



Larking Gowen

Tourism Business Survey



# DMO Autumn/Winter Survey

## 2024/25



Larking Gowen

Committed  
to you.



# Survey overview

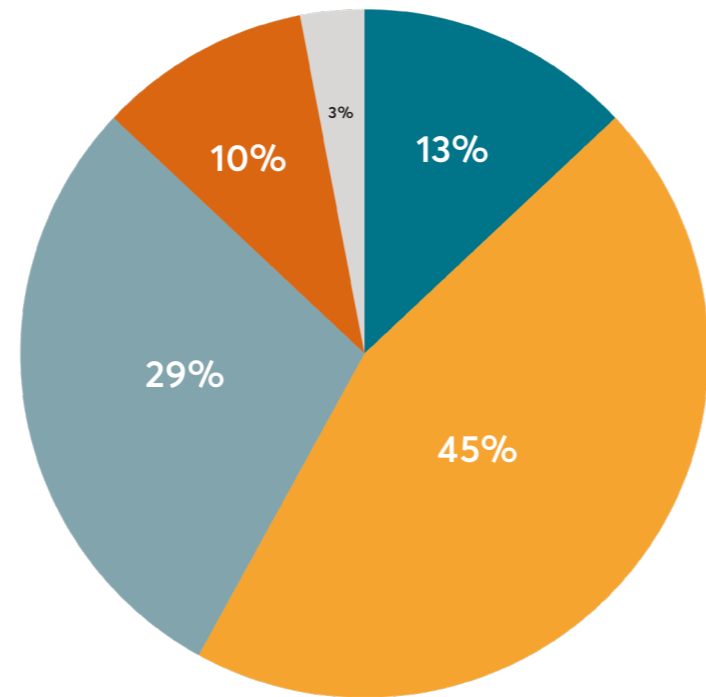
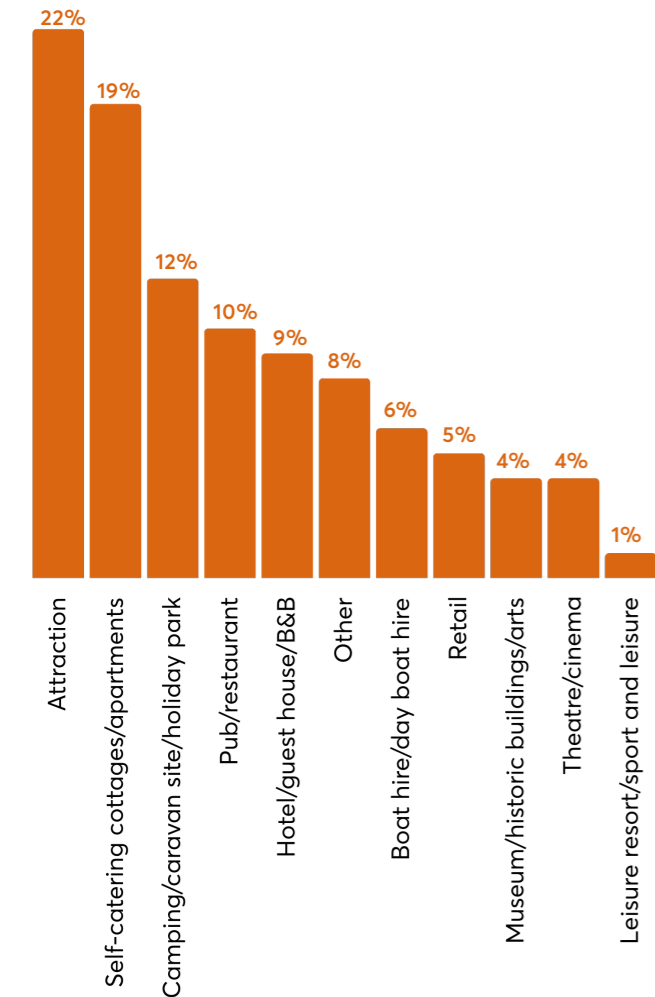


Over autumn and winter, we worked with the Destination Marketing Organisations (DMOs) in East Anglia to get an understanding of the tourism, leisure and hospitality sector across the area. This has allowed us to see how businesses have performed over the season and how external factors have contributed and impacted them.

