

ERBID How's Business Survey

September 2024



Published by The South West Research Company Ltd

November 2024



Executive Summary

Compared to September 2023 businesses reported that:

September 2024 Visitor levels:

Increased 26% / Stayed the same 19% / Decreased 54%

Estimated actual change in visitors -9%

September 2024 Turnover levels:

Increased 28% / Stayed the same 10% / Decreased 61%

Estimated actual change in turnover -9%

October 2024 Outlook is:

Better than last year 26% / Same as last year 26% / Not as good as last year 48%

November 2024 Outlook is:

Better than last year 10% / Same as last year 37% / Not as good as last year 53%

September 2024 Outlook is:

Better than last year 15% / Same as last year 28% / Not as good as last year 57%

Optimism:

Optimism score is 4.81 out of a possible 10

September 2024 – Key results

The majority of all businesses experienced decreased visitors/customers (54%) and turnover (61%) compared with September 2023 with each representing decreases of -9% compared with the same time last year and a similar performance to the region overall.

48% of accommodation businesses anticipate decreased bookings for October compared with 2023 levels, whilst 53% said the same for November and 57% for December (compared with 2023 levels) at the time of writing this report, although there may be some variation in the actual proportions once the data is collected.

At 71%, businesses are currently most concerned about the increase in the cost of living generally (a 2% increase compared with last month), decreasing visitor numbers/booking levels (70%, a -10% decrease compared with last month), followed by increases in other business costs e.g. food and other business supplies etc. (62%, an increase of 2% compared with last month) and rising energy costs (54%, a decrease of -11% compared with last month).

At 4.81 out of 10.00, the optimism score increased slightly compared with 4.78 last month.

July – September 2024 – General performance

The continuing unsettled weather across the UK into September with persistent showers and lower than average temperatures, meant English Riviera businesses didn't benefit from a much hoped for 'Indian summer' after the poor weather during the main school holidays during July and August as well. Coupled with increasing economic uncertainty, the period has been another gloomy one for the tourism industry with the majority of businesses across all three months reporting decreased visitors and turnover compared with the same time last year.

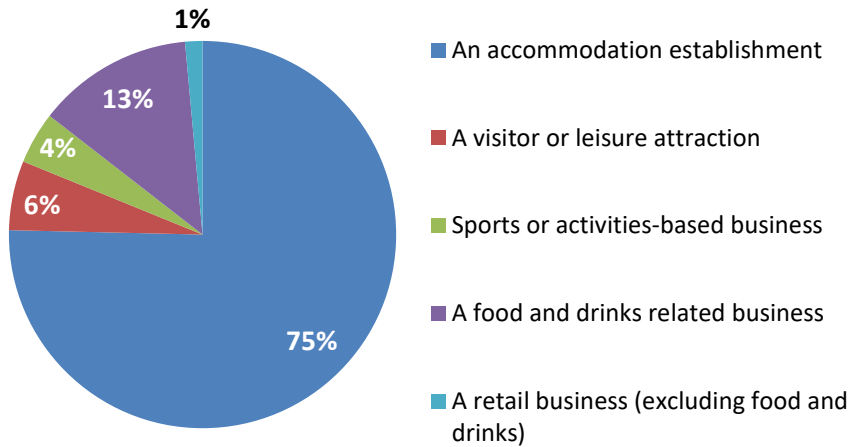
Whilst many businesses commented on the poor weather during the period, others commented on the increasing financial pressures being placed on businesses and consumers alike which are having a very negative impact on business performance and their bottom line.

Some businesses are reporting a levelling out of their performance year on year but have had to attract significantly more visitors to achieve the same turnover levels, due to decreasing room rates.

A total of 69 businesses took part in the survey this month.

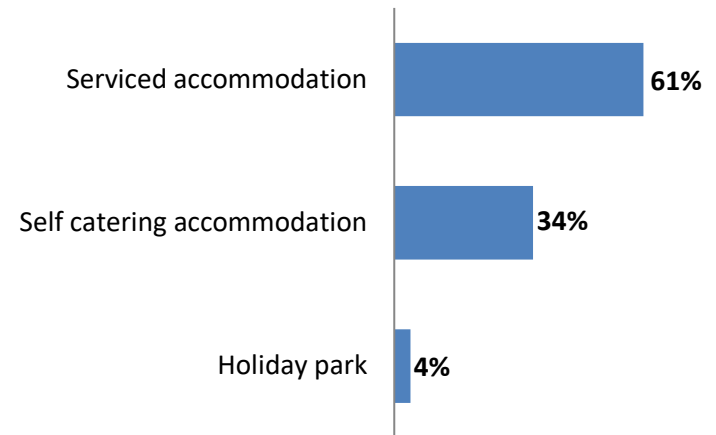
Sample profile, business location and status

