ERBID How's Business Survey

March 2023

Published by The South West Research Company Ltd

May 2023





Executive Summary

Compared to March 2022 businesses reported that:

March 2023 Visitor levels:
Increased 14% / Stayed the same 26% / Decreased 61%
Estimated actual change in visitors -19%

March 2023 Turnover levels:
Increased 16% / Stayed the same 24% / Decreased 60%
Estimated actual change in turnover -18%

April 2023 Outlook is:
Better than 2022 21% / Same as 2022 15% / Not as good as 2022 64%

May 2023 Outlook is:
Better than 2022 12% / Same as 2022 22% / Not as good as 2022 67%

June 2023 Outlook is:
Better than 2022 9% / Same as 2022 29% / Not as good as 2022 62%

Optimism:
Optimism score is 5.01 out of a possible 10

March 2023 – Our comment

March saw 61% of all businesses experiencing a decrease in visitors/customers and a similar proportion (60%) reporting a decrease in their turnover – decreases of -19% and -18% respectively compared with the same time during 2022.

62% or more of businesses anticipated decreased bookings for April (64%), May (67%) and June (62%) compared with 2022 levels, although this may change as we collect data for these months. Businesses continue to be most concerned about rising energy costs (85%), the increase in the cost of living generally (76%), decreasing visitor numbers/booking levels and increases in other business costs e.g., food and other supplies etc. (72% each).

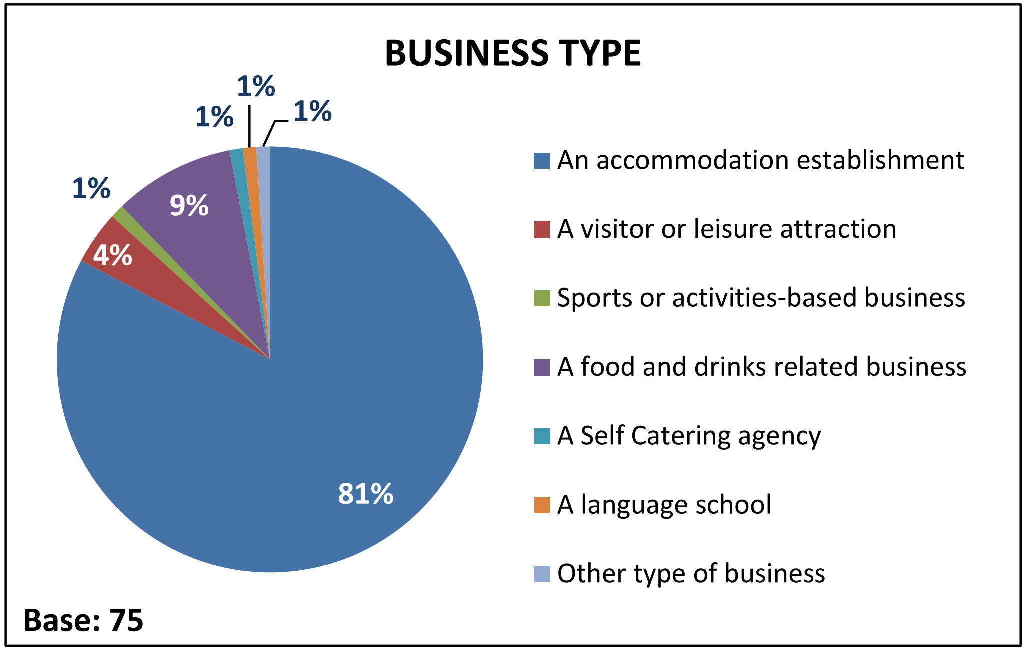
This month's survey has a sample of 75 businesses.

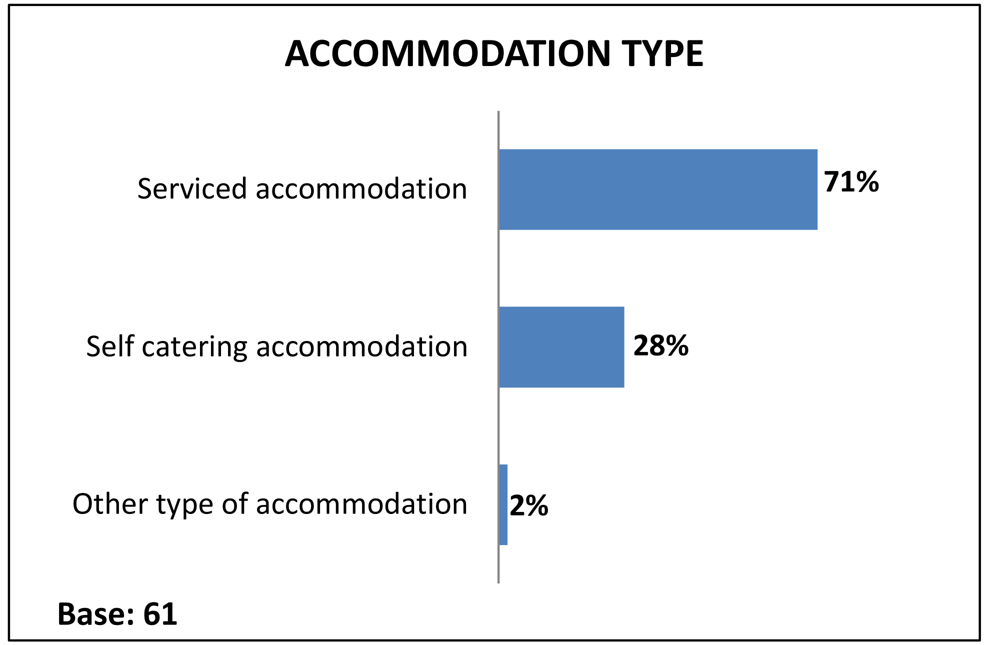
January to March 2023 general performance

