Business Barometer Survey 2023-24

December 2023

Key findings

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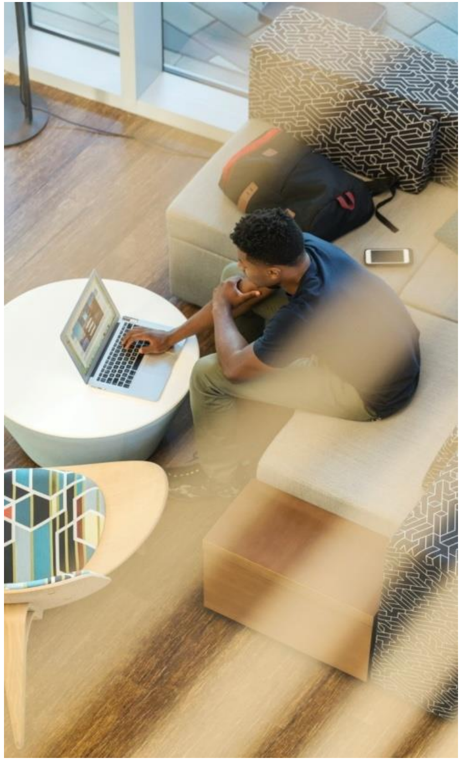
UKINBOUND
THE VOICE OF INBOUND TOURISM

QaResearch

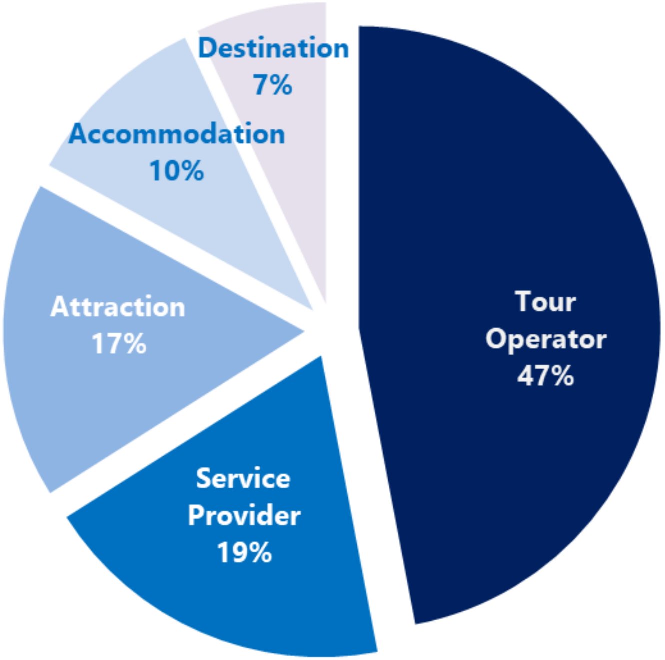
Aims & method

- **Survey of members:** your chance to have a say on how things are going
- **Main aims:**
  - 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 <u>current issues</u> impacting the tourism industry
- **Online survey:** sent to members in December 2023, followed by a telephone top-up
- **Looks forward to January, February and March 2024:** while the barometer previously collected data from the past quarter, the emphasis on this survey now focuses on the <u>upcoming</u> quarter
- **Good response from members:** 86 members completed the survey, 22% of the membership base

Many thanks for taking part!

