TOURISM SOUTH EAST

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Tourism South East

Business Confidence Survey

July – September 2007

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CONTENTS

EXECUTIVE SUMMARY..2

TOURISM SOUTH EAST BUSINESS CONFIDENCE SURVEY..3

1. Introduction..4

2. Overall business performance..4

2.1 Performance up to end of September 2007..4
2.1.1 Trends in business performance (July 2004 – September 2007)..5

2.2 Expectations for 2007..6
2.2.1 Trends in business confidence (July 2004 –September 2007)..6

2.3 Key business concerns..7

3 Sector insights..9

3.1 Sub regions..9
3.1.1 Performance up to end of September 2007..9
3.1.2 Expectations for 2007..10

3.2 Location..11
3.2.1 Performance up to end of September 2007..11
3.2.2 Expectations for 2007..11

3.3 Type of business..12
3.3.1 Performance up to end of September 2007..12
3.3.2 Expectations for 2007..12

4 Impact of the Foot and Mouth Disease outbreak on business performance in the South East.... 13
4.1 Overall impact of the Foot and Mouth Disease outbreak..13
4.2 Impact of the Foot and Mouth Disease (sub region)..14
4.3 Impact of the Foot and Mouth Disease (location)..14
4.4 Impact of the Foot and Mouth Disease (sector)..14

5 Impact of the Flooding on business performance in the South East..15
5.1 Overall impact of the Flooding..15
5.2 Impact of the Flooding (sub region)..16
5.3 Impact of the Flooding (location)..17
5.4 Impact of the Flooding (sector)..17

6 Survey background..18
6.1 Methodology..18
6.2 Dates for next survey..18

7 Profile of sample..18
7.1 Sub region..18
7.2 Type of location..19
7.1 Type of business..19

Executive Summary

The following report presents the findings from the 16th tourism business confidence survey conducted by Tourism South East, covering the period from January to September 2007.

A total of 348 completed questionnaires were received. 32% of responding businesses were serviced accommodation providers, 26% were non-serviced accommodation providers and a further 36% were visitor attractions. The remainder were retail, leisure, food and drink, travel and transport and 'other' tourism service providers.

A better overall performance for the first nine months of the year…

- 52% of businesses reported their level of performance to be better in the third quarter of 2007 compared with 2006. 25% reported the same level of performance, and a further 23% reported worse overall performance. This was an improvement on the snapshot taken 12 months ago when 47% reported better overall performance.

- Results suggest a better overall performance in West Sussex, BBO, Kent and Hampshire during the third quarter of 2007. Businesses in IOW and East Sussex and Brighton reported a mixed performance for this period.

- Businesses in rural, coastal and urban locations generally reported improved performance over the January-September period.

- Hotels, visitor attractions, B&B's and caravan and camping all reported a more positive performance. Self catering, guest houses and 'other' businesses reported a more mixed performance compared with 2006.

Continuing optimism for the remainder of the year…

- 54% of businesses expect their performance for the remainder of the year to be better overall compared with last year. Just under a quarter (24%) of businesses expect their performance to be the same and a further 22% expect their performance to be worse overall. This was an improvement on the snapshot taken 12 months ago when 47% of businesses expected better overall performance for 2006 (compared with 2005).

- Businesses in West Sussex, Hampshire, BBO and Kent were more optimistic than other sub regions about business performance in 2007. East Sussex & Brighton and IOW businesses however, appear to be more cautious about the remainder of the year.

- Both rural and urban businesses were more likely to expect better performance in 2007 than those in coastal areas.

- Hotels, visitor attractions, self catering and 'other' businesses were more optimistic about the year ahead. B&Bs, guest houses and caravan and camping businesses were more circumspect.

The weather was the most significant factor affecting business performance…

- Unsurprisingly, the majority of business operators (68%) reported that the weather had the most significant impact on business performance over the first three quarters of 2007, up 19 percentage points from this time last year.

- Once again, the UK economic climate and the strength of the pound/exchange rates are proving real key concerns for most businesses (33% and 28% respectively).

- The number of businesses concerned over the threat of avian flu rose by 17 percentage points to 20% following the outbreak in Suffolk.

Impact of flooding and Foot and Mouth Disease…

- 28% of businesses in the region were affected by the flooding in July (primarily in the BBO sub region). A further 14% of businesses reported that the FMD outbreak had had a negative impact on performance.

