TOURISM INDUSTRY PERFORMANCE MONITOR

JULY TO SEPTEMBER 2009

'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.

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

This report covers the period July to September 2009.

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.

The survey was sent to 394 Destination Member Businesses.
39 businesses completed the survey at a very encouraging response rate of 10%.

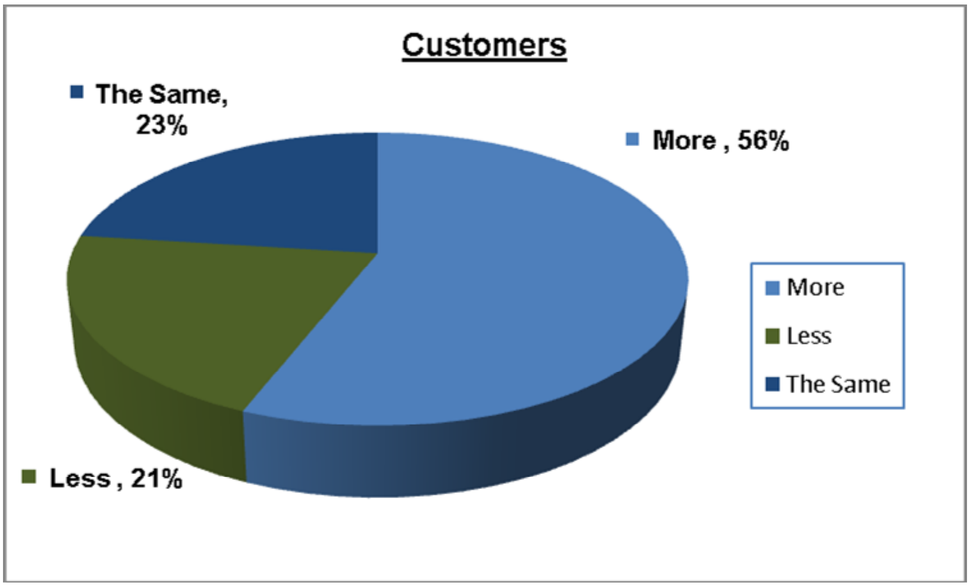
There were 8 questions in total and the results *which are based on the 10% of respondents* who took part are below:

- From the period July to September 2009 –

  56% of the businesses surveyed have had *more* customers as in the same period in 2008. (This percentage is just 1% less than the previous survey which was '57% *more* customers' so is remaining consistent and positive).

  21% have had *less* customers as in the same period in 2008. (this was 24% in the previous quarter's survey).

  23% have had the *same* numbers of customers as in the same period in 2008.



- The table below gives the results for the number of customers by the 'Type of Business' for the period July to September 2009 compared with the same period in 2008.

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

  The 'Attractions' industry have had 88% *more* customers which is encouraging.

  Hotels have had 50% *less* customers and 50% *more* and Food and Drink 100% *The Same* number of customers.

CUSTOMERS - MORE, LESS OR ABOUT THE SAME NUMBER OF CUSTOMERS AS IN THE SAME PERIOD 2008.			
TYPE OF BUSINESS	MORE	LESS	THE SAME
Attractions	**88%**	**0%**	**12%**
Guest House/B&B	**38%**	**38%**	**24%**
Hotels	**50%**	**50%**	**0%**
Self-Catering	**40%**	**40%**	**20%**
Camping & Caravanning	**0%**	**0%**	**0%**
Food & Drink	**0%**	**0%**	**100%**
Other	**0%**	**0%**	**100%**

❖ Comparing the period July to September 2009 with July to September 2008 *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 2009 TO WITH APRIL TO JUNE 2008				
	INCREASED	NO CHANGE	DECREASED	N/A
Leisure Customers	**64%**	**18%**	**15%**	**3%**
Business Customers	**8%**	**51%**	**28%**	**13%**
UK Customers	**56%**	**28%**	**15%**	**0%**
Overseas Customers	**23%**	**36%**	**23%**	**18%**
Marketing Spend	**39%**	**37%**	**16%**	**8%**
Discounting	**26%**	**47%**	**0%**	**27%**
Turnover	**49%**	**28%**	**23%**	**0%**
Costs	**59%**	**33%**	**8%**	**0%**
Staffing Levels	**10%**	**69%**	**5%**	**16%**

