

Intelligence Update March 2010

Tourism South East Research & Intelligence Keeping you in the picture

Headline Regional Tourism Trends

During British Tourism Week the industry will have lots of reasons to celebrate. Tourism has emerged as one of the most resilient industries in the recession and has been recognised as a key deliverer of future job growth. Around 164,000 new jobs are expected to be created in the hospitality sector in the next few years following the government's Route to Work initiative.

Looking ahead into 2010, a strong staycation market is another reason to celebrate. The latest research suggest that three-quarters of Brits plan to take a break in the UK this year and many of these trip-takers will chose self-catering and camping / caravanning holidays. Across the region, bookings for Camping and Caravan Club sites are already 14% up on this time last year.

But there are always two sides of the same coin. Last year we saw a record drop in the financial performance of hotels driven by the steep fall in demand from corporate and international travel. Analysts like PwC expect revenue per available room declines to moderate through 2010, but not to halt. The guesthouse / B&B sector in particular looks like it could be in for another rough year; advance bookings for the Spring and Easter are down on last year and many are relying on last minute bookings.

Despite tough challenges for some sectors of the industry, the overall level of confidence among the region's tourism businesses for performance in 2010 is very good and higher than a number of other key industries in the South East such as construction and transport.

Business Confidence

Tourism South East's latest 'How's Business Monitor' shows that on average, 42% of all businesses surveyed experienced better performance for the whole of 2009 compared with 2008 when 39% of businesses reported better overall performance.

Looking to 2010, 25% of those surveyed felt optimistic about the coming year and anticipate an overall increase in performance compared to 2009. Almost two thirds (62%) expect 'no change' to their performance while the remaining 13% predict their performance to worsen. This is better than the snapshot taken 12 months ago when, although slightly more businesses expected better overall performance (28% compared with 25%) just over a third (35%) expected worse overall performance in 2009 compared with only 13% for 2010.

[To view the latest TSE How's Business Monitor click here](#)

Tourism South East's survey is supported by research carried out by Business Link South East. It found that retail/ tourism SMEs in the South East are the most confident about the prospects of the economy and their own sector compared to other sectors.

[To view the latest Business Link South East Report click here](#)

Domestic & Inbound Visitors Figures

The latest figures released by VisitEngland from the United Kingdom Tourism Survey (UKTS) shows that there were just over 15.5 million trips made by UK residents to the South East during the first ten months of 2009, an increase of 13.8% compared with the same ten months in 2008. The number of bednights (up 12.0%) and visitor spending (up 12.1%) also saw increases over this period.

Growth in the domestic market in the region has been driven almost entirely by 'pure holiday' trips - up by a significant 35.0% in the South East (Jan to Oct). There's also been a small growth in VFR - up 3.1%. business-related trips on the other hand dropped by -4.0%.

The latest year to date figures on the number of overseas residents visiting the South East show a 7.2% drop in the number of visits and a 4.4% drop in visitor expenditure compared to the same period last year (Jan to Sep).

Domestic & Inbound Visitors Figures

Nationally, the year-to-date picture is that 8% fewer overseas visitors came to the UK in the first eleven months of 2009 compared to the same period of 2008.

More overseas residents are visiting for holiday purposes. Holiday visits have shown 4% growth in the first eleven months of 2009. Business visits, on the other hand have struggled in 2009's economic climate, down 22% on the same eleven months of 2008. Visiting friends and relatives (VFR) has also been affected significantly, down 11% so far in 2009. Visits for other reasons have fallen 3%.

VisitBritain's expectations for 2010 is a significant growth in trips from the fast-growing BRIC nations (Brazil, Russia, India and China) as wealthy households from these countries start to spend their cash on overseas travel.

[To view the latest Domestic and Inbound Visitors Figures click here](#)

Occupancy Trends

The latest figures show that occupancy levels among the region's hotels are showing signs of recovery. Following several months where occupancy dropped by 5% or more, average room occupancy in December 2009 stood at 58.4%, 1.4% higher than the same month in 2008. Margins are showing signs of growth despite hotels continuing to reduce prices in an effort to attract custom. Compared to December in 2008, average room rate dropped marginally by 0.3% to £68.00; however revPAR saw an increase of 1.8% to £39.60 (from £38.90 in December 2008). Year to date occupancy figures reveal that on average, hotels in the region saw a 3.1% drop in room occupancy compared to last year.

