

Intelligence Update October 2009

TSE Research & Intelligence - Keeping you in the picture

Headline Regional Tourism Trends

We're now reaching the last quarter of 2009, a year when recession hit and difficult times were predicted for UK businesses. So how's it been so far for the tourism industry? Taking a look at performance at sector level we see a mixed pattern across the region. The latest headline figures from the VisitEngland 'England Attractions Monitor' reveals that on average attractions in the South East saw admission grow by 7% over the first six months of 2009 compared to last year. The good news continued into the third quarter with many of the region's attractions right across the spectrum from small to large attractions reporting strong visitor numbers since the start of the summer school holidays, some significantly up on 2008. Business has also been very healthy in the caravan, camping and self-catering sector in the South East; many were fully booked throughout the summer. All this is evidence of a strong domestic holiday market this year.

For other sectors, trading conditions have been pretty tough so far this year. The region's corporate events and conference market sector saw a slump in bookings and the depressed business travel market has driven down demand in the hotel sector. In some of our major city destinations hotel occupancy declined by 8%, and room yield dropped by as much as a third compared to the same period last year, driven heavily by discounted rates as hoteliers look to maintain occupancy levels.

In summary, the picture across the region is that leisure tourism is proving far more resilient than business tourism so far this year but even within the leisure sector it tends to be businesses offering lower cost options, such as camping and caravanning, which are seeing the healthiest demand.

The following sections provide more information on the current health of the tourism industry in the South East.

Business Confidence

According to the most recent UK Business Confidence Monitor produced by the Institute of Chartered Accountants business confidence rose in all regions over the past quarter. However, businesses in the South East are amongst the most cautious in the country, with significantly more firms remaining wary rather than confident about economic prospects. Confidence overall is up, but manufacturers and larger businesses remain cautious about their prospects for the rest of the year.

On a positive note, confidence among the region's tourism businesses is higher. TSE's own regional business confidence survey found that 80% of businesses expect their performance either to have been better in 2009 or to have remained the same as last year. Confidence has been boosted by strong demand over the summer holidays. A poll of businesses at the recent Members Conference found that half of all businesses had experienced higher trading levels over this summer compared to last year.

TSE's regional business confidence reports can be downloaded from [here](#)

[To read the latest ICAEW report click here](#)

Domestic & Inbound Visitors Figures

There are positive signs of a trend for holidaying at home. The latest figures from VisitEngland show that whereas UK nationals took far fewer businesses-related and VFR trips in the UK, relatively more took holiday trips. Up to May figures show that the region was visited by 6% more domestic holiday-makers this year compared to last year and holiday-makers accounted for 60% of total trip expenditure.

Inbound 'holiday' trips are also up. International Passenger Survey data for the first six months of the year show that inbound holiday trips to the UK increased by 4% compared to the first half of 2008, and with the dollar and the euro going a lot further this year, spend in June was up by 8% compared to the same month last year.

However, it's not all good news; the global recession continues to hit hard the inbound business and corporate travel market (down by 25%).

[To look at the latest visitor statistics click here](#)

Hospitality Trends

The latest occupancy data from STR Global shows that on average, hotels in the South East saw a lacklustre July, with occupancy down 6.8% points from July 2008 at 64.4%. Heavy discounting has led to a staggering drop in average room rates, down by 20.6% to £74.60, resulting in a 25.8% decline in revPAR or room yield to only £48 (from £65.20 in July 2008).

The upside is that the budget hotel sector has been doing remarkably well and a number of them have announced plans to open new hotels in the South East. For example, Jurys Inn plan to open a new hotel in Portsmouth next year, Premier Inn has been given permission to build a new 121 bed hotel in the Medway Valley Leisure Park in Kent, and Travelodge has invested £70 million in the acquisition of 12 sites across the country including four in the South East (Camberley, Chesham, Chichester and Maidenhead).

Many of the region's camping and caravan park operators enjoyed strong trade over the summer, and that's despite spells of poor weather. According to the Camping and Caravanning Club, average unit occupancy at their sites in the South East up to August this year was up by 13% compared to last year.

[To look at the latest regional avg. occupancy figures click here](#)

Visitor Attraction Figures

According to the VisitEngland 'England Attractions Monitor', visitor attractions in the South East saw an average growth in admissions of 9% over April to June 2009 compared to the same quarter last year. On the whole, Historic Houses and Castles including Batemans, Knole, Stanstead House and Calshot Castle reported the highest increase in visitor numbers (on average up by 23%).

The increase in Q2 this year has been largely driven by Easter falling in April. To smooth out the impact of Easter falling in April this year but in March last year, we've done some of our own number crunching of the raw data and found that on average visitor admission numbers increased by 7% for the period Jan-Jun 2009 compared to the same period in 2008.

Whilst we don't yet have any officially published figures covering Q3, there's plenty of anecdotal evidence that many attractions across the region experienced their best ever trading period over this summer for some years including Beaulieu National Motor Museum in Hampshire which saw a 42% increase in admissions over the school holiday period, Nymans in West Sussex which was up 35% on last year and Dover Castle in Kent up 49%.

[To download the England Attractions Monitor Q2 report click here](#)

Market Intelligence Profiles: The Coach market

Often perceived as a low-value market typically involving old age pensioners, the coach tour market has suffered from bad press in recent years. However, a new study by Tourism South East has dispelled this myth, showing that the market bolsters the region's visitor economy by approx. £254 million a year.

Read the report to gain a better understanding of the coach and tour operator market and their customers and get best practice guidance on how to attract coach/ tour operator trips to your destination.

[To download a copy of the report click here](#)

Latest Research Reports: TICs proving their value

The economic downturn has been putting significant pressure on Local Authority budgets, presenting many with hard choices. Services and facilities that local authorities don't have a statutory requirement to provide are often in the firing line. One of these services is the provision of Tourism Information Centres.

A new piece of research by Tourism South East for VisitEngland shows that there is a very powerful economic case for maintaining the TIC network. The study found that nearly half of all tourists visiting TICs made positive changes to their trip as a result of their visit including visiting more attractions and spending more money in the local area.

The study found that approx. £170.2 million incremental tourism expenditure was directly generated by TICs across England.

[To download a copy of the report click here](#)