ERBID How's Business Survey

October 2023

Published by The South West Research Company Ltd

December 2023





Executive Summary

Compared to October 2022 businesses reported that:

October 2023 Visitor levels:
Increased 19% / Stayed the same 21% / Decreased 60%
Estimated actual change in visitors -22%

October 2023 Turnover levels:
Increased 22% / Stayed the same 19% / Decreased 59%
Estimated actual change in turnover -18%

November 2023 Outlook is:
Better than 2022 11% / Same as 2022 30% / Not as good as 2022 59%

December 2023 Outlook is:
Better than 2022 9% / Same as 2022 40% / Not as good as 2022 51%

January 2024 Outlook is:
Better than 2022 2% / Same as 2022 39% / Not as good as 2022 59%

Optimism:
Optimism score is 5.04 out of a possible 10

October 2023 – Our comment

October saw 60% of all businesses experiencing decreased visitors/customers and 59% reporting decreased turnover compared with the same time during 2022, representing overall decreases of -22% and -18% in visitors/customers and turnover respectively.

59% and 51% of businesses anticipated decreased bookings for November and December 2023 respectively compared with 2022 levels and 59% anticipated decreased bookings for January 2024 (compared with 2023) , although this may change as we collect data for these months. Businesses continue to be most concerned about rising energy/fuel costs (86%), increases in the cost of living generally (74%), decreasing visitor numbers/booking levels (71%) and Increases in other business costs e.g. food and other supplies etc. (69%), all of which have increased compared with last month.

This month's survey has a sample of 70 businesses.

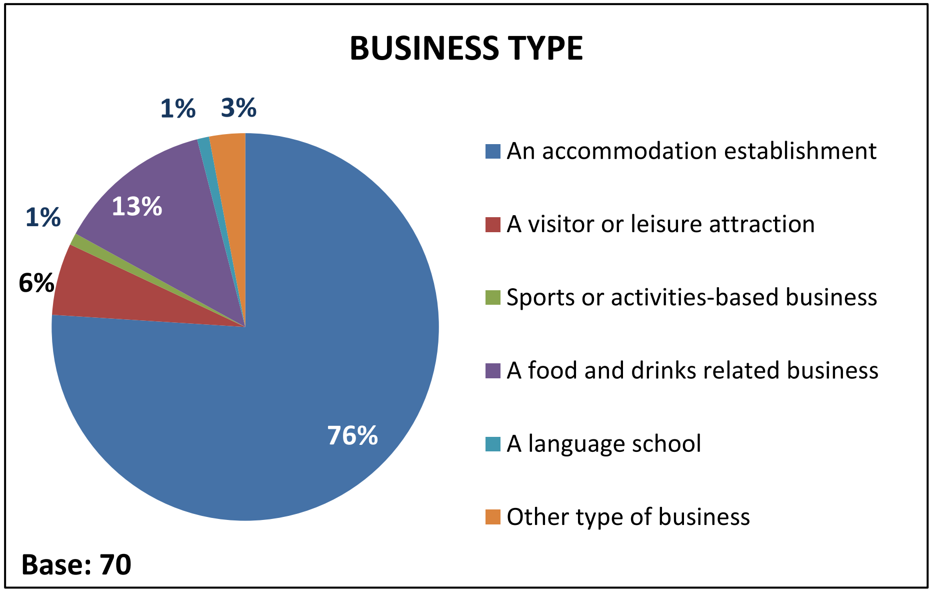
August to October 2023 general performance

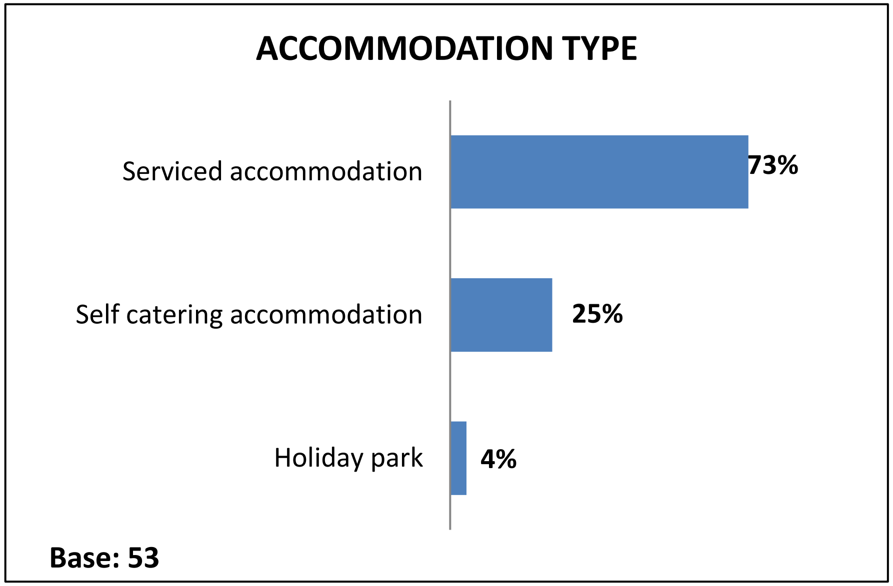
Despite an improved performance during September due to the exceptionally warm weather, the poor performances during the months either side of this (August and October) mean overall the last three months have remained a challenging period for the majority of South West tourism businesses.