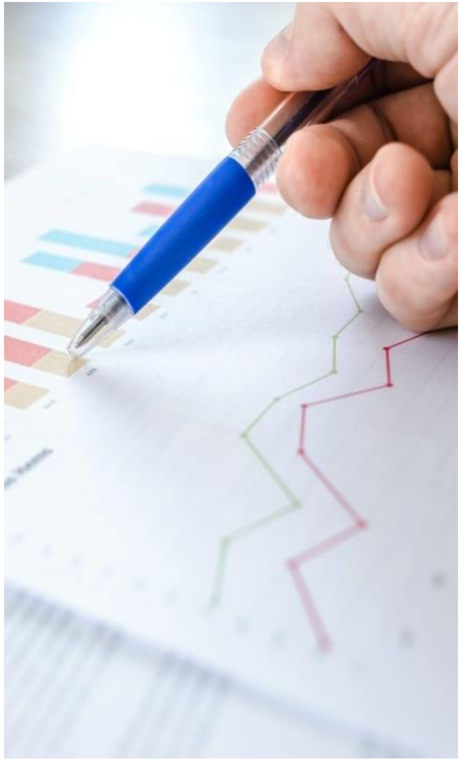


Varied mix of sectors participated



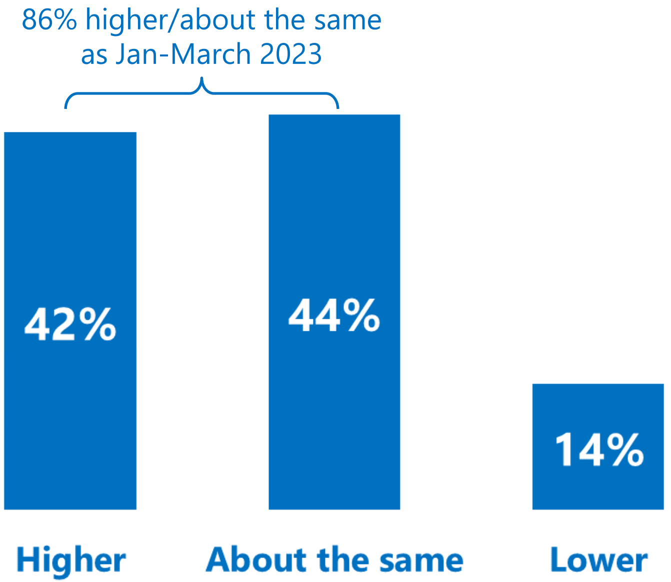
Q0. Which membership category do you fall into? Base: 86

Key findings



Over 80% experiencing similar or higher level of bookings than the same period in 2023

Comparing bookings/orders in months January, February and March 2024 **with the same period in 2023**



On average, orders INCREASED by **57%**

On average, orders DECREASED by **20%**

Service providers (50%, n:8). **and Tour operators** (48%, n:19) more likely to note higher levels of bookings compared to the same period in 2023.

Note: This question was updated in the December Barometer and now asks for comparisons to the same period in 2023, rather than comparing to the same period pre-pandemic.

Q1. Considering bookings / visitor numbers / customer orders you have / expect to receive in January, February and March 2024, how do they compare to the same period in 2023? Base: 86

Returning markets and increased confidence is boosting booking levels

"A steady increase emerging from Covid, that we hope will continue."

Tour Operator

"I just think that there is a bit more confidence around the markets at the moment."

Accommodation provider

"Last January, the certainty in the market was just getting back on its feet, but this year we seem to already have plenty of positive leads in the pipeline."

Service Provider

"Increased footfall as international markets return."

Attraction

Q1b. Why have your bookings / visitor numbers / customer orders increased? Base: 36

...however cost of living is causing a negative impact on booking levels for others

"Less consumer confidence due to cost of living."

Accommodation provider

"....cost of living hike is being blamed for the overall drop in visitor numbers but not sure why groups are not booking."

Attraction

"Overseas inbound market below expectations."

Attraction

"No more "pent up / displaced bookings" post pandemic which was still a big factor for 2023.

European short-haul markets have slowed since Q4 2023 and advance bookings for Q1 2024 are slow (we believe cost of living is the factor there."

