UKINBOUND
THE VOICE OF INBOUND TOURISM

Business Barometer Survey 2020

Key Findings

October 2020

ISO 20252 Cert No. 0475 · UKAS Product Certification 036

MRS Awards 2016 Highly Commended Public Policy/ Social Research

MRS Operations Awards 2016 Finalist Best Data Collection (face-to-face)

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Qa RESEARCH

Aims & method

- **Business barometer survey of members**
- **The aims of the barometer are to:**
  - Understand how different membership sectors are performing
  - Determine the level of business generated by membership
  - Inform lobbying & PR activity
  - Enable UKinbound to react to industry developments more quickly, by gathering feedback on current issues impacting the tourism industry
- **Online survey sent to members early October 2020, followed by a telephone top-up exercise in late October 2020**
- **This survey covers experience of July, August and September 2020, where UK has been under varied regional lockdown measures due to Covid-19**
- **121 members completed the survey, 34% of the membership base**
- **Many thanks for taking part!**

A note on the Job Support Scheme (JSS) extension

- **Mid-way through the field period (on 9th October), the Chancellor announced an extension to the new Job Support Scheme**

- **JSS aims to help businesses affected by local or national Covid-19 restrictions**

- **The new scheme promises:**
  - Businesses that are legally required to close or to restrict their activities will receive grants to cover part of the wages of employees who cannot work
  - Eligible businesses can claim 67% of salary, up to a max of £2,100 per month, for each employee
  - Employers won't be required to contribute towards affected employees' salary but will have to fund NIC and pension contributions

- **It will run from 1st November 2020 to 30th April 2021**

- **The change in 'current support available' could impact members' responses to the survey, so we split responses into those completed before 9th October and after**

- **Any significant differences between before and after the announcement are reported on**

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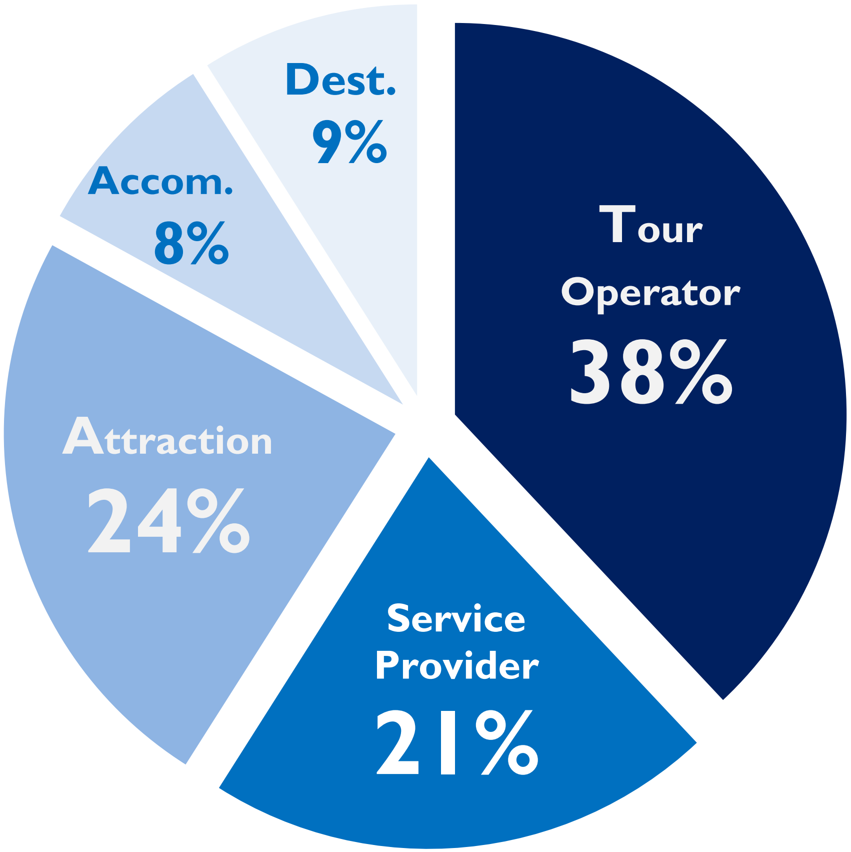
RESEARCH

