

ERBID How's Business Survey

January & February 2024

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April 2024



Executive Summary

Compared to January 2023 businesses reported that:

January 2024 Visitor levels:

Increased 13% / Stayed the same 27% / Decreased 60%
Estimated actual change in visitors -15%

January 2024 Turnover levels:

Increased 21% / Stayed the same 27% / Decreased 52%
Estimated actual change in turnover -10%

Compared to February 2023 businesses reported that:

February 2024 Visitor levels:

Increased 16% / Stayed the same 16% / Decreased 68%
Estimated actual change in visitors -15%

February 2024 Turnover levels:

Increased 16% / Stayed the same 13% / Decreased 71%
Estimated actual change in turnover -18%

March 2024 Outlook is:

Better than 2022 24% / Same as 2022 12% / Not as good as 2022 64%

Easter 2024 Outlook is:

Better than 2022 8% / Same as 2022 19% / Not as good as 2022 73%

April 2024 Outlook is:

Better than 2022 14% / Same as 2022 7% / Not as good as 2022 80%

Optimism:

Optimism score is 4.72 out of a possible 10

January & February 2024 – Key results

January and February saw 60% and 68% of all businesses respectively experiencing a decrease in visitors/customers representing decreases of -15% in each case compared with the same time during 2023. In terms of turnover, 52% and 71% of all businesses during January and February respectively reported a decrease, representing decreases of -10% and -18% respectively compared with the same time during 2023.

The majority of businesses anticipated decreased bookings for March (64%), Easter (73%) and April (80%) compared with 2023 levels, although the results for March and April may change as we collect data for these months.

Businesses continue to be most concerned about the increase in the cost of living generally and decreasing visitor numbers/booking levels (74% each and increases of 6% and 15% respectively compared with last month), along with rising energy costs (65% - a decrease of 5% compared with last month).

Business optimism fell to its lowest level to date over the last 12 months to 4.72 out of 10.00.

This month's survey has a sample of 78 businesses.

December 2023 - February 2024 general performance

The last three months have remained a very challenging period for the majority of ER tourism businesses with the largest proportion of businesses reporting both decreased visitors and turnover in all three months (45% or more).

Business patterns continue to remain very unpredictable at present with many businesses reporting an increase in last minute bookings, particularly due to the relentless wet weather we have been experiencing in the UK, along with an increase in short breaks with many businesses having to offer heavy discounts to attract potential guests. Many businesses remain very concerned about the continuing rise in energy, labour and other operating costs and, in particular, about the new fire safety regulations and change in the holiday let regulations.

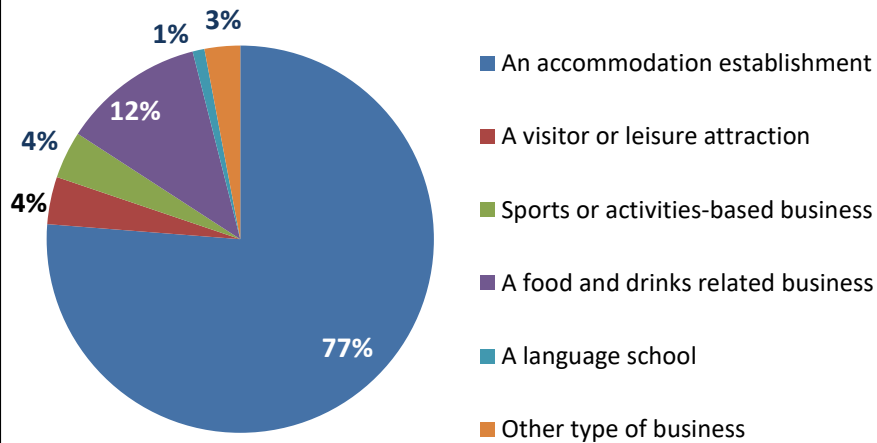
On a more positive note, there are some businesses reporting a positive performance and they are largely achieving this as a result of innovation and diversification of their product offering.

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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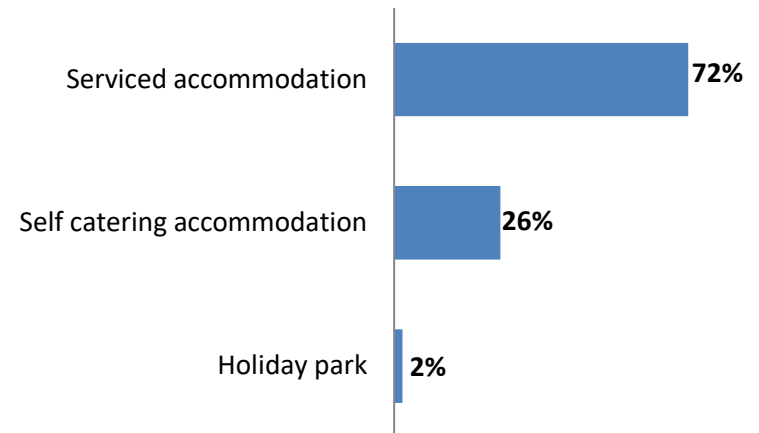
Sample profile, business location and status

