TOURISM INDUSTRY PERFORMANCE MONITOR

APRIL TO JUNE 2008

‘DESTINATION WORCESTERSHIRE’

PREPARED BY THE
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Executive Summary & Results

Welcome to the latest edition of the Worcestershire Tourism Industry Performance Monitor.

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.

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.

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.

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

This is the second quarterly survey for 2008, covering the period April to June 2008.

The survey was sent to 380 Destination Member Businesses.
45 businesses completed the survey at a response rate of 12%.

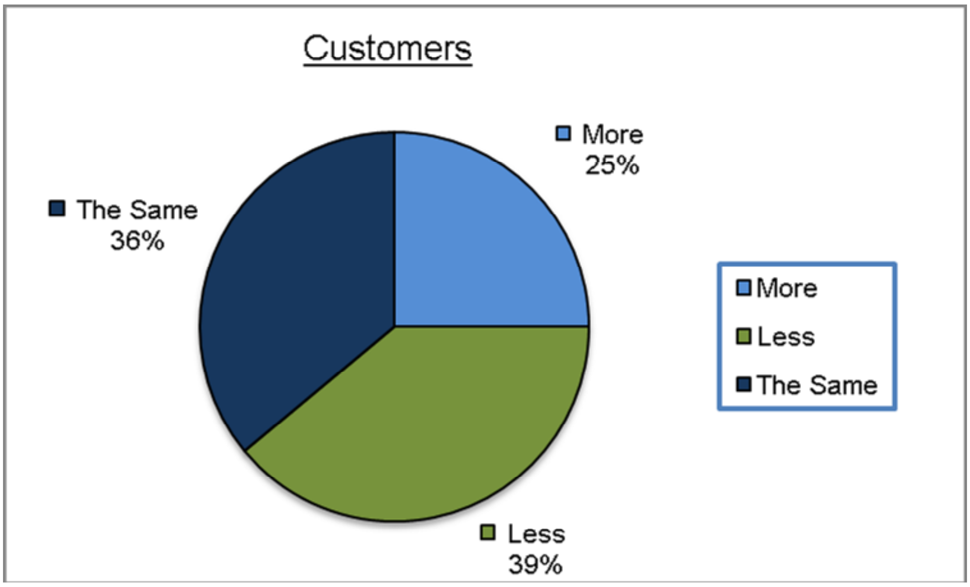
There were 8 questions in total and the results *which are based on the **12%** of respondents* who took part are below:

- From the period April to June 2008 –

  25% of the businesses surveyed have had *more* customers as in the same period in 2007.

  39% have had *less* customers as in the same period in 2007.

  36% have had the *same* numbers of customers as in the same period in 2007.



- The table below gives the results for the number of customers by the 'Type of Business' for the period April to June 2008 compared with the same period in 2007.

  The data is based on those who replied to the survey. Hence it is based on 12% of the members who replied.

  There is a definite trend for 'less' customers compared to the same period last year.

Attractions have had 56% *less* customers; Guest Houses/B&B have had 42% *less* customers and Food & Drink have had 38% *less* customers.

CUSTOMERS - MORE, LESS OR ABOUT THE SAME NUMBER OF CUSTOMERS AS IN THE SAME PERIOD 2007.			
TYPE OF BUSINESS	**MORE**	**LESS**	**THE SAME**
Attractions	**22%**	**56%**	**22%**
Guest House/B&B	**16%**	**42%**	**42%**
Hotels	**33%**	**33%**	**34%**
Self-Catering	**27%**	**27%**	**46%**
Camping & Caravanning	**0%**	**0%**	**0%**
Food & Drink	**24%**	**38%**	**38%**
Other	**100%**	**0%**	**0%**

- Comparing the period April to June 2008 with April to June 2007 *the respondents who replied to the survey* were asked how each of the following had changed - leisure customers, business customers, UK customers, overseas customers, marketing spend, discounting, turnover, costs, staffing levels.

  The table of results can be viewed below:

CHANGES COMPARING APRIL TO JUNE 2008 WITH APRIL TO JUNE 2007				
	INCREASED	NO CHANGE	DECREASED	N/A
Leisure Customers	**16%**	**44%**	**38%**	**2%**
Business Customers	**24%**	**36%**	**22%**	**18%**
UK Customers	**18%**	**48%**	**30%**	**4%**
Overseas Customers	**13%**	**51%**	**27%**	**9%**
Marketing Spend	**24%**	**44%**	**24%**	**8%**
Discounting	**24%**	**39%**	**7%**	**30%**
Turnover	**36%**	**24%**	**33%**	**7%**
Costs	**73%**	**11%**	**9%**	**7%**
Staffing Levels	**16%**	**59%**	**9%**	**16%**

- A high percentage had an *increase* in costs at 73%.

  38% have had a *decrease* in 'Leisure Customers'.

  36% have had an *increase* in turnover and 33% have had a *decrease* in turnover.

- The next table gives the results for the changes in 'UK Customers' and the change in 'Costs', for the different 'Industry Types', comparing the period April to June 2008 with April to June 2007.

