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Coastal Tourism Business Survey 2023 Autumn Wave

Survey live between 25 September – 31 October 2023

NCTA Business Survey

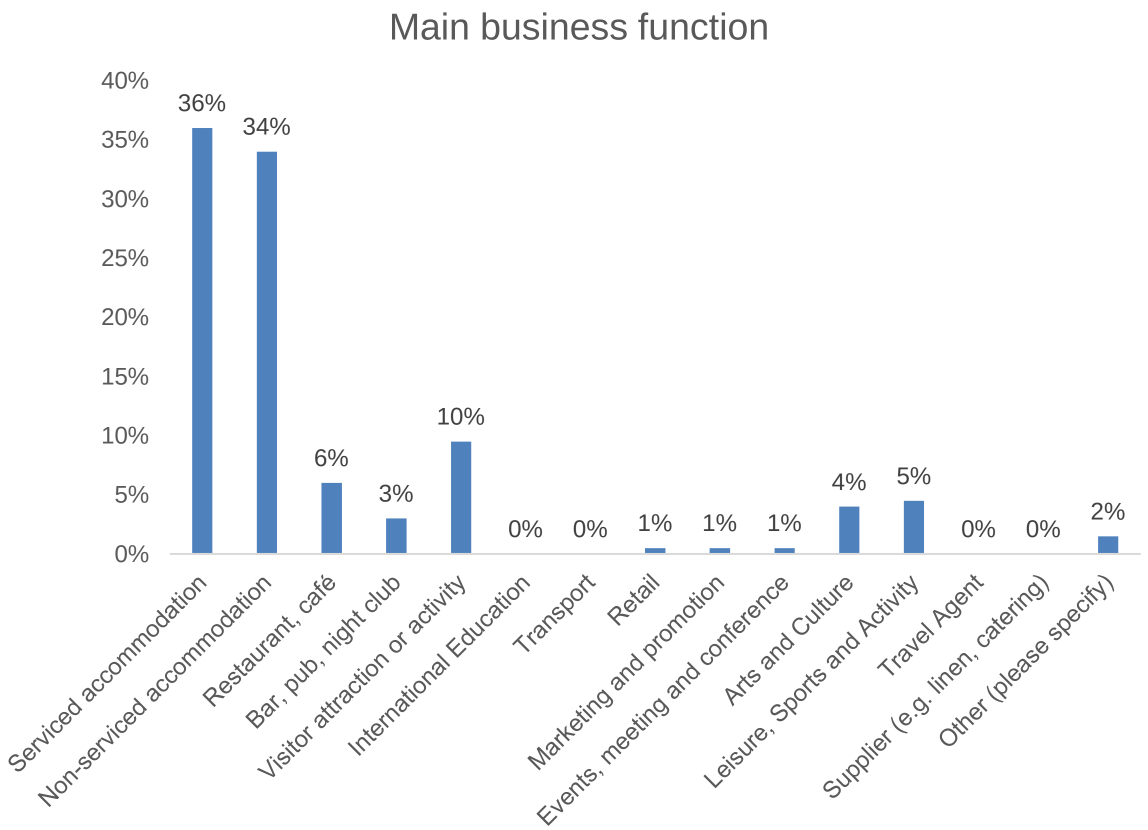
2023 Wave 3 – Autumn (survey was live between 25 September – 31 October 2023)

