

# NCTA Business Survey

Wave 1 – January 2021 (survey was live between 18<sup>th</sup> January – 7<sup>th</sup> February 2021)

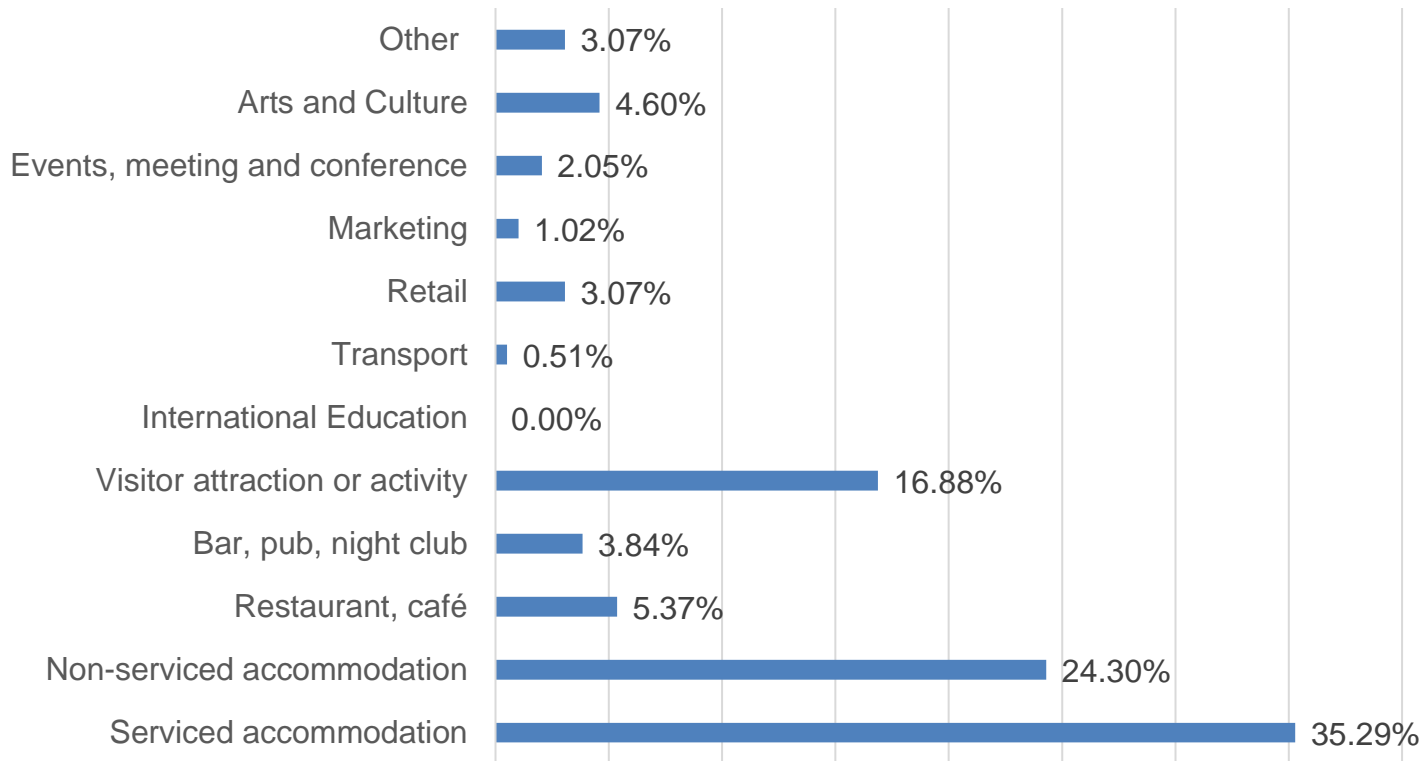
## Headline results:

- **86.7% of businesses saw a decrease in turnover in 2020** with 54.2% of all businesses seeing decrease of more than half their annual turnover and the average decrease in turnover -54%
- **84.65% say ongoing government support “will make a significant difference between survival and collapse”** – with grants, and extensions to the Business Rates relief, Job Retention scheme and VAT reduction most popular requests
- 53.7% of businesses say it will take more than a year before they return to a profit.
- 54.9% have decreased staffing levels
- Prior to the latest lockdown two thirds of businesses were operating at less than 75% capacity
- The vast majority of businesses (over two thirds) say less than 25% of capacity is booked across all seasons – Summer 2021 is the most booked season
- **59% of businesses are planning to rethink their product or marketing to aid recovery, of which:** 57% want to target new audience; 44.7% want to create new experiences for visitors and 34% want to alter the existing consumer experience
- Targeting new audiences, improving digital presence and increasing repeat visits were top areas of business support requested by businesses, in terms of specific digital support improving social media was the most popular request

