



Monthly Business Snapshot January 2009

Research Department, South West Tourism

Monthly Business Snapshot Overview

The Monthly Business Snapshot is designed to provide a more timely indication of tourism industry business levels in the South West than the quarterly Business Snapshot. The survey invites responses from any tourism related business in the South West through an online questionnaire.

109 businesses responded to this month's online Snapshot survey. Due to the relatively small sample achieved, the results should be treated as an indication of likely business levels in the region. The sample size has also prevented analysis by either business type or county of origin.

It is hoped that future response levels will make greater levels of analysis possible so that the information can be used at a more localised level to inform planning and decision making for the industry.

If you would like to take part in future Business Snapshot surveys, or would like more information about the survey please contact;

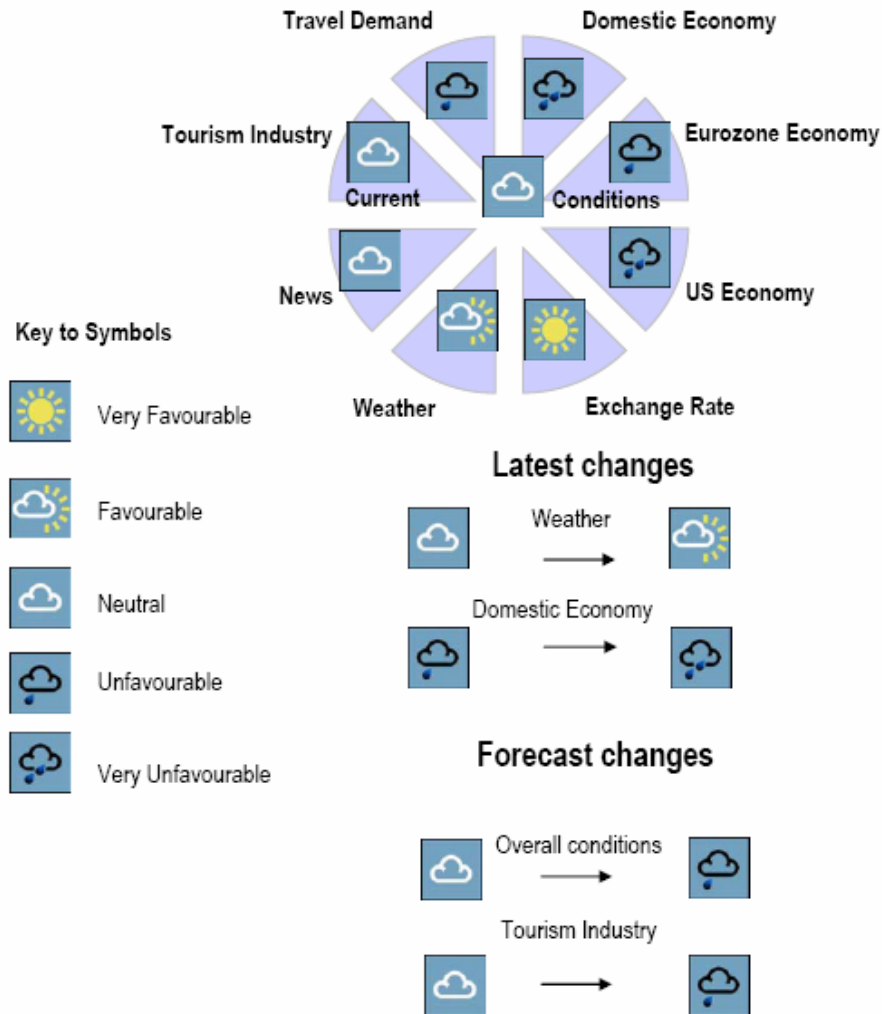
Paul Haydon

01392 353225

phaydon@swtourism.org.uk

Factors contributing to tourism trends in Britain, January 2009

Source – VisitBritain Trends Update Issue 97



- Overall conditions remain in the Neutral range but appear to be heading towards the Unfavourable range
- December weather though cold brought generally favourable conditions
- The exchange rate remains very favourable
- The UK officially enters recession with fears that the downturn will be deeper and more prolonged than first thought
- Airline announcements continue to be dominated by route suspensions rather than improved frequencies or connectivity, but Eurostar services set to return to normal
- Travel demand continues to fluctuate between the Unfavourable and Neutral range with demand for air travel continuing to be weak
- The Tourism Industry segment continues to be influenced by worsening hotel occupancy figures