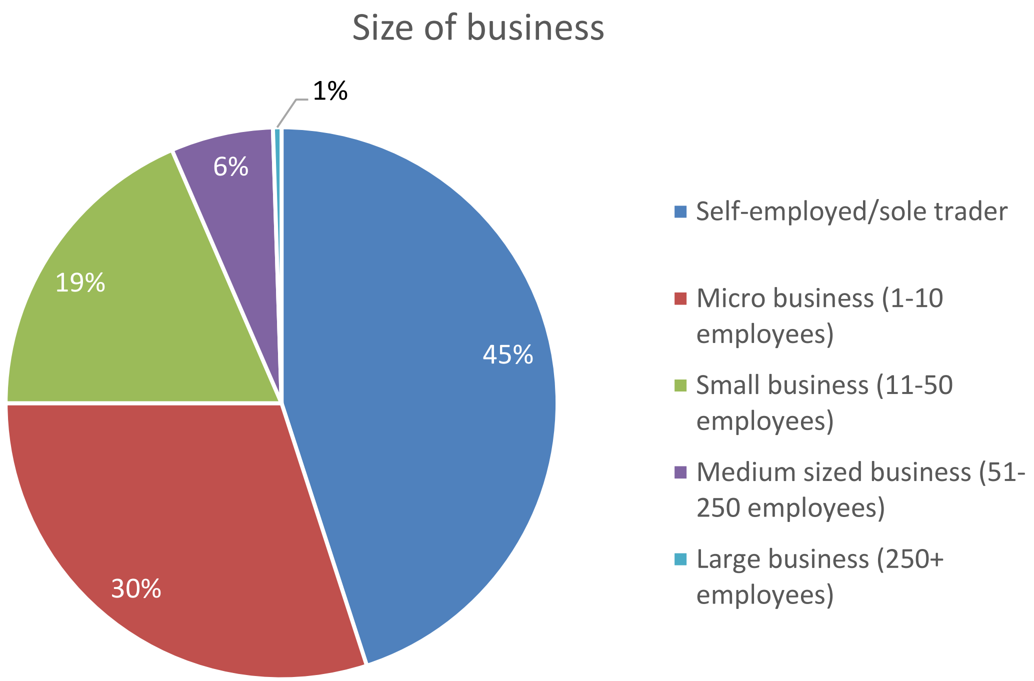
Key Headlines

- Half (50%) of businesses stated that the summer period in 2023 was **worse** than in 2022. Only 21% said it was better.
- Confidence has dropped over the last wave of the business survey, down to 40% that feel confident or very confident about trading over the next 6 months (-6pts).
- Larger businesses were the most positive in relation to turnover and business confidence.
- Forward bookings are low across all businesses, although 5% have sold more three-quarters of their capacity for summer 2024.
- Business continue to see consumers booking much closer to departure, that consumers are looking for deals and that overall spend is lower.
- The top business priority is reducing costs (92% of businesses) followed by increasing year-round business (82%), improving sustainability (77%) and lobbying for improvements in water quality in their destination (69%)
- The poor and unpredictable weather became the third highest external factor influencing business performance (62%) whilst the other key external influences remain unchanged - increasing energy costs, poor economic climate, supplier costs and seasonality.
- In response to the challenges facing businesses - 40% are cutting costs by closing for more of the year or on certain days of the week or reducing their service offer, 35% are delaying investment and 17% are reducing staff
- Businesses noticed a decrease in domestic overnight visitors this summer but they remain the most important market for the next 12 months
- A quarter of businesses saw an increase in European visitors and hence they continue to gradually increase in priority for businesses.

NCTA Business Survey – 2023 wave 3

About respondents





98% of businesses stated that they are independently owned, 1% are part of a local or regional chain and 1% part of a national chain

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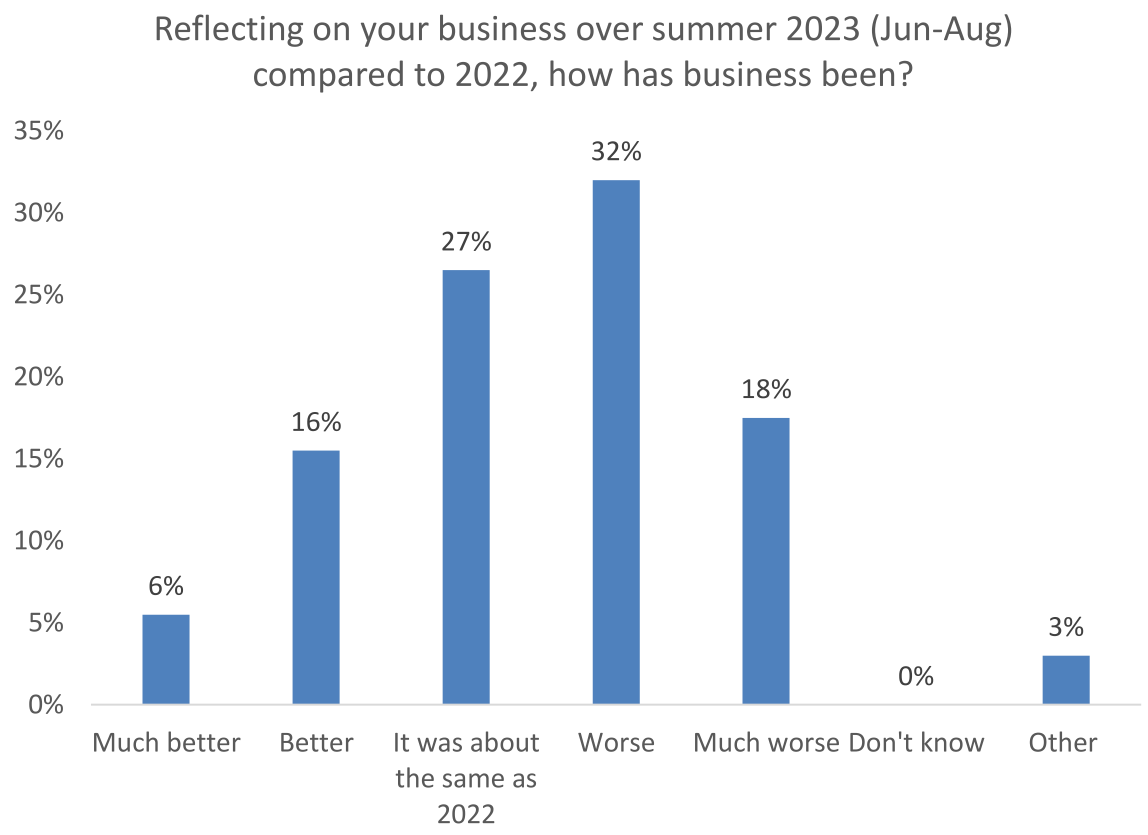
Summer performance compared to 2022