BUSINESS TYPE



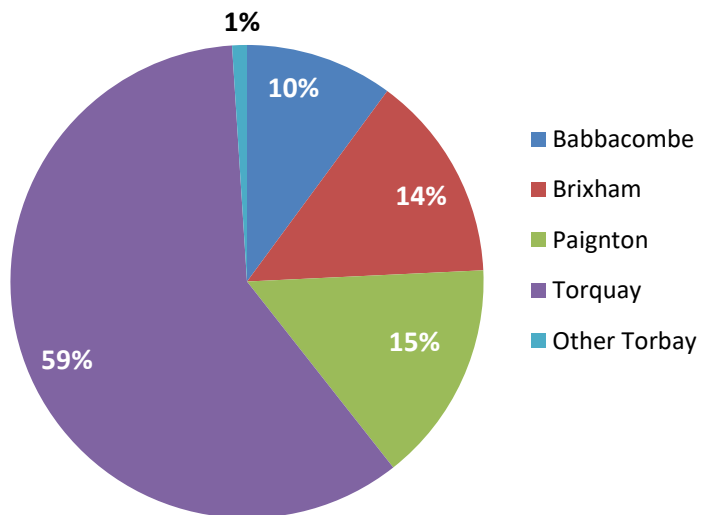
Base: 78

ACCOMMODATION TYPE



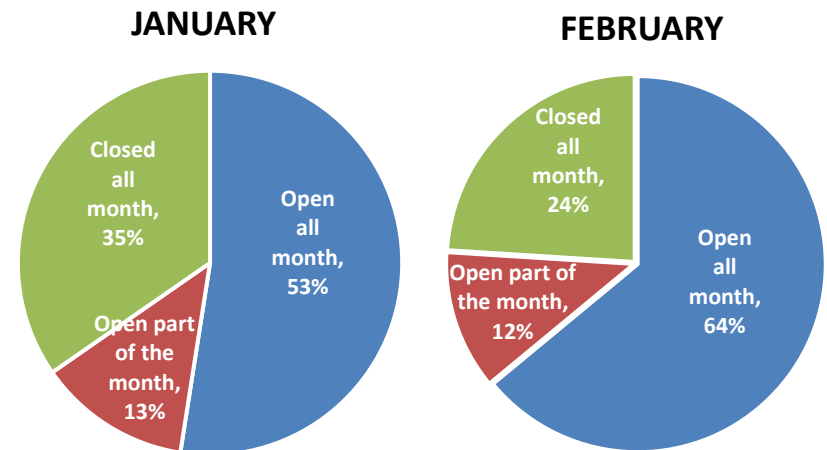
Base: 60

BUSINESS LOCATION



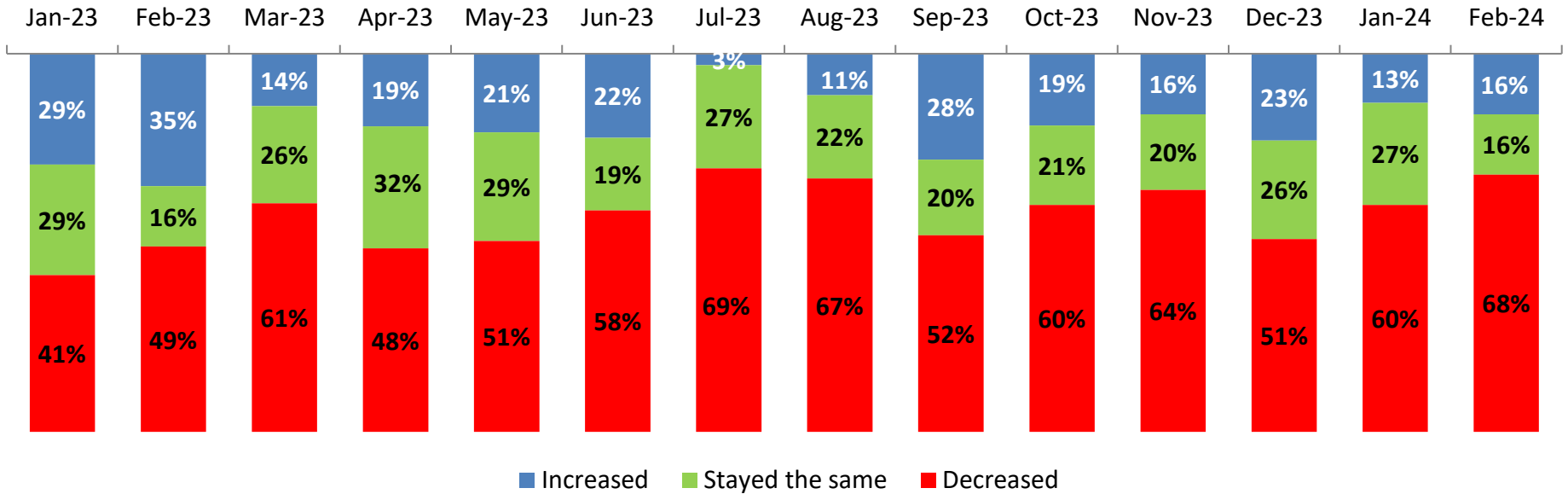