Varied mix of sectors took part



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Q1. Which membership category do you fall into? Base: 121

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RESULTS

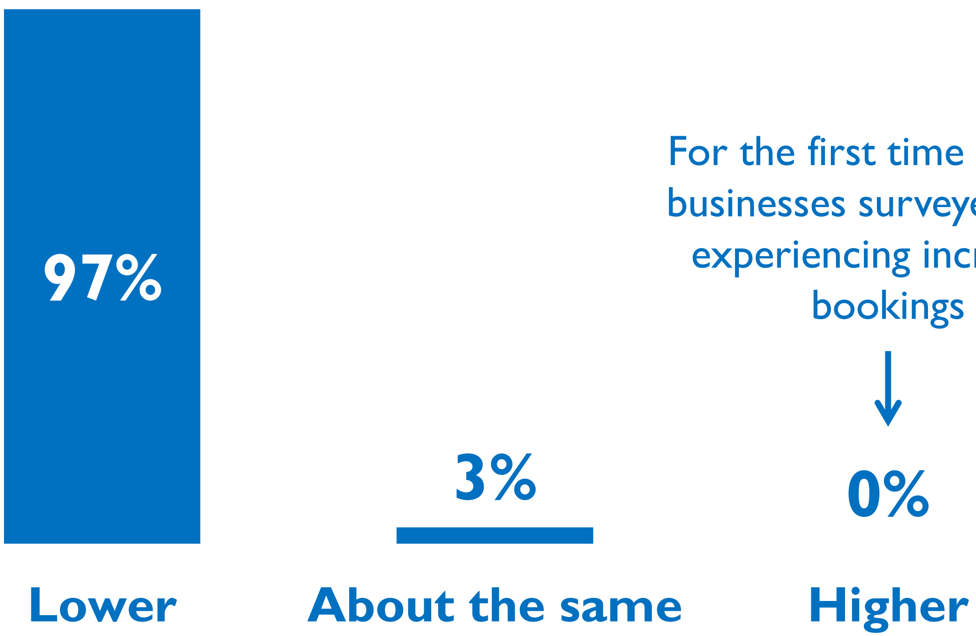
Almost all (97%) members saw decreased bookings during usual peak season

In July, August & September 2020 compared with the same months in 2019 with bookings/ visitor numbers/ customer orders

On average, orders DECREASED by **80%**

Attractions and Destinations experiencing most difficulty as 100% saw lower levels of business compared to 2019

For the first time ever, no businesses surveyed were experiencing increased bookings



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Q2. Compared with July, August & September 2019 were your bookings / visitor numbers / customer orders for the same period in 2020: higher, about the same or lower? Base: 121

COVID-19 remains unanimous reason for sharp drop in bookings & orders

"COVID-19 resulted in borders being shut or countries have to quarantine in a way that is unacceptable to them when choosing a holiday destination"

