

ERBID How's Business Survey

August 2023



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October 2023



Executive Summary

Compared to August 2022 businesses reported that:

August 2023 Visitor levels:

Increased 11% / Stayed the same 22% / Decreased 67%

Estimated actual change in visitors -18%

August 2023 Turnover levels:

Increased 23% / Stayed the same 13% / Decreased 65%

Estimated actual change in turnover -14%

September 2023 Outlook is:

Better than 2022 25% / Same as 2022 18% / Not as good as 2022 57%

October 2023 Outlook is:

Better than 2022 9% / Same as 2022 22% / Not as good as 2022 69%

November 2023 Outlook is:

Better than 2022 12% / Same as 2022 24% / Not as good as 2022 63%

Optimism:

Optimism score is 5.49 out of a possible 10

August 2023 – Our comment

August saw 67% of all businesses experiencing decreased visitors/customers and 65% reporting decreased turnover compared with the same time during 2022, representing overall decreases of -18% and -14% in visitors/customers and turnover respectively.

57% or more of businesses anticipated decreased bookings for September (57%), October (69%) and November (63%) compared with 2022 levels, although this may change as we collect data for these months. Businesses continue to be most concerned about increases in the cost of living generally (79%), rising energy/fuel costs (77%) and decreasing visitor numbers/booking levels (69%), along with increases in other business costs e.g., food and other supplies etc. (64%).

This month's survey has a sample of 81 businesses.

June to August 2023 general performance

The continuing challenging economic conditions and the particularly poor weather which coincided with the start of the six-week school summer holidays, left many businesses with no choice but to heavily discount their prices over this period resulting in a significant drop in revenue. Coupled with soaring operational costs, this three-month period paints a continuing gloomy picture of business performance which has seen by far the largest proportions of businesses reporting decreased levels of visitors and turnover (typically around 60% or more) compared with the same period in 2022.

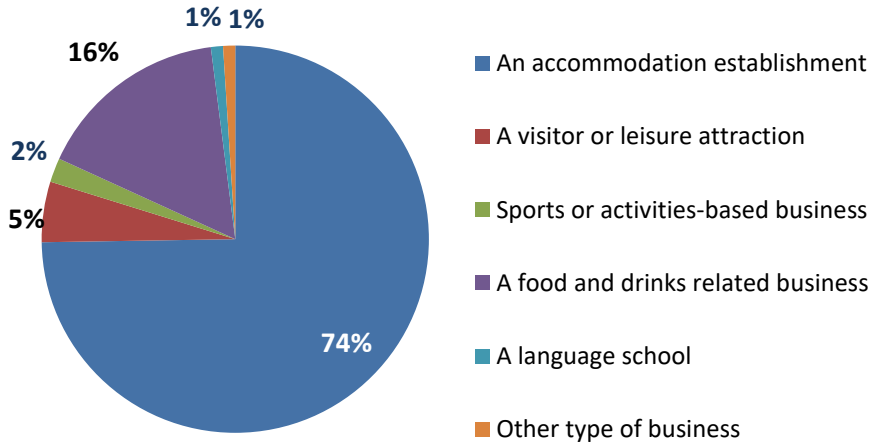
On a more positive note, this has not been the case for all businesses with some reporting level and increased business during the peak period compared with last year whilst acknowledging having to work harder to achieve this including offering last minute bookings, shorter stays including single nights etc. and this might explain why business optimism increased to its highest level since September 2022 in August 2023 (5.49).

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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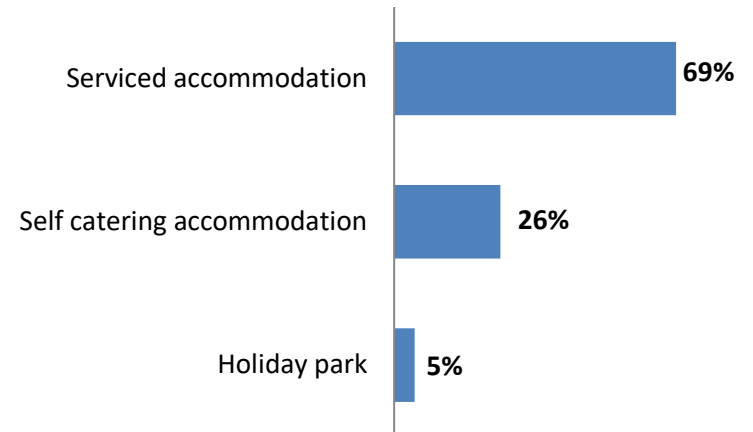
Sample profile, business location and status

