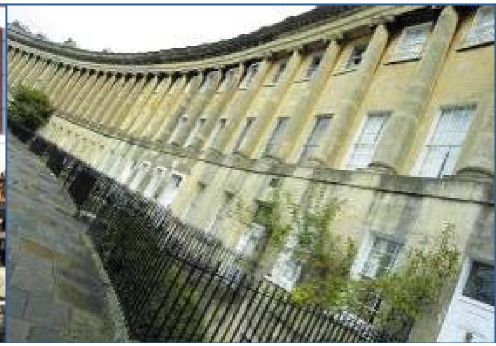
“How’s Business?”
May 2017

An overview of tourism industry performance in South West England

Published by The South West Research Company Ltd

July 2017

Executive Summary

Compared to May 2016 businesses reported that:

May 2017 Visitor levels:
Increased 38% / Stayed the same 29% / Decreased 33%
Estimated actual change in visitors -0.16%

May 2017 Turnover levels:
Increased 40% / Stayed the same 29% / Decreased 32%
Estimated actual change in turnover 1.53%

May 2017 Profitability was:
Higher 31% / Stayed the same 43% / Decreased 26%

June 2017 Outlook is:
Better 28% / Same as last year 37% / Not as good 35%

July 2017 Outlook is:
Better 26% / Same as last year 35% / Not as good 39%

Optimism
Optimism score is 6.31 out of a possible 10

May 2017 – Our comment

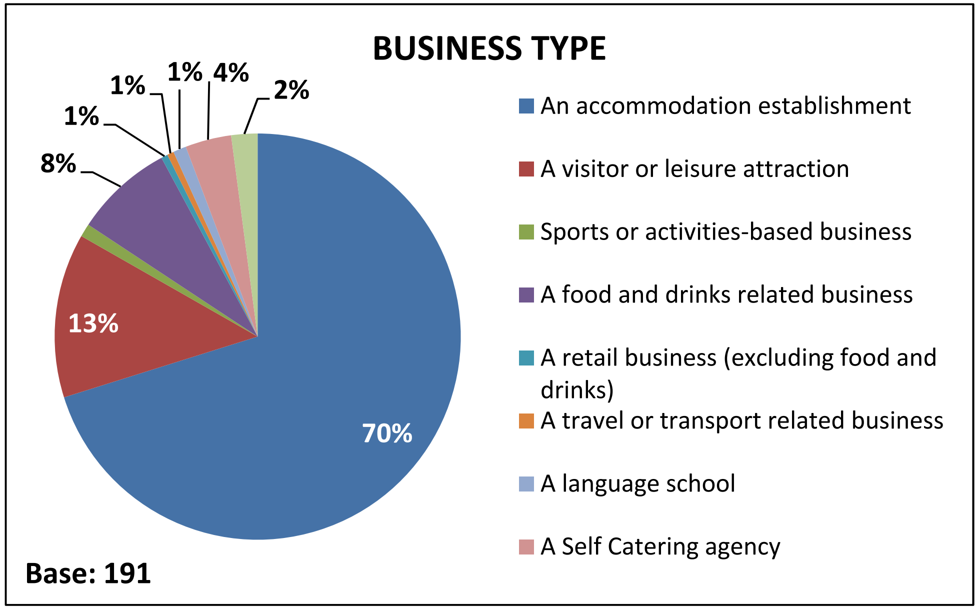
As anticipated last month and compared with the strong performance during April (largely influenced by the late timing of Easter), business levels were slightly less positive during May with the poorer weather experienced during the month and with a small decrease in visitors, although turnover increased slightly compared with the same time last year. However, the May 2017 estimates are pretty much what could be expected and whilst they don't suggest any significant uplift in business levels neither do they suggest any particular downward trend either.

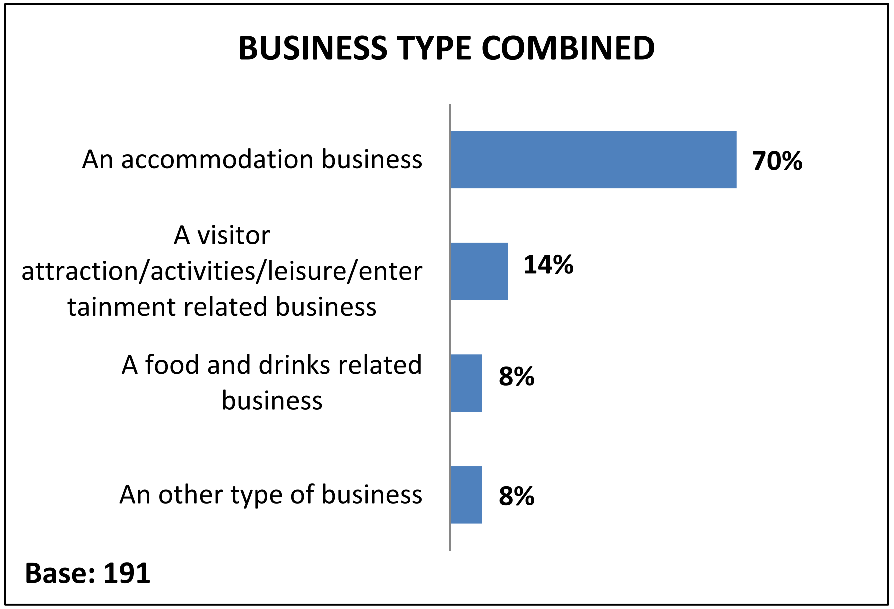
Forward bookings for June and July would appear to be relatively mixed at present, although the general election result has introduced an added element of economic uncertainty to proceedings, something which wasn't in short supply even as things stood before 8 June. The full implications of this, and its impact on economic development, will become clearer in the coming weeks and months. However, at the current time the election result appears to have drawn the political centre of gravity towards a 'softer' Brexit and a reduction in the scale of austerity measures. This, coupled with the heat wave during the month of June could well mean that actual business performance will be different and provide everyone with a much better indication of how the year is shaping up.