- There is a 59% *increase* in costs. This is a slightly lower percentage than the last quarter. There is a 64% increase in 'Leisure customers' and a 15% decrease in 'Leisure Customers'. For 'Business customers' there is 51% *no change*. Staffing levels are 69% *no change* and 5% *decrease*.

- 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 2009 with July to September 2008.

CHANGES COMPARING JULY TO SEPTEMBER 2009 TO JULY TO SEPTEMBER 2008				
	INCREASED	NO CHANGE	DECREASED	N/A
ATTRACTION				
UK Customers	**81%**	**19%**	**0%**	**0%**
Costs	**32%**	**56%**	**12%**	**0%**
GUEST HOUSE/B&B				
UK Customers	**37%**	**37%**	**26%**	**0%**
Costs	**100%**	**0%**	**0%**	**0%**
HOTEL				
UK Customers	**50%**	**50%**	**0%**	**0%**
Costs	**50%**	**0%**	**50%**	**0%**
SELF CATERING				
UK Customers	**40%**	**20%**	**40%**	**0%**
Costs	**80%**	**20%**	**0%**	**0%**
CAMPING & CARAVANNING				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
FOOD & DRINK ESTABLISHMENT				
UK Customers	**100%**	**0%**	**0%**	**0%**
Costs	**100%**	**0%**	**0%**	**0%**
OTHER				
UK Customers	**0%**	**100%**	**0%**	**0%**
Costs	**0%**	**100%**	**0%**	**0%**

- For some of the industries there has been a high 'Increase in Costs'.

  The number of UK customers has remained consistent with an increase in some of the industries.

- 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 2008.

  Expected 'Turnover' is 38% *increase*, 33% *no change* and 29% *decrease*.

  Expected 'costs' are an *increase* at 51%. This percentage is slightly higher than the previous report but there is also an expected 11% *decrease* in costs.

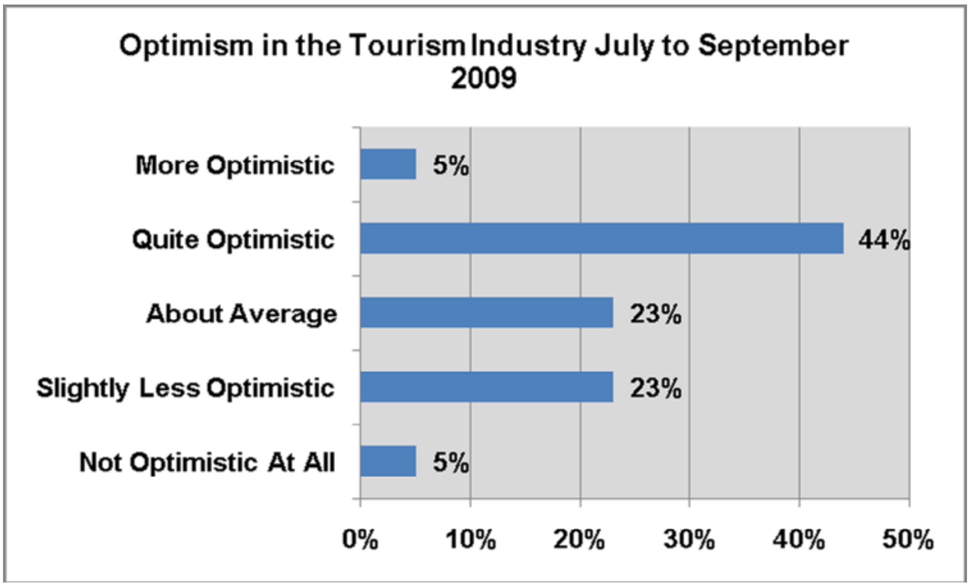
  Expected 'Volume' at 33% *increase*, 38% *no change* and 29% *decrease*. These results/percentages are lower than the previous report.

