ERBID How's Business Survey

April 2023

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June 2023

Executive Summary

Compared to April 2022 businesses reported that:

April 2023 Visitor levels:
Increased 19% / Stayed the same 32% / Decreased 48%
Estimated actual change in visitors -6%

April 2023 Turnover levels:
Increased 27% / Stayed the same 23% / Decreased 50%
Estimated actual change in turnover -7%

May 2023 Outlook is:
Better than 2022 13% / Same as 2022 28% / Not as good as 2022 60%

June 2023 Outlook is:
Better than 2022 9% / Same as 2022 24% / Not as good as 2022 67%

July 2023 Outlook is:
Better than 2022 5% / Same as 2022 23% / Not as good as 2022 72%

Optimism:
Optimism score is 5.37 out of a possible 10

April 2023 – Our comment

April saw 51% of all businesses experiencing level or increased visitors/customers (32% and 19% respectively) and a similar proportion (50%) reporting level or increased turnover (23% and 27% respectively) – decreases of -6% and -7% respectively compared with the same time during 2022.

60% or more of businesses anticipated decreased bookings for May (60%), June (67%) and July (72%) compared with 2022 levels, although this may change as we collect data for these months. Businesses continue to be most concerned about the increase in the cost of living generally (87%), rising energy/fuel costs (84%) and decreasing visitor numbers/booking levels and increases in other business costs e.g., food and other supplies etc. (71% each).

This month's survey has a sample of 62 businesses.

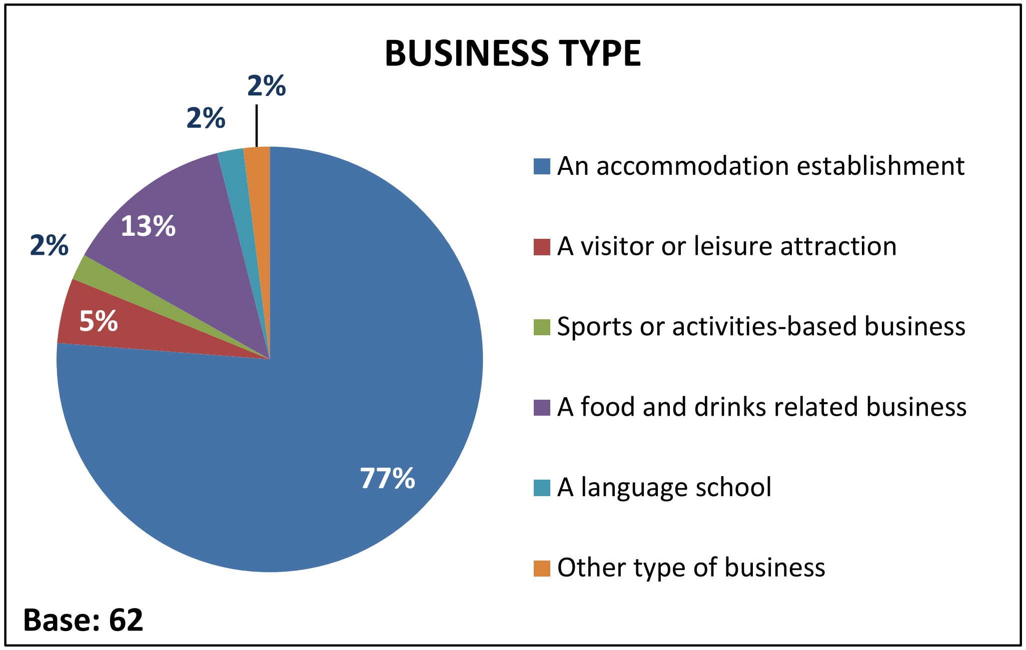
<u>February to April 2023 general performance</u>

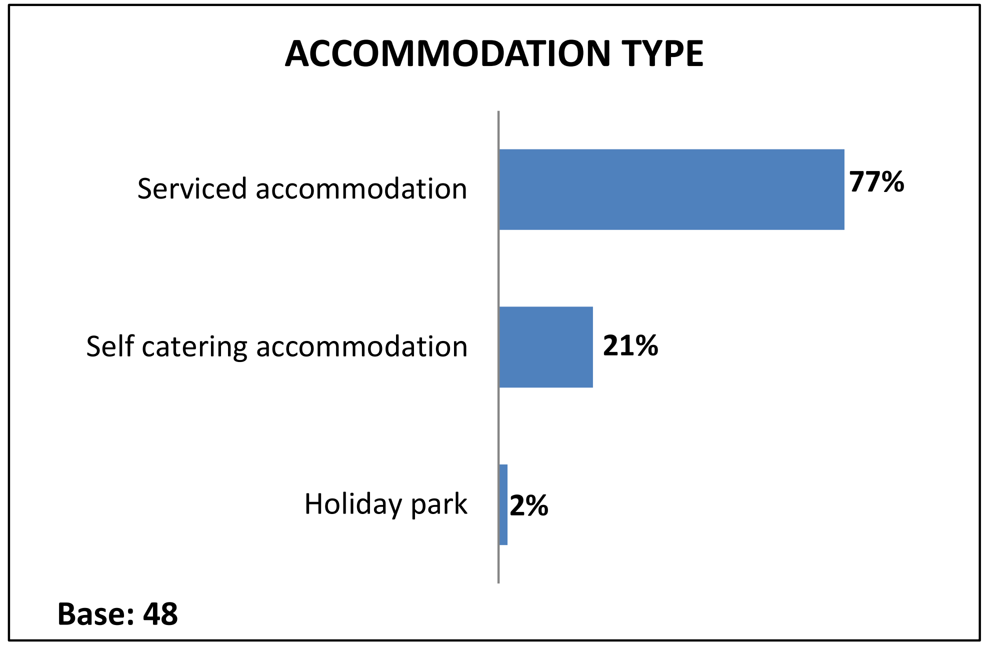
Whilst the last 3 months (February to April 2023) have seen large proportions of businesses reporting decreases in visitors/customers and turnover across the board, to date April has been by far the best performing month where the proportion of businesses reporting level or increased visitors and turnover have been much larger (51% and 50% respectively) largely due to the timing of the Easter holidays.