Half of businesses (50%) reflected that business was worse over the summer period than the same period in 2022, only 21% said it was better

Attractions were more likely to say that the summer was better than last year (37%) although 42% still said it was worse – perhaps reflecting the performance of indoor versus outdoor attractions

54% of non-serviced accommodation businesses said summer was worse than 2022.



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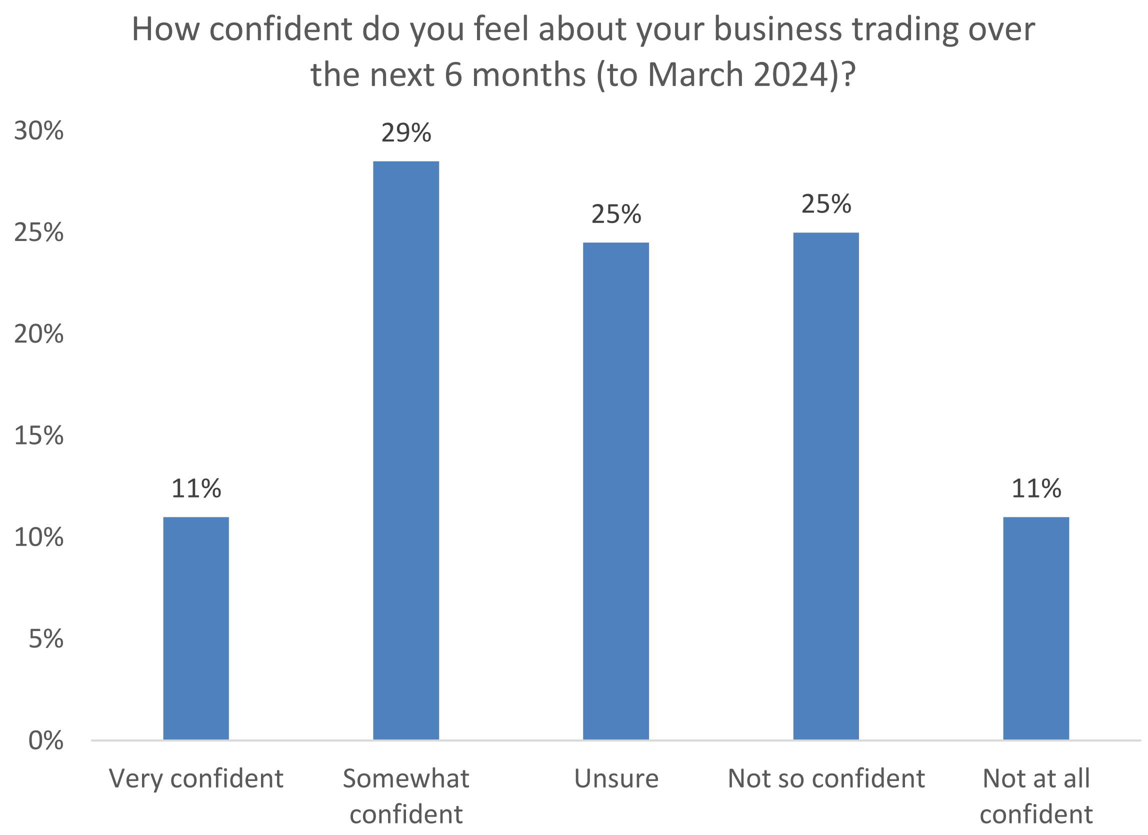
Business Confidence

Confidence has dropped since the previous wave – with 40% of businesses at least somewhat confident about the next 6 months of trading and 36% not confident.

