Visit Kent's Business Barometer – June 2008

Welcome to the NEW monthly Business Barometer produced by Visit Kent's Research team. This report has been produced with the cooperation of over 75 tourism businesses in Kent.

As you will know, information on how the tourism industry is doing in Kent needs to be accurate and promptly received by all to enable management decisions to be made. Visit Kent experienced a number of problems over the last year in obtaining timely data for the Business Barometer. This was mainly due to the number of stages in the process, so we took the decision to reduce the data collection stages by one, and bring the Business Barometer back fully into our organisation. This means that the Visit Kent team directly approached Kent attractions, Tourist Information Centres, cross channel carriers, accommodation providers, Tourism South East and Visit Britain for up-to-date information.

The quarterly information that used to be sent to Tourism South East is now submitted to Visit Kent on a monthly basis, and the benefit of this more frequent collection is that it enables a monthly Business Barometer to be produced and circulated promptly.

As this is a new system of collection and publication of data, please bear with us if you have had any problems, or have been contacted several times regarding this from different angles. Hopefully all issues can be dealt with over these early months to ensure that we have a reliable document and system that meets your needs and ours. Also if you have any suggestions for the continuous improvement of the Business Barometer please contact Tracey Parker on tracey.parker@visitkent.co.uk or 01227 862792.

Kent Headlines - Comparison June 2007/2008

Kent Attraction Visitor Numbers	- Up 17%
Kent Serviced Accommodation Occupancy	- Up 6.4%
Kent Self Catering Accommodation Occupancy	- Down 1%
TIC Visitor Numbers	- Down 14%
Cross Channel Passengers	- Down 10%

Attractions

Visitor numbers

50 attractions submitted their data for this month, with a good split between rural, coastal, and urban locations. A good spread of attraction types submitted figures from across the range of categories providing a very robust and reliable sample. Of the 50 attractions, 45 were able to supply June 2007 and June 2008 figures and so the following comparison could be made:

Visitor numbers	June 2007	June 2008	% Change
	1,139,006	1,336,974	17% up

Visitor figures are collected as part of the combined Business Barometer and Confidence Survey for attractions. The new Kent attractions' Quarterly Confidence Survey for March to June 2008, incorporated into the June 2008 Business Barometer survey and sent out by Visit Kent, revealed the following information:

Business performance compared with last year

The attractions in Kent seem to have had a quite positive year in spite of the Credit Crunch and reported that business was generally up. However, for some businesses, particularly those who are less accessible by public transport, business has been down with the increase in fuel prices largely blamed.

Location	Business Up	Business Same	Business Down
Rural	36%	27%	37%
Urban	47%	13%	40%
Coastal	50%	25%	25%
Other	100%	-	-