Tourism South East Business Confidence Survey

1 Introduction

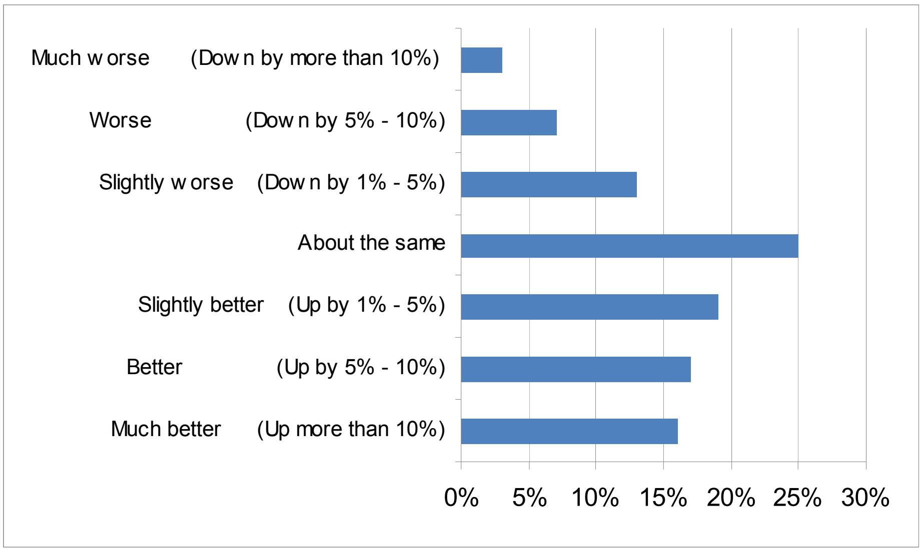
The following report presents the findings from the 16th tourism business confidence survey conducted by Tourism South East, covering the period from January to September 2007. Background to the survey methodology is given in section 6 and the sample profile for this quarter is detailed in section 7. Despite a recent recruitment drive, the sample still remains below the target of 400 participants (a total of 348 completed questionnaires were received for the July – September survey period).

This quarter's business confidence survey also includes an analysis of the impacts caused by the flooding within the region and the Foot and Mouth outbreak over the summer months.

2 Overall business performance

2.1 Performance up to end of September 2007

Figure 1 Business performance since start of 2007 (compared with the same period in 2006)



Tourism businesses performed better overall during the first nine months of 2007 compared with the same period in 2006. 52% reported their level of performance to be better overall compared with last year (up 2 percentage points on last quarter). 25% reported their business performance to be the same as 2006 over this period, and a further 23% reported worse overall performance (although this proportion was down 2 percentage points on last quarter).

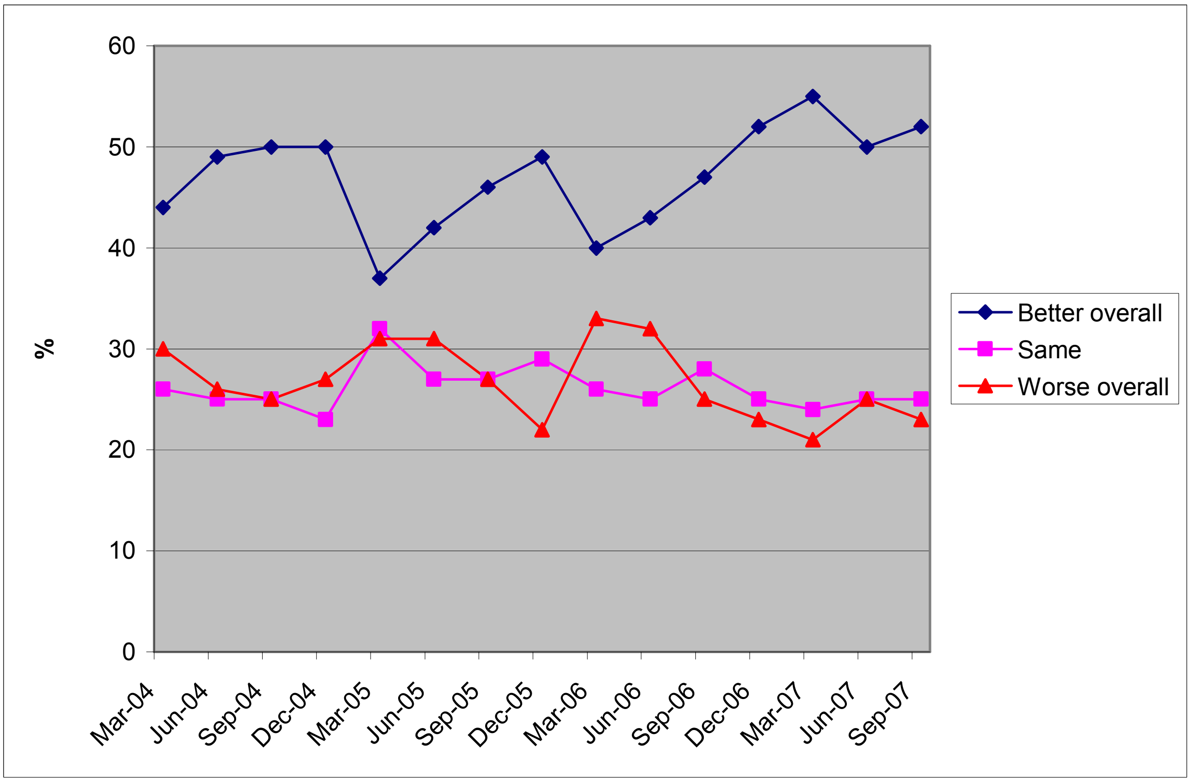
2.1.1 Trends in business performance (July 2004 –September 2007)

Business performance has consistently improved compared to the same period in previous years. The proportion of businesses reporting better overall performance has now reached 52%, 5 percentage points higher than the same period in 2006 and 6 percentage points higher than 2005. Despite being 2 percentage points more than the previous quarter this figure is lower than that reported in March 2007 which, at 55%, remains the highest overall level for business performance since the survey began.