As found in relation to business so far this year the most confident businesses were the larger ones – 58% were very or somewhat confident (though still down on the previous wave).



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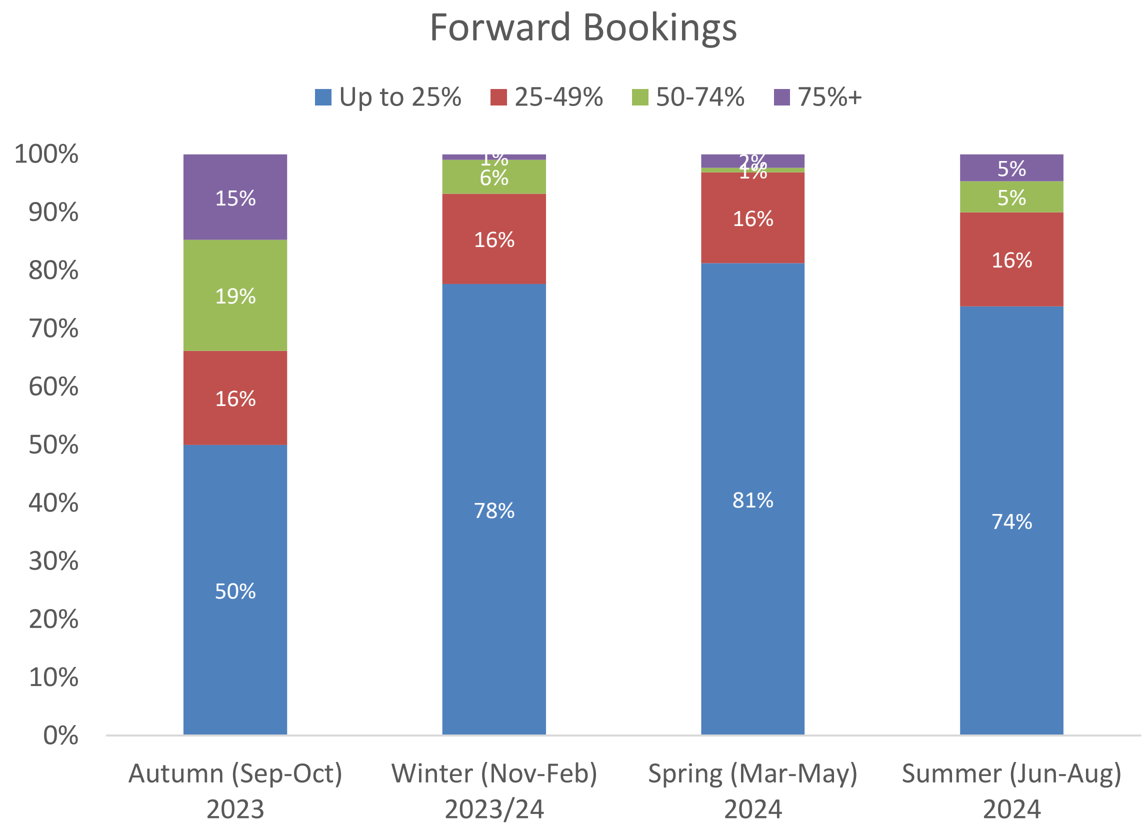
Forward bookings

Forward bookings are generally low across all seasons and particularly for the immediate autumn / winter period given the lead time

Businesses are reporting bookings for summer 2024, with 5% of businesses having sold the majority of their summer 2024 capacity.