BUSINESS TYPE



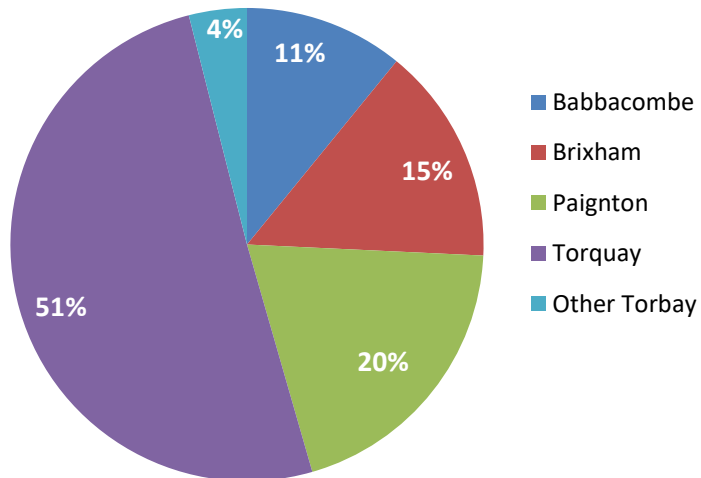
Base: 81

ACCOMMODATION TYPE



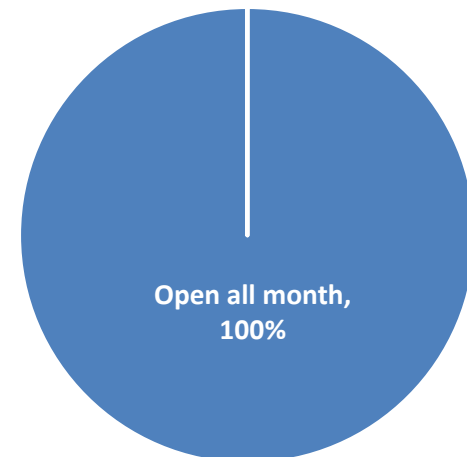
Base: 60

BUSINESS LOCATION



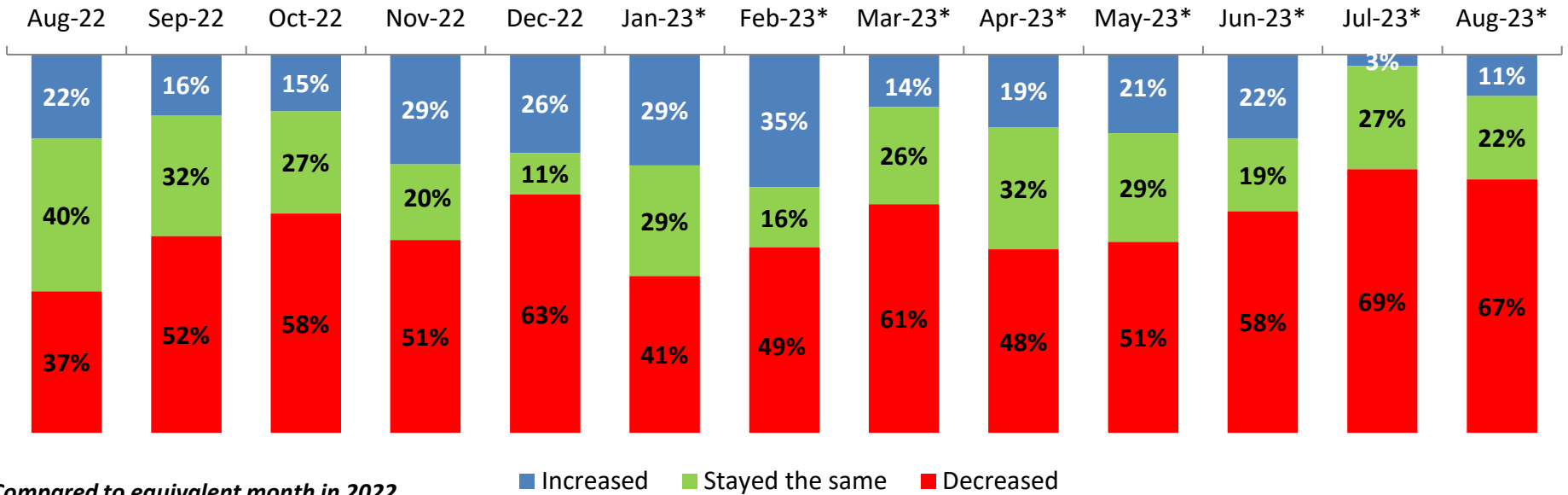
