ERBID How’s Business Survey

June 2023

Published by The South West Research Company Ltd

August 2023

Executive Summary

Compared to June 2022 businesses reported that:

June 2023 Visitor levels:
Increased 22% / Stayed the same 19% / Decreased 58%
Estimated actual change in visitors -14%

June 2023 Turnover levels:
Increased 23% / Stayed the same 15% / Decreased 62%
Estimated actual change in turnover -15%

July 2023 Outlook is:
Better than 2022 11% / Same as 2022 16% / Not as good as 2022 73%

August 2023 Outlook is:
Better than 2022 4% / Same as 2022 7% / Not as good as 2022 89%

September 2023 Outlook is:
Better than 2022 11% / Same as 2022 20% / Not as good as 2022 69%

Optimism:
Optimism score is 5.06 out of a possible 10

June 2023 – Our comment

June saw 58% of all businesses experiencing decreased visitors/customers and 62% reporting decreased turnover compared with the same time during 2022, representing overall decreases of -14% and -15% in visitors/customers and turnover respectively.

69% or more of businesses anticipated decreased bookings for July (73%), August (89%) and September (69%) 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 (83%), increases in the cost of living generally (78%) along with decreasing visitor numbers/booking levels (73%).

This month's survey has a sample of 98 businesses.

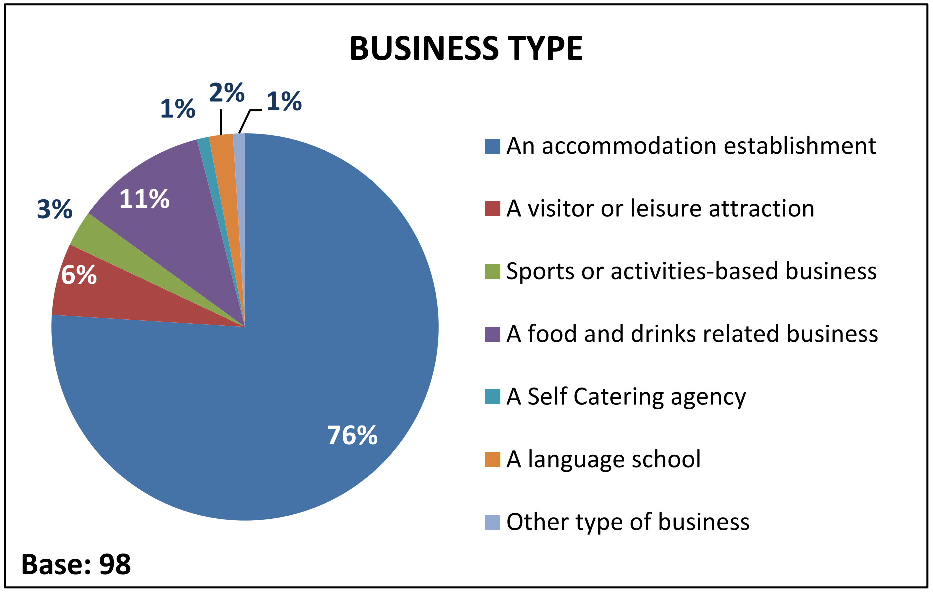
April to June 2023 general performance

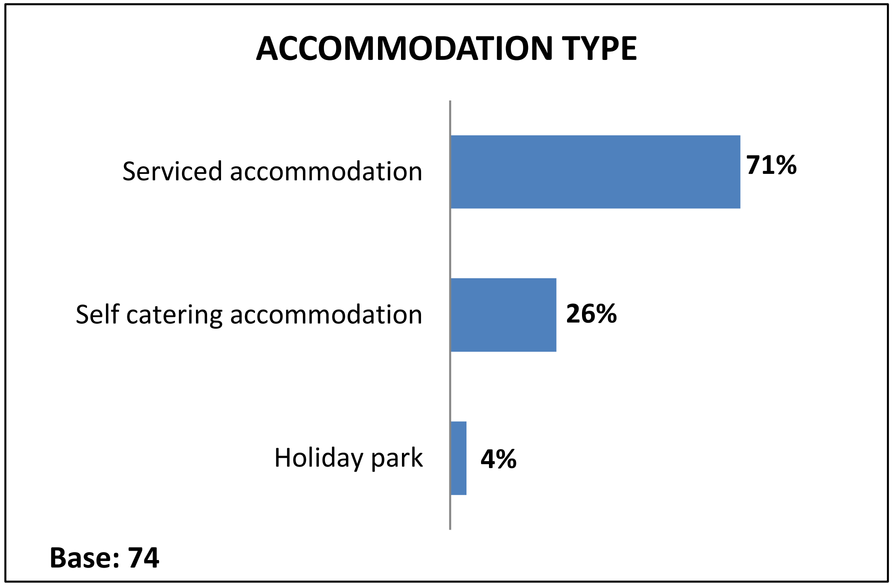
Whilst the April to June 2023 period has been disappointing overall, June has seen by far the largest proportions of businesses reporting decreased levels of visitors and turnover (58% and 62% respectively) compared with May (51% and 50% respectively) and April (48% and 50% respectively). Coupled with this June has seen the highest overall changes of -14% and -15% in visitors/customers and turnover respectively during the quarter compared with -9% each during May and -6% and -7% respectively during April compared to the corresponding months in 2022.