## Respondents

The following is a cross section of the respondents who participated in the survey, providing results from a good representative population across the DMOs in East Anglia and beyond.

Size of businesses participating in survey



- No employees
- 1-10 employees
- 11-50 employees
- 51-250 employees
- 250+ employees

## Changes in footfall

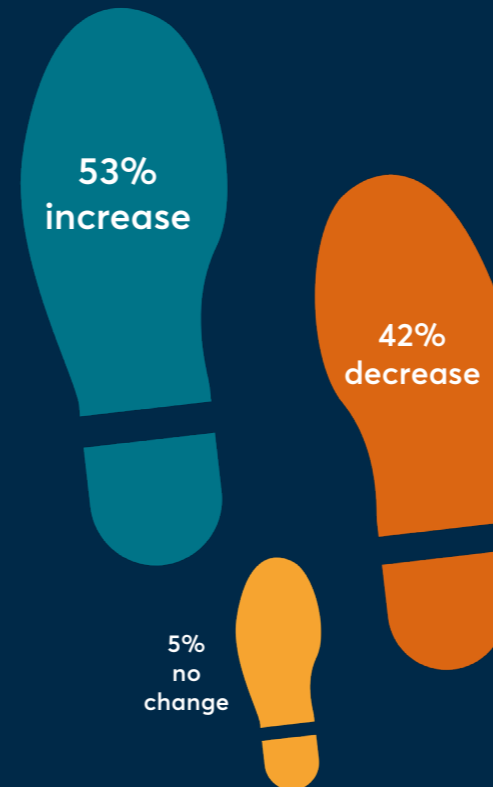


Overall, the changes in footfall were inconclusive, as an equal number of people reported an increase and a decrease, while 12% reported no change.

The increases were, on average, around 10%, with some reporting as much as a 25% increase. Many attributed these gains to new events, improved products and better marketing.

The main factors behind decreased footfall appeared to be the general state of the economy and lower consumer confidence.

Upon further examination, attractions, leisure venues, museums and theatres reported a slightly more positive impact on footfall during the winter period, with over half experiencing an increase.



However, among pub and restaurant respondents, only 33% saw an increase in footfall, while retail businesses showed a 50:50 split between increases and decreases.

