

# ERBID How's Business Survey

## July 2023



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September 2023



# Executive Summary

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**Compared to July 2022 businesses reported that:**

**July 2023 Visitor levels:**

Increased 3% / Stayed the same 27% / Decreased 69%

Estimated actual change in visitors -23%

**July 2023 Turnover levels:**

Increased 5% / Stayed the same 26% / Decreased 68%

Estimated actual change in turnover -21%

**August 2023 Outlook is:**

Better than 2022 5% / Same as 2022 24% / Not as good as 2022 70%

**September 2023 Outlook is:**

Better than 2022 8% / Same as 2022 25% / Not as good as 2022 67%

**October 2023 Outlook is:**

Better than 2022 6% / Same as 2022 9% / Not as good as 2022 85%

**Optimism:**

Optimism score is 4.89 out of a possible 10

# July 2023 – Our comment

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July saw 69% of all businesses experiencing decreased visitors/customers and 68% reporting decreased turnover compared with the same time during 2022, representing overall decreases of -23% and -21% in visitors/customers and turnover respectively.

67% or more of businesses anticipated decreased bookings for August (70%), September (67%) and October (85%) compared with 2022 levels, although this may change as we collect data for these months.

Businesses continue to be most concerned about rising energy/fuel costs (72%), increases in the cost of living generally (68%) and decreasing visitor numbers/booking levels (66%), along with Increases in other business costs e.g., food and other supplies etc. (65%).

This month's survey has a sample of 96 businesses.

## **May to July 2023 general performance**

It has been a challenging peak period to date for tourism and hospitality businesses on the English Riviera, a trend seen regionally and nationally as well, however. The wettest July for a decade, coupled with the cost of living and energy crisis, high inflation and rising interest rates has resulted in an unpredictable market with increased rates of cancellations for many businesses, a rise in last minute bookings and/or customers having to cut their holidays short or cut down on their secondary spending whilst away. It is not surprising therefore that July has seen by far the largest proportions of businesses reporting decreased levels of visitors and turnover (69% and 68% respectively) compared with June (58% and 62% respectively) and May (51% and 50% respectively).

Operationally, businesses are facing soaring costs which they are reluctant to off-set by increasing their prices to their already cash-stretched customer base, so they are having to manage this very carefully to try and maintain their occupancy levels during the peak season. Indeed, many are having to offer discounts to entice customers to come and stay at all resulting in lower revenues compared with last year. As a result, business optimism during this three-month period has dropped to below 5.0 for the first time ever during July to 4.89 (compared with 5.06 during June and 5.35 during May).

On a more positive note, there are indications that overseas visitors are starting to return and will hopefully continue to do so in 2024.

## July 2023 – Our comment

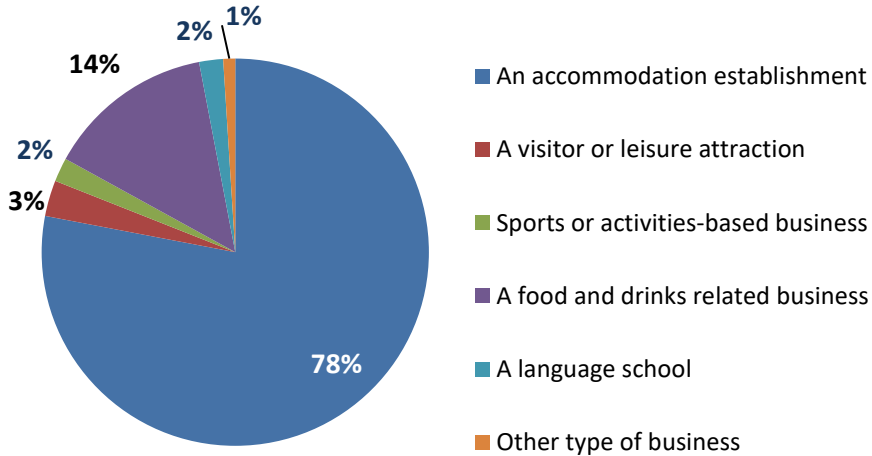
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Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

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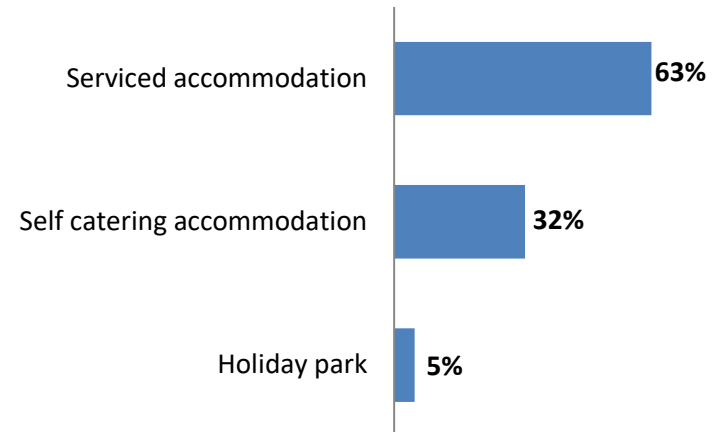
# Sample profile, business location and status

