Isle of Wight Tourism
Activity monitor

Tourism year
2003/2004

108.112

Caveat

All estimates contained in this report are based on research survey samples. Every effort has been made to produce accurate estimates but these are subject to statistical error. No warranty can be given as to the accuracy of information provided by interviewees.

All data is collected, processed and stored by an independent third party. All findings are based upon aggregated data and individual establishments' information remains confidential and is not disclosed. Original data will be destroyed.

This research is designed to provide estimates of visitors in a defined period. It is not within the scope of the current research to measure the number of visitors to a specific event which occurs within that defined period.

Some data included in this report is provisional data as this is written before final data has been released.

Terminology

Within this report the following definitions are used:

- passenger crossing: a one way trip either to or from the Isle of Wight
- visit or trip: a visit or trip is assumed to involve two crossings, one to the Island and one from the Island
- visitor: a visitor is assumed to make one visit or trip. Where one person makes two or more trips, they are counted as separate visitors
- domestic visit or visitor: a visit made by a UK resident.

Reporting periods

At the close of 1999, it was decided to use a new reporting year running from early September through to the end of the peak season. This means that businesses will now receive a full year report in November to aid their planning for the following year's business. This is referred to as the Tourism Year. The reporting periods for the tourism year 2003/2004 are:

- first quarter: post summer peak to end of calendar year: 1/9/2003 - 31/12/2004
- second quarter: January to two weeks before Easter: 1/1/2004 – 28/3/2004
- third quarter: two weeks before Easter to the summer peak: 29/3/2004-18/7/2004
- fourth quarter: the summer peak season : 19/7/2004 - 5/9/2004.

Contents

1. Introduction and overview

This report provides commentary on the Isle of Wight tourist industry for the tourism year 2003/2004 which ran from 1st September 2003 to 5th September 2004. Comparisons will be drawn with previous years.

Key international events that have influenced tourism markets over the last year included the Madrid bombing in March 2004 which shook public confidence in travel abroad; the threat of terrorism has continued at a lower level throughout the year and has regularly been in the news. On May 1st the European Union expanded to include 10 new member countries. This brought 752 million new citizens into the Union and allows freer movement between all countries. This is expected to increase inbound tourism from these countries. The budget airlines have continued to offer incredibly cheap deals. These make domestic holidays and short breaks in particular seem comparatively expensive.

International Passenger Survey* data for the year to the end of August illustrates a positive picture for UK tourism: visits to the UK made by overseas visitors were up by 9% versus the previous 12 months and 8% versus 2001/2002. Alongside this visits abroad made by UK residents increased by only 2% versus the previous 12 months and were 2% down on 2001/2002 (based on seasonally adjusted data).

When drawing comparisons with previous years, several significant events should be recalled. In order of recency these are the war and on-going conflict in Iraq, the outbreak of SARS in Asia in late 2002, the 9/11 attack in New York in 2001; the foot and mouth outbreak which halted travel to the British countryside for several weeks in spring 2001; the petrol crisis in autumn 2000, which brought the country to a standstill and impacted significantly on domestic tourism and the millennium celebrations which boosted tourism and travel.

Over the five years covered by this report, the economy has been fairly stable with low unemployment, low inflation and low interest rates. Mortgage repayments, compared to ten years ago, have remained fairly stable and at a relatively low level. However recently these have started to creep up and there is some evidence to suggest that these small increases have affected the growth in family travel both overseas and in the UK. There has been little change in the exchange rate against the Euro but the pound has increased against the US dollar by 13% over the year making the UK much more expensive for US visitors.

Opinions of tourism on the Isle of Wight for this year will probably be clouded by the poor peak summer season with wet weather and a fall in visitor numbers versus last summer. However spring was a particularly busy period with the Nokia Music Festival and the International Walking Festival both performing well. Across the whole tourism year of 2003/2004 there were almost 2.63 million visits to the Isle of Wight, arriving by ferry. This is an increase of 2.4% on last year and takes visitor numbers back to the level seen in 1999/2000. These visits are estimated to be worth £339 million.

There were over 850,000 holidays and short breaks (domestic residents) to the Island this year with an estimated value of £217 million.

There were 1.1 million day visits which generated £34 million.

Visits by overseas visitors were up by 16% versus last year.

The average length of stay was 4.4 nights but there was wide variation according to the type of accommodation used. Generally visitors in serviced accommodation had much shorter stays than those in self catering accommodation.

* The IPS is a sample survey carried out by the Office for National Statistics. Around 250,000 interviews are carried out per year representing 0.2% of all travellers as they enter or leave the UK.

2. Summary of key changes in 2003/2004 tourism year

Specific changes observed this year include:

- 2.63 million visitors arrived by ferry which is 2.4% up on 2002/2003, 4% up on 2000/2001 and now back to the level seen in 1999/2000. The growth in visitor numbers is due to an increase in:
  - overseas visitors: there were an estimated 180,000 overseas visitors, which is the highest number recorded in this survey and up by 16% vs. 2002/2003;
  - domestic staying visits: there were 1.4 million of these, which is up by 3.5% versus 2002/2003. The growth in these visits vs. last year has not been in the core tourism trips of holidays and VFR, all of which have remained relatively static, but in combined business and leisure trips plus other types of trips. (Other types of trips include house hunting, educational visits, sports events, religious events, funerals amongst a range of other reasons.)
- There were 347,000 short stay holidays/leisure trips lasting 1 – 3 nights. As noted in the point above, this is very similar to last year but it is a significant increase on the previous year (+15% vs. 2001/2002). Last year the increase in short breaks was attributed in part to the excellent summer weather attracting many people to the Island for last minute short breaks, therefore to maintain short breaks at this level is a significant achievement.
- Almost 450,000 people visited the Tourist Information Centres (+9% vs. 2002/2003; +17% vs. 2001/2002) and spend at the TIC's increased by 12% versus last year. However actual bookings made through the TIC's continue to decline.
- Occupancy figures are down slightly showing that serviced accommodation in particular has not benefited from the increase in visitor numbers this year. This is partly due to a shorter average length of stay and partly due to the increase in visitors coming for business/leisure trips and other types of trips who often use other types of accommodation. For example almost half those combining leisure and business stayed with friends or relatives; only a third of those on other trips used serviced accommodation.
- The Island has been successful in attracting a reasonable proportion of new holidaymakers. One fifth of those on a main holiday or a short break were new visitors to the Island. In addition to this, there have been many lapsed visitors returning to the Island after a break of five or more years (17% of main holidaymakers and 14% of those on a short break).

  A considerable proportion of day visitors who take a day trip to the Island as part of a main holiday on the mainland are new visitors to the Island and are a prime target to convert to staying visitors in the future.

  Alongside these new and lapsed visitors the Island continues to have a strong core of satisfied visitors who return to the Island regularly:
  - a third of those on their main holiday and almost a half of those on a short break had been in the previous 12 months
  - amongst leisure day visitors who take a trip from home, repeat visiting is common.
- Visits to attractions were down five points vs. last year and staying visitors are more likely to visit attractions than day visitors. The proportion of short break and holiday visitors who are repeat visitors to the Island plus the high proportion of regular visitors to friends and relatives illustrates the need for attractions to refresh regularly their offer in order to attract back these repeat visitors. There is also an opportunity to target these repeat visitors as a specific market segment in order to prevent the ongoing decline in visits to attractions.

3. Weather on the Isle of Wight

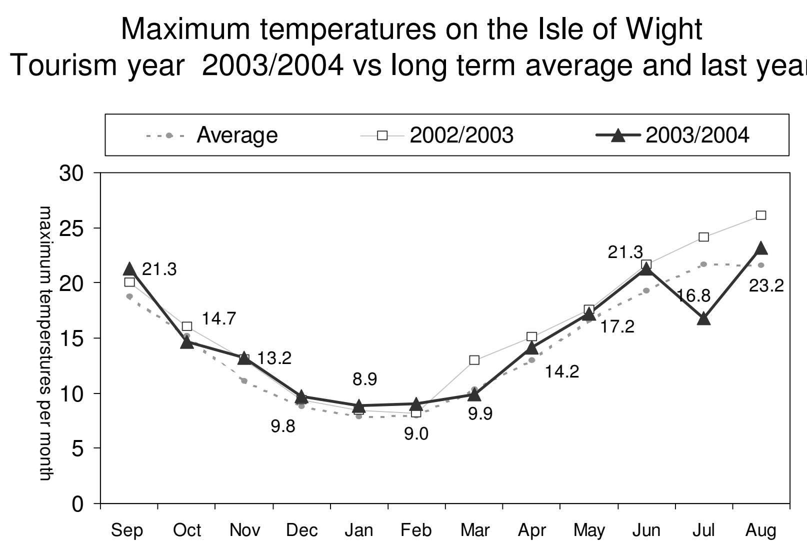
Continuous recording and reporting of weather is provided by Medina Valley Centre, Newport. Temperature, sunshine hours and rainfall can be compared with the long term average (1969 – 2000) to show whether the current weather is typical for the time of year.

The following charts show weather for the current year together with last year and the long term average.

3.1 Maximum temperatures

Recent memories of 2003/4 are affected by the summer peak season which was cooler and wetter than average but the remainder of the year was very much in line with the long term average and fairly similar to last year.

