Regional Tourism Business Survey

Prepared for: Visit East of England

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Prepared by:

destinationresearch
delivering results : measuring what matters

On behalf of:

VISIT EAST OF ENGLAND

Contents

Introduction and Methodology and approach

The Visit East of England's Tourism Business Survey, supported by local Destination Marketing Organisations and local authorities, wishes to evaluate the ongoing impacts of the pandemic and the challenging cost of living conditions to tourism business in the East of England. This survey was designed to gauge what work is required to build back the region’s vital visitor economy as quickly as possible, and to inform Visit East of England's approach to government, national tourist bodies and to future marketing. This report covers business performance so far this year, and also predictions for 2022 as a whole. It looks into skill shortages that may be affecting businesses and how to create more sustainable tourism destinations. Finally, it reports on accessibility and what measures are being taken to provide access for all.

Methodology

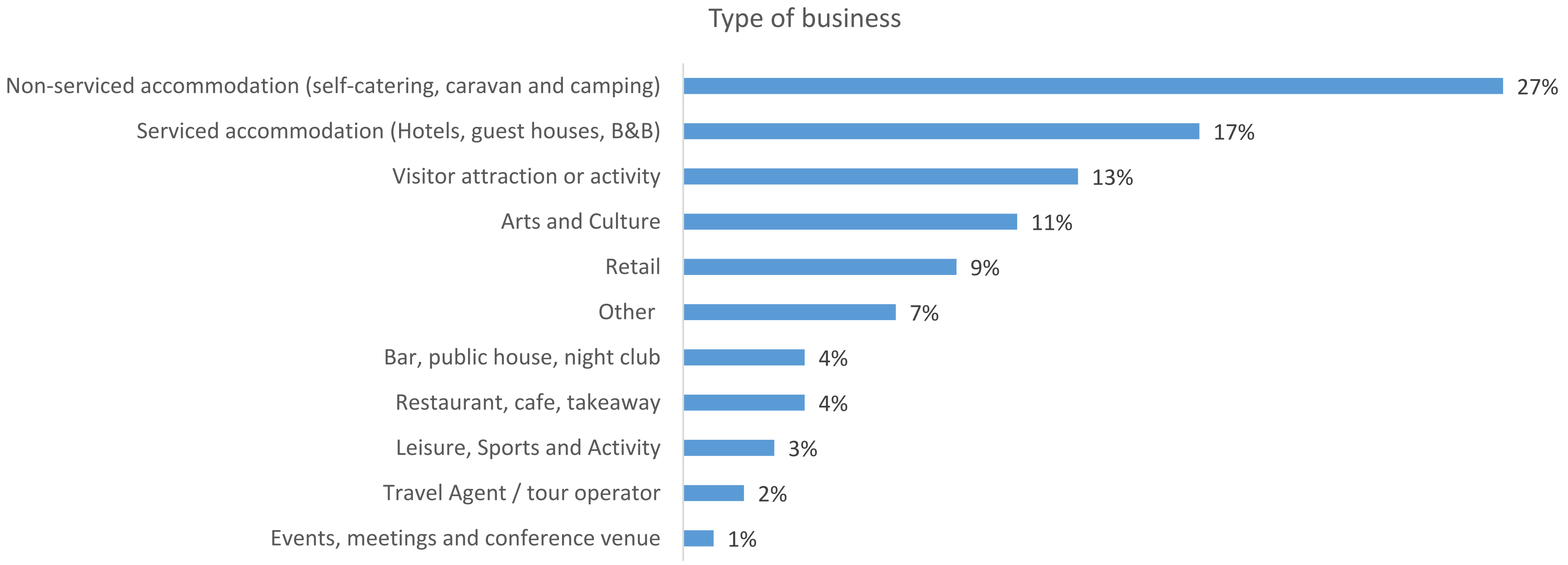
The results are based on an online survey with businesses in the region. The majority of responses (94%) obtained were from businesses located in Norfolk and Suffolk. The survey was fully managed in-house by Destination Research using SNAP software package, which offers full online and mobile functionalities. Respondents were invited to fill in a structured online questionnaire. This report is based on a sample of 267 responses.

Part I - Business Profile

- The largest groups of respondents were accommodation providers (non-serviced and serviced) and tourism attractions / experience providers.
- Micro businesses (between 1 and 10 employees) and self employed or sole traders account for four out of five respondents (81%).

Research Outputs – Business Profile

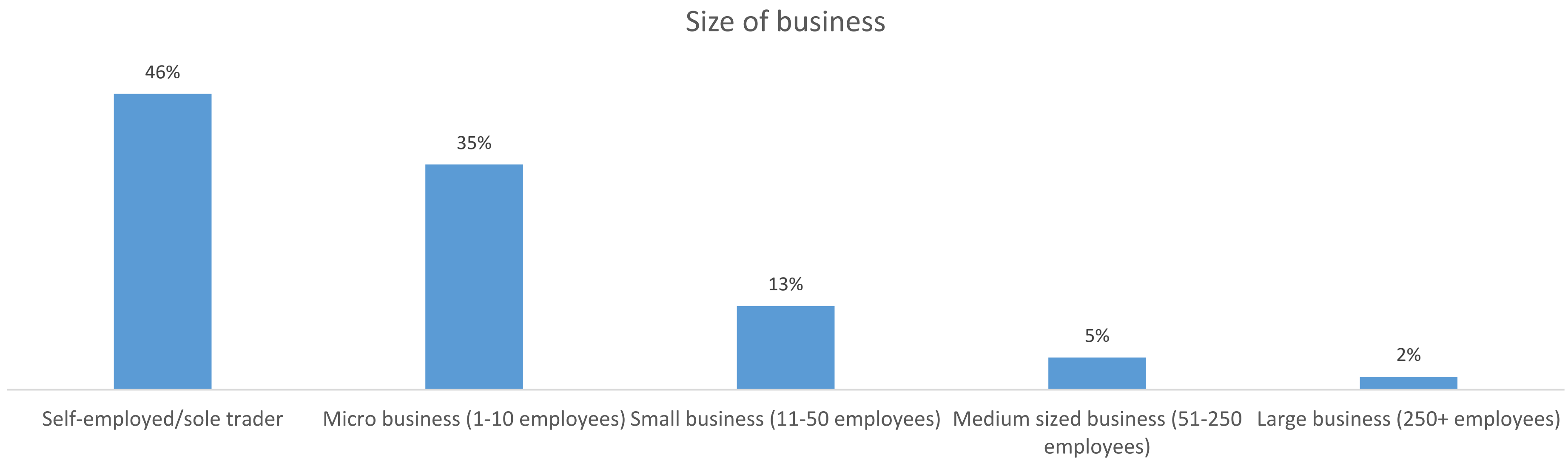
The largest groups of respondents were accommodation providers (non-serviced and serviced) and tourism attractions / experience providers.