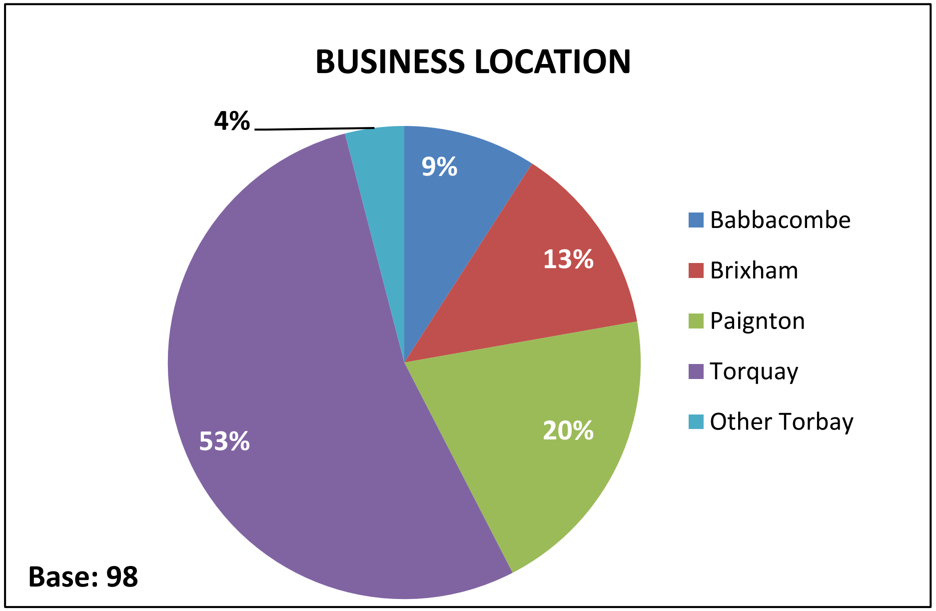
Business optimism during the quarter also dropped to its lowest level during June to 5.06, compared with 5.35 during May and 5.37 during April.

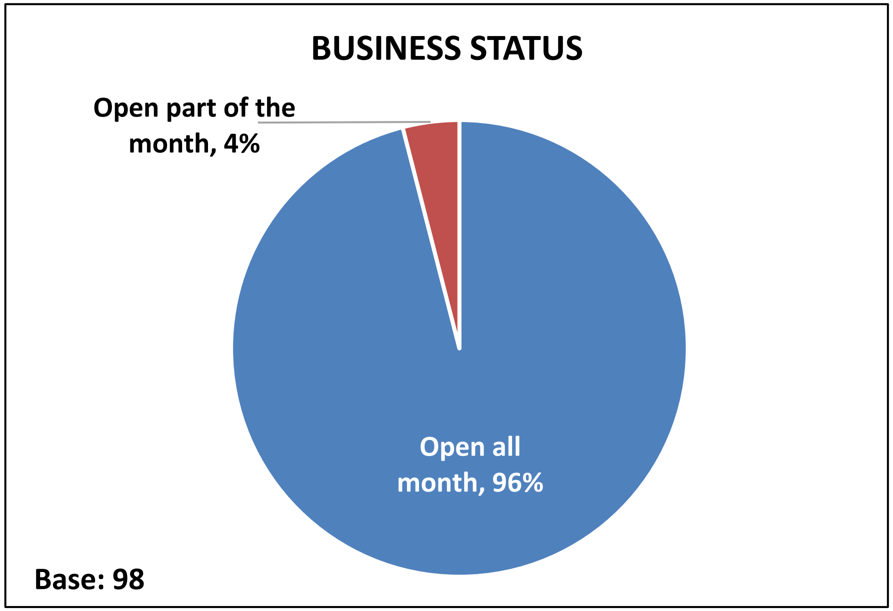
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