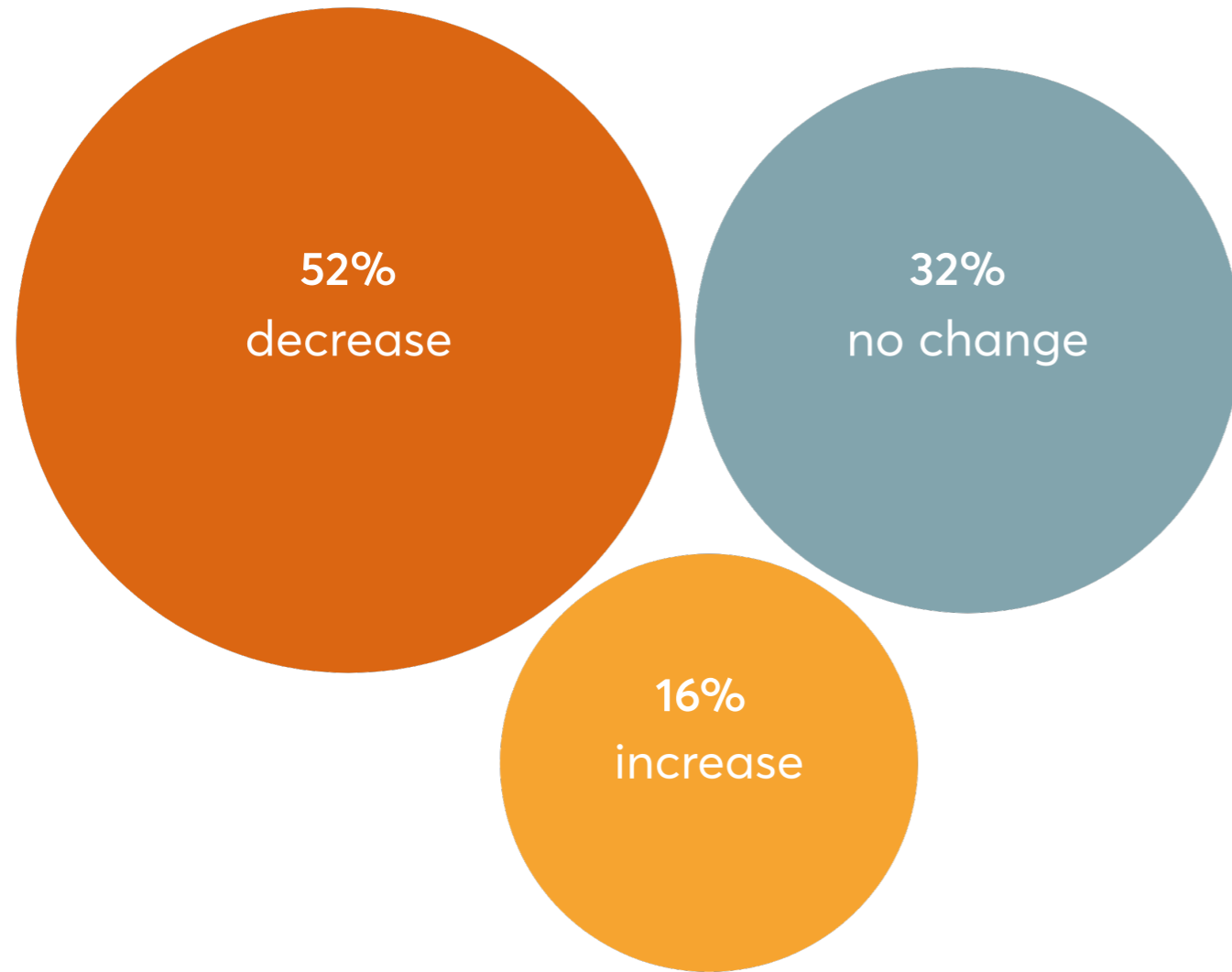


Once again, better marketing and a sense of a more stable climate appeared to drive the positive impacts. On another positive note, new businesses shared their views, though they reported no change due to a lack of prior results for comparison.

On the downside, pub and restaurant owners have continued to feel the impact of the cost of living crisis, as lower disposable incomes have led to a decline in guest numbers.



## Changes to occupancy rates



Around half of businesses in the boat hire, holiday park, hotel and self-catering trades noted that occupancy rates had decreased, with 32% reporting no change. This follows the trend we saw in the summer survey results.

Some proactive initiatives included using social media to announce cancellations and upcoming availability, helping to recover otherwise lost sales and positively impacting overall occupancy rates. Others focused on offering value for money, good service and really listening to guests' needs to drive better engagement.

Others have expanded their offerings or added more properties, which led to higher overall occupancy compared to the same time last year.

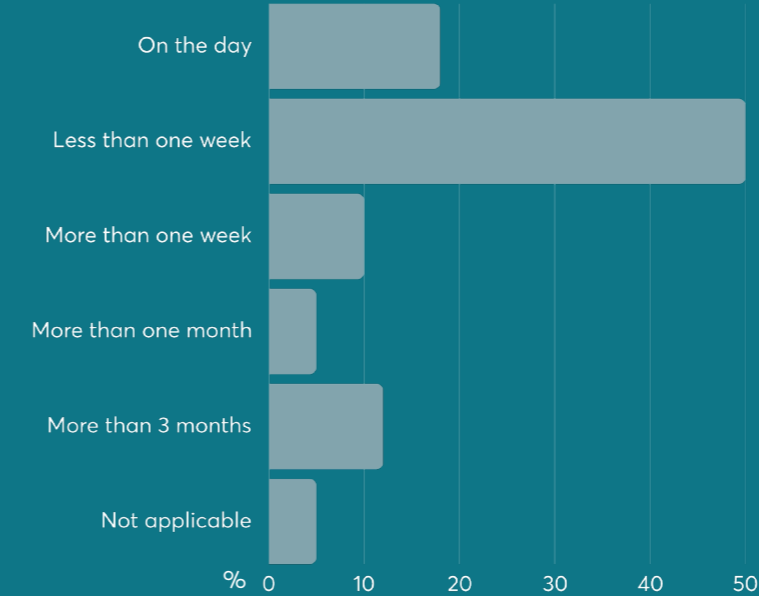
The increases were, on average, around 5%.

