ERBID How's Business Survey

December 2023

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Executive Summary

Compared to December 2022 businesses reported that:

December 2023 Visitor levels:
Increased 23% / Stayed the same 26% / Decreased 51%
Estimated actual change in visitors -9%

December 2023 Turnover levels:
Increased 30% / Stayed the same 25% / Decreased 45%
Estimated actual change in turnover -9%

2023 Overall visitor levels (compared to 2022):
Increased 18% / Stayed the same 18% / Decreased 63%

2023 Overall turnover levels (compared to 2022):
Increased 20% / Stayed the same 29% / Decreased 51%

February 2024 Outlook is:
Better than last year 23% / Same as last year 21% / Not as good as last year 56%

March 2023 Outlook is:
Better than last year 16% / Same as last year 18% / Not as good as last year 67%

Easter 2024 Outlook is:
Better than last year 6% / Same as last year 26% / Not as good as last year 68%

Optimism:
Optimism score is 4.90 out of a possible 10

December 2023 – Key results

December saw the largest proportion of all businesses (51%) experiencing decreased visitors/customers compared with 2022 along with 45% reporting the same in terms of their turnover. 49% and 55% of businesses reported increased or level visitors/customers and turnover respectively compared with December 2022. Overall, the results represent decreases of -9% each in visitors/customers and turnover compared with December 2022. 56% of all businesses anticipated decreased bookings for February 2024 compared with 2023 levels and 67% and 68% anticipated decreased bookings for March and Easter 2024 respectively (compared with 2023), although this may change as we collect data for these periods.

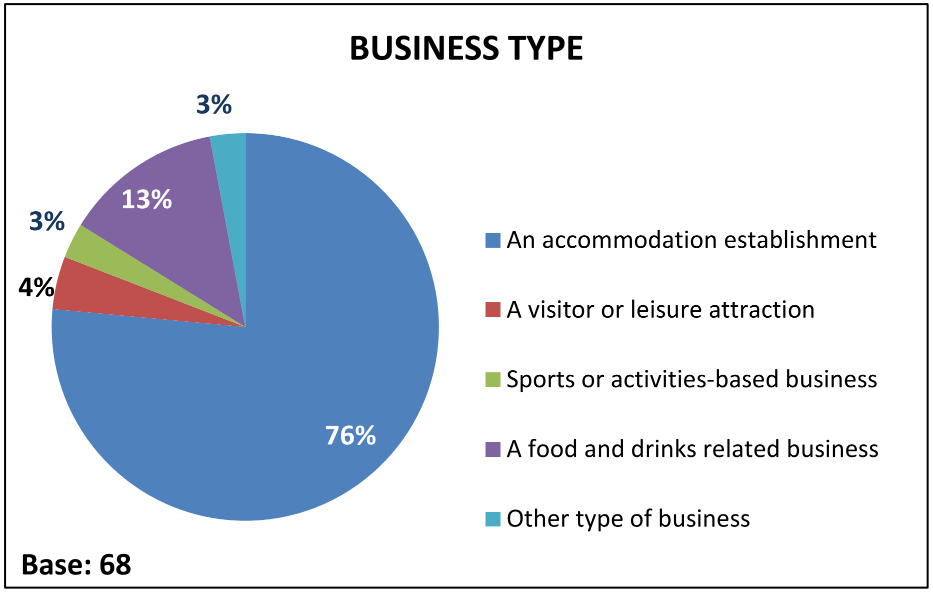
Businesses continue to be most concerned about rising energy/fuel costs (72%), the increase in the cost of living generally (68%), increases in other business costs e.g. food and other supplies etc. (63%) and decreasing visitor numbers/booking levels (59%) with concerns about the increases in the cost of living and increases in other business costs increasing compared with last month. This month's survey has a sample of 68 businesses.

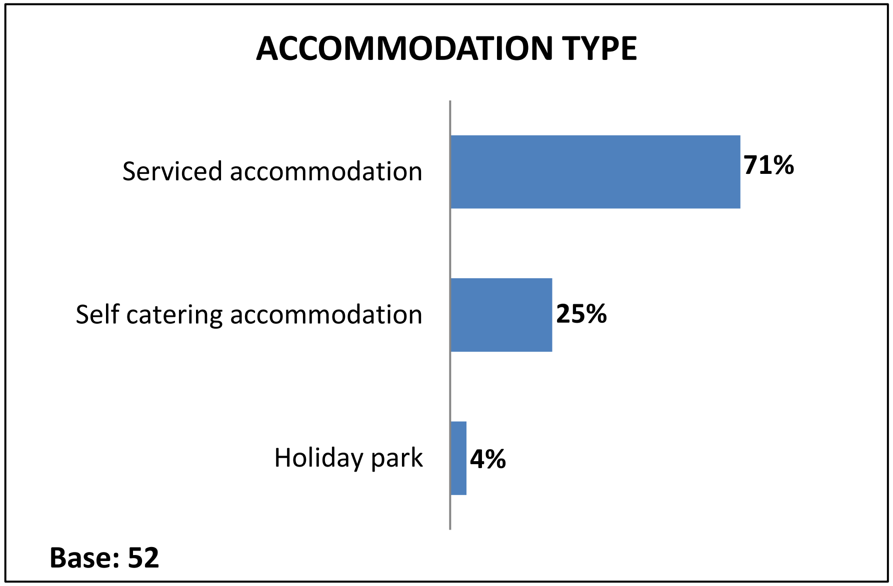
<u>**Whole of 2023 – Performance compared with 2022**</u>