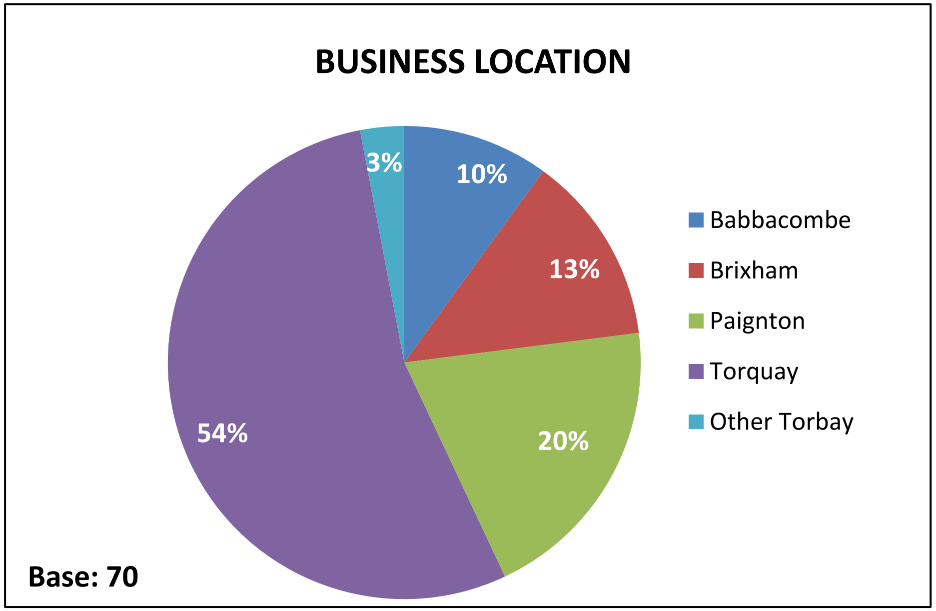
Many businesses believe there is substantially more financial hardship to come and that spending on discretionary and intangible products like short breaks and holidays may take an even bigger hit next year as consumers continue to tighten their spending belts. In order to cover their rising operational costs many businesses are wanting to increase their room rates but at the risk of potentially alienating much of their potential clientele and it will continue to be a very challenging time ahead for most businesses as a result. There is a small sample of businesses however, indicating that their forward booking levels for 2024 are looking encouraging at the moment, but given the current conditions it is becoming increasingly difficult to predict how the next few months are likely to pan out.

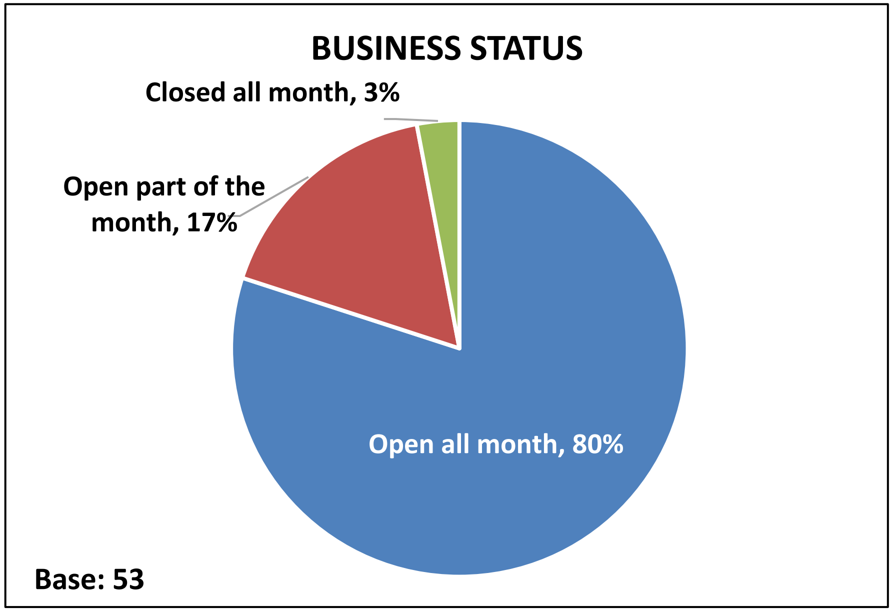
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