## BUSINESS TYPE



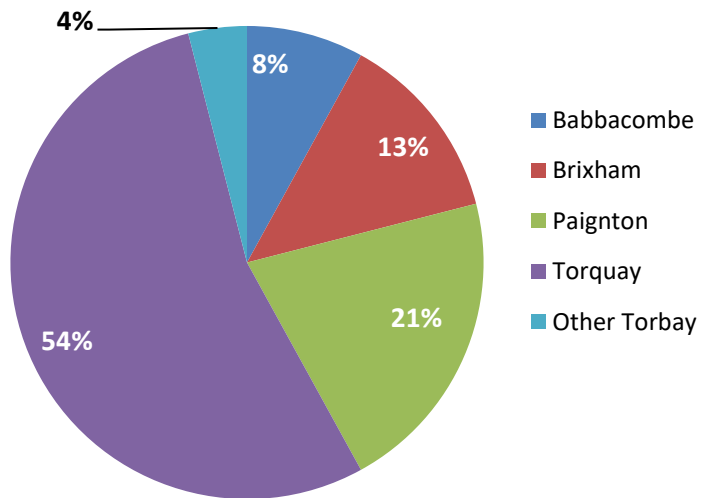
Base: 96

## ACCOMMODATION TYPE



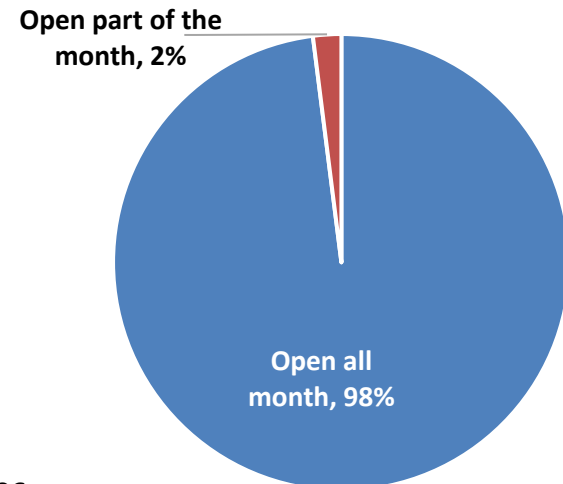
Base: 75

## BUSINESS LOCATION



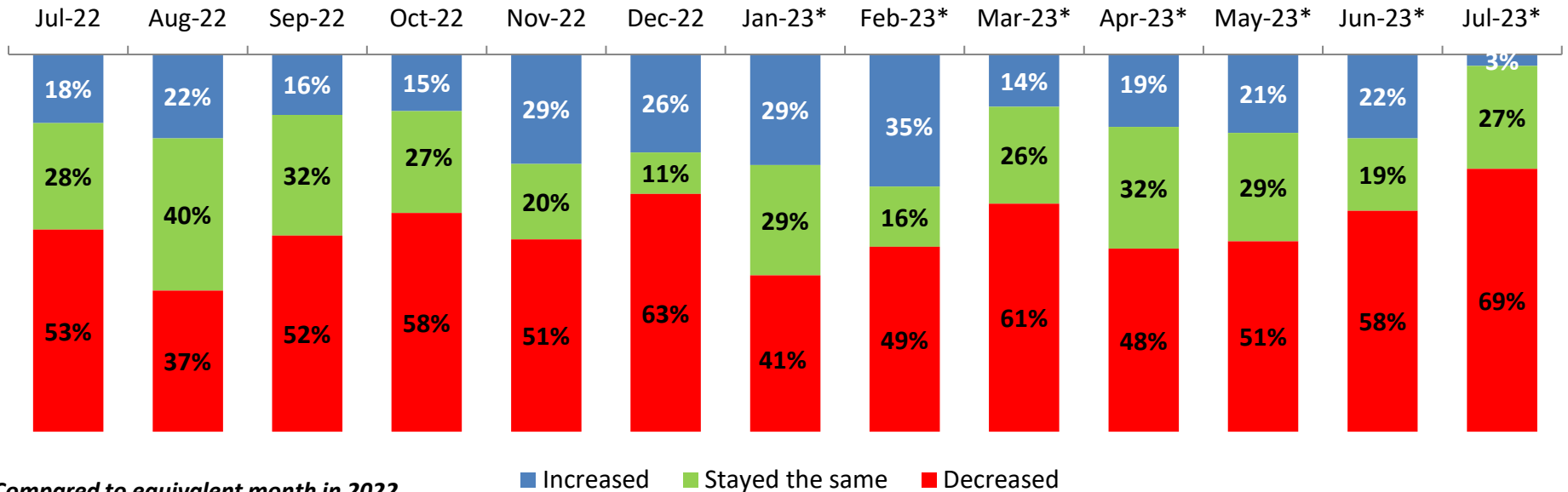