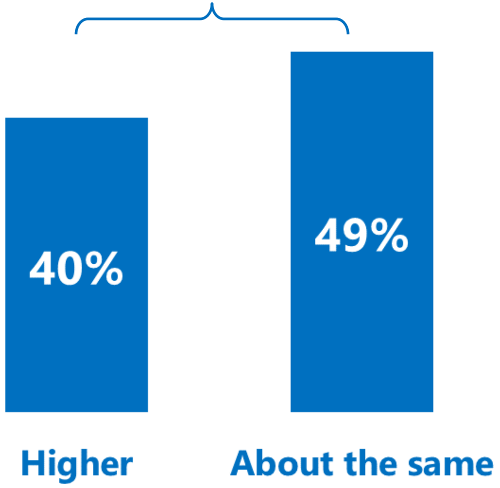
Tour Operator

1b. Why have your bookings / visitor numbers / customer orders decreased? Base: 12

For the majority, predicted revenue yield is the same or higher than winter 2023

Comparing predicted revenue yield in months January, February and March 2024 **with the same period in 2023**

89% higher/about the same
as Jan-March 2023



On average, revenue INCREASED by **46%**

On average, revenue DECREASED by **25%**

Reflecting booking patterns, predicted revenue yield more likely to be higher for Service Providers (50%,n:8), and Tour operators (45%, n:18).

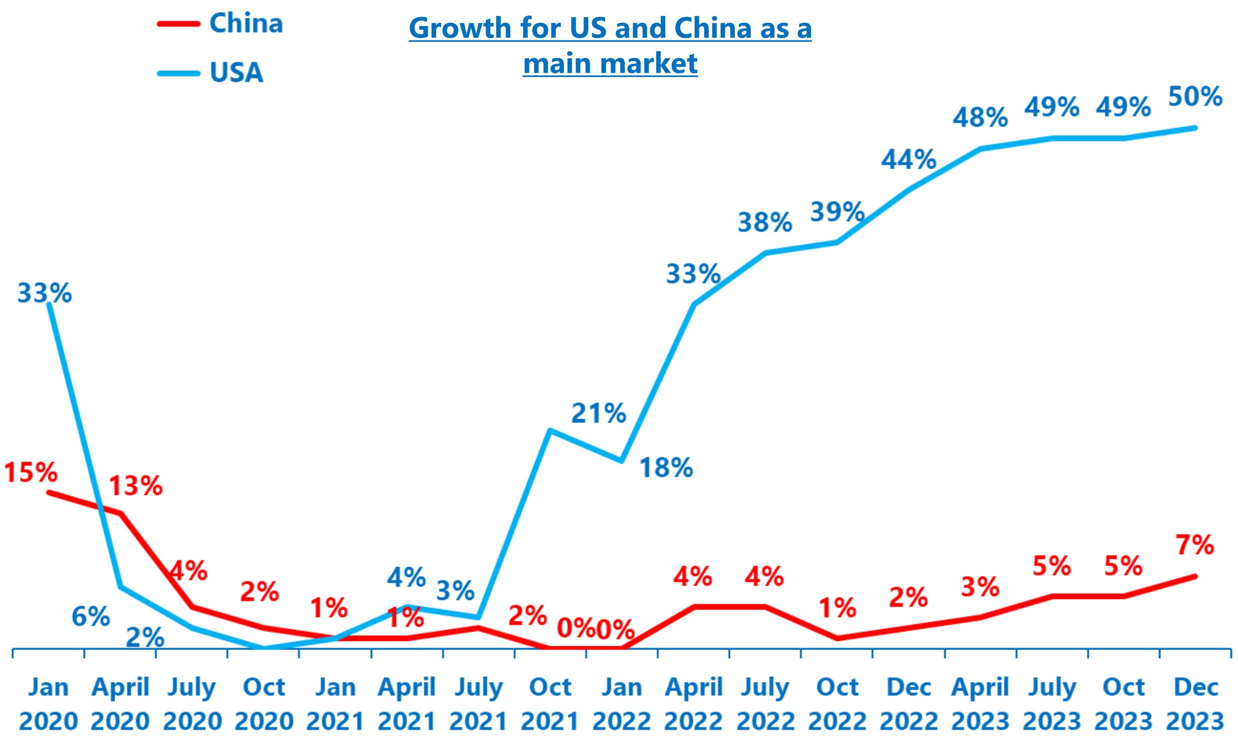
Note: This question was updated for the December Barometer to ask about comparisons to the same period in 2023, rather than comparing to pre-pandemic.

