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. This week, we have used VisitBritain's COVID-19 Consumer Tracker and have also included some insight about Brexit using BVA BDRC's ClearSight Report on Business and Brexit. 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: *(note that the fieldwork for this report took place between 18-23rd December, which is before the 4th January announcement of England's lockdown)*

- The proportion of UK adults who feel that 'the worst is still to come' has almost doubled since the last report, with the majority (62%) feeling this way. Only 7% believe 'the worst has passed' – over three times lower than in the last report.
- The overall 'appetite for risk' has decreased since the last report, from 2.6 to 2.5 out of 4, where 4 = very comfortable doing activity. 'Eating at a restaurant' and 'travelling by public transport' both declined by a relatively large 0.2 points.
- Confidence in taking a UK overnight trip in June 2021 has decreased by 10% since the last report, from 60% to 50%. At the time of the fieldwork, only a minority of UK adults were confident that a booked overnight domestic trip would go ahead as planned in January (10%).
- The main reason given for not feeling confident about taking a UK trip, in both Winter and Spring, was 'restrictions on travel from government (national or devolved)'. This is followed by 'it's not responsible to travel

during this period' in Winter, and 'I have concerns about catching COVID-19' in Spring.

- At the time of the fieldwork, just 11% anticipated going on an overnight trip in the UK between January and March. This figure rises to 21% for Spring (April-June) and 25% for Summer (July-September). 31% do not intend on going on a trip at all.
- The South West is the leading destination for an overnight stay in both Winter and Spring (with 17% and 20% intending to visit respectively). However, there is minimal separation among the next three intended destinations, where Scotland, London and the North West each exhibit broadly similar shares.
- 'City or large town' (35%) is the leading destination type for a trip this winter, 5% ahead of 'countryside or village'. However, 'countryside or village' is the leading destination type for spring trips (33%), which is then followed by 'traditional coastal/seaside town' at 29% and then 'city or large town' at 27%.
- Overall, 'booking incentives' are the most important conditions that are essential for a stay in accommodation this winter, driven by a desire for 'transferrable bookings' and 'free cancellations. The single most important condition for accommodation providers to have in place is to ensure staff wear face masks.

The main points from the ClearSight Report on Business and Brexit include:

- 68% of businesses felt at least one of the following about Brexit in December: 'well prepared', 'relaxed' or 'in control'. 29% of businesses felt all three, with the proportion of businesses who felt all three increasing with turnover.

- Overall, larger businesses are more likely to think that they will be affected by Brexit, with 47% of businesses with a turnover of £5M+ stating that 'the changes will really affect us' (compared to 21% of businesses with a turnover of £250K-£1M). Larger businesses were also more likely to state that 'we have a clear idea of what the impact will be for us' (46%, compared to 25% for smaller businesses).
- This appears to have spurred them on to spend more time on preparations, and as a result, they are more likely to feel in control than smaller businesses (56% of larger businesses stating that 'we are in control', compared to 46% of smaller businesses).
- 35% of businesses felt at least one of the following about Brexit in December: 'unprepared', 'very stressed' or 'winging it'. This time, just 8% of businesses felt all three, with little difference by size of business.
- Smaller businesses are twice as likely to feel immune to Brexit, with 56% of businesses with a turnover of £250K-£1M believing that 'the changes will not affect us' (compared to 24% for businesses with a turnover of £5M+).
- However, this could be a case of 'ignorance is bliss', with 30% of smaller businesses stating that 'we have no idea what the impact is going to be for us' compared to 16% of larger businesses. Furthermore, smaller businesses were more likely to state that 'we have had more important things to spend time on' (44% compared to 22% of larger businesses).
- There are strikingly similar levels of confidence in Government handling of Brexit and COVID-19 – overall, 44% of businesses said they were confident in the Government's handling of COVID-19, and 43% were confident in the Government's handling of Brexit. This suggests that perceptions of the Government, whether for COVID-19 or Brexit, may be

more heavily linked to political persuasion rather than the actual handling of these issues.

- COVID-19 is perceived to be the bigger threat to businesses right now, especially in the case of smaller businesses – 56% of businesses with a turnover of £250K-£1M believe that COVID-19 is the greatest risk, compared to 37% for businesses with a turnover of £5M+.

Growth Platform

14 January 2021