Base: 81

BUSINESS STATUS

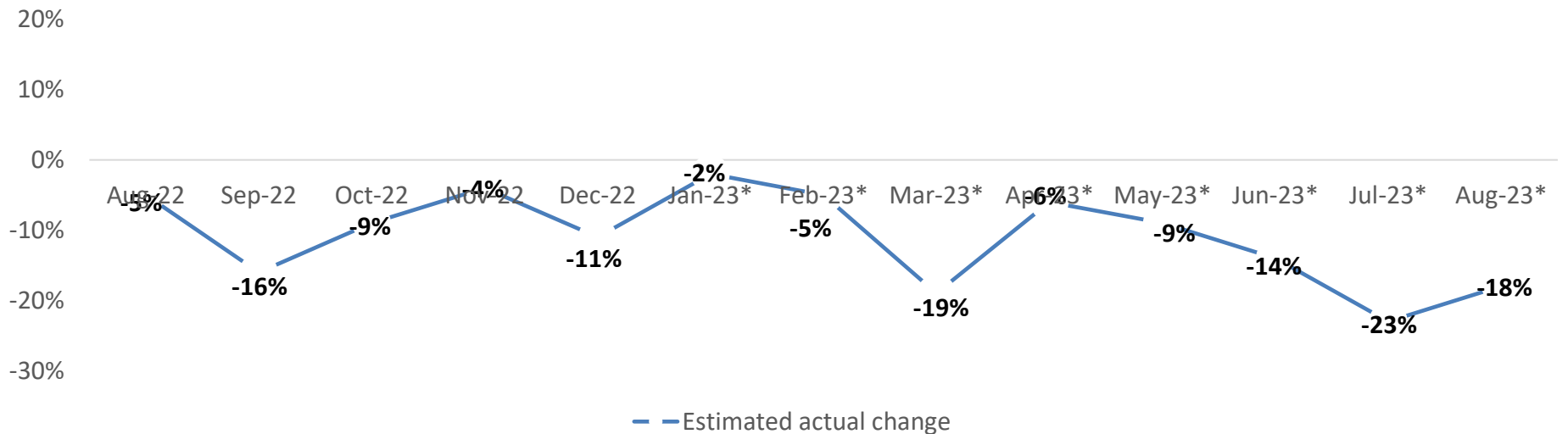


Base: 81

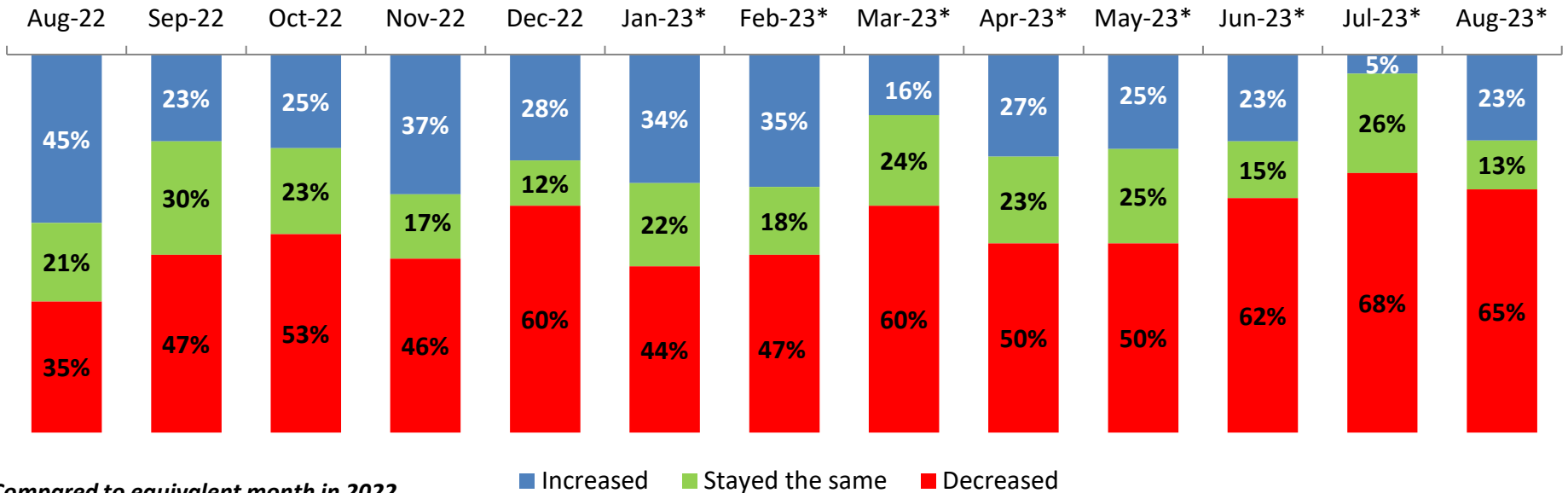
Performance – Number of visitors compared to 2019/2022*