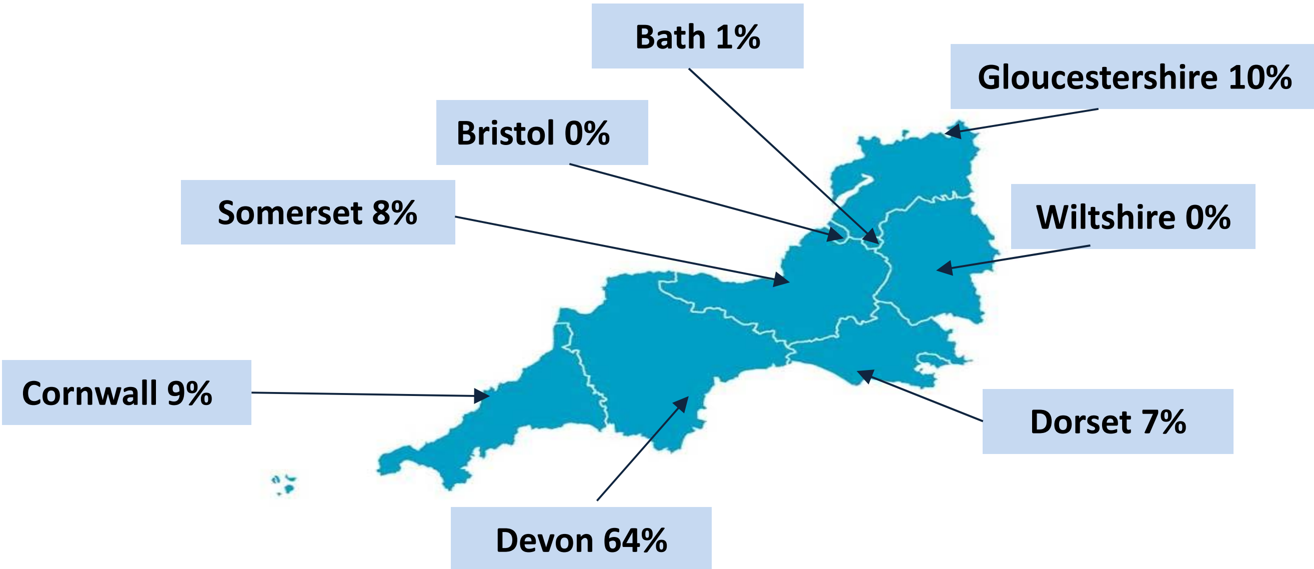
This months survey has a sample of 191 regional businesses, representing a minimum sample of approximately 1,650 businesses when self-catering agency properties are also considered.

Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

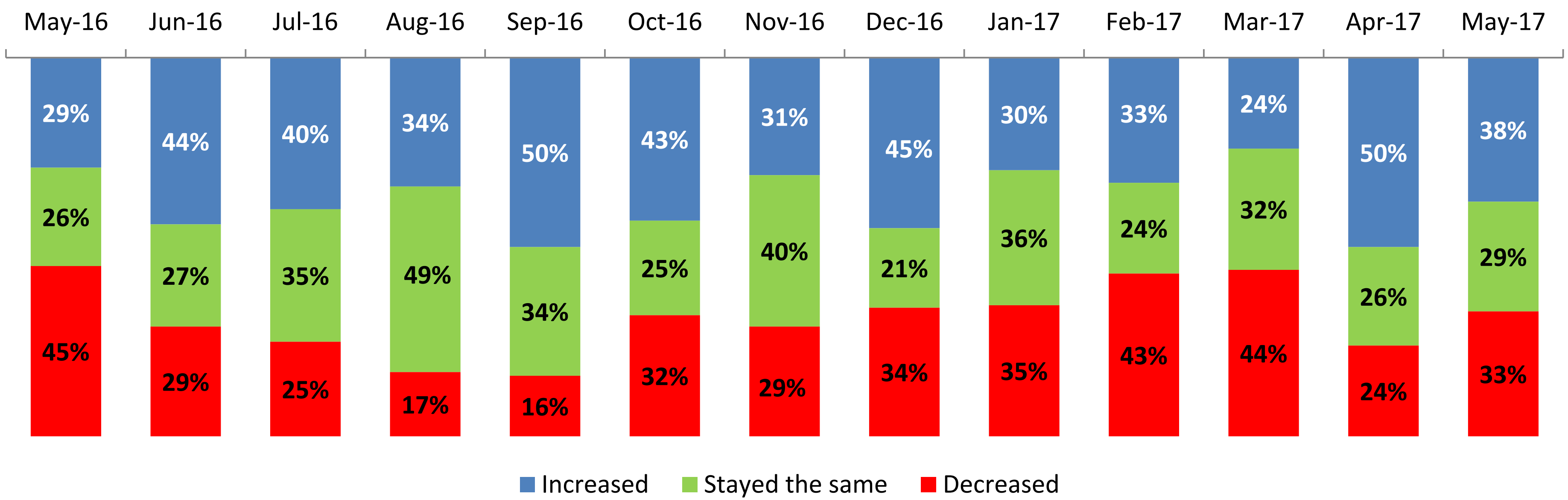
Sample profile/business location

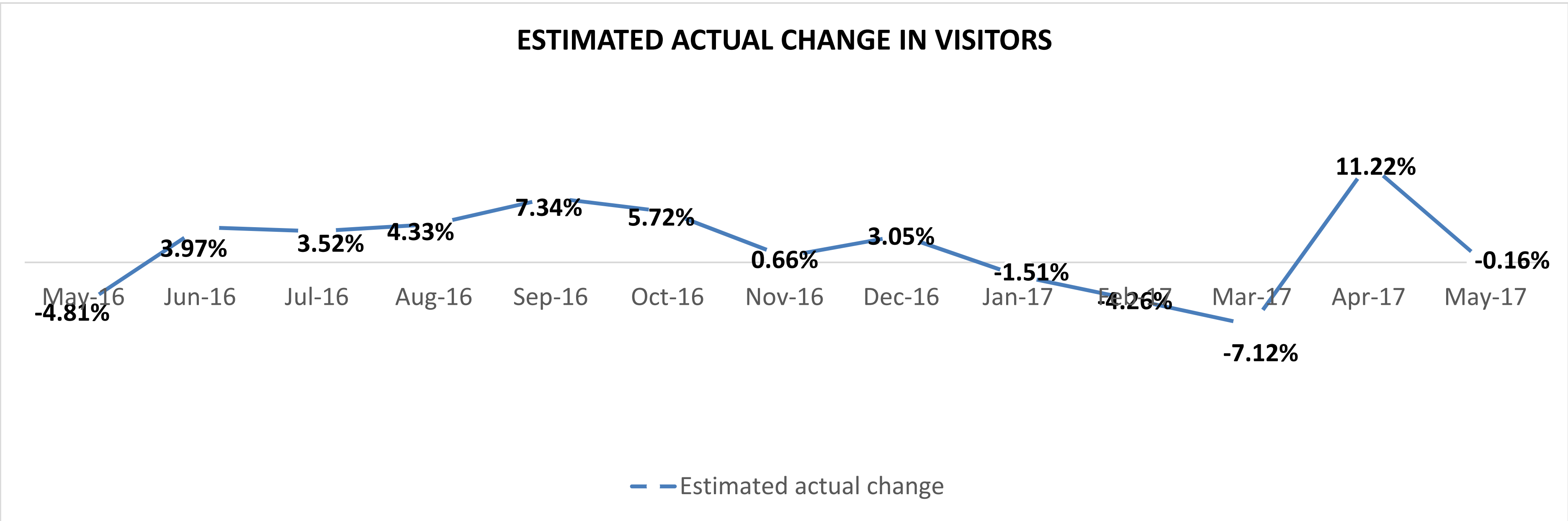