BUSINESS TYPE



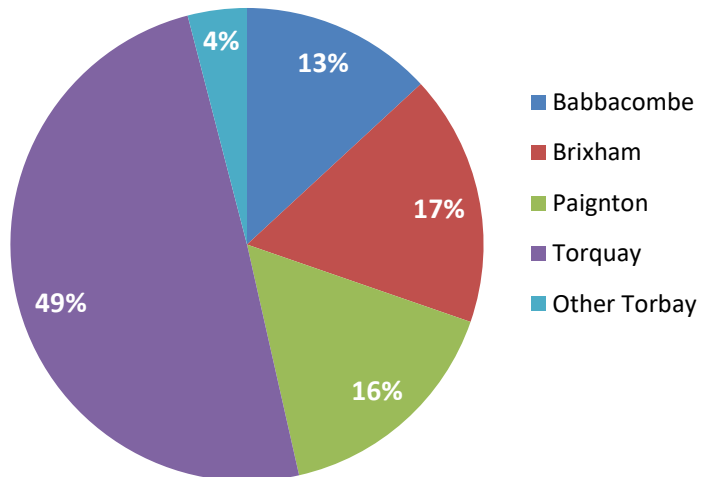
Base: 69

ACCOMMODATION TYPE



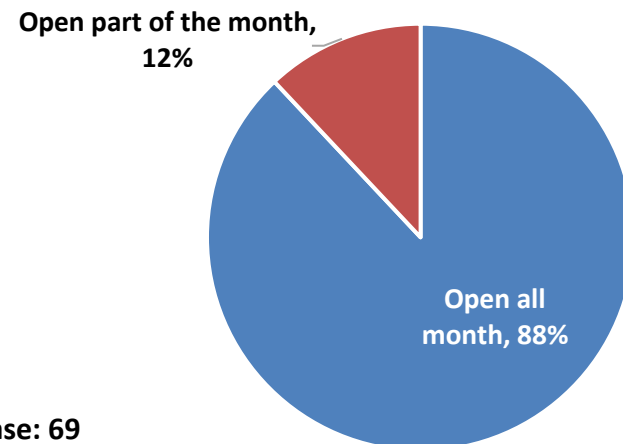
Base: 52

BUSINESS LOCATION



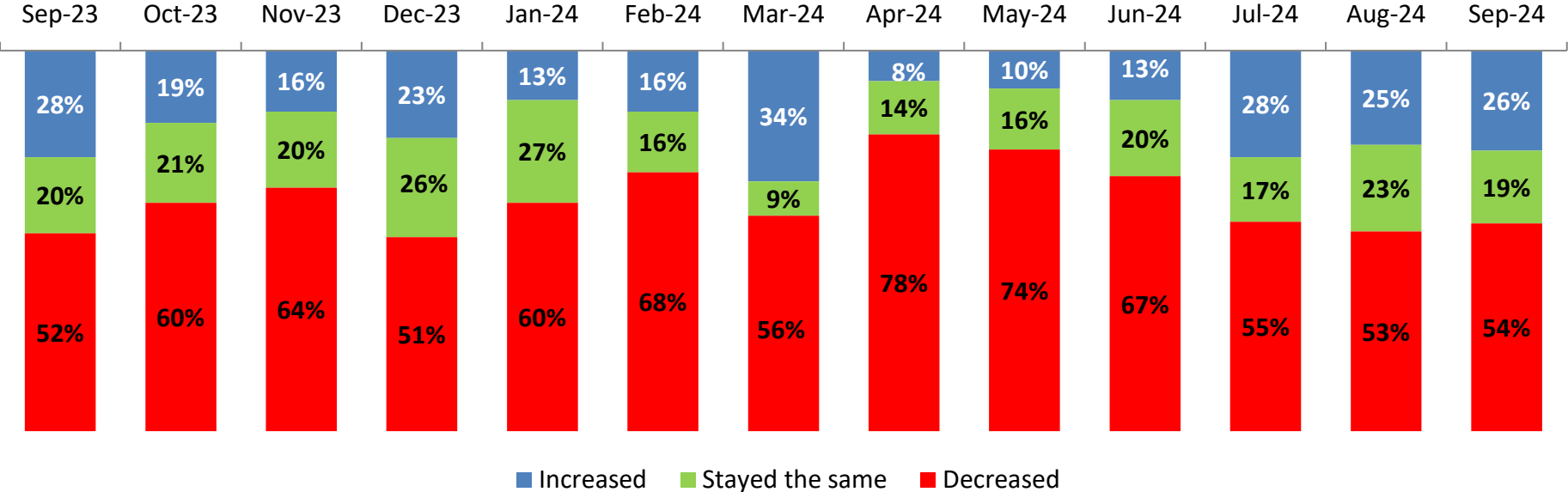