**National sample was statistically valid to 95% confidence level**

# NCTA Business Survey – wave 1

## About respondents



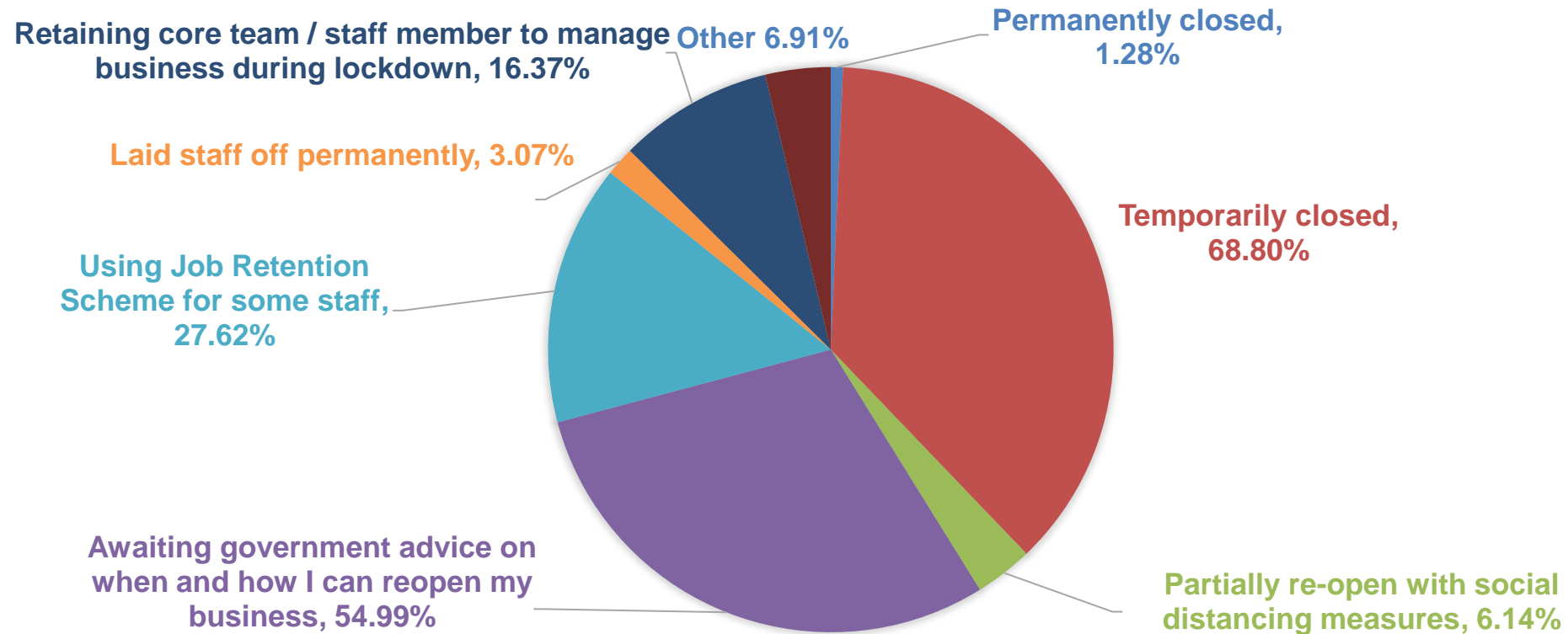
Self-employed/sole trader	43.22%
Micro business (1-10 employees)	30.69%
Small business (11-50 employees)	16.88%
Medium sized business (51-250 employees)	6.65%
Large business (250+ employees)	2.56%

Independent	92.82%
Part of a regional or local chain	3.33%
Part of a national chain	3.85%

