



COVID-19 BUSINESS IMPACT SURVEY

MAY 2020



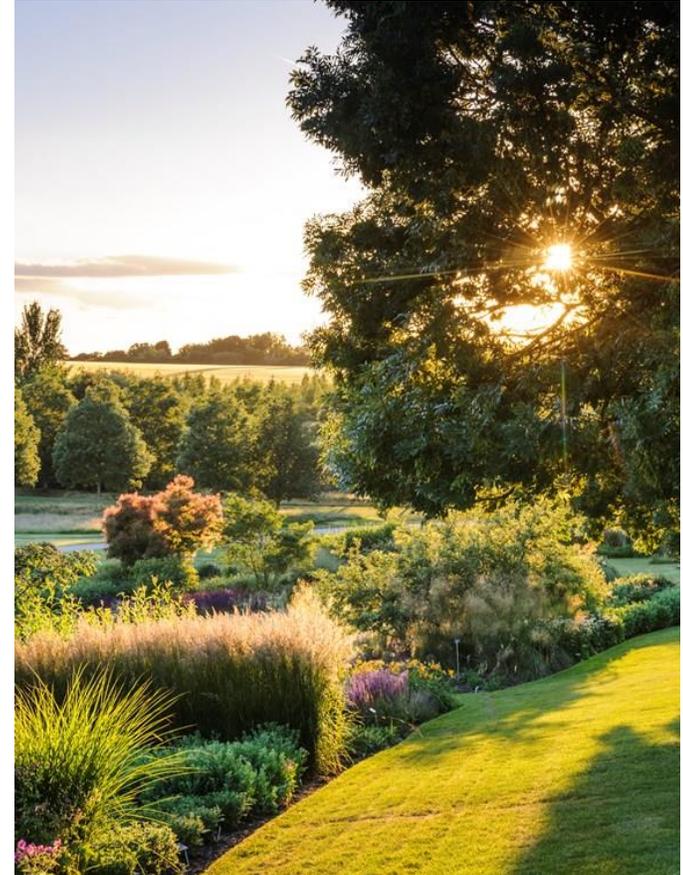
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Introduction

Due to the impact of the COVID-19 pandemic and with many businesses being closed during March, instead of collecting visitor footfall as part of our monthly Business Barometer, Visit Kent invited businesses from across Kent to complete a short survey, to gain an insight into how the COVID-19 pandemic is impacting businesses.

This report aims to summarise the challenges that are currently being faced by businesses in the county and identify what support and guidance businesses need, whether that be financial assistance or guidance around cleaning and hygiene. The report also looks to identify which financial schemes businesses are accessing, alongside highlighting any operational difficulties businesses felt they may have with a staggered reopening and social distancing measures in place.

In addition, the report will also outline ways in which businesses felt the tourism and hospitality sector could be boosted in the immediate aftermath of COVID-19 and what steps the Government should take to boost UK inbound tourism when social distancing measures are lifted.

We would also like to thank those businesses who took the time to complete the survey during this difficult time. The findings are valuable not only to help ensure businesses are getting the support they need, but also to help build a strategy for recovery.





Survey Overview

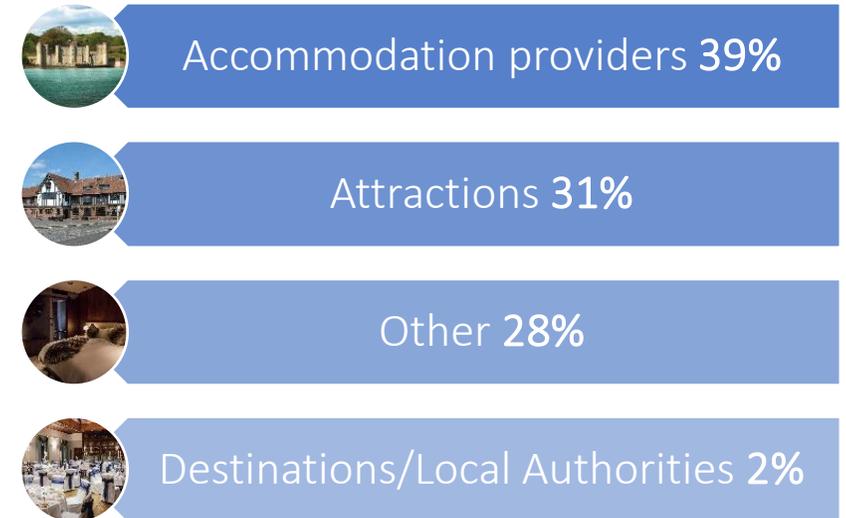
Aims and methodology

- Visit Kent invited visitor economy businesses from across Kent to complete a short survey, to gain an insight into how the COVID-19 pandemic is impacting businesses across the county and the challenges they are currently facing. The survey also looked to identify what support and guidance businesses are in need of, whether that be financial assistance or guidance around cleaning and hygiene.
- Findings from this survey will be fed into various Government committees and will also be included in Visit Kent's response to the DCMS Select Committee, into the support needed by the industry.

Sample

- The survey was sent out to businesses across the county from 22nd April - 8th May and all answers given were completely confidential. The survey had a total of **95** responses, split across the 4 categories displayed in the diagram to the right.
- The majority of businesses who completed the survey were accommodation providers (**39%**), followed by attractions (**31%**). The remaining businesses were made up of those from destinations and local authorities and 'other', which included businesses such as cafes, bars, restaurants, arts and community centres, sports and leisure centres, as well as other venues. The results of the survey were also analysed by business type, where findings showed differentiation from the overall results.