Base: 96

## BUSINESS STATUS

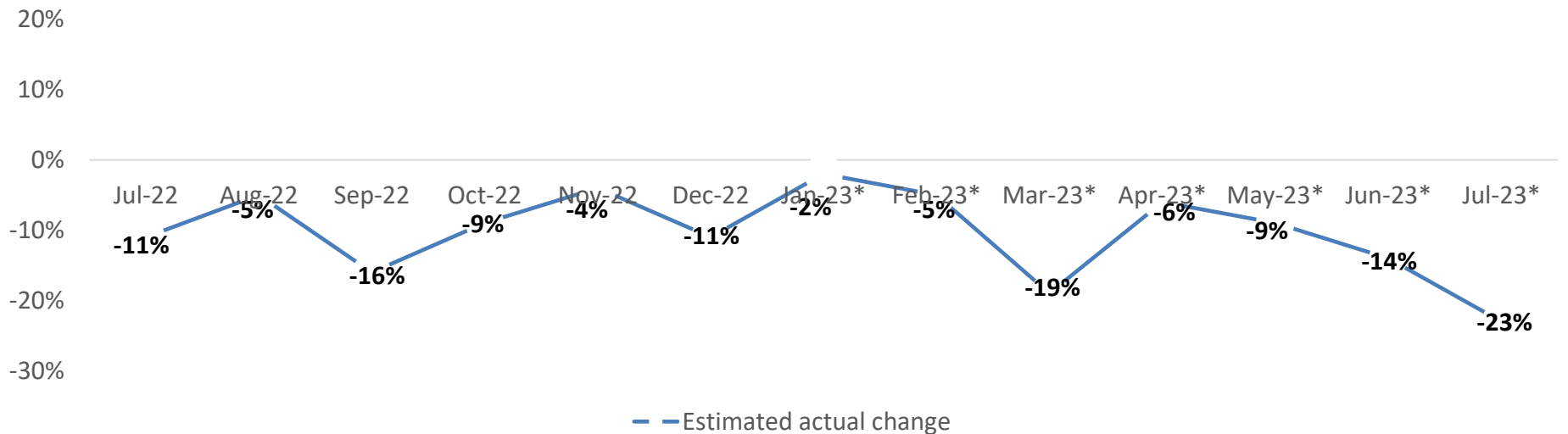


Base: 96

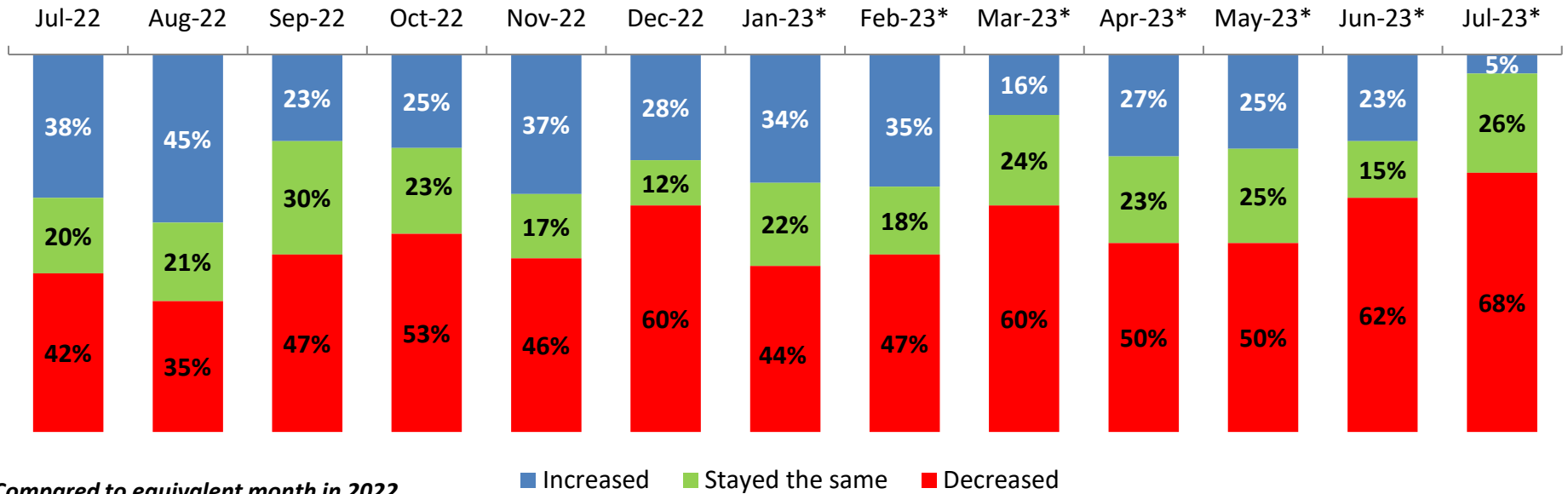
# Performance – Number of visitors compared to 2019/2022\*