Expectations for the next quarter

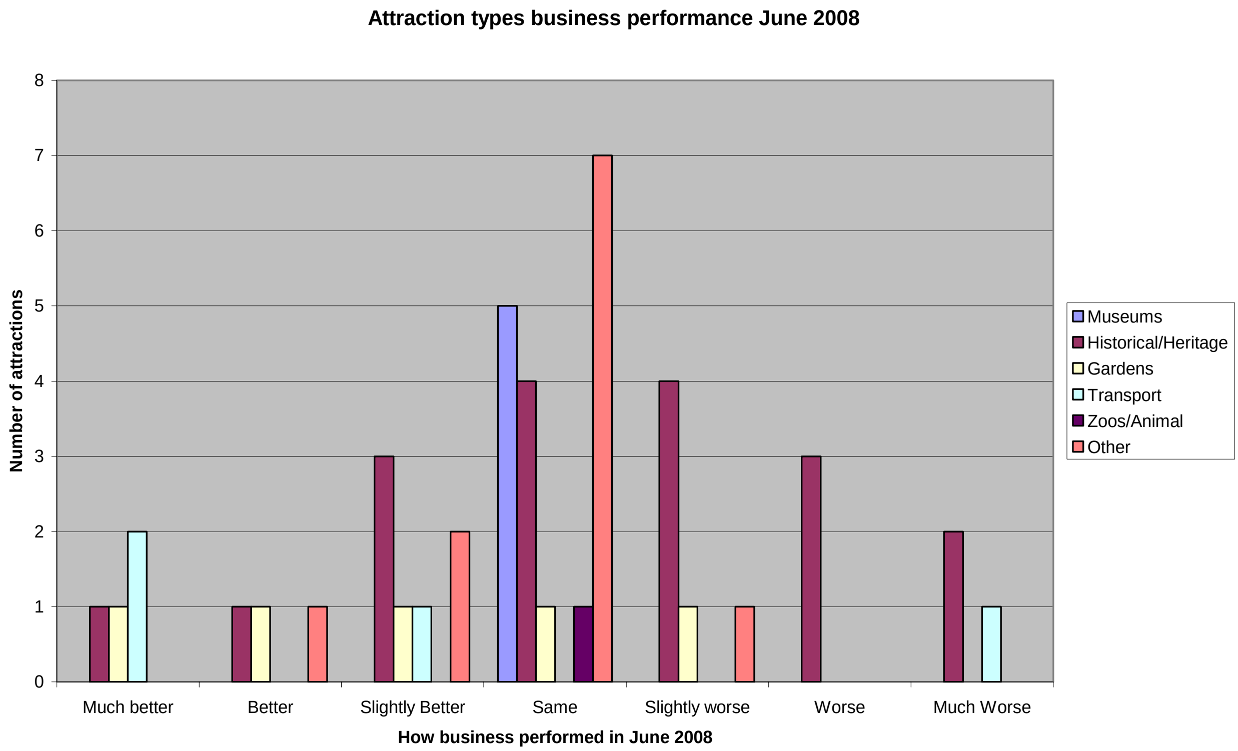
Expectations for the Credit Crunch to continue have meant that attractions seemed generally positive about the next quarter due to the possible increase in domestic tourism.

Location	Expectations Up	Expectations Same	Expectations Down
Rural	48%	25%	27%
Urban	60%	20%	20%
Coastal	50%	25%	25%
Other	67%	33%	-

Performance according to attraction type

From the chart below it can be seen that museums generally were consistent in performance compared to June 2007, whereas transport attractions were affected to one extreme or another. For Heritage attractions June was a mixed month, but for gardens it was a mostly positive story. ‘Other’ attractions tended to combine either heritage or transport or museum status and so are more difficult to analyse.

Business performance June 2008, by attraction type:



Coach Market to attractions

In June 2008, the coach market was down in rural and coastal areas, with urban attractions only slightly down. However a number of attractions have pointed to a tailing off of advance coach bookings for beyond June.

Location	Coach Market Up	Coach Market Same	Coach Market Down
Rural	23%	59%	18%
Urban	33%	60%	7%
Coastal	25%	50%	25%
Other	34%	66%	0%

Overseas visitors to attractions

Of the 22 attractions who record their overseas visitor figures and the nationality of their two highest groups of visitors, the results for June 2008 are as follows:

Germany	68%
France	50%
Netherlands	45%
Belgium	27%
Australia	14%
USA	14%

Industry concerns - attractions

Nearly all attractions submitting data in Kent stated that the UK economy and current Credit Crunch was an issue for the Industry overall. Exchange rates were quoted as a positive factor as some attractions felt that the county had received a boost from nearby European visitors, but for others this was not the case.

Top three concerns for attractions overall
1. UK Economy
2. Weather
3. Exchange Rates

Most attractions described the factors affecting their performance according to whether they were positive and negative. Businesses with particularly positive results quoted additional promotion, additional events, product development and new ticket systems as having a key role in visitor figure increases.

Attractions that suffered poor performance were hit hard by the price of fuel, refurbishment closures, and a drop in the coach market. See the table below for the range of factors deemed to be affecting business at Kent attractions.

Positive factors affecting Kent attractions' business performance	Negative factors affecting Kent attractions' business performance
Internal events organised	Weather
Good promotion	Coach market
Product development	US business down
More people taking UK holidays	Refurbishment
Repeat business	Unsuitable event
Weather	Price of fuel
New ticket system	Early Easter
Euro exchange rate	Withdrawal of services to Ashford International
More European visitors	Roadworks
	Olympics draining tourism funding

National Data on attractions (Source Visit Britain)

Visit Britain figures beyond March 2008 are not yet available. However for the period January to March 2008 the findings were very positive, with three in five attractions (60%) reporting that their visitor numbers for 2008 were higher compared with 2007. One in five attractions (21%) recorded a decline in visits.