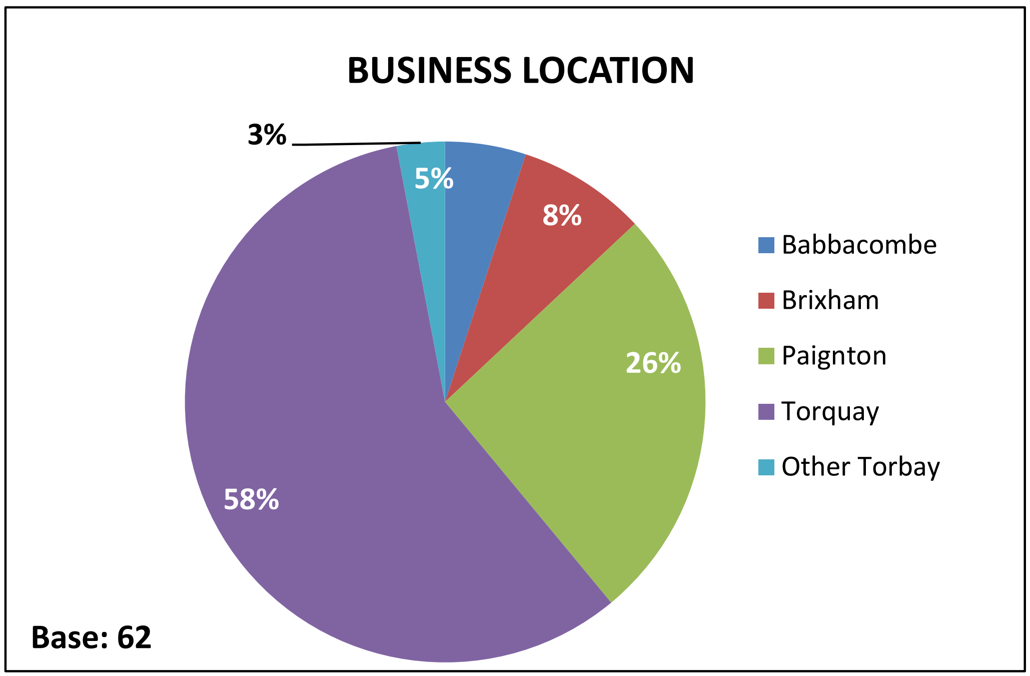
Whilst performance in the ER during February and March was similar to the region, April saw a lower decrease in both visitors and turnover for the ER (-6% and -7% respectively) compared with the region as a whole (-12 and -10% respectively). Business optimism was also at its highest level for six months during April at 5.37.

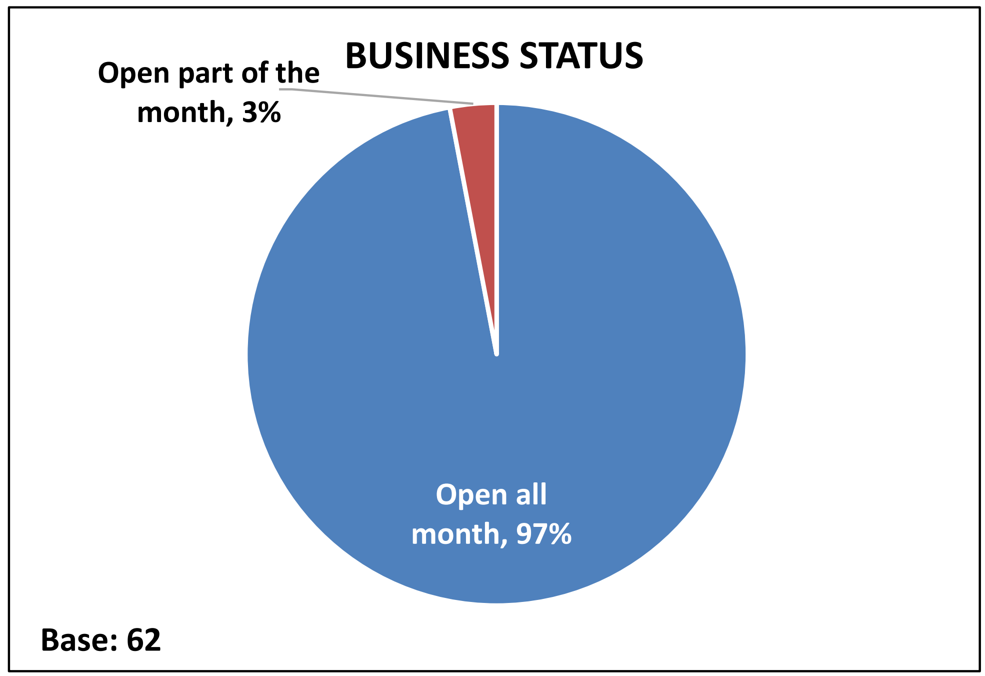
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It’s very much appreciated.