Sample profile, business location and status

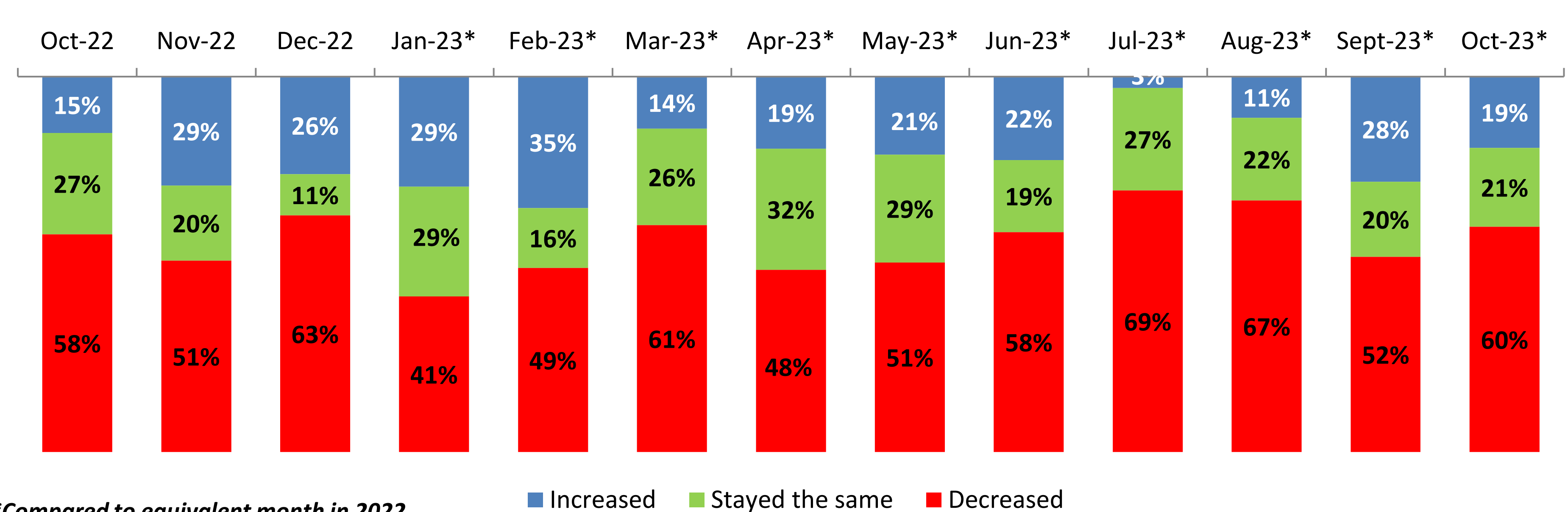




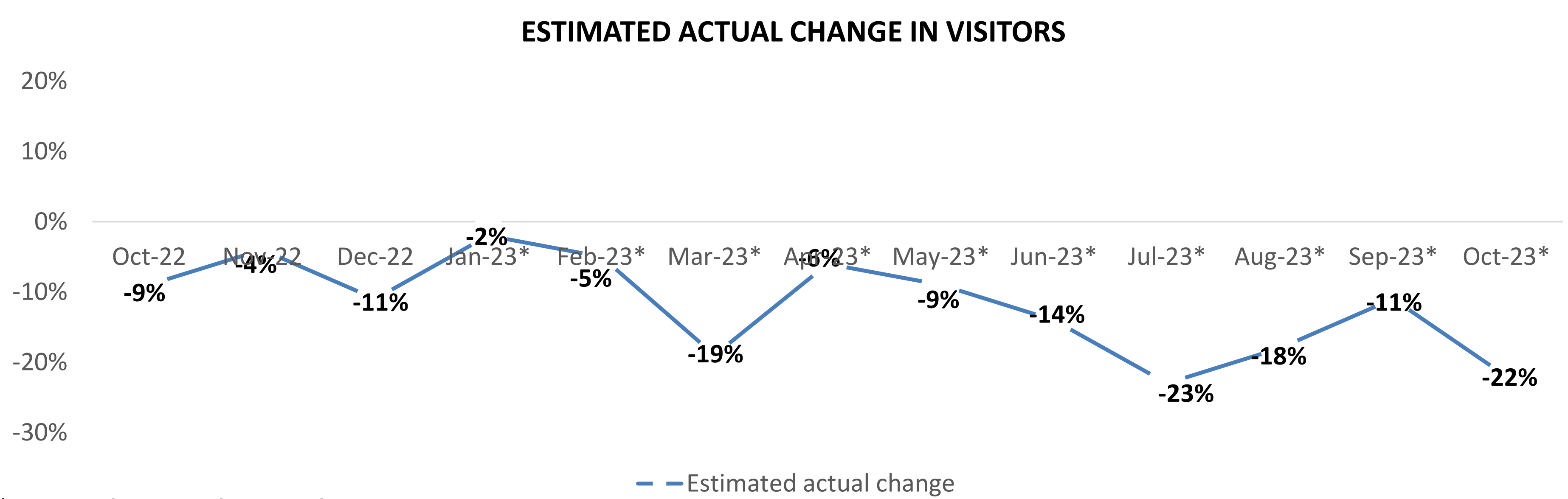




Performance – Number of visitors compared to 2019/2022*

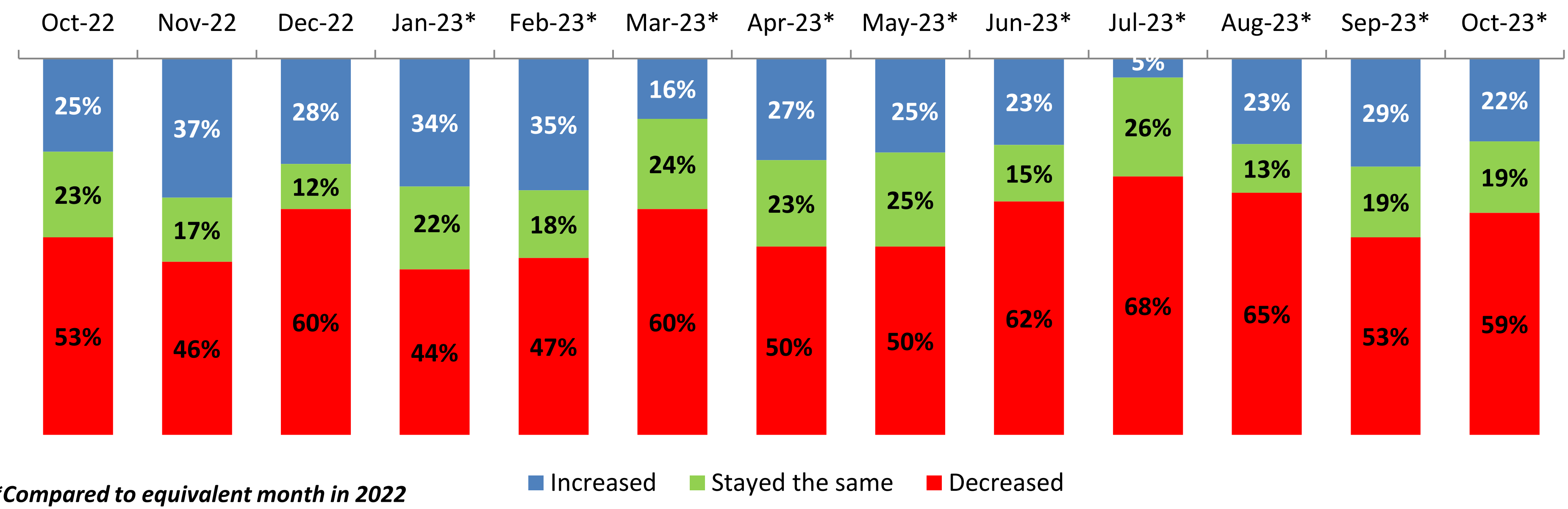


Compared to equivalent month in 2022