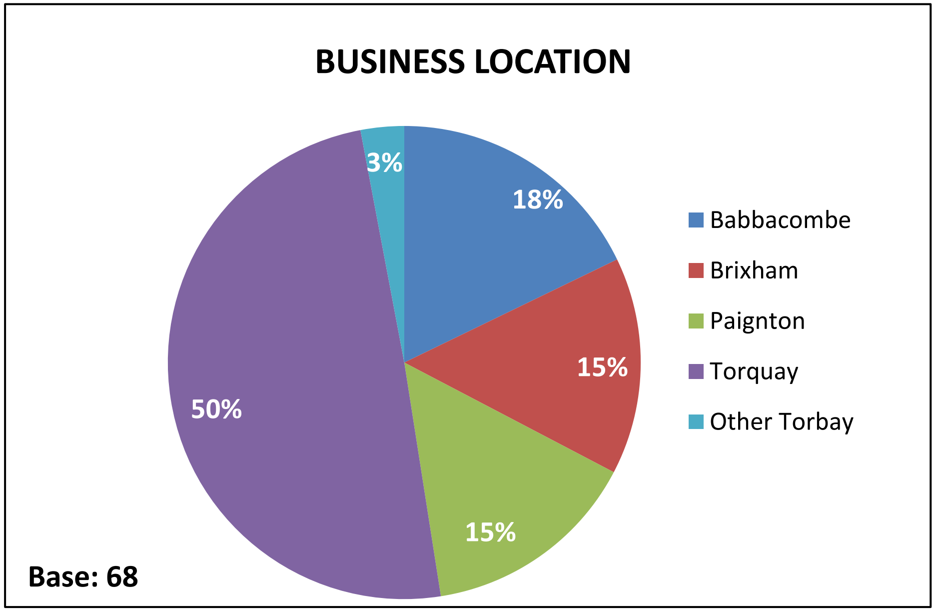
For 2023 as a whole, 63% of businesses reported decreased visitors and 51% decreased turnover compared with 2022. Compared to 2022 as a whole, 56% of business reported increased staffing costs for the whole of 2023 whilst 90% reported increased cost of goods.

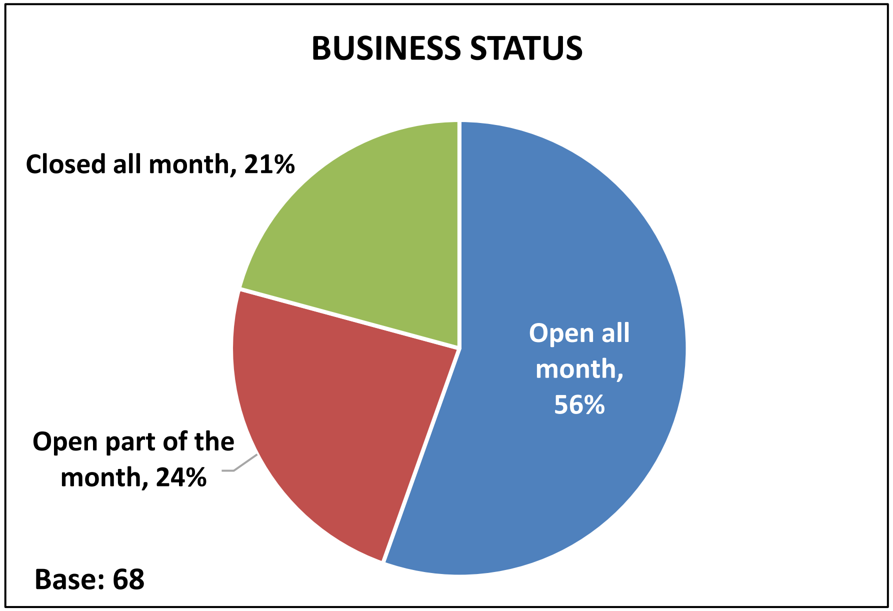
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It’s very much appreciated.