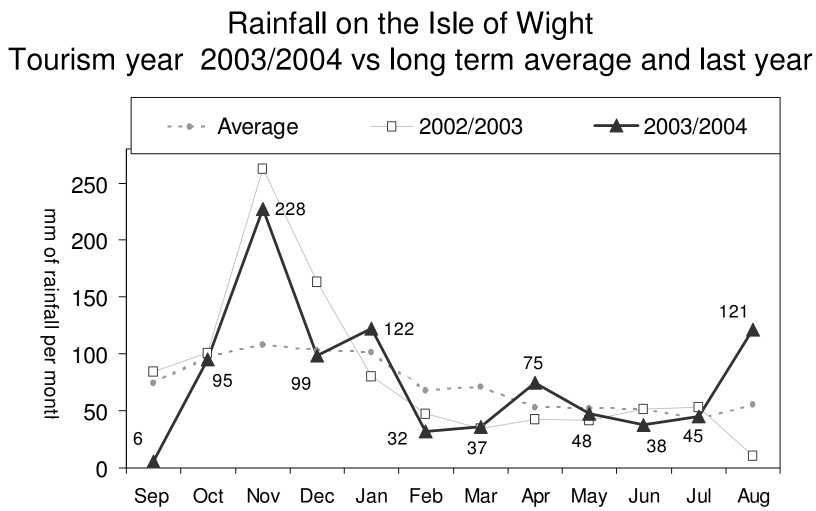
September 2003 temperatures were above average as the previous year's good weather continued into the start of this tourism year.



3.2 Rainfall

Total rainfall for the year reached 945mm, which was 7% more rain than the annual average, but, surprisingly, was just below last year's rainfall (by 3%).

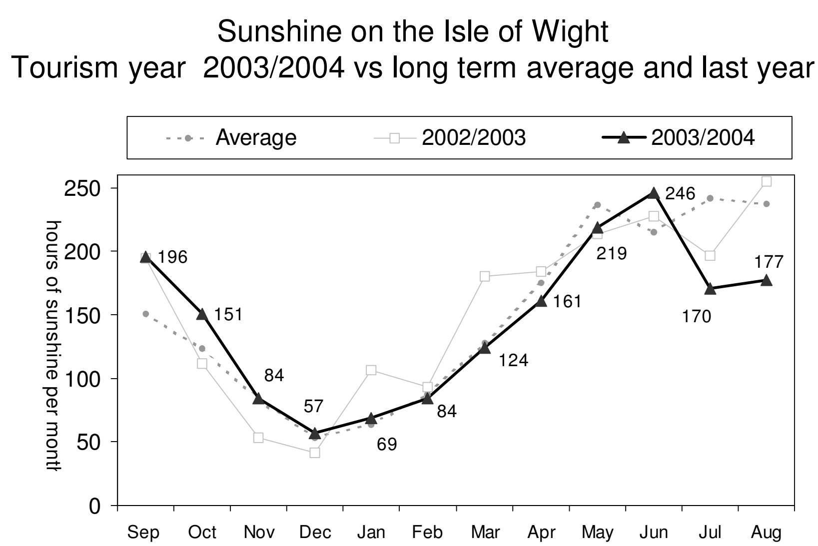
There were wide fluctuations versus the average: November and August were the particularly wet months with rainfall more than double the average expected for the month. January and April were also much wetter than expected. Conversely September, February and March were much drier than average.



3.3 Sunshine hours

Last year benefited from a long hot sunny summer, on the contrary 2003/2004 will probably be remembered for its extremely wet summer when sunshine hours were well below both the average and last year in July and August.

Across the year, however, the Island had 1737 hours of sunshine which is only 3% below the average and 6% less than last year. For the final 4 months of 2003 sunshine hours were ahead of last year but for most of 2004 there was less sunshine than last year.

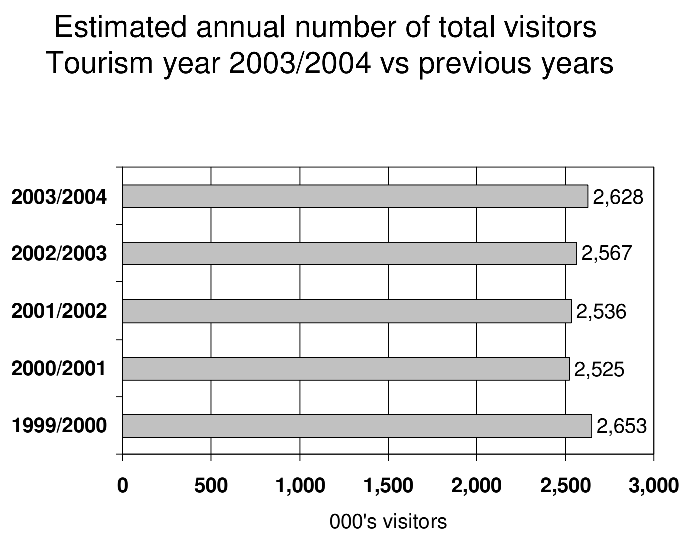


4. Visits to the Isle of Wight

4.1 Estimated visitor numbers

During the 2003/2004 tourism year over 2.6 million visits (arriving by ferry) were made to the Isle of Wight. These include both domestic and overseas visitors to the Island. The data in this report excludes visitors arriving by yacht due to the lack of and inconsistency of data available.

The number of visits this year is up an estimated 2.4% on last year and continues the upwards trend in visitor numbers since 2000/2001: visitor numbers are now 4% ahead of 2000/2001. Visitor numbers are now back at the level experienced in 1999/2000. The trend is shown in the chart below.

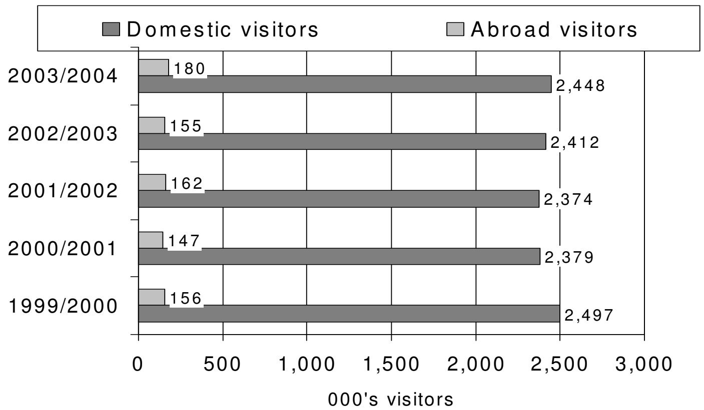


Domestic residents account for the majority of visits (93%): only a small percentage (7%) travel to the Island from abroad, as shown on the following chart.

It is estimated that visitors from abroad* reached 180,000 and are now are at the highest level recorded since this survey began. (See section 4.5, page 25)

*Estimated visitor numbers from abroad are based on small samples which will cause some fluctuation in the numbers.

Estimated annual number of domestic and abroad visitors
Tourism year 2003/2004 vs previous years



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4.2 Domestic visitors' type of trip

This section deals with the domestic market.

Visitor trips can be divided into day visits and staying visits. Whilst the proportion of each trip type varies considerably in each season, across the whole year just over half of all domestic visits are staying visits, a proportion which has remained static over the course of this survey.

This balance in favour of staying versus day visits is good news for Island businesses: spending by staying visitors is estimated to be over 8 times that of day visitors. (See section 6, page 37)

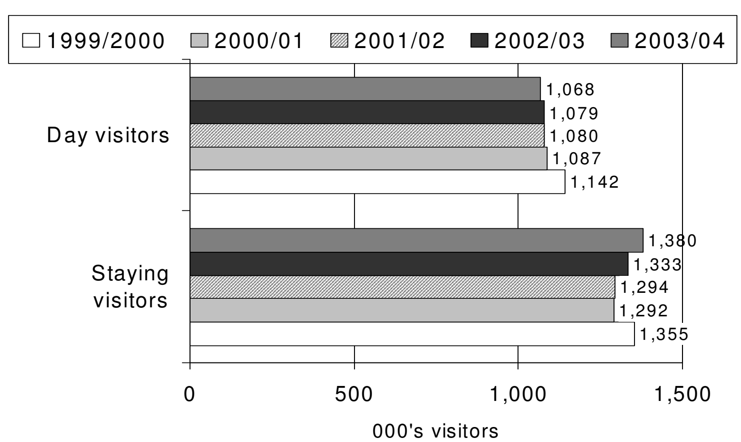
	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Day visitors	46%	46%	45%	45%	44%
Staying visitors	54%	54%	55%	55%	56%

The following chart shows the actual number of day and staying domestic visitors over time.

The number of domestic day trip visits has remained fairly constant over the last three years at just over one million visits. However this is down (-6%) on day visits in 1999/2000.

Conversely, over the last four years staying visits have increased; this year these reached 1.38 million domestic staying visits which is up by 3.5% on last year. This is the highest number recorded since the survey began in 1999/2000.

Estimated annual number of domestic staying and day visitors
Tourism year 2003/2004 vs previous years



4.2.1 Domestic day visits

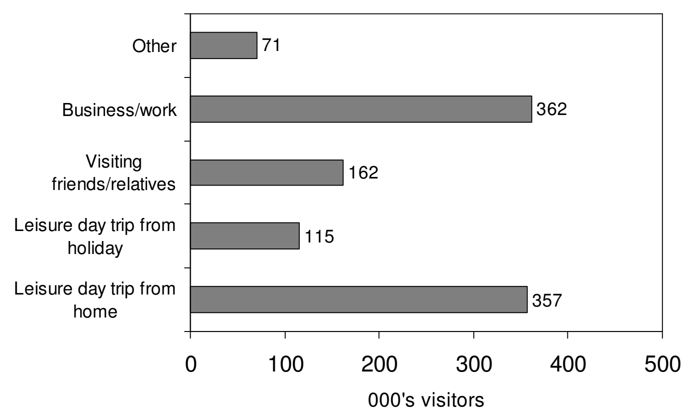
4.2.1.1 Domestic day visitors' type of trip

Further analysis of the domestic day visits shows the purpose of the trip. The chart below provides an estimate of the number of each type of day trip.