Sample profile, business location and status

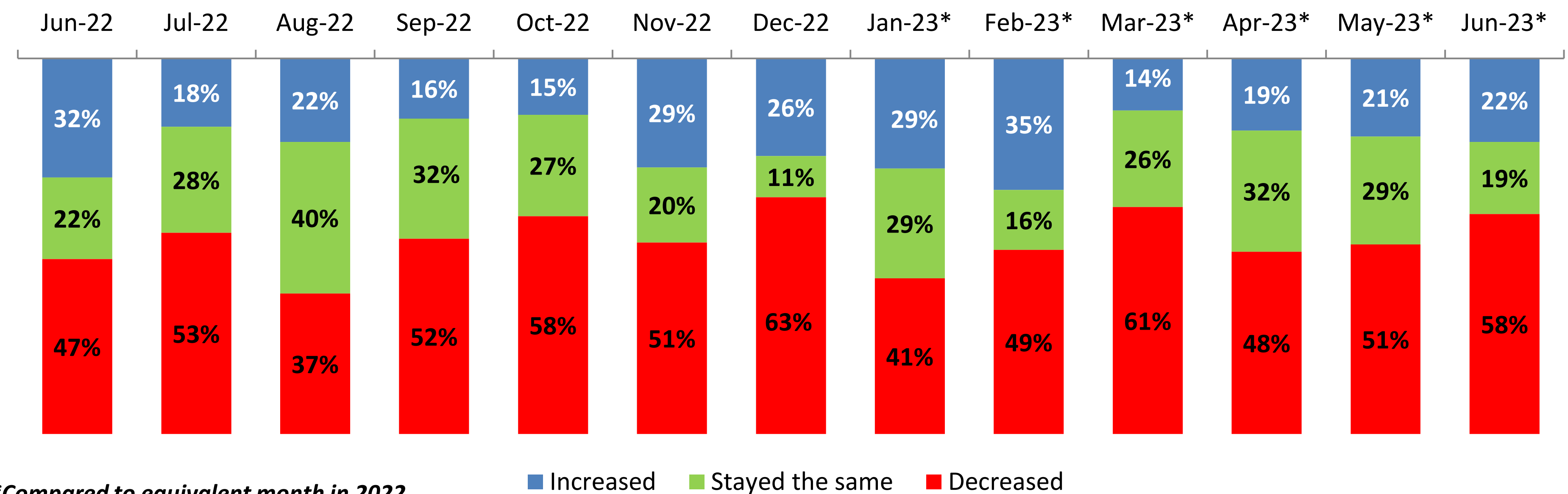




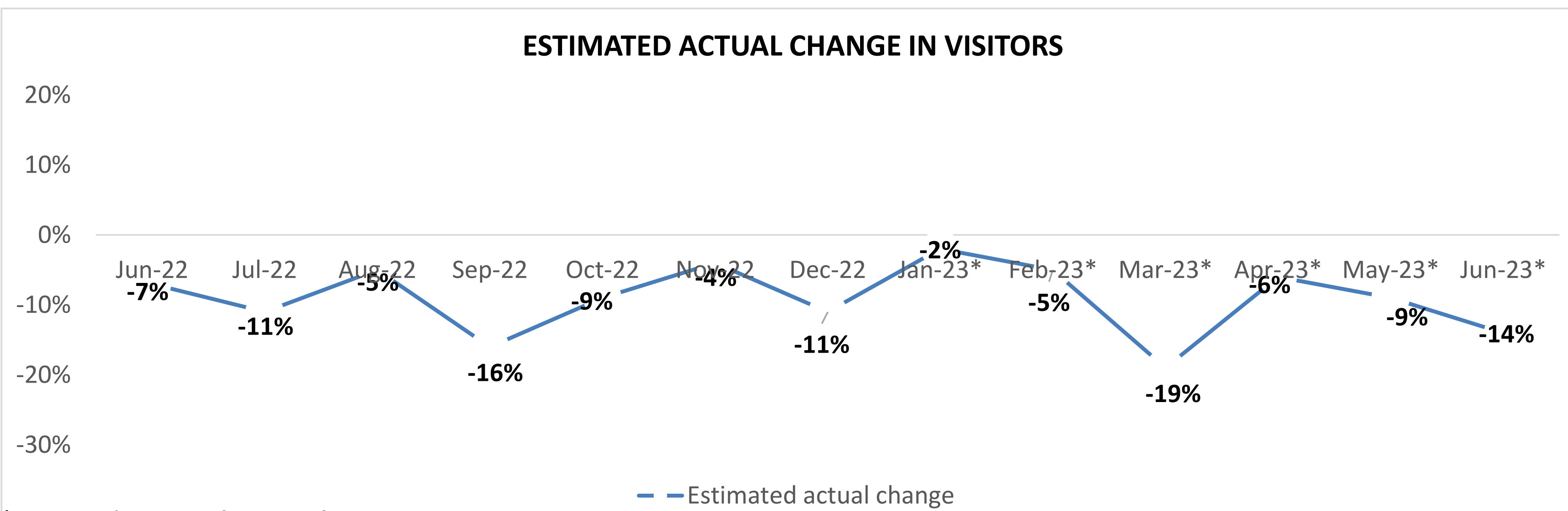




Performance – Number of visitors compared to 2019/2022*

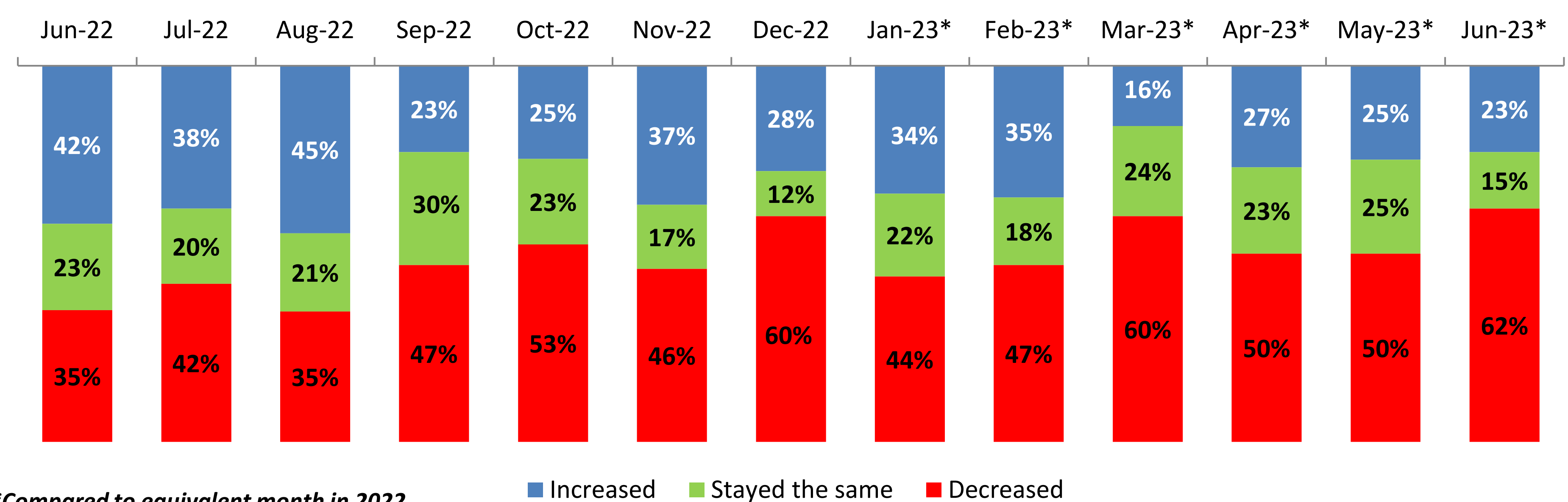


Compared to equivalent month in 2022