Sample profile, business location and status

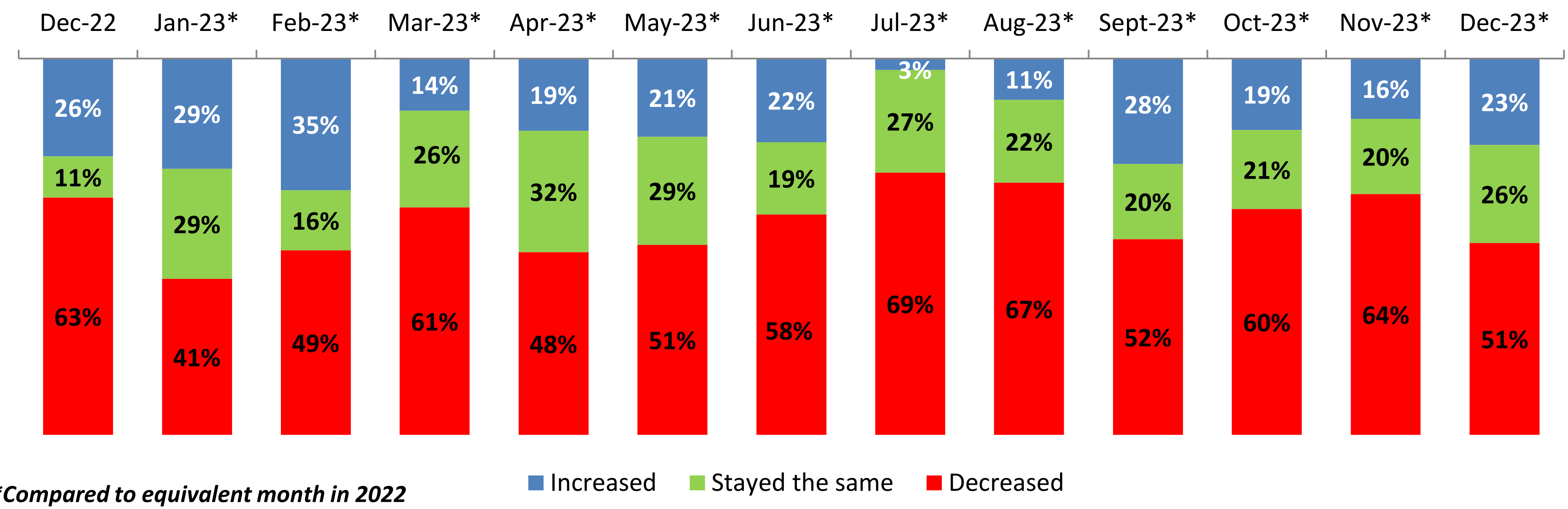




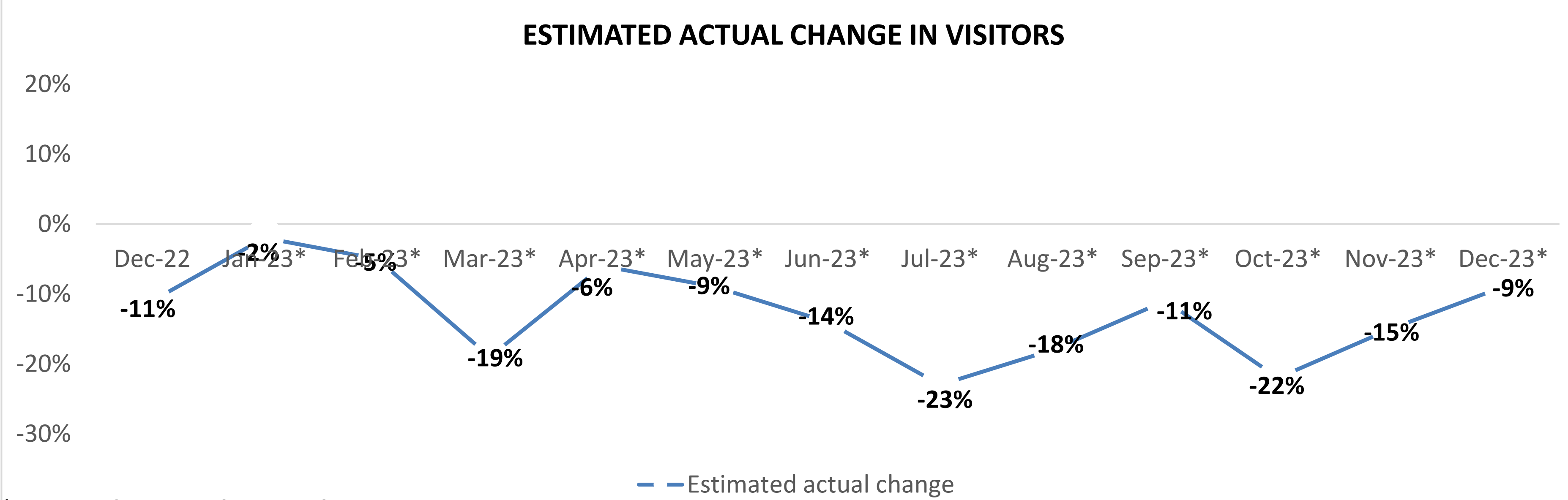




Performance – Number of visitors compared to 2019/2022*

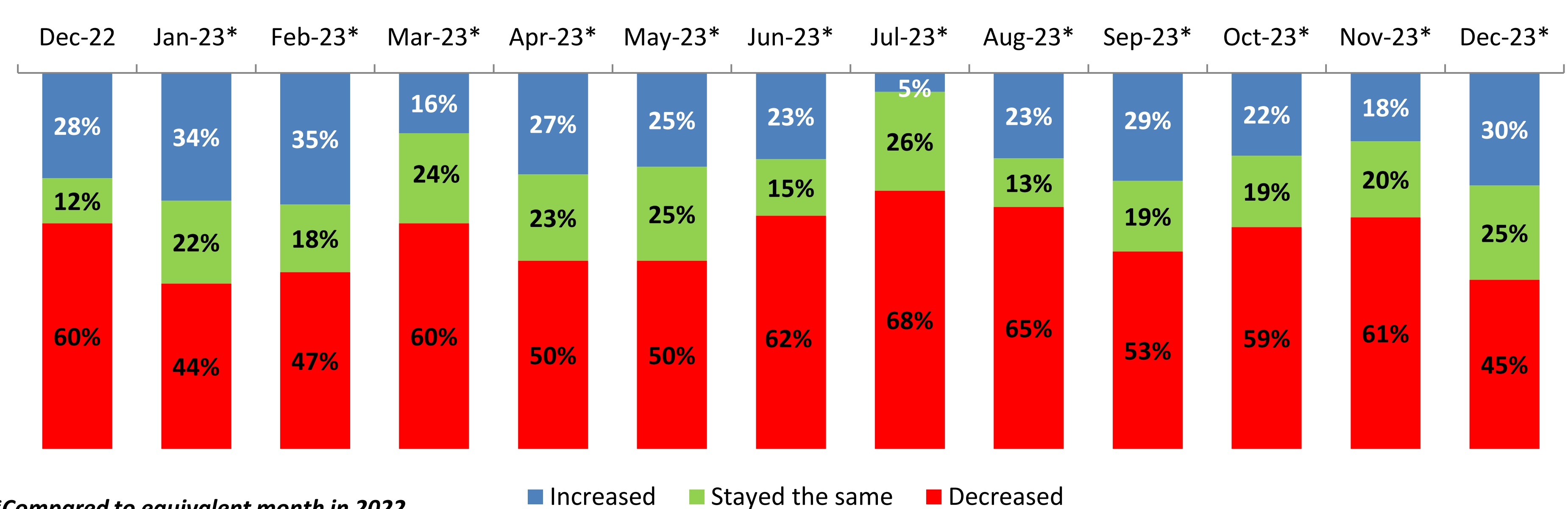


Compared to equivalent month in 2022