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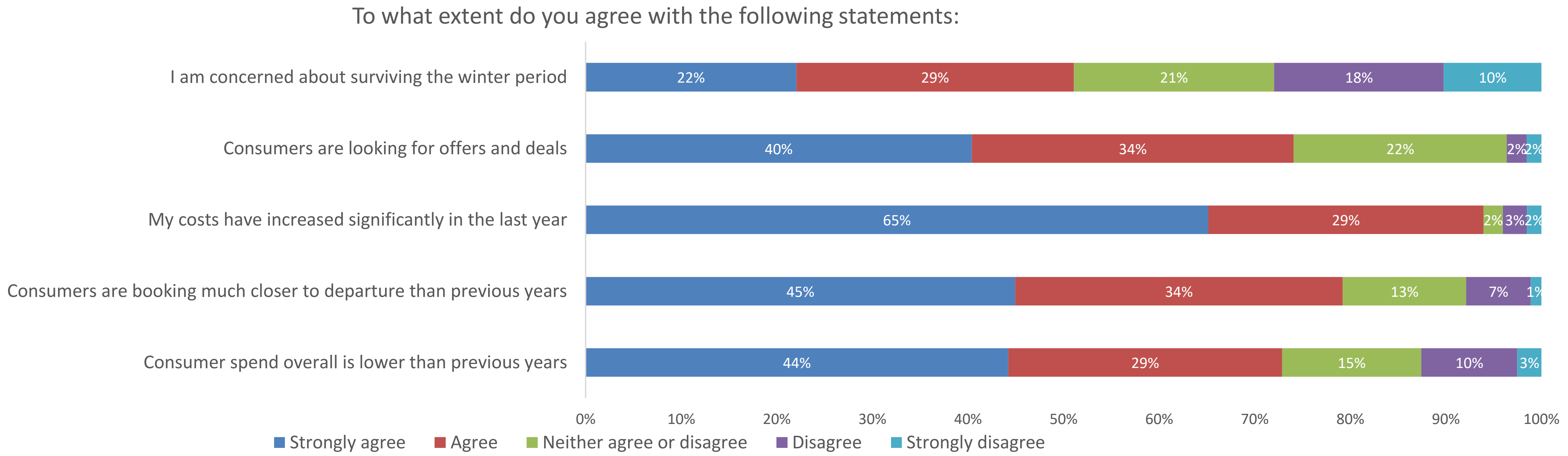
Thoughts on current state of the industry

As well as increasing costs there is strong agreement that consumers are booking much closer to departure than in previous years, that consumers are looking for deals and that overall spend is lower.



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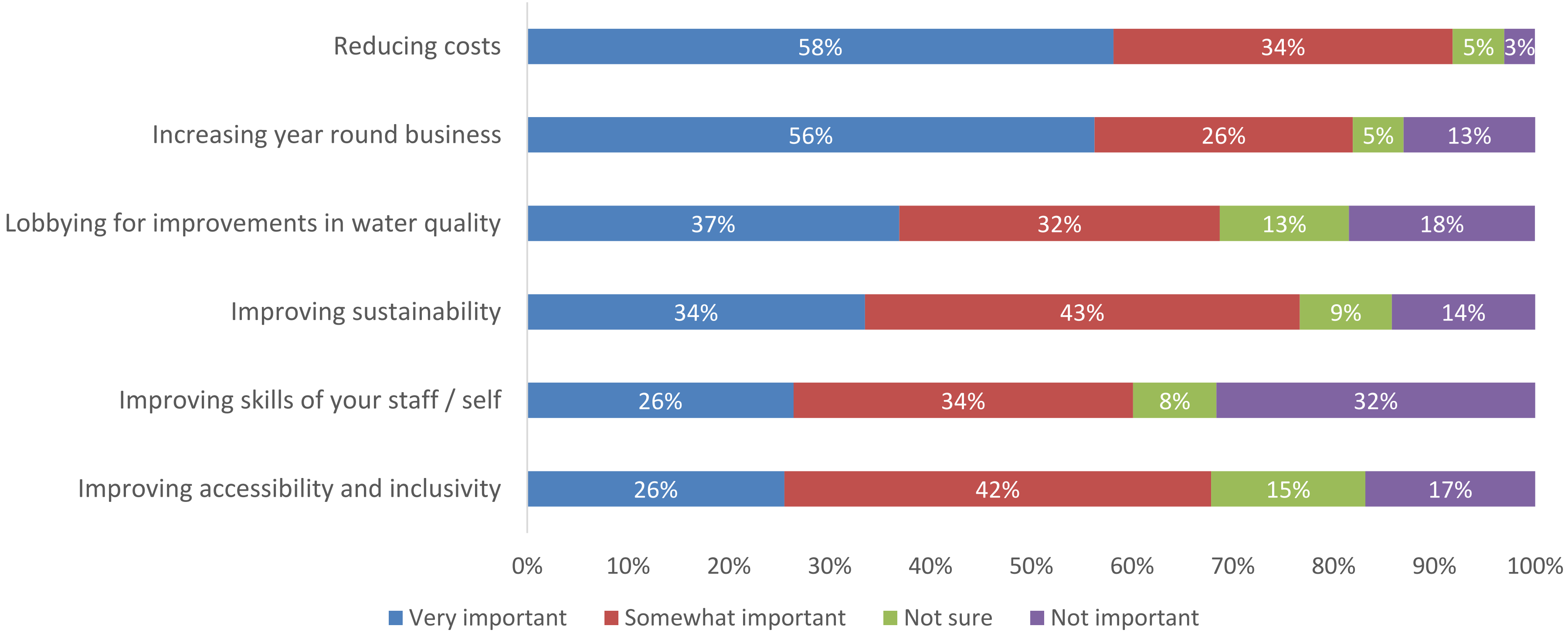
Business priorities