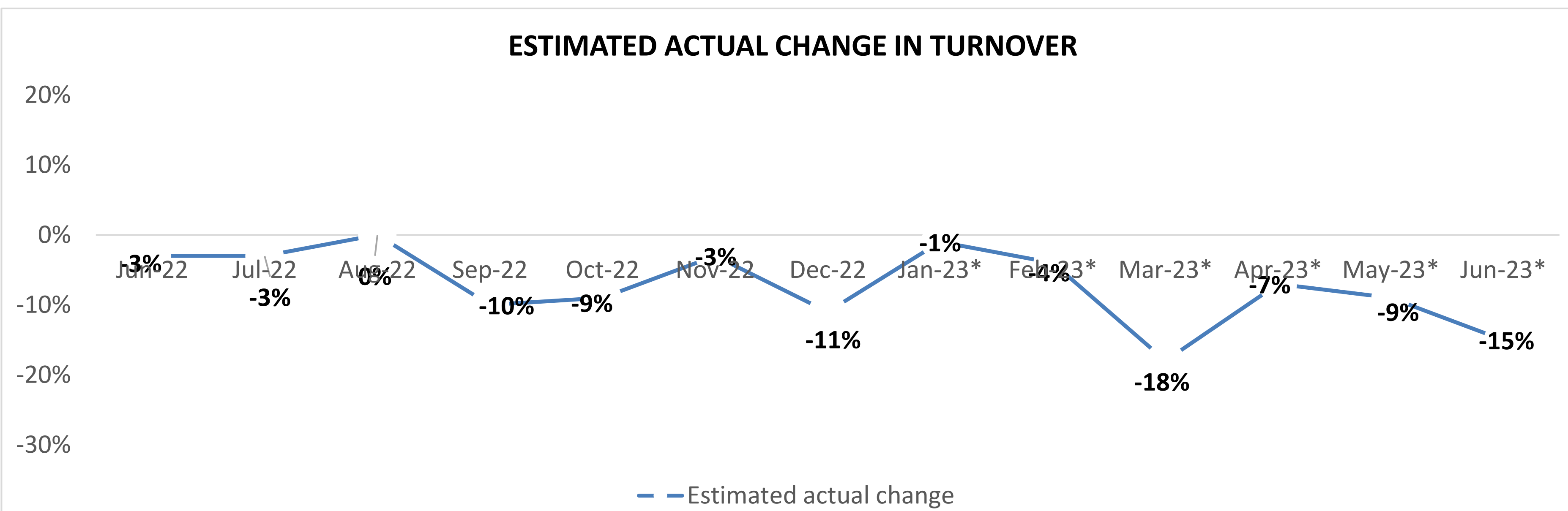


Compared to equivalent month in 2022

Performance – Turnover compared to 2019/22*

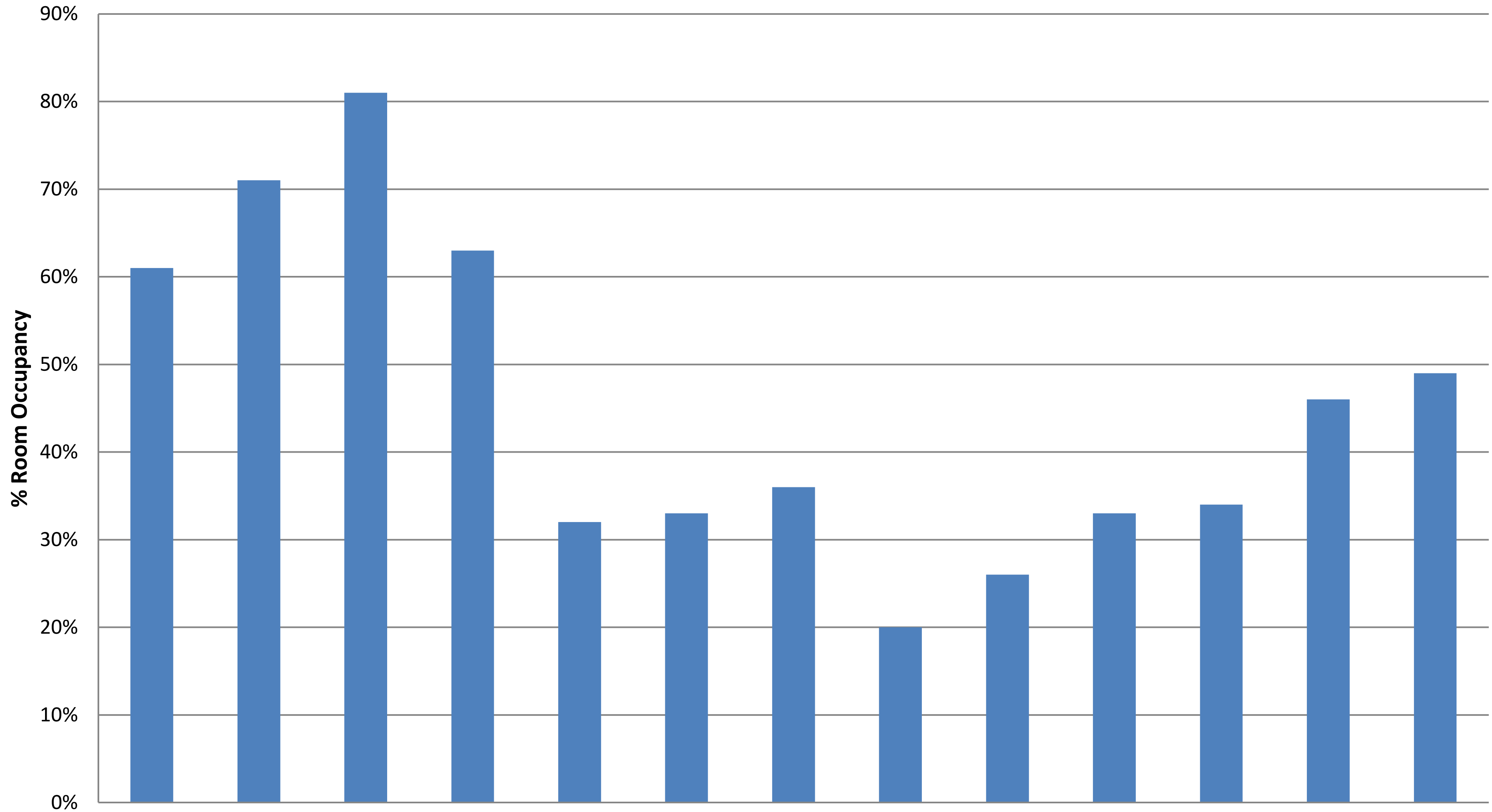


Compared to equivalent month in 2022



Compared to equivalent month in 2022

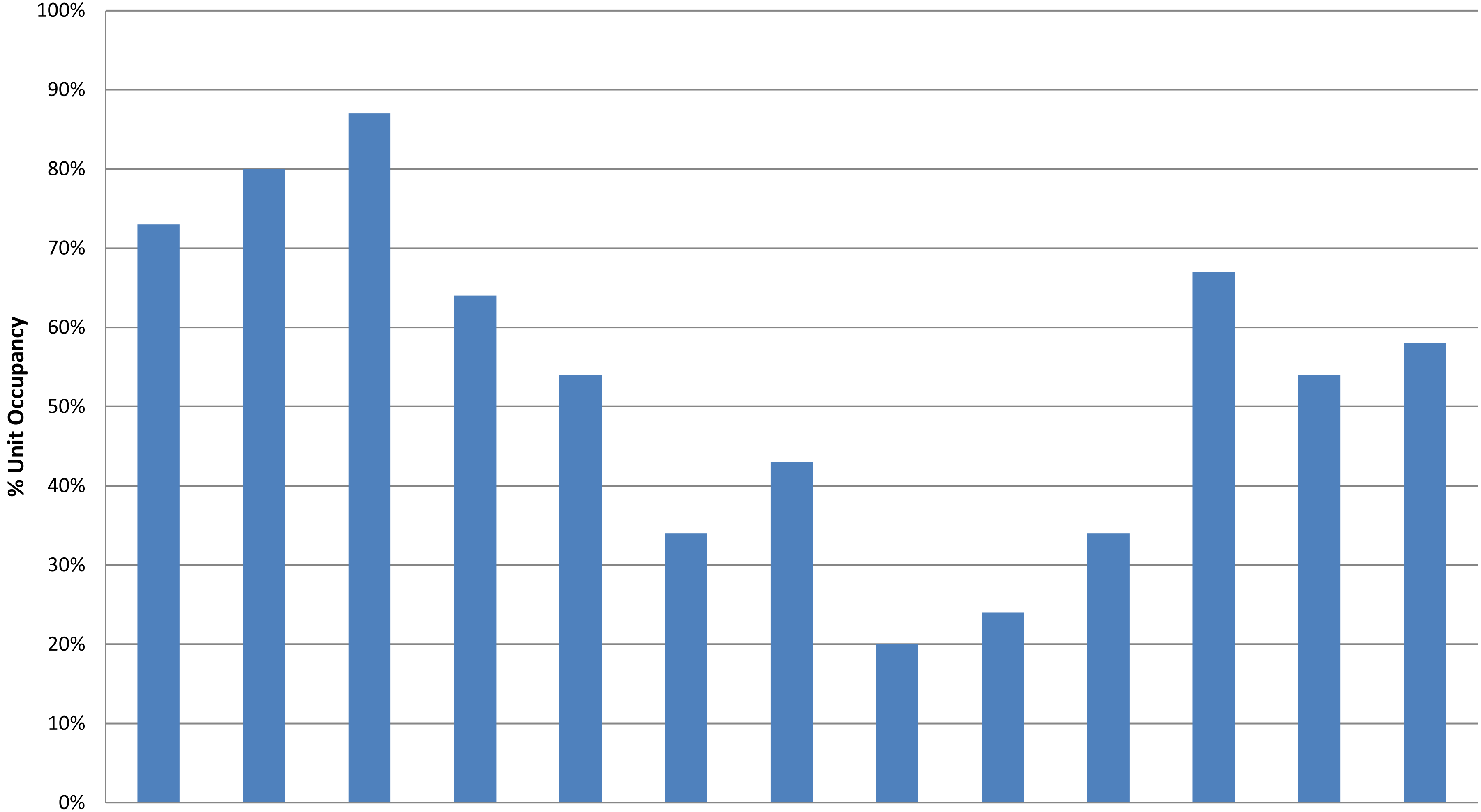