Service Provider

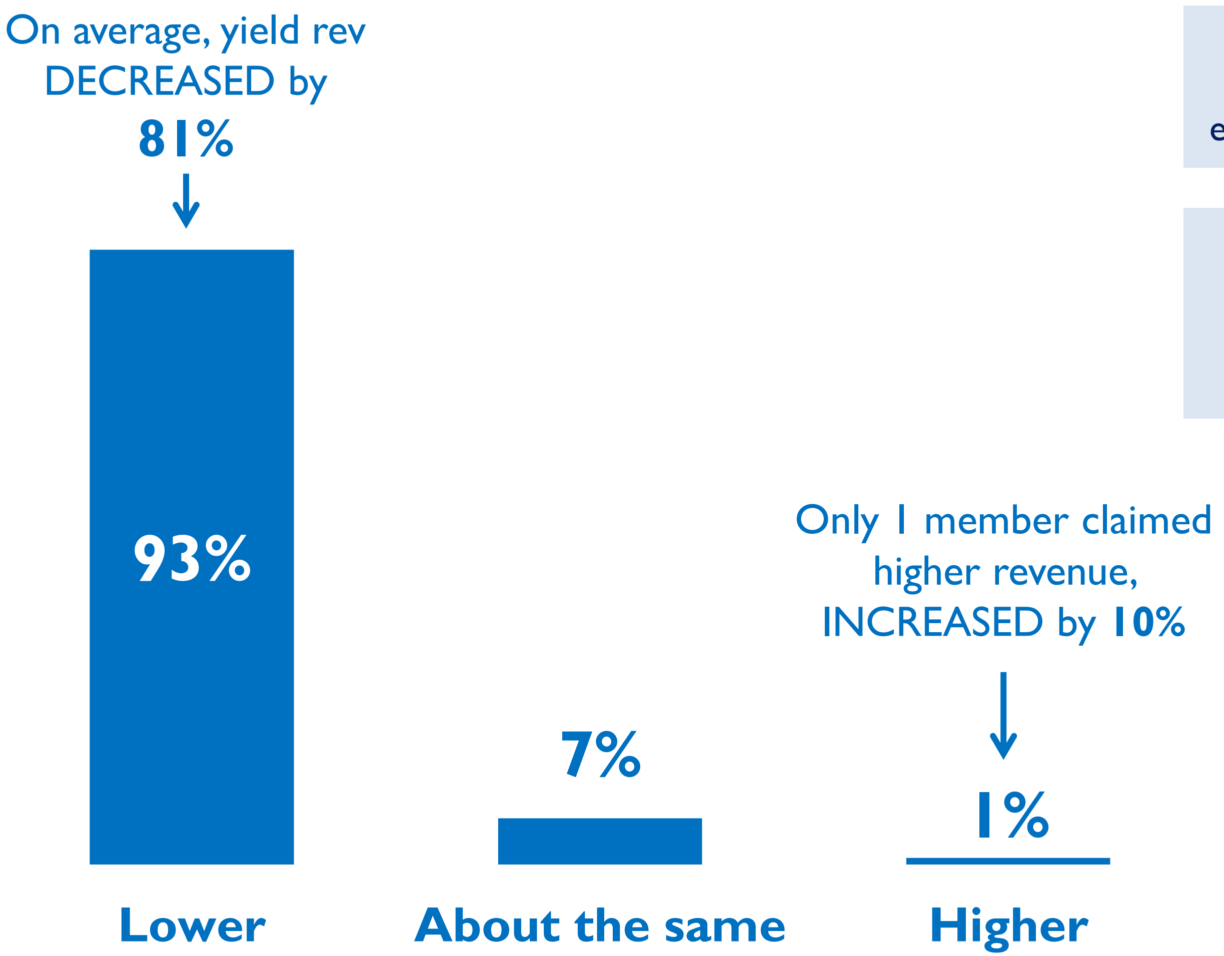
"London based business. No tourists due to Covid restrictions and rule of 6 also reduces demand"

Attraction

Q2b. Why did your bookings/visitor numbers/orders decrease/increase?

In line with bookings, majority (93%) also saw a decrease in revenue

In July, August & September 2020 compared with the same months in 2019



Tour Operators faring worst in terms of revenue, with 98% experiencing lower yield than 2019

A slightly more positive picture than Q2's bookings suggests that some businesses are maintaining revenue despite drop in bookings

(Percentages do not add to 100% due to rounding)

Q3. Compared with July, August & September 2019, was your revenue yield for the same period in 2020: higher, about the same or lower? Base: 121