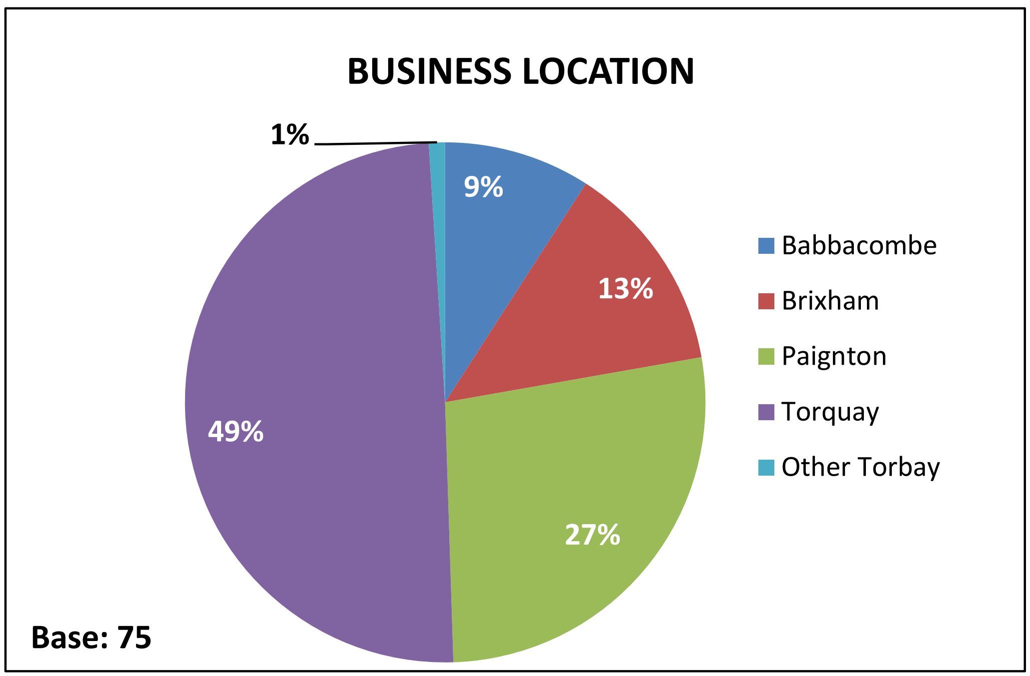
Whilst the last 3 months (January to March 2023) have seen decreases in visitors/customers and turnover across the board, to date March has been by far the worst performing month where the decreases were much larger (-18% and -19% respectively) compared with January and February (which saw decreases of between 1-5%) and despite the start of the Easter holidays falling at the end of the month. Despite this, on the whole, across this three month period, performance in the ER was similar to the region as a whole. Business optimism was also slightly higher during January and February 2023 at 5.25 compared with 5.01 during March.

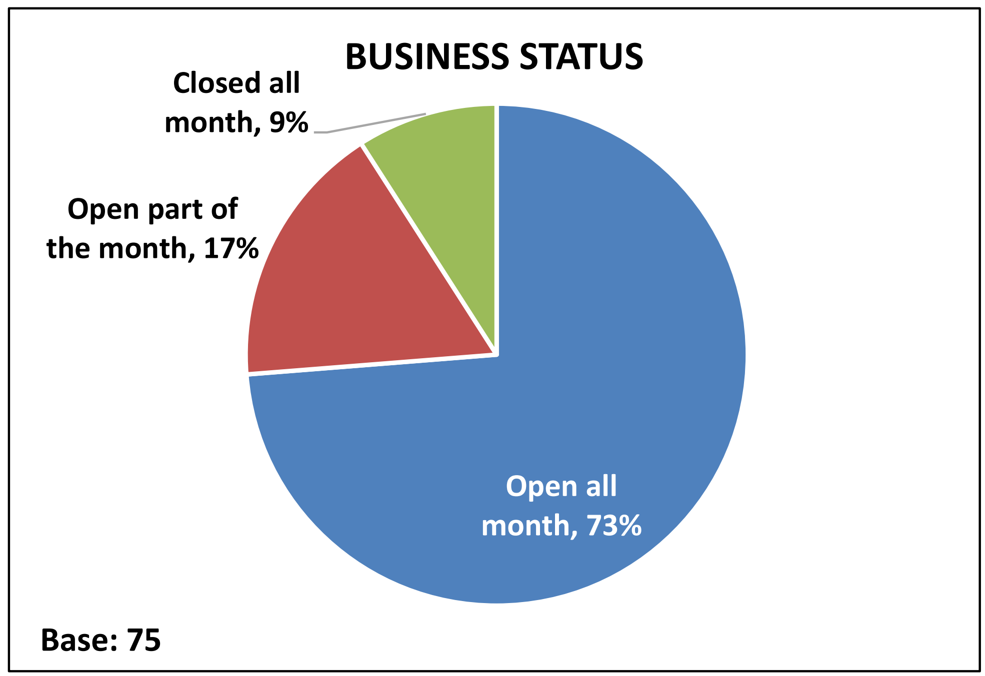
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

