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 VisitBritain's COVID-19 Consumer Tracker, alongside insight from Mintel's flagship British Lifestyles report. 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 VisitBritain's COVID-19 – Consumer Tracker include:

- Compared to the last report, there has been a slight decline in the proportion of UK adults who expect 'normality' by next March (falling from 18% to 14%). 35% believe there will be 'normality' by April-June 2021 whilst just under half of all respondents (49%) not expecting 'normality' to return before July.
- 36% of adults anticipate taking the same number or more domestic trips compared to normal between now and the end of March, which is 1% higher than was recorded in the last report. However, 37% plan on taking fewer domestic trips.
- Confidence in the ability to take a domestic overnight trip booked in March 2021 has declined by 7% this week, to 27%. The top reason respondents gave for not feeling confident about taking trips in the UK, both in early winter and late winter, was 'restrictions on travel imposed by government'. In early winter, this is followed by 'it is not responsible to travel in this period', whilst in late winter it is followed by 'I have concerns about catching COVID-19'.

- 12% of respondents claim to have already planned their next domestic overnight trip, with 8% stating that they have already booked theirs. This is a slight increase from the last report (recording 10% and 6% respectively).
- The North West ranks 3rd out of 12 options for where respondents are planning on staying for their next UK trip, compared to ranking second in last week's report. Ahead of the North West is London in second place, followed by the South West in first place.
- For early winter, 'city or large town' is the second most popular destination type, behind 'countryside or village'. However, for late winter, 'city or large town' is the leading destination type.
- The most important conditions that are essential for respondents to stay in accommodation this winter are 'free cancellation' (53% citing this), 'staff to wear face masks' (50%), 'plentiful hand sanitisers' (49%) and 'enhanced cleaning regimes' (48%).

Insight from Mintel's British Lifestyles Report includes:

- Total UK consumer spending is expected to fall by a staggering £183.6 billion (15%) this year due to the impact of COVID-19. This equates to a drop in spending of around £6,600 per household.
- The biggest decreases are occurring in the transport, foodservice and holiday industries, with consumer spending in these categories expected to fall by £140.1 billion in total (just over £5,000 per household), representing around 77% of the overall decline in consumer spending this year.
    - For transport, the total fall in consumer spending is expected to be £55.1 billion, a 30% decrease from 2019.
    - For foodservice, the total fall in consumer spending is expected to be £44.3 billion, a 59% decrease from 2019.

    - For holidays, the total fall in consumer spending is expected to be £40.7 billion, a 70% decrease from 2019.
- However, these three categories are expected to bounce back the strongest in 2021. Spending on transport will increase by £32.3 billion compared to 2020, foodservice will rise by £17.2 billion, and holidays by £19.2 billion. This represents an increase in spending of just under £2,500 per household (however, this will still only represent a return to pre-pandemic levels).
- The three sectors that will experience the biggest increase in consumer spending this year – totalling £11.2 billion or just over £400 per household – are food, alcoholic drinks and non-alcoholic drinks purchased at 'retail channels' (e.g. supermarkets) and consumed at home.
    - Food will see an increase in consumer spending of £6.9 billion, an 8% increase from 2019.
    - Alcoholic drinks will see an increase in consumer spending of £3.6 billion, a 16% increase from 2019.
    - Non-alcoholic drinks will see an increase in consumer spending of £0.7 billion, a 6% increase from 2019.

Growth Platform

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