Sample profile, business location and status

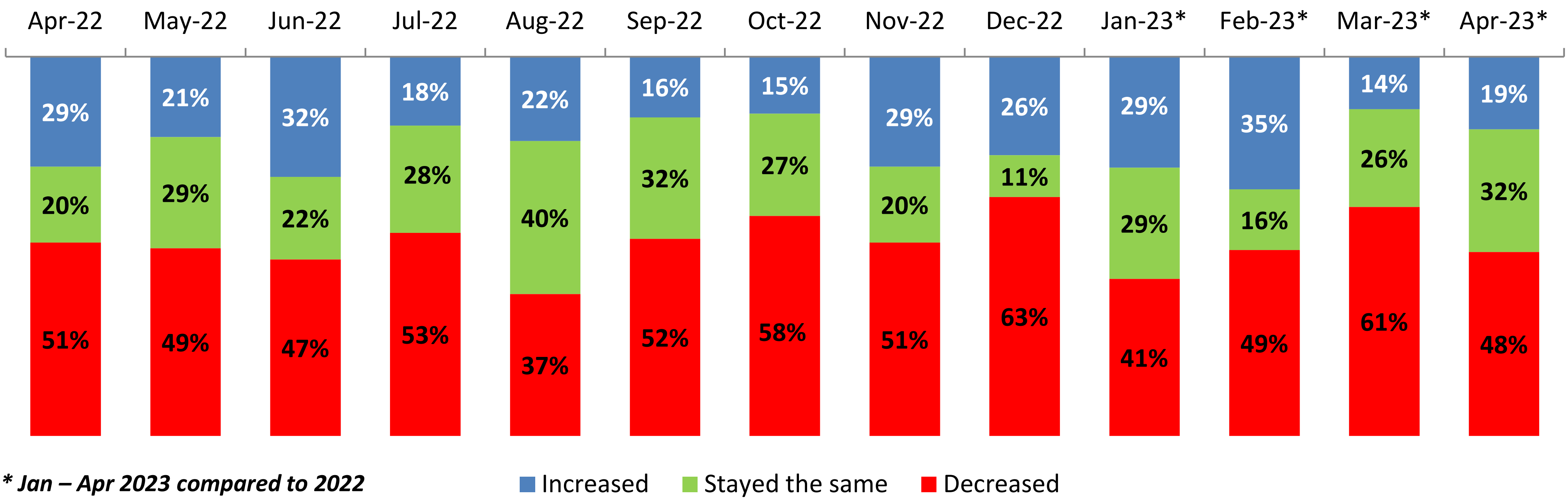




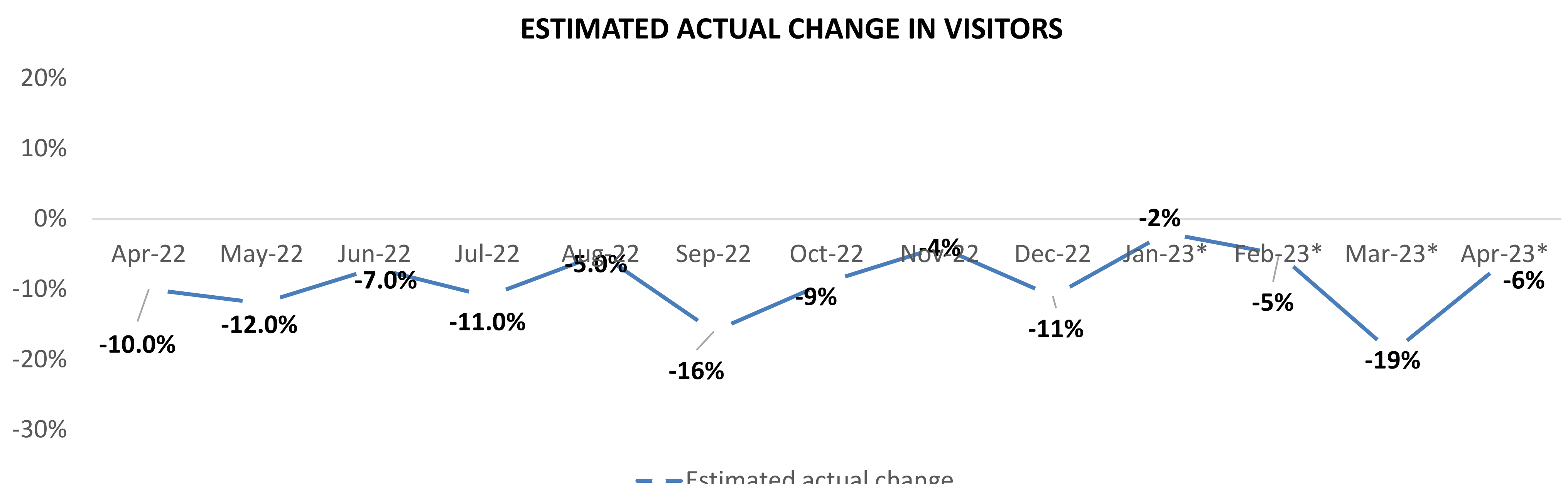




Performance – Number of visitors compared to 2019/2022*

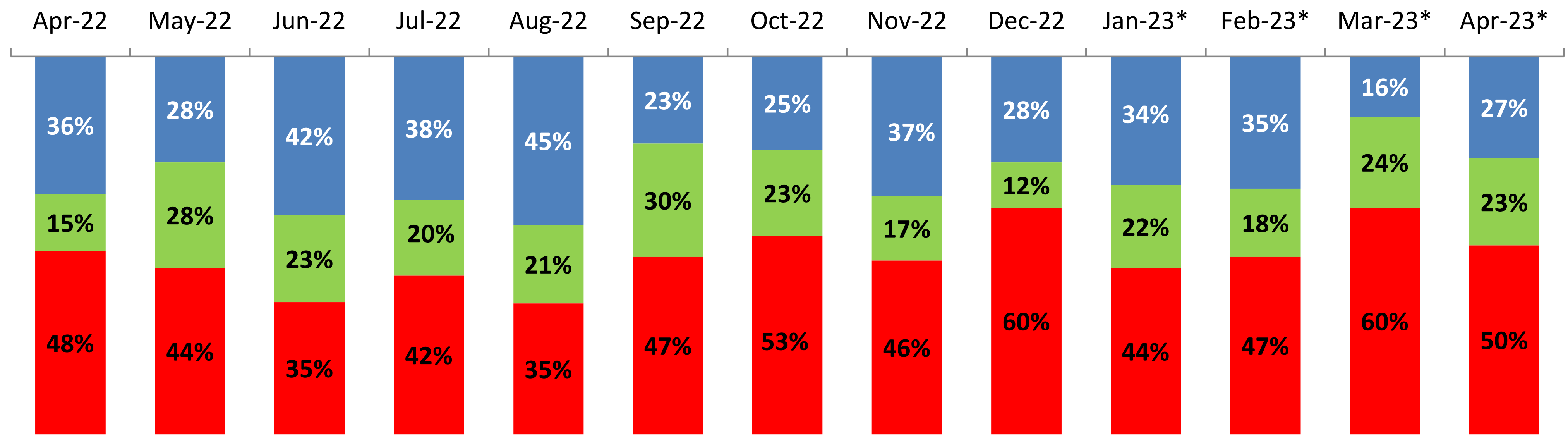


Jan – Apr 2023 compared to 2022