Top business priorities are: reducing costs for 92% of businesses, Increasing year round business (82%), improving sustainability (77%) and lobbying for improvements in water quality in their destination (69%)

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External factors affecting business

The top 10 external factors influencing businesses on the coast remain relatively consistent over the last few waves of the business survey. However, the poor and unpredictable weather has risen in this wave to the third highest factor impacting businesses with 62% citing this.

21% of businesses also stated that Water quality issues were impacting their business this summer

In response to the challenges facing businesses:

- 40% are cutting costs by closing for more of the year or on certain days of the week or reducing their service offer
- 35% are delaying investment
- 17% are reducing staff

Top external factors affecting business:	
Increasing energy and fuel costs	75%
Poor UK economic climate / less money in consumer's pockets	75%
Poor / unpredictable weather	62%
Increasing supplier costs	58%
Seasonality of the destination	45%
Competition from overseas holidays	38%
Competition from other local businesses	29%
Regulations and compliance	24%
Availability of staff to fill vacancies	24%
VAT threshold	24%

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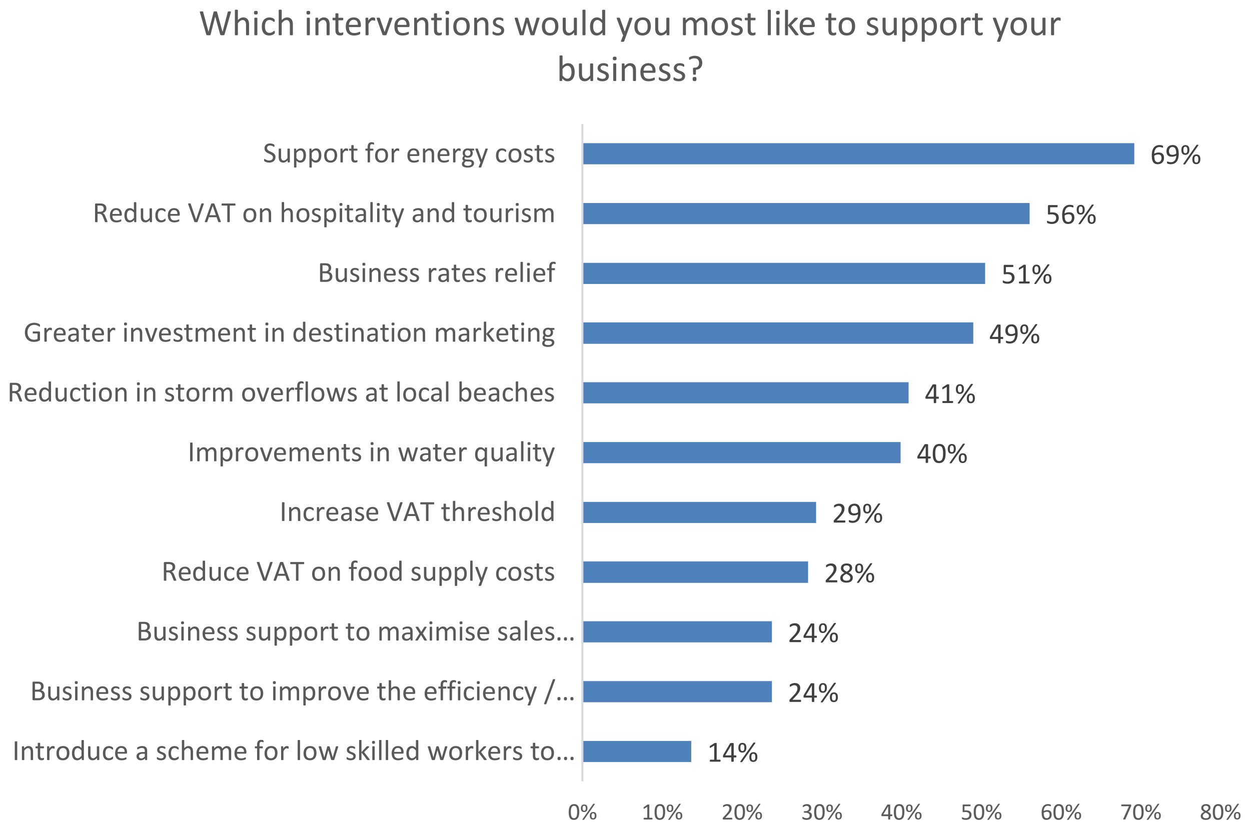
Business support

