TOURISM INDUSTRY PERFORMANCE MONITOR

JULY TO SEPTEMBER 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 third quarterly survey for 2008, covering the period July to September 2008.

The survey was sent to 375 Destination Member Businesses.
39 businesses completed the survey at a response rate of 10%.

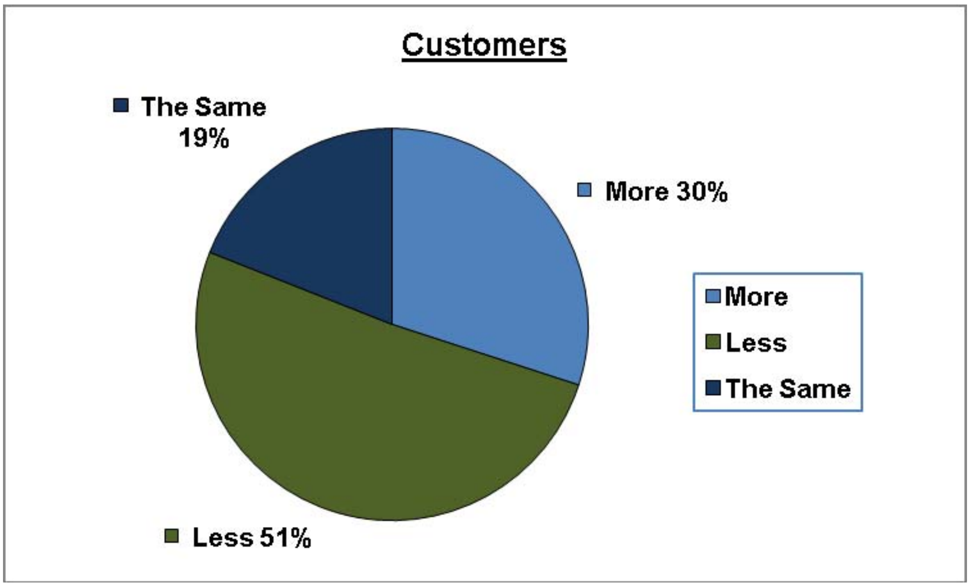
There were 8 questions in total and the results *which are based on the **10%** of respondents* who took part are below:

- From the period July to September 2008 –

  30% of the businesses surveyed have had *more* customers as in the same period in 2007.

  51% have had *less* customers as in the same period in 2007.

  19% 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 July to September 2008 compared with the same period in 2007.

  The data is based on those who replied to the survey. Hence it is based on the 10% of members who replied.

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

  Attractions have had 55% *less* customers; Hotels have had 50% *less* customers; Self-catering 43% *less* customers and Food & Drink have had 62% *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	**36%**	**55%**	**9%**
Guest House/B&B	**57%**	**29%**	**14%**
Hotels	**0%**	**50%**	**50%**
Self-Catering	**14%**	**43%**	**43%**
Camping & Caravanning	**0%**	**0%**	**0%**
Food & Drink	**25%**	**62%**	**13%**
Other	**0%**	**100%**	**0%**

- Comparing the period July to September 2008 with July to September 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 JULY TO SEPTEMBER 2008 WITH JULY TO SEPTEMBER 2007				
	INCREASED	NO CHANGE	DECREASED	N/A
Leisure Customers	**24%**	**32%**	**42%**	**2%**
Business Customers	**22%**	**46%**	**19%**	**13%**
UK Customers	**26%**	**44%**	**30%**	**0%**
Overseas Customers	**14%**	**49%**	**35%**	**2%**
Marketing Spend	**23%**	**46%**	**31%**	**0%**
Discounting	**13%**	**58%**	**3%**	**26%**
Turnover	**26%**	**21%**	**51%**	**2%**
Costs	**78%**	**19%**	**3%**	**0%**
Staffing Levels	**21%**	**51%**	**21%**	**7%**

- A high percentage had an *increase* in costs at 78%.

  42% have had a *decrease* in 'Leisure Customers'.

  51% have had a *decrease* in turnover and 26% have had an *increase* 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 July to September 2008 with July to September 2007.

