

2009 TOURISM BUSINESS SURVEY

Extra Wave - Advance bookings

*Completed by Strategic Marketing
on behalf of Visit Wales
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1. Executive Summary

Advance bookings by period

- 1.1 Overall across the five upcoming major periods, advance bookings are down on last year. It is hard to tell at this stage whether these periods will actually be quieter than last year, or whether people are just leaving it later to book.

Advance bookings by sector

- 1.2 There are significant differences by sector. The camping & caravanning sector is seeing an increase in advance bookings for Easter, with two in five (38%) reporting increased advance bookings and fewer than one in six (16%) reporting a decrease.

Advance bookings by visitor type

- 1.3 Advance bookings from overseas visitors are greatly reduced. One in ten (9%) report an increase in bookings from this group, whereas half (52%) report a decrease.
- 1.4 Advance bookings from business visitors are also down. Only a minority (3%) report an increase in bookings from this group, whereas two in five (39%) report a decrease.

Impact of credit crunch

- 1.5 On the positive side nearly two in five (18%) operators say that more people are holidaying in the UK. This is especially noticed by caravan & campsites, who say that many people are looking for a cheaper way of having a holiday.
- 1.6 On the negative side more than one quarter (28%) say that people are taking shorter holidays. One in seven (14%) say that people are leaving in until the last minute to book, and this could explain why advance bookings are down across the year.

Action in response to effect of credit crunch

- 1.7 Nearly half (44%) of those experiencing negative effects of the credit crunch are responding by making offers and discounts and a further proportion (13%) are holding their prices. About half (44%) are doing nothing.

2. Research Background

Objectives

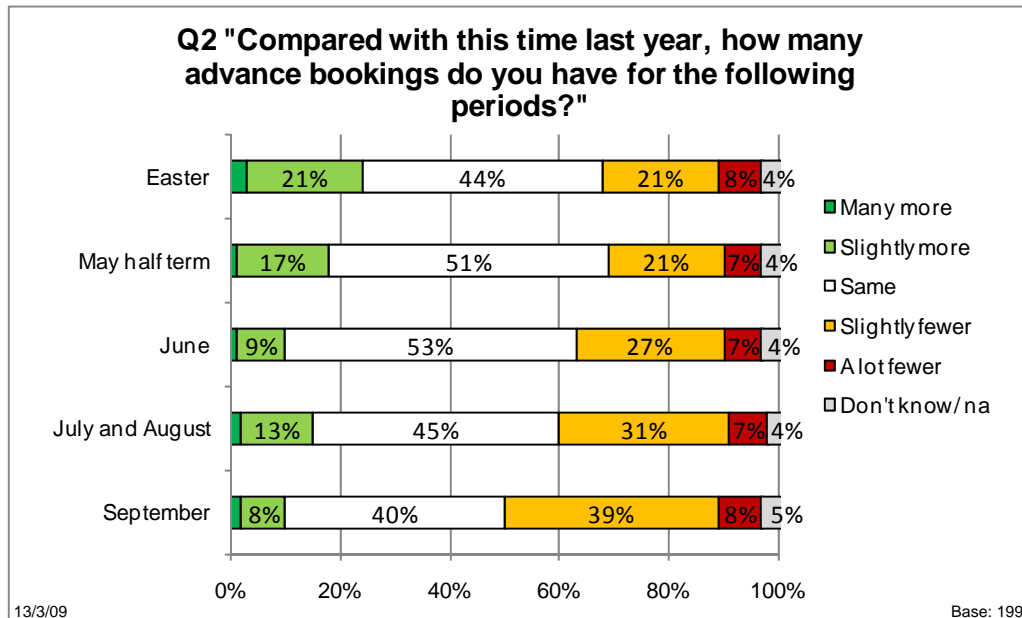
- 2.1 This survey is part of the 2009 'Tourism Business Survey', which aims to measure business confidence in the Welsh tourism industry and performance over the main holiday periods.
- 2.2 This wave has been commissioned especially to measure advance bookings and the effect of the credit crunch, as the tourism industry is facing challenging times.
- 2.3 The main objectives of this 'extra wave' are to measure:
 - Advance bookings for Easter, May half term, June, July & August and September 2009;
 - Change in bookings for different types of visitors;
 - Perceived effect of the credit crunch;
 - Action in response to effects of credit crunch.