Q: Which Tourism and Hospitality sector does your main business principally operate in?

Research Outputs – Business Profile

Self-employed and micro businesses accounted for 81% of all responses.



Q: Which of the following best describes your business?

Part II – Business Performance - Key findings

Just over a quarter (27%) said that trading for 2022 so far was better than the pre-pandemic days, but 37% said it was worse. Looking at 2022 as a whole, 38% are expecting 2022 to be better than 2019, but 40% think it will be worse.

More two thirds (69%) of respondents said they have already secured up to 25% of booking for spring / summer 2023.

Almost half (45%) said that their current levels of pre-booking at this time of the year were as expected. 17% said their current levels of pre-bookings were better or much better than expected but 38% said these were worse than expected.

Respondents particularly agree with the statements ‘Demand is very unpredictable this year (busy one day, quiet the next with no real pattern). However, they disagree with the statements ‘Consumers are still looking for covid protocols to be in place’ and ‘Secondary spend is higher this year’.

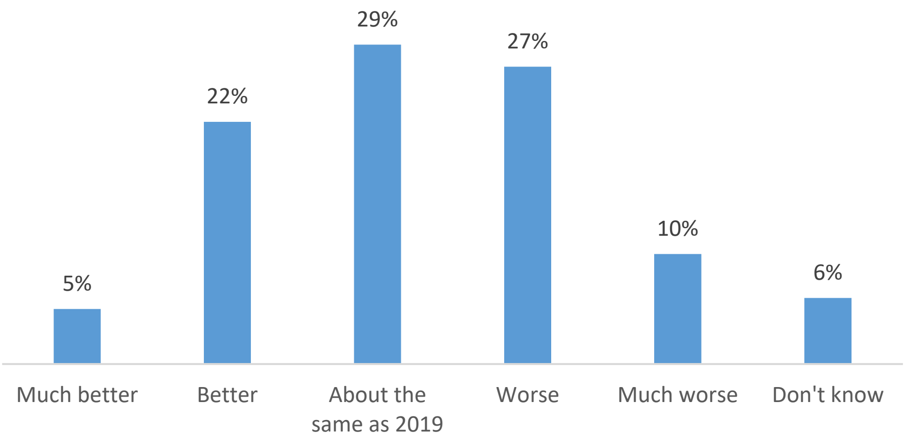
The vast majority of respondents (91%) are targeting UK staying visitors. Also important are local residents and day trippers.

Research Outputs – Business Performance

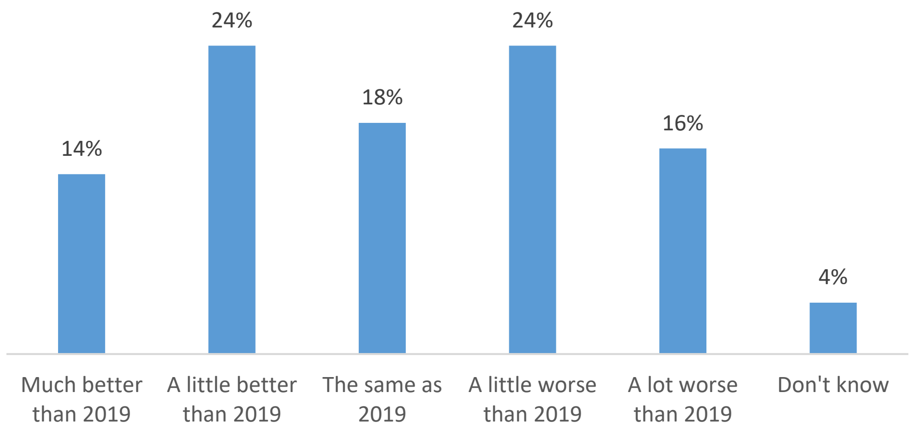
Just over a quarter (27%) said that trading for 2022 so far was better than the pre-pandemic days, but 37% said it was worse. Three in ten (29%) were trading at the same level as in 2019. Looking at 2022 as a whole, opinions are split, with 38% expecting 2022 to be better than 2019, but 40% saying their performance this year will be worse than in 2019.

Key reasons for the positive outlook include the surge in staycations after covid and the increased use of local businesses and shops by consumers. However, pressures on disposable income and cost of living increases (fuel, food, etc.) as well as reduced profits due to inflation and utility costs are the key reasons for the negative outlook reported by some businesses.

2022 trading so far compare to pre-pandemic



Predictions for 2022 (full year)