Base: 78

BUSINESS STATUS

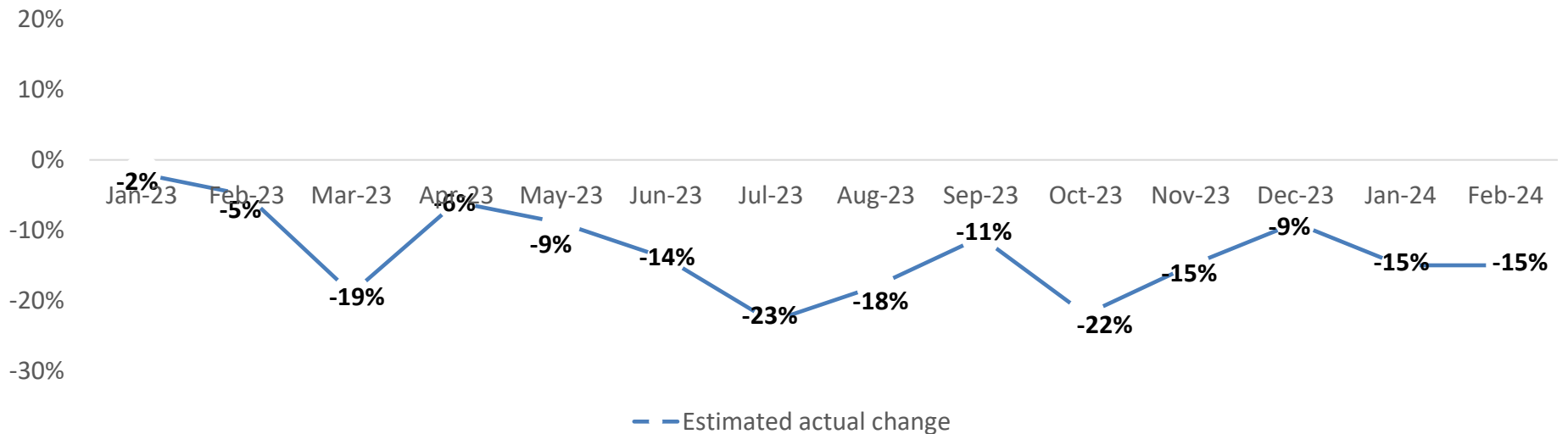


Base: 78

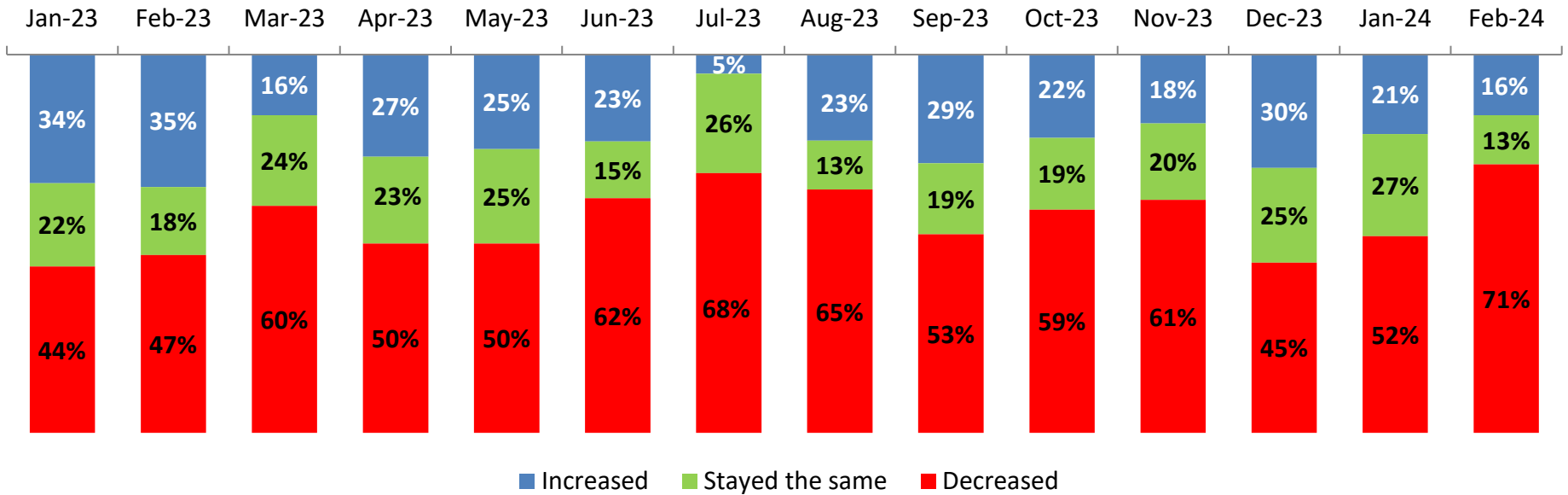
Performance – Number of visitors compared to previous year