The proportion of businesses reporting worse overall performance (23%) fell by 4 percentage points when compared to September 2006, and fell by 2 percentage points on September 2005.

Despite being 3 percentage points down on 2006 and 2 percentage points from 2005, the number of businesses that reported no difference in their performance has reached a plateau in recent months. It has remained a constant 25% over the previous four quarters except March 2007.

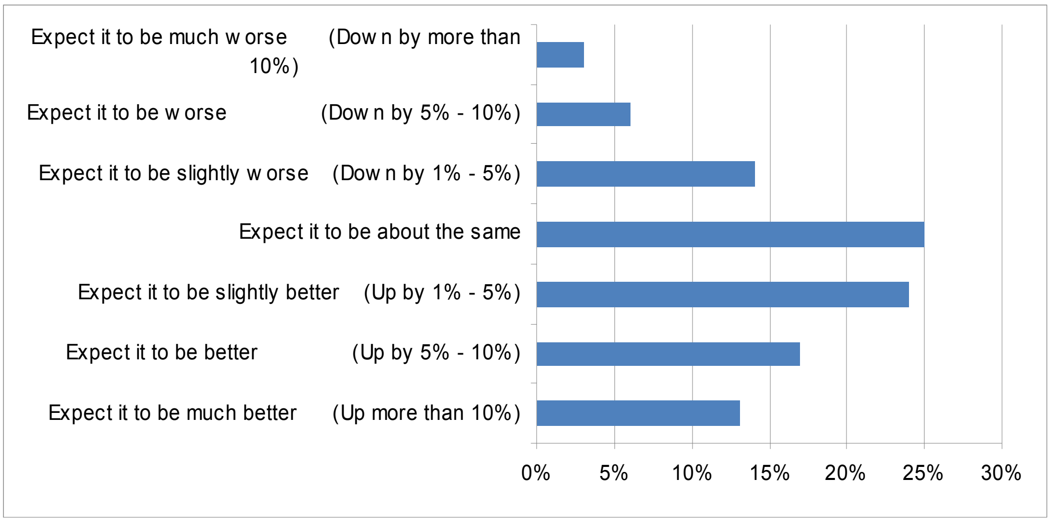
Figure 2 Business performance since March 2004



2.2 Expectations for 2007

Businesses were asked to indicate their expectations for the remainder of 2007 compared with 2006. Just over half (54%) of businesses expect their performance to be better overall compared with last year, (level with that reported last quarter). Just under a quarter (24%) expect their business performance to be the same as 2006 levels (down 4 percentage points from last quarter) and a further 22% expect their business performance to be worse overall (up 4% points from last quarter).

Figure 3 Business expectations for 2007 (compared with 2006)



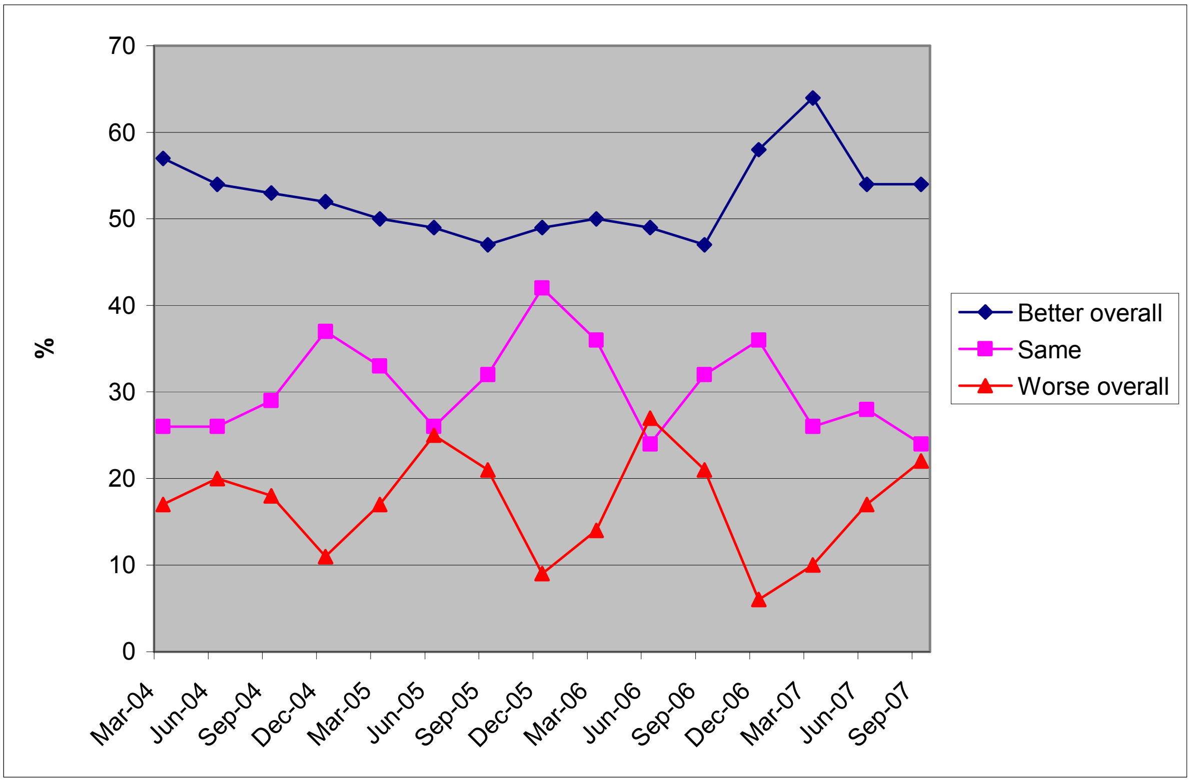
2.2.1 Trends in business confidence (March 2004 – September 2007)