CHANGES COMPARING APRIL TO JUNE 2008 WITH APRIL TO JUNE 2007				
	INCREASED	NO CHANGE	DECREASED	N/A
ATTRACTION				
UK Customers	**27%**	**27%**	**46%**	**0%**
Costs	**60%**	**40%**	**0%**	**0%**
GUEST HOUSE/B&B				
UK Customers	**45%**	**33%**	**22%**	**0%**
Costs	**89%**	**11%**	**0%**	**0%**
HOTEL				
UK Customers	**0%**	**50%**	**50%**	**0%**
Costs	**50%**	**50%**	**0%**	**0%**
SELF CATERING				
UK Customers	**29%**	**57%**	**14%**	**9%**
Costs	**86%**	**14%**	**0%**	**0%**
CAMPING & CARAVANNING				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
FOOD & DRINK ESTABLISHMENT				
UK Customers	**13%**	**75%**	**12%**	**0%**
Costs	**86%**	**14%**	**0%**	**0%**
OTHER				
UK Customers	**0%**	**0%**	**100%**	**0%**
Costs	**100%**	**0%**	**0%**	**0%**

There is a high 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 although Attractions have a 46% decrease in UK customers.

- 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.

  Expected 'Turnover' is 15% *increase*, 31% *no change* and 54% *decrease*.

  Expected 'costs' are an *increase* at 64%.

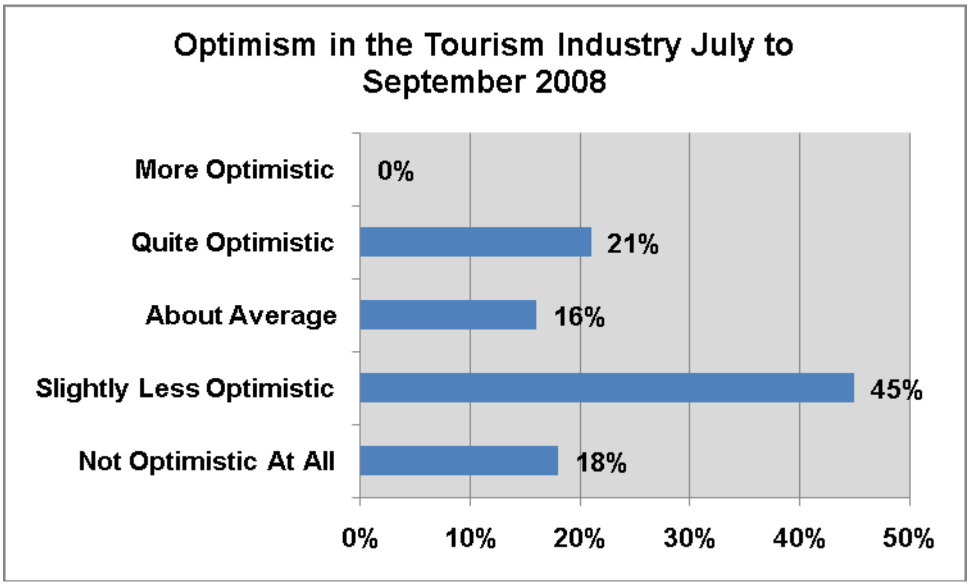
  Expected 'Volume' at 8% *increase*, 33% *no change* and 59% *decrease*.

EXPECTED TRENDS FOR THE NEXT THREE MONTHS COMPARED WITH SAME PERIOD IN 2007			
	INCREASE	NO CHANGE	DECREASE
Turnover	**15%**	**31%**	**54%**
Costs	**64%**	**28%**	**8%**
Volume	**8%**	**33%**	**59%**

- The main external factors affecting demand for tourism are the '*weather'; 'credit crunch/economy' and 'Cost of travel'.* (37 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'; 'flooding'; 'fuel prices'; 'smoking ban'; 'road works' and 'building works'*.
  (30 people responded to this question).

- 0% of the businesses who responded to the survey are *more optimistic* about the tourism industry in general compared with the same time last year, 21% *quite optimistic*, 16% *about average*, 45% *slightly less optimistic* and 18% *not optimistic at all*.



- The below table gives business performance (turnover, costs, volume) over the period July to September 2008 compared to the same period in 2007.

BUSINESS PERFORMANCE JULY TO SEPTEMBER 2008 COMPARED TO THE SAME PERIOD IN 2007			
	INCREASE	NO CHANGE	DECREASE
Turnover	**32%**	**21%**	**47%**
Costs	**79%**	**16%**	**5%**
Volume	**33%**	**23%**	**44%**

- The type of businesses who responded to this survey are – 28% Attraction, 23% Guest House/B&B, 21% Food and Drink Establishment, 18% Self Catering, 5% Hotel, 5% Other