Base: 69

BUSINESS STATUS

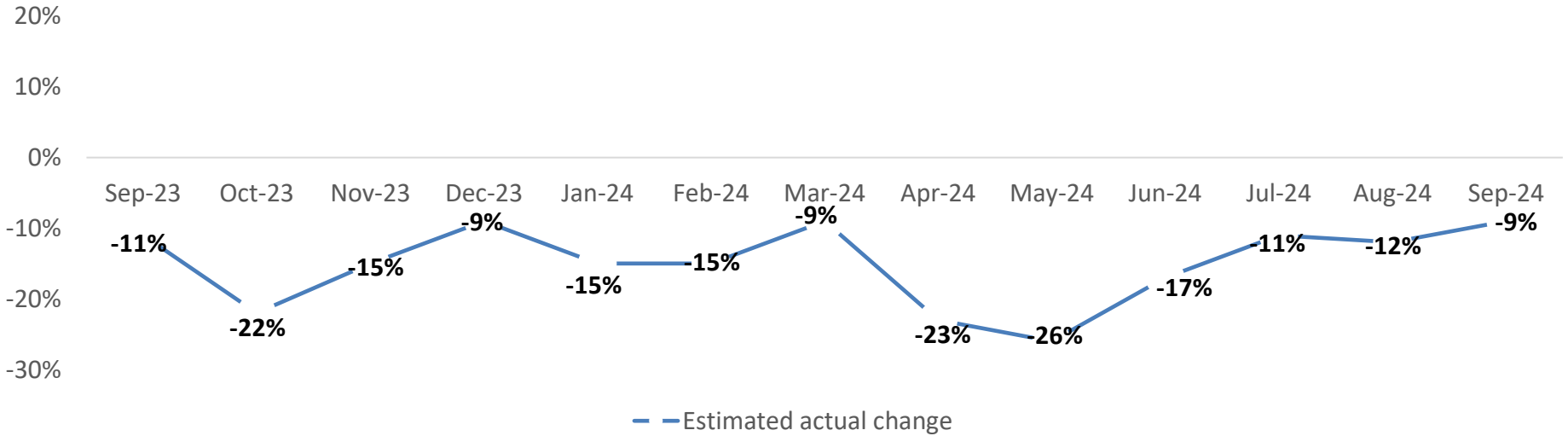


Base: 69

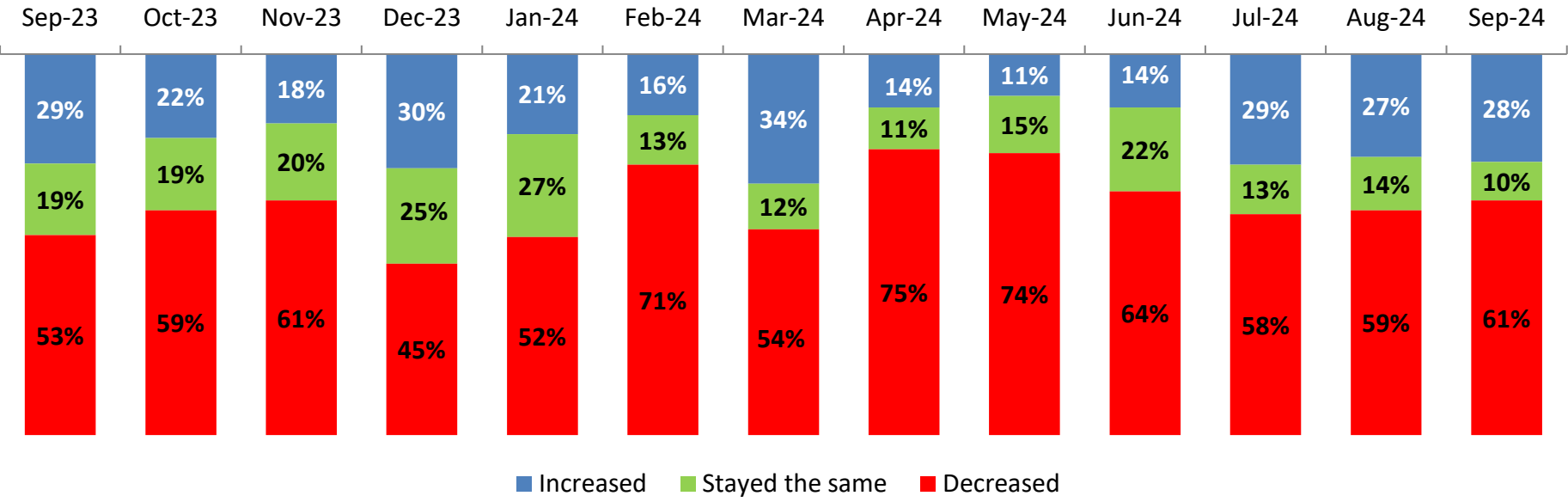
Performance – Number of visitors compared to previous year