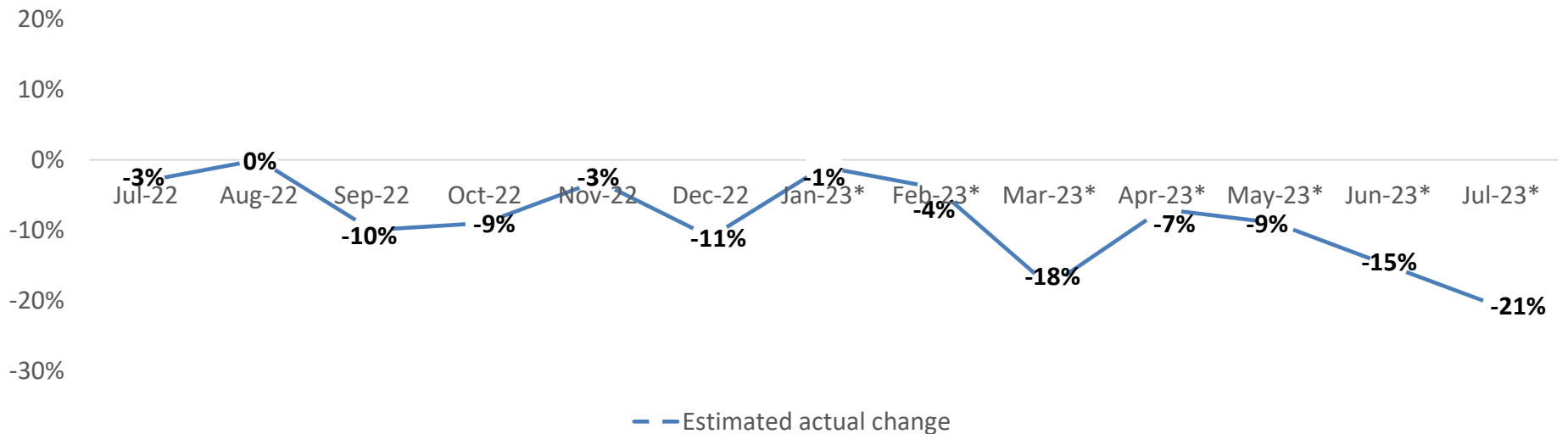
## ESTIMATED ACTUAL CHANGE IN VISITORS



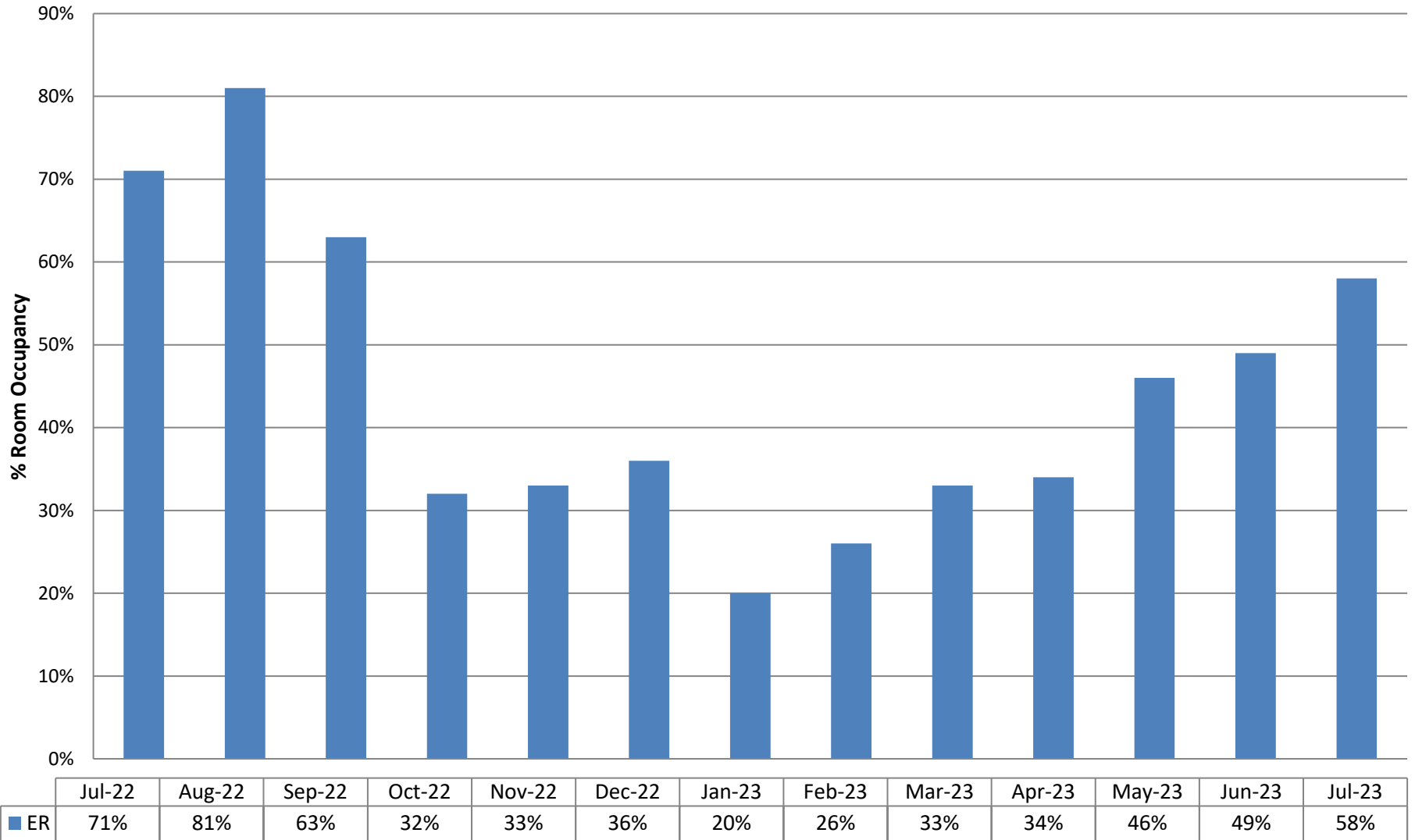
# Performance – Turnover compared to 2019/22\*



