

Introduction

Welcome to Yorkshire runs a quarterly Business Performance Monitor and this report illustrates the findings from **January to March 2009**, providing a snapshot of industry performance during this period. A total of **297 businesses** took part in Quarter 1 this year, with a **cross section of the industry** represented in the sample, including a mix of accommodation providers, attractions, retail outlets and restaurants/pubs/café's.

A Regional Overview of Trends

Serviced Accommodation

Average bed occupancy figures for Yorkshire in Q1 2009 remained in line with the UK average.

Self-catering accommodation

Unit occupancy was down slightly in January of Q1 2009, but had gradually increased during the quarter, with February showing an increase of 33% on January 2009.

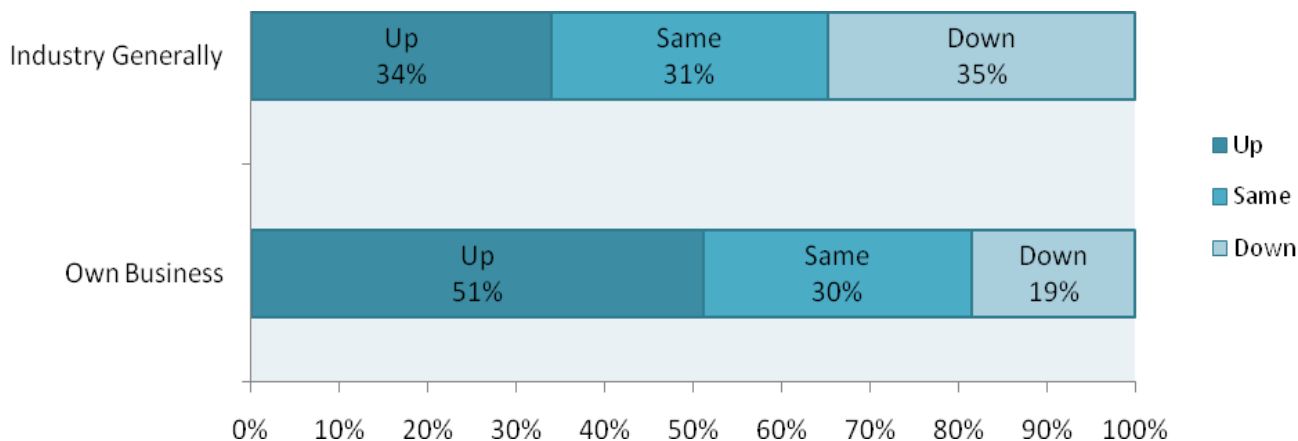
Visits to Attractions

Performance was strong at the beginning of Q1 with two thirds (66%) of participating attractions reporting an increase in January compared to 2008. Overall, two fifths of attractions reported month on month increases in visitor numbers during February and March 09. Positively, March visitor numbers for outdoor attractions were up 23% compared to 2008 despite Easter being in April this year.

How's Business Survey Results (Jan-Mar 2009)

Business Confidence is Up

On the whole people were more positive about their own business. A quarter of respondent's state they felt better about their business expectation over the next three months compared to the same period a year ago. What's more, this was a significant increase on the previous quarter, up from 25% in Q4 of 2008.



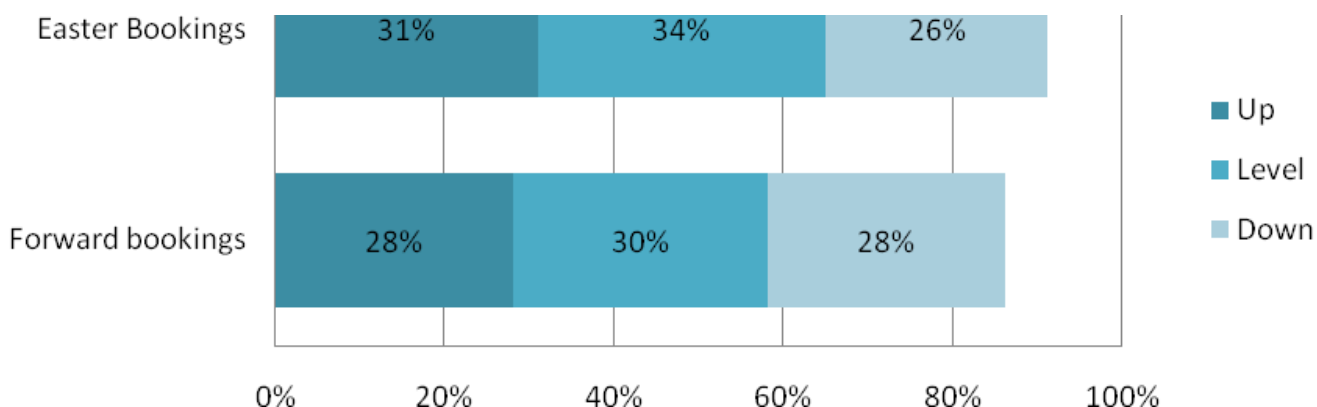
N.B. Figures have been rounded to the nearest whole percentage

