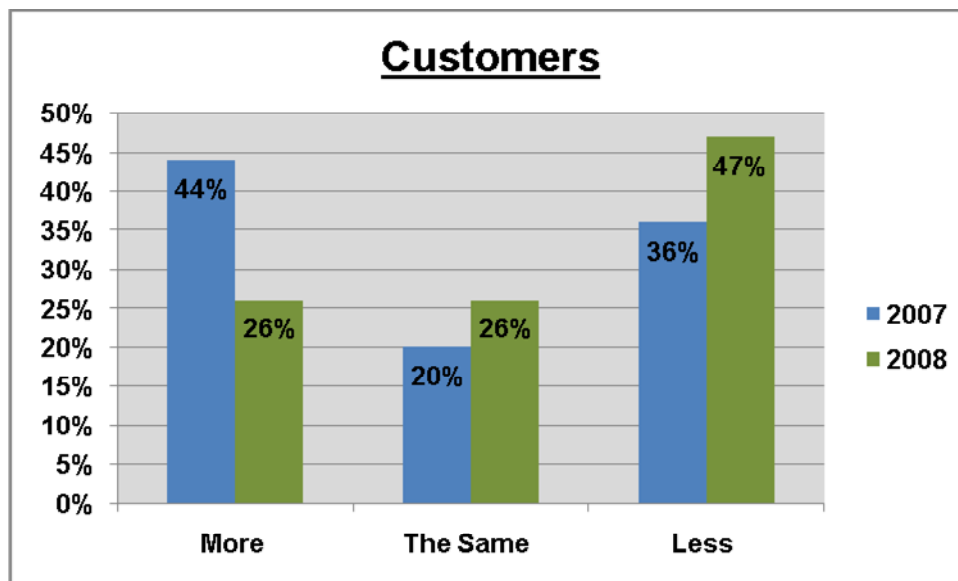
Since Destination Worcestershire has been collecting this information for some time it is possible to compare data with previous surveys and previous years and therefore to identify trends in local tourism business.

This report looks at some of the comparisons from 2007 and 2008 and the positive/negative indications of businesses during these years. The first quarterly report for 2007 began with the second quarter - April to May 2007. Hence this report is a comparison of quarter two to quarter four data (April – June; July – September; October – December).

In 2007, 208 businesses responded to the surveys and in 2008, 119 businesses responded. The results are based on the number of respondents who took part and are shown in the following tables, charts and graphs.

- ❖ The below chart looks at the comparison of 2007 and 2008 in response to the question – Did you have more, less or about the same numbers of customers as in the same period the previous year?

The results show that in 2008 the percentage for ‘less customers’ was higher (47%) than in 2007 (36%).



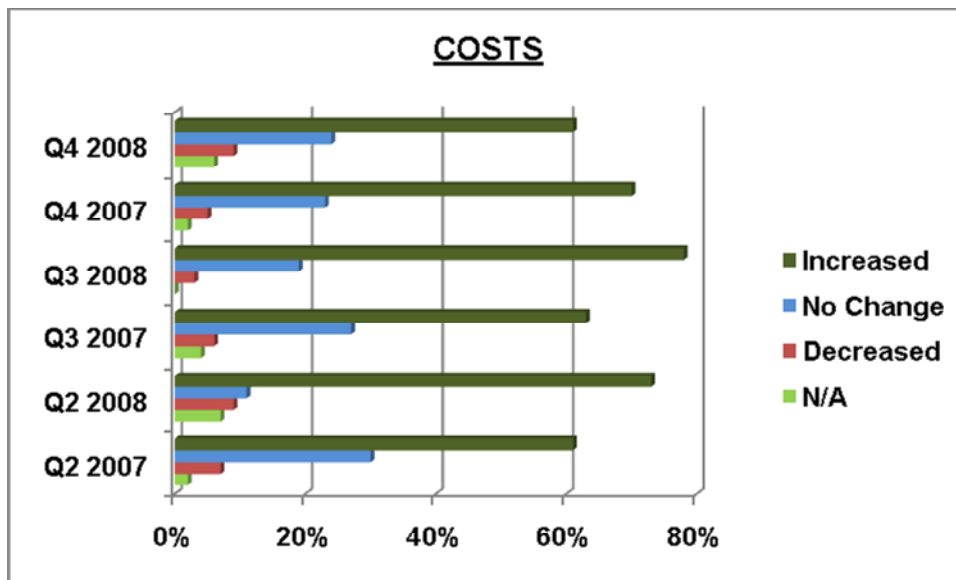
- ❖ The table below compares each quarter results, looking at ‘Business Customers’ and ‘Costs’ and whether they have ‘increased’, had ‘no change’, ‘decreased’ or ‘N/A’.

In 2007 the increase in customers remained steady. In 2008 the increase in customers dropped from the previous quarter’s 22% to 16% and the decrease percentage was remarkably higher at 31% in comparison to the previous quarter’s 19%.

Looking at costs there was a 61% increase in costs in the last quarter of 2008 compared to 78% increase in costs in the previous quarter. This percentage was lower than in 2007 so a positive result. All results are based on the number of respondents who replied to the survey in each quarter.