## ESTIMATED ACTUAL CHANGE IN TURNOVER



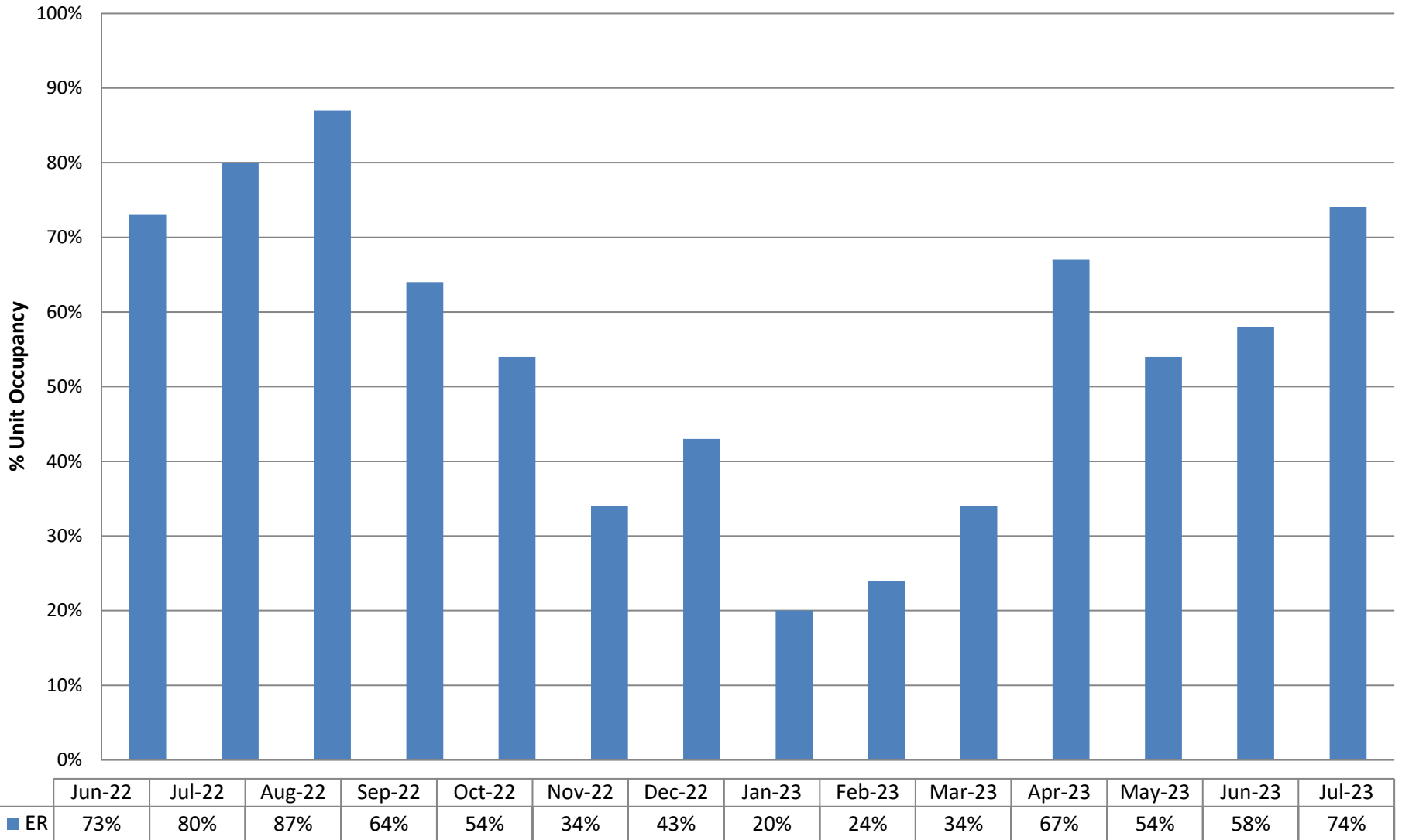
# Performance – Serviced Room Occupancy



**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.**



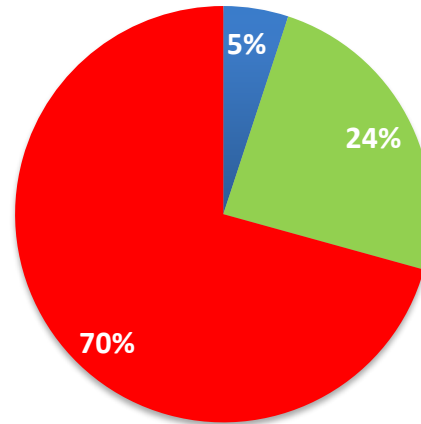
# Performance – Self Catering Unit Occupancy