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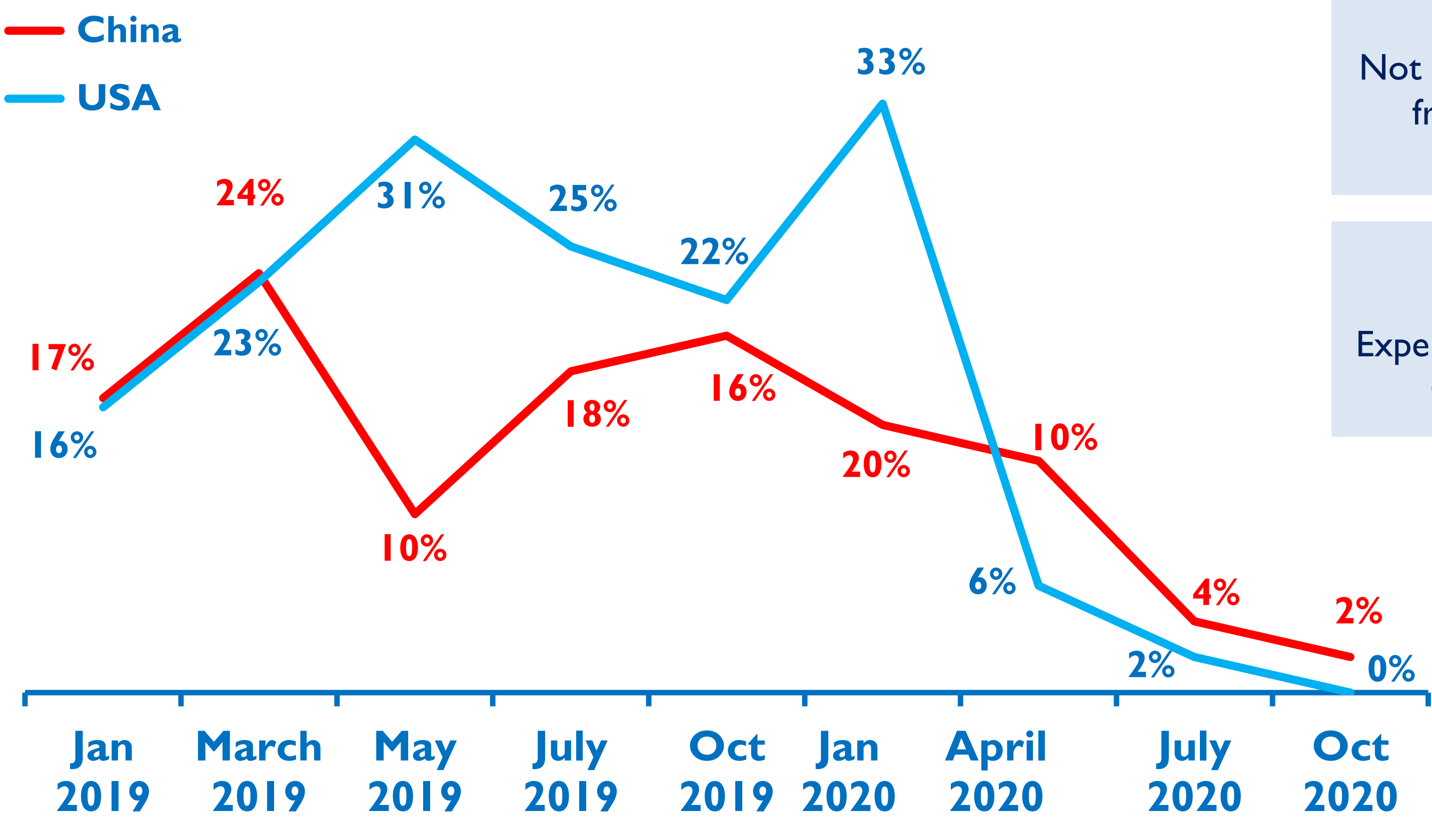
USA & China growth almost disappeared, as most experience no overseas growth



85%
Not experiencing growth from any overseas markets.

2%
Experienced growth from German market

Q4. Select the main market that you are currently experiencing growth in. Base: 121

USA and China were the main markets in decline

27%

Saw decline from US market

16%

Saw decline from China market

14%
Claimed experiencing decline in ALL overseas markets

9%
Not experiencing decline from any overseas markets.