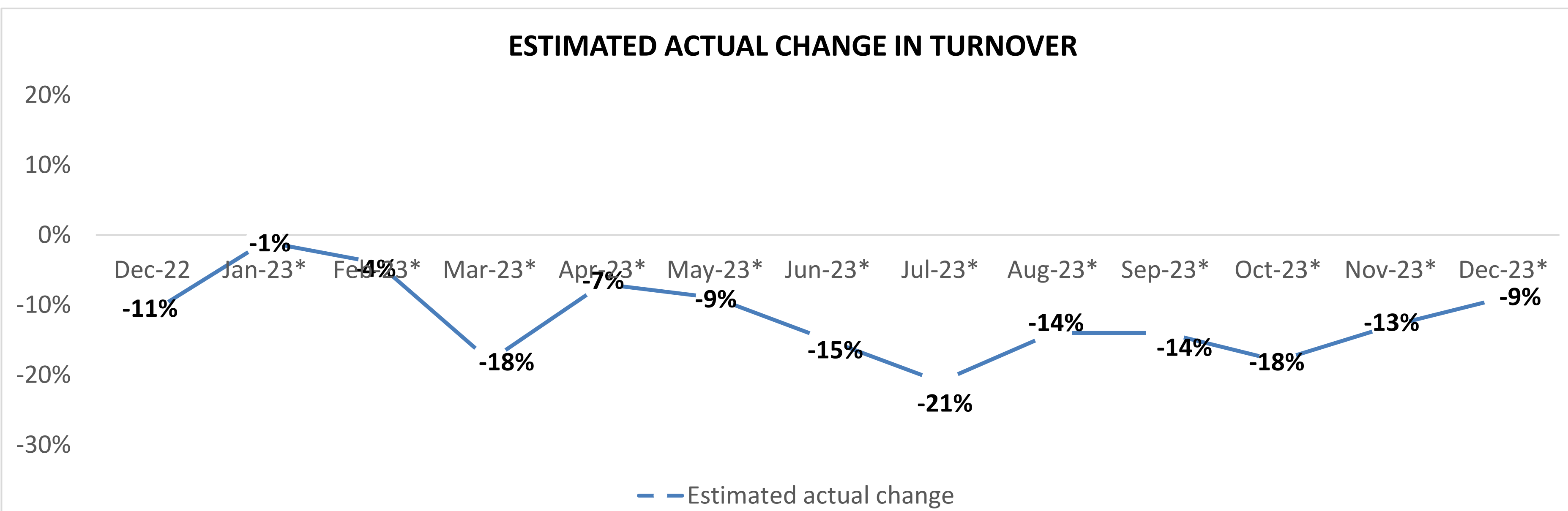


Compared to equivalent month in 2022

Performance – Turnover compared to 2019/22*

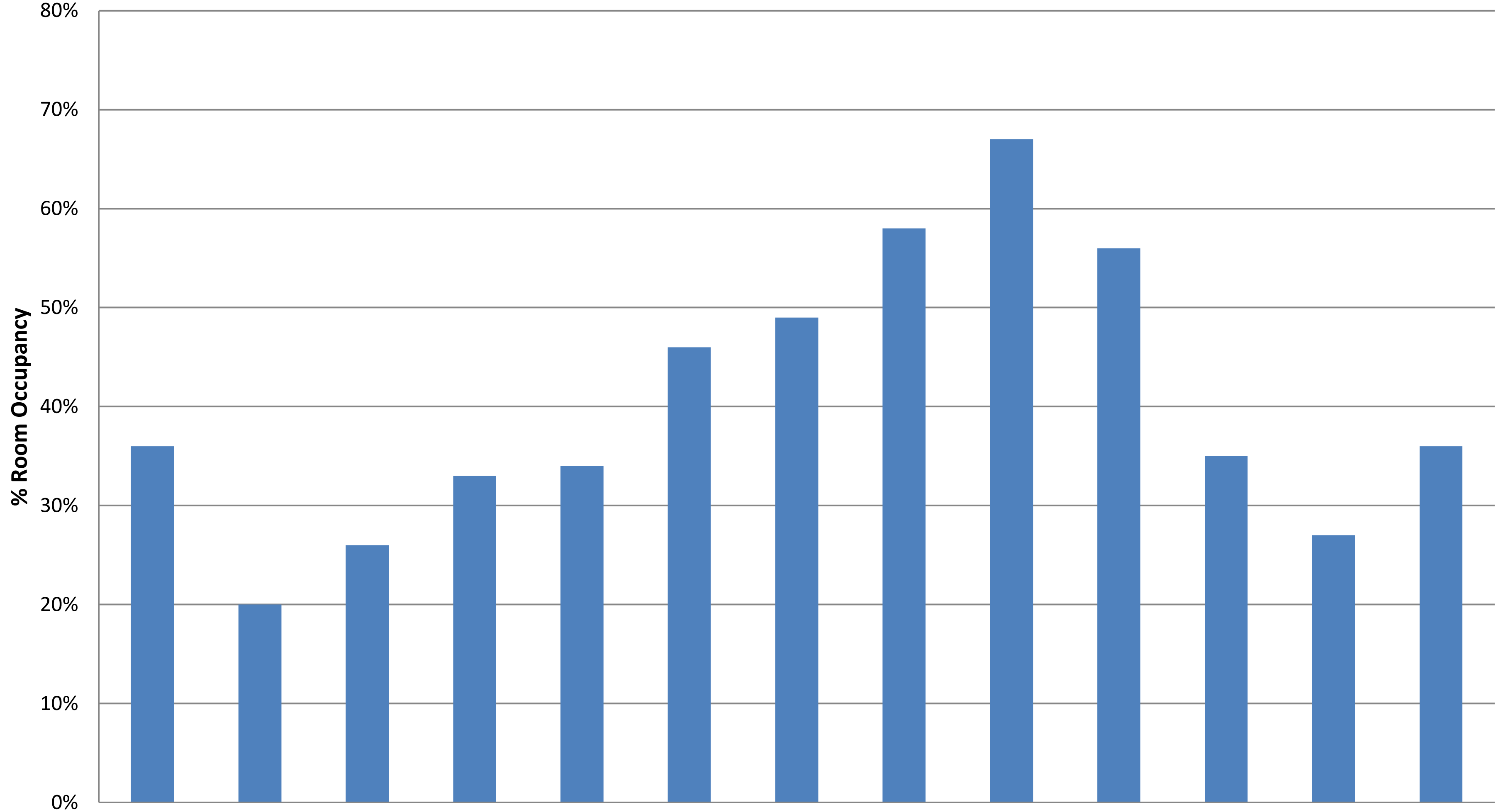


Compared to equivalent month in 2022



Compared to equivalent month in 2022

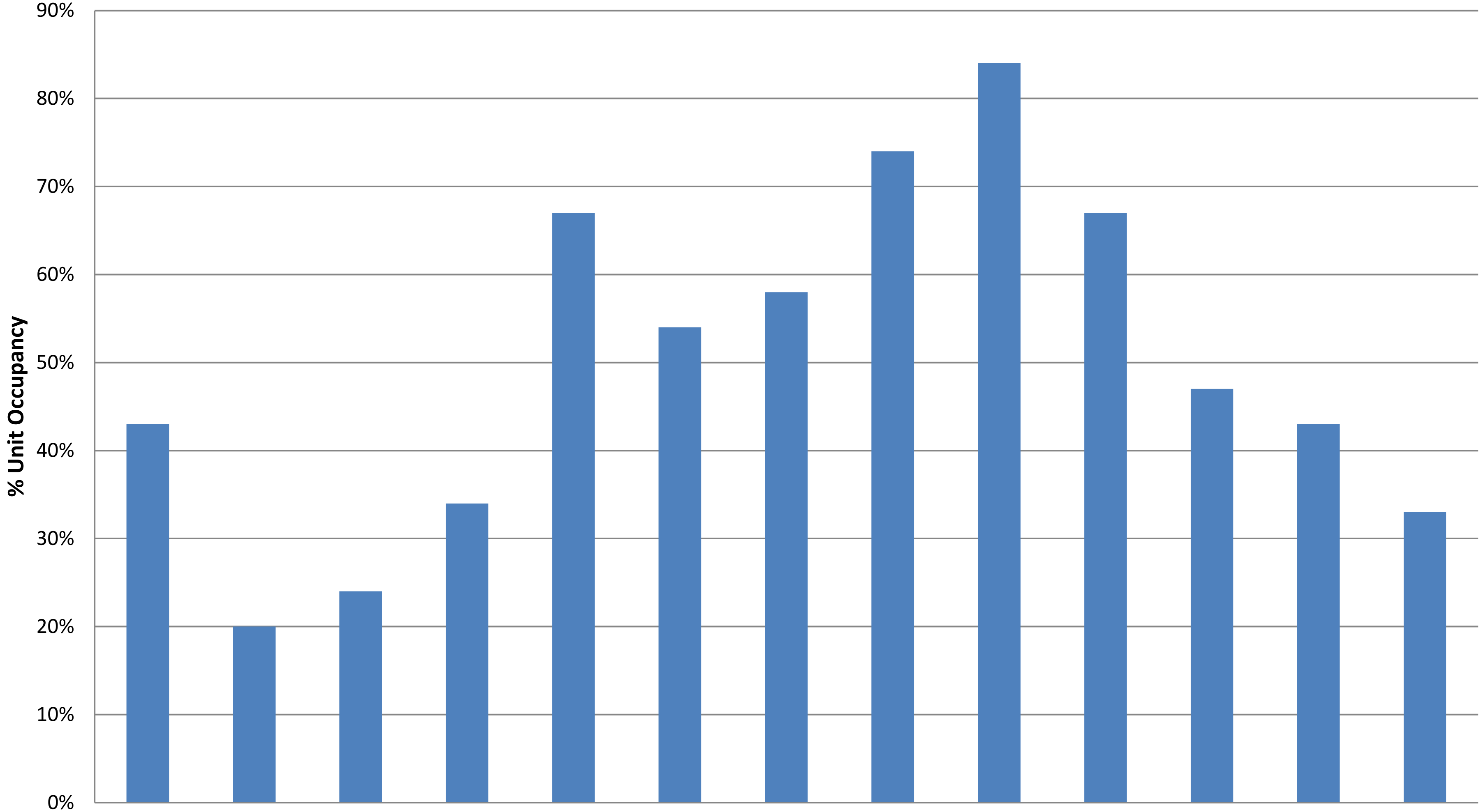
Performance – Serviced Room Occupancy



	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
ER	36%	20%	26%	33%	34%	46%	49%	58%	67%	56%	35%	27%	36%

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



	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
ER	43%	20%	24%	34%	67%	54%	58%	74%	84%	67%	47%	43%	33%