Q2. Considering predicted revenue yield in January, February and March 2024, how does this compare to the same period in 2023? Base: 86

Growth from USA dominates, while China continues to show a gentle increase

20%

Not experiencing growth from **any** overseas markets



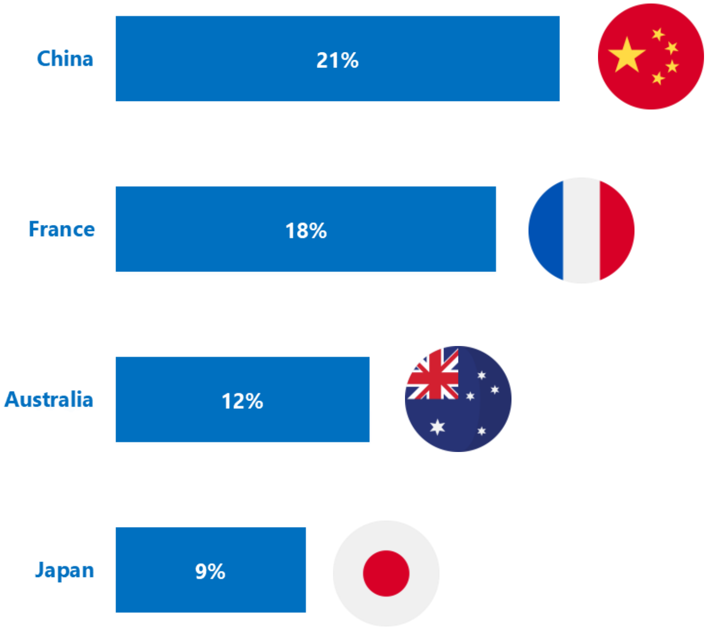
Q3. Please select **the main market** that you are currently experiencing growth in. Base: 86

4 in 10 members experiencing decline from an overseas market, particularly China & France

Overall, 40% of respondents were experiencing a decline from an overseas market. Amongst those experiencing a decline (n:34), the markets most likely to be mentioned were China and France.

Main overseas market experiencing a decline in

Caution low base: n (34)