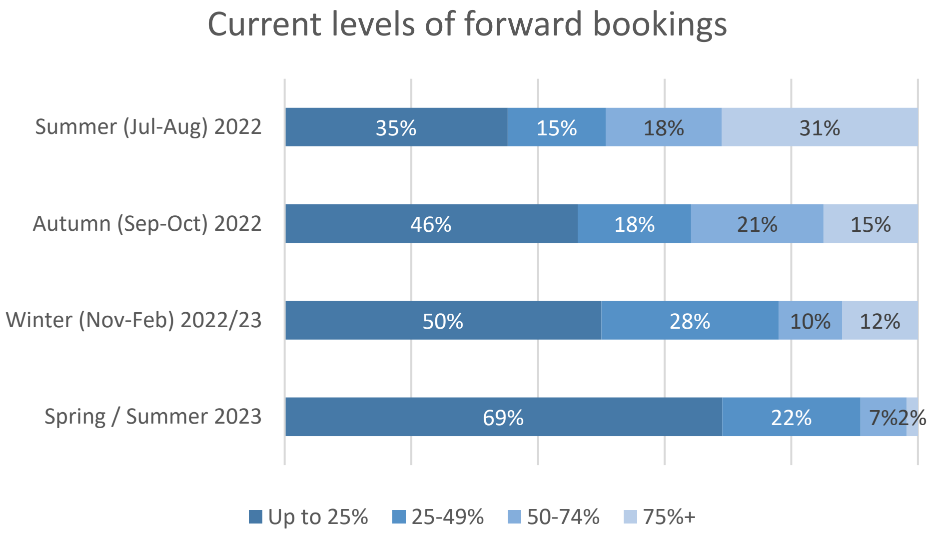


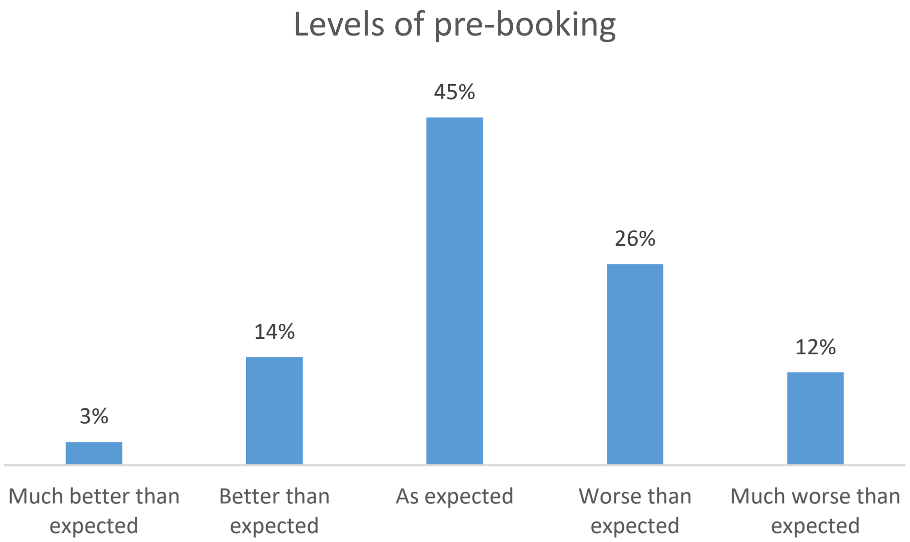
Q: Reflecting on your business so far in 2022, how does trading compare to pre-pandemic (2019)?
Q: What are your predictions for 2022 compared to 2019? Do you expect your business performance to be?

Research Outputs – Business Performance

As you would expect, levels of forward booking decrease over time. That said, it's encouraging to see that 69% of respondents have already secure up to 25% of booking for spring / summer 2023.

Almost half (45%) said that their current levels of pre-booking at this time of the year were as they were expecting them to be. And whilst 17% said their current levels of pre-bookings were better or much better than expected, for 38% these were worse (26%) or much worse (12%) than expected.





Q: What are your current levels of forward bookings?
Q:Would you say that the level of pre-bookings is …?

Research Outputs – Business Performance

Respondents particularly agree with the statements ‘*Demand is very unpredictable this year (busy one day, quiet the next with no real pattern)*’, ‘*Consumers are booking closer to departure than previous years*’ and ‘*Consumer spend overall is lower than previous years*’. However, they disagree with the statement ‘*Secondary spend is higher this year*’.

It is encouraging to see that respondents disagree with the statement ‘*Consumers are still looking for covid protocols to be in place*’.

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	N/A
Consumers are demanding flexibility when booking	14%	34%	31%	11%	1%	9%
Secondary spend is higher this year	1%	22%	29%	25%	8%	15%
Consumer spend overall is lower than previous years	**15%**	**44%**	15%	19%	1%	6%
Consumers are booking closer to departure than previous years	**19%**	**41%**	19%	8%	0%	13%
Demand is very unpredictable this year (busy one day, quiet the next with no real pattern)	**30%**	**42%**	19%	5%	0%	4%
Consumers are still looking for covid protocols to be in place	7%	18%	30%	36%	7%	2%

Q: To what extent do you agree with the following statements:

Research Outputs – Business Performance

The vast majority of respondents are targeting UK staying visitors – 91% said this market was a high (71%) or medium (20%) priority. Other key markers include local residents and domestic day trippers.

More than two in five said that European and other international markers were a low priority to them. Corporate business and personal events were considered niche markets but somewhat important. Education trips appear to be the least priority to most respondents.

	High priority	Medium priority	Low priority	N/A
Local residents	49%	18%	17%	16%
Domestic day visitors	41%	18%	8%	33%
UK stay visitors	71%	20%	5%	4%
European visitors	13%	34%	41%	12%
Other International visitors	15%	24%	46%	15%
Business / corporate	14%	26%	32%	28%
Coach parties / leisure groups	14%	19%	18%	49%
Education trips	13%	18%	21%	48%
Personal events (weddings, celebrations)	23%	16%	23%	38%

Q: Which of the following markets are you targeting in 2022?

Part III – Skills and Recruitment - Key findings

The key recruitment challenges include ‘Challenges filling certain types of roles (e.g. front of house, chefs, etc)’, ‘Challenges filling seasonal vacancies’ and ‘Challenges filling permanent year-round vacancies’.

Top external factors currently affecting business are : ‘Increasing energy and fuel costs’, the ‘Poor UK economic climate / less money in consumer's pockets’ and ‘Increasing supplier costs’.

Half (50%) of businesses increased prices by up to 10% in response to rising costs and a further 12% increased costs by more than 10%. A quarter of businesses (25%) decided to cut costs by delaying investment, building or maintenance works.