January Business Snapshot Summary

- The majority of businesses (53%) reported decreases in visitor numbers for January 2009 compared to the same period in 2008.
- The estimated average actual change in visitors is -16%.
- The largest proportion of businesses (45%) reported decreases in turnover for January 2009 compared to the same period in 2008.
- The estimated average actual change in turnover is -15%.
- Generally speaking, opinions on the future are divided with approximately a third of businesses feeling more optimistic, a third less optimistic and a third feeling the same about the future of the tourism industry in the South West.

January Business Snapshot Responses

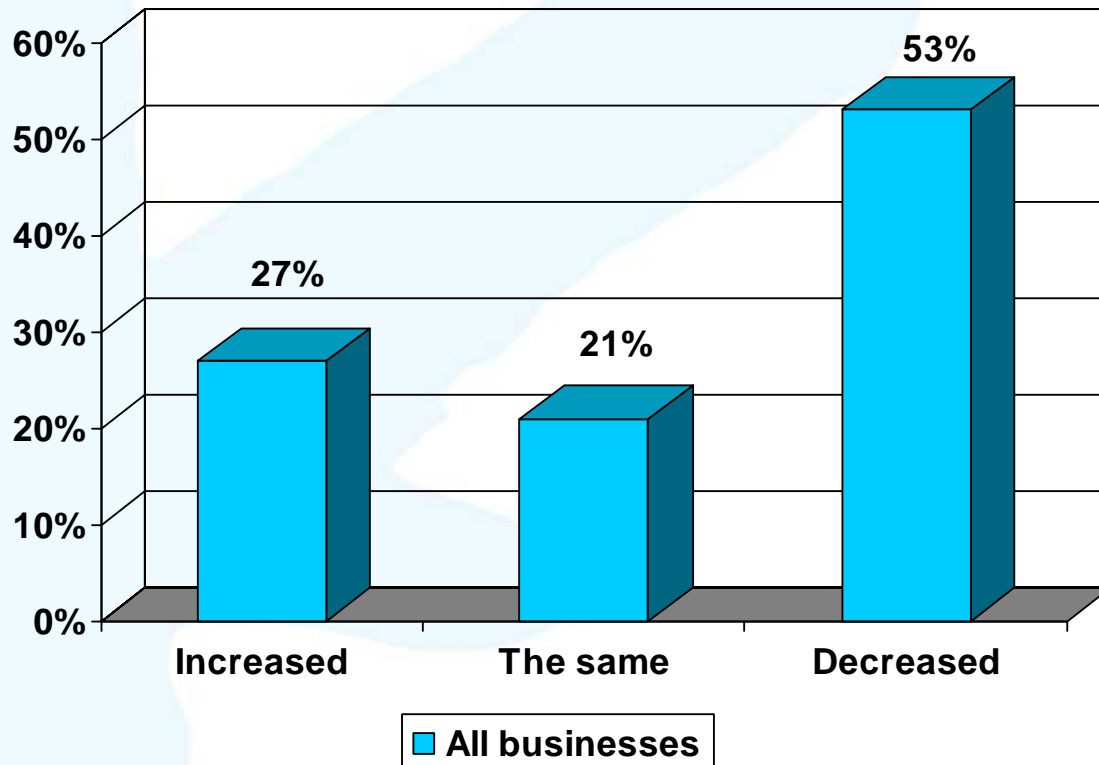
Type of business	
Base	109
	100%
Accommodation	90
	83%
Attraction	9
	8%
Food & drink related business	5
	5%
Retail business (not food & drink related)	2
	2%
Other	3
	3%