Methodology & Sample

- 2.4 In all, 200 telephone interviews have been conducted with business owners or managers between 9 and 12 March 2009. The table below shows the number of interviews by region and sector. Attractions have been excluded from this wave as it focuses mainly on advance bookings.

	North Wales	Mid Wales	South West Wales	South East Wales	Total
Serviced	24	20	20	16	80
Self Catering	26	21	19	14	80
Campsites	12	10	10	8	40
Total	62	51	49	38	200

3. Advance bookings by period



- 3.1 Overall across the five upcoming major periods, advance bookings are down on last year. It is hard to tell at this stage whether these periods will actually be quieter than last year, or whether people are just leaving it later to book. This is highlighted by the fact that the figures decline in the later periods.

"It's just a lack of bookings, it could go either way, we could end up being fully booked last minute or we could have bad weather and be really quiet"
Self-catered, North

"I'm finding that I am booked up in the closer months but not so for further down the line. I think people are just waiting to see what the weather is going to be like and seem to be shopping around for prices first"
Self-catered, North

"We are booked up in the closer months but not so further down the line because I am finding people are not booking in advance"
Self-catered, North

"Finding that a lot of people are waiting for the weather and will book closer to the time. I'm sure we will have a last minute rush"
Serviced, South West

"I think it is a combination of the weather and people just not sure whether to go on holiday or not; people are just too scared to make a decision"
Self-catered, North

- 3.2 Some businesses mostly don't get bookings this far in advance anyway.

"I'm just a B&B and I don't advertise so to be honest I don't really get any advance bookings, I just get people who are passing through"

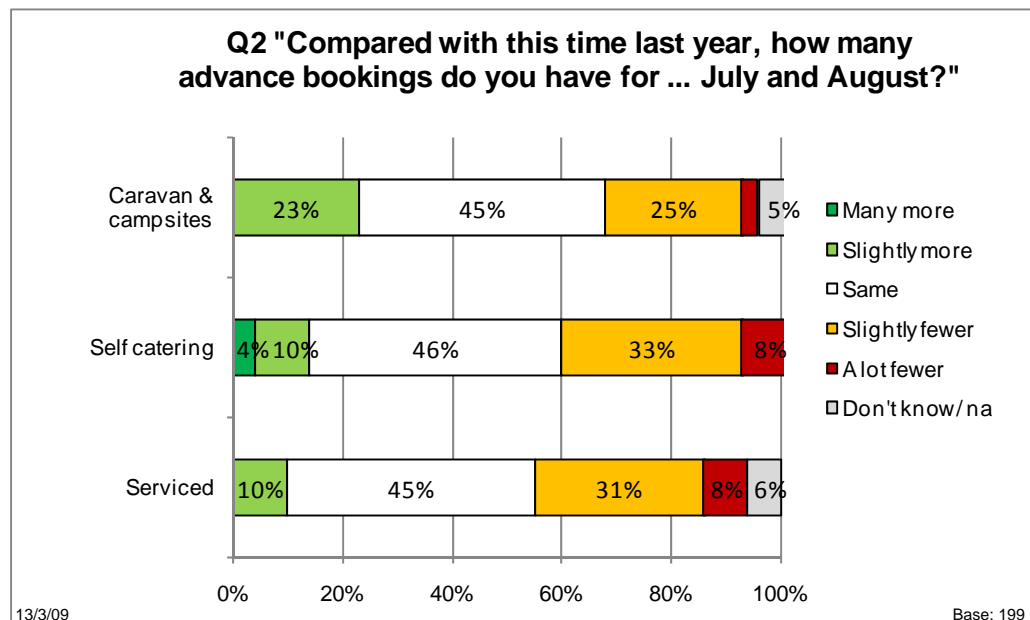
Serviced, South West

“A lot of guests book a couple of days before”
Serviced, South East

“Doesn't usually have a lot of advance bookings, normally people call a couple of days before”
Serviced, South East

“We don't get very many bookings, we just tend to get people turning up, and they are normally the regulars. We only have to turn people away in the bank holidays or at the very peak times of the year”
Caravan park, North

Differences by Sector



3.3 The outlook differs by sector. The above chart shows the breakdown by sector for the July and August period. These differences by sector are consistent across the other periods; the figures are available on request.

