TOURISM INDUSTRY PERFORMANCE MONITOR

OCTOBER TO DECEMBER 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 October to December 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 80 Destination Member Businesses.
21 businesses completed the survey at a very encouraging response rate of 26%.

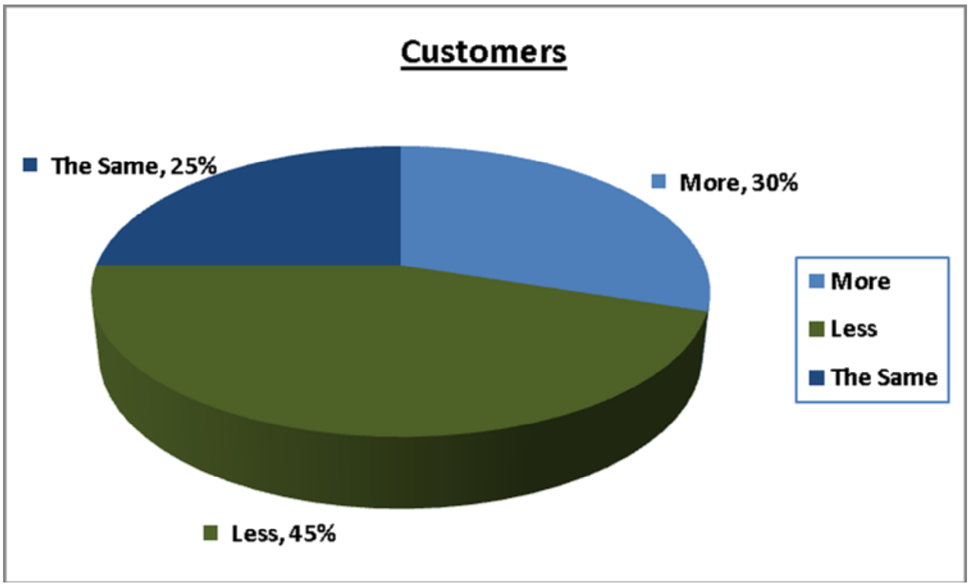
There were 8 questions in total and the results *which are based on the 26**%** of respondents* who took part are below:

- From the period October to December 2009 –

  30% of the businesses surveyed have had *more* customers as in the same period in 2008.

  45% have had *less* customers as in the same period in 2008.

  25% 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 October to December compared with the same period in 2008.

  The data is based on those who replied to the survey. Hence it is based on the 26% of members who replied.

  The 'Attractions' industry has had 50% *more* customers.

  Guest houses/B&B have had 86% *less* customers and self-catering have had 40% *more* and 40% *less* 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	**50%**	**12%**	**38%**
Guest House/B&B	**0%**	**86%**	**14%**
Hotels	**0%**	**0%**	**0%**
Self-Catering	**40%**	**40%**	**20%**
Camping & Caravanning	**0%**	**0%**	**0%**
Food & Drink	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**

❖ Comparing the period October to December 2009 with October to December 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 OCTOBER TO DECEMBER 2009 WITH OCTOBER TO DECEMBER 2008				
	INCREASED	NO CHANGE	DECREASED	N/A
Leisure Customers	**25%**	**30%**	**40%**	**5%**
Business Customers	**30%**	**20%**	**25%**	**25%**
UK Customers	**25%**	**35%**	**30%**	**10%**
Overseas Customers	**10%**	**55%**	**20%**	**15%**
Marketing Spend	**40%**	**30%**	**25%**	**5%**
Discounting	**30%**	**60%**	**0%**	**10%**
Turnover	**35%**	**15%**	**40%**	**10%**
Costs	**60%**	**30%**	**5%**	**5%**
Staffing Levels	**15%**	**50%**	**10%**	**25%**

- There is a 60% *increase* in costs. There is a 40% *decrease* in 'Leisure customers'. For 'Business customers' there is a 30% *increase*. Staffing levels are 50% *no change*, 10% *decrease* and 15% *increase*.

- 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 October to December 2009 with October to December 2008.

CHANGES COMPARING OCTOBER TO DECEMBER 2009 WITH OCTOBER TO DECEMBER 2008				
	INCREASED	NO CHANGE	DECREASED	N/A
ATTRACTION				
UK Customers	**38%**	**37%**	**0%**	**25%**
Costs	**50%**	**25%**	**12%**	**13%**
GUEST HOUSE/B&B				
UK Customers	**14%**	**29%**	**57%**	**0%**
Costs	**71%**	**29%**	**0%**	**0%**
HOTEL				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
SELF CATERING				
UK Customers	**20%**	**40%**	**40%**	**0%**
Costs	**60%**	**40%**	**0%**	**0%**
CAMPING & CARAVANNING				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
FOOD & DRINK ESTABLISHMENT				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**
OTHER				
UK Customers	**0%**	**0%**	**0%**	**0%**
Costs	**0%**	**0%**	**0%**	**0%**

- There has been an 'Increase in Costs' for attractions, guest houses/B&B and self catering.

  There has been a decrease in the number of UK customers for guest houses/B&B and self catering but a 38% increase for attractions.

- 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 30% *increase*, 40% *no change* and 30% *decrease*.

  Expected 'costs' are an *increase* at 50% and *no change at* 50%.