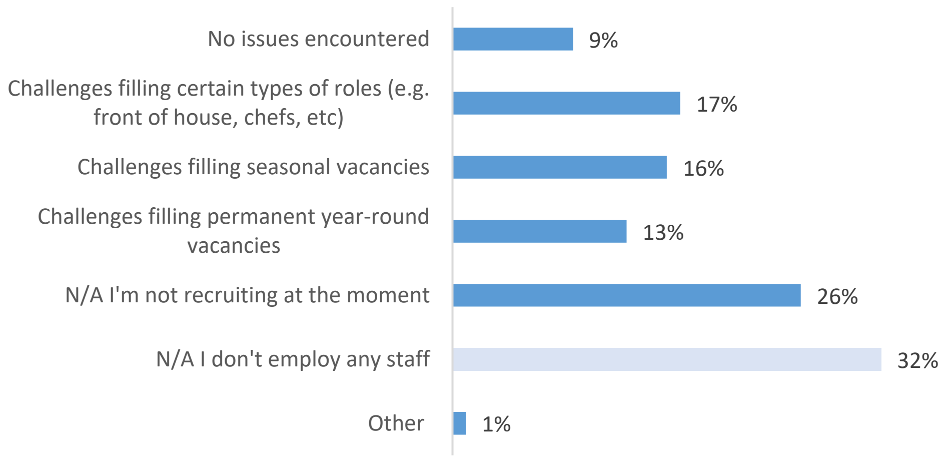
Three in five (60%) believe that reducing VAT on energy costs would be the best Government intervention to help with their operations. Business rates relief (47%), reducing VAT on hospitality and tourism (44%) and greater investment in destination marketing (43%) were also seen as favourable interventions to help local businesses.

Research Outputs – Skills and Recruitment

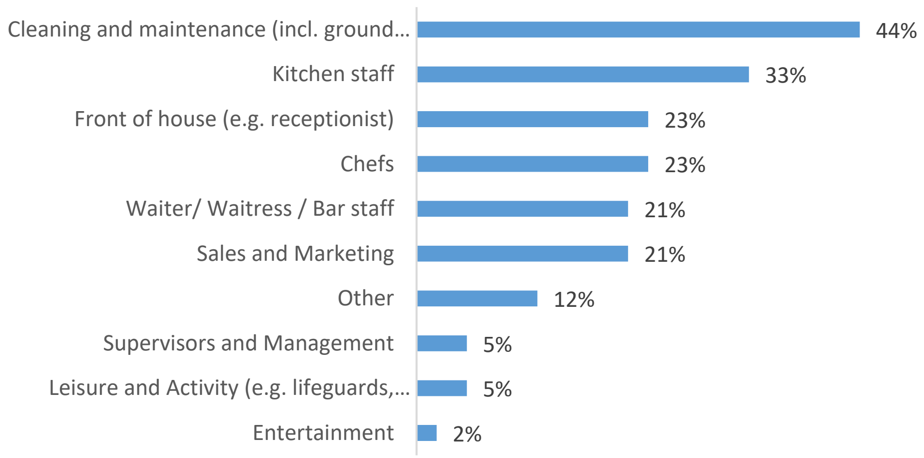
Businesses currently recruiting said that their key challenges included 'Challenges filling certain types of roles (e.g. front of house, chefs, etc)' (17%), 'Challenges filling seasonal vacancies' (16%) and 'Challenges filling permanent year-round vacancies' (13%).

Cleaning, maintenance and kitchen staff are the roles harder to fill.

Recruitment process



Roles struggling to recruit



Q: If you are currently recruiting staff, how would you describe the recruitment process?
Q: Which roles are you struggling to recruit?

Research Outputs – Skills and Recruitment

The top three external factors currently affecting business are all of a financial kind: ‘Increasing energy and fuel costs’ (66%); ‘Poor UK economic climate / less money in consumer's pockets’ (59%) and ‘Increasing supplier costs’ (44%).

Trading is also reduced due to seasonality (23%) and due to competition from both overseas destinations (23%) and from other parts of the UK (20%).

Staff related issues include the lack of ‘availability of staff to fill vacancies’ (23%) and to a lesser extent, ’skills gaps - lack of suitably qualified /experienced staff’ (12%).

Which of the following external factors, if any, are affecting your business?	Percentage
Increasing energy and fuel costs	66%
Poor UK economic climate / less money in consumer's pockets	59%
Increasing supplier costs	44%
Competition from other local businesses	27%
Increased minimum wage and NI costs	25%
VAT threshold	24%
Seasonality of the destination	23%
Competition from overseas holidays	23%
Availability of staff to fill vacancies	23%
Other supplier issues (delays, lack of stock, unreliable)	20%
Attracting and retaining customers	20%
Competition from other parts of the UK	20%
Cost of finance / interest rates	19%
Covid-related staffing issues (e.g. cases, self-isolation)	18%
Poor / unpredictable weather	16%
Regulations and compliance	16%
Access to finance to invest	13%
Skills gaps - lack of suitably qualified /experienced staff	12%
Employee absence / staff health	12%
Access to Broadband	9%
Planning	7%
Other	7%
Lack of training and business support	6%
High staff turnover	4%

Q: Which of the following external factors, if any, are affecting your business?

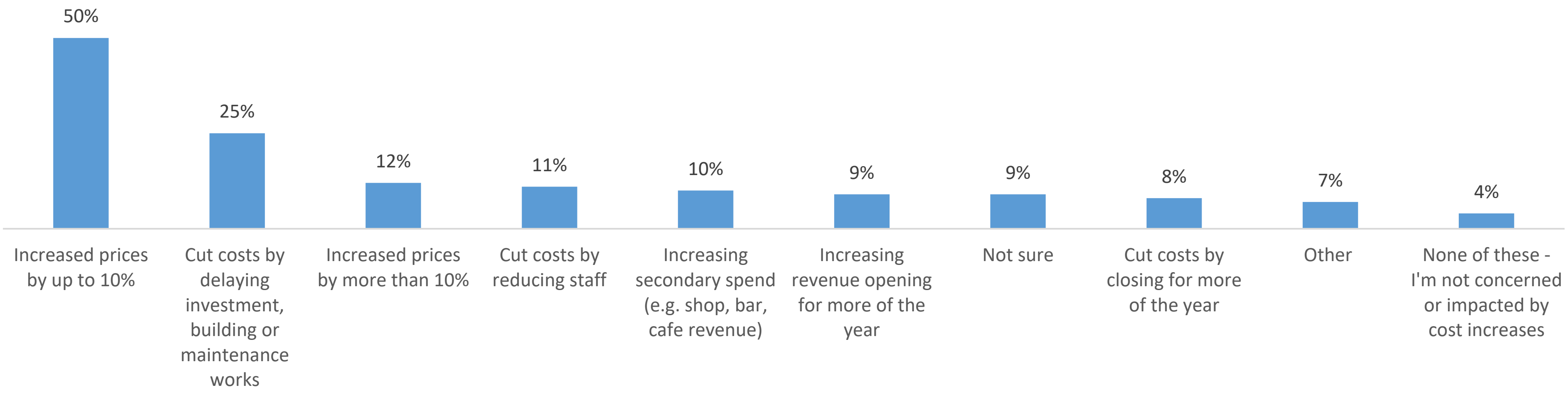
Research Outputs – Skills and Recruitment