National sample was statistically valid to 95% confidence level

# NCTA Business Survey – wave 1

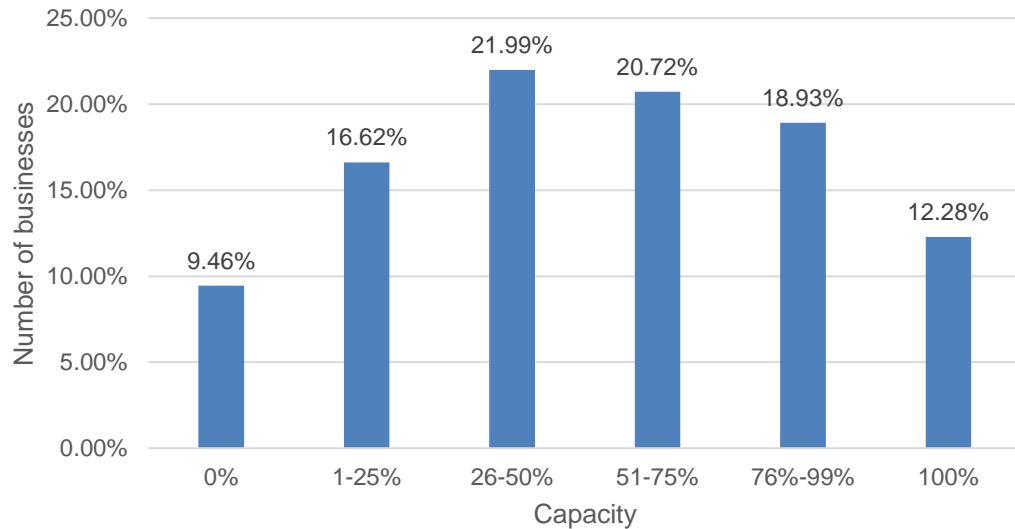
## Current state of business



# NCTA Business Survey – wave 1

## Reflections on 2020 performance

Operating capacity compared to pre-Covid-19



68.79% of businesses operating at less than 75% capacity

86.7% of businesses saw a decrease in turnover in 2020 with 54.2% of businesses seeing decrease of more than 50%

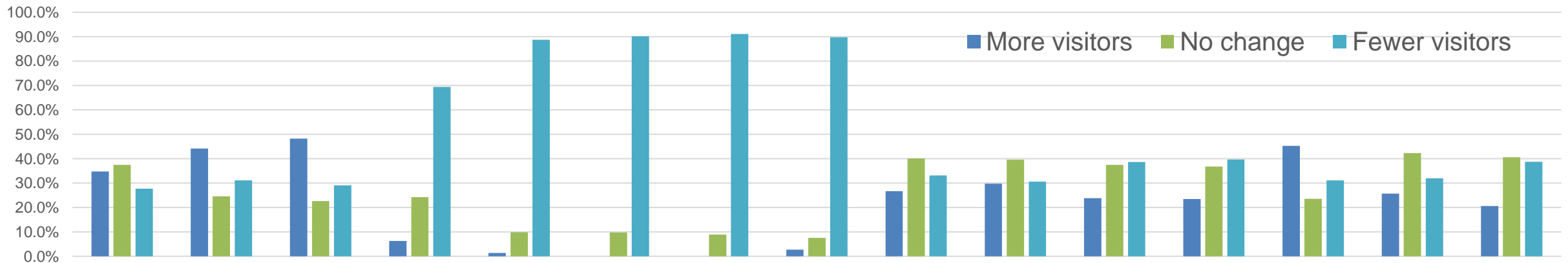
Average decrease in turnover -54%

Overall turnover position change in 2020 compared to 2019	
Increased by 25% or more	2.30%
Increased by 1-24%	2.56%
It was the same as 2019	2.05%
Decreased by 1-24%	8.44%
Decreased by 25-49%	24.04%
Decreased by 50-74%	30.69%
Decreased by 75% or more	23.53%
Don't know	6.39%

# NCTA Business Survey – wave 1

## Change to consumer types in 2020

The vast majority of businesses reported significant declines in Business visits, International Visitors, Groups, Education trips and Personal Events  
48% of businesses saw increase in Domestic staying visitors, 45% increase in first time visitors and 44% increase in domestic day visitors