TSE's regional B&Bs and Guest Houses survey results for 2009 reveal a 4.9% drop in average room occupancy and a 4.2% on average bed occupancy compared to 2008.

The continuing popularity of camping and caravan holidays is evident in figures released by the Camping and Caravan Club. In the South East, bookings are currently 14% up on this time last year (Nov 09 to Feb 10) whilst year (March 09 to Jan 10) to date occupancy is up 7% in the area.

[To view the latest Regional Occupancy Trends click here](#)

Visitor Attraction Performance

According to the latest VisitEngland 'England Attractions Monitor' for Q4 2009, visitor attractions in the South East reported an overall increase of 6.6% in admission levels compared to the same period in 2008.

Annual admission figures among the constant sample of 56 South East attractions participating in the survey increased by 13.8% in 2009 compared with 2008, with total visitors numbers totaling over 5 million. In particular, attractions such as Historic Dockyard Chatham (up 39%), The Vyne (up 26%) and Nymans Garden (up 22%) all enjoyed a bumper year.

Looking ahead, business confidence has also seen a considerable boost compared with the snapshot taken 12 months ago. Thirty per cent of participating attractions are now more optimistic about the first quarter of 2010 compared with only 7% that were more optimistic about the first quarter of 2009. Consequently, only 23% of attractions are less optimistic about the first three months of 2010 compared to almost three quarters (73%) of attractions that were less optimistic about the first three months of 2009.

[To view the latest England Attractions Monitor click here](#)

Hospitality Trends

Hospitality businesses get £1,000 to employ young British jobseekers

The Government is offering free recruitment support and up to £1,000 as a reward to hospitality operators if they promote job vacancies to young, British jobseekers instead of migrants. Employers taking on a young jobseeker aged 18-24 through Jobcentre Plus, who has completed the Government's Routes into Work

Hospitality Trends

pre-employment training programme, will receive free recruitment support, £500 when a person starts work, and a further £500 if they are still in employment after 26 weeks.

Jobseekers applying for hospitality positions through Routes to Work will have benefited from an eight-week training programme designed by People 1st and Sector Skills Councils, and given basic skills such as health and safety and customer service.

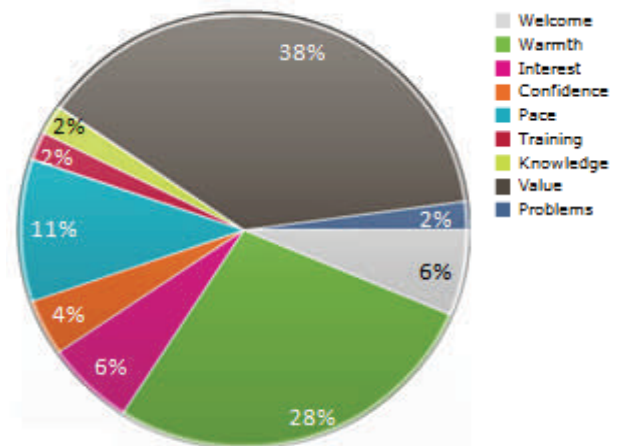
VisitBritain estimate that up to 164,000 jobs could be created in the hospitality and leisure sector in the next few years.

New staff behaviour benchmark for hospitality sector launched.

Customer perception of the service they received is strongly influenced by staff behaviours and this has a powerful influence on word-of-mouth. In a recent initiative, restaurant, hotel and pub operators are being encouraged to monitor their staff's delivery of customer service after a survey found that almost half have no system in place to do so. The National Skills Academy for Hospitality (NSAH) along with the Mystery Dining Company (TMDC) have embarked upon a wave of industry customer service benchmark assessments to help businesses improve customer service.

Following a series of mystery visits, results for businesses in the South East are very positive.

- The average score for all indicators was 7.29. This was the highest score for all regions. The average was 6.96.
- Performance particularly stood out for Welcome.
- Despite the good results for staff behaviour, fewer people were willing to recommend the sites they visited than was the case for the national average.
- When considering whether they would recommend to others, the most influential factor in the South East was 'Warmth of Staff'.