Accommodation type	
Base	90
	100%
Hotel	7
	8%
B&B	46
	51%
Self catering	32
	36%
Holiday Park	4
	4%
Other	1
	1%

County	
Base	109
	100%
Cornwall & Isles of Scilly	23
	21%
Devon	33
	30%
Dorset	8
	7%
Former Avon	6
	6%
Gloucestershire	9
	8%
Somerset	20
	18%
Wiltshire	10
	9%

January Business Snapshot

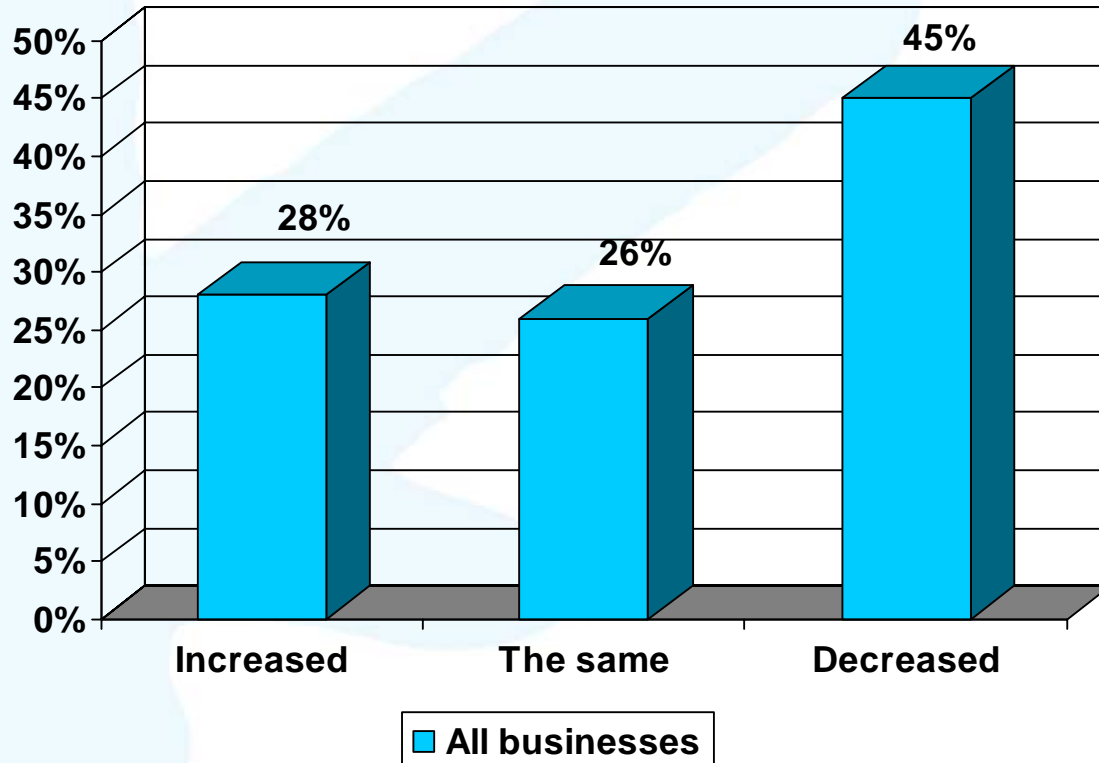
Change in visitors compared to Jan 2008



Those businesses who reported either increases or decreases in visitor numbers were asked to estimate the size of the increase or decrease. From this an estimated average actual change of -16% in visitors is calculated for January 2009 in comparison to the same period in 2008.