		Q2 2007	Q2 2008	Q3 2007	Q3 2008	Q4 2007	Q4 2008
<b>Business Customers</b>	<b>Increased</b>	24%	24%	22%	22%	24%	16%
	<b>No Change</b>	33%	36%	37%	46%	40%	34%
	<b>Decreased</b>	18%	22%	20%	19%	16%	31%
	<b>N/A</b>	24%	18%	22%	13%	20%	19%
<b>Costs</b>	<b>Increased</b>	61%	73%	63%	78%	70%	61%
	<b>No Change</b>	30%	11%	27%	19%	23%	24%
	<b>Decreased</b>	7%	9%	6%	3%	5%	9%
	<b>N/A</b>	2%	7%	4%	0%	2%	6%

The chart below shows 'costs' for each quarter (if they have increased, had no change, decreased or N/A)



❖ The Main external factors affecting businesses in 2007 were:

Weather, floods, smoking ban, interest rates, foot and mouth, fear of recession and road works.

❖ In comparison in 2008 the main external factors were:

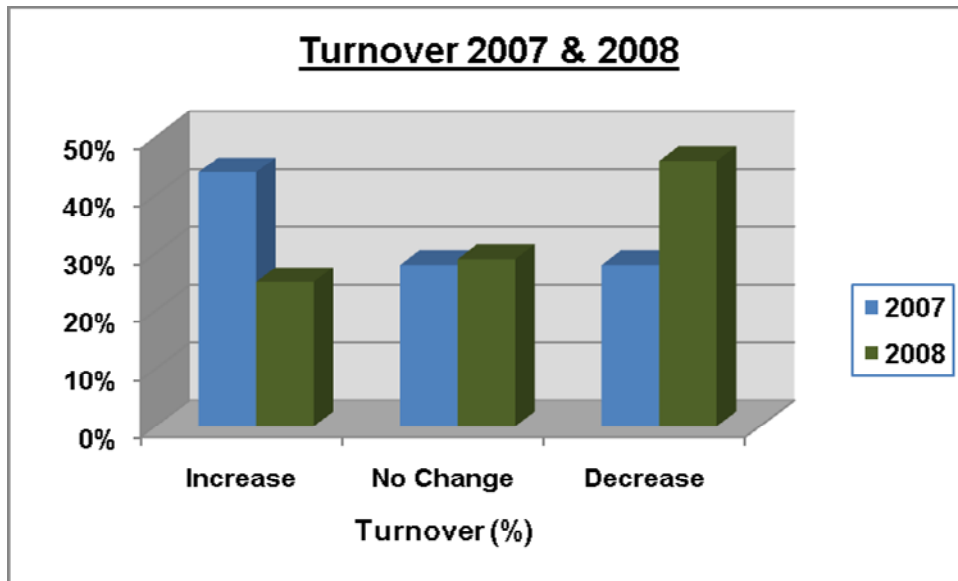
Credit crunch/recession, economy, weather, road works, fuel costs and loss of jobs

As you can see there is a difference in external factors between the two years with the economic downturn being the

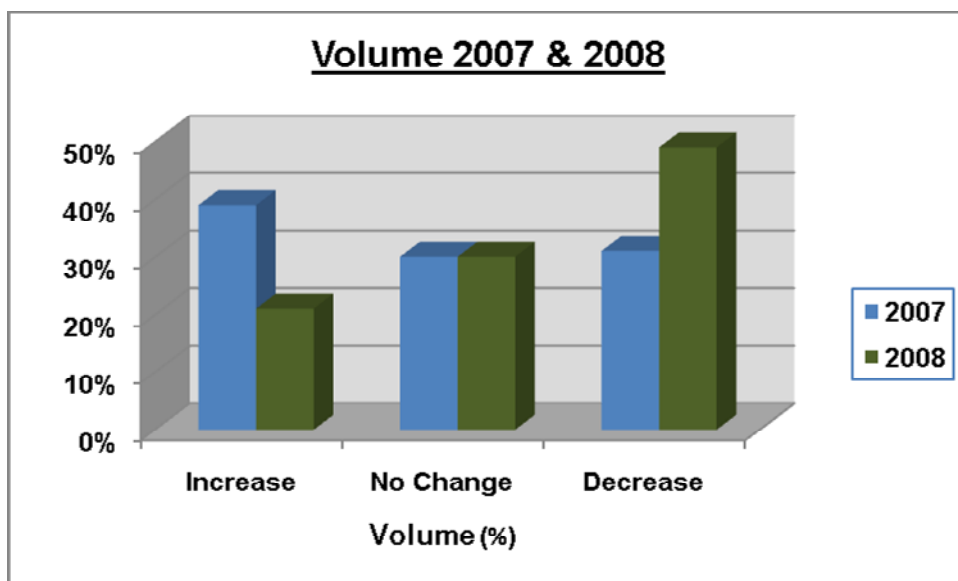
'Destination Worcestershire' Tourism Industry Performance Monitor  
Analysis of Results, 2009

main factor in 2008. There was a 'fear of recession' in 2007 and 'floods' and 'weather' were a main feature.