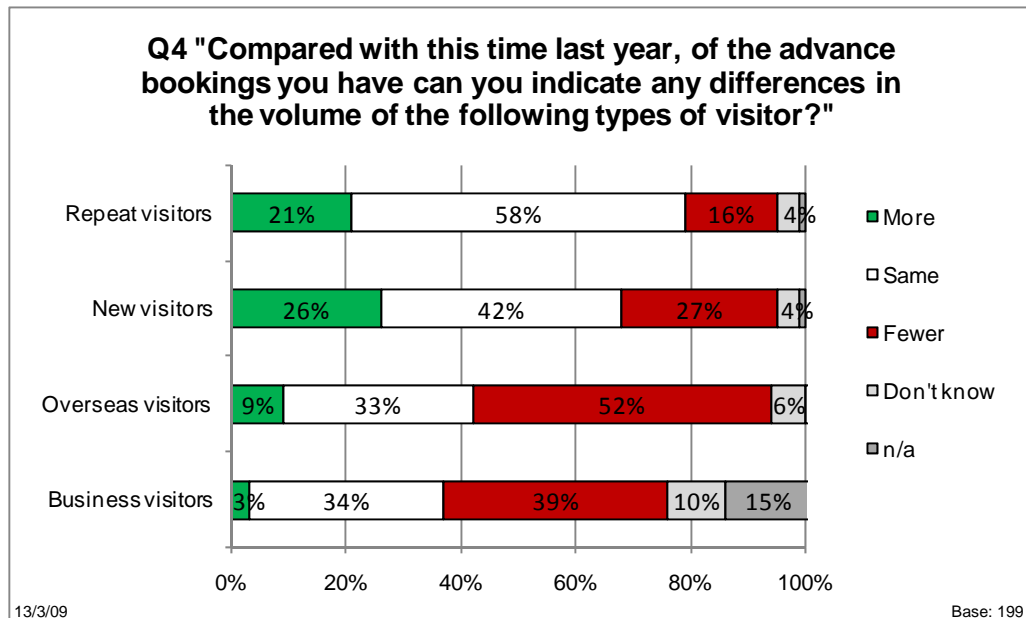
3.4 The outlook for the caravan & camping sector appears positive.

“We are a lot busier this year compared to last year. It's hard to try and pinpoint what type of visitor we have because we have over 200 pitches”
Caravan park, North

“I am finding that we are doing really well at the moment, both our camping sites and cottages are nearly full throughout the year”
Caravan park, South West

“We are doing well this year for advance bookings. Normally we just attract last minute bookings but much better this year”
Caravan park, South West

4. Advance bookings by visitor type



- 4.1 Bookings from repeat visitors appear quite stable, and many operators have commented that this is the group that keeps them going during difficult times.
- 4.2 Bookings from new visitors are also stable; this would appear to contradict the findings in Q2 that advance bookings overall are down. The reason is that Q2 asked about specific period starting from Easter, which is still four weeks away, whereas here bookings in March are taken into account. This supports the expectation of some that actual visitor numbers may turn out to be stable this year, it's just that people are booking very late.
- 4.3 There has been a large decrease in bookings from overseas visitors, with half (52%) reporting a decrease in advance bookings from this group and only a minority (9%) reporting an increase.
- 4.4 Bookings by business visitors are also significantly down. For many operators this group is not applicable, for example if they are based in a rural area.

"I am finding that in the whole area, business people are not coming down Monday to Friday like they used to"
Serviced, South West

5. Impact of Credit Crunch

Q5 “What effects do you think the credit crunch is having on your business”	
Negative – people taking shorter holidays (7+ nights)	28%
Negative – people taking fewer breaks (less than 7 nights)	28%
Positive – more people holidaying in the UK	18%
No significant effect	17%
Negative – people taking fewer holidays	17%
People not booking in advance	14%
Unable to judge	10%
Negative – people spending less on arrival	8%
Negative – cancelling of trips	6%
Other	9%

13/3/09

Base: 200

- 5.1 There are mixed effects of the credit crunch. Some (28%) operators say that people are taking shorter holidays.