Sample profile, business location and status

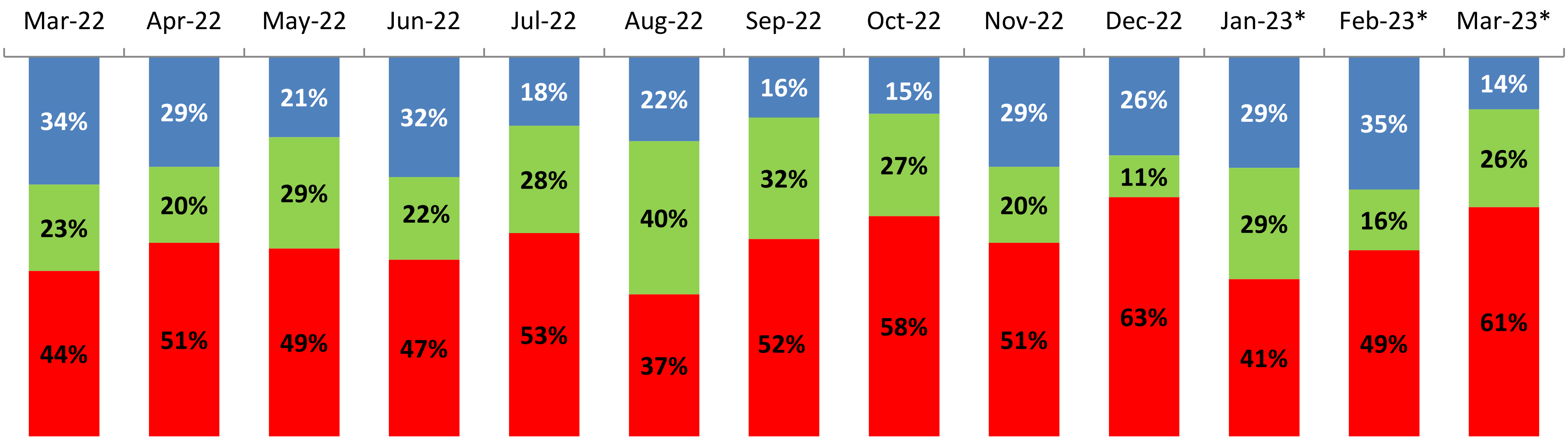




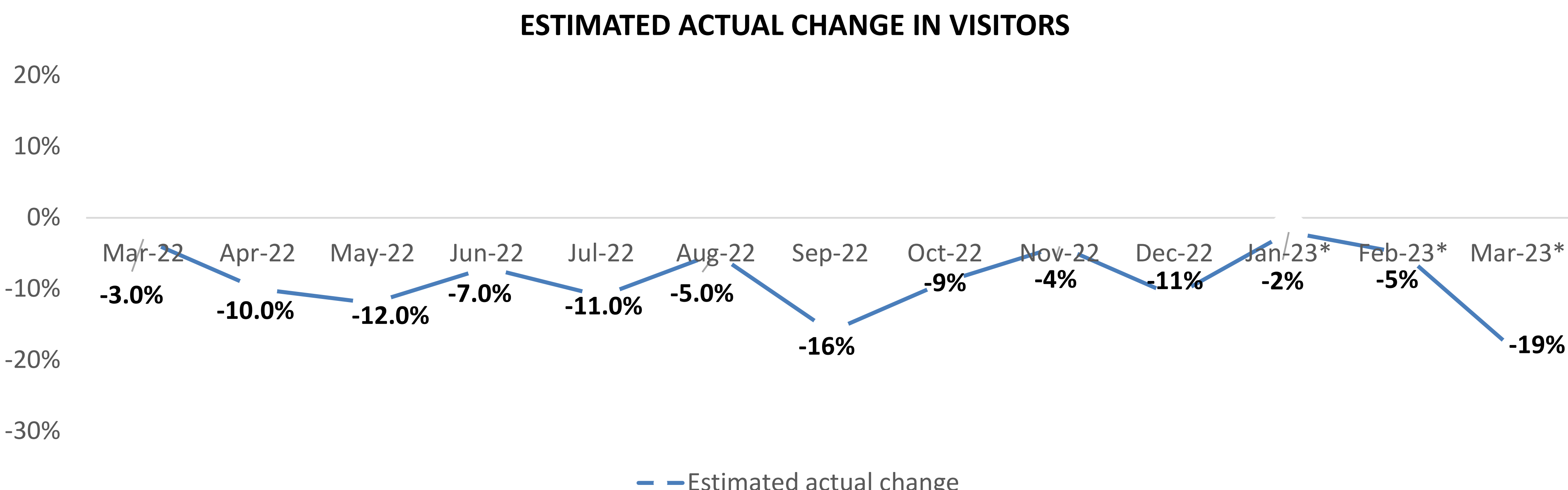




Performance – Number of visitors compared to 2019/2022*

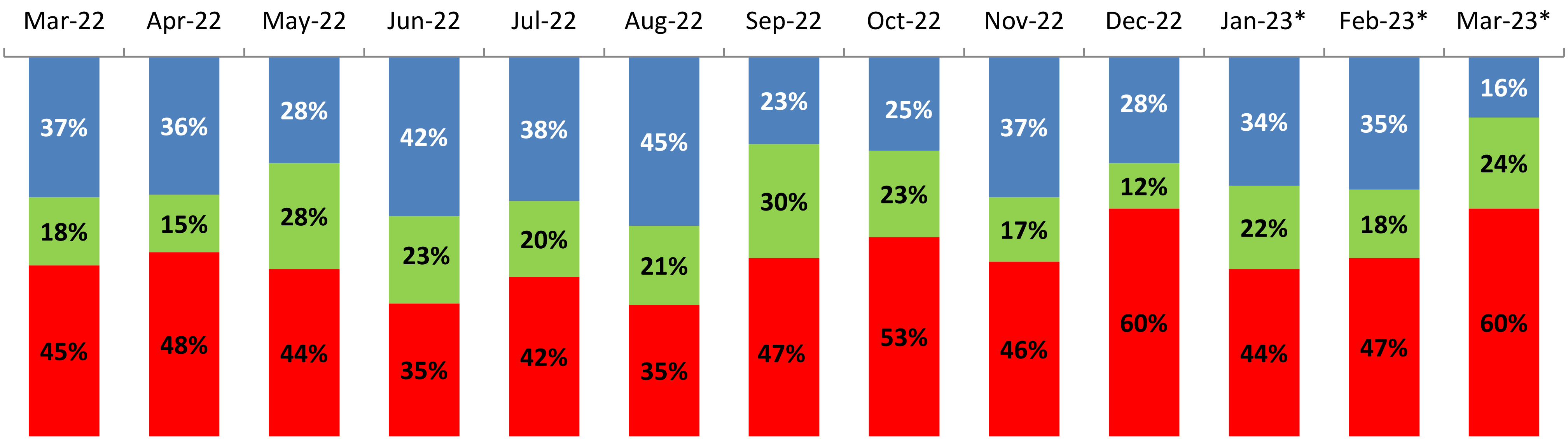