Within the individual sectors, the serviced accommodation sector was the most positive about their own business performance, followed closely by the non-serviced sector.

In general, half of responding businesses felt better about their own business performance for the next three months (April to June 09).

Forward Bookings – Some businesses experience a boost

Looking forward, 28% of businesses said bookings were up for next quarter compared to the same period a year ago, while 30% felt they were level.

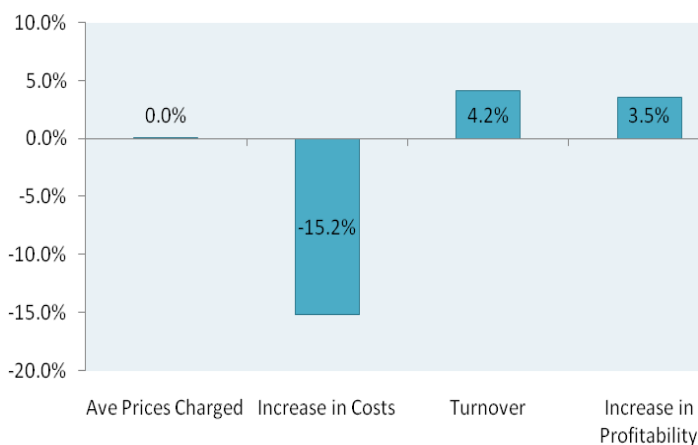


When asked about bookings for the Easter bank holiday, 31% of businesses said bookings were up for Easter holiday period.

Business Performance – Prices remain level

Just under half of responding businesses in January 2009 reported profitability had increased or remained level during the last quarter. In February this increased to over half of responding businesses stating profitability was up or level and in March 2009, just under two thirds of respondents felt profitability was up or level, continuing the increasing trend on the previous three months.

Overall, 26% of tourism businesses reported an increase in profitability in Q1 of 2009, compared to the same period the previous year. These results show some resilience to the ongoing economic situation. What's more, the majority of businesses have kept their prices stable throughout the reporting period, with no major increase or decrease indicated.



% change in those reporting an increase in the following:

Encouragingly, compared to last quarter (Q4 2008), the total number of businesses reporting an increase in profit increased 3.5%, with the average price charged remaining the same, turnover also increased 4.2% on the last quarter of 2008.

N.B. Figures have been rounded to the nearest whole percentage

Market Trends – Domestic market remains strong

Overall, 31% of businesses felt visitor numbers were up in Q1 2009 compared with the same period a year ago, mainly attributed to the strength of the domestic visitor market. Meanwhile 11% of businesses felt overseas visitors were up on the previous year. In the business and group travel markets visitor numbers remained more stable with the majority of businesses reporting no change.

Over two thirds of businesses indicated returning visitors/repeat bookings as having a positive impact on business performance in the last quarter. Also playing a significant role in increasing performance was refurbishment and investment in facilities, increased business marketing and advertising spend and the weather. It was generally felt by 22% of respondents that there was more visitors/trade to the region in general, more so than the previous quarter.

Positive Impacts on Performance (Top 5)	
Returning customers/repeat bookings	70%
Refurbishment/investment in facilities	26%
More visitors/trade to the region in general	22%
Increased business marketing/advertising spend	21%
Weather	19%