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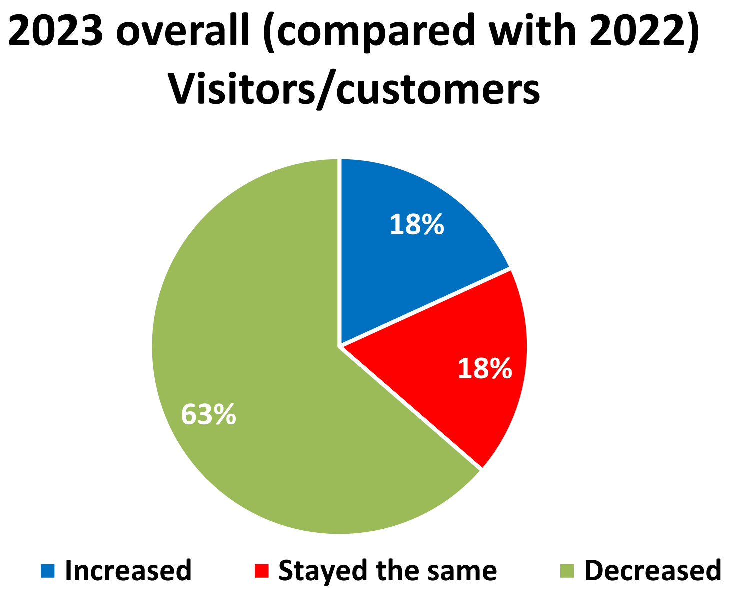
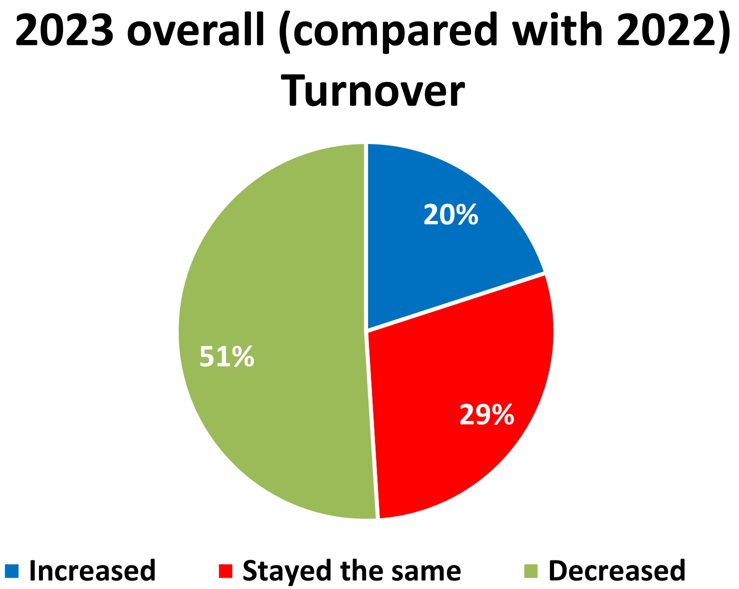
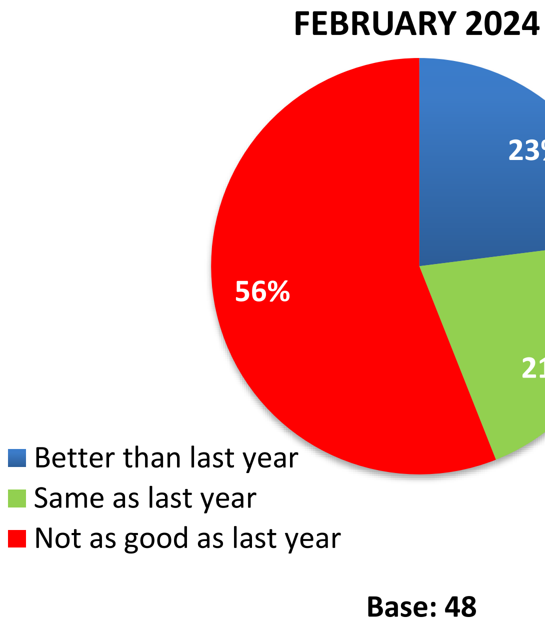
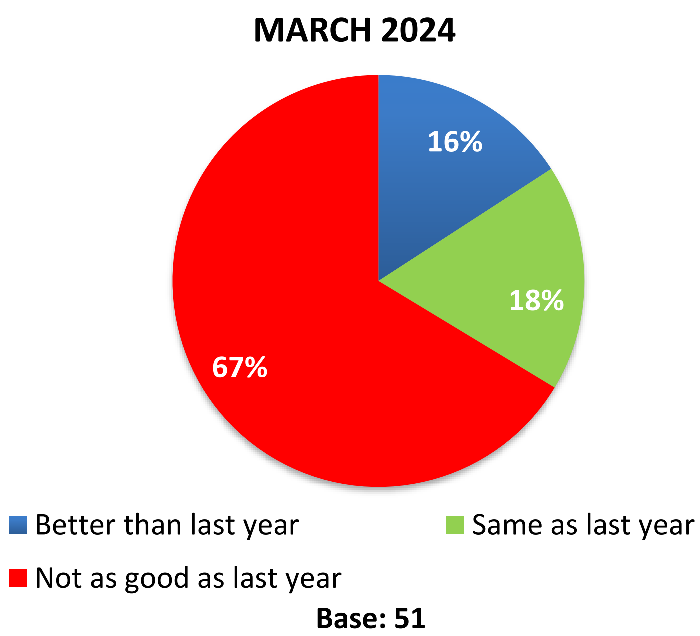
2023 overall – Visitors/customers & turnover (compared with 2022)