The decreases were, unfortunately, a little larger, averaging in the region of 10-25%.

The main reasons included the weather, economic decline and an overcrowded market.



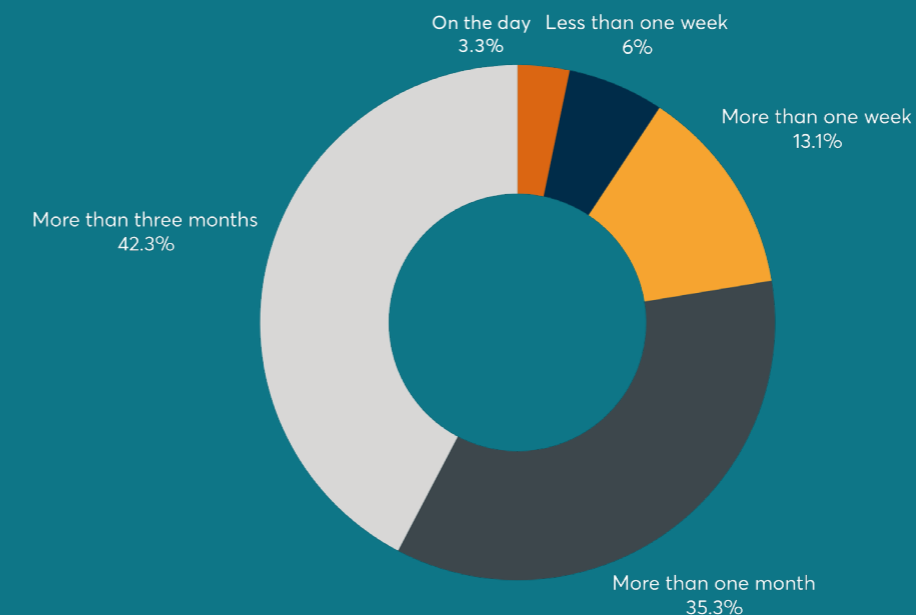
## Advance bookings for attractions



More than two-thirds of attraction businesses reported that advance bookings were made less than a week in advance, following a similar pattern observed during the summer.

## Advance bookings for accommodation

In contrast, 77% of accommodation providers reported receiving bookings at least one month in advance, an increase from 68% in the summer survey. This advance booking trend is helpful for business planning and managing their income pipeline.

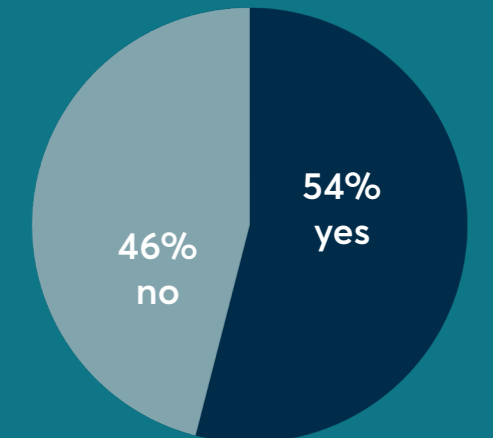


## Changes to opening hours

77% of businesses responded that their opening hours had remained consistent over the last three months, with 17% decreasing their hours and just 6% offering an increase to opening hours.

For those offering accommodation, just one person responded that their hours had increased.