Business confidence does appear to have weakened since the start of the survey in 2004. However, this trend saw a turnaround in December 2006 and January 2007, when the level of confidence rose to 58% and 64% respectively, compared with 49% recorded in December 2005. Unfortunately this trend has not continued into the third quarter this year.

The number of businesses expecting their business performance to remain the same has reduced in previous years, from 32% in both 2006 and 2005 to 24% this quarter (a difference of 8 percentage points).

This quarter, confidence has appeared to have weakened compared with recent quarters, with the proportion of businesses expecting worse overall performance increasing by 5 percentage points on last quarter (June 2007), and also increasing by 12 percentage points on March 2007 and 16 percentage points on December 2006.

Figure 4 Tends in business confidence compared with same period last year



2.3 Key business concerns

The majority of business operators (68%) reported that the weather had the most significant impact on their business performance over the first three quarters of 2007. However, this was 8 percentage points down from the previous quarter. The sectors most likely to report that the weather had had an impact upon their performance were caravan and camping (100%) and visitor attractions (78%). These figures have varied from the previous quarter, with caravan and camping increasing by 10 percentage points and visitor attractions falling by 4 percentage points.

Once again, the UK economic climate and the strength of the pound/exchange rates are proving real key concerns for most businesses (33% and 28% respectively), the same as the previous quarter. Businesses remain concerned about competition from overseas holidays.

With reports of an avian flu outbreak in Suffolk during the third quarter, it is of no real surprise that the number of business concerned over this threat rose by a17 percentage points to 20%.

Table 1 Key business concerns

	Count	%
Weather	217	68
UK Economic Climate	106	33
Strength of the pound/exchange rates	88	28
Competition from overseas holidays	78	24
Local competition	68	21
Threat of avian flu	65	20
Over regulation	59	18
Lack of promotion	59	18
High UK retail prices	54	17
Poor transport network	52	16
Competition from low-cost airlines	36	11
Other (Please specify)	35	11
Competition from other parts of the UK	33	10
No real concerns	33	10
General security fears	16	5

NB: More than one response permitted.

Businesses were asked about factors (both positive and negative) that had affected their performance over the July–September 2007 period. For those who had reported better overall performance, attracting more visitors through better advertising, marketing, PR and promotions boosted business over the third quarter of 2007. In particular, businesses mentioned that improvements to their websites and relationships with local media helped heighten public awareness of their business thus attracting more visitors.

As well as attracting new customers, businesses also reported an increase in repeat custom, with some already receiving bookings for next year. Businesses highlighted that improvements in the quality of their service and building on their reputation were both key factors in their success.

Businesses mentioned that special events and festivals held both regionally and locally helped improve their performance over the third quarter. Particular mention was made by businesses on the IOW regarding both Bestival and White Air.

The improved weather towards the end of August and early September was also noted as a positive factor, helping prolong the visitor season after the poor weather conditions experienced during the second quarter.

The wet weather experienced during July and early August was reported as a key contributing factor by those businesses experiencing poor performance, particularly outdoor visitor attractions. In contrast to this, many indoor attractions noted that footfall improved during this time.

Other notable factors that businesses felt had adversely affected their performance were the Foot and Mouth and Bluetongue outbreaks as well as the flooding throughout July. These issues are covered in more depth later in the report.

Other factors, that had negatively affected performance, included rising interest and exchange rates, less disposable income and the general economic uncertainty. On a more localised level, mention was made again about ferry prices to the IOW, indicating that for most businesses on the island the cost of travel is considered to be deterring visitors.

3 Sector insights

The results by sub region, location and business type need to be viewed with a consideration of the sample sizes (provided in brackets).