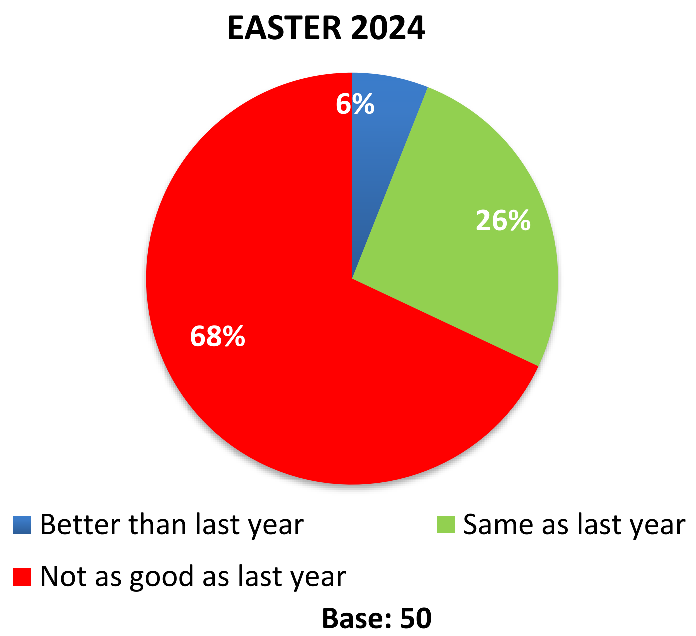




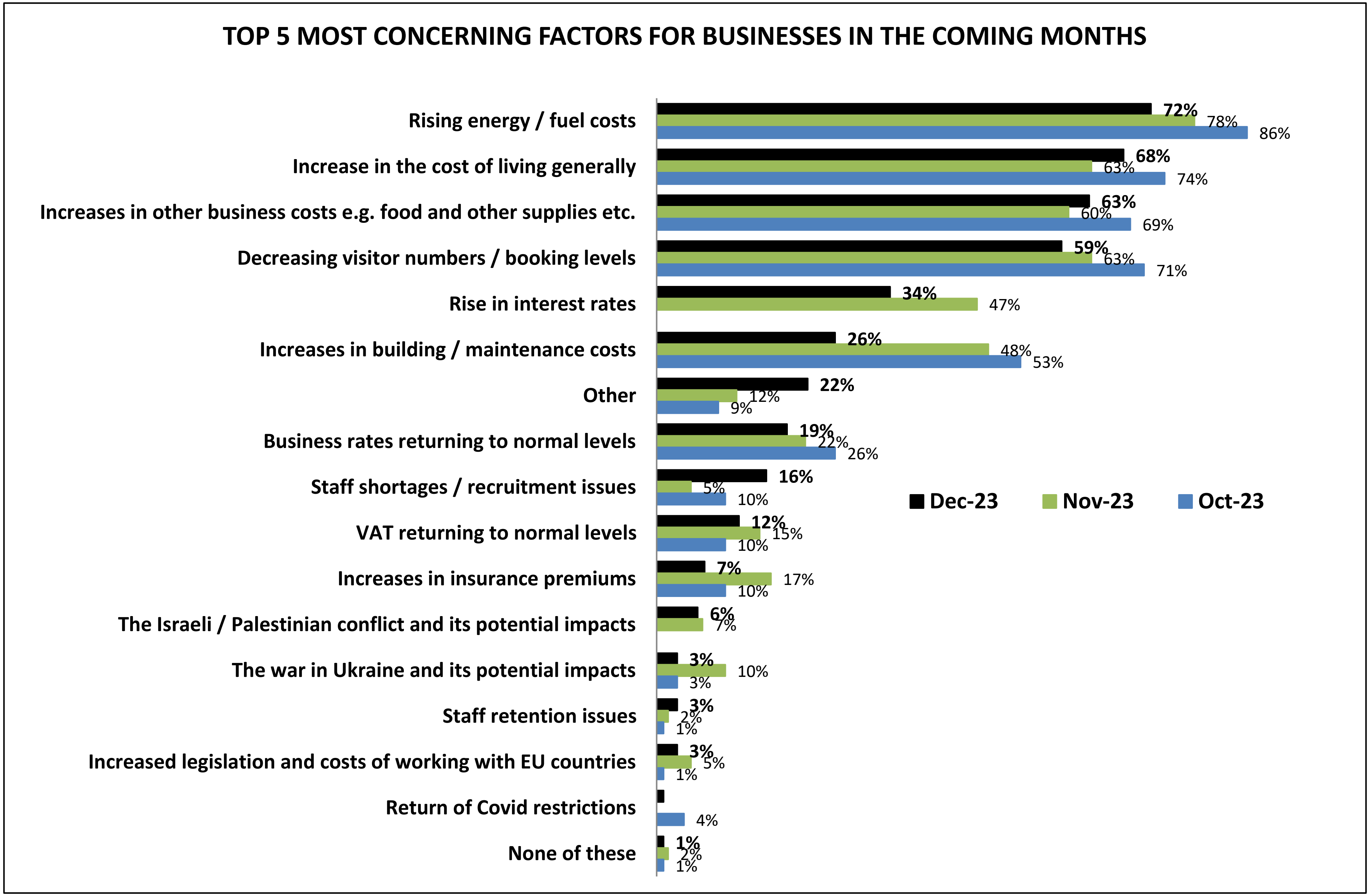
Outlook – Based upon forward booking levels