  There is a definite trend for 'Increases in Costs' for all different business types who responded.

There is a trend for 'no change' in the number of UK customers.

CHANGES COMPARING APRIL TO JUNE 2008 WITH APRIL TO JUNE 2007				
	INCREASED	NO CHANGE	DECREASED	N/A
ATTRACTION				
UK Customers	**23%**	**33%**	**44%**	**0%**
Costs	**56%**	**33%**	**0%**	**11%**
GUEST HOUSE/B&B				
UK Customers	**0%**	**75%**	**25%**	**0%**
Costs	**75%**	**8%**	**17%**	**0%**
HOTEL				
UK Customers	**33%**	**34%**	**33%**	**0%**
Costs	**100%**	**0%**	**0%**	**0%**
SELF CATERING				
UK Customers	**27%**	**36%**	**28%**	**9%**
Costs	**64%**	**9%**	**9%**	**18%**
CAMPING & CARAVANNING				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
FOOD & DRINK ESTABLISHMENT				
UK Customers	**25%**	**38%**	**25%**	**12%**
Costs	**88%**	**0%**	**12%**	**0%**
OTHER				
UK Customers	**0%**	**100%**	**0%**	**0%**
Costs	**100%**	**0%**	**0%**	**0%**

❖ The next Table gives the results of 'expected trends' regarding turnover, costs and volume for the next three months compared with the same period in 2007.

'Turnover' is at a 31% *increase*, 40% *no change* and at a 29% *decrease*.

There is a high *increase* in 'costs' at 73%.

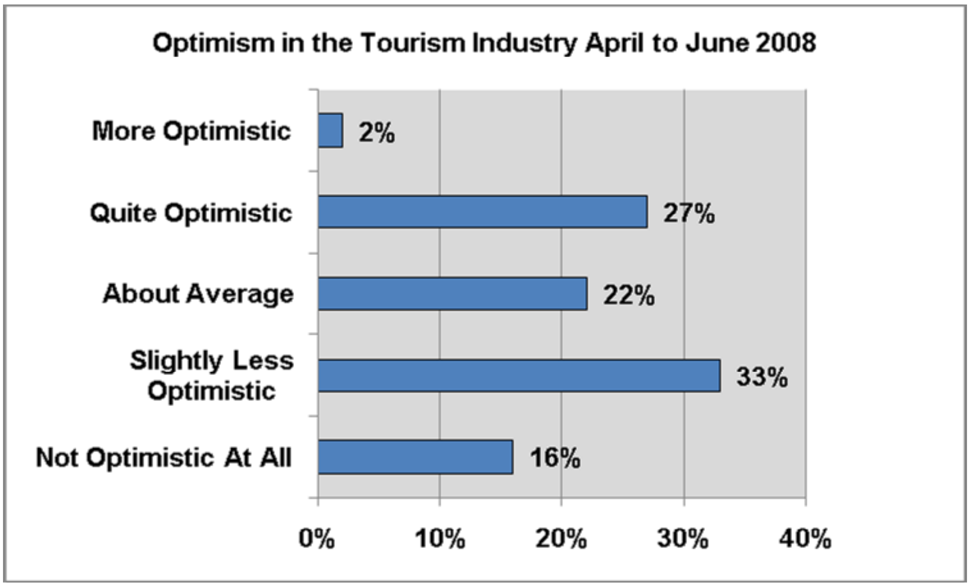
'Volume' is at a 28% *increase*, 40% *no change* and 32% *decrease*.

EXPECTED TRENDS FOR THE NEXT THREE MONTHS COMPARED WITH SAME PERIOD IN 2007			
	INCREASE	NO CHANGE	DECREASE
Turnover	**31%**	**40%**	**29%**
Costs	**73%**	**23%**	**4%**
Volume	**28%**	**40%**	**32%**

❖ The main external factors affecting demand for tourism are the '*weather'; 'credit crunch/economy' and 'Cost of fuel'.* (41 people responded to this question).

❖ When asked if there is anything in their specific area that is likely to affect business over the next quarter, the following were some of the main responses - *'economy'; 'weather'; 'fuel prices'; 'road works' and 'building works'*.
(38 people responded to this question).

Only 2% of the businesses who responded to the survey are *more optimistic* about the tourism industry in general compared with the same time last year, 27% *quite optimistic*, 22% *about average*, 33% *slightly less optimistic* and 16% *not optimistic at all*.



❖ The below table gives business performance (turnover, costs, volume) over the period April to June 2008 compared to the same period in 2007.

BUSINESS PERFORMANCE APRIL TO JUNE 2008 COMPARED TO THE SAME PERIOD IN 2007			
	INCREASE	NO CHANGE	DECREASE
Turnover	**38%**	**33%**	**29%**
Costs	**77%**	**16%**	**7%**
Volume	**24%**	**39%**	**37%**

- The type of businesses who responded to this survey are – 29% Guest House/B&B, 24% Self Catering, 20% Attraction, 18% Food and Drink Establishment, 7% Hotel, 2% Other.