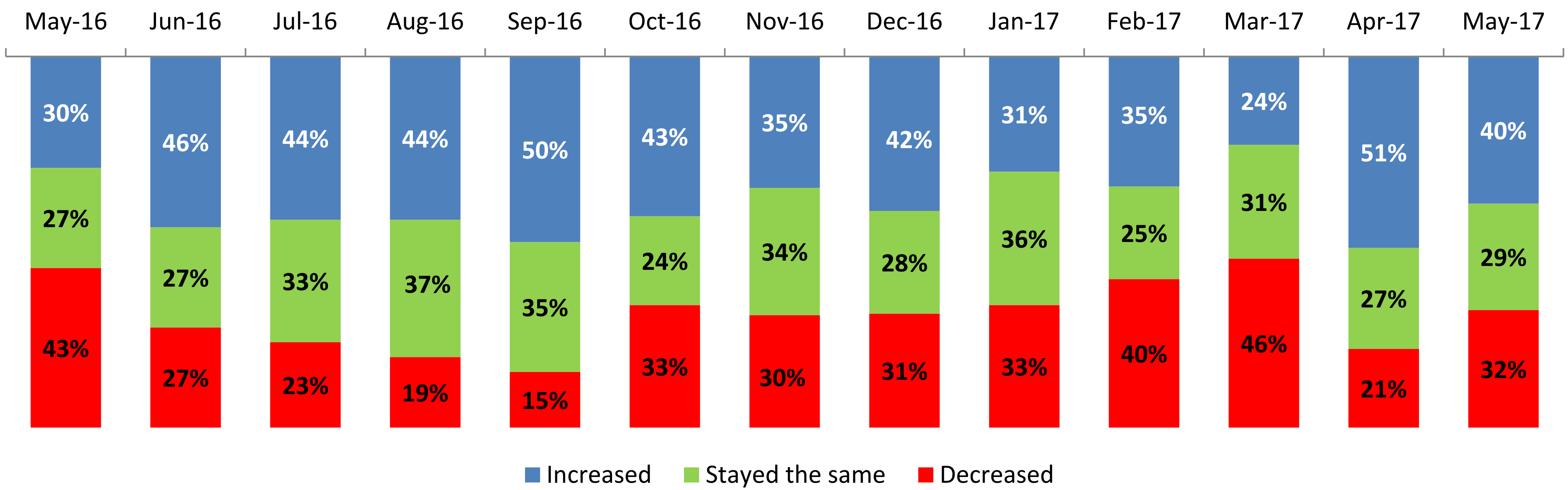


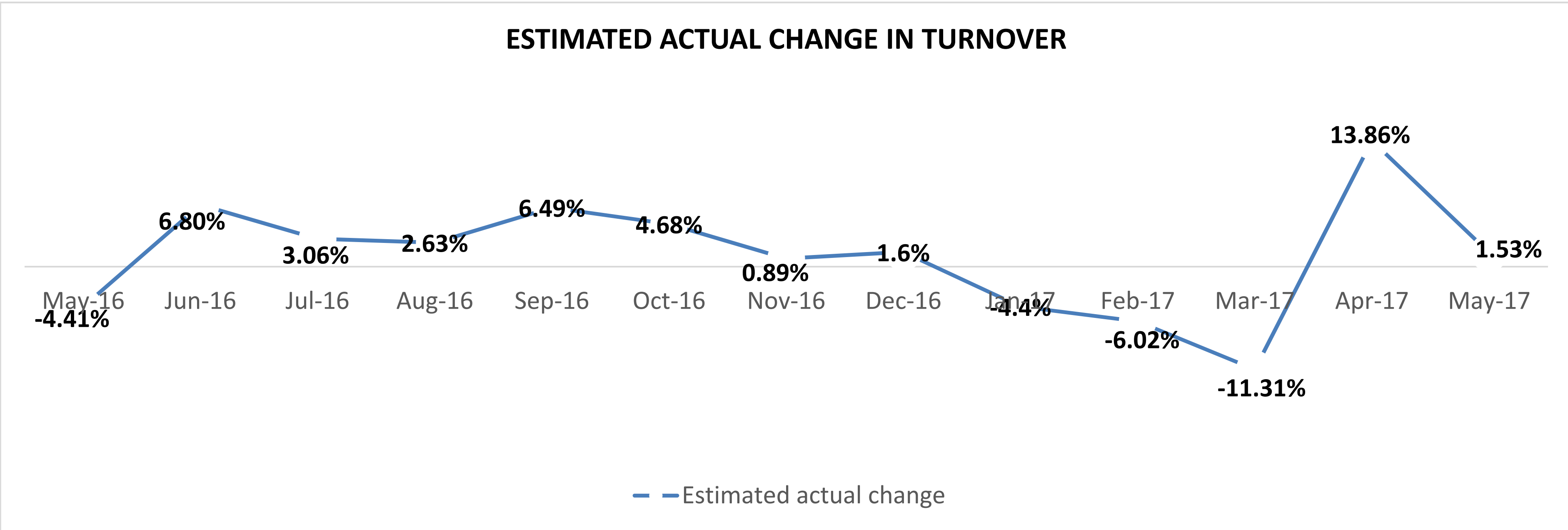
Regional performance – Number of visitors compared to previous year