3.1 Sub regions

Table 2a below breaks down business performance for the third quarter of 2007 compared with 2006 into sub regions.

3.1.1 Performance from January to September 2007

Results suggest a better overall performance in West Sussex, BBO, Kent and Hampshire during the third quarter of 2007 compared with 2006. Businesses in Surrey also reported a better overall performance however; this was based on a sample of 9 respondents. IOW and East Sussex & Brighton businesses reported a mixed performance over this period, with 35% of IOW and 34% of East Sussex & Brighton businesses reporting a worse overall performance.

Table 2a Business performance since start of 2007, compared with same period in 2006

	Berks, Bucks, Oxon	Hampshire	I.O.W	Surrey	West Sussex	East Sussex and Brighton	Kent
Base	*(23)*	*(84)*	*(37)*	*(9)*	*(27)*	*(36)*	*(131)*
	%	%	%	%	%	%	%
Much better (Up more than 10%)	22	18	5	44	22	-	18
Better (Up by 5% - 10%)	22	21	14	-	11	19	17
Slightly better (Up by 1% - 5%)	13	12	24	11	30	28	18
Total % 'Up'	***57***	***51***	***43***	***55***	***63***	***47***	***53***
About the same	26	32	22	22	19	19	24
Slightly worse (Down by 1% - 5%)	13	10	11	11	15	14	15
Worse (Down by 5% - 10%)	-	7	19	-	4	17	4
Much worse (Down by more than 10%)	4	-	5	11	-	3	5
Total % 'Down'	***17***	***17***	***35***	***22***	***19***	***34***	***24***

The proportion of BBO, Hampshire, Surrey, West Sussex and Kent businesses reporting better overall performance has improved compared with the snapshot taken 12 months ago (September 2006). West Sussex saw the biggest increase (17 percentage points) from this time last year, whilst BBO, Hampshire, Surrey and Kent all increased by 3, 4, 15 and 10 percentage points respectively. Please note that results for Surrey should be treated with caution due to the small sample.

Fewer IOW businesses reported better overall performance compared with 12 months ago. Only 43% reported a better overall improvement this quarter compared with 54% twelve months ago. For East Sussex and Brighton businesses there was no change in the proportion reporting better overall performance compared with the snapshot taken 12 months ago.

3.1.2 Expectations for 2007

Table 2b breaks down expectations for 2007 by sub region. Overall, South East businesses' expectations for 2007 remain reasonably favourable, although optimism is lower in some sub regions than that reported last quarter.

Businesses in West Sussex (57%), Hampshire (56%), BBO (55%) and Kent (53%) proved to be the most optimistic about their business performance in 2007 compared with 2006. However, 30% of businesses in the BBO sub-region were less optimistic about this year and predicted that they will have performed worse overall.

East Sussex & Brighton and IOW however appear to be more cautious about the year ahead with 48% and 45% of businesses respectively expecting better overall performance. Businesses in Surrey also appeared to be more cautious about the remainder of the year, however this was based on only 9 respondents.

With the exception of Hampshire (up 6 percentage points) and East Sussex & Brighton (up 5 percentage points), businesses were generally less optimistic than last quarter. Surrey proved the least optimistic, with only 44% (down 26 percentage points on last quarter) expecting a better overall performance. Again, results for Surrey should be treated with caution due to the small sample size.

Table 2b Expectations for 2007, compared with 2006

	Berks, Bucks, Oxon	Hampshire	I.O.W	Surrey	West Sussex	East Sussex and Brighton	Kent
Base	*(20)*	*(83)*	*(38)*	*(9)*	*(23)*	*(31)*	*(123)*
	%	%	%	%	%	%	%
Up more than 10%	5	13	5	33	22	-	15
Up by 5% - 10%	30	20	11	-	9	16	17
Up by 1% - 5%	20	23	29	11	26	32	21
Total % 'Up'	***55***	***56***	***45***	***44***	***57***	***48***	***53***
Expect it to be about the same	15	28	26	33	30	23	23
Down by 1% - 5%	25	11	13	-	13	13	15
Down by 5% - 10%	5	5	11	11	-	13	3
Down by more than 10%	-	-	5	11	-	3	5
Total % 'Down'	***30***	***16***	***29***	***22***	***13***	***29***	***23***

BBO, Hampshire, West Sussex, East Sussex & Brighton and Kent businesses were slightly more optimistic than other sub regions about business performance in 2007, compared the snapshot taken 12 months ago, when 48% of BBO, 43% of Hampshire, 47% of West Sussex, 45% of East Sussex & Brighton and 45% of Kent businesses expected better overall performance for the year ahead.

Businesses on the IOW however, were less optimistic in September 2007 than they were in September 2006 (only 45% expect better overall performance for 2007 compared with 58% 12 months ago).