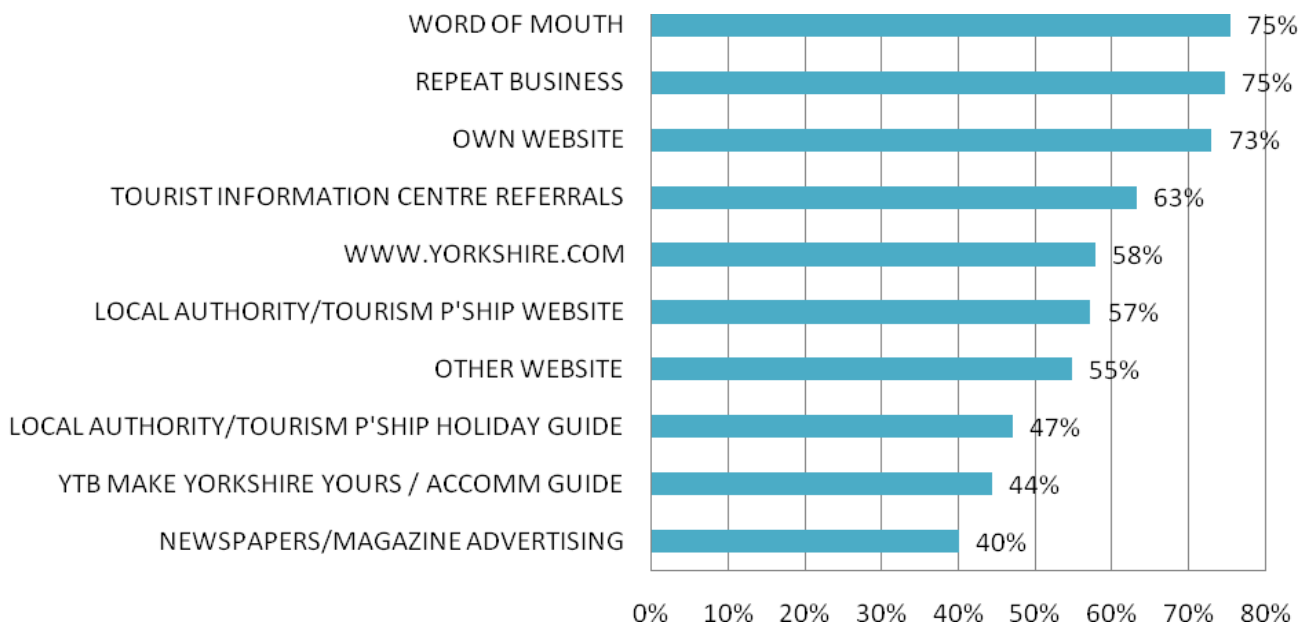
Top five positive impacts in Quarter 1 2009

The most common factor limiting business performance last quarter was a general decline in consumer spending, noted by two thirds of participating businesses, while lack of visitors/trade to the area in general, high fuel prices, increases in business costs and the weather affecting just over a third of the businesses taking part.

Factors Limiting Performance (Top 5)	
General decline in consumer spending	62%
Lack of visitors/trade to your area in general	44%
High fuel prices	36%
Increase in business costs	36%
Weather	36%

Top five limiting factors in Quarter 1 2009

Marketing and Promotions – Online marketing is most effective



The most common form of marketing activity undertaken during the first quarter of 2009 was via businesses own websites. This was also reported to be the most successful marketing channel used, scoring an average 4.1 out of 5 for effectiveness. Repeat business and word of mouth continued to remain important marketing channels, as were referrals from tourist information centres.

Nearly half of responding businesses had invested in developing their website or investing in search engines during the first quarter of 2009, while 48% of respondents had offered special deals and promotions. Targeting previous customers was more favoured than targeting new customers, which is no surprise considering the volume of repeat visitors in the region (over 96% of visitors to the region state that they are likely or very likely to return).

Interestingly, offering reduced prices/discounts was more common (44% of respondents) than offering additional experiences (only 16% of respondents). However, recent VisitBritain research suggests that holidays are still important for most people and that following a decline spending power, consumers are now seeking to add value to their holiday experience as a way of justifying their spend. Offering additional experiences can create a better sense of value for money without requiring a drop in prices.

When asked what steps they had taken to improve general business performance, updating/improving facilities was the most common answer, with 59% of businesses having undertaken some sort of refurbishment. Just over a third of businesses reduced their costs, while positively very few reduced their staffing level, instead working towards better organisation/management practices.

Further comments regarding steps taken to improve business performance included being awarded the silver award by Quality in Tourism.

When asked what marketing channels respondents would like which are not currently offered, respondents stated that more national and international advertising opportunities were required. In terms to what respondents were doing themselves to create marketing opportunities were, direct mail/e-mail shots and creating databases were the most popular methods used.