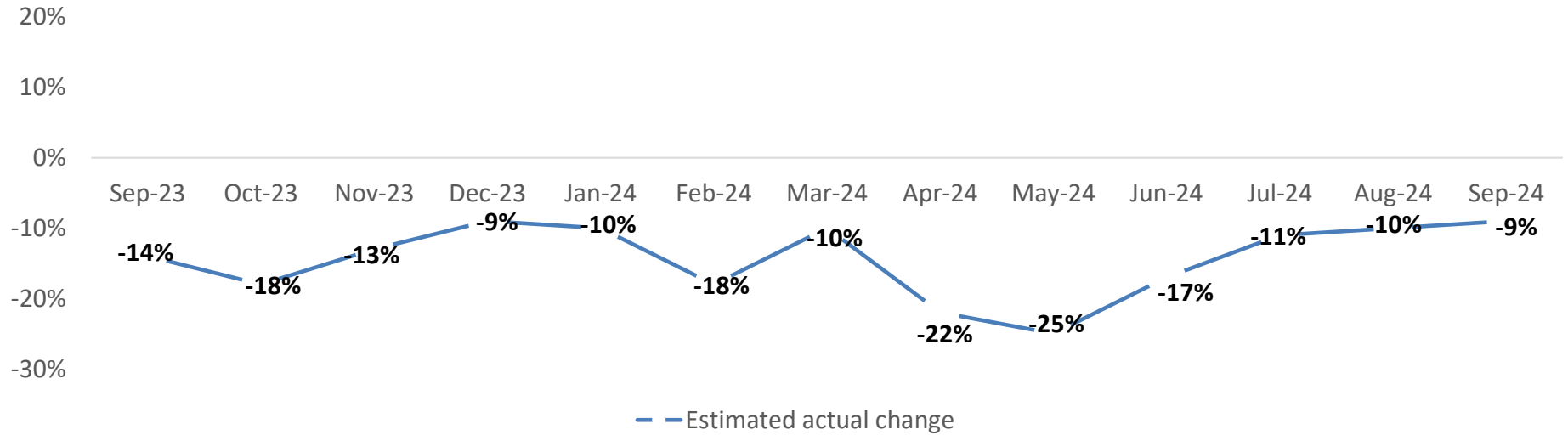
ESTIMATED ACTUAL CHANGE IN VISITORS



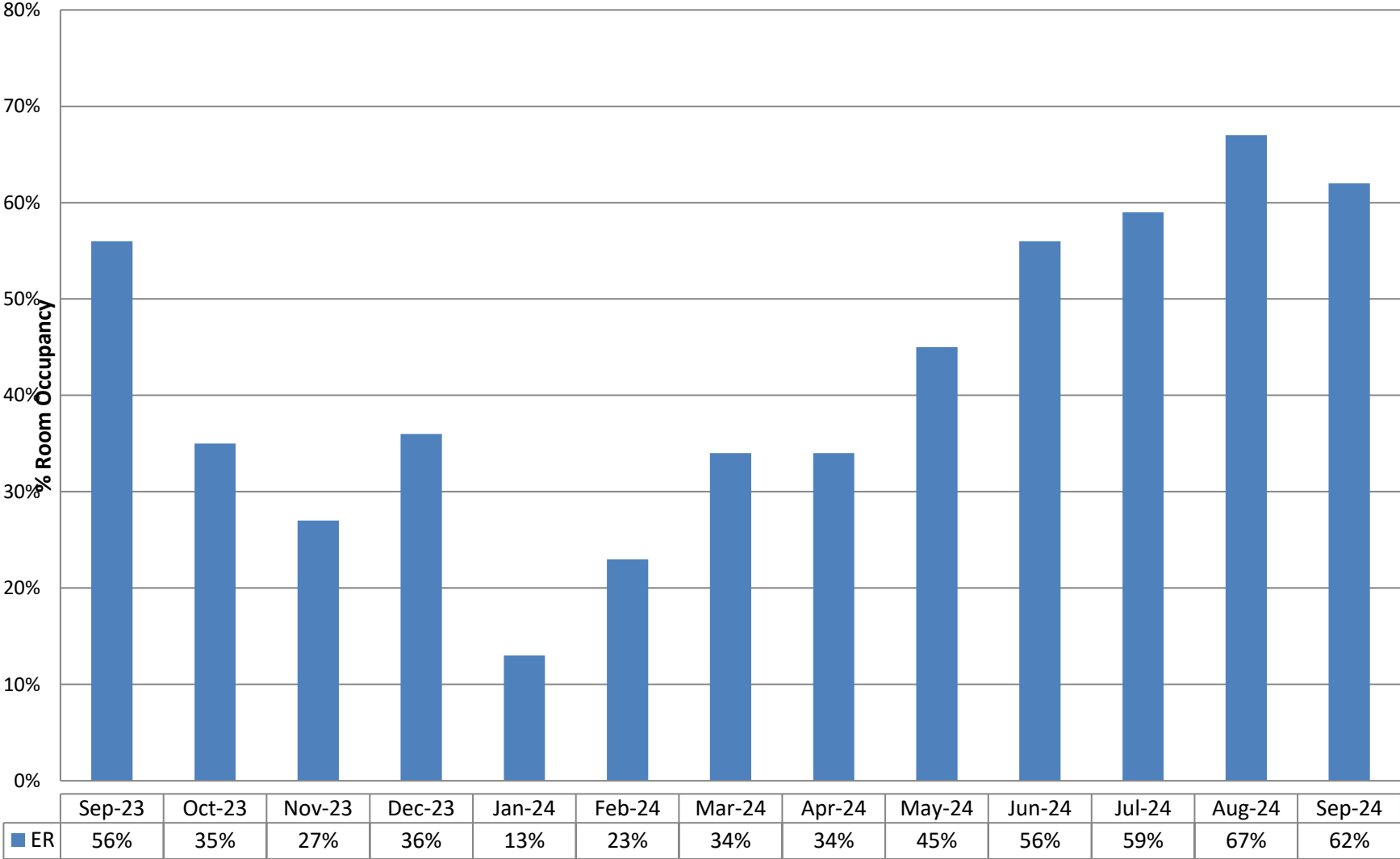
Performance – Turnover compared to previous year