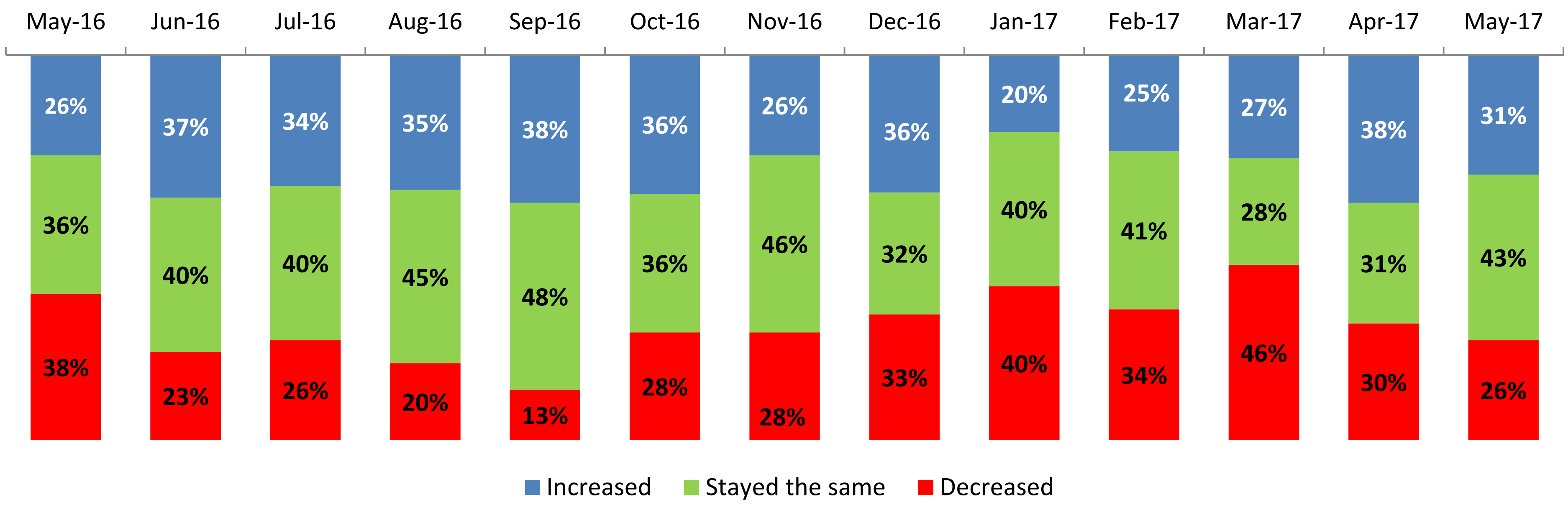


Regional performance – Turnover compared to previous year





Regional performance – Profitability compared to previous year



We increased our prices in January by 5%, and recent investments in upgrading room facilities has meant lower maintenance costs.

More customers staying longer over bank holidays.

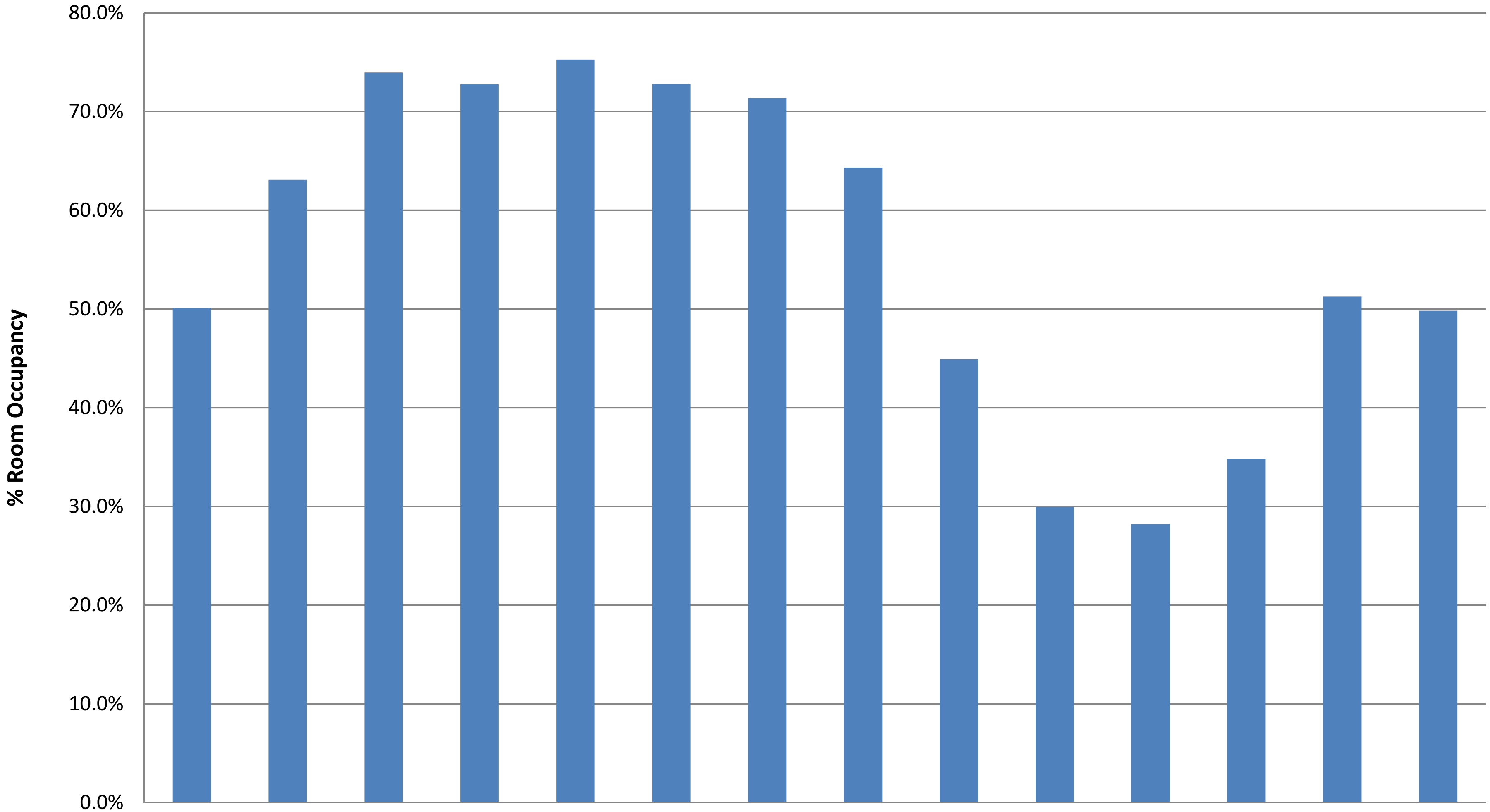
Higher turnover on fixed cost base.