This positive outlook was generally mirrored with the overall business performance of the attractions, with 53% feeling that business performance was better than in 2007. However, 17% thought that business performance was worse than in 2007.

Looking forward to Quarter 2, business confidence was cautiously optimistic overall. Some 44% of attractions expect visitor admissions to be higher in Quarter 2 (April to June) in 2008 than they were in the equivalent quarter for 2007. Similarly, 37% feel more optimistic about their business prospects for the quarter than they did last year. Nevertheless, 25% of attractions claimed they were less positive than in 2007. This may indicate that some of the attractions are feeling more cautious in their outlook given the current economic climate.

Visitor figures according to Attraction Categories show that historic properties and heritage centres have done particularly well in the first quarter, with gardens following closely behind.

Visitor numbers according to attraction categories

Attraction Category	Jan change %	Feb change %	Mar change %
Historic Houses/Castles	11	40	71
Other historic properties	4	19	36
Museums/Art Galleries	17	8	25
Gardens	8	86	11
Visitor/Heritage Centres	47	11	41
Wildlife attractions/zoos	-2	28	19
Others	5	4	11
Total England	8	16	27

Accommodation

Kent serviced accommodation occupancy data

This information is still collected by Tourism South East direct and forwarded on to Visit Kent for inclusion in this document. Districts where the number of providers submitting information was too small to analyse are not included in this table. The Districts with sufficient sample size, and their results, are detailed below.

District Serviced Accommodation	% Room Occupancy June 2007	% Room Occupancy June 2008		% change for month June
Canterbury	62.9	65.9		Up 3%
Dover	73.7	65.4		Down 8%
Maidstone	72.5	72.7		Static
Shepway	54.3	48.1		Down 6%
Swale	32.8	61.2		Up 28%
Thanet	53.9	42.3		Down 12%
Tunbridge Wells	77.5	69.6		Down 8%
Kent Occupancy average overall	51.1	57.5		Up 6.4%

Swale and Canterbury have bucked the trend for a downturn in accommodation room occupancy for June, and Swale's results have affected the overall Kent percentage change. Due to the relatively small numbers submitting figures across many Districts, any major change within one provider can have a major influence on the District, and therefore the county total. However, due to the consistent nature of the Canterbury and Swale sample, the results do represent the trend within those accommodation providers who submit their occupancy levels.

Congratulations to Shepway and Thanet who have the most providers who consistently contribute to the Business Barometer. Any accommodation provider wanting to take part in this data collection to support their District should contact Janet Biles on 02380 625458 or jbiles@tse.com. The more accommodation providers we can include, the more relevant the results.

Kent Self Catering Occupancy Data

There is no major change with self catering accommodation performance between June 2007 and June 2008 except for the percentage breakdown between UK and Overseas residents. They hosted a 16% increase in overseas residents which would tie in with the exchange rate of the Euro encouraging European visitors to the UK. It may also indicate the reluctance of domestic visitors to stay overnight, perhaps choosing more day trips instead in the UK due to the Credit Crunch.

Self-Catering Occupancy Comparison Data
June 2007/8

	Average Stay	Net unit occupancy	Average Party size	% UK residents	% Overseas residents
Average June 2007	7.1	66.4	3.0	62.7	37.3
Average June 2008	7.1	65.1	2.9	56.9	43.1
% change from 07/08	No change	1.3% Down	3% Down	5.8% Down	16% Up

Confidence – Accommodation Providers overall

The new Kent accommodation **Quarterly Confidence Survey** for March to June 2008 was sent out by Visit Kent directly to accommodation providers from all sectors. The respondents were from a good spread of locations but urban accommodation providers were less well represented than coast or rural. The survey revealed the following information:

Accommodation business performance June 2008 compared with June 2007

Location	Performance Up	Performance Same	Performance Down
Rural	67%	22%	11%
Urban	50%	0	50%
Coastal	31%	15%	54%
Kent	46.1%	15.4%	38.4%

Rural accommodation providers seemed to be experiencing better performance than their urban or coastal counterparts. Over half of urban and coastal businesses stated their business performance was down this year. This pessimism follows through into the expectations for the next quarter, again particularly in the urban and coastal businesses, but less so for the rural businesses who remain relatively positive.

