

Northumberland Visitor Economy Trends June 2011

Northumberland Visitor Economy Trends brings together county and national research on a quarterly basis to look at tourism business performance and issues which may have an effect on tourism in Northumberland.

Northumberland in Brief

1. Business Performance

Northumberland's visitor attractions saw visits fall by 6% during the first quarter of 2011 when compared to January - March 2010. This compares to a North East average of a 2% fall. The decrease was fairly uniform across all our attractions, although Wallington bucked the trend with a 25% increase.

Following on from a successful 2010 for B&B/Guesthouses, 2011 got off to a good start with average occupancy for Jan – May standing at 34%, up by 1% on the same period in 2010. This mirrors a North East average of a 1% increase.

Self Catering performance has not been as strong, following on the pattern from 2010 of decreasing occupancy levels in the sector. The period Jan – May saw unit occupancy down by 3 percentage point to 36%. This mirrors a North East average of a 3% decrease.

Hotel room occupancy remains unchanged at 59% over Jan – May, compared to the previous year. There are some signs of renewed confidence with forward bookings stronger than 2010 and some early rate recovery from the discounted rates of 2009 onwards.

2. Investment

The county's tourism offer has been further improved in 2011 with £14.7 million investment coming to fruition with a number of openings:

- **Vindolanda & Roman Army Museum.** A major development of the museum interpretation and site infrastructure at Vindolanda and the Roman Army Museum. This £6.3m development has enabled the Roman writing tablets to be returned from the British Museum to be displayed where they were originally written.
- **Berwick Granary.** A 46 bed YHA hostel, cafe and state of art gallery space in a historic building in the heart of the town.
- **Alnwick Youth Hostel.** 57 bed YHA in the heart of the town opened by the Queen.
- **Doxford Hall Hotel.** Extension of hotel into the oldest part of the building, offering 6 new bedrooms and meetings space.
- **Close House Hotel Golf.** Championship Golf course and new Club House opened after £2.5 million investment.
- **De Vere Slaley Hall Hotel.** Kielder Suite function rooms refurbished and relaunched.

3. Tourism Business Survey — January to March 2011

The latest regional (North East) how's business survey showed that 28% of tourism businesses felt performance was up between January and March 2011 when compared to the same period in 2010. 42% said that business was down while 30% said business remained the same.

More than half of the regions businesses responding to the survey felt the economic climate had a negative impact on their business between January and March 2011 with only 11% seeing a positive impact and 33% seeing no impact.

There is a fairly even split amongst businesses in their perception of how the 2nd quarter of 2011 will develop. 38% of businesses believe that performance will be up on April to June 2011, while 34% believe it will be down. The remaining 29% believe there will be no change.

Over 2/3^{ds} of caravan and camping & restaurants/ tea coffee shops are also feeling confident for the start of the summer season.

Source: Regional Tourism Business Survey 2011
Regional Tourism Team 2011

4. Wider Industry Trends and Research

The staycation trend to continue into 2011 - VisitEngland June 2011

The experience of the domestic holiday in 2010 was positive, with over 80% describing their experience as excellent or very good. Among those who took a domestic break instead of one they would normally have taken abroad, around two thirds agreed that they missed their foreign holiday – but at the same time just under half agreed that the experience had made them want to take more holidays in England in future. While this may seem contradictory, many people take more than one holiday a year, and so it is possible for someone to enjoy a domestic break enough to want to repeat the experience even while missing the foreign holiday that they can't currently afford.

While 2011 holiday behaviour is expected to be much the same as in 2010, consumers' expectations are that in the longer term, as the economy recovers, they will return to overseas holidays – but that this will not necessarily be at the expense of domestic travel.

Pessimism about the economy and about people's own financial situations has increased sharply over the past six months, and the degree to which consumer fears are realised will inevitably impact on leisure spending patterns in the coming months. The experience of holidaying at home was a very positive one which has increased the desire to take more domestic breaks.

Haven Holidays bookings up – e-tid June

Haven Holidays says bookings for its self-catering holiday homes are 5% ahead of

the same time last year, and touring holidays are 10% up on last year. Haven has announced record advance bookings for 2011, a sign of the continuing strength of the UK holiday market. Haven said the 2010 season had been its best ever for bookings and is looking forward to continuing growth in 2011 as more people opt to stay in the UK.

Mobile bookings on the rise – Travelmole June 2011

A survey by TripAdvisor has found that almost a quarter of those planning and booking a holiday will do so using a mobile device. 22% of respondents said they had used their mobile when organising a holiday, with 29% using it for researching or booking accommodation. 27% had researched destinations, 26% had read reviews while 23% researched restaurants. The survey found that Europe has a head start on the UK when it comes to mobile use for travel, with 27% of Europeans planning a trip using a mobile device as opposed to 22% of Brits. Meanwhile 39% of respondents had a travel app, 14% had written a review on their mobile and 15% had checked in to a place using the phone.

VisitBritain invests £100m into rekindling US love affair with UK – Travelmole May 2011

A four year marketing programme taking advantage of the Royal Wedding, the Queen's diamond Jubilee next year and the London 2012 Olympic Games, is expected to revitalise Britain's appeal to Americans. Although the US was the UK's biggest market it has slipped down to 3rd place behind France and Germany, however the US remains the most important market with Americans spending twice as much as the Germans.

Survey results show importance of social media in holiday decisions – Travelmole June 2011

According to a new poll by an online independent travel agency social media platforms play a large part in holiday makers' decisions about where to visit. Half of the 1,102 survey respondents use social media platforms to gain personal recommendations and reviews for their trips and 98% researched their destination and accommodation before booking. In terms of the method used to research their trips, 62% used reviews sites, 49% used social media and 26% were influenced by word of mouth.

Inbound visitors – VisitBritain

Figures produced by the Office for National Statistics reveal that inbound visits increased by 4% compared to the same period in 2010, with visitor spend 6% higher. IATA report annual growth in scheduled passenger air travel of 3.8% in March, down on growth rates from recent months due to the impact of the Japan earthquake and tsunami and the ongoing uncertainties across North Africa and the Middle East. In April BAAs six airports handled 31% more passengers than a year before, however the ash cloud of last April and changes in the number of bank holidays during April make meaningful comparisons difficult. However Heathrow and Edinburgh had their busiest April on record.

Economic Updates – Various Sources

The Bank of England held interest rates at 0.5% in April, with no change for 25

months.

UK economic growth during April to June will be slower than previously thought, with a 1% growth now predicted for the quarter. At the same time the Consumer Price Index inflation rate fell to 4% in March, from 4.4% in February.

The British Retail Consortium (BRC) has recorded its worst fall in sales since records began in 1996. Early sales in March were down 1.9% year-on-year, and like-for-like sales were down 3.5%. All sectors except footwear recorded a decline in sales. However, ONS figures for March 2011 showed retail sales up 0.2% compared to February, and a seasonally adjusted 1.3% up on March last year.

Report written by Northumberland Tourism with assistance from One North East.