January Business Snapshot

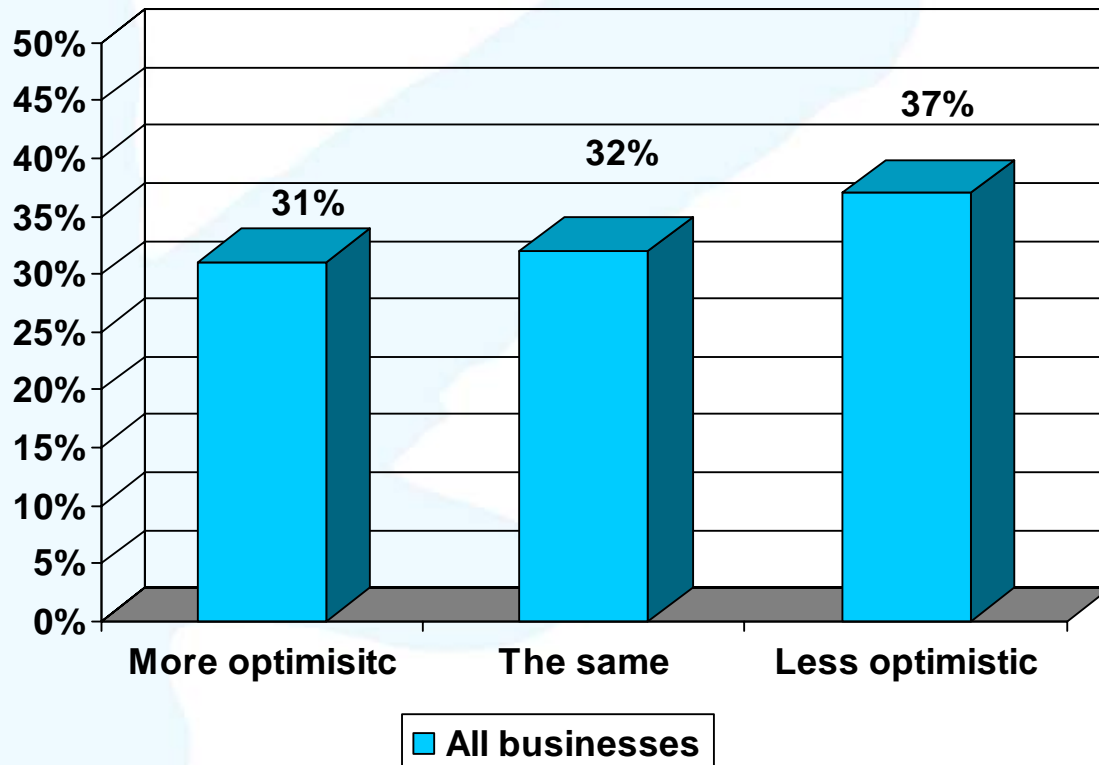
Change in turnover compared to Jan 2008



Those businesses who reported either increases or decreases in turnover were asked to estimate the size of the increase or decrease. From this an estimated average actual change of -15% in turnover is calculated for January 2009 in comparison to the same period in 2008.

January Business Snapshot

Optimism



Respondents were asked if they were more or less optimistic about the prospects for the tourism industry in the South West than they were at this time last year. Broadly speaking, the chart above shows opinions on the future of the industry are currently divided.

January Business Snapshot

Anecdotal evidence

Respondents were given the opportunity to add any further information concerning current levels of business, or factors affecting the levels of business in their area. The key areas coming from this are shown below:

- Both current and future business levels are extremely mixed at the moment with plenty of examples of both good and poor levels of enquiries and advanced bookings for 2009.
- There is some optimism for the year ahead due to the economic climate and the strength of the pound although this is not always based on actual bookings, rather a feeling that both of these factors and the weather could have a good impact on tourism for the region in 2009.
- Potential customers appear to be displaying signs of seeking value for money before they are booking. Indications from some respondents are that enquiry levels are still comparable but the conversion rate to bookings has dropped. It is also evident that some customers are bargaining for the best available deal when booking.
- There is also evidence from some small businesses that vital out of season business trade is being lost to budget type hotels in their area.