** Jan – Mar 2023 compared to 2022*

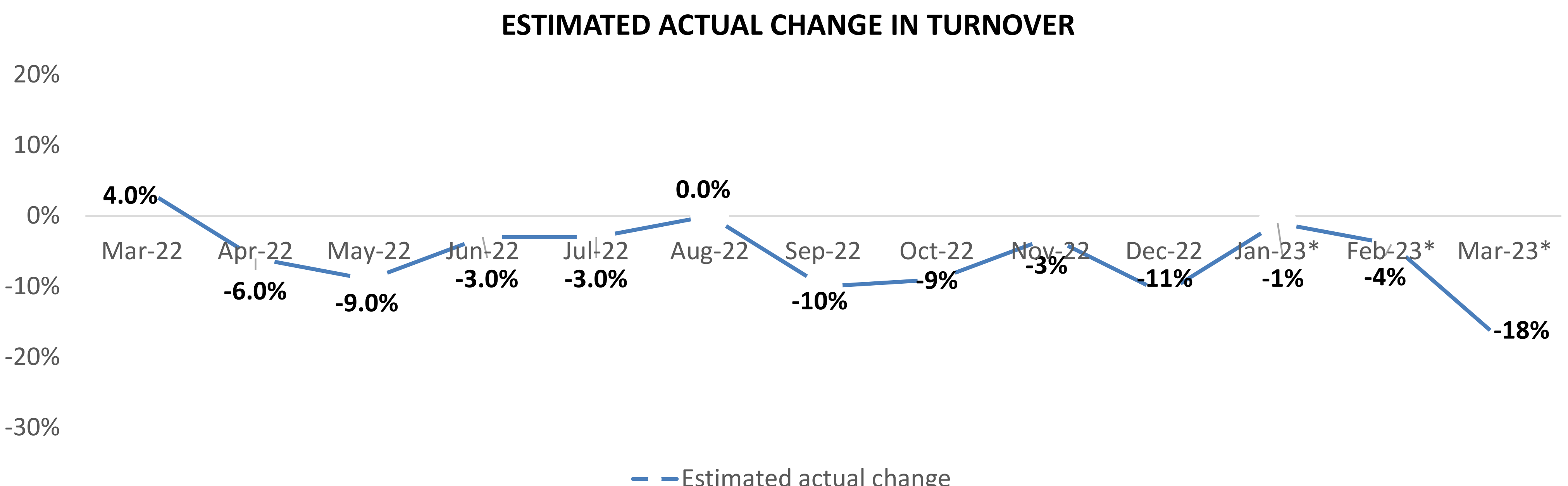


** Jan – Mar 2023 compared to 2022*

Performance – Turnover compared to 2019/22*

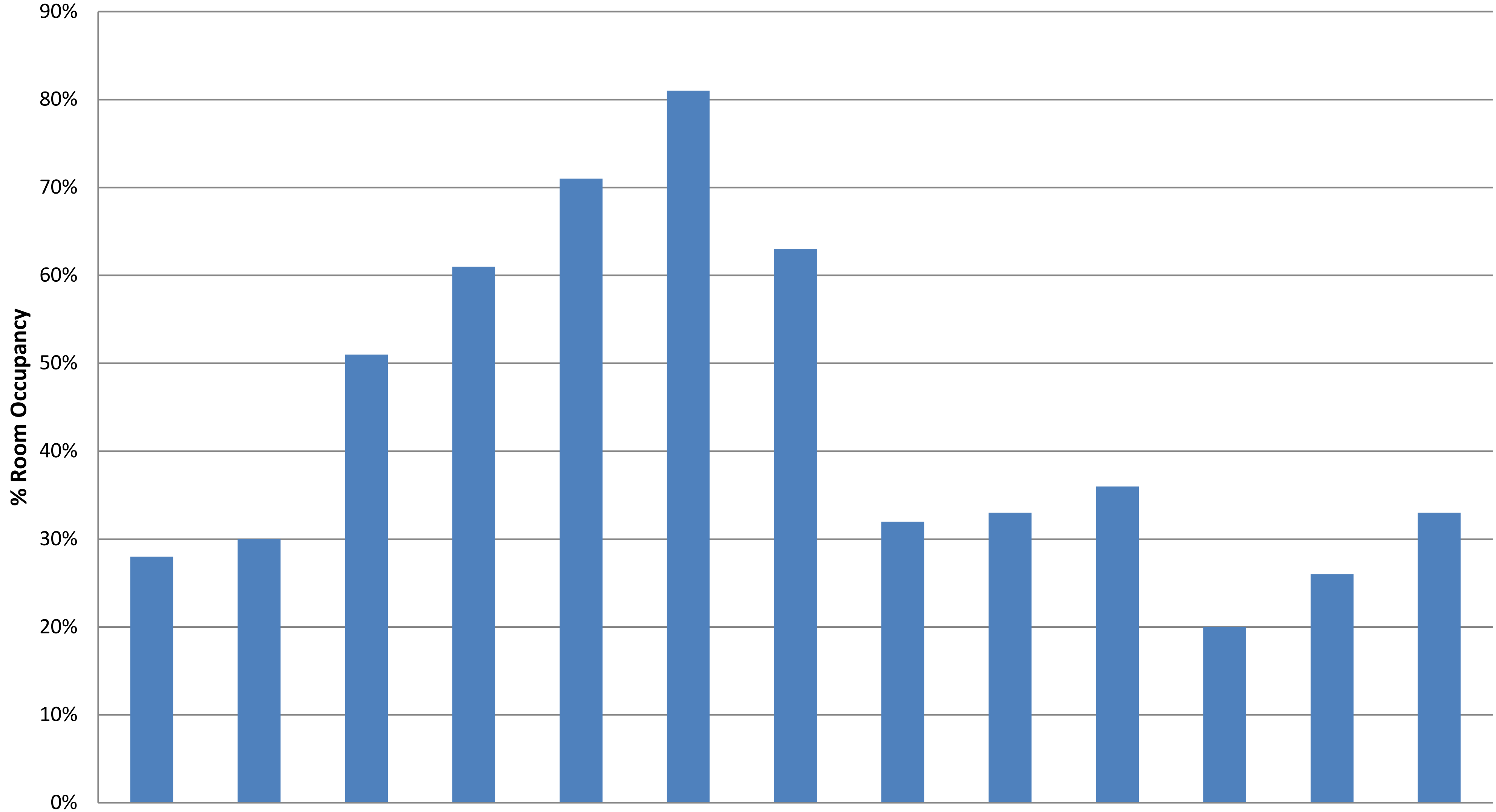


*** Jan – Mar 2023 compared to 2022**



*** Jan – Mar 2023 compared to 