“A lot more last minute bookings and shorter stays”
Self-catered, Mid

“More last minute enquiries for shorter stays”
Self-catered, South West

“I am finding that with the credit crunch, more people are just taking shorter breaks rather than a week or two week holiday. It is very quiet in the week but picks up from the Friday onwards”
Serviced, North

“We are finding people are only taking 4 day holidays instead of 7 days, but because of that we are able to fit people in for the other 3 days, so we are no worse off”
Self-catered, North

“Offers on short stays are bringing in bookings which balance out decreased bookings of longer stays”
Self-catered, South West

- 5.2 On the positive side, there is evidence that some British holiday makers are opting to stay in the UK rather than go abroad like they normally would.

“I am finding that a lot more people are staying in this country for their holidays”
Caravan park, North

"It is having a strange effect because I am finding more people are taking holidays in the UK but at the same time no-one is willing to book in advance until it gets closer to the time"

Caravan park, Mid

"Both positive and negative. I am finding people are booking less in advance but I seem to be getting more new visitors who say they normally go abroad"

Caravan park, Mid

"I think it is a positive because I am getting more bookings but I am also finding that people are not booking in advance and just closer to the time"

Self-catered, South East

- 5.3 There is lots of evidence that people are reluctant to book in advance, hence the reason why advance bookings are generally down.

"Not many people are advance booking; people are just tending to come when they can or book about 2 weeks in advance"

Serviced, Mid

"I am finding people are waiting until the last minute to book to try and see if they can get last minute deals"

Serviced, South West

"I'm finding not many people are booking in advance compared to last year and with the really bad weather in January and February it has been pretty bad"

Self-catered, North

"I am finding that people are booking closer to the date they want to come rather than booking in advance"

Self-catered, South West

- 5.4 About one in six (17%) operators still believe the credit crunch is not affecting them and a further one in ten (10%) say they are unable to judge.

"Credit crunch is not affecting us, it is just the poor weather we have been having"

Caravan park, South East

"It hasn't made a difference yet but we'll have to see after the summer"

Self-catered, Mid

Differences by Sector

Q5 “What effects do you think the credit crunch is having on your business”			
	Caravan & campsites	Self catering	Serviced
Negative – people taking shorter holidays	15%	16%	45%
Negative – people taking fewer breaks	5%	24%	40%
Positive – more people holidaying in the UK	28%	19%	8%
No significant effect	15%	19%	14%
Negative – people taking fewer holidays	8%	14%	20%
Unable to judge	15%	10%	4%
People not booking in advance	18%	13%	10%
Negative – people spending less on arrival	5%	4%	13%
Negative – cancelling of trips	5%	1%	10%
Other	9%	11%	7%

13/3/09

Base: 200

- 5.5 The effect of the credit crunch appears to be more positive in the caravan & camping sector and most negative in the serviced sector.
- 5.6 Some caravan & campsites are expecting to have a good year as holidaymakers search for cheaper holidays.

“We are a tenting holiday, so financially we are the cheapest holiday anyone could go on, so with the way things are at the moment it is suiting us really well”
Campsite, North

“I think it is a positive because I think this year everyone wants to have a cheaper holiday so I think the caravanning industry will be very busy this year”
Caravan park, South East

6. Action in response to credit crunch

Response to positive effects

- 6.1 Many operators who are benefiting from the credit crunch say they are not doing anything different from before.

“We are not doing anything different, we are just finding more people are taking holidays in the UK rather than going abroad”

Caravan park, North

“Nothing - we are just keeping it the same and finding that more people are just taking holidays in the UK”

Caravan park, Mid

“We are just finding that because people aren’t going abroad they are staying local and we are benefiting from it”

Self-catered, North

- 6.2 Some are holding their prices.