ESTIMATED ACTUAL CHANGE IN VISITORS

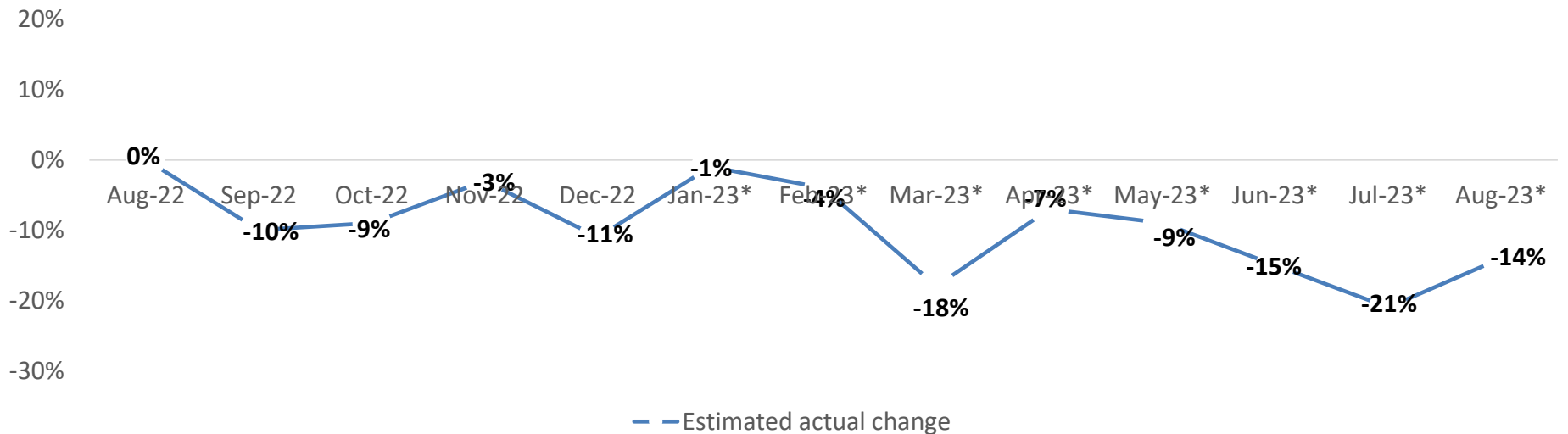


Performance – Turnover compared to 2019/22*



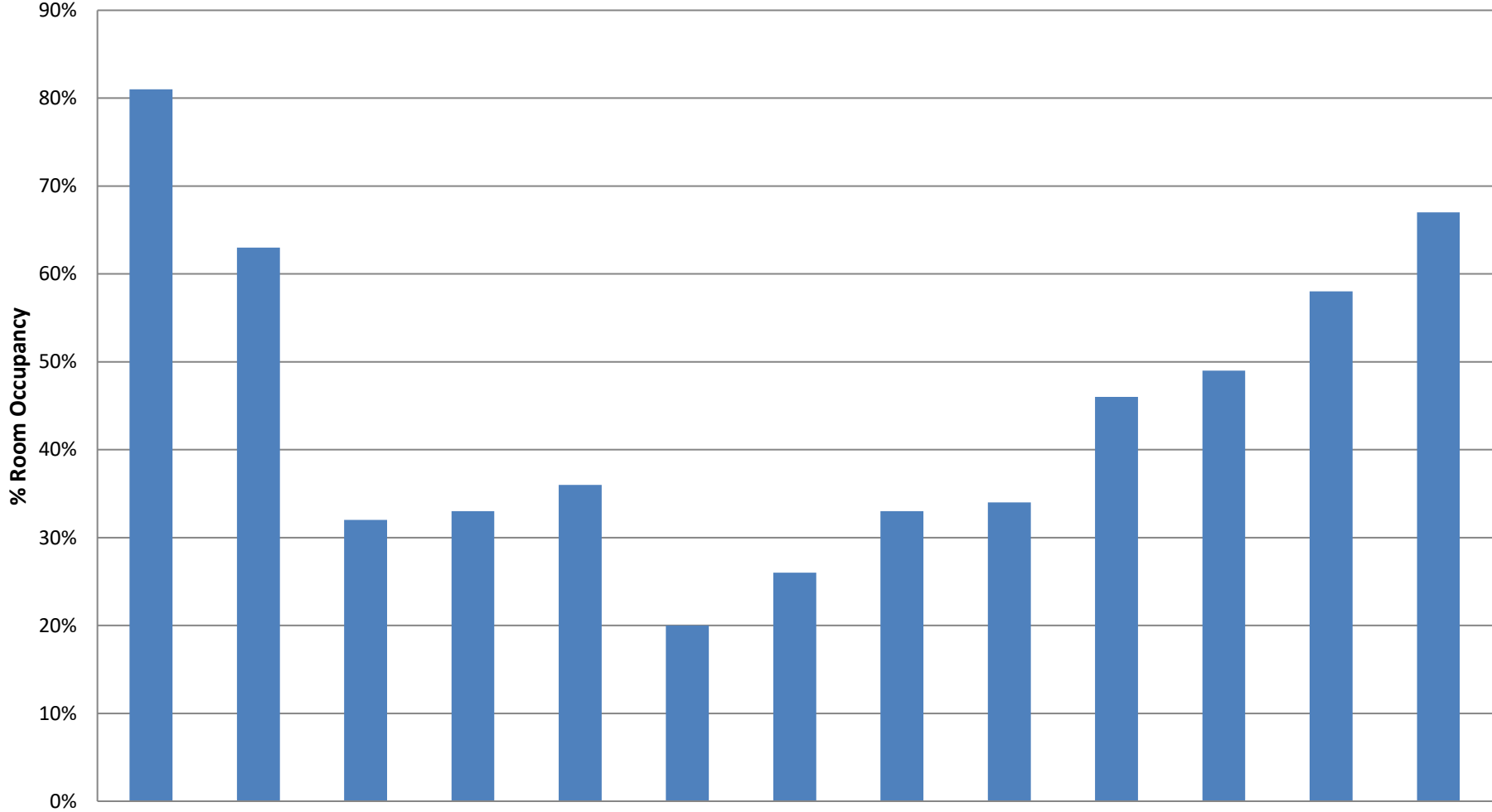
*Compared to equivalent month in 2022

ESTIMATED ACTUAL CHANGE IN TURNOVER



*Compared to equivalent month in 2022

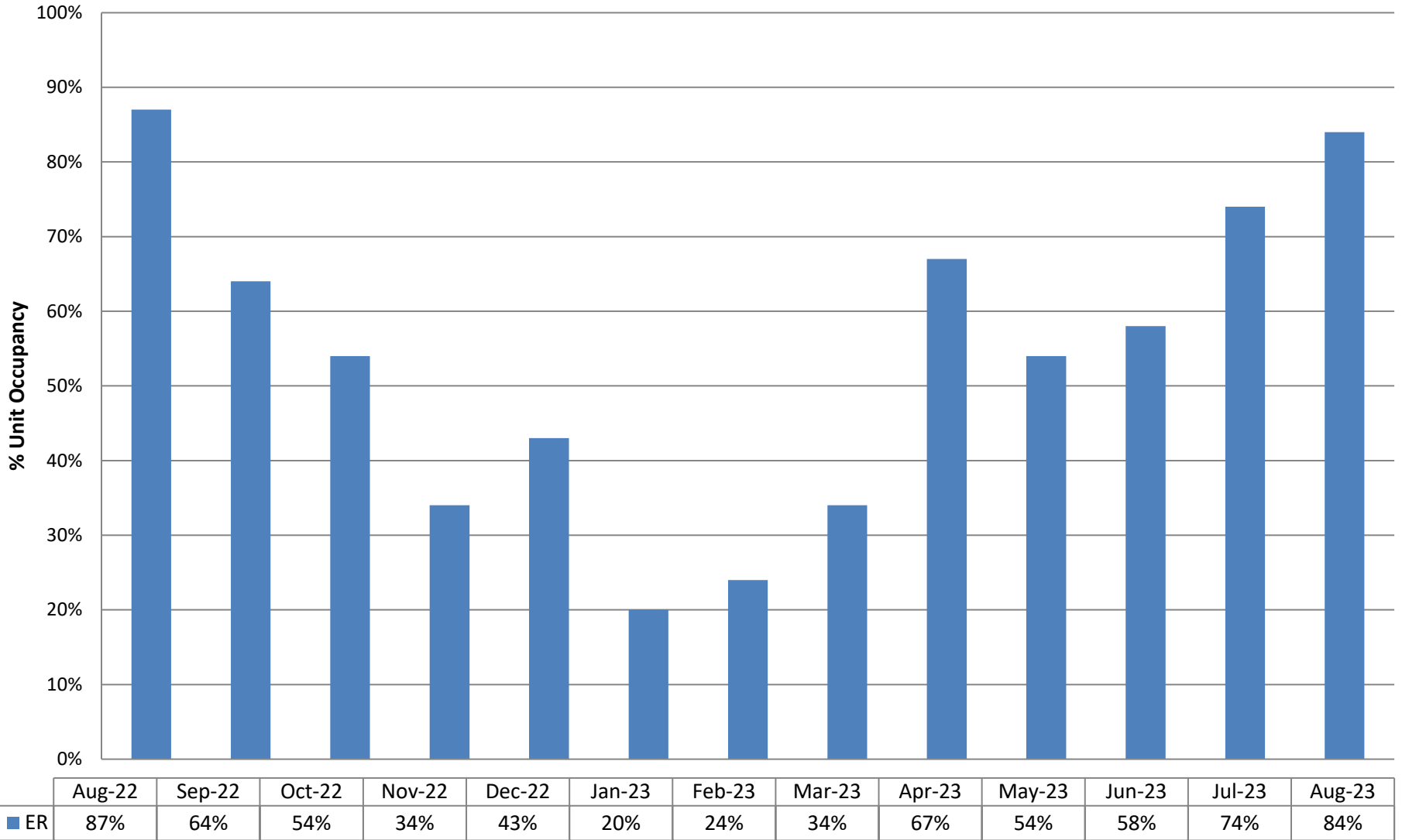
Performance – Serviced Room Occupancy



■ ER	81%	63%	32%	33%	36%	20%	26%	33%	34%	46%	49%	58%	67%
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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.

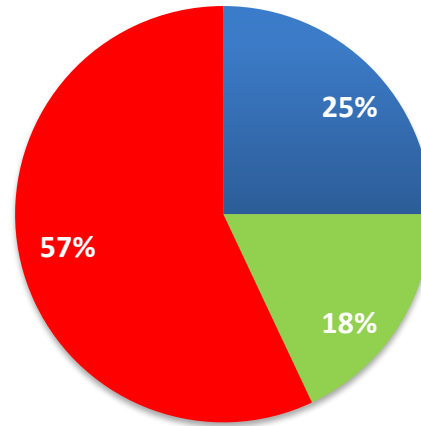
Performance – Self Catering Unit Occupancy



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Outlook – Based upon forward booking levels