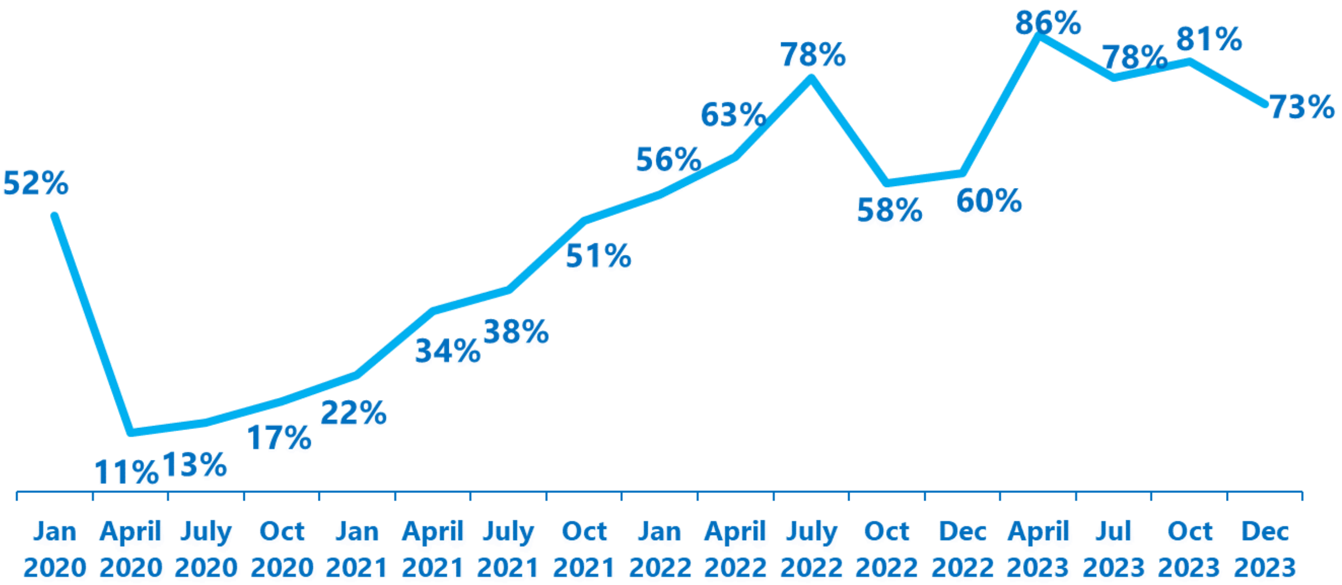


60%

are not experiencing decline from any overseas market

Q4. Select the main market that you are currently experiencing a decline in. Base: All those experiencing a decline (34)

Confidence dips but remains well above the same period last year



Q5. Looking ahead to the next 12 months, how confident are you feeling about bookings / visitor revenues / customer orders? Base: 86

Rebounding markets are helping to boost confidence for many in the year ahead

"Enquiry levels are good with a decent number of bookings already confirmed."

Service provider

"Last year was effectively still the bounce back from COVID and now we are finding that customers are generating a lot of outside bookings outside of our normal high season."

Tour Operator

"We already have a lot confirmed for 2024 and enquiries are coming in daily. Much busier compared to this time last year."

Tour Operator

"The international market is going to be rebounding back strongly."

Attraction

"The increase in trade from Asian markets, which have been quiet since 2020, seems to be set for the long haul. This should make up for any shortfalls elsewhere."

Accommodation

"Positive about the return of the Chinese market."

Destination

Q5a. Why do you feel confident about bookings/visitor numbers/customer orders for the next 12 months? Base: 63

..while for some it's difficult to predict the year ahead with economic uncertainty continuing

"UK is becoming increasingly expensive."

Tour operator

"There is a lot still to play for and I cannot say with any confidence which way it will go."

Accommodation Provider

"It is the uncertainly in the economy at the moment; It is impossible to predict what is going to happen with any certainty over the next 12 months."

Service provider

"Still experiencing late decisions so very difficult to predict accurately."

Destination

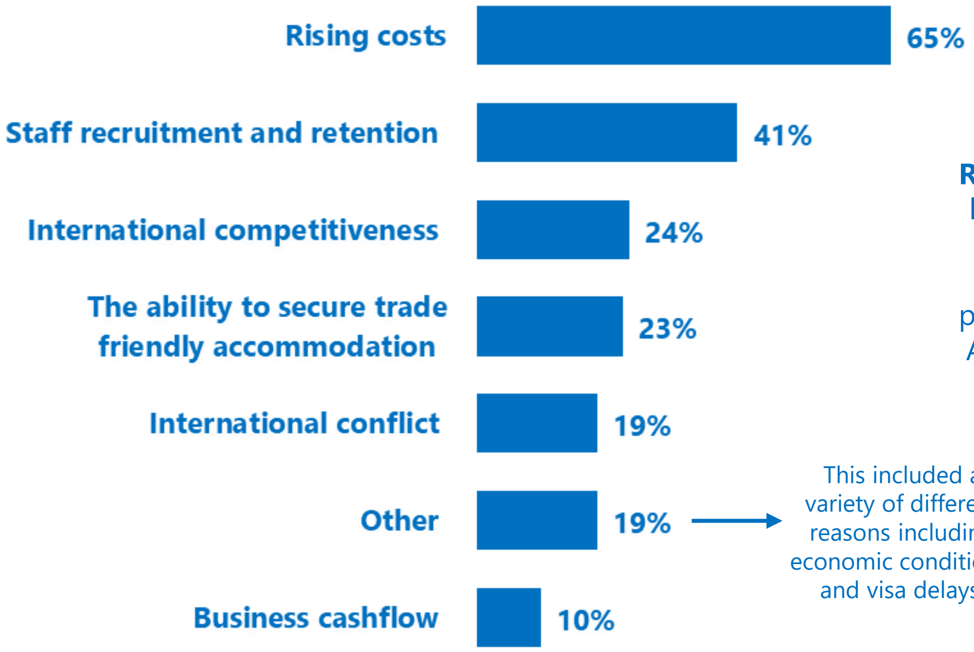
".At the moment, we are seeing a certain level of bookings coming in, but it is difficult to feel either way at the moment looking forward; it's so difficult to predict."