Half (50%) of businesses increased prices by up to 10% in response to rising costs and a further 12% increased costs by more than 10%. A quarter of businesses (25%) decided to cut costs by delaying investment, building or maintenance works.

Cost reductions were implemented by some by reducing staff numbers (11%) or by closing during longer parts of the year (8%).

Finally, businesses also tried to increase revenue by encouraging more secondary spend (10%) and by opening for longer periods of of the year.

Response to increasing costs this year

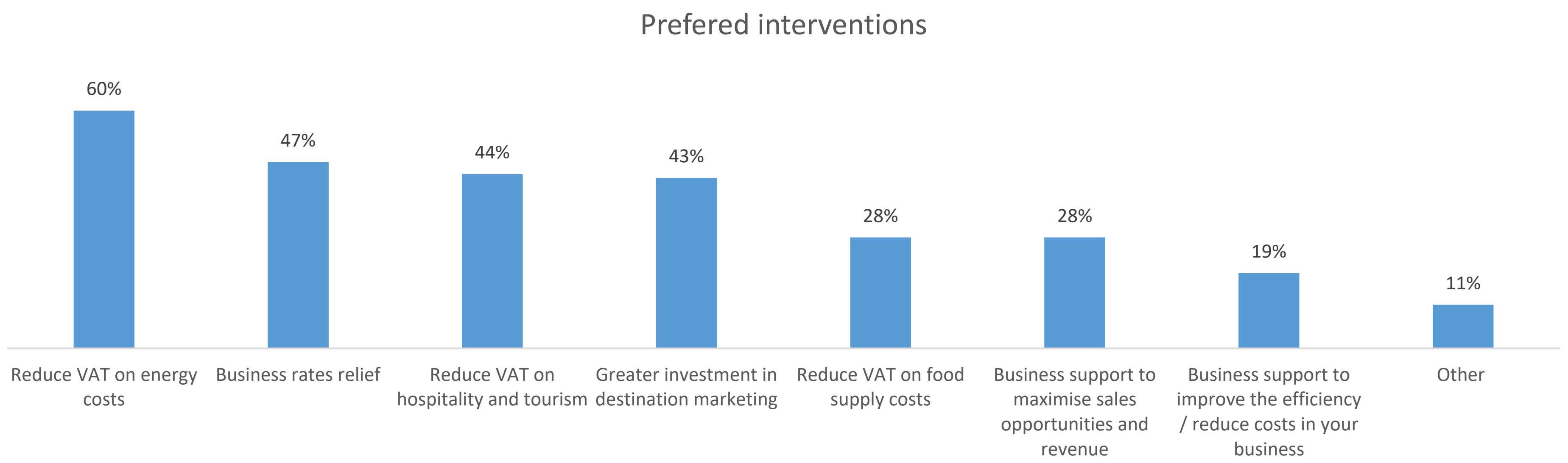


Q: How has your business responded to increasing costs this year?

Research Outputs – Skills and Recruitment

Three in five (60%) believe that reducing VAT on energy costs would be the best Government intervention to help their financial situation.

Business rates relief (47%), reducing VAT on hospitality and tourism (44%) and a greater level of investment in destination marketing (43%) were also seen as favourable interventions to help local businesses.



Q: Which of the following interventions would you most like to see to help your business?

Part IV – Sustainable Tourism - Key findings

Whilst 71% said the level importance they place on sustainability hasn't changed since the start of the pandemic, just over a quarter of respondents (26%) said sustainability has become more important to their business operations.

Cost and usage reductions on energy, waste and water are the most important reasons to support sustainable practices.

Businesses are currently implementing several environmentally-friendly initiatives. Eight out of ten businesses (81%) are currently recycling their refuse.

Just over half (54%) are implementing energy saving initiatives, two in five (40%) have water saving initiatives in place and 31% are monitoring their utilities and wastage usage.

Promoting a better public transport system (61%), more electric vehicle recharging points (49%) and a better provision for Active Travel (cycling, walking etc.) are seen as the most important area of activity to drive sustainable tourism development across the region.

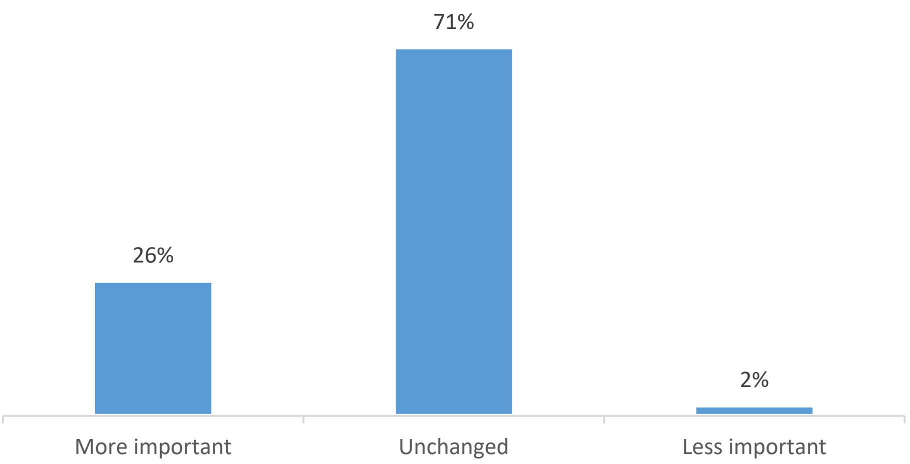
A local green tourism certification is seen favourably as a good marketing tool and to highlight the work that's already being done by many businesses in the region.

