

## Consumer Confidence & Perceptions around the Impact of COVID-19

North West Research & Strategy are bringing you regular updates on the key points coming out of the COVID-19 pandemic through our weekly review of research and intelligence from the visitor economy sector. This week we have used the [COVID-19 – Attitude Tracker](#) from BVA BDRC & Alligator Digital which looks at UK consumer and business confidence, as well as VisitBritain's [COVID-19 Consumer Sentiment Tracker](#). We have also used the Financial Times [UK economic recovery tracker](#). We hope these consumer and business insights help assist with your current business resilience and planning for recovery post-COVID-19. Don't forget, you can also get further information on Government support and [sector specific advice](#) on the [Growth Platform website](#).

Some highlights from the COVID-19 – Attitude Tracker report include:

- 81% of respondents believe that that the UK will experience a second wave of coronavirus leading to a new lockdown (slightly lower than last week's proportion of 84%), with a higher proportion of women than men considering a second wave to be 'very likely'. However, the proportion of adults who believe that the 'worst is still to come' has declined (39%, compared to 43% last week)
- For the first time in 7 weeks, there has been growth in the proportion of adults who believe that life will return to something close to normal by the end of 2020 (28%, 4% up from last week).
- The proportion of British adults who fall into the three 'concerned' segments of the market ('COVID Cautious', 'COVID Impacted' and 'Anxious Appreciator Hermits') has decreased by 6% to 41% this week. The proportion of 'Pragmatic Policy Supporters' has remained constant on 20%, while the proportion who fall into the 'Life Goes On' has increased by 5% from last week, to 39%.

- The proportion of those who plan to go to a visitor attraction by the end of August has increased to 37% this week (compared with 29% last week). Lead times for visiting remain shortest for country parks or scenic areas, and longest for theme parks.
- There has been a slight decrease in the proportion who intend to visit a zoo, an aquarium and a museum/gallery by the end of August this week, perhaps reflecting concerns about a second wave.
- 22% of respondents plan to go on a UK holiday by the end of August (compared to 24% last week). Intentions to take a trip later in the year have increased this week, after slightly declining in the previous report.
- Levels of intention to go shopping by the end of August has risen for the third week in a row (from 48% to 53%), despite the compulsory wearing of face masks in shops in England.
- The proportion intending to visit a restaurant by the end of July has increased from 26% to 28%, while the proportion intending to by the end of August has increased from 42% to 48%. This is likely a reflection of VAT reductions, and the August launch date of the 'Eat Out to Help Out' scheme.

Main points from VisitBritain's Consumer Sentiment tracker include:

- This week's 'appetite for risk' score stands at 2.6 out of 4, a small increase from 2.5 last week. 'Appetite for risk' for all activities has seen an increase of 0.1 this week, with the exception of going for a walk which has levelled out.
- Confidence in the ability to take a trip between October and December has decreased this week (45%, 5% lower than last week), whilst 53% are confident they will be able to from January 2021 onwards (compared to 67% last week). This may reflect concerns about a second wave of COVID-19, or concerns about a potential recession.

- 'I have concerns about catching COVID-19' remains the leading reason respondents give for not being confident about travelling, both between June and September and from October onwards. This is then followed by 'fewer opportunities to eat/drink out' in July to September, and 'personal finances' from October onwards.
- Compared to normal, the public anticipate taking 37% fewer short breaks (compared with 20% last week) and 38% fewer holidays of 4+ nights (compared to 27% last week) in the UK between now and the end of 2020. Once again, this is likely a reflection of concerns around a second wave later in the year.
- In terms of where respondents plan on staying in the UK for an overnight trip between June and September, the North West now ranks 3rd out of 10 options for the second week in a row, with 11% stating it as their preferred destination. From October onwards, the North West ranks 4th out of 10.
- 20% indicate that a 'city or large town' would be their main type of destination for a trip July-September, ranking it 4th out of 5 options. However, from October onwards, 'city or large town' is the most popular option, with 32% stating it as their preferred destination type.

Key points from the Financial Times' UK economic recovery tracker are:

- Consumer spending, which comprises almost two-thirds of the UK's GDP, began to fall sharply in March as lockdown became inevitable. Although online spending has increased steadily, total expenditure remains depressed, particularly for airlines (-52%), clothing (-32%) and food & drink (-20%).
- Relaxation of restrictions has meant that more companies have reopened across all sectors, however, social distancing measures and lower sales are preventing a full recovery and weighing on growth and jobs. The hospitality sector contains the highest proportion of

businesses operating with reduced turnover (84%), with ~58% of staff in this sector on furlough.

- Retail footfall picked up slightly when shops reopened on 15 June, however, it remains well down on normal levels (-42%).
- The number of visits to UK entertainment hubs, restaurants and cinemas are below both pre-coronavirus levels and most European countries. This largely reflects the later easing of restrictions in the UK compared to other countries, however, steady improvements from April's low signal a continuing recovery.
- Restaurants recovery was kick-started on 4th July when they were allowed to open again for dine-in customers, and this impact was immediate, according to data from restaurant booking company OpenTable (from -100% before 4th July to -35% now)
- Spending in pubs and restaurants has risen steadily in 4th July, with both climbing to around 60% of normal levels by the end of July.

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