## Have there been any special offers or promotions?



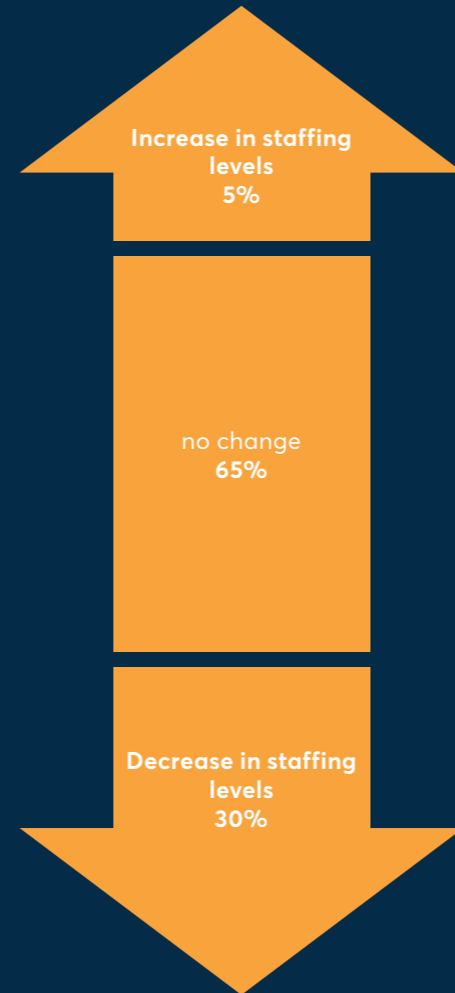
More than half of all businesses surveyed said they had used special offers or promotions to increase business over the last three months (this is up from 39% in the summer survey).

This ratio is reflective of most sectors, although 83% of pubs and restaurants, and 75% in retail, made promotional offers throughout the winter period.

Only 3% of businesses offering accommodation had increased their complimentary goods or services during the season, with 94% making no change.

## Staffing

There were a small number of businesses at 5% reporting increases in staffing levels, with the majority making no change, but still 30% reporting a decrease in headcount. This is in part due to some businesses closing down for the winter season but also reflective of the impact of the increasing costs of employment.



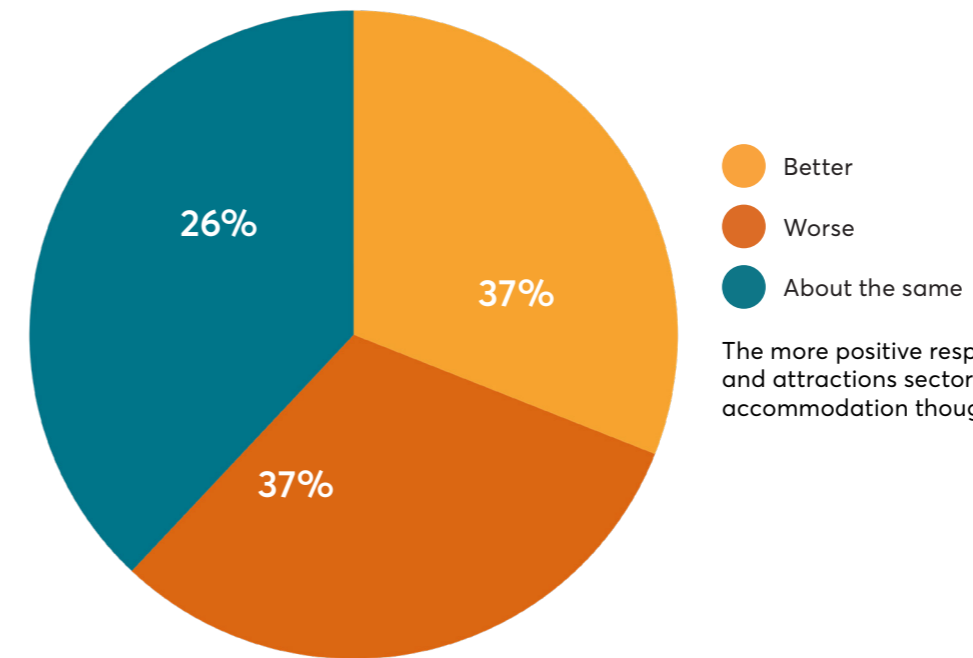
## Customer spending behaviours

"People are much more conscious of spend and are going out less."

"Much more selective about what they spend their money on. Quality over quantity and chasing the enhanced value offers."