3.2 Location

3.2.1 Performance from January to September 2007

Businesses in rural, coastal and urban locations all reported a better performance for the first nine months of 2007 compared with the same period in 2006. The proportion of businesses in both rural and urban areas reporting a better performance increased by 2 percentage points over the last quarter, whilst an equal proportion of coastal businesses to last quarter reported better overall performance (46%). Additionally, the proportion of businesses reporting a worse performance across all three locations improved from the previous quarter.

Table 3a Business performance since start of 2007 compared with same period in 2006

	Rural	Coastal	Urban
Base	*(207)*	*(76)*	*(64)*
	%	%	%
Much better (Up more than 10%)	16	12	20
Better (Up by 5% - 10%)	17	13	22
Slightly better (Up by 1% - 5%)	19	21	16
Total % 'Up'	***52***	***46***	***58***
About the same	25	30	19
Slightly worse (Down by 1% - 5%)	14	11	13
Worse (Down by 5% - 10%)	5	12	8
Much worse (Down by more than 10%)	4	1	3
Total % 'Down'	***23***	***24***	***24***

3.2.2 Expectations for 2007

Both rural (54%) and urban (54%) businesses all expect better performance for the remainder of 2007. Despite being favourable, these figures have dipped slightly from the previous quarter, by 1 and 5 percentage points respectively.

Coastal businesses were slightly more optimistic about the remainder of the year, with 52% expecting better overall performance (compared with 48% last quarter).

Table 3b Expectations for 2007 compared with 2006

	Rural	Coastal	Urban
Base	*(193)*	*(72)*	*(62)*
	%	%	%
Much better (Up more than 10%)	13	12	10
Better (Up by 5% - 10%)	17	19	13
Slightly better (Up by 1% - 5%)	24	21	31
Total % 'Up'	**54**	**52**	**54**
About the same	25	27	22
Slightly worse (Down by 1% - 5%)	14	12	17
Worse (Down by 5% - 10%)	6	5	6
Much worse (Down by more than 10%)	3	4	3
Total % 'Down'	***23***	***21***	***26***

3.3 Type of business

3.3.1 Performance up to end of September 2007

Hotels (62%), visitor attractions (57%), B&B's (51%) and caravan and camping (50%) all reported a more positive performance over the first nine months of the year, compared with 2006. Self catering, guest houses and 'other' businesses reported a more mixed performance over the first nine months of year.

Table 4a Business performance since start of 2007 compared with same period in 2006

	Hotels	Guest Houses	B&B	Self Catering	Caravan and camping	Visitor attractions	Other
	%	%	%	%	%	%	%
Base	*(18)*	*(26)*	*(69)*	*(71)*	*(22)*	*(125)*	*(16)*
Up more than 10%	17	4	19	18	5	17	19
Up by 5% - 10%	17	23	16	18	9	18	13
Up by 1% - 5%	28	19	16	11	36	22	6
Total % 'Up'	**62**	**46**	**51**	**47**	**50**	**57**	**38**
Expect it to be about the same	11	27	25	37	27	18	38
Down by 1% - 5%	-	12	14	6	18	16	19
Down by 5% - 10%	22	12	9	6	5	6	0
Down by more than 10%	6	4	1	4	-	4	6
Total % 'Down'	**28**	**28**	**24**	**16**	**23**	**26**	**25**

Most sectors saw a better performance this quarter compared with the snapshot taken 12 months ago in September 2006. The most notable improvements in performance came from visitor attractions (up from 40% to 57%), hotels (up from 57% to 62%), B&Bs (up from 47% to 51%) and self catering (up from 44% to 47%). However, for caravan and camping, the picture was considerably less positive than 12 months ago when 73% reported better overall performance compared with 50% this quarter. Guest houses and 'other' forms of businesses also fared unfavourably, with the proportion reporting better overall performance down 13 and 7 percentage points respectively.

3.3.2 Expectations for 2007

Hotels (63%), visitor attractions (60%), self catering (51%) and 'other' businesses were more optimistic about the year ahead. Of the remaining sectors, B&Bs, guest houses and caravan and camping businesses were more cautious about their performance this year, with caravan and camping businesses the most cautious (43% expecting worse overall performance this year compared with last year).

Table 4b Expectations for 2007 compared with 2006

	Hotels	Guest Houses	B&B	Self Catering	Caravan and Camping	Visitor Attractions	Other
Base	*(16)*	*(25)*	*(65)*	*(69)*	*(7)*	*(119)*	*(26)*
	%	%	%	%	%	%	%
Up more than 10%	19	4	8	16	-	14	15
Up by 5% - 10%	13	20	15	13	-	20	20
Up by 1% - 5%	31	20	22	22	43	26	15
Total % 'Up'	***63***	***44***	***45***	***51***	***43***	***60***	***50***
Expect it to be about the same	19	28	31	30	14	18	31
Down by 1% - 5%	-	12	15	13	29	14	15
Down by 5% - 10%	13	12	9	3	14	3	-
Down by more than 10%	6	4	-	3	-	4	4
Total % 'Down'	***19***	***28***	***24***	***19***	***43***	***21***	***19***

Most business sectors however, appear to be more optimistic than they were 12 months ago in September 2006. Of these, the most notable improvements in optimism were visitor attractions (up from 49% to 60%), self catering (up from 40% to 51%) and hotels (up from 54% to 63%). B&B's were also more optimistic, with the proportion expecting better overall performance up 4 percentage points on 12 months ago.