There were almost half a million leisure day trips (472,000) this year making this by far the most significant reason for making a day trip to the Island. Three quarters of these were made as day trips starting from home, the remainder being trips made by people whilst on holiday in the mainland area around the access ports.

Business travel was another important reason for visiting the Isle of Wight; this generated 362,000 trips. Visit to friends/ relatives generated 162,000 day trips.

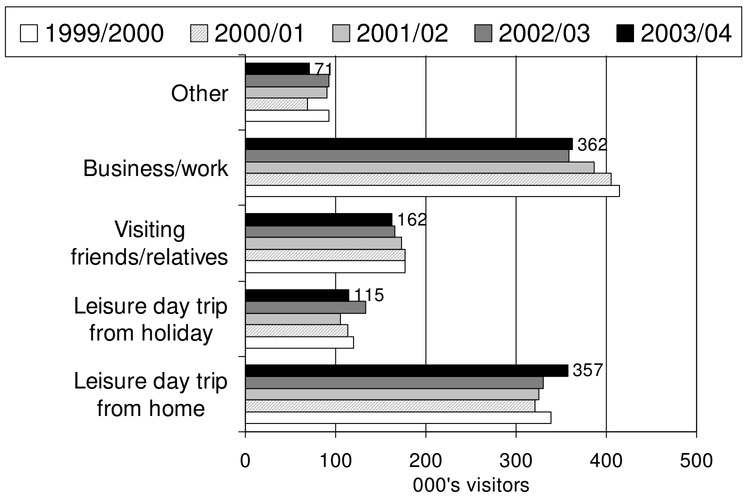
Purpose of day trips amongst domestic visitors
Tourism year 2003/2004



The following chart shows the trend over the last five years; leisure day trips which start from home increased over the last few years whereas the number of visits to friends and relatives has been gradually declining each year.

Business day trips declined slightly over recent years but this year are estimated to be at a similar level to last year.

Purpose of day trips amongst domestic visitors
Tourism year 2003/2004 vs previous years



4.2.1.2 Profile of domestic day visitors

In line with previous years, group composition reveals a strong bias towards adult only groups of visitors: 87% of day visitor groups comprised just adults and adult only groups dominated all day visitor types.

There have been no changes over time, as shown below.

	Adult only groups			Adult and children groups		
	2001/ 2002	2002/ 2003	2003/ 2004	2001/ 2002	2002/ 2003	2003/ 2004
All day visitor groups	85%	87%	86%	15%	13%	14%
Leisure day visitor (from home)	73%	78%	76%	27%	22%	24%
Leisure day visitor (whilst on holiday)	70%	75%	70%	30%	25%	30%
Visiting friends/relatives	80%	82%	80%	20%	18%	20%
Business or business/ leisure combined	99%	99%	98%	1%	1%	2%

4.2.1.3 Domestic day visitors' origin

The most important counties in terms of origin of day visitors to the Isle of Wight are shown on the table below. 2002/2004 is shown together with previous years. Percentage of day visits originating from each county is given to allow comparisons over time.

Hampshire remains the key source of day trippers; over half the day trippers came from this county, which equates to 570,000 visitors. West Sussex generated 7% of the day visits this year, which is an increase from this area and takes it ahead of Greater London, to second place. Dorset and Surrey follow Greater London. There has been little change in the volumes arriving from other counties.

County	Est'd % of visits 1999/2000	Est'd % of visits 2000/2001	Est'd % of visits 2001/2002	Est'd % of visits 2002/2003	Est'd % of visits 2003/2004
Hampshire	50%	52%	51%	51%	51%
West Sussex	6%	5%	6%	5%	7%
Greater London	7%	6%	8%	6%	6%
Dorset	7%	6%	5%	6%	6%
Surrey	5%	6%	5%	6%	6%
Wiltshire	2%	2%	3%	2%	3%
Berkshire	2%	3%	3%	3%	3%
Kent	2%	2%	1%	3%	2%
East Sussex	3%	2%	2%	2%	2%
Somerset (inc. Bristol)	2%	2%	2%	2%	2%

4.2.2 Domestic staying visits

4.2.2.1 Domestic staying visitors' type of trip

There were 1.38 million domestic staying visits, the highest number recorded since the survey began in 1999/2000. Domestic staying visits were 3.5% up on 2002/2003 and almost 2% up on the number in 1999/2000.

The estimated number of each type of staying trip is shown in the following chart.

The majority of all staying trips were for holidays/leisure visits (856,000) and these were by far the most important reason for visiting the Island.

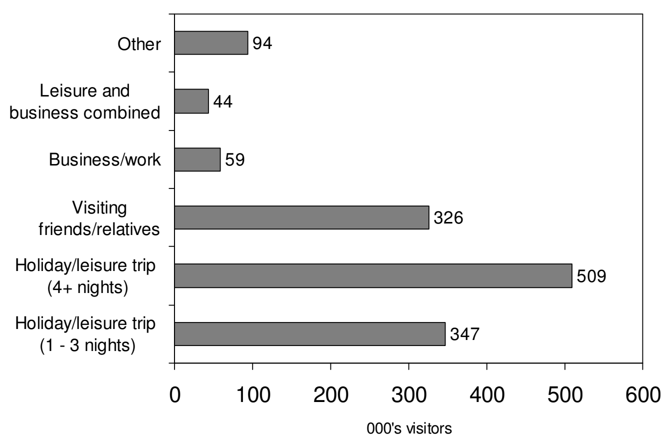
60% of holiday visits (509,000) were holidays lasting 4+ nights; short stays of 1 – 3 nights duration accounted for 347,000 visits.

Staying visits to see friends/relatives generated another 326,000 trips. This equates to 25% of domestic staying trips, however this is the number of trips for which the primary purpose is VFR. Other data reveals that 38% of domestic staying trips use friends and relatives for their accommodation. (See section 4.2.2.4, page 18)

Staying business trips, business trips combined with leisure were at a comparatively low level.

There were a significant number of other trips which includes house hunting, educational visits, sports events, religious events, funerals amongst a range of other reasons.

Purpose of staying trips amongst domestic visitors
Tourism year 2003/2004



Comparisons over time are shown on the following chart.

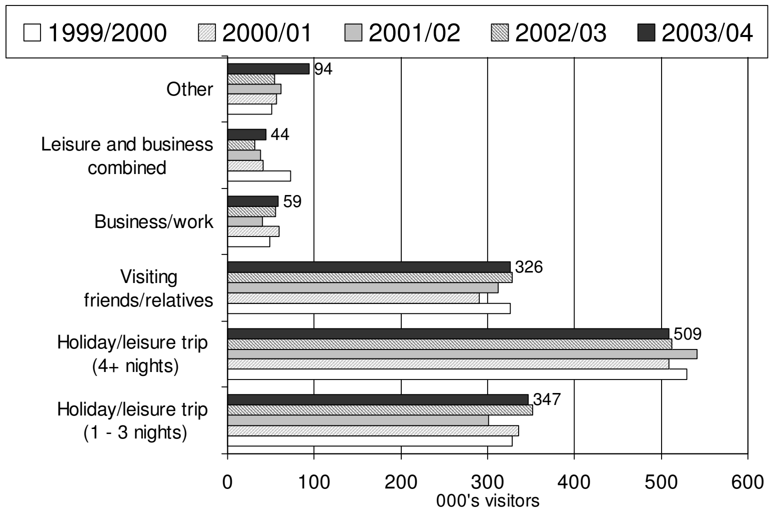
Numbers of holidays and staying leisure trips are more or less in line with the volume seen last year as is the balance between shorter and longer holidays/leisure trips.

Over the longer term, short holidays/leisure trips (1-3 nights) have been increasing and are now 6% ahead of 1999/2000. On the other hand, longer holidays (4+ nights) are 4% below the level seen in 1999/2000 although on a par with last year.

Visits to friends and relatives travel are at a similar level to last year and when the survey started.

The two areas where numbers of trips have increased significantly are business trips which are combined with leisure (up 40%) and other types of trips (up 74%), albeit both are from a small base.

Purpose of staying trips amongst domestic visitors
Tourism year 2003/2004 vs previous years



4.2.2.2 Domestic staying visitors' length of stay

The average length of stay was 4.4 nights which, although similar to recent years, shows evidence of a long term trend towards shorter trips, as shown below.

Over the course of this research, changes to individual trip types are slight. There has been very little change in the estimated length of 1-3 night holidays/leisure trips but 4+ night holidays have shortened a little. The length of business trips* has fluctuated over time.

	Average length (nights)				
Type of domestic trip	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
1 – 3 night holiday	2.2	2.2	2.2	2.3	2.3
4+ night holiday	6.9	7.0	7.1	6.9	6.7
Visiting friends/relatives	3.6	3.4	3.3	3.3	3.5
Business*	3.9	4.9	3.9	3.2	3.2
All domestic staying trips	4.8	4.5	4.6	4.5	4.4

* Caution: small base size

The length of short stay and longer stay holidays taken can also be analysed as 1 – 4 nights and 5+ nights which better reflects the pricing systems operated by the ferry companies.