As in the last wave of this survey, two-thirds of businesses would still like further support with their increasing energy costs. There is continued strong support for a reduction in VAT for hospitality and tourism

51% would like to see business rates relief

An increasing 49% would like to see greater investment in destination marketing

40% would like to see improvements in water quality



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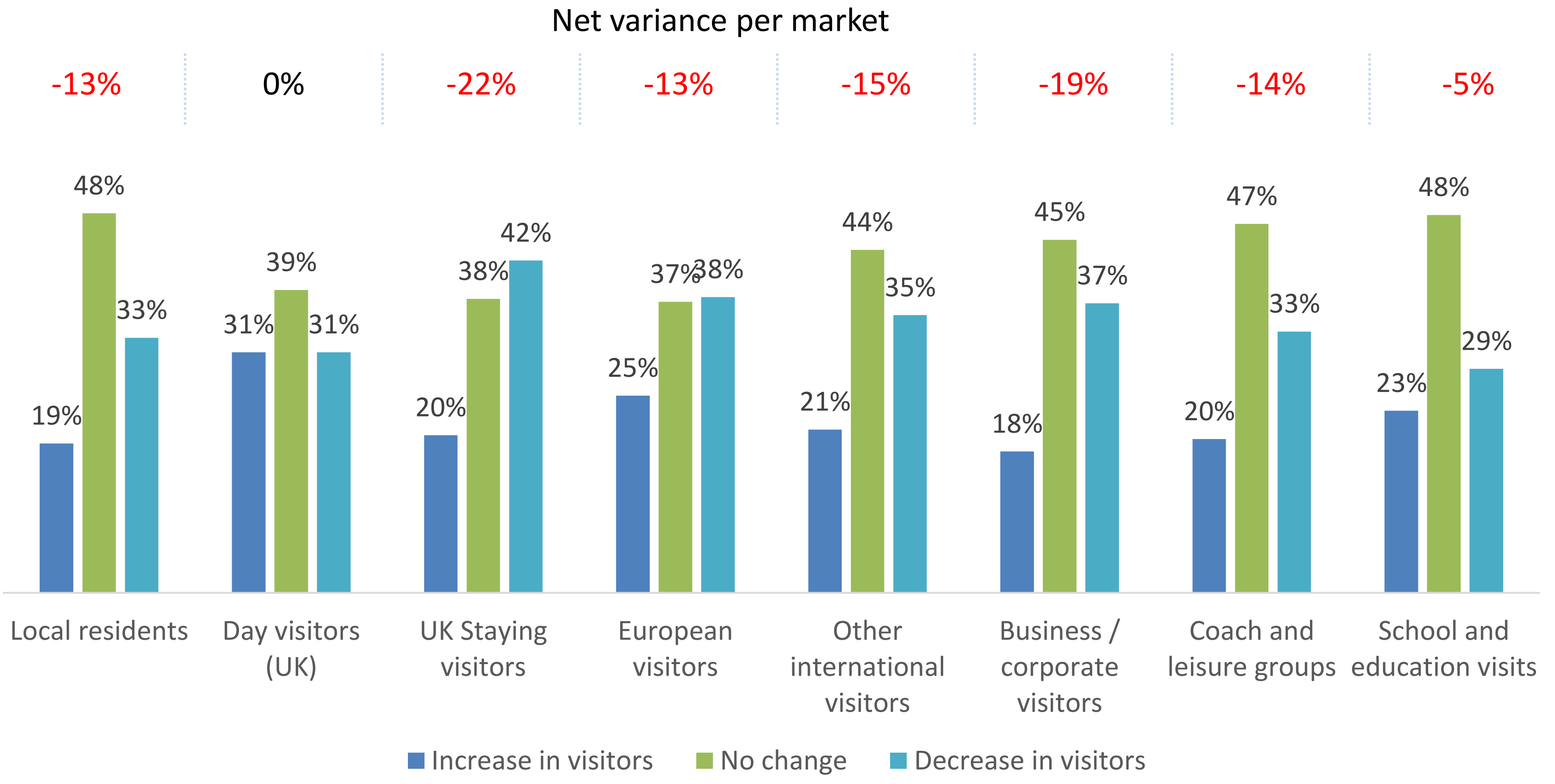
How have your visitor types changed this year?