Performance – Serviced Room Occupancy



	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
ER	61%	71%	81%	63%	32%	33%	36%	20%	26%	33%	34%	46%	49%

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.

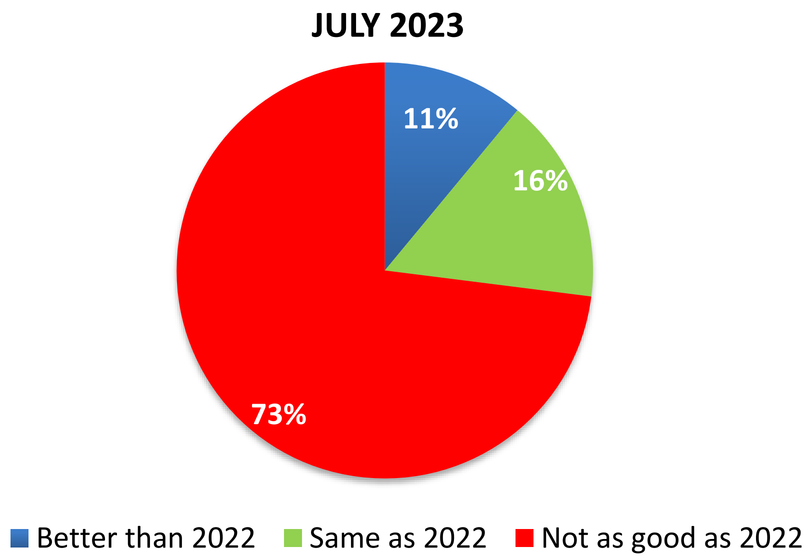
Performance – Self Catering Unit Occupancy