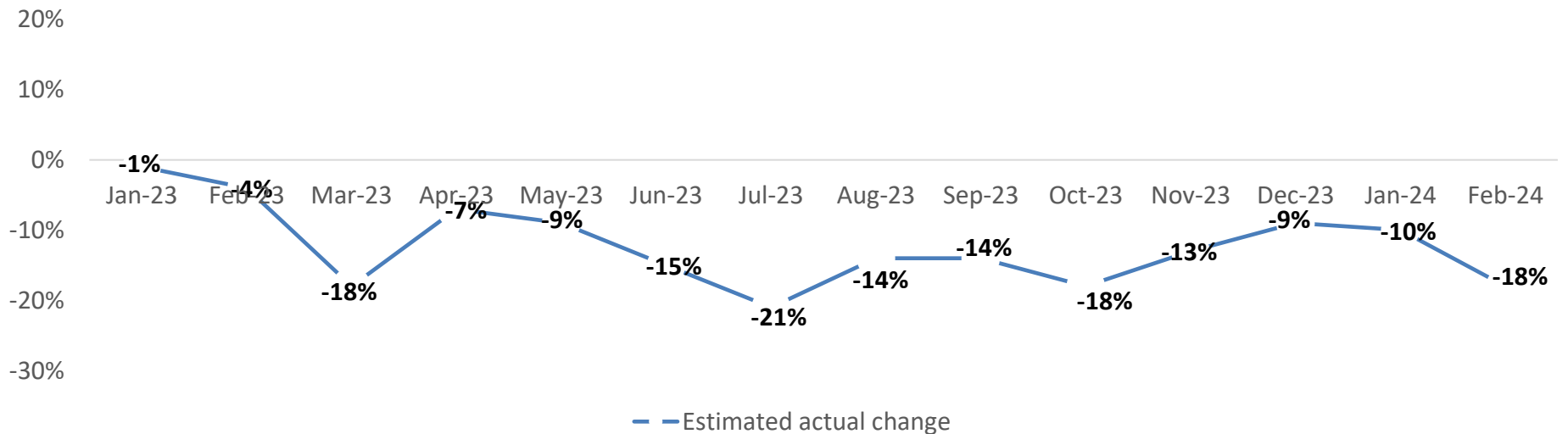
ESTIMATED ACTUAL CHANGE IN VISITORS



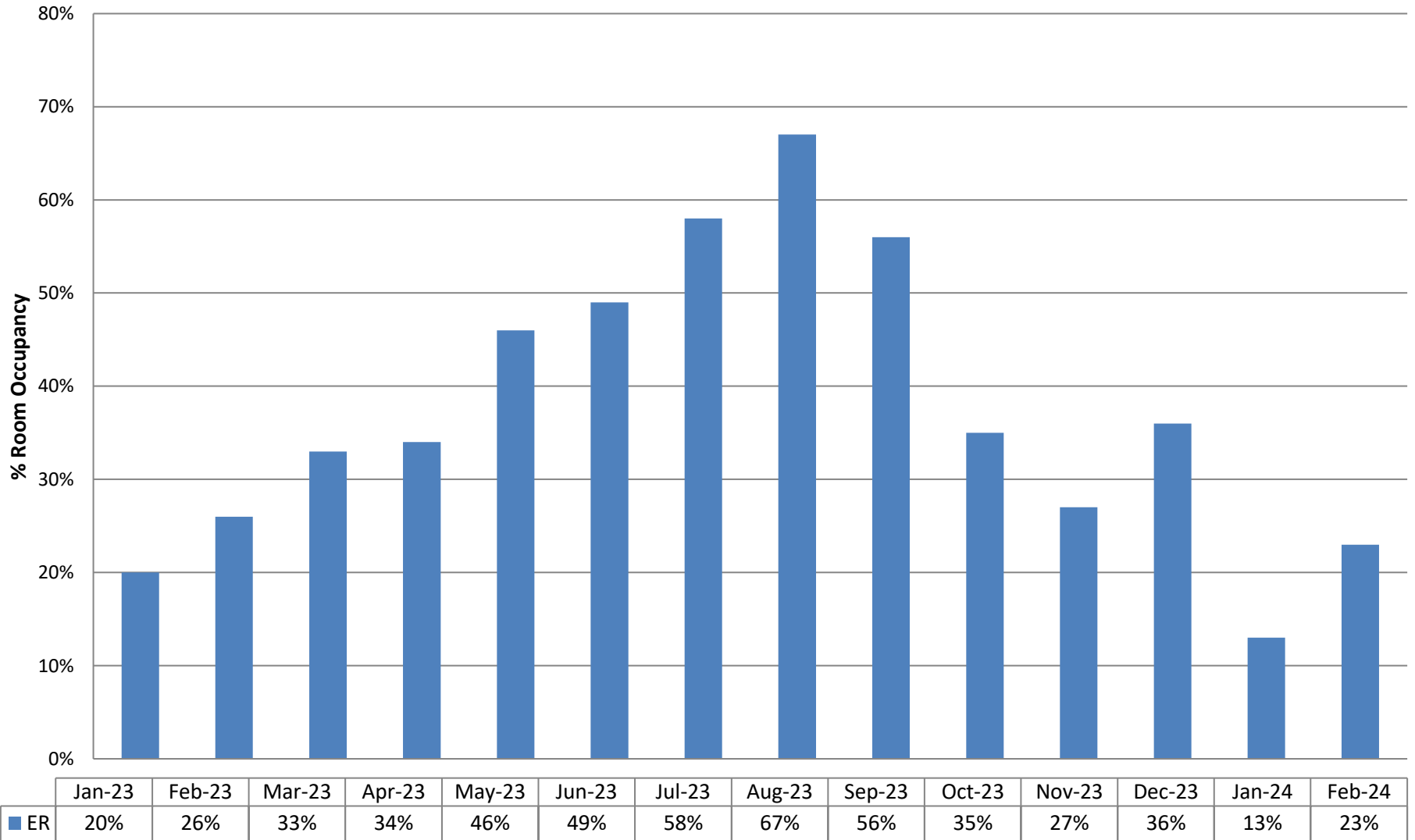
Performance – Turnover compared to previous year