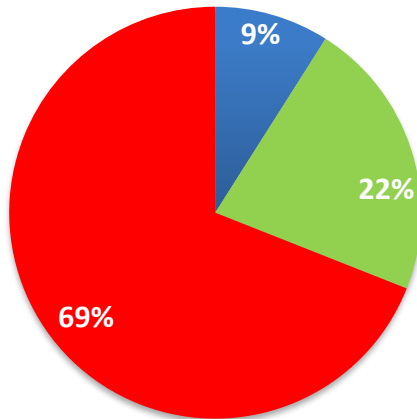
SEPTEMBER 2023



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

Base: 60

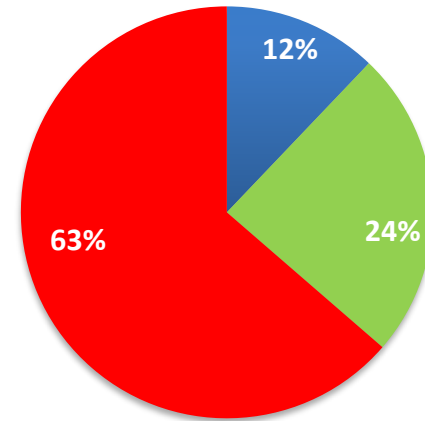
OCTOBER 2023



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

Base: 55

NOVEMBER 2023

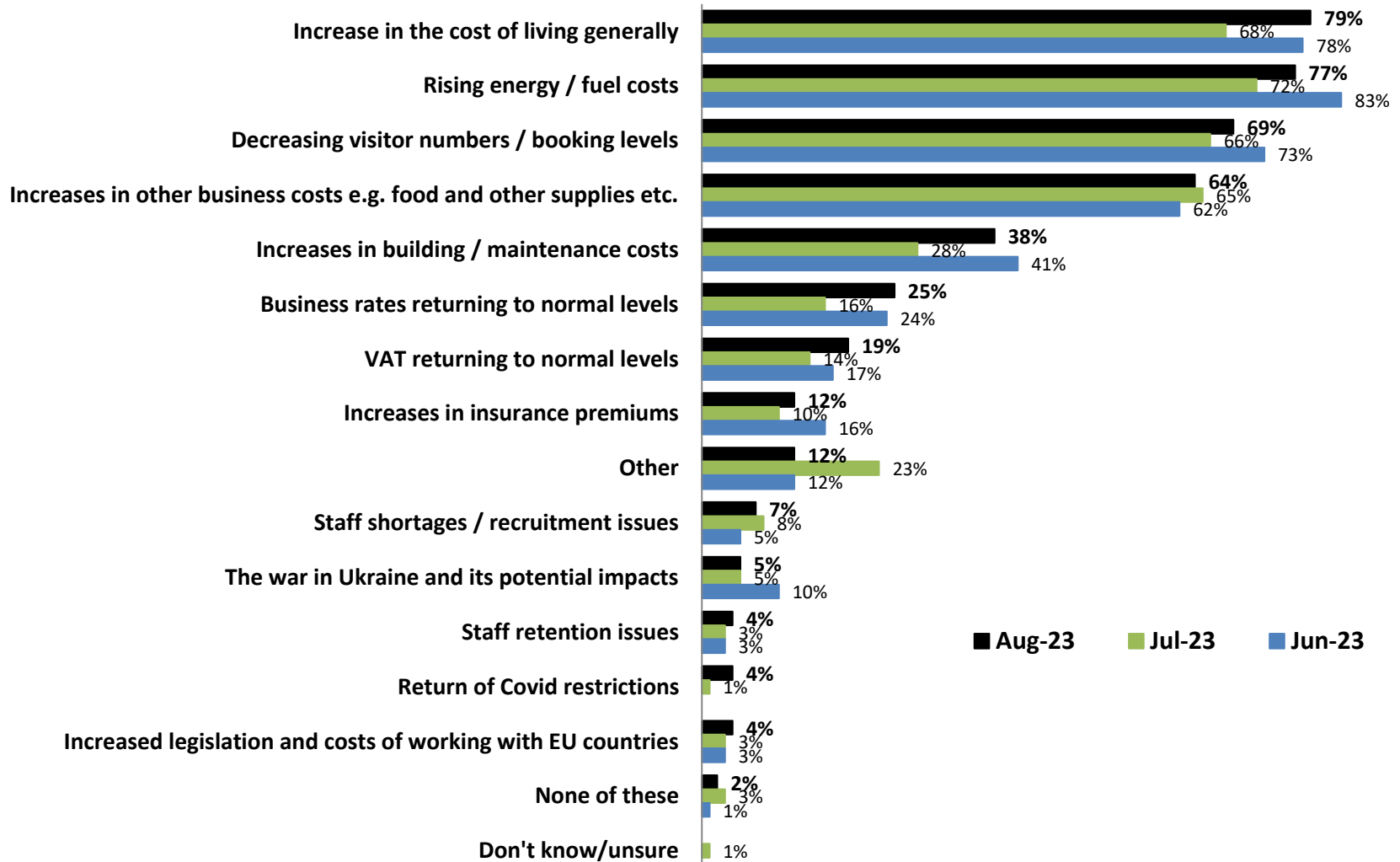


■ Better than 2022 ■ Same as 2022 ■ Not as good as 2022

Base: 41

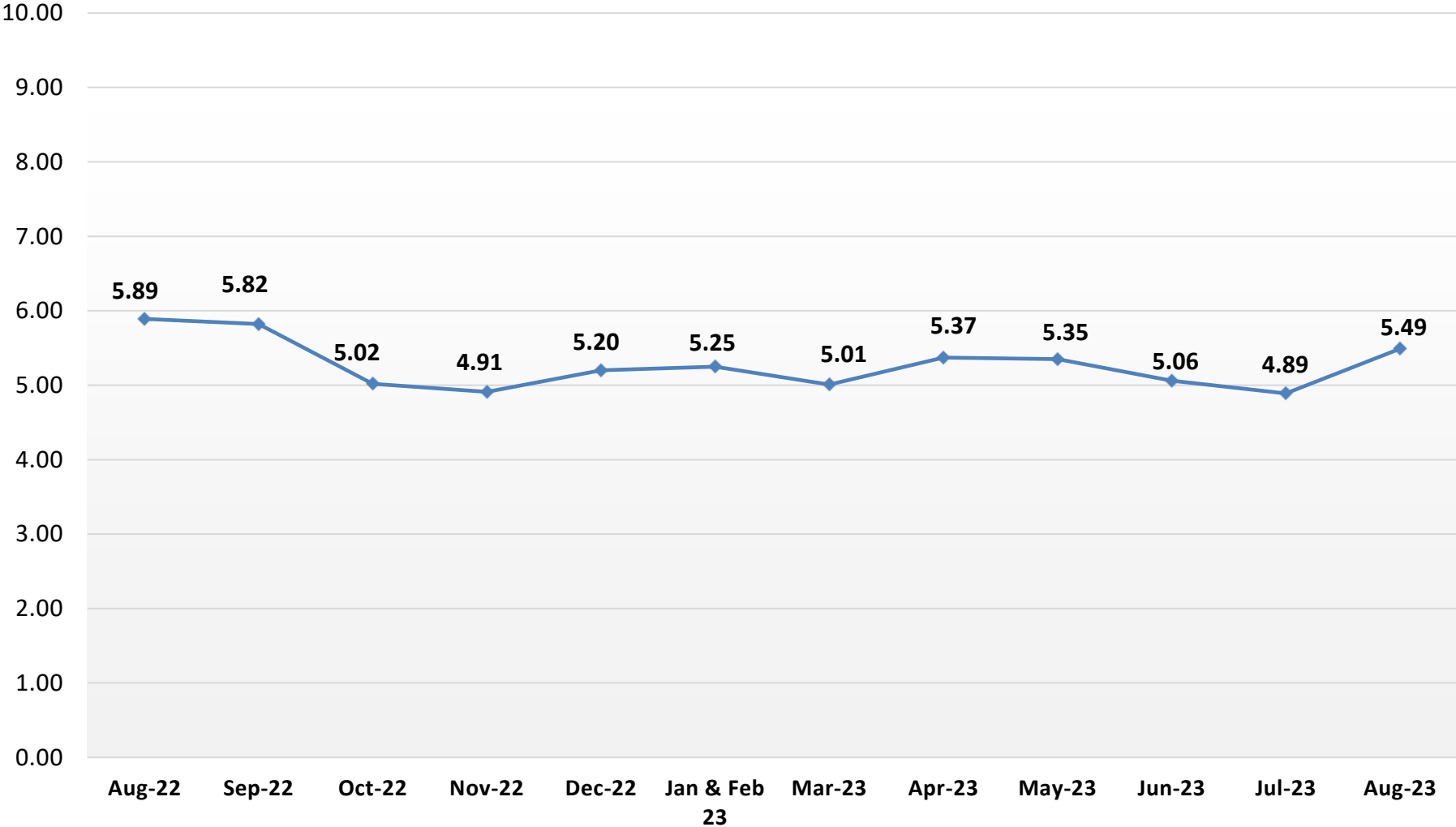
Top 5 business concerns (pre-defined list)

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

We have had a steady summer period, around 10% quieter than we anticipated, not a disaster but we won't be getting rich this year. Customer numbers are down a bit and there are more people sitting with friends but not eating or drinking, or sharing a drink or cake between two, or looking at the prices and walking off. Over the last 18 months our costs for energy, labour and food / drink have risen dramatically; this is a really difficult time for hospitality in general and with this weak summer I can see many operators will be struggling over the winter.