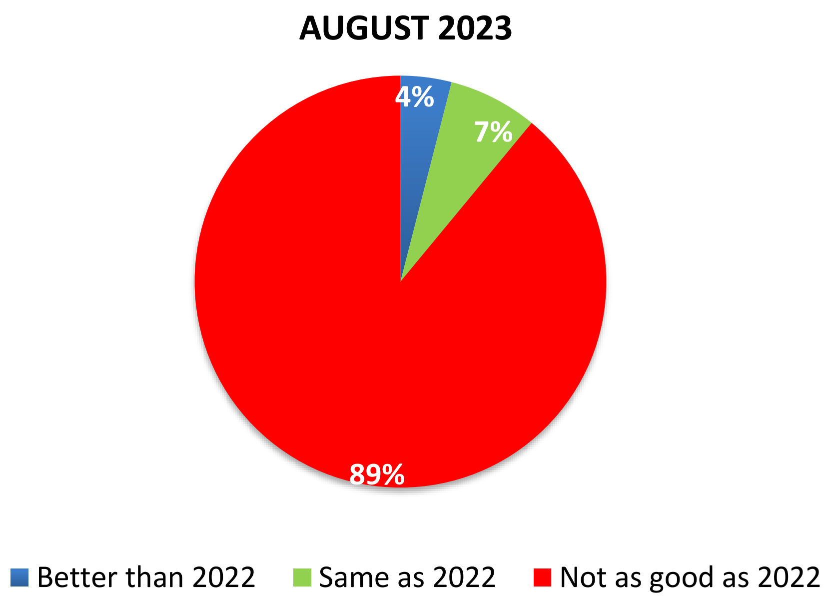
	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
ER	73%	80%	87%	64%	54%	34%	43%	20%	24%	34%	67%	54%	58%

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.

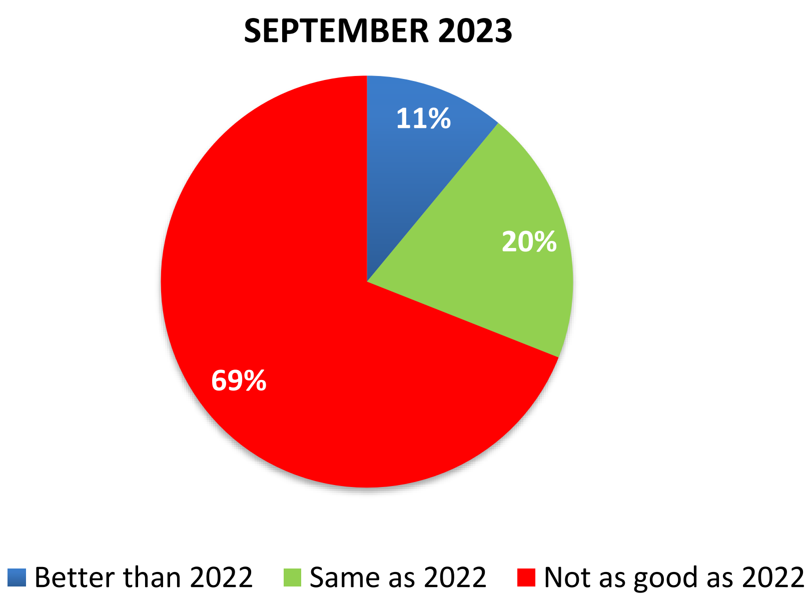
Outlook – Based upon forward booking levels