Short breaks of 1 – 4 nights have increased significantly over the course of this research and there are now 7% more than in 1999/2000. Alongside this increase there has been a fall in the number of longer holidays (5+ nights); there were an estimated 314,000, which is 11% below the number seen in 1999/2000.

	1999/ 2000	2000/ 2001	2001/ 2002	2001/ 2002	2003/ 2004
Length of holiday	000's trips				
1 – 4 night holiday	505	467	474	509	542
5+ night holiday	352	377	368	350	314

4.2.2.3 Demand for bednights

The demand for bednights from domestic visitors is estimated at 6.1 million nights. After allowing for the proportion of these that would not be taken in commercial accommodation (trips to visit friends and relatives), the demand for bednights in commercial accommodation arising from domestic visitors reached 5 million bednights this year.

The demand created from different types of visitors is shown in the following table. Across the whole year, 69% of bednights in commercial accommodation were needed for those on a longer stay holiday (4+ nights). Although the shorter stay (1-3 nights) holiday visitors spend more per day than the longer stay (4+ nights) holiday visitors, the sheer volume of longer stay holiday visitors means this category is very important to the Island's economy.

Type of trip	Number of bednights domestic (millions)
4+ night holiday	3.4
Short stay (1 – 3 nights)	0.8
Visiting friends/relatives	1.1
Business or leisure & business combined	0.4

An additional 570,000 bednights were needed for visitors from abroad, of which 350,000 would have been taken in commercial accommodation.

Demand for bednights (domestic) over time is shown below. Demand for commercial accommodation has been fairly constant over the last three years.

Millions of domestic bednights	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
Estimated bednights in commercial accommodation	5.3	4.8	5.0	4.9	5.0

4.2.2.4 Types of accommodation used

From January 2004, people arriving/departing by ferry have been asked about the type of accommodation they use on staying trips. This brings together the serviced and self catering sector for the first time.

N.B. This data is available only for the 9 month period January 1st to September 5th at present

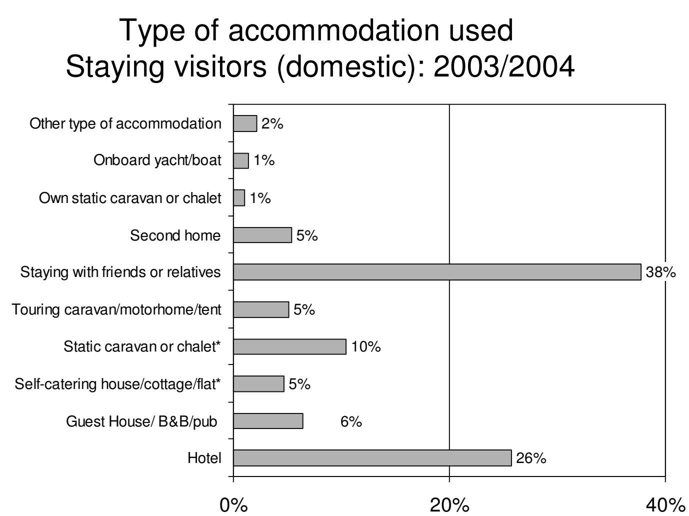
By far the most important type of accommodation used is staying with friends or relatives. Although only 25% of staying trips are primarily to see friends or relatives, 38% actually stay with these.

After the VFR market, hotels are the next most important type of accommodation taking a quarter of staying visitors. Additional analysis shows that this increases to 39% of those on short breaks and 52% of those visiting on business.

Rented static caravans are also important taking 10% of visitors, this increases to 20% of main holidaymakers and 17% of those on a short break.

Touring sites (which includes caravans, motor homes and tents) are used by 5% of domestic visitors, most of whom are on either a main holiday or short break.

The two other important categories are guesthouses, B&B's and pubs, which accommodate 6% of staying visitors and second homes with 5% using these.

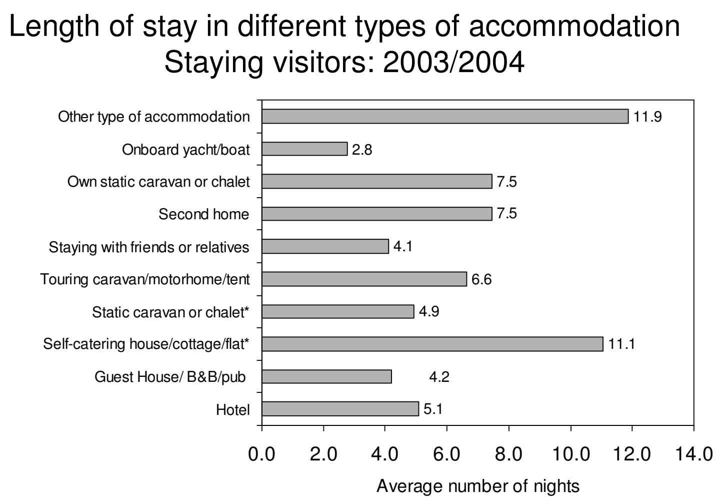


* Rented accommodation

The average length of stay in different types of accommodation is shown in the following chart.

This illustrates how the self catering sector enjoys a much longer average length of stay. There are many reasons why this may be the case including:

- reduced flexibility: many self catering units restrict lets to 7 days minimum for much of the year;
- cost of serviced accommodation: the total cost of a stay in self catering will tend to be cheaper than in serviced accommodation;
- influence of owned versus rented accommodation: the cost of staying in the visitors' own second home or caravan will reduce the holiday cost, thereby encouraging longer stays.



* Rented accommodation

4.2.2.5 Profile of domestic staying visitors

Despite the image of being a family destination, visitor group composition shows a strong bias towards adult visitors and this is shown below.

Across the whole year only one fifth of all groups visiting the Island on a staying trip were groups with adults and children, a proportion which has remained constant over time.

Looking at the composition of groups travelling for different reasons, there has been an increase in the proportion of holiday/leisure trips which include children; this rose from 23% in 2000/2001 to 27% in 2002/2003 and stood at 25% in 2003/2004. Other proportions have changed very little.

	Adult only groups				Adult and children groups			
	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
All staying visitor groups	81%	79%	79%	80%	19%	21%	21%	20%
Holiday/leisure trip	77%	74%	73%	75%	23%	26%	27%	25%
Visiting friends/ relatives	83%	83%	83%	83%	17%	17%	17%	17%
Business or business/leisure combined	99%	99%	98%	97%	1%	1%	2%	3%

4.2.2.6 Domestic staying visitors' origin

Staying visits originated from a much wider spread of areas than day visits.

The following chart shows the counties which produced at least 2% of staying visits.

The geographic spread of the top half of this table shows the influence of easy access to the mainland ports. Over the last five years, as with day trips, Hampshire has been the most important county, followed by Greater London and Surrey. Essex has moved up the table one place this year and is now followed by Kent.

However the Island does continue to attract some staying visitors from across the UK.

Looking across the years it appears that Greater London may be declining in importance.

County	Est'd % of visits 1999/2000 000's	Est'd % of visits 2000/2001 000's	Est'd % of visits 2001/2002 000's	Est'd % of visits 2002/2003 000's	Est'd % of visits 2003/2004 000's
Hampshire	16%	15%	13%	15%	16%
Greater London	15%	14%	14%	13%	12%
Surrey	7%	8%	8%	8%	7%
Essex	4%	4%	4%	5%	6%
Kent	5%	5%	6%	5%	5%
West Sussex	3%	4%	4%	4%	4%
Berkshire	3%	3%	3%	3%	3%
Somerset (inc. Bristol)	3%	3%	3%	2%	3%
Dorset	3%	3%	3%	3%	3%
Yorks (total)	4%	3%	4%	4%	3%
Wales	2%	2%	2%	3%	2%
East Sussex	2%	3%	3%	3%	2%
Herts	3%	3%	3%	3%	2%
West Mids.	3%	3%	3%	3%	2%
Buckingham shire	2%	2%	2%	2%	2%
Lancashire	2%	2%	1%	2%	2%
Nottinghams hire	2%	1%	3%	2%	2%

4.3 Repeat versus first time visitors

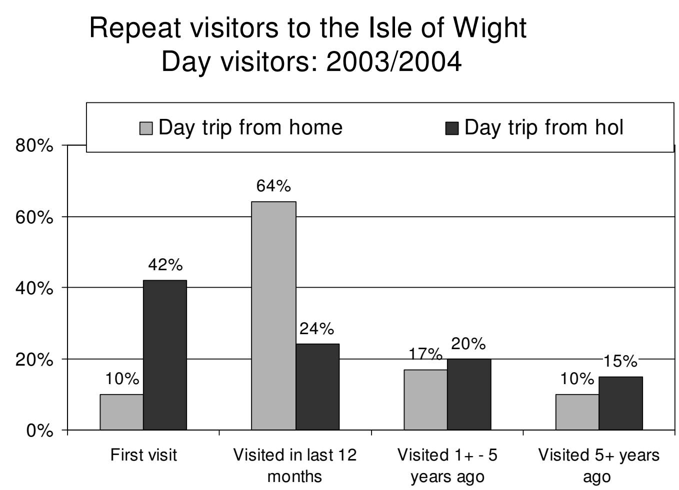
Leisure visitors were asked whether they had visited the Island before and, if they had, the timing of their last visit. This is the first full year this data has been available hence no comparisons over time are available.

Inevitably those visiting friend and relatives are regular visitors but those on leisure day trips, short breaks and longer holidays are discussed below.