[To view further information on the work carried out by the NSAH and TMDC click here](#)

Latest Research Reports:

Domestic tourism is set for another strong year, making it one of the few industry sectors to benefit from the recession.

A survey carried out by PWC last year revealed a 12 per cent increase in the number of Britons forgoing an overseas holiday or a stay in a British hotel in favour of a break at a campsite or holiday park. This has been supported by the 2010 Holiday Survey conducted by BDRC Continental, which found that 70% of people are likely to book a UK holiday in 2010.

The appeal of domestic holidays also appears to be strengthening with 31% feeling the UK is becoming more appealing as a destination, compared to 25% in 2009 and just 19% in the pre-economic downturn days of 2008.

As many as 39% now claim that they are seriously considering taking their main 2010 holiday in the UK – up 10 percentage points from the same time last year.

The continuing strength of the euro and a growing feeling of disillusion with air travel are at the root of this sustained appeal with holidaying at home, according to market research agency BDRC Continental which conducted the survey amongst 1,005 people earlier this month.

Latest News from Around the Region

Berkshire

- Newbury Racecourse has been given permission to go ahead with a new development which will include up to 1,500 homes, refurbished racecourse facilities and a 120-bedroom hotel. The regeneration of the site will also increase the Racecourse's contribution to the community and economy in the Newbury area and is expected to create around 300 jobs.

Buckinghamshire

- Bletchley Leisure Centre - a new £21m health and leisure complex near Milton Keynes - has opened to the public. In addition to the new centre, work has been carried out on the public street to create a plaza between Elizabeth Square and the building's entrance.

Hampshire & Isle of Wight

- The Clarence Hotel in Portsmouth has been voted number 14 in the annual Travellers' Choice Awards, polled by readers of review website Trip Advisor.
- Four Hilton properties in Hampshire are to benefit from a £20 million refurbishment programme of 16 of the brands UK hotels. The hotels to benefit are Hilton Newbury North, Hilton Basingstoke, Hilton Newbury Centre and Hilton Southampton.
- An initiative by the National Park Authority will see five new local information points opening in the New Forest to provide a one-stop shop for residents and visitors who want to learn more about the National Park. The points will provide a range of maps, leaflets and publications to show what is best to see and do in the local area.
- Southampton City Council (SCC) has secured a development agreement to move forward plans for the third and final phase of the city's WestQuay scheme. WestQuay B3, which will be built next to the headquarters of cruise operator Carnival UK and opposite the planned £100m Watermark WestQuay site, will feature a 155-bedroom hotel and 60,000sq ft (5,574sq m) of office space. A lease agreement has already been secured with budget operator Premier Inn to operate the new hotel when complete, while ground floor uses are set to include restaurants and retail units. The scheme is expected to bring 400 new jobs to the city
- Southampton's status as one of the world's key cruise ports has been underlined by news the last of the industry's Big Three is to start major operations here next year. MSC Cruises has confirmed plans to deploy its 2,000-passenger MSC Opera in Southampton between May and September 2011. It is expected that the 60,000-tonne ship, which can accommodate 2,000 passengers in its 856 cabins, will operate 13 cruises from Southampton bringing thousands of visiting passengers to the city and its surrounding areas for day trips.
- Snowsport England has identified the ten ski facilities across the country that are set to be placed at the centre of its efforts to increase the number of people participating in snow sports. The Alpine Snow Centre in Aldershot is among these clubs and facilities which have been earmarked to receive a share of £985,000 Sport England funding.
- P&O Ferries is axing its Portsmouth-Bilbao route at the end of September 2010. The move coincides with the expiry of the charter contract on the ship P&O uses for the service, the Pride of Bilbao.
- UK-based online live video streaming specialist fiNETra is helping a variety of visitor attractions to increase interest in their venue and boost visitor numbers with the installation of high quality, live action webcams which bring live content to attraction's websites - and into thousands of homes. Balmer Lawn and Buckler's Hard in the New Forest and the Isle of Wight Zoo have recently installed the new technology.