Base: 75

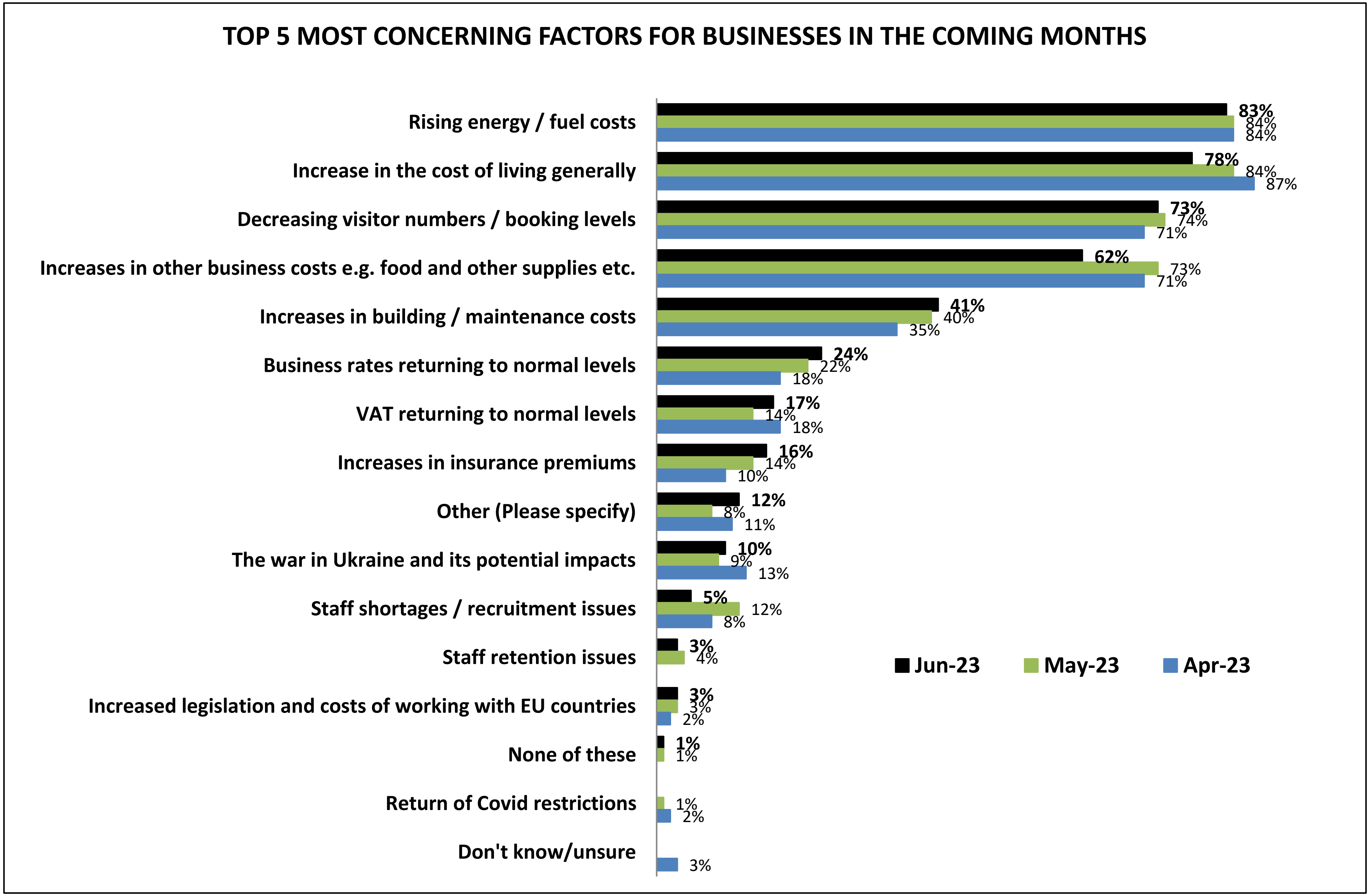


Base: 75

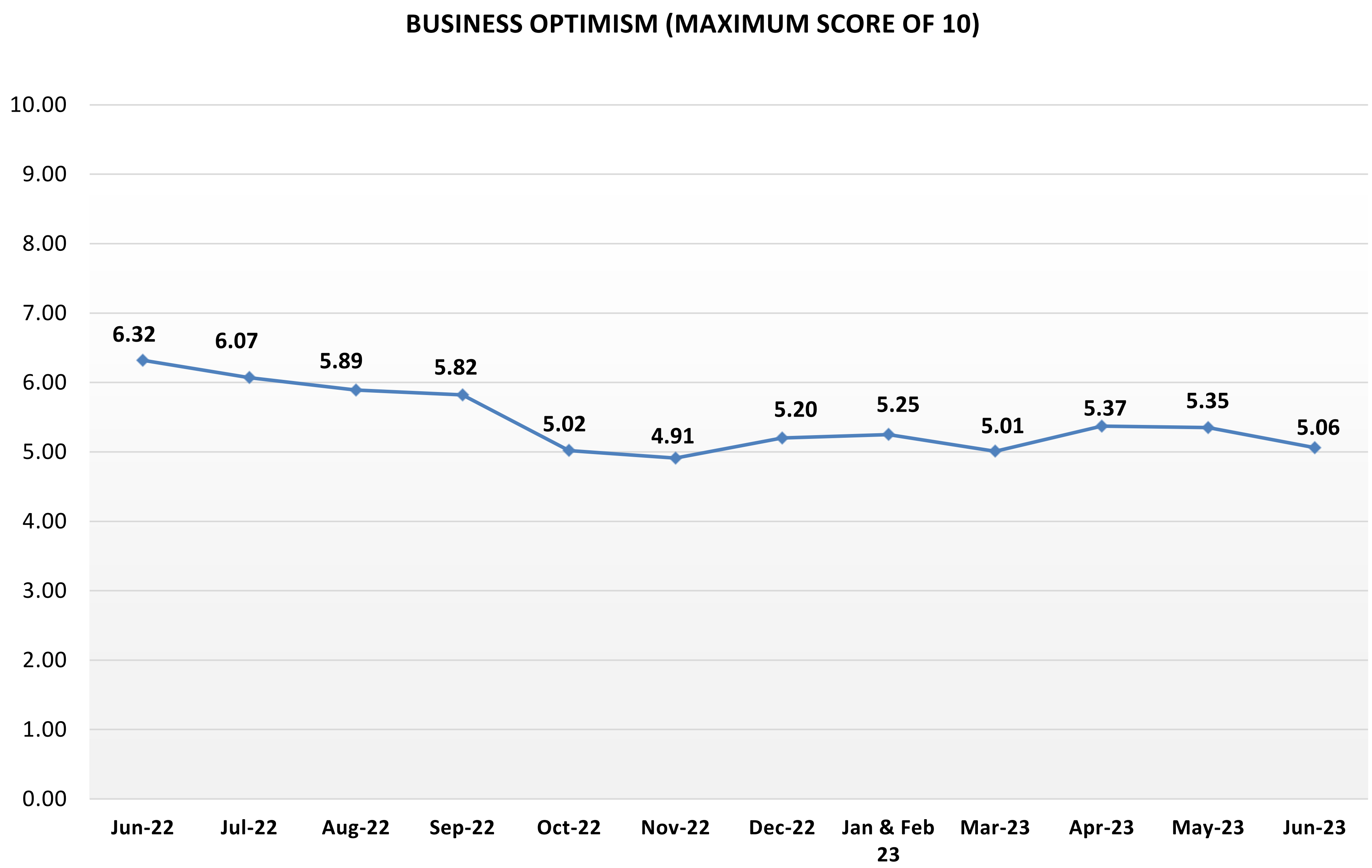


Base: 75

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

Guests saying they will not return whilst rough sleepers, individuals and groups are allowed to drink alcohol on the streets throughout the day. Would suggest that alcohol consumption in regulated (licensed) areas only. It is not tolerated in other resorts such as Blackpool anymore.

Weather has a huge impact. We have returned to one-night stays to fill rooms - flipping hard work though and the knock-on increased costs in cleaning, laundry etc.

Praying for a decent July, Aug and Sept to make up for lost business so far this year. Very few forward bookings for next year compared to normal either.

Our turnover is down dramatically, people are only staying two nights or three.
We are having to lower the price of our rooms just to get people through the door, but that doesn't even work. Bank of England interest rates are crippling the country. The winter season is looking very bleak, will have to break into savings just to survive.

Slightly down on last year but hoping to get more bookings for August and September.

Revenue is holding up due to increasing our prices but costs are also rising so profit is down overall.

More overseas guests than since 2019 which is encouraging.

We are finding guests are booking very last minute and the town in general seems less busy than you would expect.

As we approach mid July, there is a real sense that we are running out of runway as far as the summer is concerned and that our opportunity to earn enough money to get through the winter is diminishing. For the first time since starting a business in 2004, I have had a night in July with no guests at all. And all the while an uneasy feeling is growing that we might not make it through the winter. The money we manage to accrue in our bank account is wiped out each quarter by VAT returns. The Government have deliberately attacked small businesses by refusing to increase the VAT threshold year after year.

July and August look significantly lower than last year. Had been optimistic when the number of bookings made in March and April for 2023, were considerably higher than bookings made during the same period of 2022. However, despite a better-than-expected June, July and August currently look very quiet (lots of cancellations) so will need a raft of last-minute bookings to plug the gaps.

Since 9 years running this business, never seen such a situation. Very bad season. Room occupancy very low.

Costs of running the business are up over 20%, yet cannot earn a penny more to cover the costs due to VAT threshold freeze. The whole situation is a nightmare for all!

The summer is not improving and enquiries have dried up.

ERBID How's Business Survey

June 2023