4.3.1 Leisure day visitors

First time day visitors were most likely to be people who were taking a day trip to the Island whilst on holiday in the mainland area around the access ports: 42% of this group were on their first trip to the Isle of Wight. Another 15% had visited the Island after a break of five years or more. These groups of day visitors represent potential future holidaymakers and should be specifically targeted to encourage them to revisit for a short break or longer holiday.

Many of those on a day trip starting from home were recent repeat visitors (64%) showing the Island is a popular day trip destination with a satisfied customer base. 10% of this group were new visitors to the Island and another 10% had revisited after a break of five years or more. This is shown on the following chart.



To put this into some sort of context, a comparison can be made with another rural area in the South East, the Test Valley where just over a fifth of day visitors were first time visitors to that area.

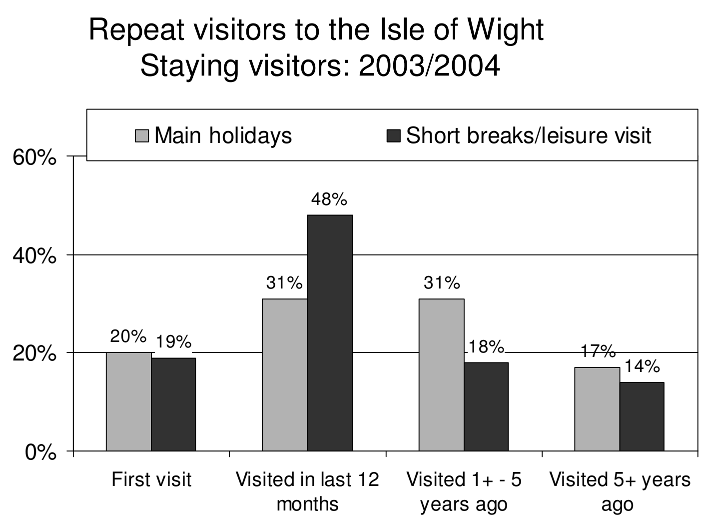
4.3.2 Short break and holiday visitors

The analysis of repeat visiting by visitors on short breaks versus longer holidays is illustrated below.

The Island has been successful in attracting a reasonable proportion of new holidaymakers. One fifth of those on a main holiday or a short break were new visitors to the Island. In addition to this, there have been many lapsed visitors returning to the Island after a break of five or more years (17% of main holidaymakers and 14% of those on a short break).

Analysis of type of accommodation used shows that new visitors to the Island plus those who visited 2 or more years ago are most likely to stay in a hotel.

Alongside these new and lapsed visitors the Island continues to have a strong core of satisfied visitors who return to the Island regularly. A third of those on their main holiday and almost a half of those on a short break had been in the previous 12 months. Another third of main holidaymakers and a fifth of short break visitors were returning after a break of 1 – 5 years.



Again, to provide a context, almost a third of staying visitors to the Test Valley were first time visitors to that area.

4.4 Purpose of business trips

There were 479 thousand business trips this year which is the first increase since the survey began. However the number of business trips remains below that seen two years ago.

000's trips	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
All trips	572	523	496	457	479
Domestic trips	535	507	464	444	465
Overseas trips	37	16	32	13	14

The vast majority (76%) of business travel to the Isle of Wight involves a day trip rather than a staying trip.

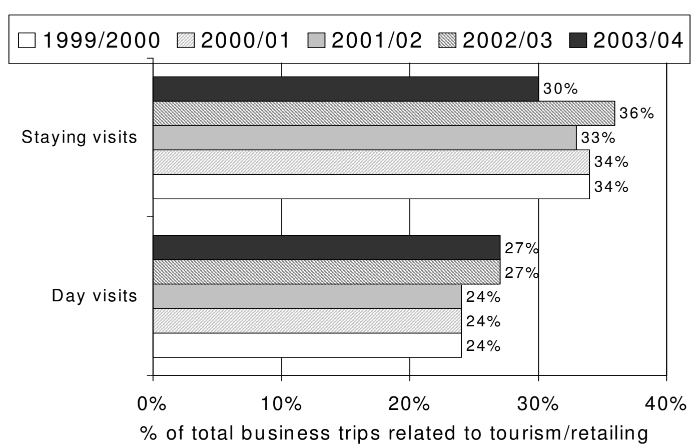
In order to evaluate the importance of the tourist industry in terms of generating business travel to the Isle of Wight, business visitors were asked whether their business area was related to the tourism/retail/catering sector.

Over a quarter of day trips (which equates to almost 100,000 trips) were generated by the tourism/retail/catering sector, which is on a par with last year.

Just under a third of staying business trips were due to the tourism/retailing/catering sector: this is down six points versus last year and the lowest level seen in this survey.

Past research identified other key categories of business travel; this showed that tourism was the most important reason for travelling to the Island on business, followed by construction/maintenance then manufacturing.

Importance of tourism business trips
versus all business trips
Tourism year 2003/2004 vs previous years



4.5 Overseas visitors

Visits by people originating overseas increased to 180,000 this year. These were divided equally between staying and day visits to the Island. Leisure day trips, holidays and visiting friends and relatives were the main reasons for going the Island. Estimated numbers of each type of trip are detailed below.

	Trips 000's*
Leisure day trip	80
Holiday	37
• 1 – 3 nights	20
• 4+ nights	17
VFR:	40
• Staying	35
• day trip	5
Business:	14
• Staying	10
• day trip	4

*N.B. Small sample sizes of overseas visitors.

The estimated volume of overseas visitors has fluctuated over the course of this survey, which is due in part to the small numbers of overseas visitors. It is estimated that overseas visitors reached their highest level in the five year period: these are up 16% on last year and 11% up on 2001/2002 which was the previous highest figure recorded.

Nationally there has been an increase in the estimated number of overseas visitors arriving versus last year, (the number of visitors from overseas increased 9% in 2003/2004 vs. 2002/2003) showing that the Isle of Wight has shared in that national trend.

	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Visitors 000's*	156	147	162	155	180

*N.B. Small sample sizes of overseas visitors can cause fluctuations in data.

Turning to the country of origin, there have been fluctuations in this which is due in part to survey error but also reflects major events such as the effects of the foot and mouth outbreak and 9 /11. The following table shows countries generating 1.5% or more of overseas visitors.

Most year on year changes are small.

The USA remains the most important source of overseas visitors as it has every year except that following the 9/11 attack. But the estimated proportion from the USA have fallen since last year's high.

France continues to be important, remaining at a similar level to last year. India and Russia have entered the table for the first time, albeit at a very low level.

Origin of overseas visitors					
Country	Est'd % of visits 1999/2000 000's	Est'd % of visits 2000/2001 000's	Est'd % of visits 2001/2002 000's	Est'd % of visits 2002/2003 000's	Est'd % of visits 2003/2004 000's
USA	18%	14%	10%	19%	14%
France	7%	6%	7%	13%	10%
Germany	9%	7%	14%	9%	10%
Australia	6%	9%	8%	8%	8%
Netherlands	8%	4%	7%	6%	5%
Canada	5%	5%	3%	6%	6%
Eire	2%	4%	3%	5%	5%
Spain	3%	2%	5%	5%	4%
South Africa	5%	4%	7%	3%	3%
New Zealand	4%	5%	3%	3%	3%
Denmark	1%	5%	1%	*	3%
Switzerland	3%	2%	2%	2%	3%
Italy	3%	9%	5%	3%	2%
Japan	2%	2%	2%	1%	2%
India	1%	1%	*	*	1.5%
Russia	1%	0	1%	*	1.5%

* Less than 1%

(N.B. Sample sizes for these estimates are small so these figures should be treated with caution.)

4.6 The coach market

During the year there were 12,527 coaches carrying 298,000 passengers. Coach passengers have declined is a decline of 5.6% versus last year, although the number of coaches is down by only 2%.

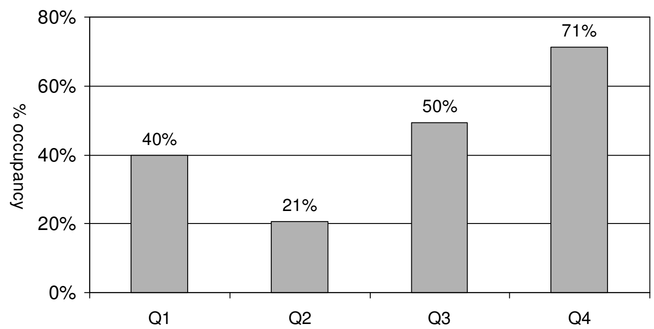
5. Demand for accommodation on the Isle of Wight

5.1 Hotels, Guesthouses and Bed & Breakfast occupancy

5.1.1 Bedspace occupancy

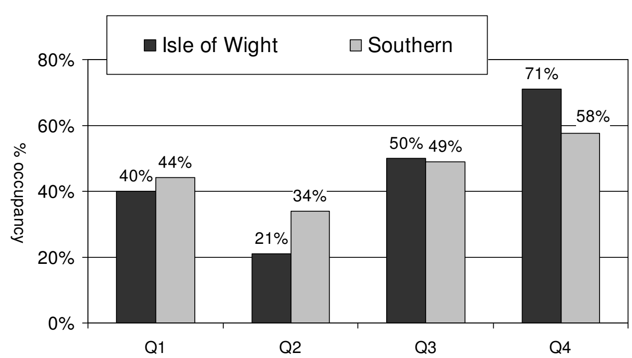
Bedspace occupancy levels across all types of catered accommodation is shown below. During the winter months (Q2) this was at a low of 21% but rose to 71% in the peak (Q4).