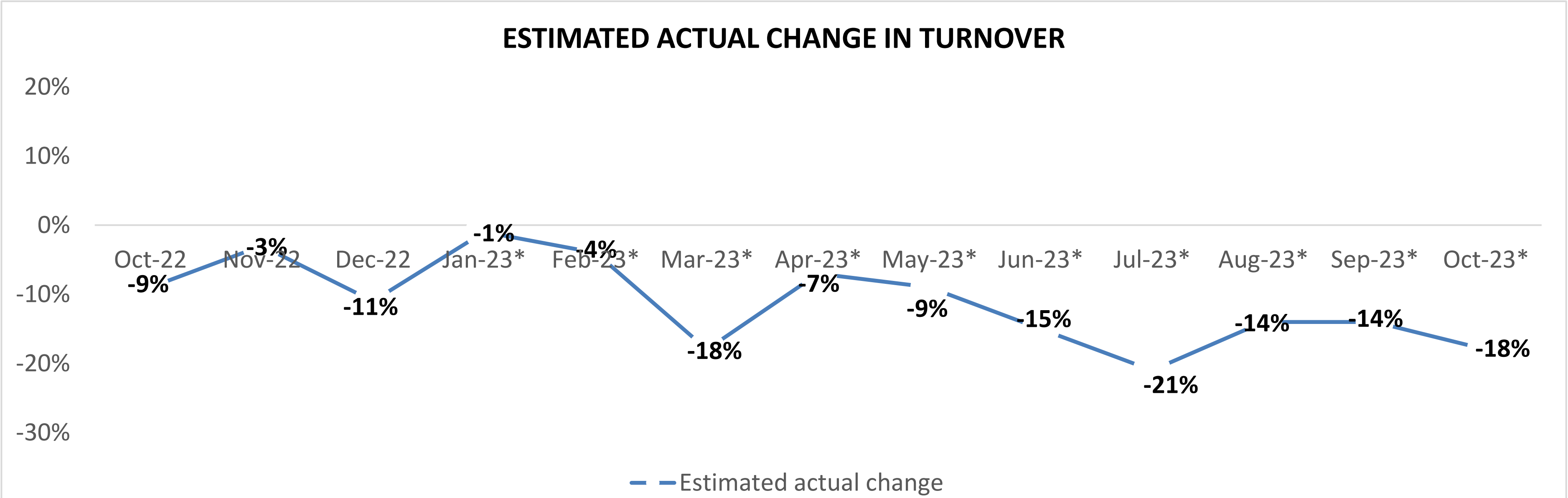


Compared to equivalent month in 2022

Performance – Turnover compared to 2019/22*

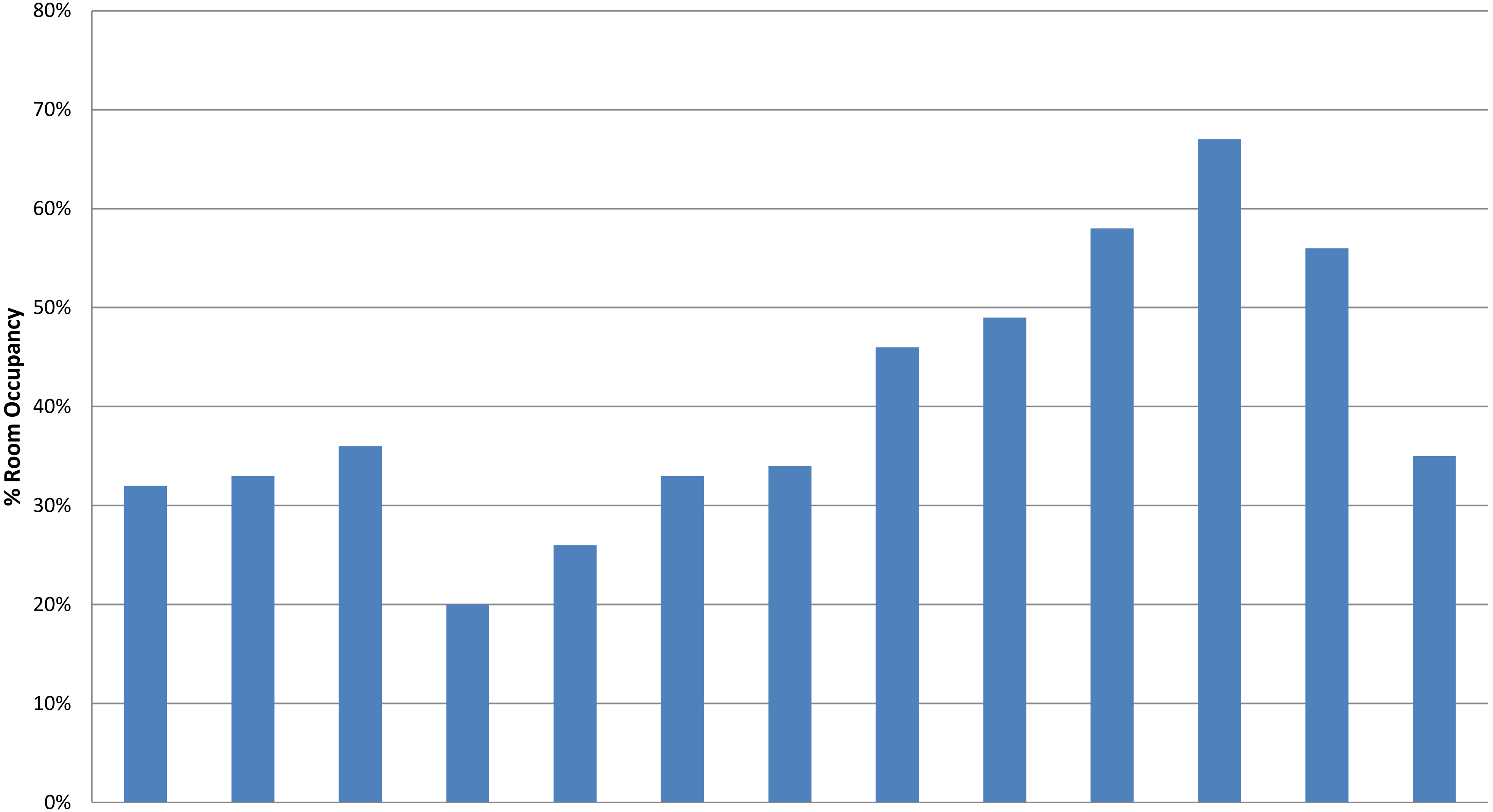


**Compared to equivalent month in 2022*



**Compared to equivalent month in 2022*

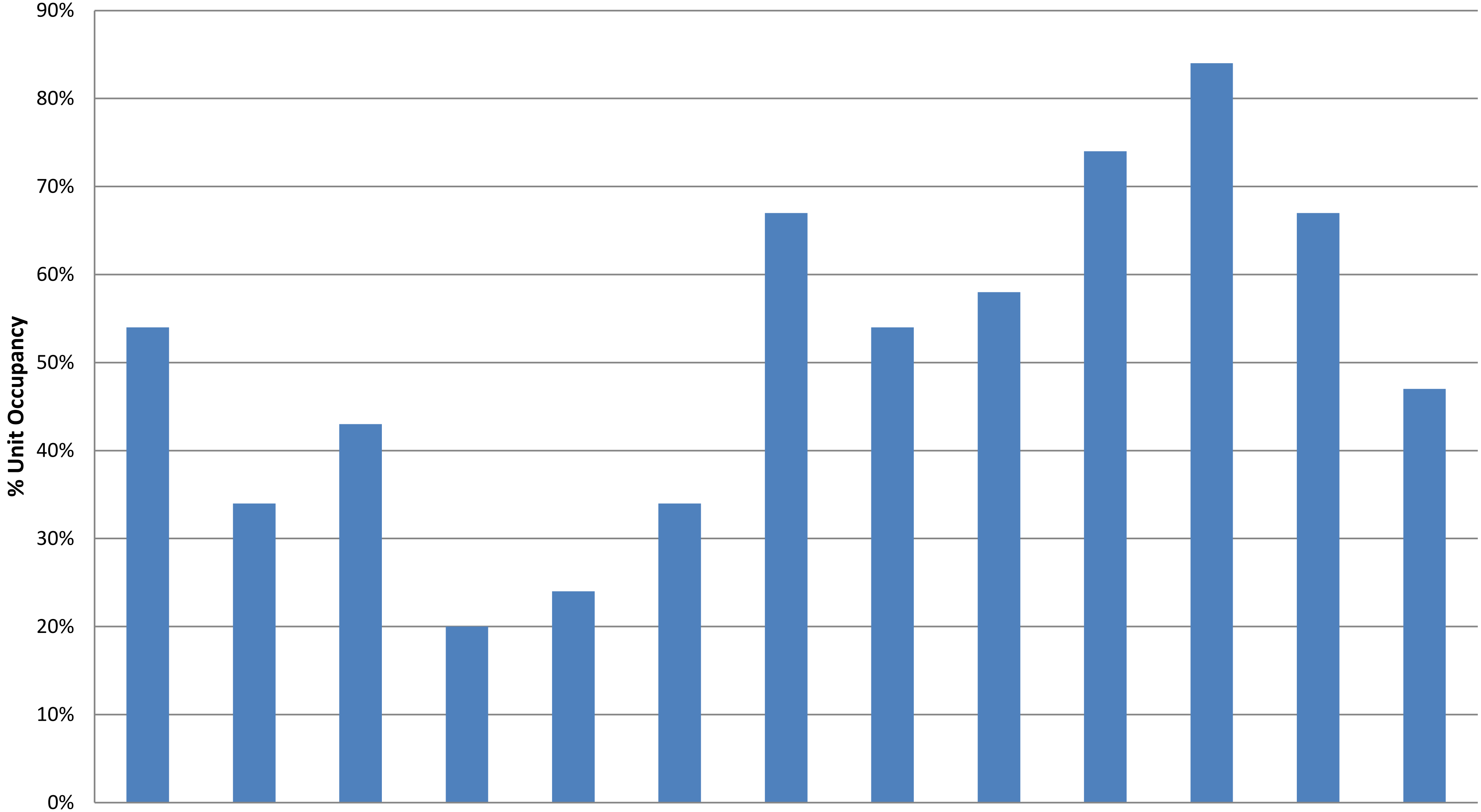