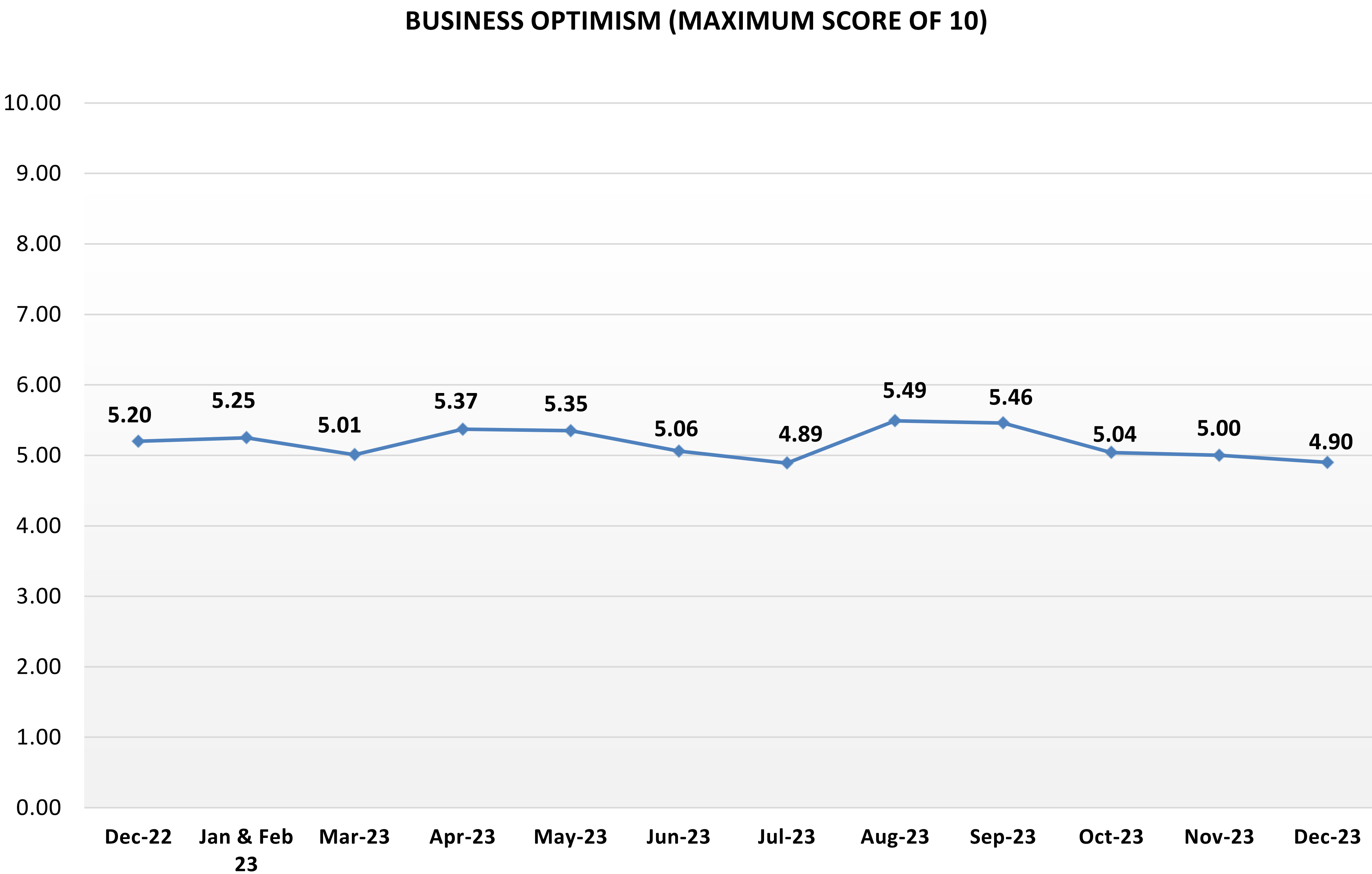




Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

We had to put our prices up in April to try to re-establish a profit margin, after crazy cost increases in 2022. We aimed for around a 14% increase in prices. Our turnover across the year has been a pretty stable +3% compared to 2022 which shows a drop of around 10% in customer spending, before the price changes. This is not just the total number of visitors, but also customer spending decisions. Every day now we see a table having meals but just drinking water, or a group where some have cake, others have coffee, but not both. We see more people looking at the menu outside and then choosing to walk on. These are stark changes from the past.

Abysmal. Wash out, worst season yet. 2024 is going to be as bad.

Massive reduction in consumer confidence. People have less expendable income. Greater perceived value for money going abroad i.e. guaranteed weather & flights don't seem as high when compared to travel & parking costs in the UK.

Our shoulder bookings were very poor meaning we had to discount heavily, meaning more bookings but less income.

Please do something to help the small businesses.

Guests complained about dirty streets and recreation areas/yobs.

2024 additional cost of sales to consider again, customers will have to pay.

Expect an avalanche of business failures in 2024 if economic conditions don't improve.

Its tough to maintain a business and getting harder and I don't know the answer.

First summer where occupancy dropped off from 100% with a 20% fall. Business for Feb/March this year almost non existent and summer bookings similarly down at this stage.

A reduction in Hospitality VAT is sorely needed.

More marketing needed to the coach sector.

Open the road !!

Had a lot of late & last minute cancellations. I'm receiving cancellations for 2024 bookings.

Lack of footfall prevented any significant gains.

Suffered from reduced trading during early season due to personal issues.

Key results – Sample of other comments on impacts

A challenging year. Bookings started the year very slow although picked up in March / April. Overall though it is was noticeable that guests were booking shorter stays and more last minute; with gaps tending to fill very last minute if the weather was decent (which it wasn't very often!). Also, unusually high levels of cancellation were apparent throughout the year. It seems clear that the staycation trend has collapsed, and customers are having to cut back on discretionary spending. Fewer are choosing Torbay as a main annual holiday destination, and additional short breaks are under pressure due to rises in the cost of living and the general economic situation. In that climate visitors are making last minute decisions as to whether to come here or not. Having gone abroad a couple of times over the winter it seems clear to us (at least) that Torbay is becoming less competitive and attractive as a destination.

2023 was a very poor year, probably the worst we have had but I don't think 2024 is going to be good, things have to change in the UK, people do not have the money to spend on holidays and if they have Torquay is not the place they are coming to due to a big decline in the town. Too many larger hotels are being allowed to be built taking it away from the smaller guest house. We have put ours up for sale due to the rising costs and its being turned into flats.

The whole thing is depressing!

Would like to note summer was not as busy as we would have hoped as the UK seemed to come down from the domestic tourism boom we had after Covid, also the weather in July and August was horrendous and damaged the visitor numbers. Being recently opened our costs and turnover are still settling into what can be described as our normal levels of cost and turnover.

So many are leaving the sector and selling up. People are fed up with the council letting the area go to ruin and the lack of police action.

Poor and unsustainable.

Weather had a huge impact towards last third of the year.

Just all rather disappointing.

Not as good as 2022, the season seemed to be shorter.

A very poor year. High costs, low visitor numbers. Not much to do when it rains. Anti social behaviour impacting visitors.

Bank of England/high mortgage rates.

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