	Local residents	Domestic day visitors	UK stay visitors	Business/corporate	International visitors	Coach / leisure groups	Education trips	Personal events	Millennials (under 35s)	Generation X (35-55 yrs)	Empty Nesters (55+)	Young families	First time visitors	Repeat visitors	Key workers
Net Change	7%	13%	19%	-63%	-87%	-90%	-91%	-87%	-6%	-1%	-15%	-16%	14%	-6%	-18%

# NCTA Business Survey – wave 1

## Ongoing support

**84.65% say ongoing government support “will make a significant difference between survival and collapse”**

**Support needed includes:**

Local Restrictions Support Grants (Rate payers grant)	68.29%
Small Business Rate Relief (SBRR) and Rural Rate Relief (RRR)	61.38%
Additional Restrictions (Discretionary) Grant	47.83%
Coronavirus Job Retention Scheme (CJRS - furlough scheme)	41.94%
Extension to VAT reduction	39.39%
Self-Employed Income Support Scheme (SEISS)	29.92%
Coronavirus Business Interruption Loan Scheme (CBILS)	19.18%
Bounce Back Loan	15.09%
VAT deferral	14.07%
Rent Relief from landlords	13.55%
Eat out to help out	11.25%
Other (please specify)	11.25%
Time to Pay (TTP)	9.46%
Job Support Scheme	8.18%
Statutory Sick Pay (SSP)	8.18%
Increase Gift Aid percentage	5.63%

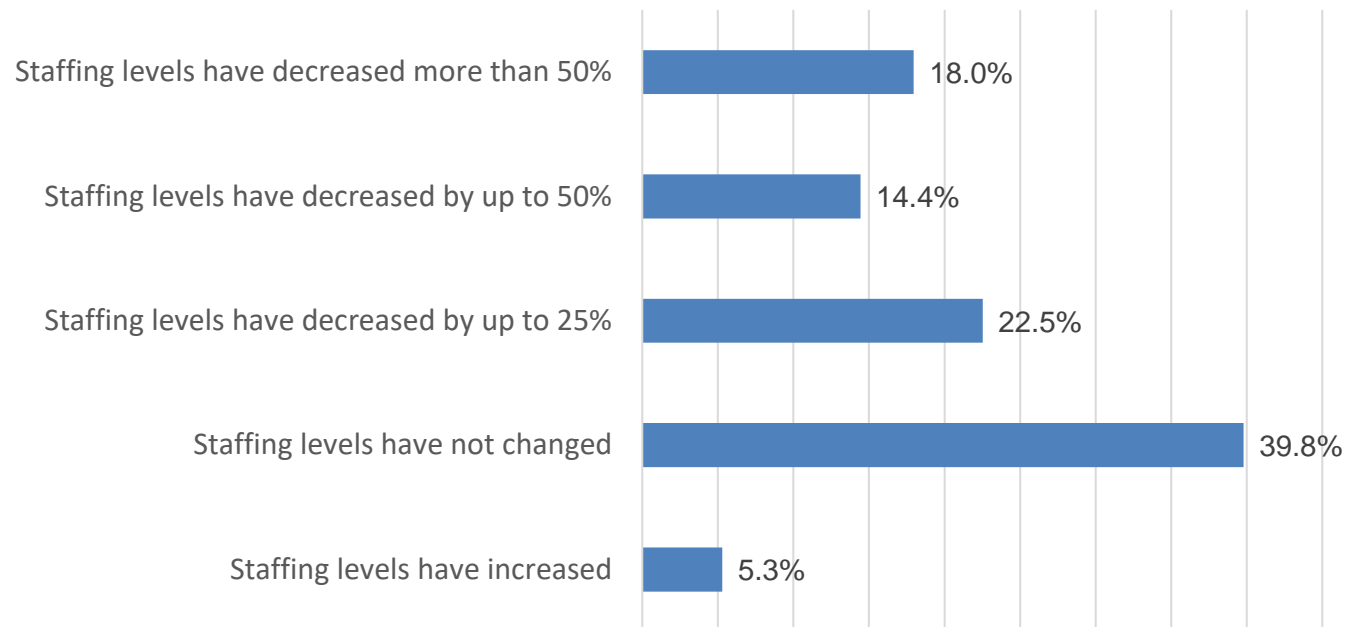
# NCTA Business Survey – wave 1

## Staffing, profitability

53.71% of businesses say it will take more than a year before they return to a profit.

