



# INTELLIGENCE UPDATE

Research & Intelligence - Keeping you in the picture

TOURISM  
SOUTH EAST

MAY 2010 EDITION

## Headline Regional Tourism Trends

### Staycation trend 'live and well'

Following a slow start to the year with snow affecting the performance of a number of tourism businesses in January, the results of VisitEngland's recent *Holiday Trip Tracker* survey provides welcome news. According to the survey, almost 11 million people, or 19% of the UK population planned a holiday or short break over the 2 week Easter holiday period in England, up from 16% in 2009 and 14% in 2008.

So did businesses in the region benefit from a boost in domestic tourism over Easter? The evidence is that some sectors did particularly well. As with last year, the holiday/caravanning park sector experienced robust trade. Butlins reported an increase of 10% in occupancy for Easter breaks, with its site in Bognor Regis 'virtually sold out' for the Easter half-term period, and the Camping & Caravanning Club reported the highest year-to-date occupancy at its sites in the South East.

Feedback from the attraction sector reveals a rather mixed picture. The wet Easter weekend boosted visitor numbers for many indoor attractions. As the weather improved over the two-week half-term, visitors chose outdoor attractions instead; a number of our larger attractions saw admission increase by 10% or more.

Meanwhile, an unexpected boost for the region's hotel sector in April came from the unprecedented air travel disruption caused by the Icelandic volcanic eruption. Strong demand from stranded foreign travellers helped airport hotels in the region lift occupancy and room rates.

## Domestic & Inbound Visitors Figures

### Annual tourism volume and value

Various industry analysts dubbed 2009 as the year of the 'staycation'. Now we finally have a set of full year data from the national domestic tourism survey to confirm this.

Full year results from the United Kingdom Tourism Survey (UKTS) reveal that just over 18.2 million overnight trips were taken to the South East by domestic visitors, an increase of 12.0% compared to 2008. The number of nights spent in the region also increased, up 11.2% as did visitor spend, up 10.4% to just over £2.5 billion.

The number of pure holiday motivated trips to the South East increased by a remarkable 32.6% during 2009 compared to 2008, providing strong evidence of the staycation boom.

#### Domestic tourism in the South East 2009 compared to 2008

	2009	2008	% difference	
<b>Trips</b>	18,255,000	16,295,000	12.0%	<i>Domestic business trips up 2%</i>
<b>Nights</b>	52,839,000	47,522,000	11.2%	<i>Domestic holiday trips up 32.6%</i>
<b>Spend</b>	£2,595,000,000	£2,350,000,000	10.4%	<i>Visiting friend/relative trips unchanged</i>

The increase in domestic overnight trips provided a strong buffer against the loss of income from international visitors. Trips to the South East by foreign travellers dropped by 6.4% in 2009, though spending levels actually increased slightly by 1.1%, given the strength of the Euro and Dollar against Sterling.

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# Domestic & Inbound Visitors Figures

Despite the overall drop in inbound trips, holiday motivated trips actually increased. Ten per cent more foreign travellers visited the South East for a holiday in 2009 compared to 2008.

## Inbound tourism in the South East 2009 compared to 2008

	2009	2008	% difference	
Trips	4,266,000	4,559,000	-6.4%	<i>Inbound business trips down 28.8%</i>
Nights	31,366,000	32,453,000	-3.4%	<i>Inbound holiday trips up 10.2%</i>
Spend	£1,819,000,000	£1,799,000,000	1.1%	<i>Visiting friend/relative trips down by 4.1%</i>

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

If you are interested in putting our data into a global context, then have a review of the *European Tourism 2010 Trends & Prospects* report. The report reveals that overnight visits to European destinations declined 6% in 2009 while international travel around the world fell by just under 5% against the headwinds of the global recession. However, signs of a travel recovery emerged in the final months of the year as economies around the world strengthened.

[To view the European Tourism 2010 report click here](#)

## Hospitality Trends

### Encouraging signs for hotels

Following a dismal 2009 when the hotel sector experienced sharp drops in occupancy and room rates, there are positive signs that the sector is clawing its way back to health in 2010. The hotel sector in the South East posted impressive results for Q1 2010. Average room occupancy increased by three per cent points and revenue per available room (RevPAR) increased from an average of £41.59 in 2009 to £42.60 for the same period in 2010. According to hotel analysts STR Global, the region's hotels should see steady and sustained growth during the course of this year and into next.

### Hotel sector performance in the South East

Jan-Mar 2009 compared to Jan-Mar 2008					
Occ%		ADR		RevPAR	
2010	2009	2010	2009	2010	2009
60.3%	57.3%	£70.74	£72.48	£42.60	£41.59

There is no doubt that airport hotels in the South East will post strong results for April once the full month results are available. The temporary closure of airspace in April as a result of the volcanic ash cloud worked out positively for airport hotels. The need for a last-minute bed for those stranded visitors helped boost RevPAR by 40% at Gatwick hotels and 70% at Heathrow hotels during the week 11-17 April compared with the same week last year.

### Mixed performance for non-serviced accommodation businesses

Feedback from some of the region's larger holiday parks reveals that many had a strong Easter; some businesses such as Butlins in Bognor Regis and Sandy Balls in the New Forest were almost at full capacity over the Easter holiday. Many caravan and camping park operators also did well. According to the Camping & Caravanning club, its sites in the South East reported the highest average year-to-date occupancy rate across all sites in England at 62.3%. The Club also reported that advanced bookings as at 12 April was up 9% in the South East compared with the same period in 2008. In contrast, a number of other smaller independent park operators reported a quiet Easter.

### Quality of customer service in South East higher than national average

In the [March 2010 edition of Intelligence Update](#) we published the results from the second wave of the National Skills Academy for Hospitality (NSAH) and Mystery Dining Company (TMDC) industry customer service for restaurants, Hotels and pub operators.