2022**

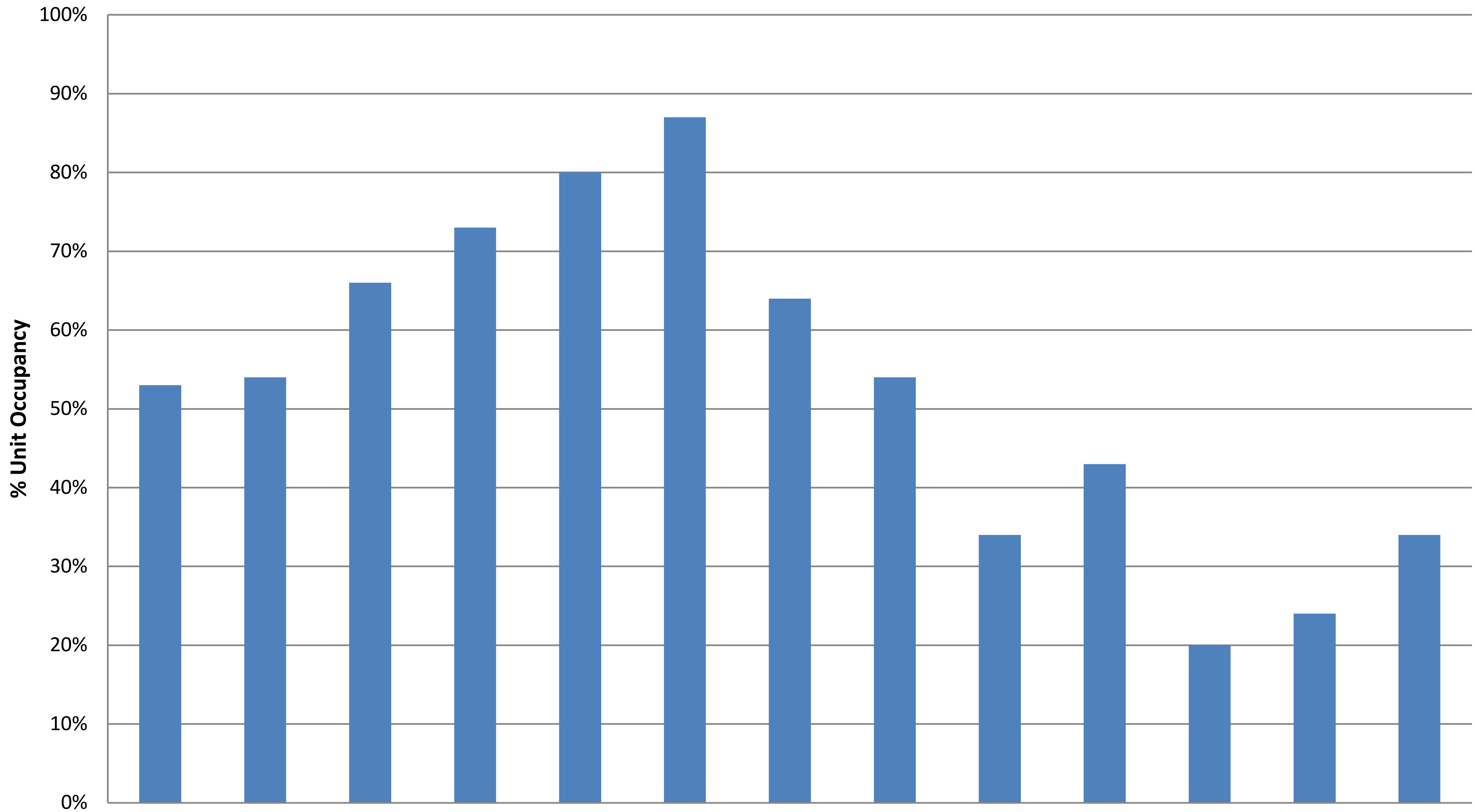
Performance – Serviced Room Occupancy



	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
ER	28%	30%	51%	61%	71%	81%	63%	32%	33%	36%	20%	26%	33%

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.