Performance – Serviced Room Occupancy



	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
ER	32%	33%	36%	20%	26%	33%	34%	46%	49%	58%	67%	56%	35%

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

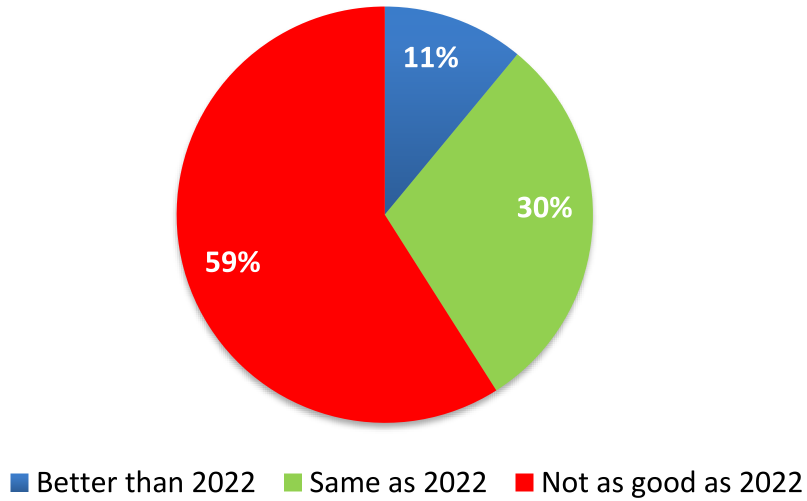