Less guests meant costs per head were higher. Food, wages and other overheads have increased.

Booking levels only maintained by longer term rentals; fewer short breaks / vacation bookings equals lower income.

Food costs increased, our prices have not reflected this.

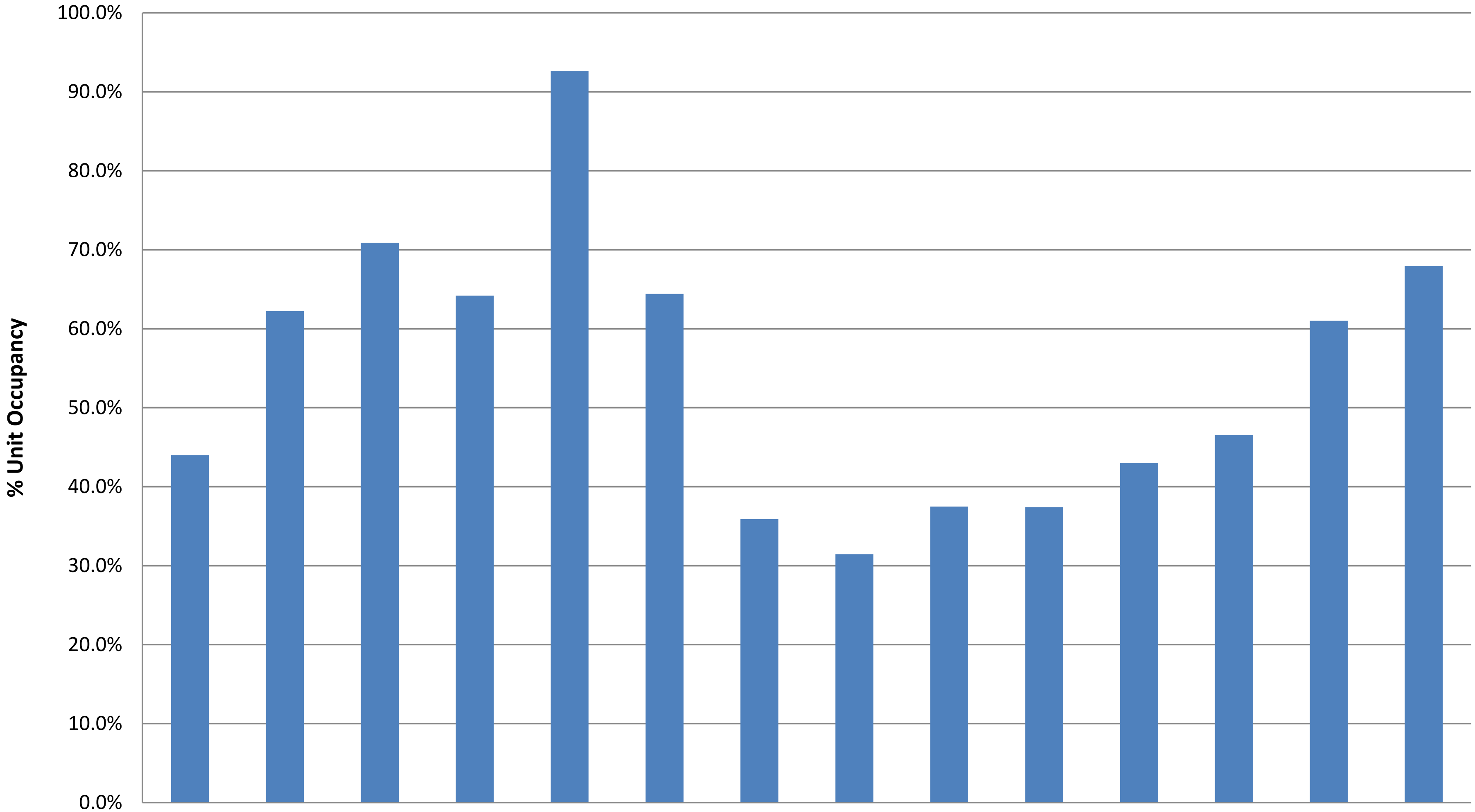
Regional performance – Serviced Room Occupancy



	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
South West	50.1%	63.1%	74.0%	72.8%	75.3%	72.8%	71.3%	64.3%	44.9%	29.9%	28.2%	34.8%	51.3%	49.8%

It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

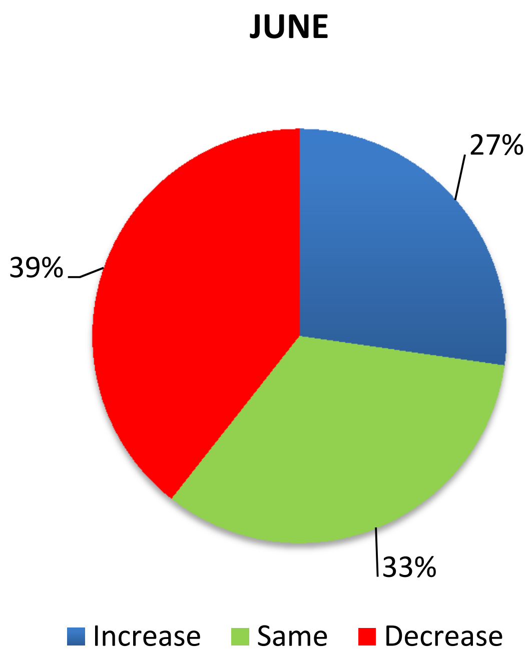
Regional performance – Self Catering Unit Occupancy