Latest News from Around the Region

Kent

- Plans to create a new 50m (164ft)-high sculpture of a white horse in Springhead Park, overlooking Ebbsfleet Valley and Ebbsfleet International Station, have been submitted to Gravesham Borough Council (GBC) as part of the Ebbsfleet Landmark Project (ELP).
- A museum dedicated to the history of Kent Fire and Rescue Service (KFRS) - located at its headquarters in Tovil, near Maidstone - is to close after it was ruled that the site was no longer suitable to host the attraction. Kent and Medway Fire and Rescue Authority's planning and performance committee will re-house artefacts in other museums, while also developing a new 'Virtual Museum'.

Oxfordshire

- Regional start-up carrier Varsity Express is to launch a daily weekday service between London Oxford and Edinburgh airports this March. The new airline will offer a "business class style service".
- VisitBritain has joined forces with easyJet and British Airways to launch a new campaign to help attract tourism to the UK's major cities. Building on the national tourism agency's 2009 campaign 'See More Britain for Less', the Cities Campaign will seek to emphasise travel in ten of the UK's cities, including Oxford from the South East region.
- A £250 million new line to Oxford will be the first new rail link from London to a major British city since 1910. Chiltern Railways has unveiled plans for the fast line between London Marylebone and Oxford for completion in 2013. This will include the opening of a new station in north Oxford called Water Eaton Parkway, which will have direct links to the A34, A40 and Oxford city centre. Chiltern Railways plans to operate two London-Oxford trains every 30 minutes in each direction.
- The influential and famous Michelin Guide has included an Oxfordshire bed-and-breakfast for the first time in its book of recommended hotels and restaurants in Great Britain & Ireland. B&B Rafters in Marcham achieved the listing after positive recommendations from guests were followed-up by anonymous visits from Michelin's team of professional inspectors. The accolade further-establishes the hotel as a leading accommodation provider in the county adding to their five AA stars, special breakfast awards and a recent listing in the Good Hotel Guide.

Surrey

- A historic estate formerly owned by press baron Lord Beaverbrook will not be open to visitors this year after owner, The Beaverbrook Foundation, announced that it was no longer financially viable. Two consecutive wet summers and the economic downturn have been blamed for the decision to close Cherkley Court and Gardens near Leatherhead, which is set in 400 acres (162 hectares) of park and woodlands.

Sussex

- The Silverdale in Seaford and Hotel Una in Brighton has been voted number 6 and 18 respectively in the annual Travellers' Choice Awards, polled by readers of review website Trip Advisor.
- The Hilton Gatwick Airport hotel is to benefit from a refurbishment programme which is part of a wider £20 million project improving 16 of the brands UK hotels.
- Part of Brighton's historic West Pier is set to be removed more than six years after the structure was severely damaged by fire and storms. The pier's former Concert Hall will be pulled down and historically important items will be salvaged and stored in safe-keeping by the West Pier Trust. The attraction's Pavilion Island, however, will remain.

Latest News from Around the Region

Sussex

- A new 60m (197ft) observation wheel attraction is still scheduled to open this year in Brighton despite plans being withdrawn by the company behind the scheme. Paramount Attractions confirmed that it had pulled the plug on its current proposals for the attraction to be located near to the West Pier in order to prepare a planning application for an alternative seafront site. Funding worth £6m is already in place to complete the Brighton O project and Paramount Attractions is now working along with Brighton and Hove City Council (BHCC) to seek a new location for the scheme.
- The Brighton Dome and Festival is to receive a £611,000 grant from the Arts Council England (ACE) Sustain fund. It is the seventh round of awards to be made out from Sustain, which was set up to offer help to organizations' struggling with the effects of the recession.
- Gatwick Airport's new owners say they have no plans to build a second runway. At a meeting with conservationists, Gatwick chairman Sir David Rowlands said there was "not a shred of interest" in a second runway.
- Irish airline Aer Lingus is planning to introduce eight more routes to Europe that will depart from Gatwick airport. The introduction of the new routes is expected to create 160 new jobs at the airport.
- Butlins reported a 15% year-on-year increase in sales for the February half term, which it attributed to its continuous investment programme. The company said Bognor Regis was now 'virtually sold out' for the upcoming half-term break.