	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
ER	54%	34%	43%	20%	24%	34%	67%	54%	58%	74%	84%	67%	47%

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.

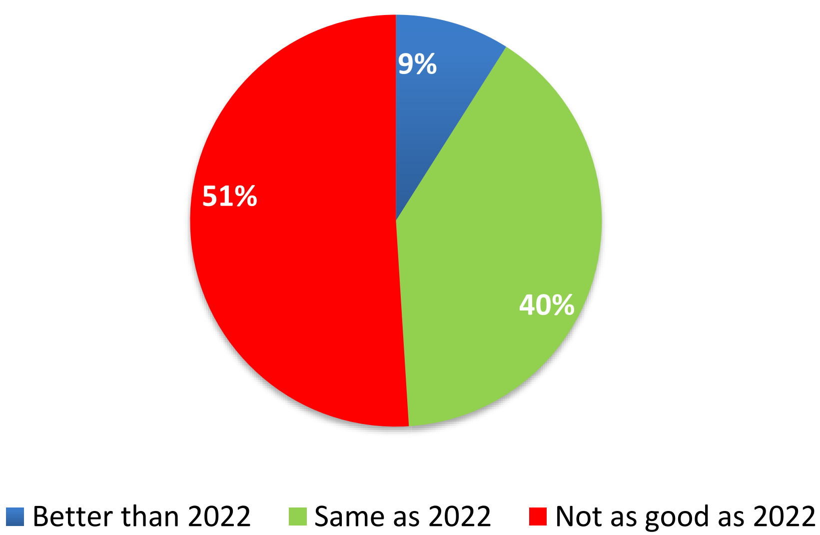
Outlook – Based upon forward booking levels