**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.**

# Outlook – Based upon forward booking levels

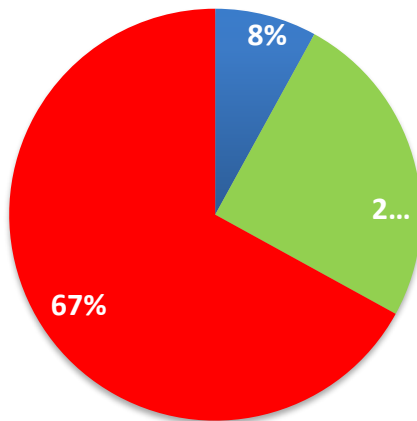
**AUGUST 2023**



■ Better than 2022 ■ Same as 2022 ■ Not as good as 2022

Base: 74

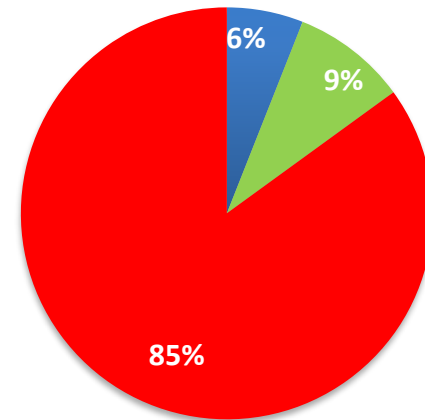
**SEPTEMBER 2023**



■ Better than 2022 ■ Same as 2022 ■ Not as good as 2022

Base: 72

**OCTOBER 2023**

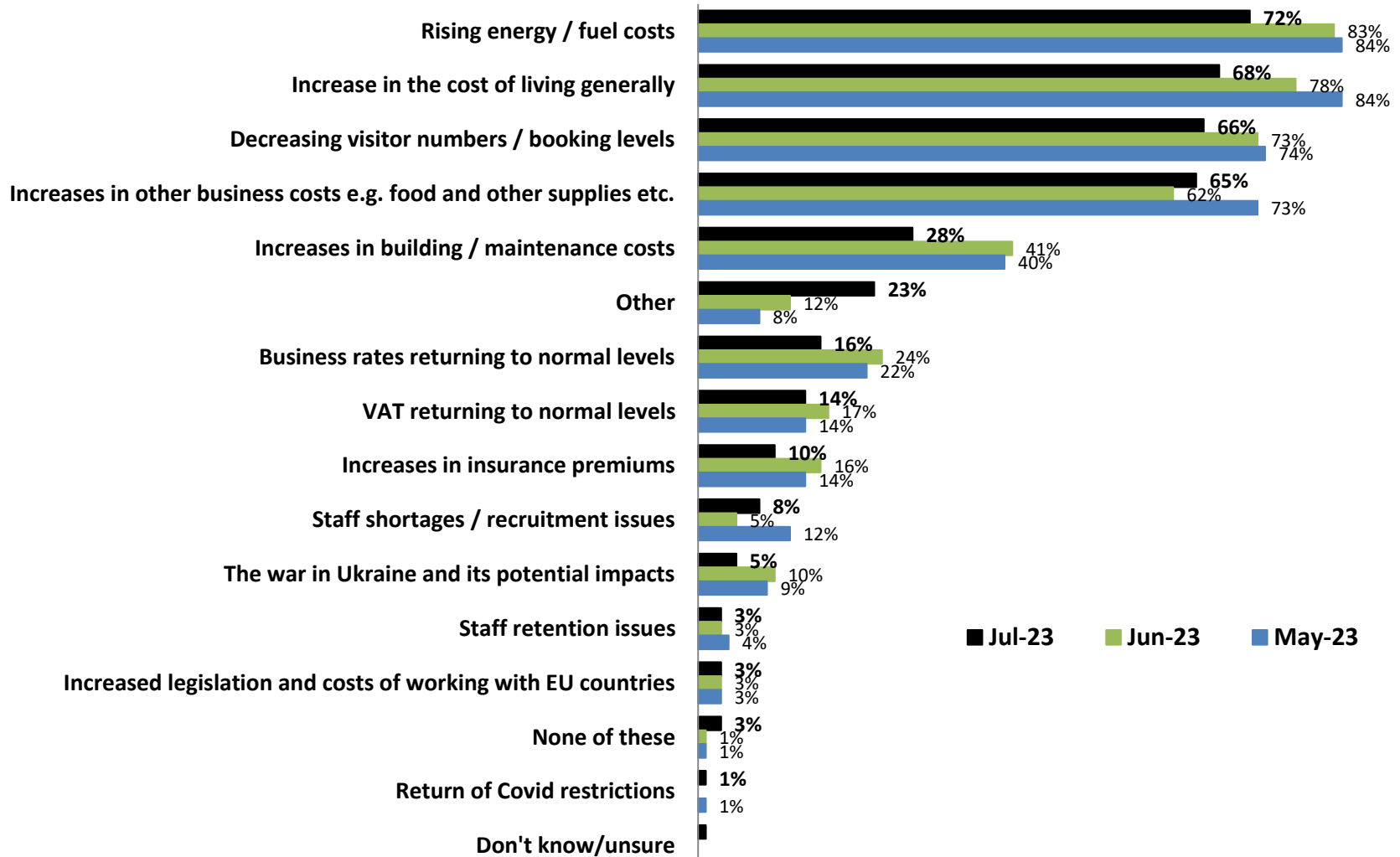


■ Better than 2022 ■ Same as 2022 ■ Not as good as 2022

Base: 65

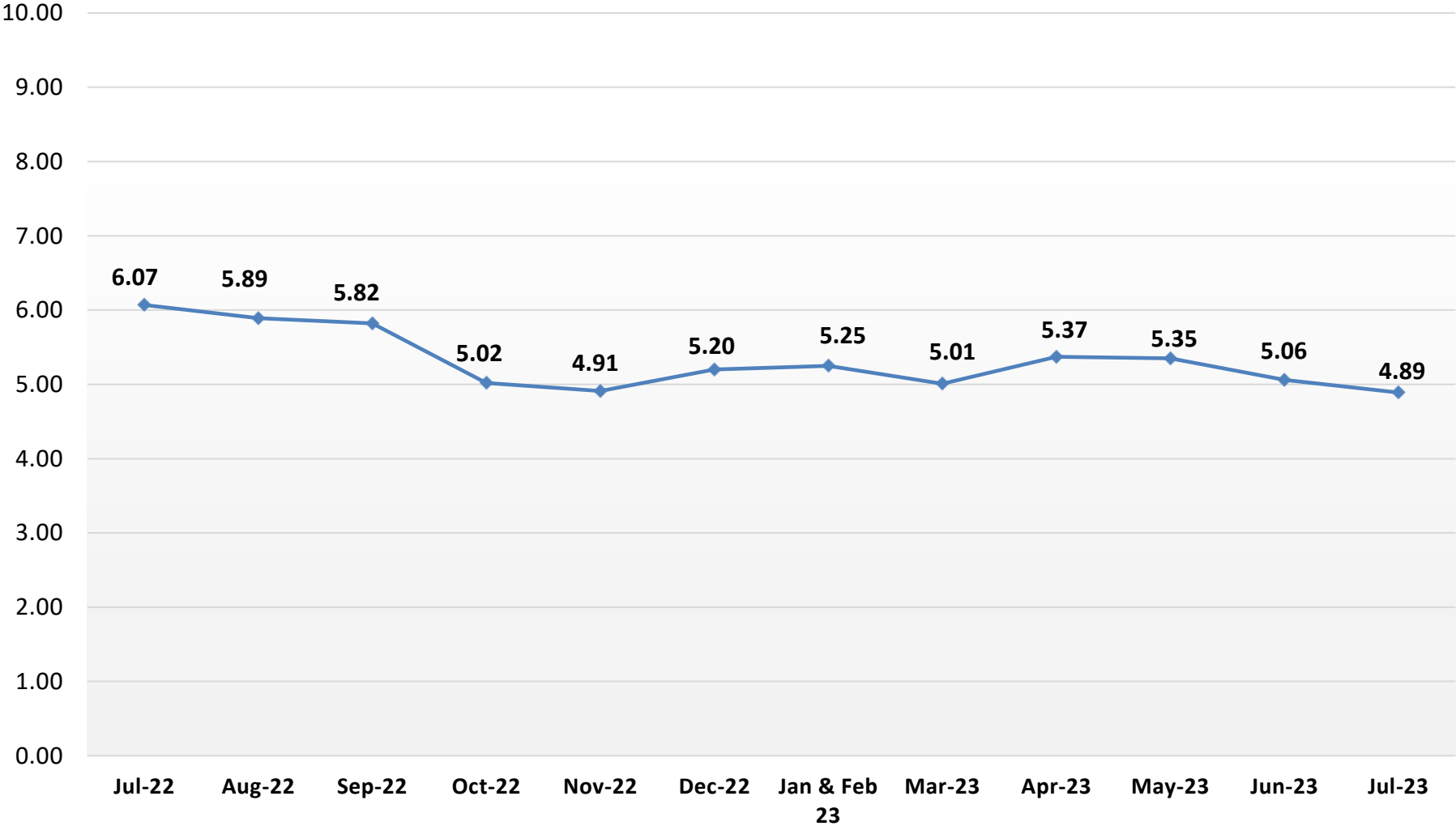
# Top 5 business concerns (pre-defined list)

## TOP 5 MOST CONCERNING FACTORS FOR BUSINESSES IN THE COMING MONTHS



# Business optimism

BUSINESS OPTIMISM (MAXIMUM SCORE OF 10)



# Key results – Sample of other comments on impacts

Obviously the cost of living crisis is having an affect on our business, however the problem that both new and returning guests (these are guests from last year and have noticed a huge decline) are regularly reporting is the amount of anti-social behaviour around town (Torquay), they have also commented on the number of homeless and others who congregate in the shelters especially around Torre meadow and the bridge to Torre beach. They all say they enjoy staying with us (phew) but will not be returning because of the ongoing problems mentioned earlier. We are starting to encourage our guests to avoid the town and travel further a field, which is really sad.