17.9% of businesses say its not commercially viable to open with social distancing measures in place, 72.6% say they can operate

Change to staffing levels for businesses that employ staff



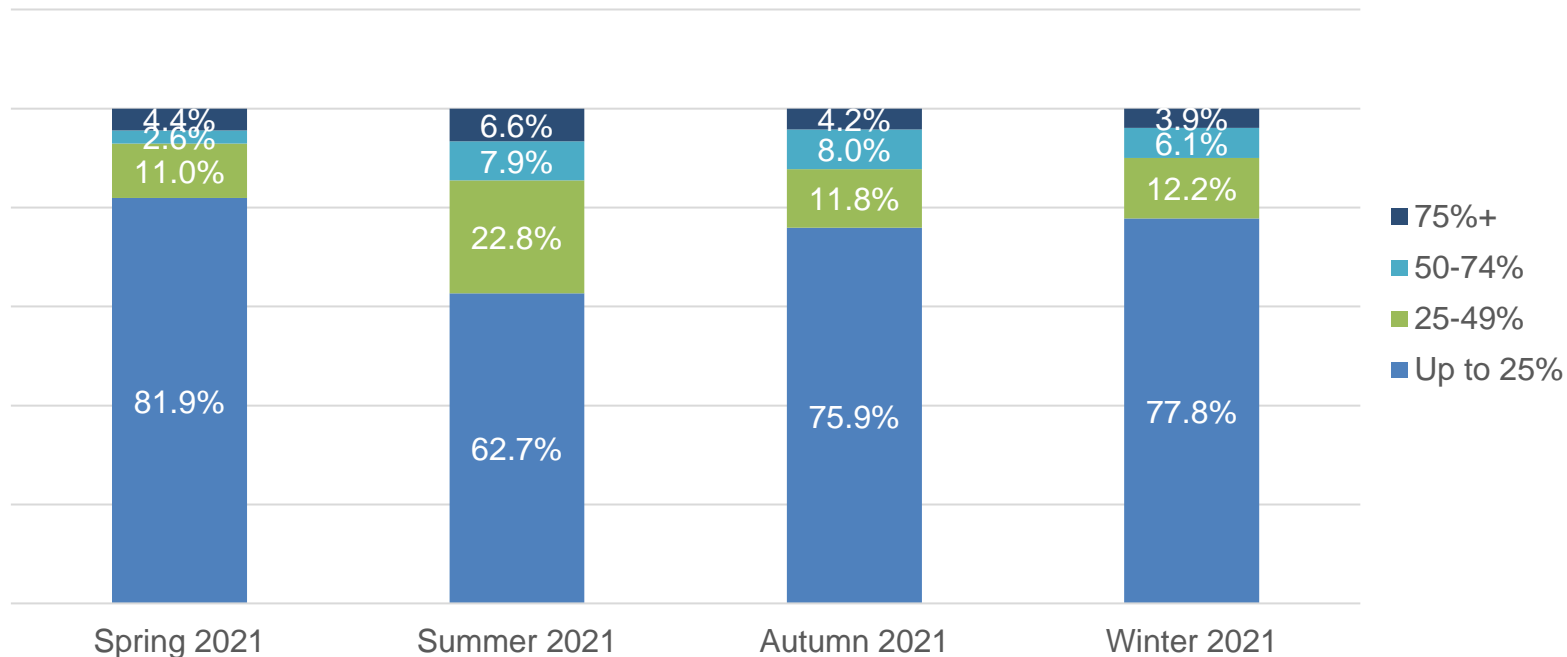
How long will your business take to return to a profit?	
Less than 3 months	6.14%
3-6 months	13.04%
6 months to a year	27.11%
1 - 2 years	37.85%
More than 2 years	15.86%

# NCTA Business Survey – wave 1

## Forward Bookings

A small minority of businesses (4-7% depending on season) are reporting good forward booking levels, the vast majority of businesses say less than 25% of capacity is booked across all seasons – Summer 2021 is the most booked season

### Current forward booking levels





# NCTA Business Survey – wave 1

## Business support and digital support requested

Targeting new audiences, improving digital presence and increasing repeat visits were top areas of business support requested by businesses, in terms of specific digital support improving social media

Which of the following areas of business support would you be interested in?