Confidence within the guest house (44%), caravan and camping (43%) and 'other' (50%) sectors has fallen compared with the snapshot taken 12 months ago. This is clearly highlighted within the caravan and camping sector, with the proportion reporting better overall performance falling by 24 percentage points in the last 12 months.

4 Impact of the Foot and Mouth Disease outbreak on business performance in the South East

4.1 Overall impact of the Foot and Mouth outbreak

The Foot and Mouth Disease outbreak was a major blow to the South East region during the third quarter of 2007, causing some immediate disruption to the tourism industry principally in areas around Surrey and to a lesser extent Berkshire and Kent. In this quarter's survey, businesses were asked whether the outbreak had an impact on the running of their business or on the behaviour of customers.

Table 5a Impact of the Foot and Mouth Disease outbreak on the running of businesses

	Count	%
A negative impact	42	14
A positive impact	2	1
No impact	264	86
Total	**308**	**100**

The vast majority of businesses (85%) reported that they had not been affected; however 14% reported a negative impact.

As table 5b shows, where the outbreak had negatively impacted on the running of businesses, the main effects were reduced numbers of visitors/guests (37%) and fewer enquiries generally (25%). Other impacts included more enquiries concerned about safety (16%), cancelled bookings (15%) and fewer forward bookings (15%).

Other negative effects included higher costs for meat and dairy products, the cost of bio-security, the restricted movement of livestock and the banning of livestock at agricultural shows.

Table 5b Specific impacts to businesses caused by the Foot and Mouth Disease outbreak

	Count	**%**
Reduced numbers of visitors/guests	25	37
Cancelled bookings	10	15
Fewer enquiries generally	17	25
More enquiries concerned about safety	11	16
Fewer forward bookings	10	15
Not experiences any problems	20	30
Other	6	9
Total	**67**	**147**

NB: More than one response permitted.

4.2 Impact of Foot and Mouth Disease (sub region)

With the exception of Surrey, all the other sub regions reported they had not seen a significant impact. Businesses in West Sussex (91%), Hampshire (90%), Kent (89%), IOW (85%) and East Sussex & Brighton (81%) were the least affected.

A higher proportion of businesses in Surrey (44%) and BBO (32%) reported negative impacts caused by the outbreak. Conversely, 11% of businesses in Surrey and 1% in Kent had received positive impacts – the only sub regions to do so.

It must be noted that Surrey, BBO and West Sussex had small bases and therefore results should be treated with caution.

Table 6a Impact of the Foot and Mouth Disease outbreak (sub region)

	BBO	Hampshire	I.O.W	Surrey	West Sussex	East Sussex and Brighton	Kent
	%	%	%	%	%	%	%
Base	*(19)*	*(80)*	*(34)*	*(9)*	*(23)*	*(31)*	*(112)*
A negative impact	32	10	15	44	9	19	10
A positive impact	-	-	-	11	-	-	1
No impact	68	90	85	44	91	81	89
Total	100	100	100	100	100	100	100

4.3 Impact of Foot and Mouth Disease (location)

The vast majority of businesses in all locations reported they had not been affected by the outbreak; most notably businesses in urban areas were the least affected (97% of respondents).

Table 6b Impact of the Foot and Mouth Disease outbreak (location)

	Rural	Coastal	Urban
	%	%	%
Base	*(181)*	*(67)*	*(60)*
A negative impact	14	18	3
A positive impact	1	1	-
No impact	86	81	97
Total	100	100	100

4.4 Impact of Foot and Mouth Disease outbreak (sector)

Those sectors that saw the greatest negative impact were caravan and camping (43%), 'other' (28%) and visitor attractions (19%).

Again, results should be treated with caution with small bases for caravan and camping, hotels and guest houses

Table 6c Impact of the Foot and Mouth Disease outbreak (sector)

	Hotels	Guest Houses	B&B	Self caterin g	Caravan and camping	Visitor attractions	Other
	%	%	%	%	%	%	%
Base	*(16)*	*(20)*	*(64)*	*(68)*	*(7)*	*(108)*	*(25)*
A negative impact	6	10	9	4	43	19	28
A positive impact	6	-	-	-	-	1	-
No impact	-	88	90	91	57	81	72
Total	100	100	100	100	100	100	100

5 Impact of the Flooding on business performance in the South East

5.1 Overall impact of the Flooding

The widespread flooding in July was a major issue for the South East region during the third quarter of 2007 and has appeared to have affected more businesses than the Foot and Mouth outbreak. 28% of businesses reported a negative impact on performance due to flooding.

Just over two-thirds (69%) of businesses indicated that they had not been affected by the floods.