Isle of Wight hotels/guesthouses/B&B's
Bedspace occupancy 2003/2004



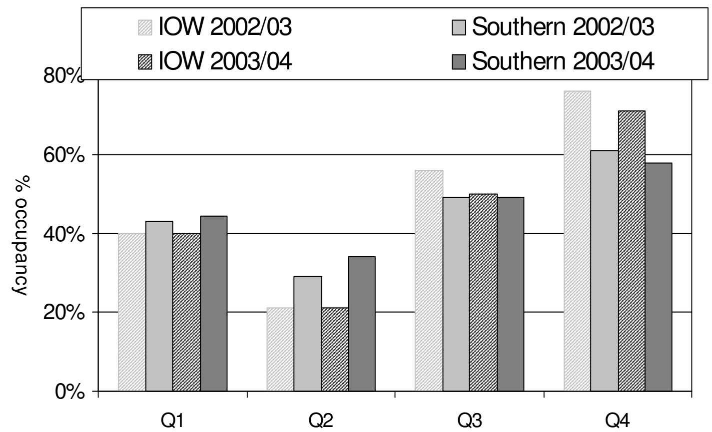
Bed occupancy on the Isle of Wight can be compared with that for the whole Southern (TSE) region. The Isle of Wight exceeded the region during the spring and peak periods (Q3 and Q4). Occupancy in the peak period was 13 points above the regional average. In the autumn and winter quarters, occupancy was below the region's average, with winter occupancy 16 points below.

Isle of Wight hotels/guesthouses/B&B's
Bedspace occupancy 2003/2004
Isle of Wight vs Southern region



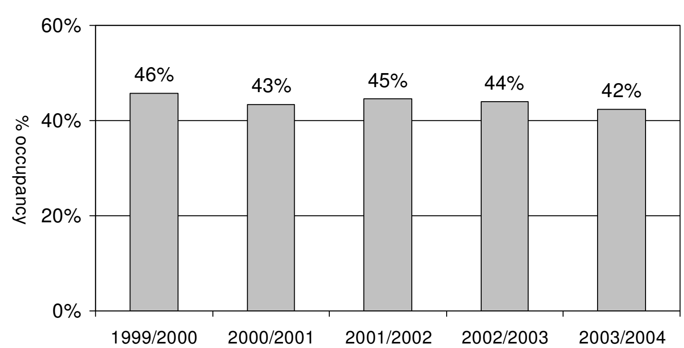
The chart below shows the comparison with the region over the past two years. In the autumn and winter the pattern is similar in both years in that the Island under performs versus the region. Then in the summer peak the Island outperforms the region by a considerable margin. The spring quarter (Q3) has seen a change this year: performance on the Island this year is on a par with the region however last year the Island outperformed the region by several points.

Isle of Wight hotels/guesthouses/B&B's
Bedspace occupancy: 2003/20 vs 2002/03
Isle of Wight vs Southern region



Across the whole year, the average bedspace occupancy was 42%. This is two points below last year and below previous years by 1 to 4 points, as shown below.

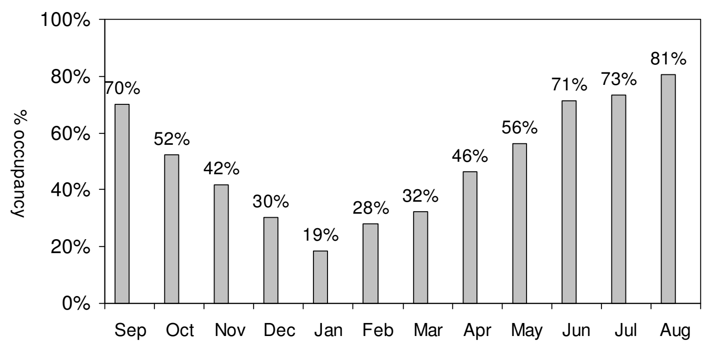
Isle of Wight hotels/guesthouses/B&B's
Bed space occupancy 2003/2004 vs previous years



5.1.2 Room occupancy

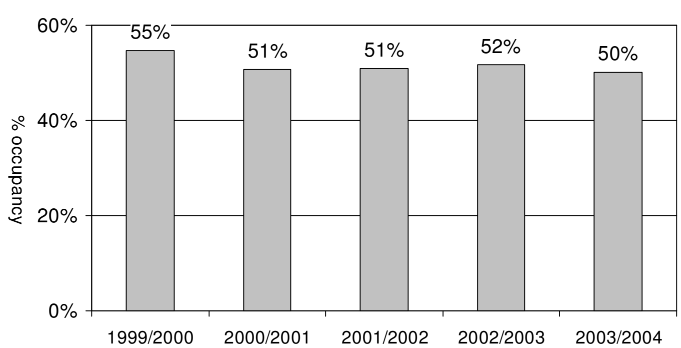
Room occupancy started at 70% in September then declined gradually to a low point in January of 19%. From that point it started to increase each month up to a high of 81% in August.

Isle of Wight hotels/guesthouses/B&B's
Room occupancy in 2003/2004

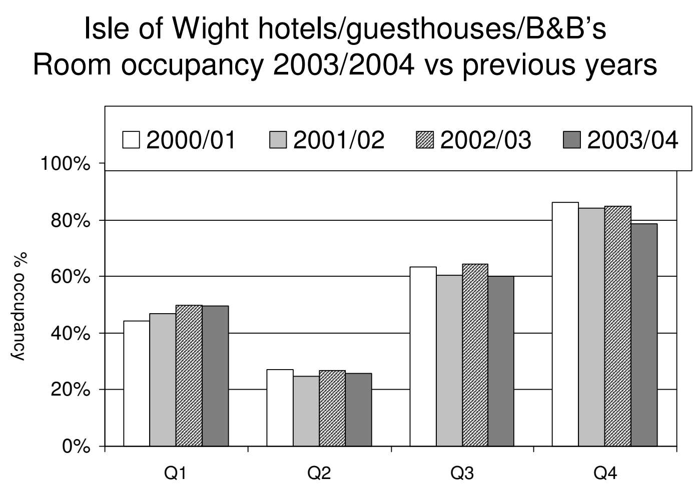


The average room occupancy across the year was 50% which is two points lower than last year and down one point from the previous two years, as detailed on the following chart.

Isle of Wight hotels/guesthouses/B&B's
Room occupancy 2003/2004 vs previous years



The next chart shows the trend by quarter over time. This shows that after a good start in the autumn (Q1), 2003/04 has been difficult year for the serviced accommodation providers, particularly during the spring (Q3) and summer (Q4) periods. Room occupancy in the summer period was 7 points below last year and earlier years. In the spring it was 5 points below last year but on a par with 2001/02.

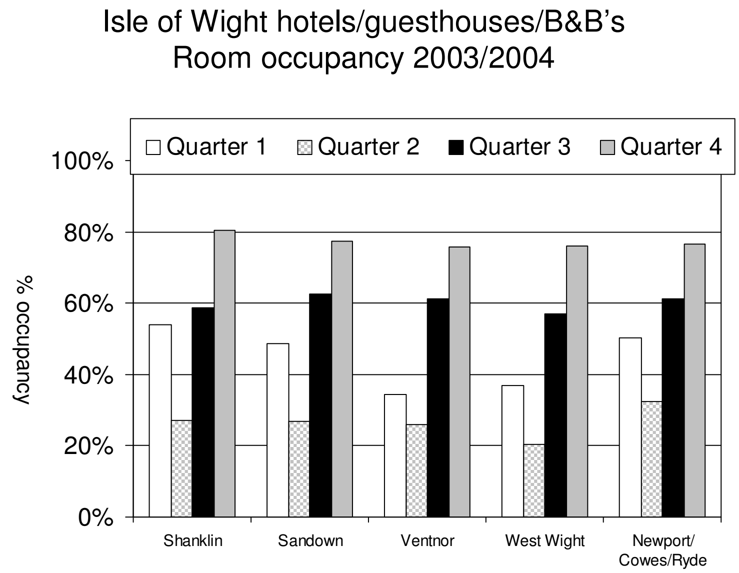


Room occupancy varied between different types of establishment. In line with previous years, at all times the larger establishments achieved considerably higher room occupancy levels.

One difference emerging this year is the success of the 1 – 3 room establishments in the peak (Q4) period. Room occupancy reached 76% which is above that of 4 – 10 and 11 – 25 room establishments.

Room occupancy	1 – 3 rooms	4 – 10 rooms	11 – 25 rooms	26+ rooms
Period 1	33%	29%	48%	59%
Period 2	19%	13%	24%	32%
Period 3	48%	46%	57%	66%
Period 4	76%	71%	73%	83%

There were some variations in room occupancy between areas. In the autumn (Q1) Ventnor and West Wight lagged behind the other areas. West Wight (the most rural area) had the lowest occupancy in the winter period (Q2).

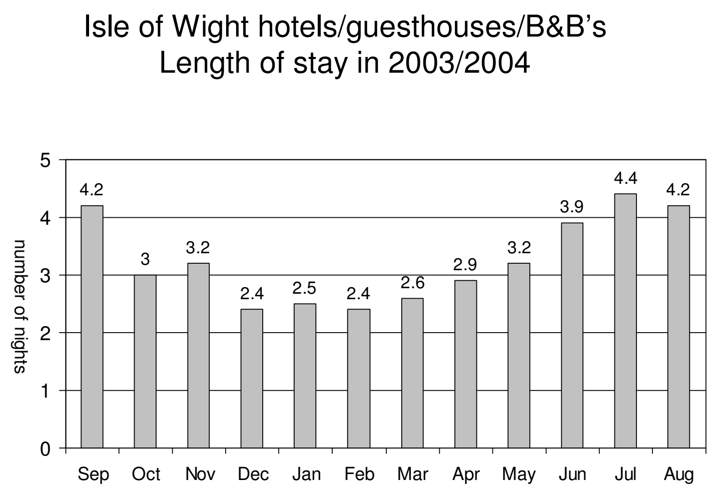


5.1.3 Length of stay in serviced accommodation

Average length of stay for each month within the serviced sector is shown below.