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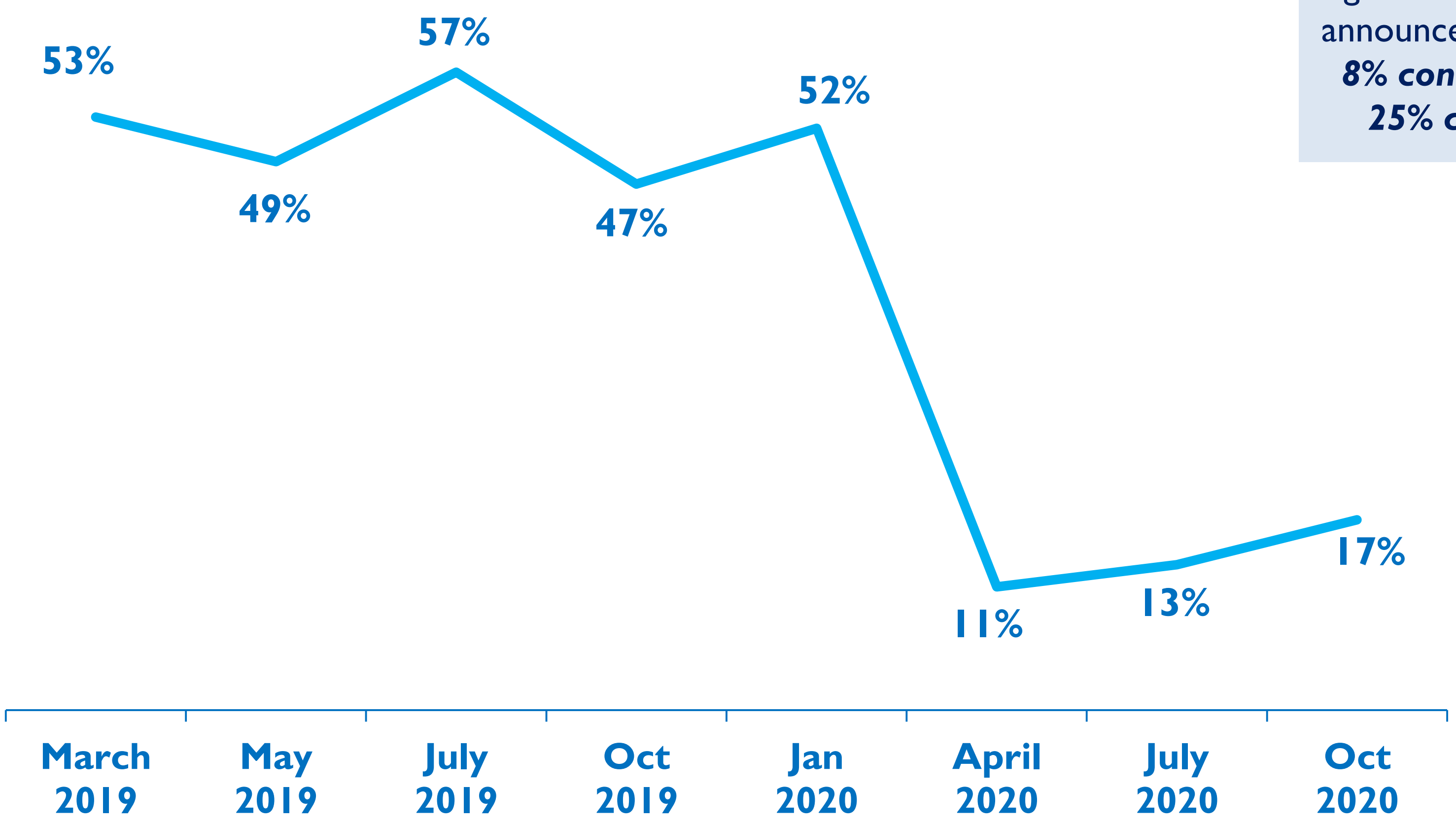
Q5. Select the main market that you are currently experiencing decline in. Base: 121

RESEARCH

Confidence in the next 12 months growing very slowly



Confidence appeared to grow after JSS extension announced on 9th October: ***8% confident before vs. 25% confident after***

Q6. Looking ahead to the next 12 months, how confident are you feeling about bookings / visitor revenues / customer orders? Base: 121