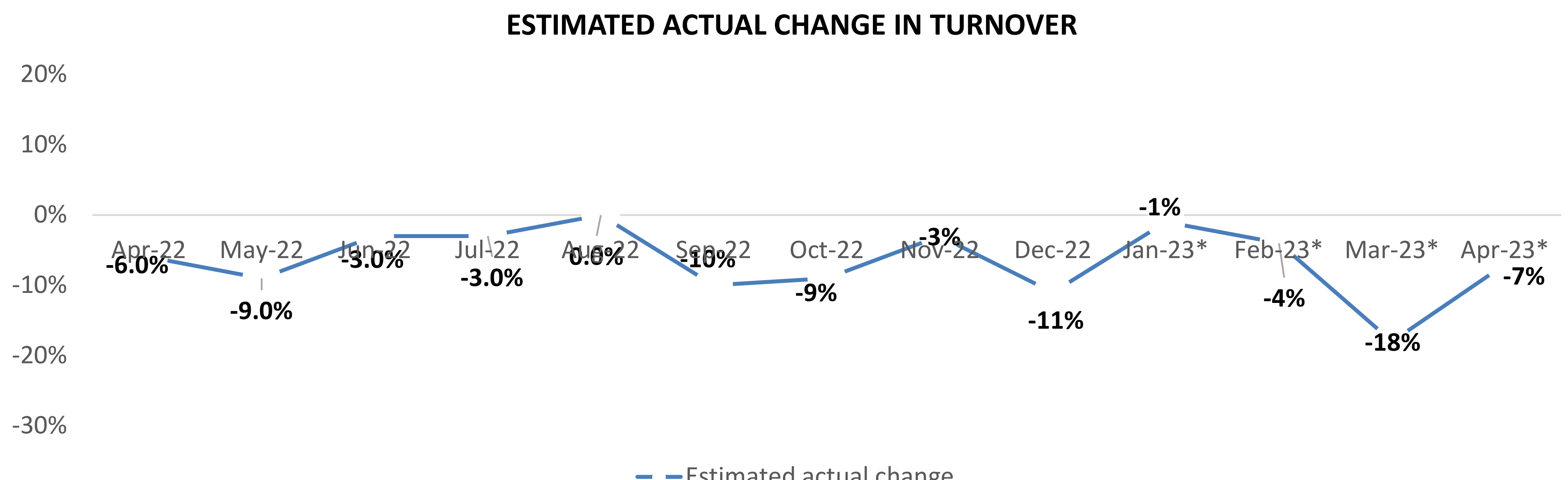


Jan – Apr 2023 compared to 2022

Performance – Turnover compared to 2019/22*

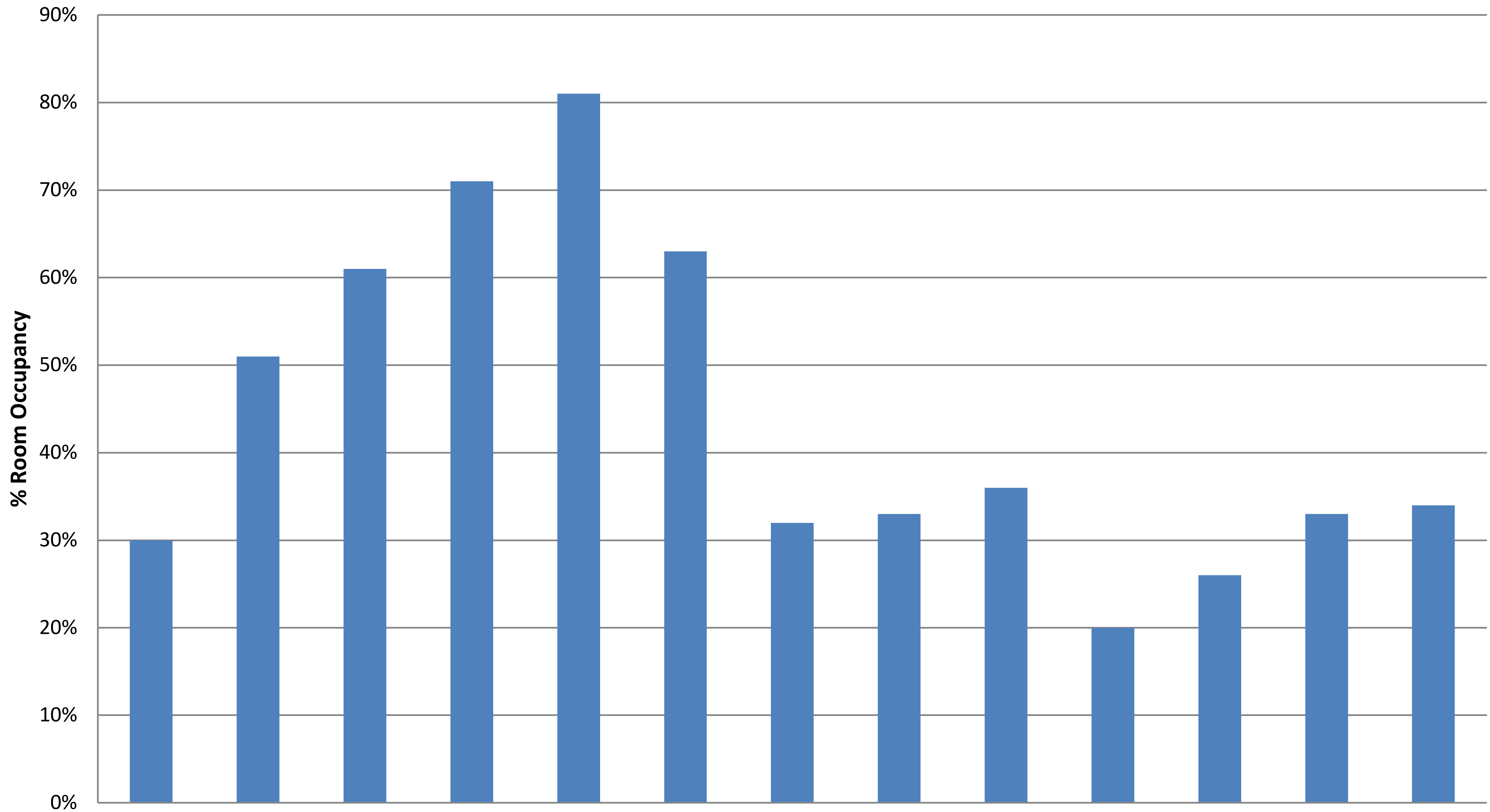


*** Jan – Apr 2023 compared to 2022**



*** Jan – Apr 2023 compared to 2022**

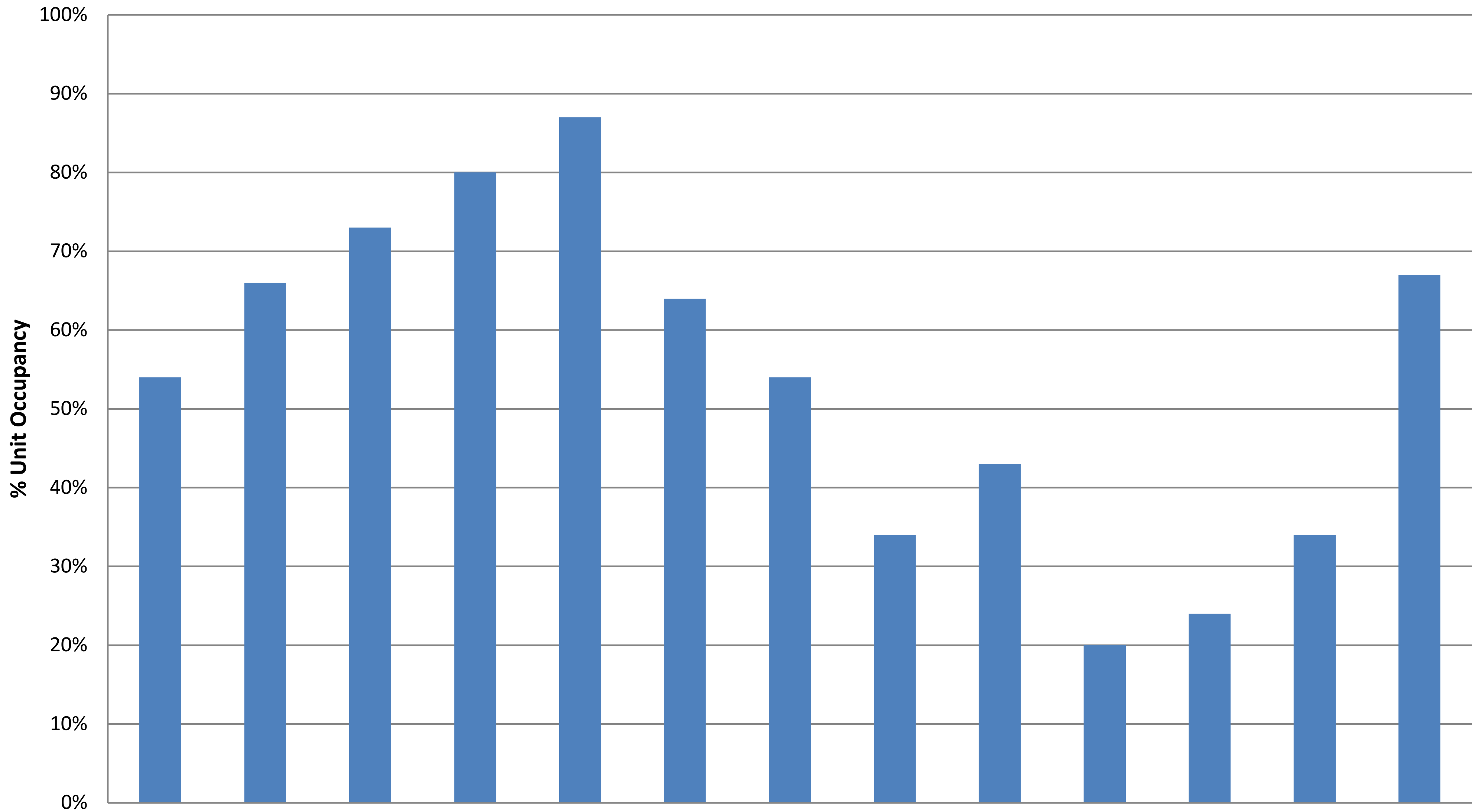