We feel that holiday makers want to and will continue to holiday in Torbay but the current situation with drug/alcohol users, asylum seekers and general untidiness will start to put tourists off returning. We have had lots and lots of comments about the general state of Paignton and the amount of men hanging about intimidating others.

We are having a great year despite our ongoing restoration project.

We were expecting turnover to be down on 2022 as there were foreign travel problems last year.

This may be the first winter where unless we go and get winter work we may not make it through, unless we take on more debt to get us through.

The biggest concern raised by our guests is the condition of the town. Too many people sleeping rough. Too many drug addicts. There are parts of town that are not pleasant places to visit. This has been mentioned by more than one group of visitors and because of this it is unlikely that they will return.

It has been a bad year for us in 2023. Our income is well down, empty rooms though August, September. Peaked a little, but nothing like last year. We close at the end of October for the winter, but not even sure it's worth even staying open. 2024 is going to be a very bleak year unless the Bank of England lowers the rates and takes the pressure off people.

Still feeling the impact of Brexit, weather forecasts for late/short stay bookings.

Worst year even compared to Brexit and Covid - took more money in 2020 when we were only open for 11 weeks! Up for sale and highly unlikely to survive the winter :(

August was the first month on a par with expectations on a normal year. September also looks like a normal month. However, two normal months don't make up for every other month this year being so poor. Last minute booking trend continues.

We have had this business for 5 years and this year has been the most challenging due to increased costs of everything from energy / staff / hotel supplies / food. At the same time, we are aware that potential guests are subjected to cost of living pressures so we are unable to increase our prices in line with our cost increases. Guests are booking shorter stays and booking later so it makes it hard to book staff in advance which affects the ability to retain staff as they need jobs with guaranteed hours which is hard to provide when the margins are so tight.

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