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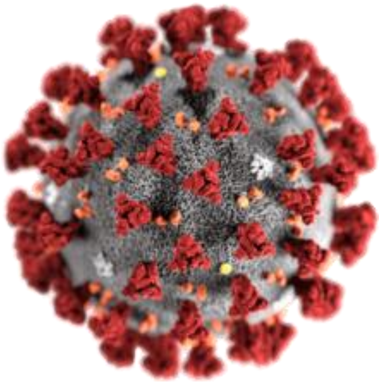
Uncertainty over COVID-19 & Brexit expected to continue disruption in 2021

"We look set to miss the traditional North American booking windows for the following year. Combined with seemingly no intent from Government to change the quarantine measures in favour of testing on arrival, it makes for a bleak 2021"
Tour Operator

"A delightful mix of COVID and Brexit"
Attraction

"Customer confidence to travel when we are still living with COVID-19"
Tour Operator

"Tourism may restart next summer but with Brexit and passports tourists will prefer to go to Ireland rather than the UK, because of the ID and passports."
Destination



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Q6a. Why do you feel less confident about bookings/visitor numbers/customer orders for the next 12 months? Base: 100

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A minority remain optimistic about the virus and domestic tourist market

"Once there is a clear policy in terms of travel corridors and quarantine figures, travel will increase. Business did increase over the summer, when restrictions were lifted and travel corridors opened."
Tour Operator

"I feel the next 12 months will pick up as we have received advance bookings for next year already."
Service Provider

"Domestic demand is strong, if restrictions are lifted in 2021 we will be ok"
Attraction

"Come March and April we will see a rebound. When Spring hits there will be a late pick up with staycations. It all depends what happens with the virus however."
Accommodation

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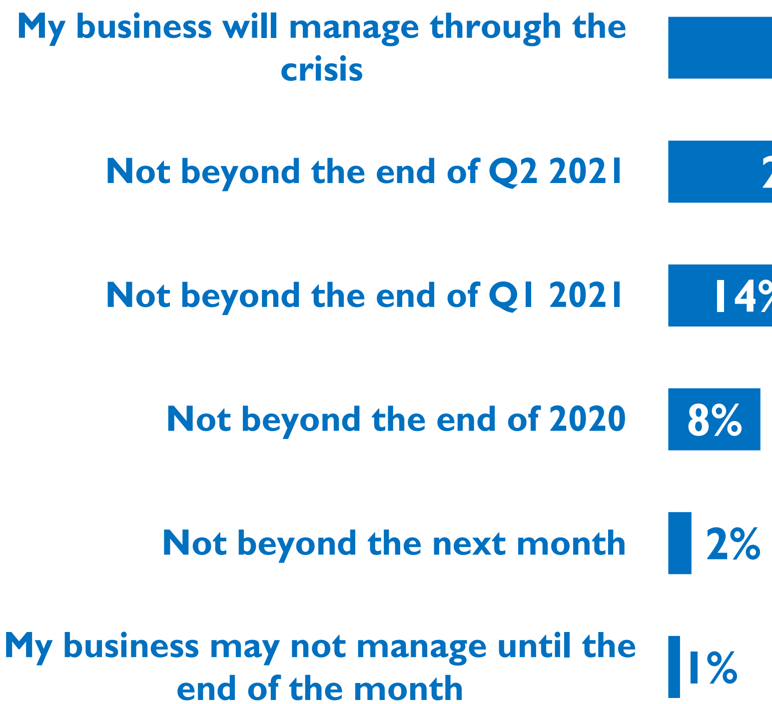
Q6a. Why do you feel confident about bookings/visitor numbers/customer orders for the next 12 months? Base: 21

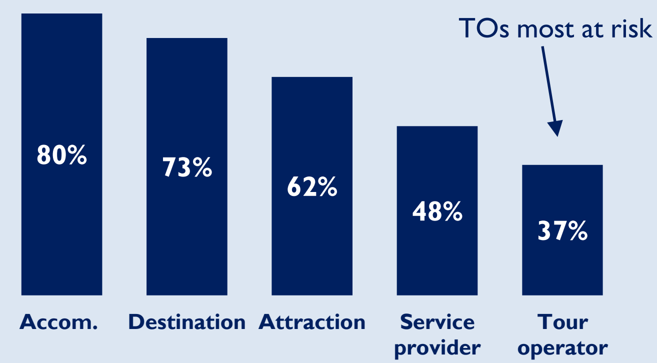
Half (52%) of members feel they will outlast the crisis, but many will struggle