Performance – Serviced Room Occupancy



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
ER	30%	51%	61%	71%	81%	63%	32%	33%	36%	20%	26%	33%	34%

It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Performance – Self Catering Unit Occupancy



	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
ER	54%	66%	73%	80%	87%	64%	54%	34%	43%	20%	24%	34%	67%

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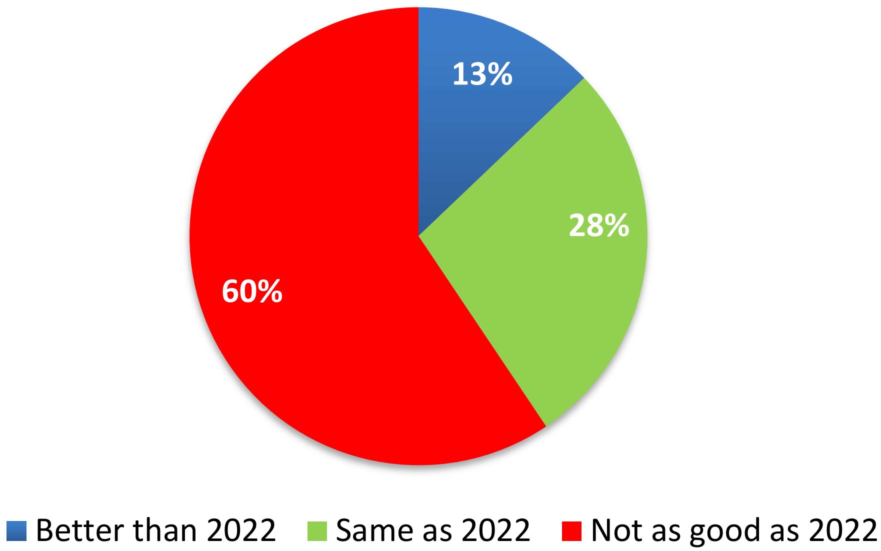
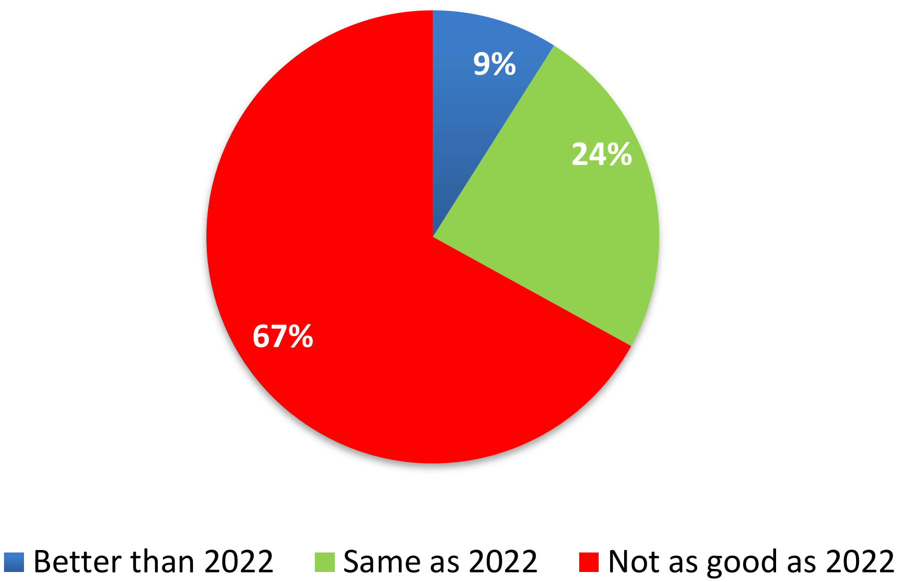
Outlook – Based upon forward booking levels