The day visit market has been the most consistent year on year – with as many businesses saying they saw an increase as said saw a decrease

UK Staying visitors were noticeably the most declined

A quarter of businesses noticed more European visitors and 21% an increase in other international visitors

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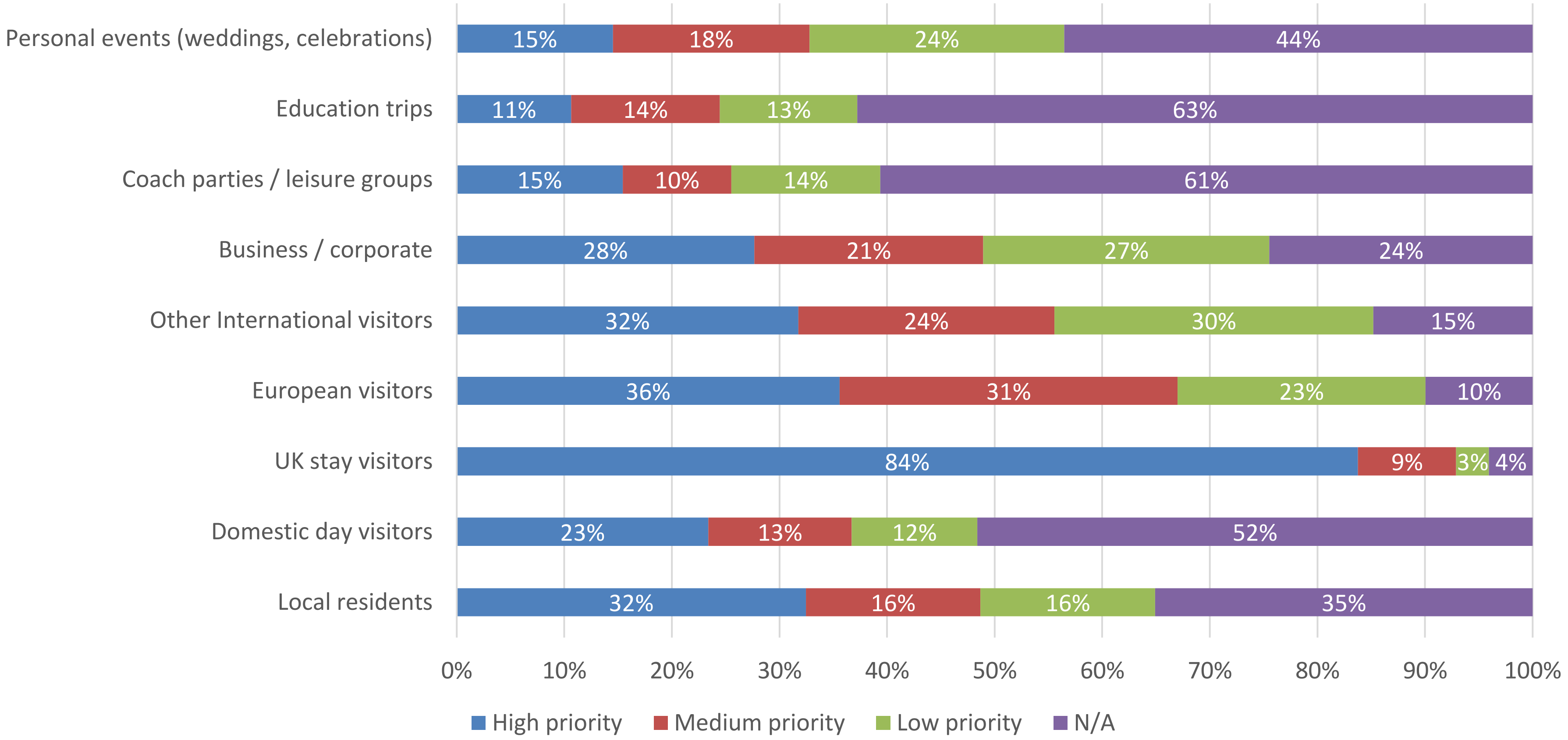
Key markets targeting over next 12 months



UK overnight visitors are still the key priority with 84% treating them as high priority

There is a continued growth in priority for both European and other International visitors. Personal events are increasingly important to businesses as well.

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