

Introduction

Welcome to Yorkshire runs a quarterly Business Performance Monitor and this report illustrates the findings from **April to June**, providing a snapshot of industry performance during this period. A total of **272 businesses** took part in Quarter 2 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/cafés.

National Picture

2009 - The year to holiday at home

New figures released today by Visit England from the United Kingdom Tourism Survey show that holiday trips taken by UK residents in England in the first six months of 2009 are up by 14%, while outbound travel saw a 17% drop. This amounts to 2.6 million more holiday trips and more than 9.1 million extra nights' holiday taken from January to June 2009 over the same period of 2008.

The research goes on to suggest that a 'lost generation' of young people confess to feeling almost embarrassed at the lack of knowledge of their own country. While older groups cited unfavourable exchange rates as the trigger for sparking interest in rediscovering classic England hotspots, as well as seeking out 'off the beaten track' lesser known regions.

A Regional Overview of Trends

Accommodation Occupancy

During Q2 2009 the average room occupancy figures for serviced accommodation in Yorkshire remained in line with the UK average. Self catering occupancy levels also remained in line with Q2 2008. June 09 saw the highest percentage of overseas visitors for five years. This may be attributed to an increase in international marketing and overseas visitors benefiting from the lower exchange rate.

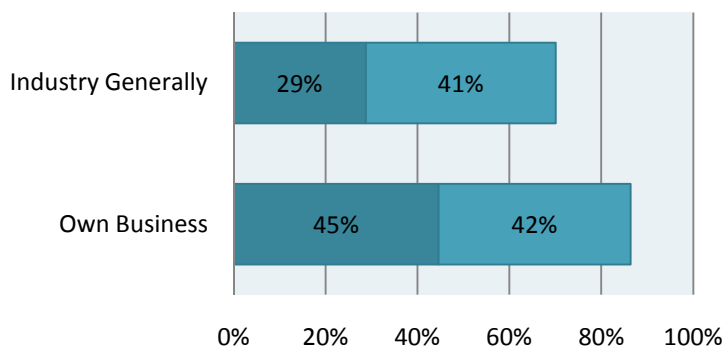
Visits to Attractions

Visitor numbers were up 12% in Q2 2009 compared to the same period a year earlier largely due to performance in April which recorded an average 33% increase in visits. This increase may be attributed to the Easter holiday being in April 09 rather than March 08. Positively visitor numbers have increased over the past three months compared to 2008.

How's Business Survey Results (April to June 2009)

Business confidence remains high during Q2

As in the last quarter, people had a positive outlook for their own business over the next three months and the majority (87%) anticipated their own business to be either better or the same when compared to the same period last year. Outlook towards the industry generally over the next quarter also remained highly positive, with 70% of the businesses expecting it to be either the same or better than the same quarter one year ago.



On the whole, 86% of all businesses expected their business performance to improve or remain the same over the next quarter (July to September 09), while 70% felt that the industry in general would improve or remain the same.

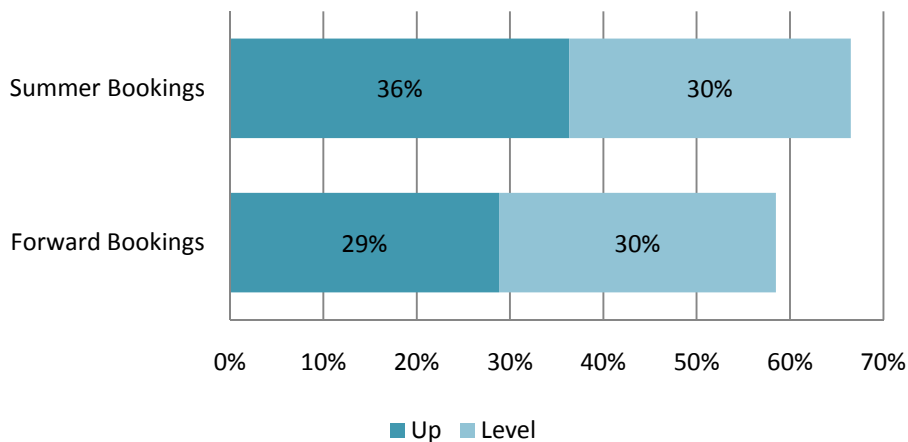
When looking at the individual sectors, the serviced accommodation sector (89%) were the most positive about their own business for the next three months, followed by the non-serviced accommodation sector (85%), continuing the trend from the previous quarter.

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

Boost in summer and forward bookings

Looking forward, 29% of businesses said forward 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 summer period, 36% of businesses said bookings were up from the same period last year. Respondents stated that the weak pound is generally felt to be having a positive effect in making the UK and Yorkshire a better value destination for UK holidaymakers and overseas visitors.



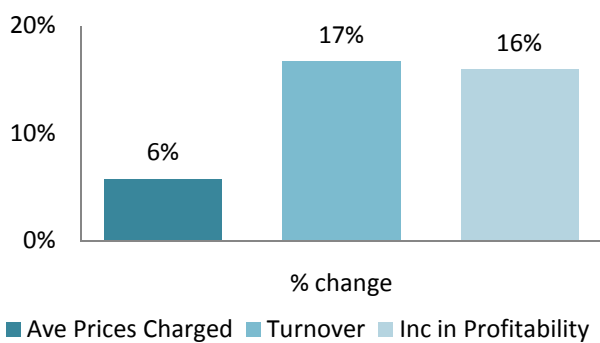
Quarterly consumer research by Visit Britain reported that visitors continue to take holidays, and despite the current economic climate, holidays are still considered important, and value for money tops the list as the most significant consideration in choosing a holiday.