The year started well with length of stay at 4.2 nights in September when the excellent weather experienced in summer 2003 continued into the autumn.

Average stays then shortened to 3 nights in October and 3.2 in November. Through the winter months length of stay fluctuated between 2.4 and and 2.6 then started to lengthen. It reached a maximum length of 4.4 nights in July, falling to 4.2 in August.



Average length of stay varied considerably according to the size of establishment. As has been observed in previous years, the largest hotels (26+ rooms) consistently attracted the longer stay visitors throughout the year. Conversely the smallest establishments tended to serve the short break market with winter stays averaging 1.8 nights and spring/summer/autumn stays less than 3 nights. This is shown below.

Average no of nights	1 – 3 rooms	4 – 10 rooms	11 – 25 rooms	26+ rooms
Quarter 1	2.8	3.2	3.1	3.6
Quarter 2	1.8	2.0	2.2	2.8
Quarter 3	2.2	3.3	3.3	4.9
Quarter 4	2.6	4.1	3.9	4.9

The table below illustrates length of stay over time. The overall picture is one of shorter stays meaning that serviced accommodation providers now have a higher turnover of customers, which brings higher operating costs.

- Length of stay in autumn (Q1) has been consistent over the last 4 years at 3.4 nights.
- In winter (Q2) length of stay has been declining over time down from 3 nights to 2.5 nights last year. This year the decline halted with length of stay at 2.6 nights.
- In spring (Q3) length of stay has fluctuated over time. This year at 3.6 nights it is the shortest seen.
- In the peak period (Q4) length of stay has shortened significantly down from 5.9 nights to 4.4 nights average stay.

Average no of nights	1999/ 2000	2000/ 2001	2001/ 2002	2002/ 2003	2003/ 2004
Quarter 1	3.6	3.4	3.4	3.4	3.4
Quarter 2	3.0	2.8	2.7	2.5	2.6
Quarter 3	4.0	3.8	3.7	4.0	3.6
Quarter 4	5.9	5.3	4.9	4.9	4.4

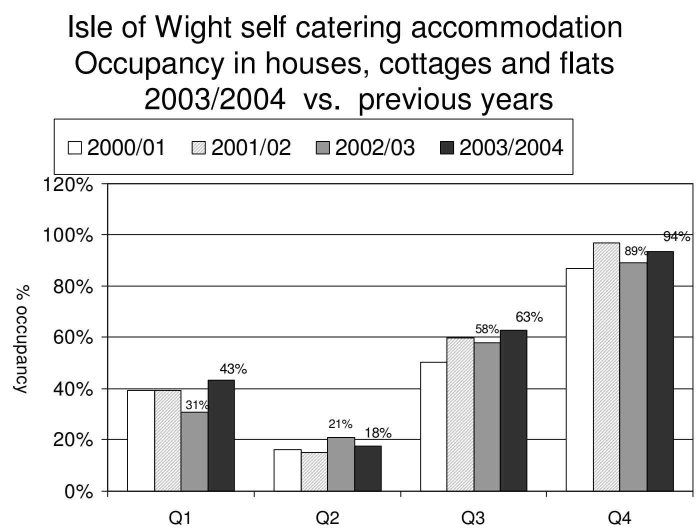
5.2 Self catering cottages and houses

Occupancy in self catering units (most of which are smaller operators with one or two units) ranged from a low of 18% in the winter (Q2) to a high of 94% in the peak season (Q4). Occupancy reached its highest level in the month of August when it was 95%.

Looking at performance over time, occupancy was much better in the autumn versus last year, recovering all the lost ground and more from earlier years. At 42% occupancy this was the best level achieved in autumn over the four years.

Winter was at a similar level to previous years.

In both the spring (Q3) and peak season (Q4) occupancy was five points up on last year, meaning that self catering sector performed better than the serviced sector this year.

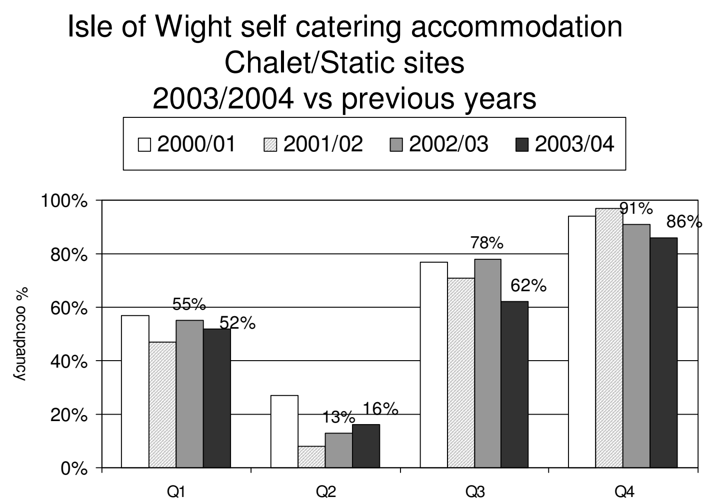


5.3 Static sites

Occupancy on static chalet sites ranged from a low point of 16% in winter (Q2) to a high of 86% in the peak (Q4). The highest monthly figure reached was 88% in the month of August.

This has not been a good year for the chalet and static sites. Occupancy is below last year in all periods except winter and that is a time when there is very little trade.

In spring (Q3) performance was particularly poor versus last year at 16 points below and also well below previous years. The fall in occupancy was not quite so marked in the peak season but it was 5 points below last year and 11 points below the previous year.

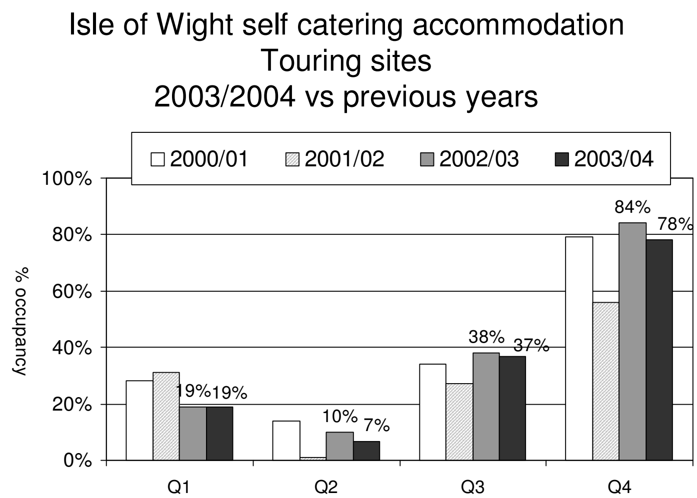


5.4 Camping/touring sites

Response rates fell slightly this year and so there were between 4 and 6 sites in the survey: results can only be used as an indication of performance in this sector.

Occupancy was around 19% in the autumn, in spring it rose to 37% then up to 78% in the peak season. (Rates are very low in winter but most sites are closed.)

In spring and autumn performance was in line with last year but pitch occupancy in the peak (Q4) was clearly affected by the poor weather and fell below last year by six points. However this is on a par with 2000/2001 and well ahead of the very disappointing peak season in 2001/2002.



6. Value of tourism

The monetary value of tourism on the Isle of Wight is estimated to be £339 million for the tourism year 2003/2004.

Staying trips are the mainstay of tourism revenues and these generated just over £300 million which equates to 89% of the total.

The relative importance of trips by domestic versus abroad residents has been discussed in section 4 and this is confirmed by the value of tourism derived from domestic visitors: an estimated £271 million was spent by domestic staying visitors plus £34 million by domestic residents visiting on day trips making a total of £305 million.

It is estimated that trips made by overseas residents generated a total of £34 million, most of which (£31 million) came from staying trips.

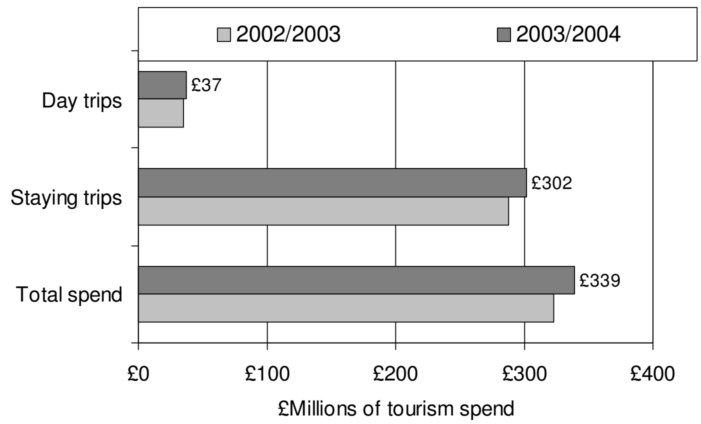
	£Millions
Staying trips	
All domestic staying trips	£271
All overseas staying trips	£31
All staying trips (domestic and overseas)	£302
Day trips	
All domestic day trips	£34
All overseas day trips	£3
All day trips (domestic and overseas)	£37

The Island attracts both long stay (4+ nights) holidays and short breaks (1 – 3 nights) and the importance of the longer holiday for the Island has already been discussed. This is reinforced by detailed analysis of tourism revenue. Over half (57%) of the tourism revenue from domestic staying trips arises from holidays of 4+ nights duration. Another 23% comes from short breaks.