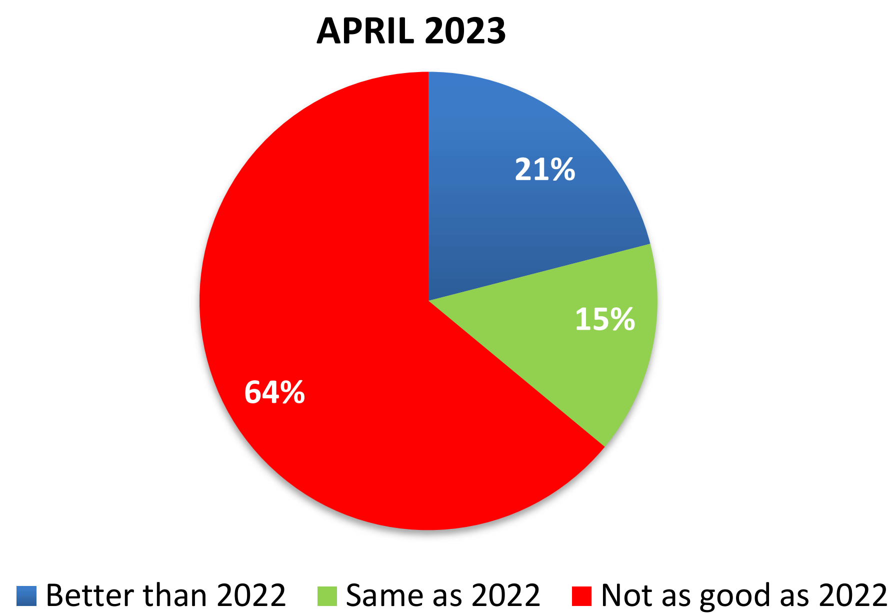
Performance – Self Catering Unit Occupancy



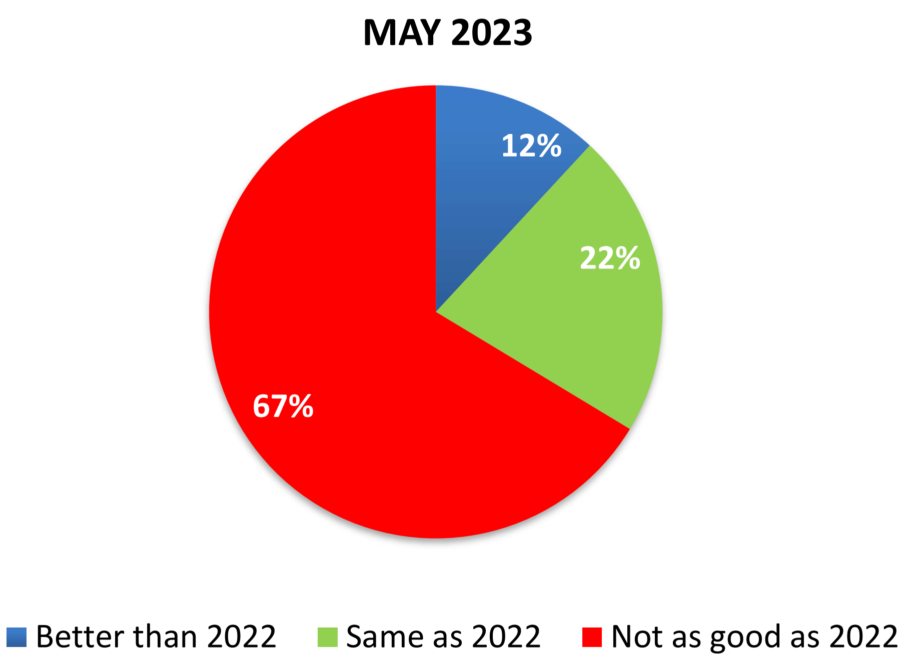
	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
ER	53%	54%	66%	73%	80%	87%	64%	54%	34%	43%	20%	24%	34%

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.