Business performance is up across sectors

In total nearly three quarters of responding businesses in April 2009 reported that profitability had increased or remained level during the last quarter. This remained at above 70% throughout May and June 2009 as well.

On the whole 42% of tourism businesses reported an increase in profitability in Q2 of 2009 compared to the same period the previous year. These results reflect the positive impact of Easter and May Bank Holiday weekends, as well as numerous special events that have taken place across the region. What's more, half of the businesses reported an increase in turnover compared to the same quarter in 2008. Positively, 86% of the businesses reported that average prices charged were up or remained level to Q2 last year.

% change in those reporting an increase



Optimistically, when compared to Q1 2009, the total number of businesses reporting an **increase in profit was 16% higher** and the increase in turnover was 17% higher.

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

Market trends – domestic market continues to remains strong

Overall, just under half of all businesses felt visitor numbers were up in Q2 2009, compared with the same period a year ago, boosted by the high increase in domestic visitors as in the last quarter. Meanwhile 27% of businesses felt overseas visitors were up when compared to Q2 in 2008.

Positive Impacts on Performance (Top five)

Returning customers/repeat bookings	75%
More visitors/trade to the region in general	38%
Refurbishment/investment in facilities	29%
Events and Festivals	29%
Weather	27%

Top five positive factors in Quarter 2 2009

Three quarters of businesses indicated returning visitors and repeat bookings as having a positive impact on their business performance in the last quarter. More visitors and trade to the region in general were also considered to have an increasingly positive impact on performance by over one third of businesses, significantly more than in the previous quarter. Also playing a significant role in increasing performance was undertaking refurbishment and investment in facilities, special events, festivals and the weather.

The most common factor identified as limiting business performance last quarter was a general decline in consumer spending, noted by over half of participating businesses, while the weather, increases in business costs and high fuel prices were limiting the performance of around one third of the businesses taking part.

Factors Limiting Performance (Top five)

General decline in consumer spending	55%
Weather	38%
Increase in business costs	30%
High fuel prices	30%
Increased competition locally	24%

Top five limiting factors in Quarter 2 2009

Staff training

During Q2, positively just over half of all responding businesses took part or encouraged staff to take part in some form of training, a significant increase on the first quarter of 2009.

Types of staff training programmes

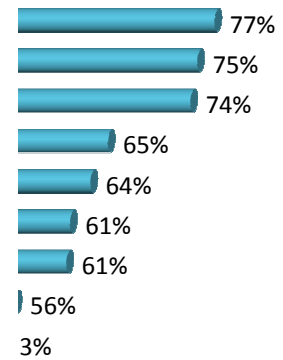
Health and Safety	12%
IT Training	9%
NVQ's	9%
Fire Training	8%
Customer Service	8%

Businesses reported that staff, including themselves took part in a range of training programmes including health and safety, IT training, NVQ's, fire training and customer service training. Other training courses taken part in during Q2 2009 include first aid, marketing, management training, Welcome courses and food hygiene.

National report – how welcoming is Britain to overseas visitors?

In a recent report by Visit Britain, the perception of how welcoming Britain is to the overseas visitor highlighted that visitors felt more welcome in Britain than they expected to – the reality of the welcome they received being better than the perception of it. The research highlights that consistently delivering a first-class welcome and a high standard of service is essential if we want to ensure that visitors make a return visit and recommend to family and friends. For more information [Visit Britain - Arrivals Summer 2009](#).

Marketing and promotions – online marketing is most effective



As in the first quarter of 2009, the most common form of marketing activity undertaken during the second quarter of 2009 was via a business' own website, used by just under three quarters of responding businesses. This was also considered to be the most successful marketing channel used, scoring an average 4.17 out of 5 for effectiveness. Repeat business and word of mouth continued to stay on as important marketing channels, as did referrals from tourist information centres.

Continuing the development from previous quarters, nearly half of responding businesses had invested in developing their website or investing in search engines during the second quarter of 2009. In total, 42% of businesses had offered special deals and promotions, a 6% drop compared to the first quarter.

Targeting previous customers continued to be 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 and recommend the area to someone else).

Notably, offering reduced prices/discounts continued to be more common (40% of respondents) than offering additional experiences (only 14% of respondents). However, offering additional experiences can create a better sense of value for money without requiring a drop in prices, according to research by VisitBritain. This was also highlighted by the impact of special events and festivals as mentioned previously.

In order to improve general business performance, updating/improving facilities was the most frequent answer, with over half of businesses having undertaken some refurbishment. In total 40% of businesses reduced their costs, while positively only few reduced their staffing level. Just under a third of businesses developed their business performance by working towards better organisation/management practices.

Further comments regarding steps taken to improve business performance included better market research/understanding the customers' requirements, improving service and starting to utilise an up to date forecasting.

When asked what marketing channels respondents would like which are not currently offered, respondents stated that more inexpensive national and international advertising opportunities were required along with more networking possibilities. In terms to what respondents were doing themselves to create marketing opportunities, a number listed marketing training courses as well as allocating a portion of the budget to advertising.