Research Outputs – Sustainable Tourism

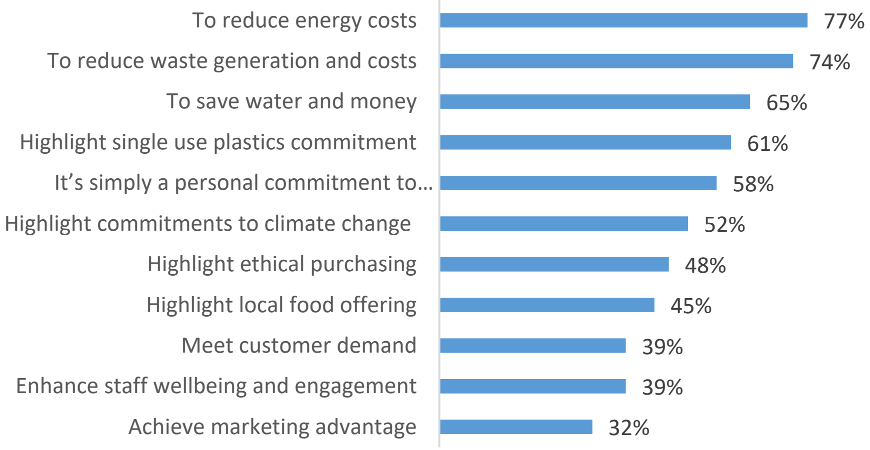
It is encouraging to see that for just over a quarter of respondents (26%), sustainability has become more important to their business operations. A further 71% said the level of importance they place on sustainability hasn't changed since the start of the pandemic.

Cost and usage reductions on energy, waste and water are the most important reasons to support sustainable practices. Interestingly, increase overheads and costs were mentioned as the key reasons preventing businesses from becoming more sustainable.

Sustainability after COVID



Importance of sustainability



Q: In light of Covid, has sustainability become more or less important to your business? Q: Why is sustainability important to you? Q: What is preventing your business from becoming more sustainable? (e.g. lack of knowledge, believe it will increase overheads, Government incentives etc).

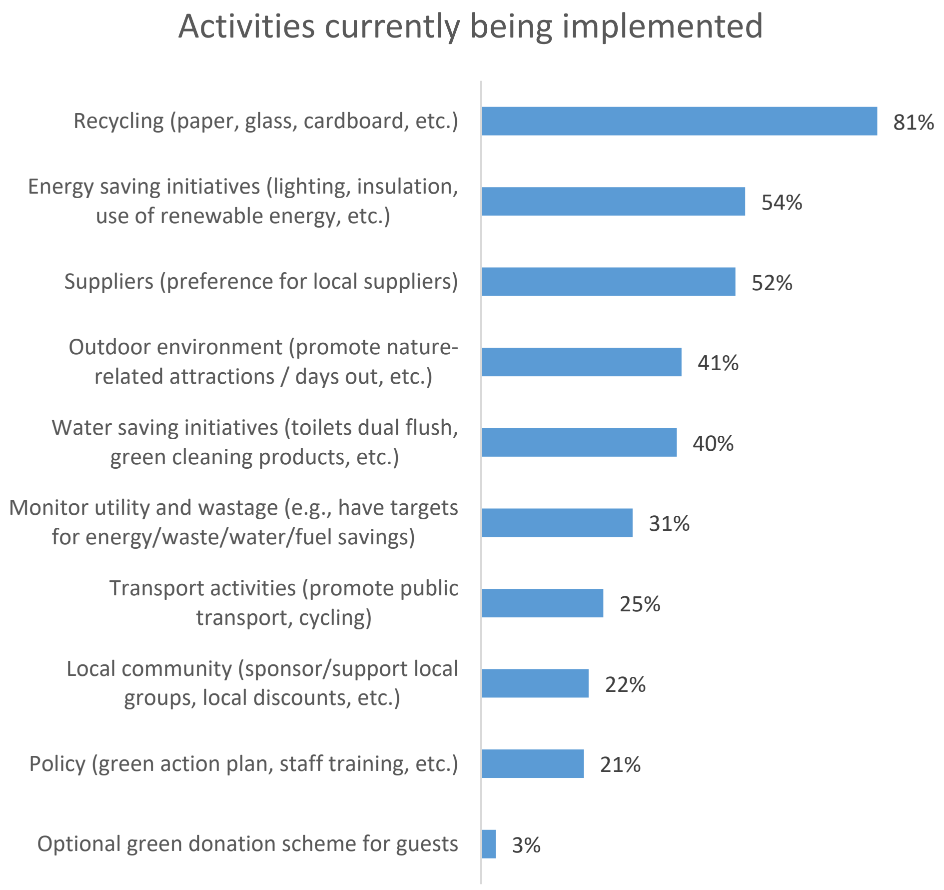
Research Outputs – Sustainable Tourism

Businesses are currently implementing several environmentally-friendly initiatives. Eight out of ten (81%) are currently recycling their refuse.

Just over half (54%) are implementing energy saving initiatives such as lighting, insulation, use of renewable energy, etc. Two in five (40%) are implementing water saving initiatives (toilets dual flush, green cleaning products, etc.). And 31% are monitoring their utility and wastage usage (e.g., have targets for energy/waste/water/fuel savings)

Just over half (52%) are trying to use local suppliers whenever possible and 22% actively promote the local community (sponsor/support groups, local discounts, etc.).

Two in five (41%) promote the local outdoors (e.g. nature-related attractions / days out, etc.) and a quarter (25%) promote transport activities (public transport, cycling).