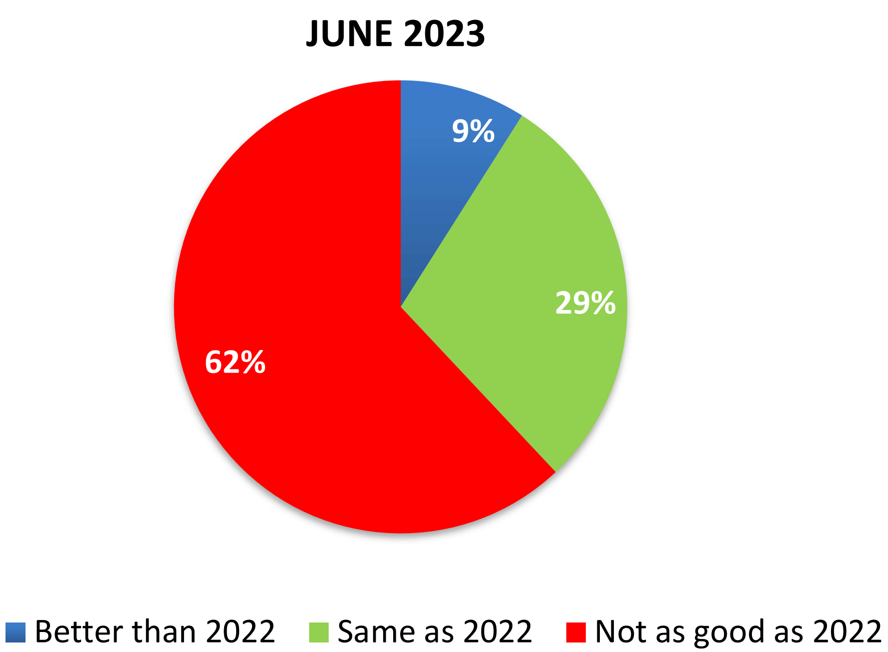
Outlook – Based upon forward booking levels