## Hospitality Trends

Figures for the third wave, covering March 2010, are now available and show that the average score for all indicators in the South East was 7.26 (7.29 in wave 2). This was the second highest regional score (Yorkshire & Humberside came top with 7.38) and higher than the national average of 7.01.

The table on the left shows the average regional score for all indicators.

To find out more about the NSAH and TMDC customer service survey [click here](#)

Region	Average indicator
Yorkshire & Humberside	7.38
South East	7.26
West Midlands	7.12
North West	7.01
East Midlands	6.96
London	6.94
East of England	6.90
North East	6.75
South West	6.71
Regional Average	7.01

## Visitor Attraction Performance

### Mixed Easter for Attractions

As expected the weather had a significant influence on the fortunes of the attraction sector over Easter. The wet and chilly Bank Holiday weekend drove visitors to indoor attractions, with many reporting a bumper weekend. However, as the weather improved, visitors switched to gardens, country parks, theme parks and museums/historic properties with outdoor facilities. Attractions benefiting from an increase in admissions include Cotswold Wildlife Park and Gardens in Oxfordshire and Beaulieu National Motor Museum in Hampshire (23% up and 12% up respectively compared to last year), and the Isle of Wight Steam Railway which saw visitor numbers increase by a fifth over the same period .

The National Trust also reported a strong Easter period; figures for the Thames and Solent areas reveal a 16.5% in increase in admissions. However, part of the increase is attributable to the free entry offered to stranded foreign travellers during the airspace closure.

## Latest Research Reports

### Leisure and hospitality sector central to economic recovery

Over the past few months a number of reports have reinforced the importance of tourism in generating economic growth and employment (see April edition of *Intelligence Update*). Now comes another report providing strong evidence of the significance of the sector. According to research carried out by Barclays Bank, the leisure and hospitality sector will be a catalyst for UK economic recovery this year.

A survey of more than 180 hospitality & leisure bosses found them expecting to put a total of 345,000 people back to work in 2010 as they increase employee numbers post-recession. Predicting an annual growth rate of 8.5 per cent for the year, the sector's bosses also expect to take on as many as 7,800 new apprenticeships to fill a varied range of vacancies.

[To view the Barclays Bank Press Release click here](#)

### Online reviews are more trusted than glossy travel brochures

Following from our feature on social media in the last *Intelligence Update*, recent research confirms its growing importance on travel search and booking behavior.

According to a survey conducted by TotalMedia, a UK-based media planning and buying agency, more and more British holidaymakers are now booking trips based on online travel reviews rather than glossy publications. Reviews written by strangers on independent websites such as TripAdvisor, contacts via social media sites, search results on Google and word of mouth advice from family and colleagues are more influential than brochures, advertising, media reviews and advice from travel agents when it comes to booking holidays.

The survey of 1,375 consumers found that 25% now used online reviews by strangers to determine their travel plans, 13% used travel programmes and a further 11% used magazines and newspaper supplements.



## Latest Research Reports

The survey also found that almost half of travellers over 45 years of age are using websites to recommend or warn fellow travellers by posting a review of their travel experiences online. Surprisingly, the age group least likely to use the internet to exchange views on holiday destinations were the "digital natives", 16 to 24 year olds, which means that middle age Britons, are shaping our views of the best hotels and holiday destinations at home and abroad.

[To view the Social Travel Report click here](#)

## Latest News from Around the Region

### Berkshire

- Plans to give the historic County Hall Museum in Abingdon a complete makeover are to go ahead following the award of a final grant of just over £1.7m by the Heritage Lottery Fund (HLF). To date, the project has been awarded £210,000 in development funding, and a £50,000 project planning grant, making the total investment £1.97m. Abingdon Town Council, which was awarded the grant, hopes to increase the museum's visitor figures from 20,000 per year to 30,000.

### Buckinghamshire

- Culture secretary Ben Bradshaw has announced a £250,000 funding package for Bletchley Park museum. The museum will use the money to help maintain and repair buildings and improve the experience for the 100,000 people who visit each year.

### Hampshire & Isle of Wight

- Southampton City Council's (SCC) plans to convert the city's Grade II\*-listed Magistrates Court into a museum have received a £4.6m boost from the Heritage Lottery Fund (HLF). Under SCC's plans for the new attraction, two permanent galleries will explore Southampton's status as a 'Gateway to the World' over the last 2,000 years and the port's relationship with the ill-fated liner Titanic.

### Kent

- Culture minister Margaret Hodge has announced that Chatham Historic Dockyard has been handed £550,000 towards a project to revitalise the attraction. The museum and library are set to be moved to the north of the 80-acre dockyard site in order to enhance the visitor experience of the attraction.

### Oxfordshire

- The Vale and Downland Museum in Wantage is to receive a £300,000 extension. The Vale of White Horse District Council has approved the plans for the two-storey extension, which will include a library and archive room. The museum's trustees plan to begin work at the end of the year, in time for a summer 2011 opening.

### Surrey

- A major new heritage centre and tourist attraction is poised to be created in Guildford under proposals approved by the local authority. Guildford Borough Council's (GBC) executive committee has given the green light for a public consultation to be held into the project, along with the preparation of a Heritage Lottery Fund (HLF) bid. The council is set to bid for around £1m HLF funding towards the scheme, although an additional £2m would be required - £250,000 poised to come from the council.

### Sussex

- Twelve English seaside towns are to share £4.5 million of funding from a government programme that aims to regenerate resorts through investment in culture and heritage. Bexhill-on-Sea will receive £1 million to fund an ongoing seafront improvement scheme, while Littlehampton will be provided with a £480,800 grant for seafront upgrades.

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