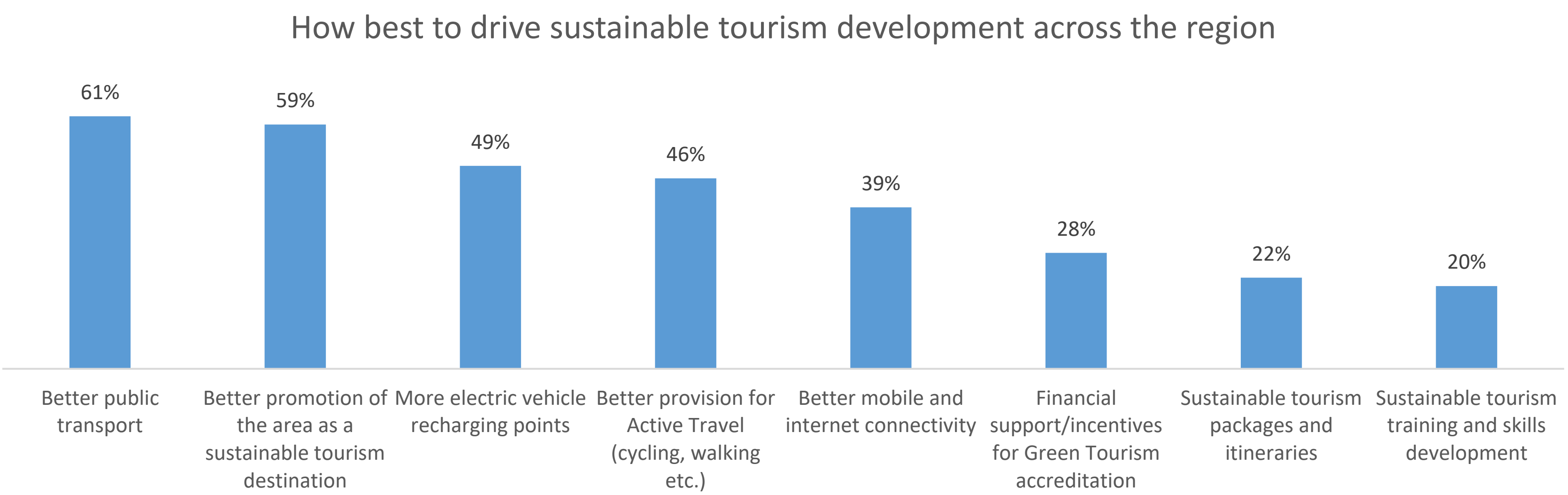


Q: Which of the following activities are you currently implementing?

Research Outputs – Sustainable Tourism

Promoting a better public transport system (61%), more electric vehicle recharging points (49%) and a better provision for Active Travel (cycling, walking etc.) are seen as the most important areas of activity to drive sustainable tourism development across the region.

Half of respondents believe there is a need for a better promotion of the area as a sustainable tourism destination (59%) and the development of sustainable tourism packages and itineraries (27%).



Q: And which of the following are most important to drive sustainable tourism development across the region?

Research Outputs – Sustainable Tourism

What would encourage you to consider a Green Tourism Certification in the future?

- Would need more information about it
- Need to see a direct financial benefit from it
- We tried it in the past and it didn’t get any extra bookings from it.

It could be of limited use to some because:

- Listed properties can’t be very energy efficient due to planning law
- Energy Coast branding / power station being built at Sizewell is incompatible with a Green Tourism Certification.

Green Tourism Certifications:

- B-Corp process
- Carbon Charter
- Cycle friendly Places
- Green achiever - David Bellamy Award
- Green Check
- Green Tourism Green Key
- Green Tourism Terra Choice Green Seal
- Searles Leisure Resort
- Visit England's schemes

‘I would consider… Yes, free training, certified Green Aware stamp.’

‘Not really. We looked into it some time ago, decided we were doing all the right things anyway, so why pay just to have a certificate?’

‘Never heard of it, so more information would encourage me to consider it.’

‘Is there a direct financial benefit?’

‘Listed property planning restrictions being changed to allow guest cottages and other accommodation buildings to be upgraded to be more energy efficient.’

Q: Please, tell us what Green Tourism Certification you know of?
Q:If you don't already, is there anything in particular that would encourage you to consider a Green Tourism Certification in the future?

Research Outputs – Sustainable Tourism

Respondents were asked about a potential local Green Tourism Certification. The general consensus was that a local certificate should be less about the financial and operational benefits and more about what businesses are doing to save the planet.

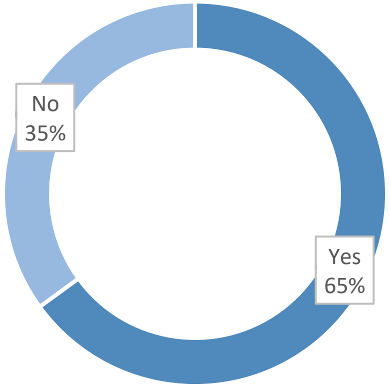
I see it being more bureaucracy with limited financial return

I'm not sure if this is top of mind in current environment

It's another hurdle, another cost, the huge sites will have staff they can dedicate to it, the smaller sites will be penalised.

We just do it. It should be the reverse, we should all be doing it and penalise if we didn't, i.e. not to be allowed to be members.

Regional Green Tourism Certification



It would address the problem of greenwash

A regional brand would add credibility to the scheme.

As locality is a major part of sustainability, it would be great to have a group local initiative to showcase the East's commitment to the cause.

Something more local & affordable [than Green Tourism] would be a great alternative.

A good marketing tool and a good selling point for local businesses.

'…[It] would assist in bringing to the fore what we already do.

Q: Would you be interested if Visit East of England/Visit Norfolk/Visit Suffolk established a local Green Tourism Certification?
Q: Please tell us why you think this?

Part V – Accessibility - Key findings

57% have accessibility for all policy

60% have disabled parking available at the property

56% have step free access available to the property

16% of those who have a lift could accommodate a wheelchair user

49% have an accessible toilet in communal areas

37% have additional ‘accessible for all’ facilities at the property

54% accessible rooms available on the ground floor

There are an average of 2 accessible rooms available on the ground floor.