ESTIMATED ACTUAL CHANGE IN TURNOVER

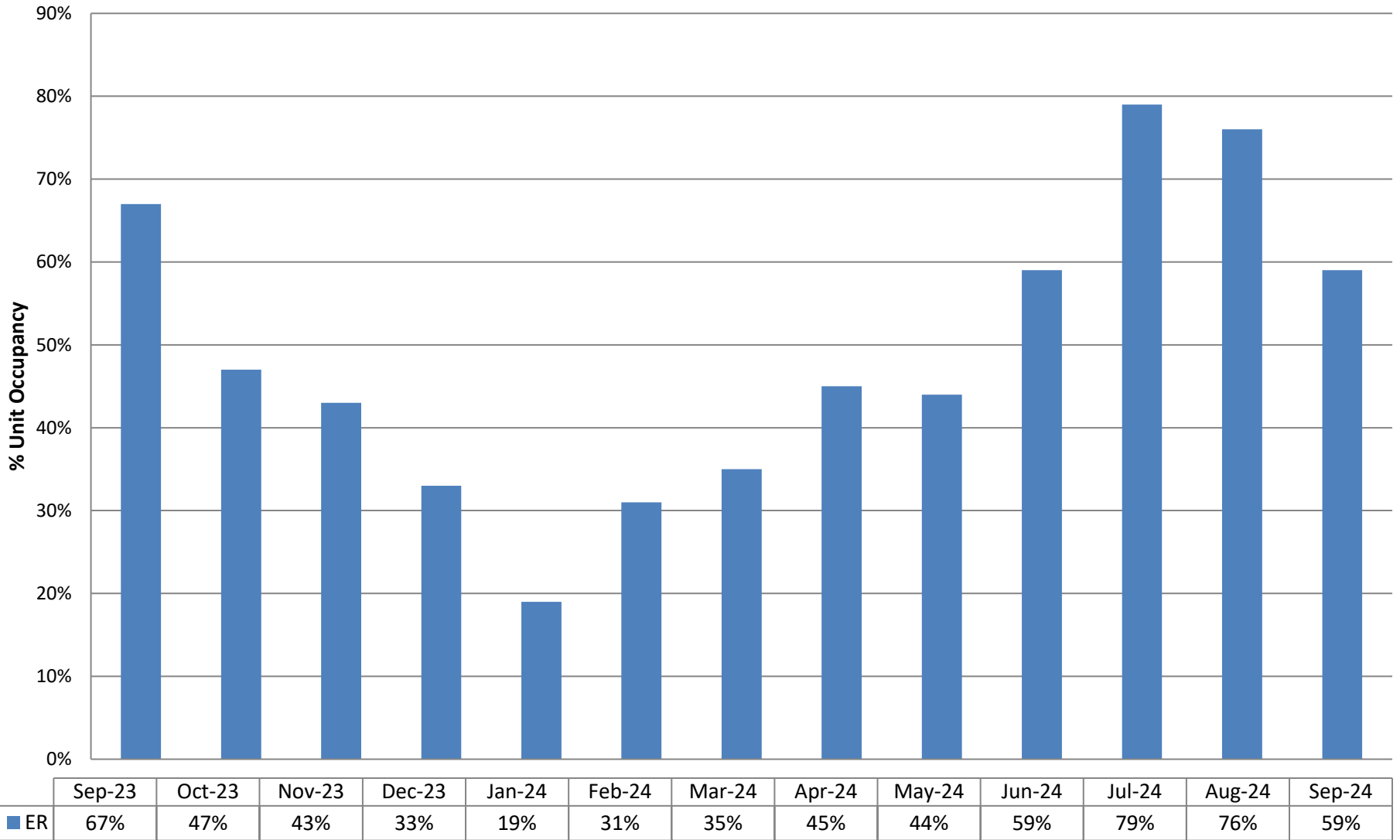


Performance – Serviced Room Occupancy



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.

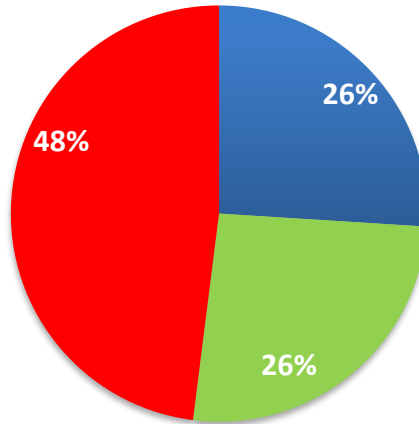
Performance – Self Catering Unit Occupancy