ESTIMATED ACTUAL CHANGE IN TURNOVER

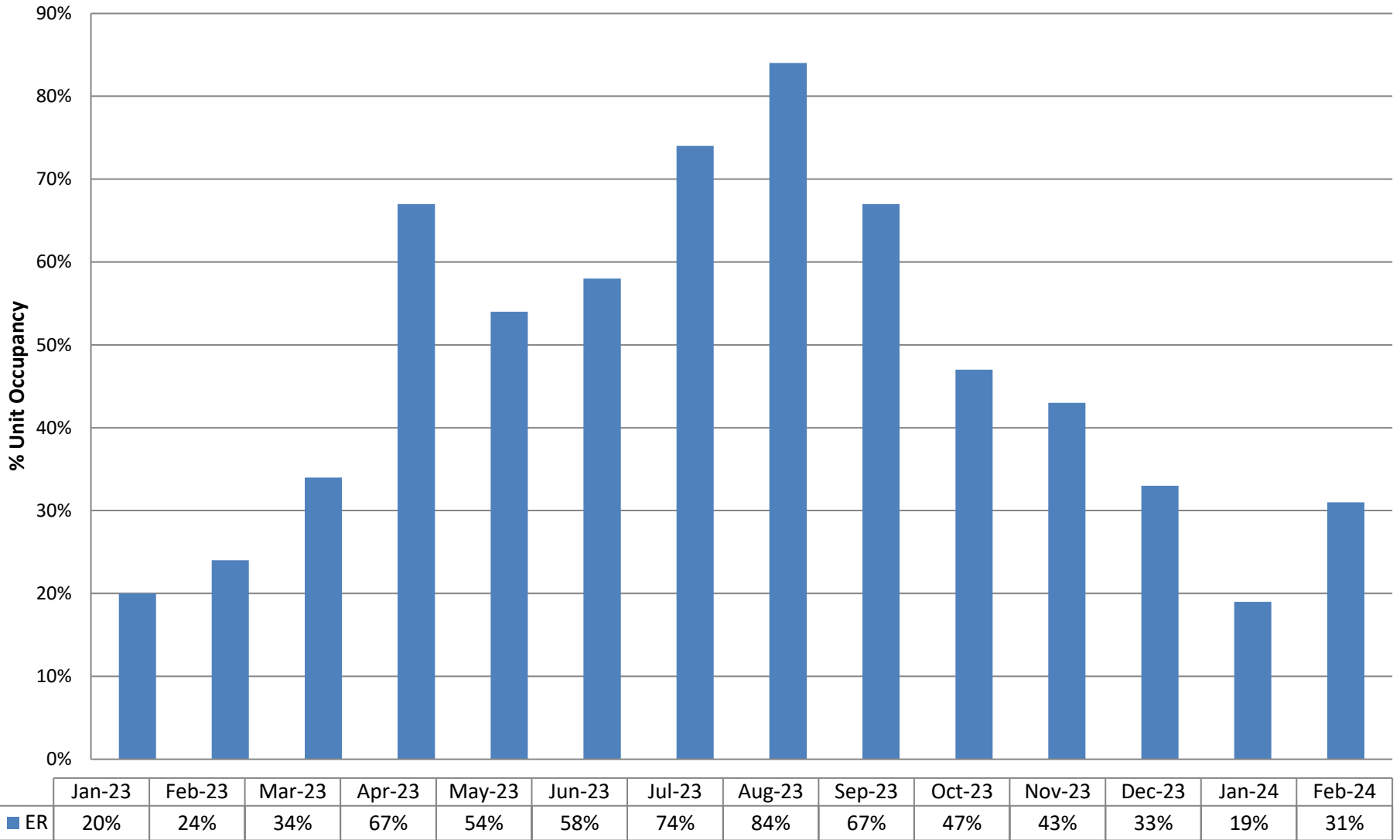


Performance – Serviced Room Occupancy



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.

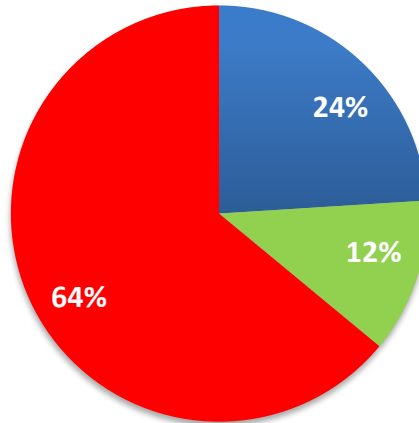
Performance – Self Catering Unit Occupancy