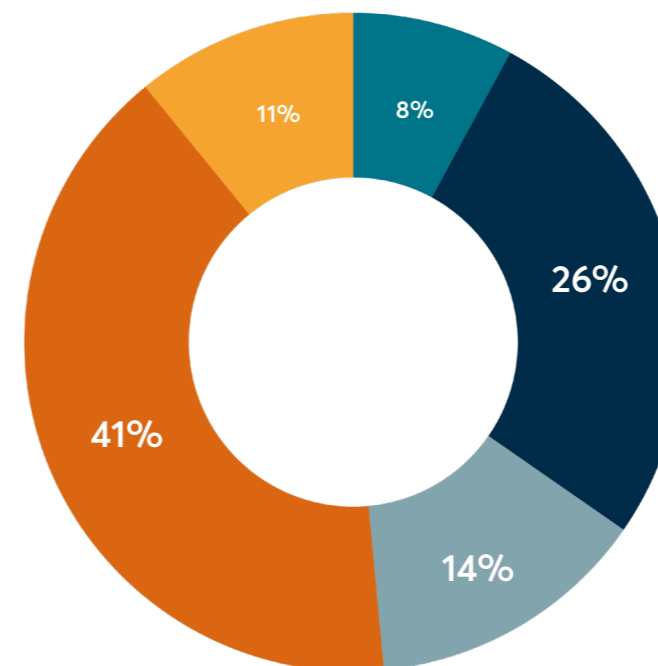
Many respondents reported a slight decrease or no significant change in customer spending habits. Unfortunately, no one observed a positive impact.

## How did businesses rate their overall performance compared to the same time in 2023?

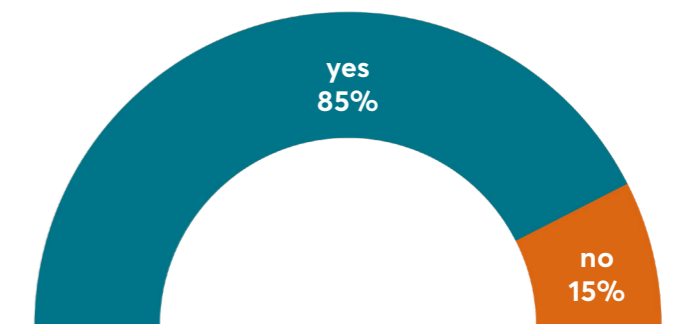


The more positive responses came from the pub, restaurant and attractions sectors. Only 17% of those offering accommodation thought their business had performed better.

## Outlook for the first quarter of 2025



## Outlook for 2025 – will it be as challenging?



85% said they thought 2025 would be challenging for businesses.

The main reasons for this include:

- Rising staffing costs with the National Insurance and national minimum wage increases
- Other increased business costs
- Geopolitical impacts
- Cost of living and customers prioritising spend on other needs
- Lack of confidence in the new government and lack of support
- Personal economic uncertainty
- Lower future bookings than same time last year
- Increased competition including options for holidays abroad

Of the 15% who responded "No," comments indicated that they had built on their strengths and entered the new year with good order books. Some also noted support from larger businesses in the area, which helps to drive footfall.





### Impact of the Budget and future plans to mitigate the cost increases?

Almost all of the respondents showed deep concern following the Budget and the impact on their business. Some reported substantial cost increases of tens of thousands of pounds, significantly impacting their bottom line.

For some smaller businesses with few employees they felt that the impact was minimal and increased Employer Allowance was seen to be a benefit.

We have shared below some of the plans from respondents to mitigate the expected increase in costs:

- Recruitment freezes and reduction in staffing levels to attempt to counter the increased costs
- Making changes to seasonal staffing by recruiting later, at the start of the season, and making best use of seasonal staff's hours, maximising efficiency
- Reducing working hours at non-peak times
- Pause wage increases for employees already earning above the minimum wage
- Consider the timing of capital investment
- Conduct a review of all costs
- More AI implementation to help with fewer staff
- Price increases to mitigate costs

Additionally, it's always good to review budgets and forecasts to see where costs can be reduced or better spent to increase the return.

The "work smarter, not harder" saying is particularly relevant to see where you can gain efficiencies.

Investing in current staff and training them to be multiskilled not only helps you as a business but supports them in their careers and employability.

Businesses should also consider looking into grant availability for projects or investments.



**We asked for your comments on what further feedback would be useful to you and are very grateful for your thoughts.**

**We will continue to shape our surveys in response and look to tackle these areas and provide information to you.**

## Larking Gowen Tourism Business Survey

**Be part of the conversation and have your voice heard – you're not alone!**

Each year, we ask hundreds of East Anglian tourism, leisure and hospitality businesses to participate in our survey. Sign up to our mailing list to be part of future decisions for the tourism industry and benchmark yourself against other businesses to fully understand your market.



# Committed to you.



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