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

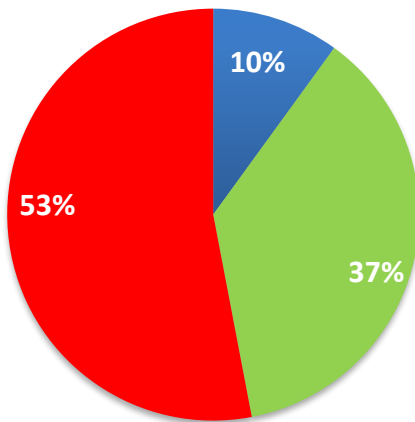
OCTOBER 2024



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

Base: 50

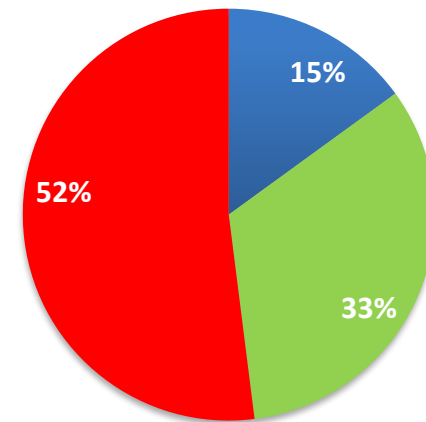
NOVEMBER 2024



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

Base: 49

DECEMBER 2024

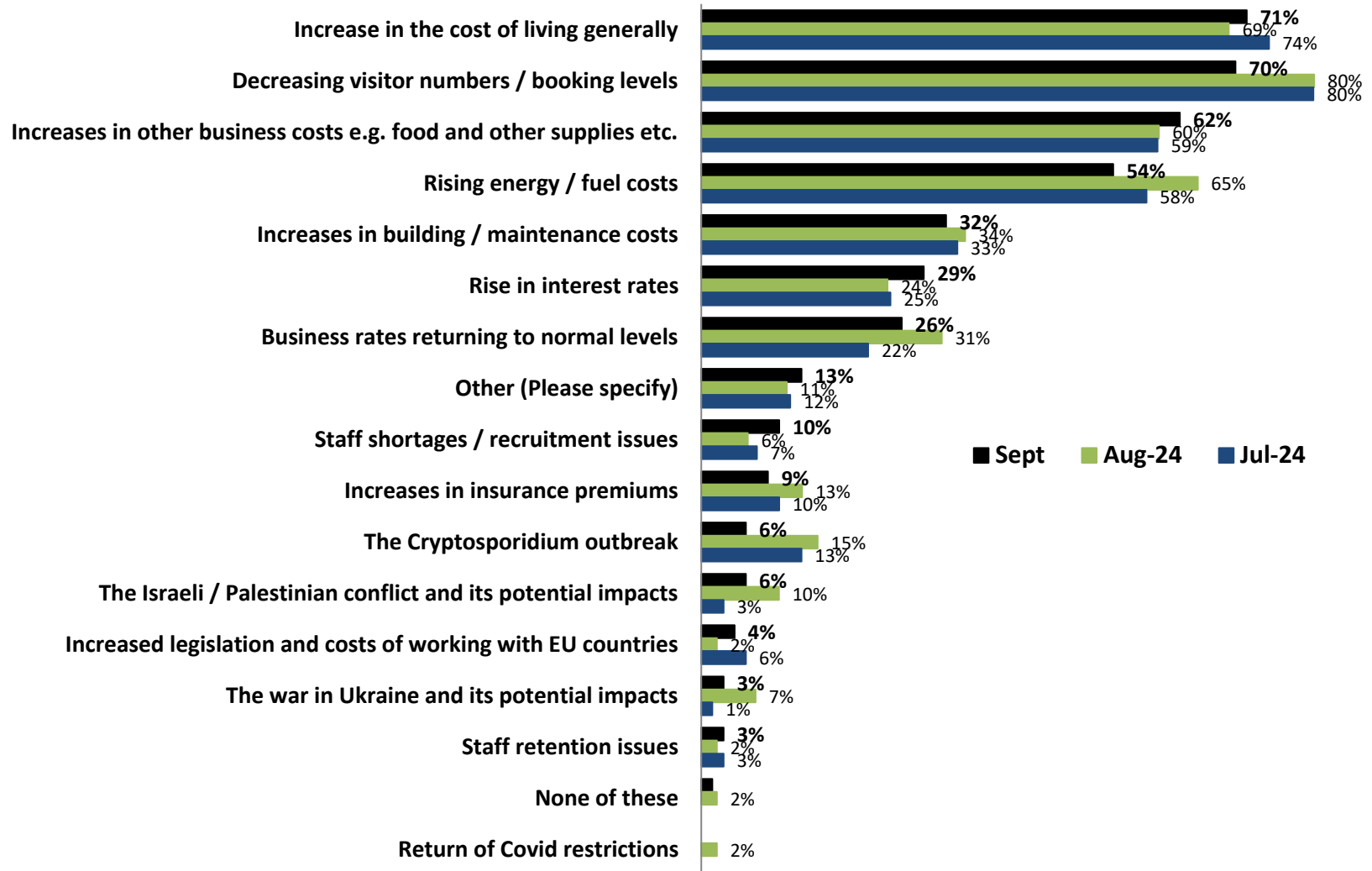


■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 46

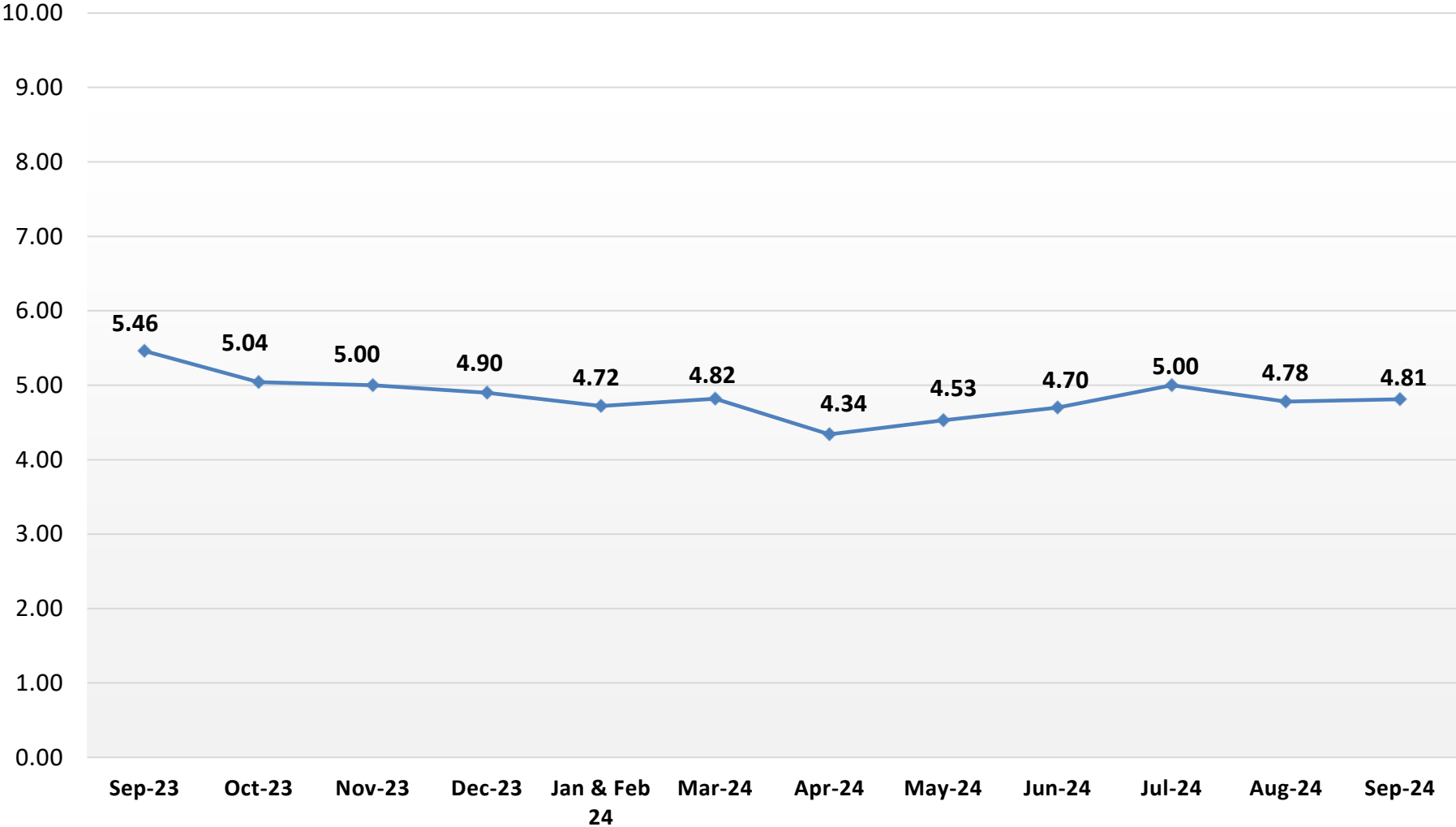
Top 5 business concerns (pre-defined list)

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

The weather plays a large part in booking levels and this year it has really let us down.

Continuing pressure on our rates in order to attract guests. Very short lead times which means planning is a challenge.

Nothing changes, struggling to stay afloat. Mortgage ends in December and current interest rates will see any new mortgage costs rise massively. Not sure if we have funds to survive the winter. Already heating and hot water turned off as too expensive. Town centres shambolic, druggies and homeless filling the deserted town, unending roadworks creating chaos - it's a pretty picture with which to encourage tourism - when people still can't afford their own household bills.