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

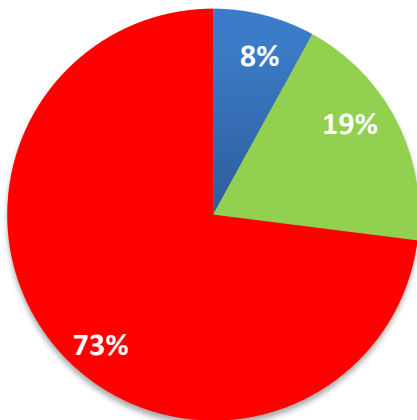
MARCH 2024



■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 59

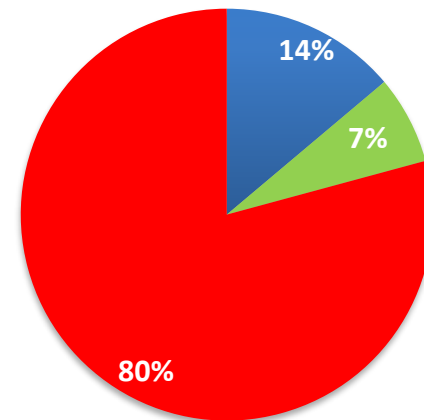
EASTER 2024



■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 59

APRIL 2024

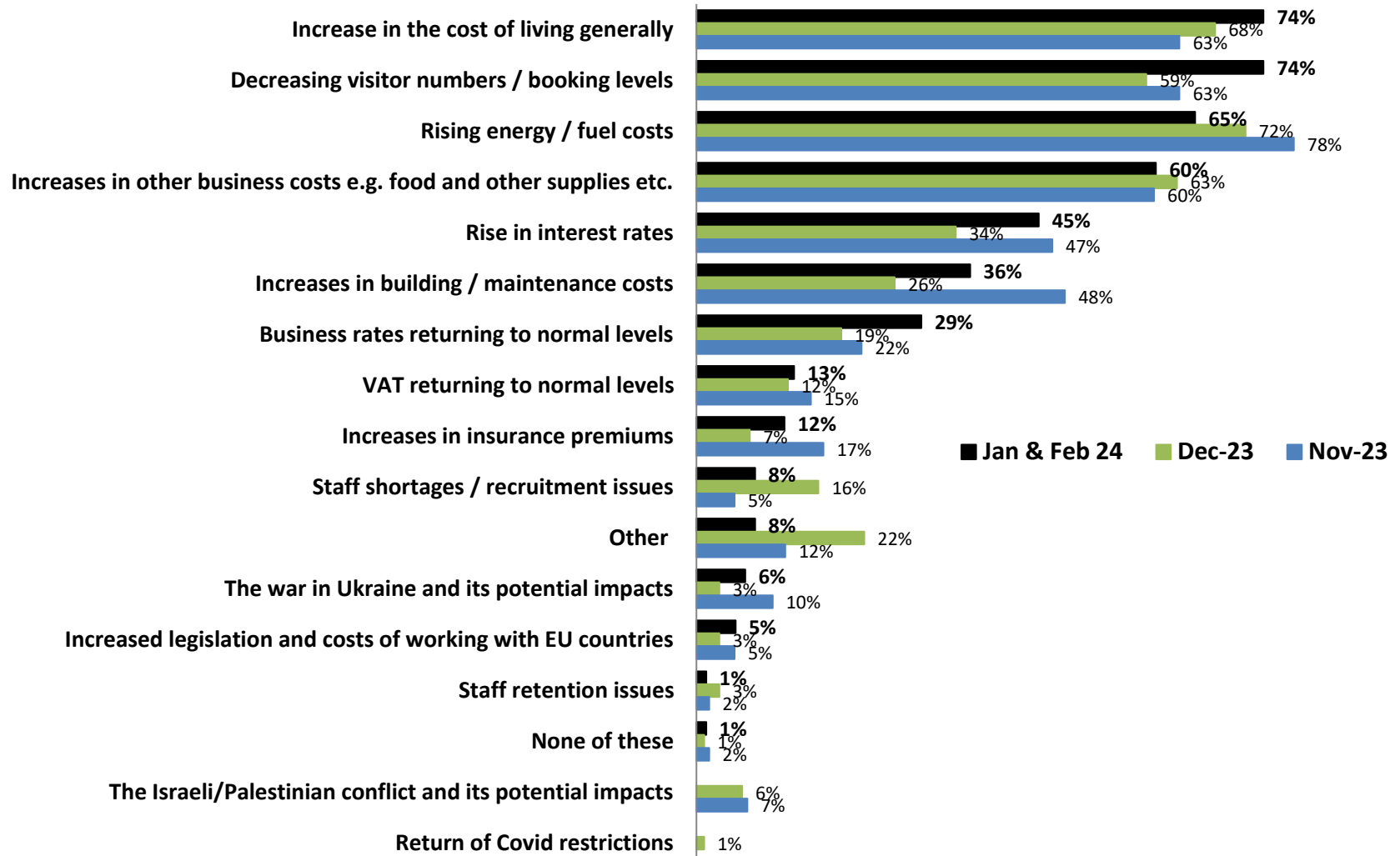


■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 59

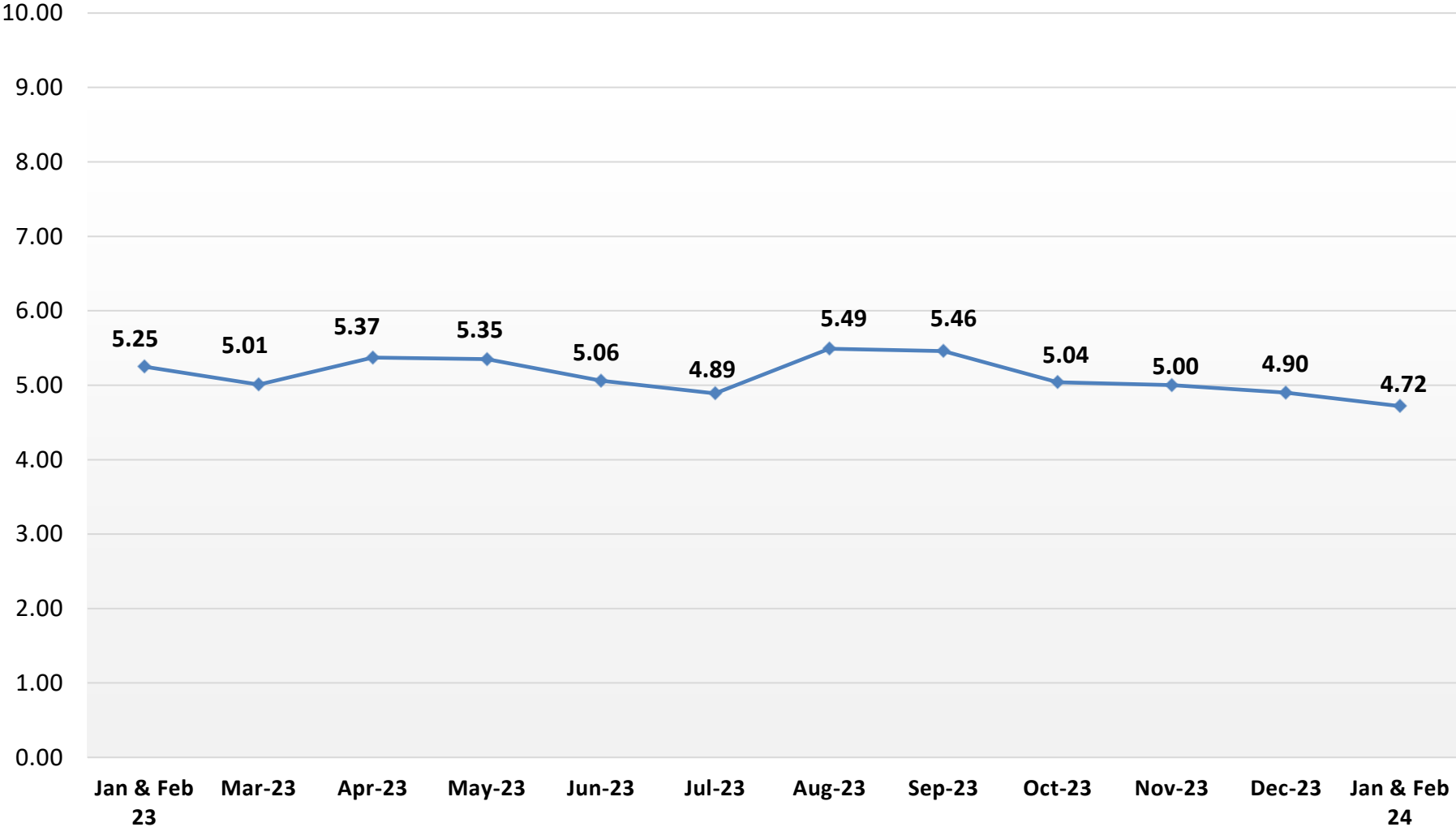
Top 5 business concerns (pre-defined list)

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 are constantly under pressure from the rates that some of the chain hotels are charging in the quieter months (Premier Inn, Hilton etc). Whilst they can absorb lower rates across their property portfolio it isn't viable for smaller hotels who are VAT registered to compete with the rates that are being charged. More needs to be done to support and promote small, independent accommodation establishments.

We have had such awful weather and I think people are waiting for the weather to improve, especially for the early Easter. As yet, we have no bookings for Easter, hoping for a last minute flurry!!!