NOVEMBER 2023



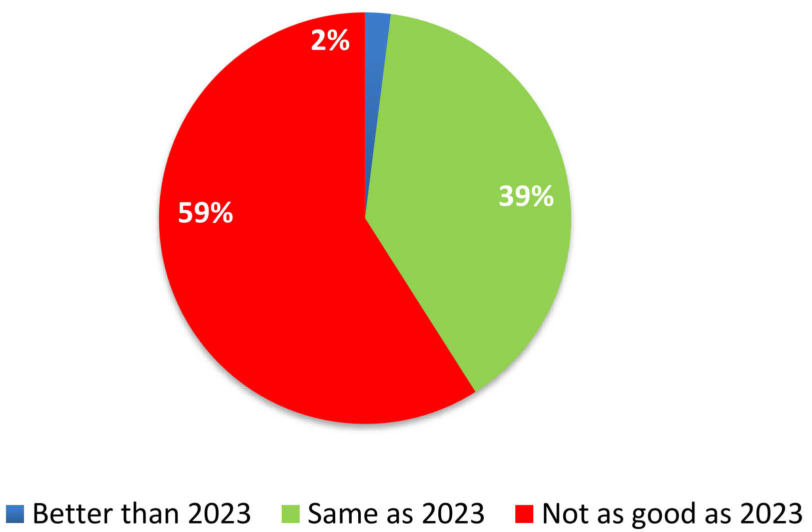
Base: 46

DECEMBER 2023



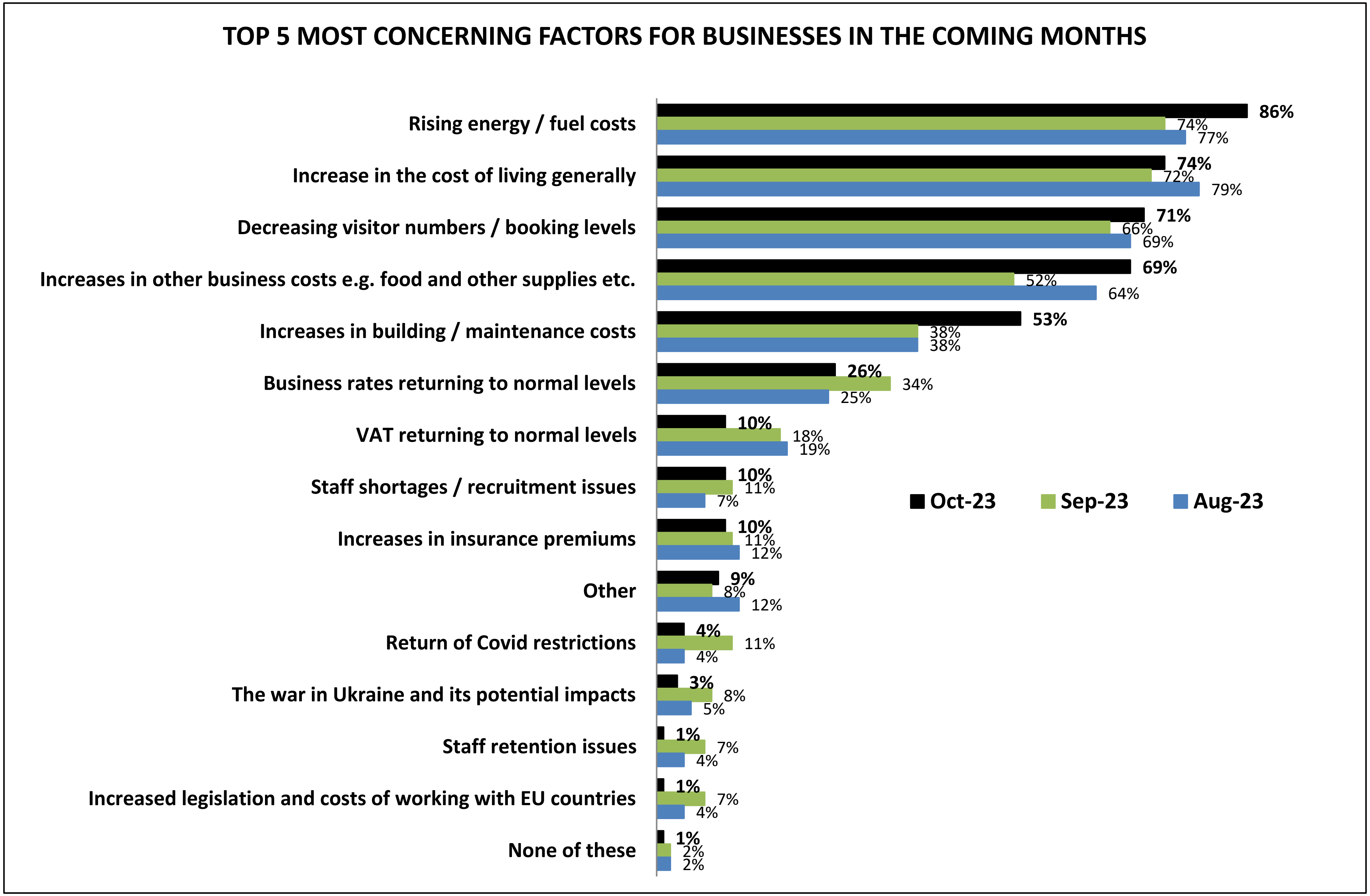
Base: 45

JANUARY 2024

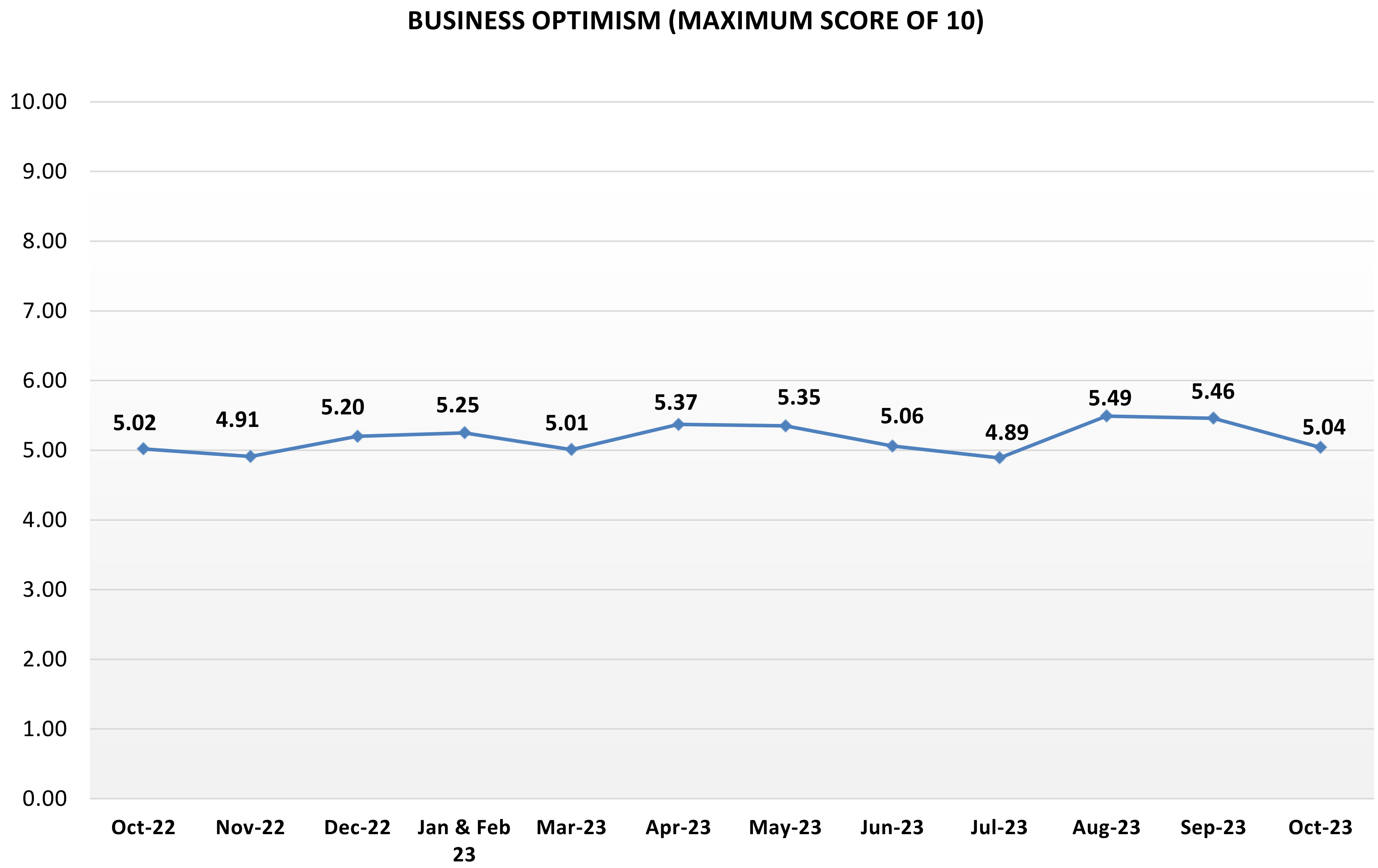


Base: 44

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

The issue with growing homelessness and ASB around Torquay is continuing to ruin our business, guests are saying they like to stay with us but will not be coming back due to these issues around town. The police, council and MP need to act urgently to address these problems. Walked past the shelter by the bridge to Torre beach the other night and the smell of cannabis was overwhelming and we were on the other side of the road !!. More work needs to be done to make this an all year round resort, we are a small Bed and Breakfast and at the moment it just isn't worth opening during the winter months.

General cost of living and loss of subsidies for guests' energy costs over this winter. We are also seeing a resurgence of Covid and this will impact bookings in the short term.

With the rising cost of energy bills, our mortgage rates and a very poor 2023 due to visiting numbers being very down
we have decided to sell the business.
Torquay is in a very bad state which is not pulling visitors back.
In my opinion in 2024 - 2025 there will be a lot of businesses who cease trading.

We're really concerned about our self catering cottage. Bills have increased so much and we're having to decrease our fees to make holidays more affordable. I'm also concerned about the plans for the Breakwater Beach.

We need to do more to drive tourists to visit Torbay - the Bay of Lights is nice but isn't driving adult visitors to the Bay. We need to improve the shopping experience in the town centre, rather than having a large number of empty premises and need to plan earlier for the Christmas period so that things like a Christmas market actually happen next year.

Business in October was massively down on last year (more than 50% fewer guests). Even half term was very quiet. It is clear that this year the shoulder seasons have suffered as potential short break visitors stay away and keep their money in their pockets. Cost of living issues are clearly a big factor here (for both visitors and businesses), but this is compounded (I think) by the generally poor state of the bay. Run down, plagued by anti-social behaviour, drug taking and homelessness. There is a real danger of a doom loop here. Visitors are put off by the bad vibes in town - outside of the core summer period - but fewer visitors just makes those social problems more entrenched and more obvious. The police and council need to be much more assertive in dealing with these issues, especially in so far as they spill into the main tourist areas. A related doom loop that has been quite apparent this autumn is that guests have been complaining that when they want to go out to eat midweek "everywhere is closed" - if restaurants and the like are deciding that it is not worth opening midweek outside of the core season then things are going to go downhill for the whole bay very quickly...

Skilled staff shortage remains a problem as does Corporation tax up by 6%, interest rates, VAT back up to 20%, increasing costs of supply. All this along with people struggling with the cost of living and generally less able to spend money.
Frankly, the perfect storm with little apparent understanding from government.

The weather hasn't helped us - along with cost of living crisis.

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