It is estimated that the value of tourism has increased by almost 4% since 2001/2002. This is partly due to inflation but the increase in the total number of visits to the Island and the mix of type of visits have contributed to the increase in the value of tourism.

The following chart illustrates the increase in tourism spend from staying and day trips versus last year. Excluding the effect of inflation, the value is up 2% versus last year.

Value of tourism
Tourism year 2003/2004 vs 2002/2003



Caveat

Value estimations are calculated using estimates of numbers of trips together with estimates of expenditure. No new survey data was commissioned for this work hence all data is the best available data taken from existing surveys. Values should therefore be treated as approximate estimations. No responsibility can be taken for any error in these figures.

7. Attractions

In order to ensure that some relevant statistics are made available for visits to attractions, leisure visitors returning from the Isle of Wight, are asked whether they visited a free or paid for attraction during their visit.

It should be noted that this methodology may under represent visits to attractions because it relies upon recall of visits on the return journey home. (N.B. Historically, attempts were made to collect more accurate data from the attractions but insufficient attractions participated in this survey.)

Just over two fifths (42%) of all leisure visitors visited an attraction (free and/or with admission fee).

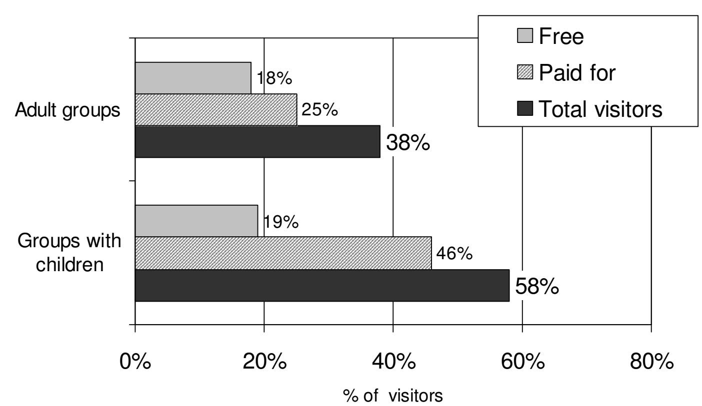
Visits to paid for attractions by staying visitors were well above that for day trippers. VFR staying visitors have a low propensity to go to attractions but two thirds of those on a holiday or a short break visited an attraction.

	Day visitors All	Staying visitors All	Staying visitors On holiday or short break
Visit to any attraction	32%	49%	65%
Visit a free attraction	16%	18%	24%
Visit a paid for attraction	17%	36%	51%

Presence of children also has a strong influence on likelihood to visit attractions. 58% of groups with children visited an attraction versus 38% of adult only groups. It is the paid for attractions are much more likely to be visited by those with children: 46% of those with children went to a paid for attraction compared to 25% of adult only groups. Visits to free attractions were at a similar level for both groups of visitors.

Estimated visits to attractions
Tourism year 2003/2004

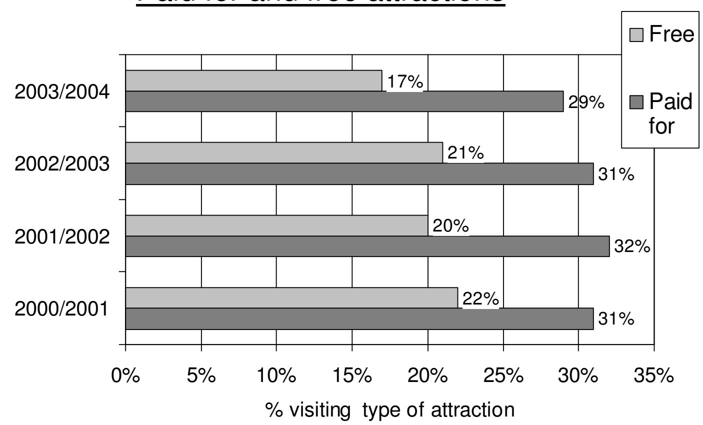
Groups with children vs adult groups



Over time, total visits to attractions have declined; 42% visited this year which is five points below last year but on a par with the previous two years. Paid for attractions continue to be more popular than the free attractions. Visits to free attractions have declined more than visits to paid for attractions, as shown below.

Estimated visits to attractions
Tourism year 2003/2004 vs previous years

Paid for and free attractions



Visits to attractions are more common amongst new visitors to the Isle of Wight and amongst those who have visited 5 or more years ago. Least likely to visit are those leisure visitors who have already visited in the previous 12 months and VFR visitors. This highlights the on-going need to refresh and update the content of attractions in order to encourage visitors to return to attractions previously visited.

Given the high proportion of repeat visiting on the Island, particularly within the VFR segment, revitalising the content of attractions is important to prevent the long term decline in visiting attractions.

Specific marketing initiatives aimed at regular visitors to the Island should be considered.

8. Isle of Wight Tourism activity levels

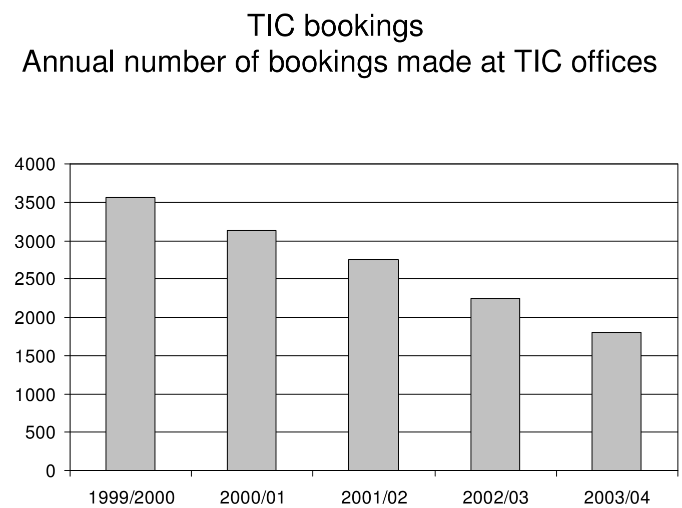
8.1 Tourist Information Centres

Almost 450,000 people visited the Island's Tourist Information Centres this year. This is an increase of over 9% versus last year and 17% up on the previous year.* These increases are greater than the recorded increase in visitors to the Island in both years.

Spend at TIC's also increased significantly this year: this was up 12% versus last year.

The chart below shows the annual number of bookings made by visitors to the Tourist Information Centres over time. This illustrates the ongoing decline in bookings over time. This decline suggests that the centres are now performing more of an information function rather than focusing on bookings.

General increased access to and usage of the internet is likely to be a key influence on this decline as people find it increasingly easier to make bookings before departing for a destination. Visits to the Isle of Wight website are in keeping with this.



8.2 Website visits

There were 536,000 visits to the Isle of Wight Tourism website www.islandbreaks.co.uk during the year to end of August 2004, which is 9% above the number of visitors to the site the previous year.

8.3 Brochure requests

There were 137,661 brochure enquiries this year, which is an increase of 2.4% versus last year. This has halted the long term downward trend in the volume of brochure requests.

*N.B. The method of recording visitor numbers has changed and is now monitored automatically, thereby improving the accuracy of the data. This may have affected year on year comparisons.

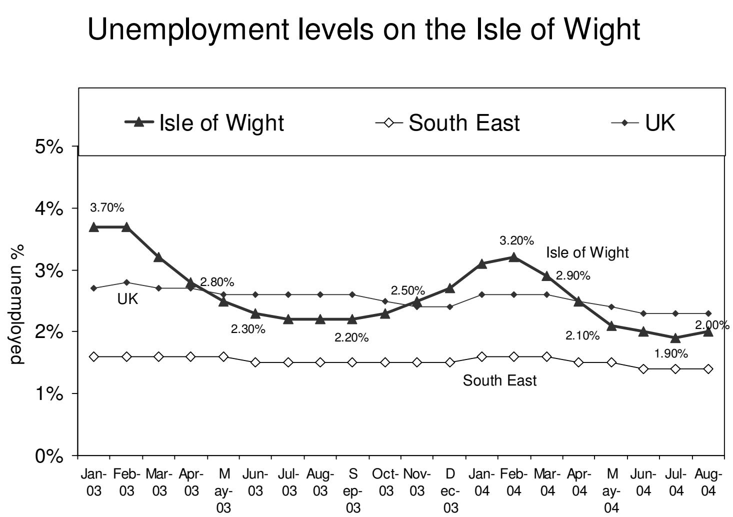
9. Unemployment levels on the Isle of Wight

The long term trend in claimant unemployment on the Isle of Wight, the South East and the UK is shown on the following chart*.

At the start of the period illustrated, January 2003, unemployment on the Island was 3.7% and over time the trend has been downwards.

Unemployment on the Island does follow a cyclical pattern through the year with the highest levels recorded in the winter months when the tourism industry is at its quietest and the lowest levels in the peak season. This reflects the importance of the tourist industry in creating employment on the Island.

At the start of this tourism year, September 2003, claimant unemployment was 2.2%. It rose to a high of 3.2% in February, then declined quite quickly with the approach of Easter and the start of a busier time for tourist establishments. Unemployment fell to a new record low point of 1.9% in July 2004. This is well below the national average at that time of 2.3% but half a point above the level for the South East.



* The method of calculating unemployment has changed hence this data replaces data included in the year end report for 2001/2002