“We have frozen our prices from last year”

Caravan park, North

“We have just kept our prices the same where I think a lot of other people have been increasing them”

Caravan park, North

- 6.3 Other interesting comments include:

“We are a members club, so we are just trying to increase the number of members”

Caravan park, North

“We have had a refurb on the place last year and are getting get reviews through our website, which is attracting a lot of new customers”

Caravan park, Mid

“I would be able to capitalise if I could have more planning permission”

Caravan park, South West

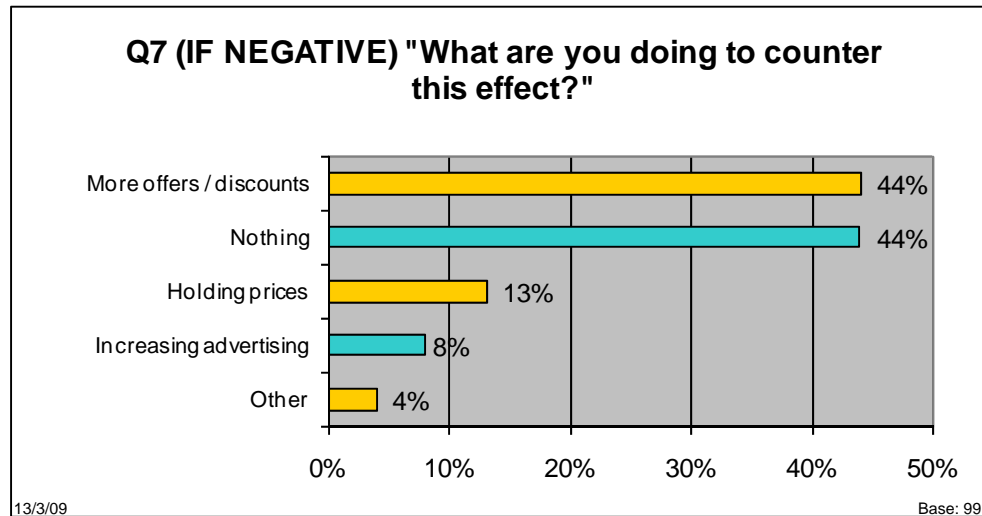
“Has put prices up in response to increased bookings”

Self-catered, South West

“We have had a massive refurbishment. We have doubled the size of our place, so we are very busy at the moment”

Self-catered, South East

Response to negative effects



- 6.4 Nearly half (44%) of those experiencing negative effects of the credit crunch are responding by discounting their prices and giving special offers. This is in response to many enquirers searching for deals.

"We are doing a 3 for 2 deal where if you buy a meal, you can have cheaper rates for your room. Also I am finding that more and more people are trying to question you about room prices and trying to get things a lot cheaper"

Serviced, North

"I am finding that more people are trying to get cheaper rates or discounts but as I'm a B&B I am finding more people just tend to turn up rather than book in advance"

Serviced, Mid

"We have just brought down our prices a little to try and get people to book early but I think a lot of people will stay away until closer to the time they want to go on holiday"

Self-catered, Mid

"Charge less than previous owner to try and bring people in. Still negotiate on cost"

Self-catered, South West

- 6.5 Many (44%) businesses are simply doing nothing to help themselves. Some are putting their faith in the sun coming out and others seem to have given up.

"To be honest, I am 64 and will be retiring soon so it doesn't really make a difference that I'm not getting the business"

Serviced, North

“We are finding people are just looking for last minute bookings/deals, which could be a good thing but only if we get the weather, otherwise we will struggle”

Caravan park, Mid

“Nothing much, we are just waiting to see whether people come last minute. If they don’t then we will start thinking about changing a few things”

Caravan park, Mid

“We are just hoping for the sun to start shining again. When it does, people tend to pick up the phone and make enquiries”

Caravan park, South West

“If I gave you £500 would you go to Spain for a week where you have a very good chance of getting sun, or would you spend a week in a cottage in Wales?”

Self-catered, South East

“We’re just trying to keep our heads above water at the moment”

Serviced, North

6.6 Some businesses are holding their prices.

“We are just keeping our prices the same as last year”

Caravan park, South West

“Having to keep prices the same”

Self-catered, North

6.7 Other interesting comments include:

“We are mainly a business hotel but we are trying to be a bit more flexible for the customers and seeing what suits them”

Serviced, South West

“Had a website made to counteract climate which has increased business”

Serviced, South East