Research Outputs – Accessibility

57% have accessibility for all policy

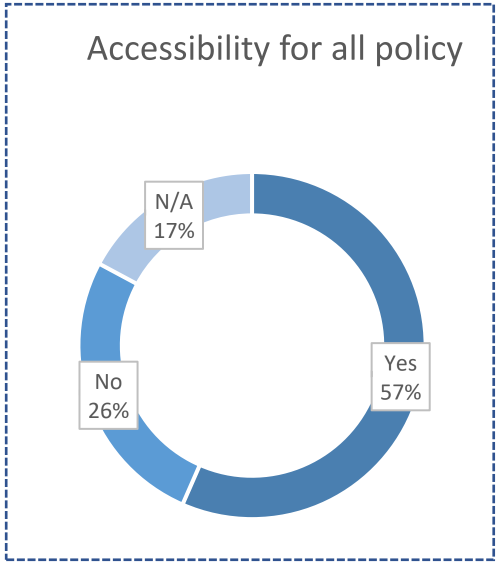
60% have disabled parking available at the property

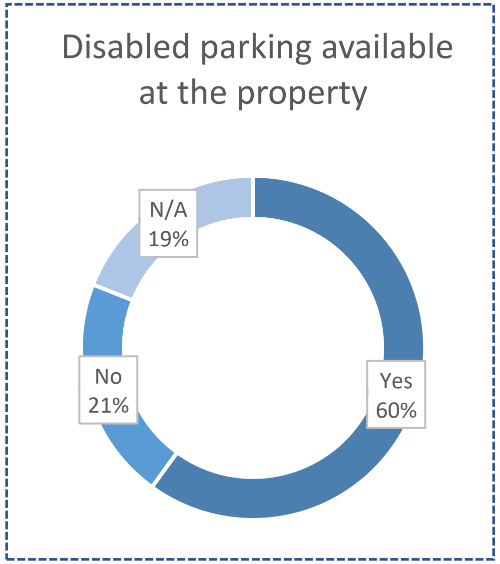
56% have step free access available to the property

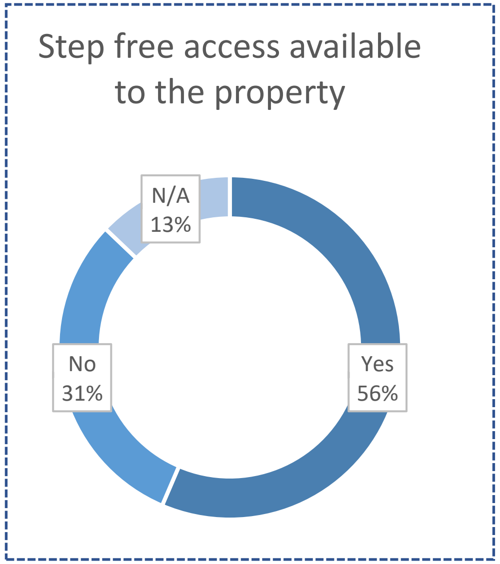
16% of those who have a lift could accommodate a wheelchair user

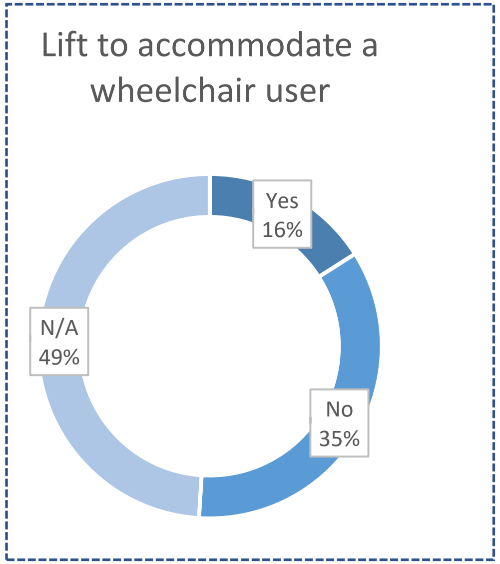
What is preventing your business from becoming more accessible?

Building constraints (e.g. listed building restrictions) and the cost of implementation some of the necessary changes are the key reasons preventing businesses from becoming more accessible.









Q: Does your business have accessibility for all policy? Q: Is disabled parking available at the property? Q: Is step free access available to the property? Q: Is there a lift, which could accommodate a wheelchair user? Q: you said earlier that you don't have accessibility for all. What is preventing your business from becoming more accessible?.

Research Outputs – Accessibility

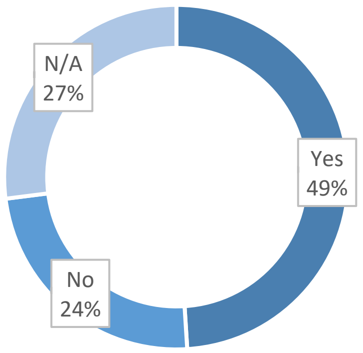
49% have an accessible toilet in communal areas

37% have additional ‘accessible for all’ facilities at the property

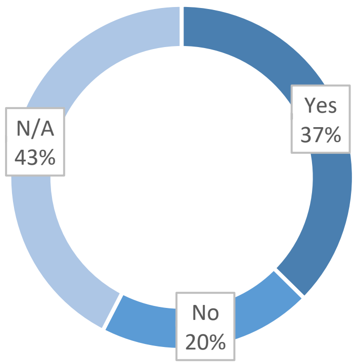
54% accessible rooms available on the ground floor

There are an average of 2 accessible rooms available on the ground floor.

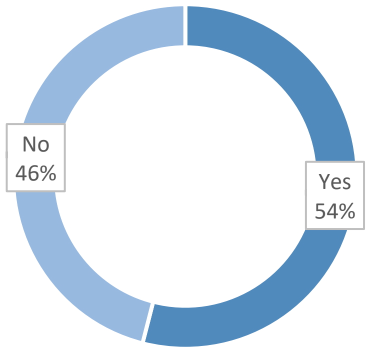
Accessible toilet in communal areas



Additional ‘accessible for all’ facilities



Accessible rooms available on the ground floor



2
accessible
rooms

Q: Is there an accessible toilet in communal areas? Q:If there are additional facilities at the property (e.g. leisure, self-catering areas/catered dining, open grounds), is this accessible for all? Q: Are there accessible rooms available on the ground floor? Q: How many rooms do you have that are suitable for a guest with reduced mobility? (ie ground floor, step free or single step access, grab rails in bathroom)

Produced by:

destinationresearch
delivering results : measuring what matters

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