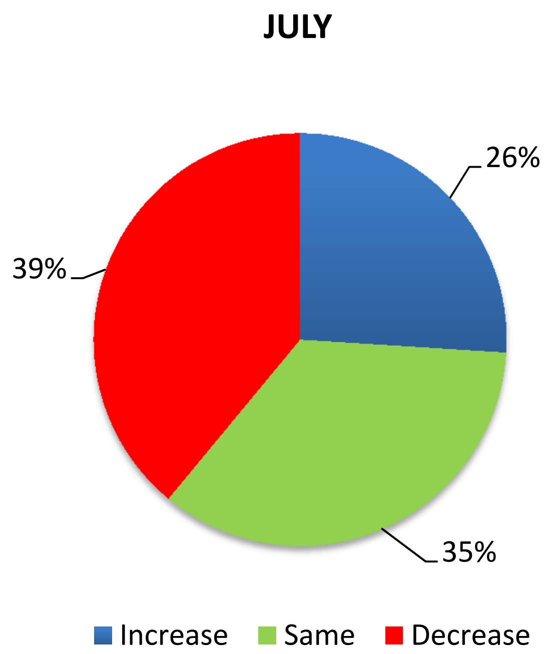


	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
South West	44.0%	62.2%	70.9%	64.2%	92.7%	64.4%	35.9%	31.5%	37.5%	37.4%	43.0%	46.5%	61.0%	68.0%

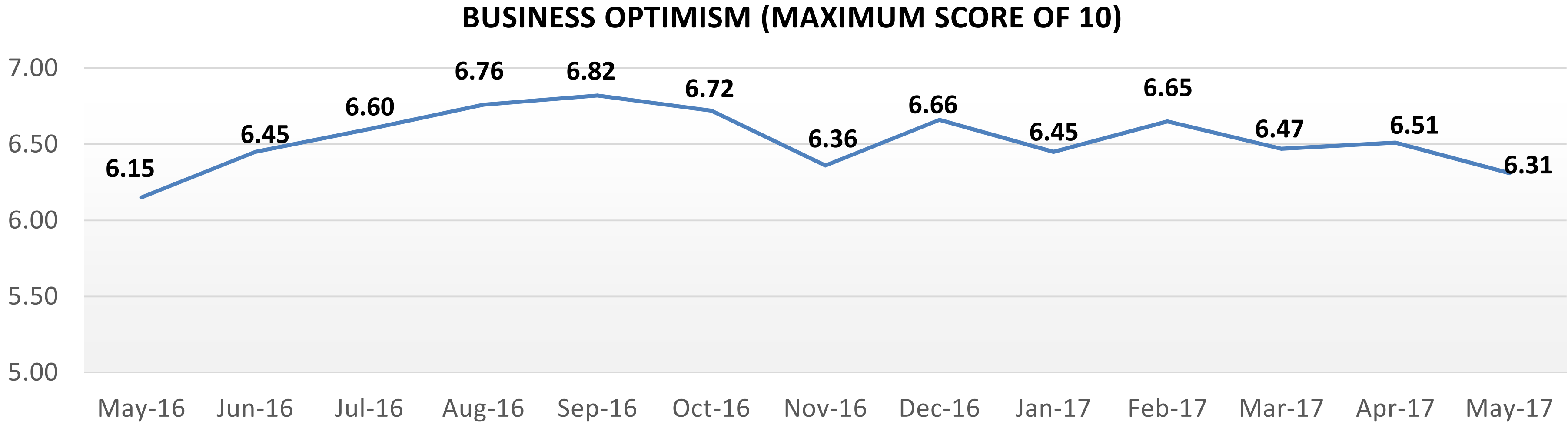
It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Regional outlook – Based upon forward booking levels





Regional performance – Business optimism and performance feedback



Bookings during the first 6 months have been good, but advance bookings for the school summer holidays are much lower than usual. Hopefully late availability enquiries and bookings will materialise.

Bookings for 2018 are well ahead of 2017.

June has been abnormally strong for us down to repeat trade and early bookings, alongside great weather. July and August for us book later and with political uncertainty and waiting for the weather, the bookings are not ahead of schedule yet.

I believe we are beginning to see a real squeeze on peoples monies and disposable income.

Airbnb is having a significant impact - the number of properties has increased considerably in the last 12 months. Airbnb has great influence - constantly emailing to encourage price reductions; their business type is changing to self catering rather than B&B.

June has been an appalling month for us.