MAY 2023



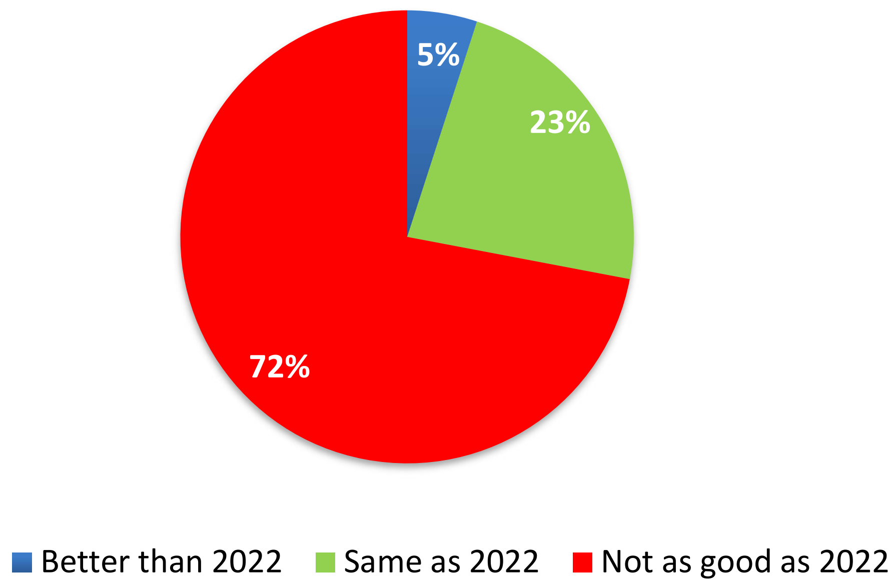
Base: 47

JUNE 2023



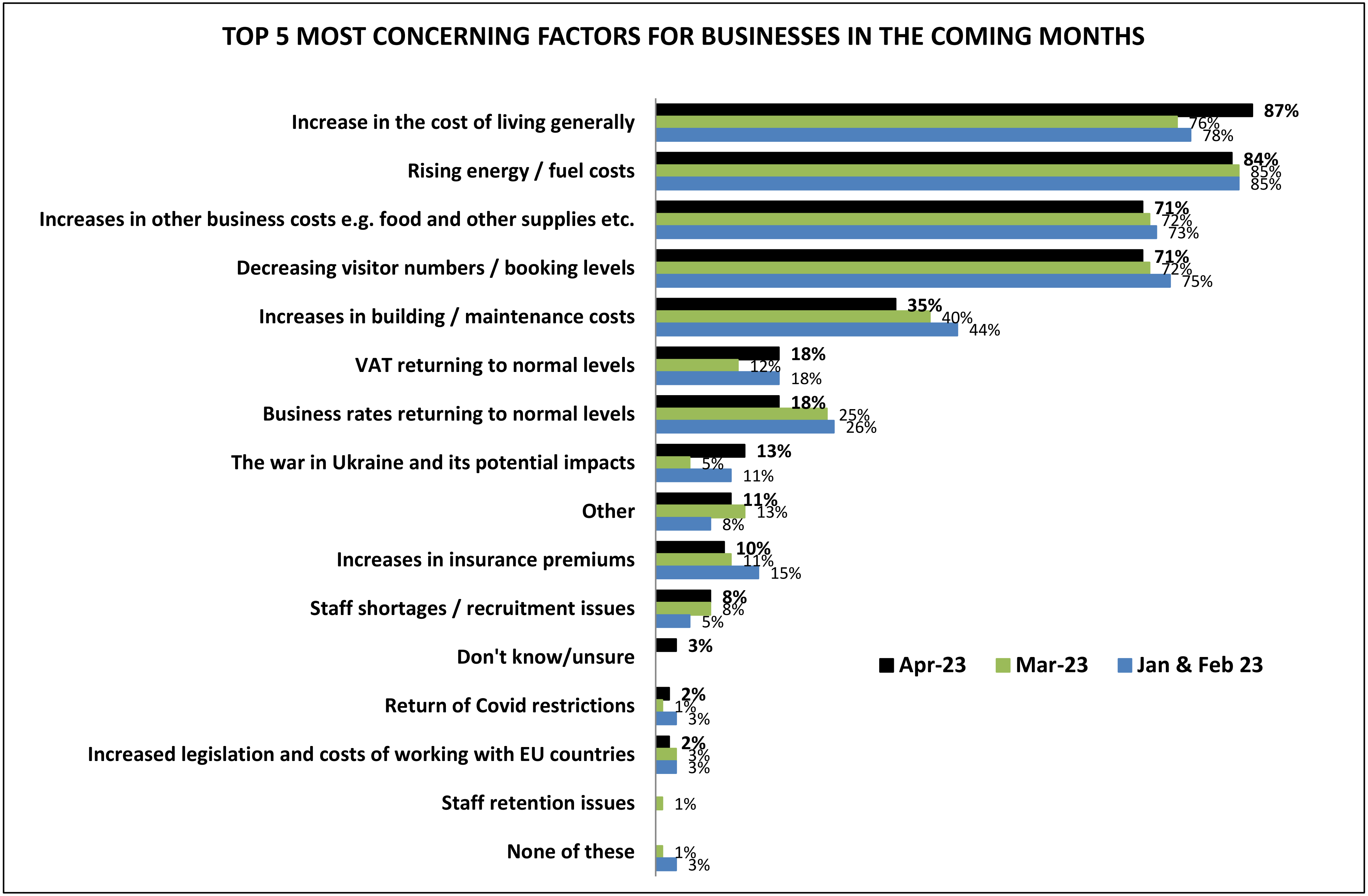
Base: 45

JULY 2023

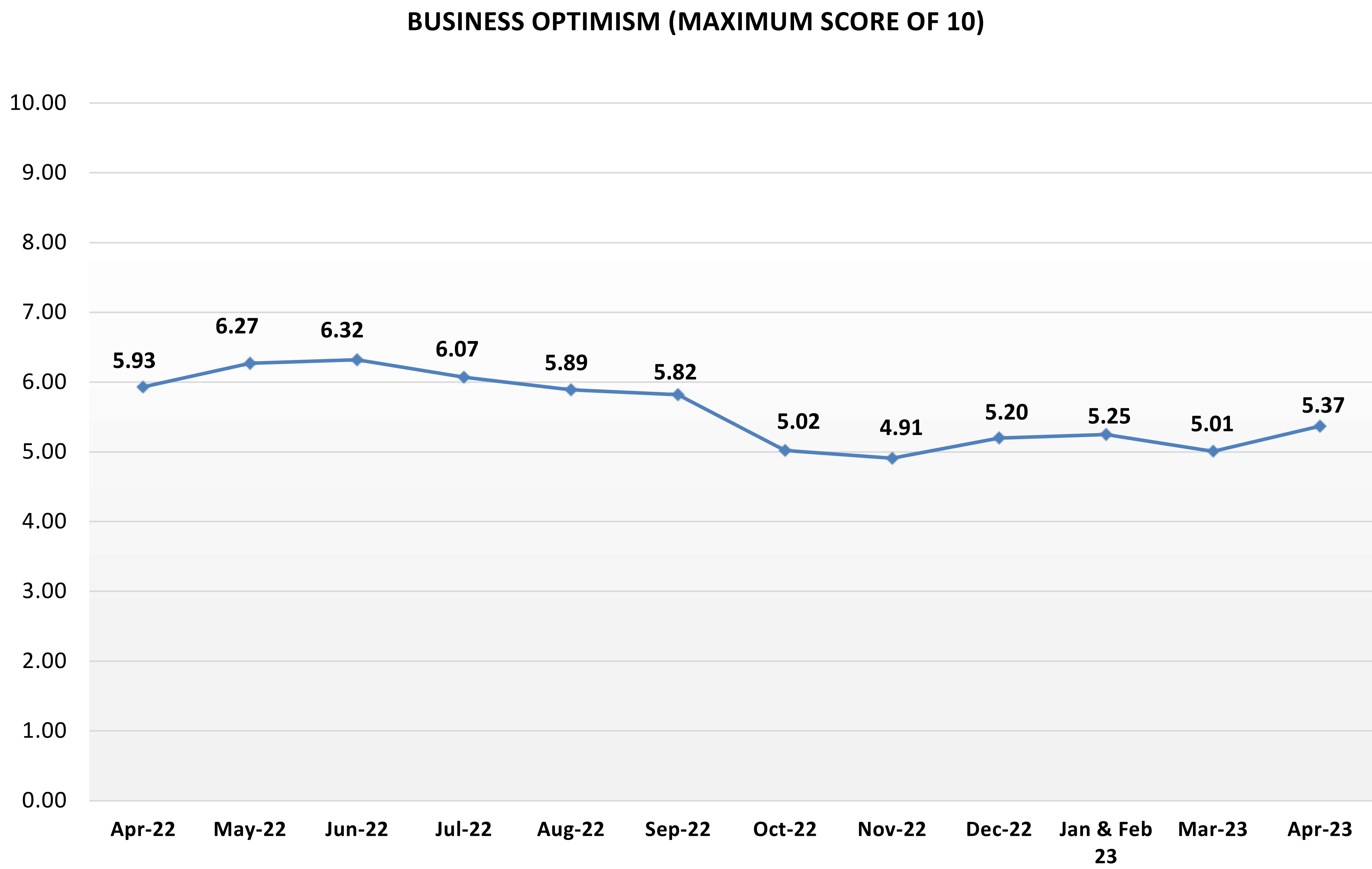


Base: 43

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

Our guests continually talk about the beggars outside the old Debenhams and CoOp in Torquay. The pavements are filthy!! Torbay Council should be ashamed of themselves. They don't seem to realise that without tourism, Torquay would die along with many restaurants and bars. Many of the upmarket establishments are up for sale, what does this say? We are supposed to be a tourist destination and the harbour and surrounding areas should be spotless. If it wasn't for our regular guests we would be in a dire position right now. Mortgage has doubled, the utility bills have doubled and of course the food prices. We are just trying to ride this year out and hopefully have a better season in 2024.

Freeze on VAT threshold is a major concern. Prices of everything are going through the roof, yet we cannot earn a single penny more. This really would be a big help if the threshold was increased in line with inflation.

We are not getting many forward bookings at all; we have decreased our rates slightly and also opted for one night stays but this has had no impact at all. The area seems quiet just plenty of coach holiday makers.

June & September are looking very poor for bookings compared to last year, but April was 20% up. July and August are looking about the same as last year. It's looking very variable. Hoping the year will therefore be ok overall.

Not expecting to beat last years turnover. Flight disruptions etc. meant many stayed in England last year, however we have solid bookings for the spring & summer this year.

Quite simply, we have had to raise prices because of spiraling energy, food, mortgage, staff and maintenance costs. Coupled with potential guests already probably struggling themselves, it's a double whammy - people can barely afford a holiday - that holiday is more expensive, so they are less likely to come. From a healthy business at the end of 2022, we've nearly exhausted both current account cashflow and quite extensive savings. If the spring and summer picks up, we may survive until the end of the season. With overheads as they are, we will unlikely get through the winter :(Government and the energy companies are seriously threatening the future of tourism and need to be aware.

Far more international (particularly EU) bookings coming through - which would concur with Booking.com trend, who are seeing 38% increase in overseas traffic from potential customers searching UK properties. Hopefully, lookers will turn into bookers for the main season.

Overall, we are slightly more optimistic than at the time of the last survey. Although it is clearly still a challenging environment, bookings are now coming through for Spring and Summer and it seems likely that turnover during those key months will end up not far off last years' figure. Given that prices are higher than last year, similar turnover still implies lower booking numbers, even though we have had to absorb most of our increased costs rather than pass them on to guests. Guests are clearly very price conscious right now and we are seeing lots of churn as bookings are cancelled, either because guests decide they can no longer afford the holiday, or because they are finding cheaper options as competitors slash prices.

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