Members were asked how much longer they expect their business to be able to continue operating:



Significantly ***more members felt they could 'manage through the crisis' after the Oct 9 announcement*** on JSS expansion (62% after vs. 40% before) Suggests this is a positive step in support for businesses

Striking differences between different types of member, who felt ***'my business will manage through the crisis'***

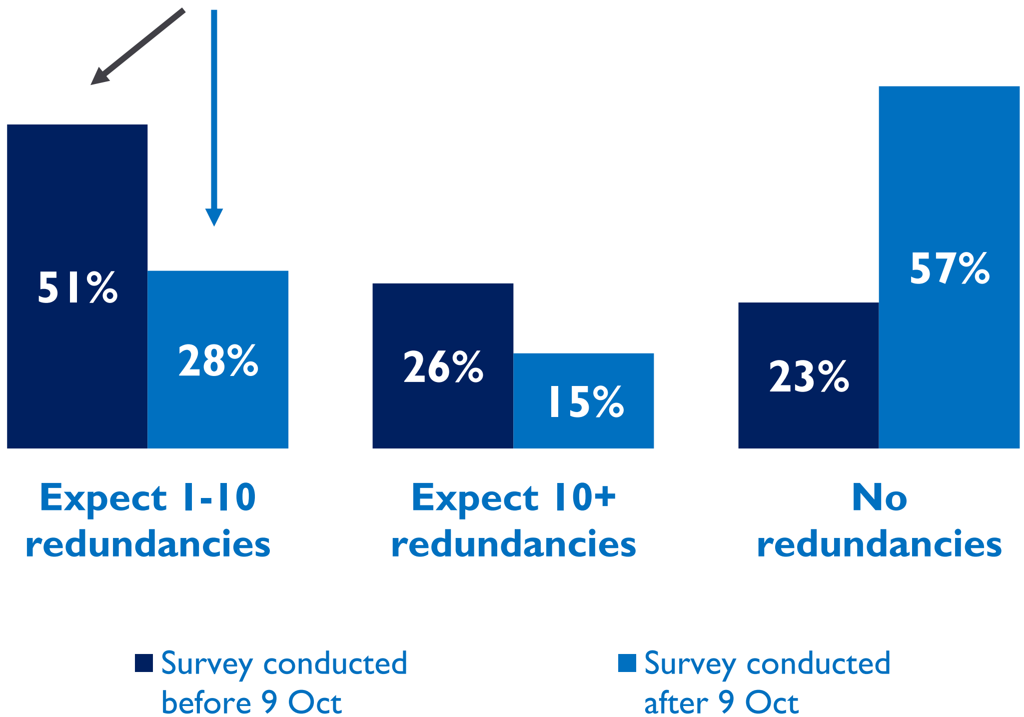


Q7. Taking into account any support you have received from the Government in light of Covid-19, how long do you expect your business to continue operating? Base 121

Expanded JSS appears to reduce need for redundancies, 57% expect to make none

Members were asked how many staff they expect to make redundant at the end of furlough and beginning of the Job Support Scheme:

Dark blue responses refer to original JSS proposed
Light blue refer to new expanded JSS



Businesses who answered the survey after the JSS expansion was announced were significantly more likely to avoid redundancies

Suggests new scheme may have positively affected members' redundancy expectations

TOs and Attractions worst hit: 72% of Tour Operators and 59% of Attractions expect to make some redundancies

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Q8 When the furlough scheme ends at the end of October and the Government's new Job Support Scheme begins, to what extent do you expect to make redundancies?
Base: 121 (Pre-Oct 9 base: 53, post-Oct 9 base: 68)

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This research has been carried out in compliance with
ISO 20252, (the International Standard for Market and Social research),
The Market Research Society's Code of Conduct and UK Data Protection law.

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