Base: 61

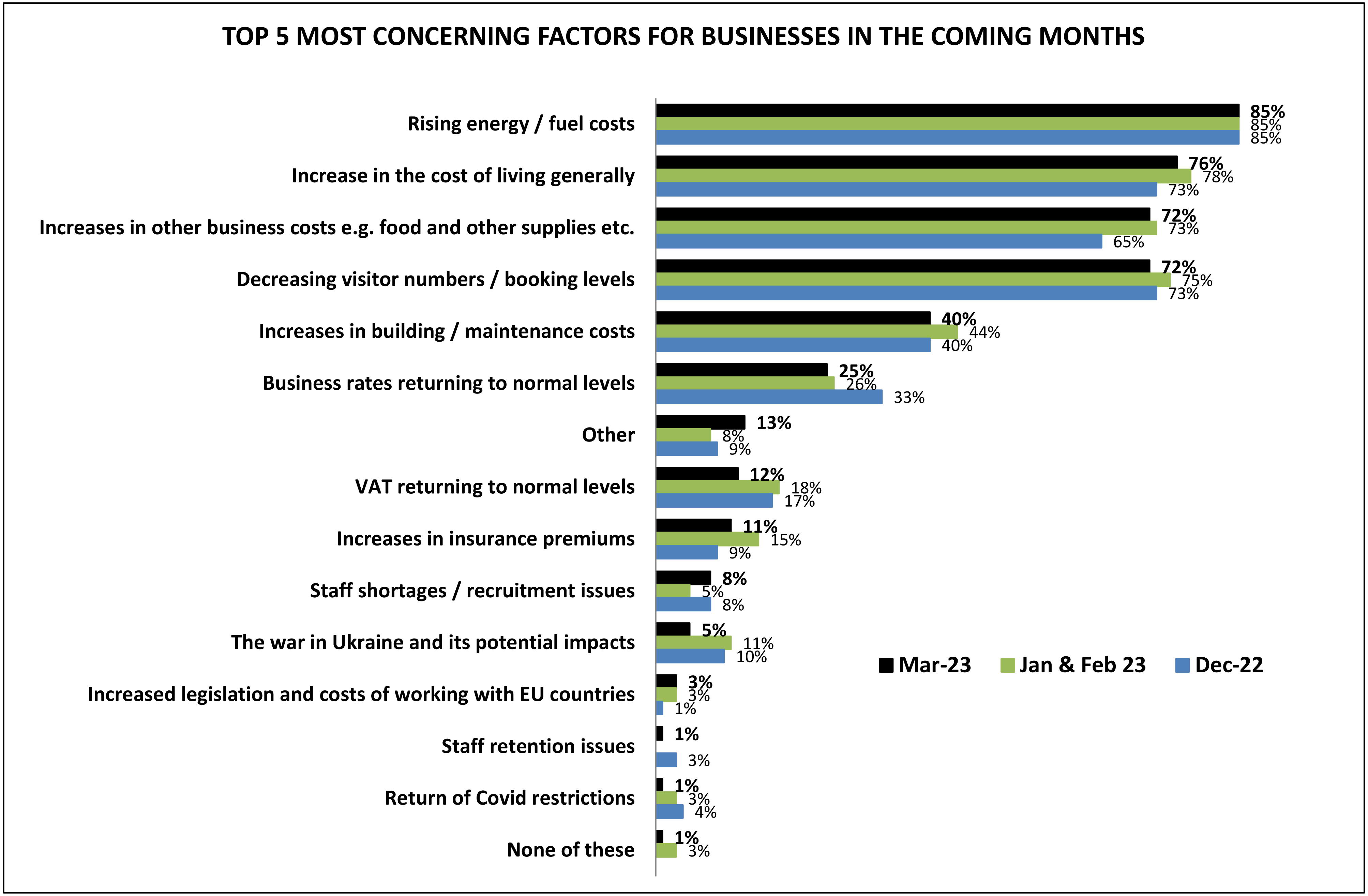


Base: 60

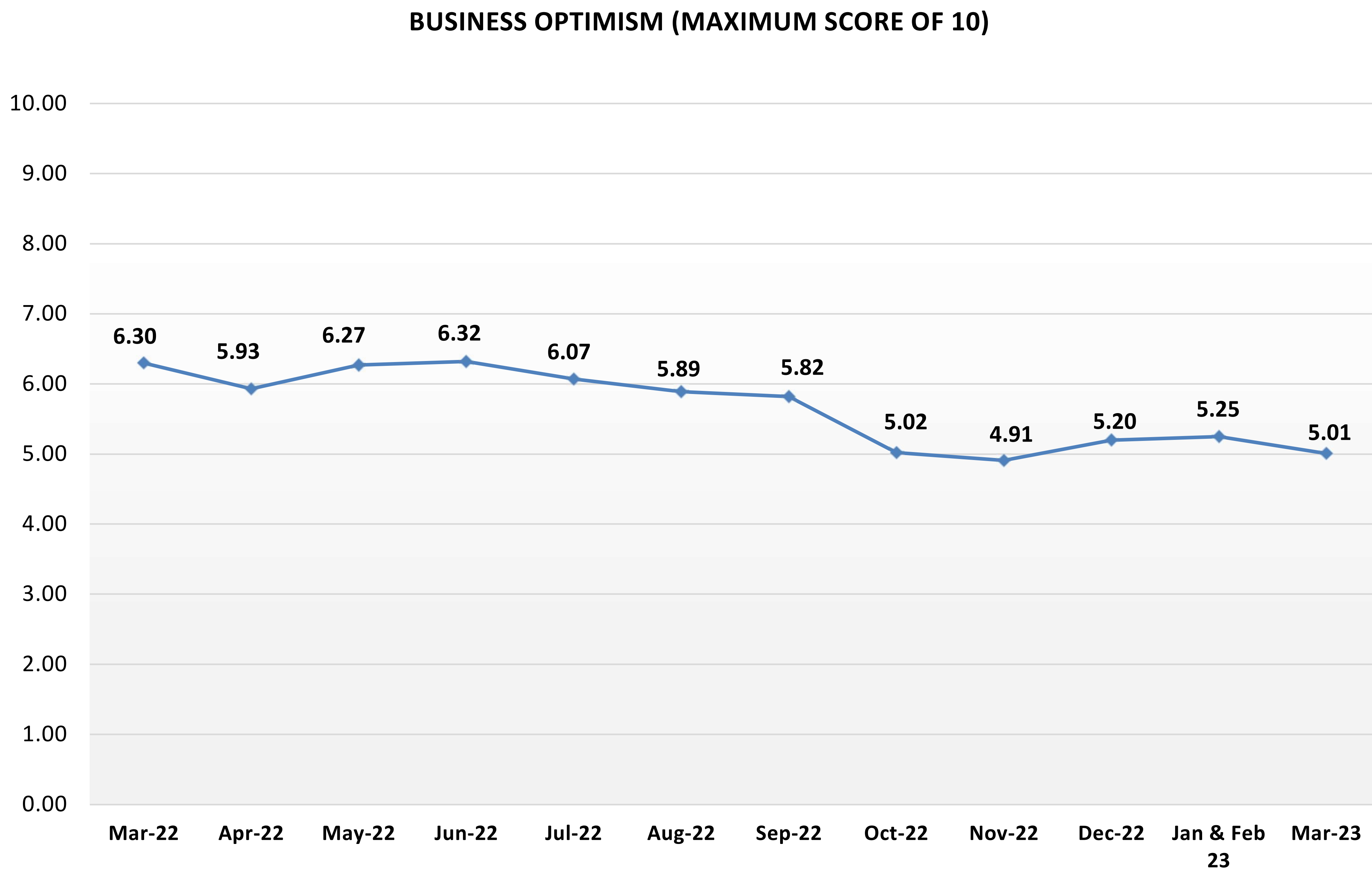


Base: 55

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

I think it's a bit shaky at present. We have no confidence in this government but can't really say that a Labour Government will be any better. However, an end to the war in Ukraine would ease fuel and the cost of living so perhaps that where efforts need to be concentrated. Better weather and late bookings may be our saviour.

Costs of acquisition of clients has doubled. Price resistance too, with unwillingness to pay the extra required for wages, energy and food, so considerable impact on margins.

I would like to see the interest rates come down.

Very concerned with the decrease in bookings throughout this year compared to last year.

I would like to see the VAT threshold raised in line with inflation. It is effortlessly easy for us to take 80k, which is where we choose to stop as we would need to take at least another 30k to make further profit. This more than anything else affects our income.

Bookings are clearly struggling compared to last year. We are seeing a significant decrease overall and those who are coming are tending to book later and for shorter stays. This is obviously a challenging environment given substantially increased costs across the board (and the frozen VAT threshold and increased corporation tax do not help in that regard). It also doesn't help when visitors report being accosted by drug addicts whilst walking into town...

Bookings well down this year vs 2022. Looking like revenues down c60% unless there's last minute booking decisions.

This is a tourist area, most people come here for a good experience, people are not returning because they see the degradation of the town and the open drug use and anti social behaviour. More effort is required to control these issues and to stop allowing what seems to be an increasing accumulation of anti social attitude individuals from tarnishing what is supposed to be a jewel of the British isles! If tourists come back the area has more chance to flourish. My business is directly affected by anti social behaviour and its not right.

We have noted that lots of the small B&B businesses are dropping their rates quite considerably. We are very concerned. We do not want to drop our rates as we feel that what we offer is justified in our rates and we have been told that we are not the most expensive in the area and very reasonable for what we offer. We are taking our chances and keeping our rates as they are.

Current bookings are 25% of last year, advance bookings maybe 10-15% of 2022. Our increase in nightly prices (800% gas increase, 300% electricity increase, increasing food, linen and staff costs) seems to have priced guests out. Who in the current economic climate will book our rooms at £100 a night when people are giving them away for £30-40. Even if we have a decent summer we won't have enough cash to survive the winter.

March last year was abnormally busy so not too worried about March turnover this year. Bookings looking OK for summer . We can accept a small drop as COVID staycations will be less.

ERBID How's Business Survey

March 2023