Accommodation providers' expectations for business for the next quarter July to September 2008

Location	Expectations Up	Expectations Same	Expectations Down
Rural	44%	44%	12%
Urban	25%	25%	50%
Coastal	23%	23%	54%
Kent	31%	31%	38%

Industry concerns - accommodation

The top three concerns for accommodation providers are the same as those for attractions.

Top three concerns for the accommodation providers
1. UK Economy
2. Weather
3. Exchange Rates

Positive factors affecting Kent accommodation business performance	Negative factors affecting Kent accommodation business performance
Kent Downs AONB	Fuel prices
Good advertising, good agents	Dollar exchange rate
Coach numbers up	People taking shorter breaks
Conference and events, and study centre	Media talking us into a recession
Increase in overseas visitors	Credit Crunch
Repeat visitors	Not enough attractions
Little local competition	Redundancies and job threats
Lovely beaches	Traffic and crowding
Exchange rate making it expensive to go abroad	Late bookings
Leisure business up	Corporate business down

National Data - United Kingdom Occupancy Survey – Source Visit Britain

Due to the more prompt feedback now available from Kent businesses, national data will be reported retrospectively as it is not available as frequently as our local data. In this respect, the United Kingdom Occupancy Survey is likely to be reported one month in arrears. As the January to May 2008 information has not been reported yet in our Business Barometer due to the changeover of system, please find an update below.

Month	UK bedspace occupancy	% change from 2007	UK room occupancy	% change from 2007
January 2008	28%	5% down	44%	3% down
February 2008	36%	3% down	54%	1% up
March 2008	39%	2% down	54%	2% down
April 2008	41%	6% down	58%	2% down
May 2008	49%	2% down	65%	1% up

Carrier News

Kent

Figures from the Port of Dover for June show that there has been a downturn in cross channel traffic compared to 2007, in particular coach traffic dropped during June. This may be due to the hike in fuel prices and the Credit Crunch settling in. A fall in coach business has been noticed by a number of Kent attractions, particularly in cancellations of future business due to inability to fill coaches.

JUNE	2008	2007	% CHANGE
Passengers	624,999	700,363	Down 10.1
Car	130,376	140,125	Down 4.8
Coaches	5320	6,161	Down 13.6

Tourist Information Centres

Visitor figures at TICs were a mixed picture with urban TICs suffering the worst results overall, being down 25%. The rural TIC figures include particularly positive results for Sevenoaks and Faversham. Coastal TICs results ranged from 20% down to 39% up.

Visitor numbers at Kent TIC's June

TIC's	% change 2007-8
Coastal	Up 3%
Urban	Down 25%
Rural	Up 25%
Kent overall	Down 14%

Overall the positive factors affecting the TIC's were Euro exchange rates encouraging overseas visitors to the UK, and discouraging domestic visitors from leaving the UK. Individual TIC's cited cruise business, weather, particular events, publicity from TIC closure, and new National Express agency contracts as having a positive effect on visitor numbers.

Negative factors cited were the decline in coach business, the Credit Crunch, building work, and events not being as successful as in previous years.

Nationality of TIC visitors

All TIC's, except Canterbury, catered mainly for the Domestic market, with European visitors second, and long haul visitors third. The table below shows the average % of visitors from each visitor group for June 2008.

% Domestic Visitors	% Long Haul Visitors	% European Visitors
71%	11%	18%

Other News

We are pleased to confirm that we are also in receipt of the **Day Visitor Research** from Tourism South East, and it is posted on our website and can be accessed using the following link

http://www.ktanet.co.uk//visitkentresearch/dayvisitorresearch.aspx

We hope you appreciate the new version of the Business Barometer, but would be pleased to receive your comments. Please feedback to Tracey Parker, Marketing Intelligence and Research Manager at Visit Kent, tracey.parker@visitkent.co.uk (01227) 862792 if you have any suggested improvements for the style or content of the new Barometer.