Targeting new audiences	55.50%
Improving digital presence of my business	48.85%
Increasing repeat visitors and upselling	48.08%
Understanding tourism trends and performance	39.39%
Improving green / sustainability credentials	26.85%
Developing new products or experiences	23.53%
Improving customer service	15.35%
None of the above	14.58%
Revenue management (flexible pricing)	12.53%
Understanding accessibility needs	11.00%
Other (please specify)	3.07%

Which areas of digital support would you be interested in?

Improving social media presence and performance	28.64%
How to use data effectively to target new customers and improve performance	13.30%
Developing digital marketing strategy / advertising campaigns	8.70%
Adding online booking to my website	6.14%
Implementing revenue management (flexible pricing)	5.88%
Improving use of technology in day-to-day operation (e-check-in, food ordering etc.)	5.63%
Creating a website	5.12%
Other (please specify)	2.30%

# NCTA Business Survey – wave 1

## Business recovery

**59% of businesses are planning to rethink their product or marketing to aid recovery, of which:**

- 57% want to target new audiences (see below)
- 44.7% want to create new experiences for visitors
- 34% want to alter the existing consumer experience

Target markets businesses will increase focus on:	
UK stay visitors	74%
Generation X (35-55 yrs)	60%
Empty Nesters / Baby Boom generation (55+yrs)	57%
Local residents	55%
Millennials (under 35s)	54%
Domestic day visitors	51%
Young families	50%
Personal events (weddings, celebrations etc.)	43%
Business/corporate	42%
Coach parties/ leisure groups / special interest groups	39%
Education trips	37%
International visitors	30%

# 2020 forecast - Impact of COVID-19

Pre-COVID spend £13.7bn in England and £17.1bn GB

## 2020 England – coastal impact of COVID-19

Based on July re-opening, loss of international travel and reduced capacity due to social distancing, November lockdown

Verified with National Business Survey data on capacity and revenue

- £7.64bn loss in tourism spend
- 95m trips and day visits
- circa 131,000 jobs

---

## 2020 GB – coastal impact of COVID-19

Based on July re-opening, loss of international travel and reduced capacity due to social distancing, November lockdown

Verified with National Business Survey data on capacity and revenue

- £9.7bn loss in tourism spend
- 121m trips and day visits
- circa 166,000 jobs



# 2020 forecast - Impact of COVID-19

## How forecast is calculated

The forecast is made using 2019 GBTS, GBDVS and IPS data, 2020 Business survey data and VisitBritain forecast

2019 data is apportioned to each month of the year, using 2019 seasonality pattern for overnight and day visits to the “seaside” or “coast” according to classification in the data

Model assumes –

March - 25% decline across all income

April, May, June - no visitor income due to lockdown

July – 25% reduction in domestic o/n, no international income

August – 15% reduction in domestic o/n, no international income

September – 25% reduction in domestic o/n and day, no international income

October – 15% drop in day visits, 25% drop in domestic overnight, no international

November – no income due to lockdown

December – 25% drop in day visits, 35% reduction in domestic o/n, no international



# 2021 forecast - Impact of COVID-19

Pre-COVID spend £13.7bn in England and £17.1bn GB

## 2021 England – coastal impact of COVID-19

Based on closure Jan-Mar, partial April reopening, very limited international travel and reduced capacity due to social distancing

- £5.23bn loss in tourism spend
- 46m trips and day visits
- -38% on pre-Covid spend / 39% increase on 2020

---

## 2021 GB – coastal impact of COVID-19

Based on closure Jan-Mar, partial April reopening, very limited international travel and reduced capacity due to social distancing

- £6.6bn loss in tourism spend
- 60m trips and day visits
- -39% on pre-Covid spend / 40% increase on 2020



# 2021 forecast - Impact of COVID-19

## How forecast is calculated

The forecast is made using 2019 GBTS, GBDVS and IPS data, 2020 Business survey data and VisitBritain forecast

2019 data is apportioned to each month of the year, using 2019 seasonality pattern for overnight and day visits to the “seaside” or “coast” according to classification in the data

Model for 2021 assumes –

Jan, Feb, Mar – no visitor income due to lockdown

April – 50% domestic o/n, 25% decrease in day visit, no international

May, June, July - 25% reduction in domestic o/n, day visit pre-covid level, 75% decrease in international

August – 15% reduction in domestic o/n, 75% decrease in international

September, October, November, December – 25% reduction in domestic o/n, 75% decrease in international income