Attraction

Q5b. Why do you feel less confident/neither about bookings/visitor numbers/customer orders for the next 12 months? Base: 23

Rising costs and staff recruitment are key barriers to growth for the year ahead

Q6. What are your biggest barriers to growth in 2024?



This included a variety of different reasons including economic conditions, and visa delays.

Rising costs particularly likely to be considered as a barrier to growth for Accommodation providers (89%, n:9) and Attractions (87%, n:13).

Q6. What are your biggest barriers to growth in 2024? Base: 86

Majority find it difficult to recruit staff with the required skill sets

Q7. When recruiting new employees, is your business able to find staff with the skill sets required?

90% sometimes or always struggle to find staff with the skill sets required.

Compared to other member categories, Attractions were least likely to always or sometimes struggle to find staff with the required skillset (60%, n:9)

Q7. When recruiting new employees, is your business able to find staff with the skill sets required? Base: 80 (Don't know and Not applicable responses removed from base

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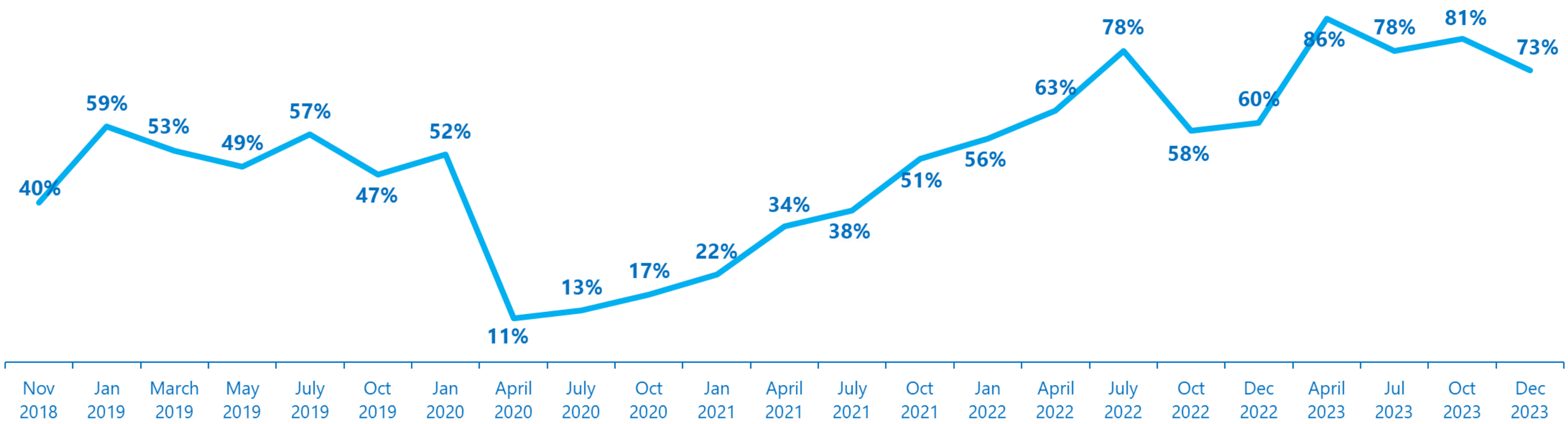
This research was carried out in compliance with ISO 20252, (the International Standard for Market and Social research), The Market Research Society's Code of Conduct & UK Data Protection law.

Appendix: Confidence levels over 5 years (Nov 2018-Oct 2023)



Q5. Looking ahead to the next 12 months, how confident are you feeling about bookings / visitor revenues / customer orders?