- ❖ In regards to 'expected trends' regarding turnover and volume the charts below show a comparison with 2007 and 2008. The increase in turnover in 2007 was 44% but in 2008 was 25%. The 'decrease' in turnover was 28% in 2007 and 46% in 2008. This is probably due to the economic climate.

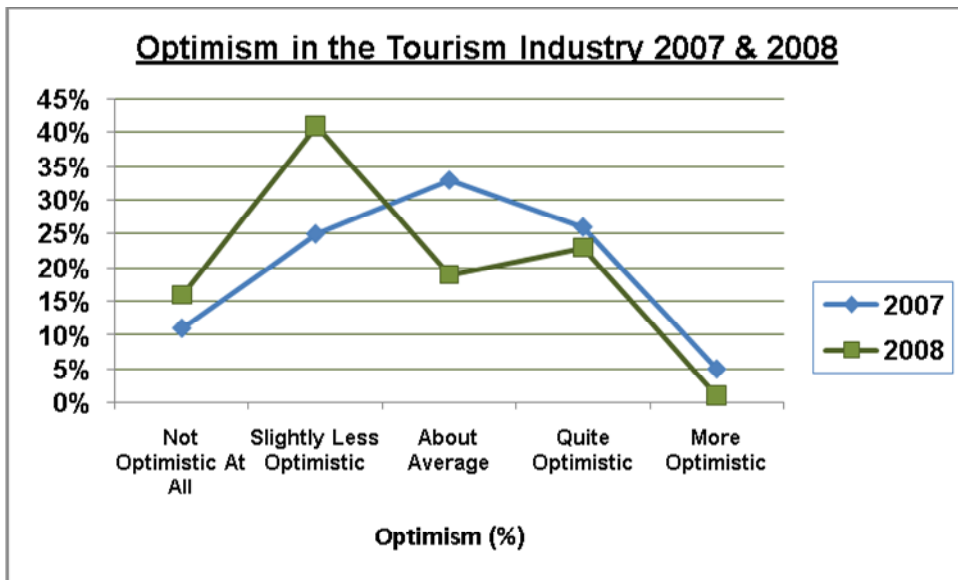


- ❖ Expected trends in volume show that in 2008 respondents were expecting a 49% decrease in volume compared with 31% in 2007 again due to the economic climate.

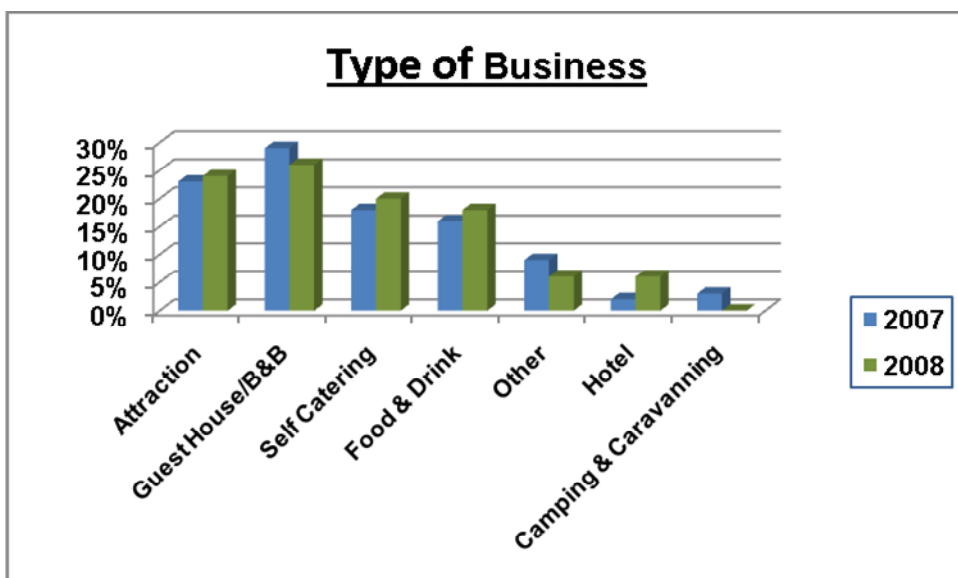


- ❖ Optimism in the tourism industry is displayed in the below graph. In 2008 the percentage of businesses who were 'not optimistic at all' was slightly higher (16%) compared to 2007 (11%).

The percentage of businesses who were 'more optimistic' were 5% in 2007 and only 1% in 2008.



- ❖ The type of businesses who responded to the surveys in 2007 and 2008 are compared in the below chart.



- ❖ The majority of the respondents to the surveys are from the 'Guest House/B&B' and 'Attractions' Industry.

The comparison of the surveys show that the economic climate in 2008 has had a big effect on the tourism industry in regards to their 'optimism', 'costs' and 'number of customers'. The results show a 'negative' response. The economy is facing a difficult period and financial crisis is leading to fear and people keeping money in their pockets.

We need to build on strengths, look at the appropriate support available to businesses and focus on the 'positive' stories that should not be forgotten.

If you find the following information useful, but you have not participated in providing it, and are a Worcestershire based tourism business, please do take part in future surveys as the larger the number of contributors the more reliable the results will be.