Table 7a Impact of the Flooding on the running of businesses

	Count	%
A negative impact	87	28
A positive impact	11	3
No impact	216	69
Total	**314**	**100**

Key impacts were reduced numbers of visitors/guests (65%), cancellations (35%) and fewer enquiries generally (44%). Other impacts included fewer bookings in general and higher costs for vegetables.

Table 7b Specific impacts to businesses as a result of the Flooding

	Count	%
Reduced numbers of visitors/guests	72	65
Cancelled bookings	39	35
Fewer enquiries generally	49	44
More enquiries concerned about safety	7	6
Fewer forward bookings	21	19
Not experiences any problems	16	14
Other	9	8
Total	**111**	**191**

NB: More than one response permitted.

5.2 Impact of the Flooding (sub region)

Businesses in the BBO sub-region were the most affected by floods over the summer period, with 50% of businesses reporting a negative impact.

The majority of businesses in the other sub regions reported no impact to business at all. Kent (77%) and West Sussex (74%) businesses experienced the least disruption.

Table 8a Impact of the Flooding (sub region)

	BBO	Hampshire	I.O.W	Surrey	West Sussex	East Sussex and Brighton	Kent
	%	%	%	%	%	%	%
Base	*(20)*	*(80)*	*(37)*	*(9)*	*(23)*	*(31)*	*(114)*
A negative impact	50	26	35	33	26	32	21
A positive impact	5	5	-	22	-	6	2
No impact	45	69	65	44	74	61	77
Total	100	100	100	100	100	100	100

5.3 Impact of the Flooding (location)

Businesses in coastal areas were more likely to have been affected by the floods (33%). However, just over a quarter of rural (26%) and urban businesses (27%) also reported no impact.

Table 8b Impact of the Flooding (location)

	Rural	Coastal	Urban
	%	%	%
Base	*(186)*	*(69)*	*(59)*
A negative impact	26	33	27
A positive impact	4	3	2
No impact	70	64	71
Total	100	100	100

5.4 Impact of Flooding (sector)

The sectors which suffered the greatest negative impact were caravan and camping (86%) and hotels (50%). The majority of businesses in all other sectors reported that they had not been affected.

Table 8c Impact of the Flooding (sector)

	Hotels	Guest Houses	B&B	Self caterin g	Caravan and camping	Visitor attractions	Other
	%	%	%	%	%	%	%
Base	*(16)*	*(24)*	*(64)*	*(69)*	*(7)*	*(108)*	*(26)*
A negative impact	50	33	27	13	86	27	38
A positive impact	19	-	5	3	-	2	4
No impact	31	67	69	84	14	71	58
Total	100	100	100	100	100	100	100

6 Survey background

6.1 Methodology

Tourism businesses in the South East region were asked to complete a simple two page questionnaire and return either by fax, post, email or complete on-line. In all, 65% of responses were returned by post, 28% by fax and 6% online. Less than 1% of responses were returned by email.

The sample size decreased by 6% from the previous quarter, despite a recent recruitment exercise, and is still slightly under the required 400 participants.

6.2 Dates for next survey

The next survey covering the full year of 2007 and expectations for 2008 will be mailed on 7th January 2007.

7 Profile of sample

For the third quarter of 2007, a total of 348 questionnaires were returned by the analysis deadline. As the survey is self selecting rather than random, it is not possible to calculate margins of error associated with the sample. However, there remains a substantial core of survey participants (over 200) who currently provide data each quarter, and therefore the trends identified by the survey are believed to accurately reflect overall trends in business performance and expectations.

Care should be taken when interpreting the results where the sample size is small.

7.1 Sub region

Indicative analysis at a sub regional level has been provided within this report. Care should be taken when interpreting the results for the Surrey, BBO, West Sussex and East Sussex & Brighton sub regions due to small sample sizes.

Table 9 Sub region

	Count	%
Berks, Bucks, Oxon	23	7
Hampshire	84	24
IOW	38	11
Surrey	9	3
West Sussex	27	8
East Sussex and Brighton	36	10
Kent	131	38
Total	**348**	**100**

7.2 Type of location

59% of businesses were located in rural areas, 22% in coastal areas and the remaining 19% were located in urban areas. Indicative analysis by location has been provided within this report.

Table 10 Location

	Count	%
Rural	207	59
Coastal	76	22
Urban	65	19
Total	**348**	**100**

7.3 Type of business

Table 11 Business sector

	Count	%
Hotels (including motels, travel lodges, inns)	18	5
Guest houses	26	7
B&B (including farm houses)	70	20
Self catering (including flats, cottages, houses)	71	20
Holiday park (included under caravan & camping)	12	3
Caravan and camping	10	3
Visitor attractions	125	36
Leisure/sport centre	1	<1
Retail	-	-
Food and drink	3	1
Travel and transport	-	-
Tourism services (i.e. tour operator, travel agent/guide)	1	<1
Other	11	3
Total	**348**	**100**