Area Performance - May (2017 v 2016)

VISITOR NUMBERS	Region	Former Avon*	Cornwall*	Devon	Dorset*	Gloucs	Somerset*	Wiltshire*
Increased	38%	20%	47%	36%	57%	30%	36%	0%
Stayed the same	29%	20%	12%	29%	29%	45%	27%	0%
Decreased	33%	60%	41%	35%	14%	25%	36%	0%
Base	187	5	17	118	14	20	11	0

TURNOVER	Region	Former Avon*	Cornwall*	Devon	Dorset*	Gloucs	Somerset*	Wiltshire*
Increased	40%	40%	47%	36%	57%	40%	36%	0%
Stayed the same	29%	0%	12%	31%	29%	35%	27%	0%
Decreased	32%	60%	41%	33%	14%	25%	36%	0%
Base	182	5	17	113	14	20	11	0

PROFITABILITY	Region	Former Avon*	Cornwall*	Devon	Dorset*	Gloucs*	Somerset*	Wiltshire*
Increased	31%	20%	47%	27%	36%	21%	27%	0%
Stayed the same	43%	40%	27%	50%	45%	53%	36%	0%
Decreased	26%	40%	27%	23%	18%	26%	36%	0%
Base	84	5	15	22	11	19	11	0

*** Sample less than 20**

Area Outlook – Booking levels

JUNE	Region	Former Avon*	Cornwall*	Devon	Dorset*	Gloucs	Somerset*	Wiltshire*
Better	27%	20%	29%	23%	46%	30%	27%	0%
The same	33%	40%	47%	28%	31%	45%	55%	0%
Not as good	39%	40%	24%	49%	23%	25%	18%	0%
Base	180	5	17	112	13	20	11	0

JULY	Region	Former Avon*	Cornwall*	Devon	Dorset*	Gloucs*	Somerset*	Wiltshire*
Better	26%	25%	31%	29%	23%	19%	30%	0%
The same	35%	25%	25%	33%	54%	44%	20%	0%
Not as good	39%	50%	44%	38%	23%	38%	50%	0%
Base	82	4	16	21	13	16	10	0

*** Sample less than 20**

Business Type Performance – May (2016 v 2017)

VISITOR NUMBERS	Region	An accommodation business	A visitor attraction/activities/ leisure/entertainment related business	A food and drinks related business*	An other type of business*
Increased	38%	31%	56%	36%	67%
Stayed the same	29%	31%	26%	29%	20%
Decreased	33%	38%	19%	36%	13%
Base	187	131	27	14	15

TURNOVER	Region	An accommodation business	A visitor attraction/activities/ leisure/entertainment related business	A food and drinks related business*	An other type of business*
Increased	40%	36%	52%	36%	57%
Stayed the same	29%	28%	32%	29%	29%
Decreased	32%	36%	16%	36%	14%
Base	182	129	25	14	14

PROFITABILITY	Region	An accommodation business	A visitor attraction/activities/ leisure/entertainment related business*	A food and drinks related business*	An other type of business*
Increased	31%	28%	38%	17%	45%
Stayed the same	43%	44%	46%	17%	45%
Decreased	26%	28%	15%	67%	9%
Base	84	54	13	6	11

*** Sample less than 20**

Business Type Outlook – Booking levels

JUNE	Region	An accommodation business	A visitor attraction/activities/ leisure/entertainment related business	A food and drinks related business*	An other type of business*
Increased	27%	24%	24%	36%	50%
Stayed the same	33%	31%	52%	36%	21%
Decreased	39%	44%	24%	29%	29%
Base	180	131	21	14	14

JULY	Region	An accommodation business	A visitor attraction/activities/ leisure/entertainment related business*	A food and drinks related business*	An other type of business*
Increased	26%	17%	63%	40%	36%
Stayed the same	35%	40%	38%	0%	27%
Decreased	39%	43%	0%	60%	36%
Base	82	58	8	5	11

*** Sample less than 20**

Business type and area occupancy levels

The tables below show the estimated occupancy for May 2017 for serviced and self-catering accommodation types. It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

SERVICED ROOM OCCUPANCY

May-17	**% RM OCCUPANCY**	**SAMPLE**
South West	49.83%	49
All hotels	56.43%	10
Hotel 10 rooms or less	67.00%	<5
Hotel more than 10 rooms	69.28%	<5
B&B/Guest House	48.13%	39
Former Avon	72.36%	<5
Cornwall including the Isles of Scilly	46.00%	<5
Devon	46.62%	41
Dorset	70.30%	<5
Gloucestershire	67.00%	<5
Somerset	0.00%	0
Wiltshire	0.00%	0

SELF-CATERING UNIT OCCUPANCY

May-17	**% UNIT OCC**	**SAMPLE**
South West	67.96%	43
Self-catering accommodation	67.78%	41
Holiday Park	71.50%	<5
Former Avon	84.00%	<5
Cornwall including the Isles of Scilly	59.39%	10
Devon	63.66%	17
Dorset	81.00%	<5
Gloucestershire	87.40%	5
Somerset	66.83%	6
Wiltshire	0.00%	0

The South West Research Company Ltd. – About Us

Business partners Paul Haydon and Diane Goffey have gathered over thirty years research experience in the tourism industry and offer an extensive knowledge of tourism and research and statistics built up over many years with an established network of contacts in the industry. Based in the South West, we are proud to be part of and contribute to one of the major industries in our region. This report is not funded or sponsored and is provided by us for the benefit of those working in the regions' tourism industry.

We offer a full range of research services tailored specifically to meet our clients needs and available budgets. **For further information on the services we offer or to register for the How's Business survey please contact info@tswrc.co.uk**

South West based current and previous clients include;