Larger hotels, vastly undercutting smaller businesses, unable to compete in the low season. No wonder why many smaller businesses close over the winter. We tried to stay open but it came at considerable cost due to heating costs etc.

Mortgage rate killing us.

Although March is better than March 2023, (excluding Easter bookings), Easter is looking to be quieter and April is looking really bad, with next to no business for April at the moment.

Clientele unwilling to pay the required increase in prices (needed to cover 10% minimum wage increases and food and general supplies).
Waiting for offers before booking - even though prices have already been reduced to Pre-Covid rates.

The amount of availability in the market for Easter and beyond, verses the number of bookings and enquiries coming through - it is very concerning, especially when our business can no longer generate the level of income required to cover the rising costs. We know we are not alone in this, so what is going to happen in the future? Interest rates are not going to come down substantially enough and higher energy costs are here to stay. Businesses are not going to survive long term as they just aren't viable anymore.

The start to 2024 has been truly dismal. The weather has killed off any potential interest in weekend breaks and the cost of living crisis means people are just not willing to spend on short breaks out of season. The full force of the utility increases is now being felt and my bank account is drained of any funds by eye watering utility bills. Easter looks like being a disaster and I truly wonder how we are going to get through the next few months. On top of all of this, the works on the harbourside are going to make for a pretty miserable experience for our visitors throughout the whole of the peak season. The feeble rise in the VAT threshold hasn't benefitted us and other tax changes in the budget will actively harm our business. A change in Government won't help one bit but at least we will be able to see this lot totally humiliated come election night.

Why are the government hammering the UK tourism industry, is it to make sure people spend their money abroad?

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