We need positive PR about Torquay directed at catchment areas like Wales, the Midlands, London. This message should be focused on the regeneration projects (should they transpire) that are making the town centre more inviting.

With the economic climate the business is taking a downward path which seems to be getting worse in the winter months, recovering slightly in the summer months, but however still trading in the red, which is a growing concern. With the cost of living it is always the hospitality sector which suffers.

Finally, for the first month in this financial year, September held its own against 2023. However, it took 20% more guests to achieve the same turnover levels, due to decreasing room rates. This has had an adverse effect on our bottom line this month but, to be honest, we are just grateful that September didn't continue to add to the downward decline in our turnover. We are slightly more hopeful than we were that the Winter months will achieve their targets so that the year overall doesn't get any worse than it already is - we will see!

September is usually at least as busy, if not busier than August, but this year it was very quiet and disappointing. We don't have the reserves we need to carry us through winter.

YOY we have increased our revenue and occupancy levels, however, it's devastating to pay OTAs so much so we are in the process of upgrading our website and we are closing in Nov.

We have had an increase YOY on revenue here in Babbacombe. We are closed Nov - March for refurbishment. We are updating our website to try and receive more direct bookings and we are active on social media.

Although we will be, and have been, slightly busier in Sept and October than 2023 the number of bookings has pretty much dried up. We are unlikely to stay open in Dec-March as there seems little point. Luckily we have both now got part-time jobs to cover us this is down to not having made enough money in 2024 to see us through the leaner winter months.

ERBID How's Business Survey

September 2024