EXPECTED TRENDS FOR THE NEXT THREE MONTHS COMPARED WITH SAME PERIOD IN 2008			
	INCREASE	NO CHANGE	DECREASE
Turnover	**38%**	**33%**	**29%**
Costs	**51%**	**38%**	**11%**
Volume	**33%**	**38%**	**29%**

- The *main* external factors affecting demand for tourism are the '*recession/credit crunch' and 'weather'.* (37 people responded to this question). Other factors include - Swine flu, Euro exchange rate and being closed for the season.

❖ When asked if there is anything in their specific area that is likely to affect business over the next quarter, the main responses were - *'weather', 'economy', 'publicity'; 'attraction closures'.* (31 people responded to this question).

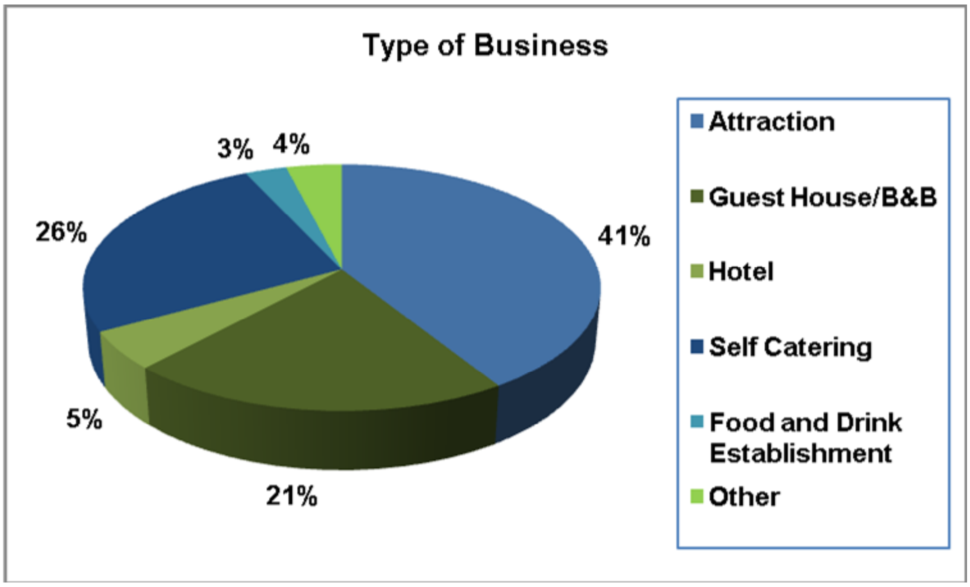
❖ 5% of the businesses who responded to the survey are *more optimistic* about the tourism industry in general compared with the same time last year, 44% *quite optimistic*, 23% *about average*, 23% *slightly less optimistic* and 5% *not optimistic at all*.



❖ The below table gives business performance (turnover, costs, volume) over the period July to September 2009 compared to the same period in 2008.

BUSINESS PERFORMANCE JULY TO SEPTEMBER 2009 COMPARED TO THE SAME PERIOD IN 2008			
	INCREASE	NO CHANGE	DECREASE
Turnover	**51%**	**28%**	**21%**
Costs	**62%**	**33%**	**5%**
Volume	**49%**	**28%**	**23%**

❖ The type of businesses who responded to this survey are – 41% Attraction , 21% Guest House/B&B, 5% Hotel, 26% Self Catering, 3% Food and Drink Establishment, 4% Other.



Results have remained quite consistent in comparison to the last quarter's report which is positive in regards to previous reports.

The weather and recession weather are still a major concern for businesses