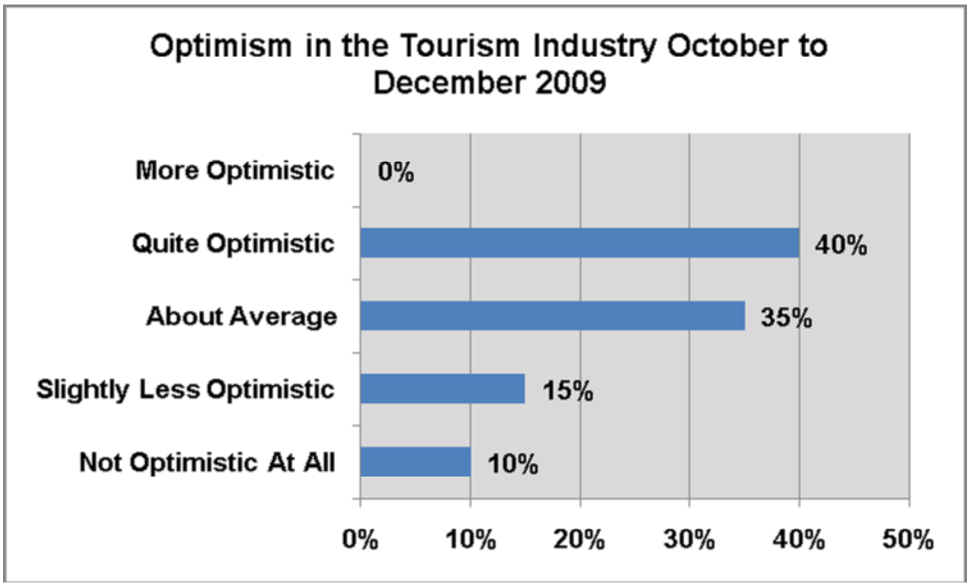
  Expected 'Volume' is 25% *increase*, 45% *no change* and 30% *decrease*.

EXPECTED TRENDS FOR THE NEXT THREE MONTHS COMPARED WITH SAME PERIOD IN 2008			
	INCREASE	**NO CHANGE**	**DECREASE**
Turnover	**30%**	**40%**	**30%**
Costs	**50%**	**50%**	**0%**
Volume	**25%**	**45%**	**30%**

- The *main* external factors affecting demand for tourism over the Winter/Spring months are the '*credit crunch/economic downturn'; 'weather - (in particular the snow) and 'closure during Winter months'* - (17 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 main responses were - *'weather', 'potholes/road conditions' and 'road works'.* (14 people responded to this question).

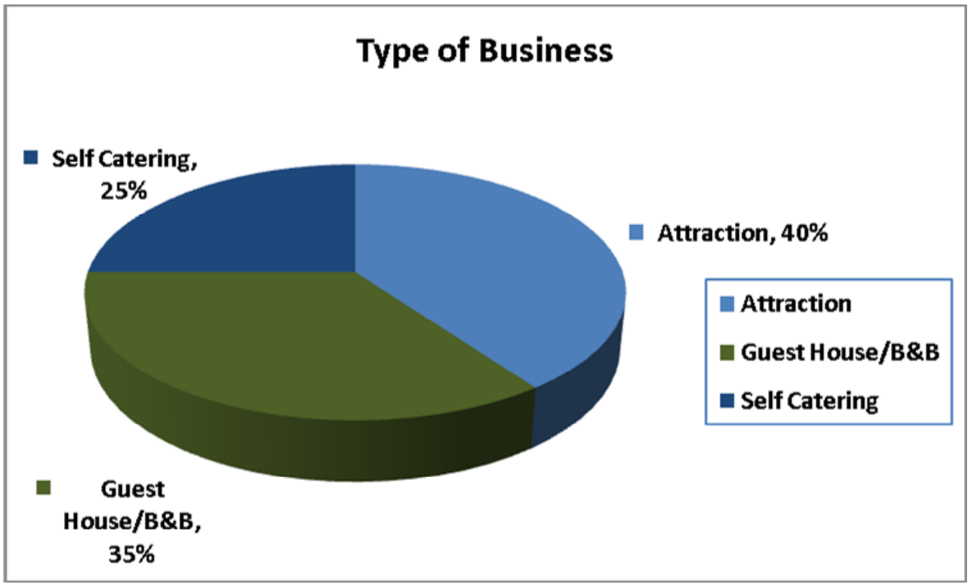
- 0% of the businesses who responded to the survey are *more optimistic* about the tourism industry in general compared with the same time last year, 40% *quite optimistic*, 35% *about average*, 15% *slightly less optimistic* and 10% *not optimistic at all*.



- The below table gives business performance (turnover, costs, volume) over the period October to December 2009 compared to the same period in 2008.

BUSINESS PERFORMANCE OCTOBER TO DECEMBER 2009 COMPARED TO THE SAME PERIOD IN 2008			
	INCREASE	NO CHANGE	DECREASE
Turnover	35%	25%	40%
Costs	45%	50%	5%
Volume	30%	30%	40%

❖ The type of businesses who responded to this survey are – 40% Attraction, 35% Guest House/B&B, 25% Self Catering.



The economic downturn and the weather are still a major concern for businesses. There was a larger percentage for 'decrease' in customers rather than an 'increase'. In regards to 'optimism', 0% are 'more optimistic' , 40% are 'quite optimistic' and 10% are 'not optimistic at all'.