If only the town centre in Torquay was not a 'druggies' domain. All the guest's mention it as they are too scared to venture down there after one visit, it's no wonder Torquay is now looked at as a drugs buying centre.....and I haven't visited the town centre since before covid with all the stories I hear, it scares me to go down there, and I only live 10 minutes away.

Soaring costs and dwindling visitor numbers are putting severe strain on our business.

July had 23 days with rain; the worst for almost a decade. As such, trade has significantly suffered.

Placing migrants next door to my business has destroyed our trade and the reputation of Paignton as a family tourist destination.

Normally we have had 90/98% room occupancy in July, August and mid-September, but this year it is about 29/28/22% accordingly expected. These figures show clearly that something is really wrong with the UK economy. While it comes back to normal many, many small businesses simply will not survive, especially those like us- seasonal businesses.

It feels like nothing is going right this year and there is no sign of this ending - mortgage rates and reducing room rates to compete mean we are now hoping to break-even this year at best - beyond depressing since all we do is work. We are now considering our longer-term options as we are not going to live like this for years to come - we may as well go and join the alcoholics on the streets, their income will be similar for doing nothing.

The weather has had a terrible impact on us as an outdoor leisure business. It has been shocking!! Let's hope for a better August.

September is usually one of our busiest months once the kids go back to school. We always have lots of ahead bookings, more than August by the end of July. This year September is looking terrible. Hardly any bookings.

We are finding an increased rate of cancellations and visitors leaving early. The poor weather has been putting people off and cost of living concerns are also bearing down heavily on bookings. We have had to manage pricing very carefully to maintain occupancy during the peak season but nothing, so far, is doing much to lift September and October bookings. Both of those months are very significantly down on 2022 and it looks as if we will be reliant on late bookings and a change in the weather to achieve even a decent autumn season. Overall, this year has been a tale of fighting against really strong headwinds (although our overseas visitors are noticeably up on the previous year).

An increase in the VAT threshold would be the best help.

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