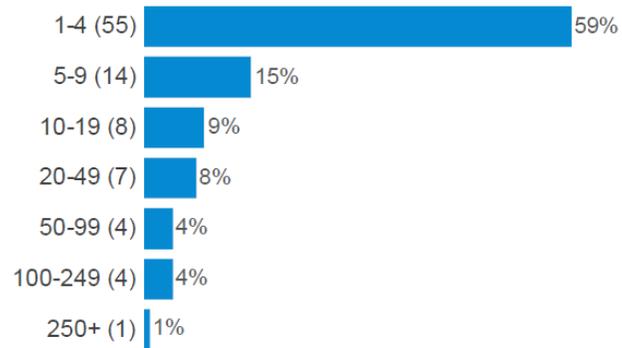
'The findings from this survey are valuable not only help ensure businesses are getting the support they need, but also to help build a strategy for recovery'



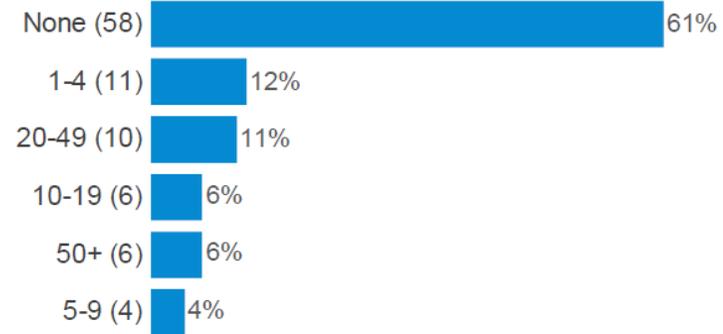
Survey Findings

- The survey firstly asked businesses to specify how many employees or volunteers their business has.
- Findings show that the majority of businesses have between **1-4** employees (**59%**), followed by those with **5-9** employees (**15%**).
- In terms of number of volunteers, **61%** specified they did not have any, this was then followed by those with **1-4** (**12%**) and **20-49** (**11%**).
- Looking at the size of attractions by annual footfall, the majority stated they receive under 20,000 visitors per year (**59%**), followed by those with 20,001-50,000 visitors per year (**28%**).

Number of employees



Number of volunteers



Attraction size- visitors per year



How has your business been impacted so far?

- The survey looked to identify ways in which businesses have been impacted by COVID-19, with the most common being general footfall loss, followed by impact on cash flow and impact on domestic group visits.
- This result was also consistent across different types of businesses. However, for those attractions with 50,001-200,000 visitors per year, international visits were highlighted as the third most impacted, demonstrating their appeal and reliance on this market.



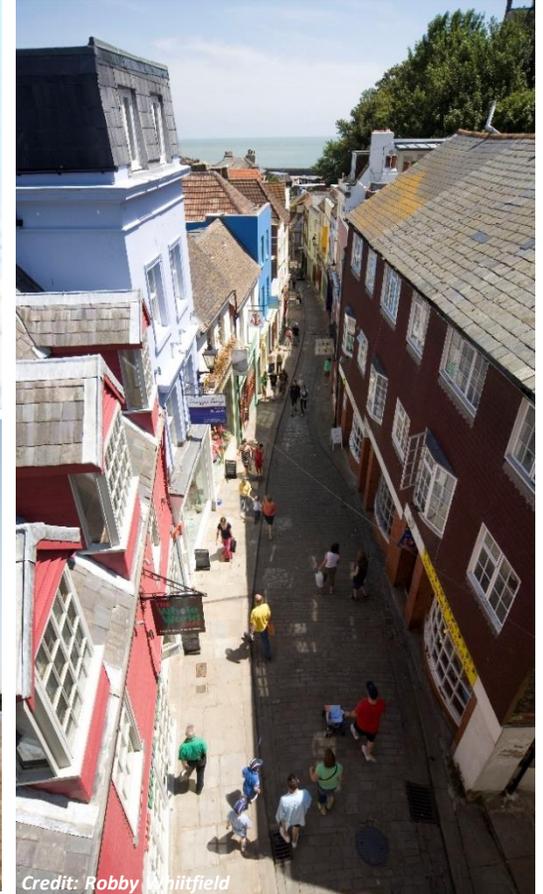
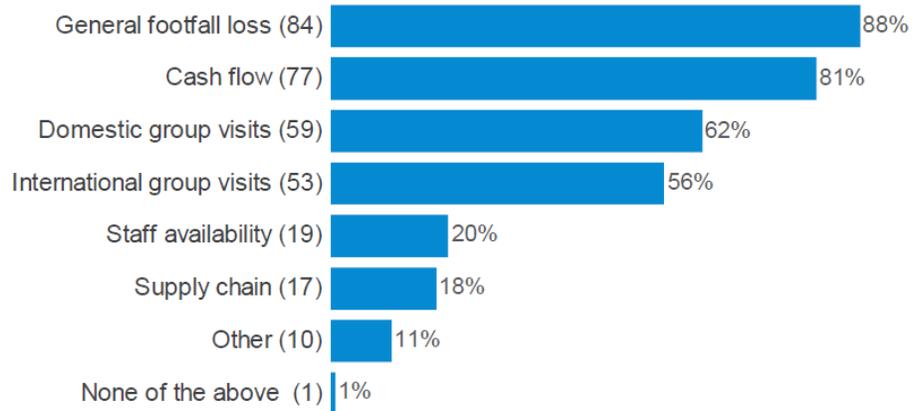
Footfall loss



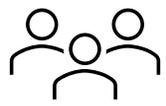
Cash flow



Domestic group visits



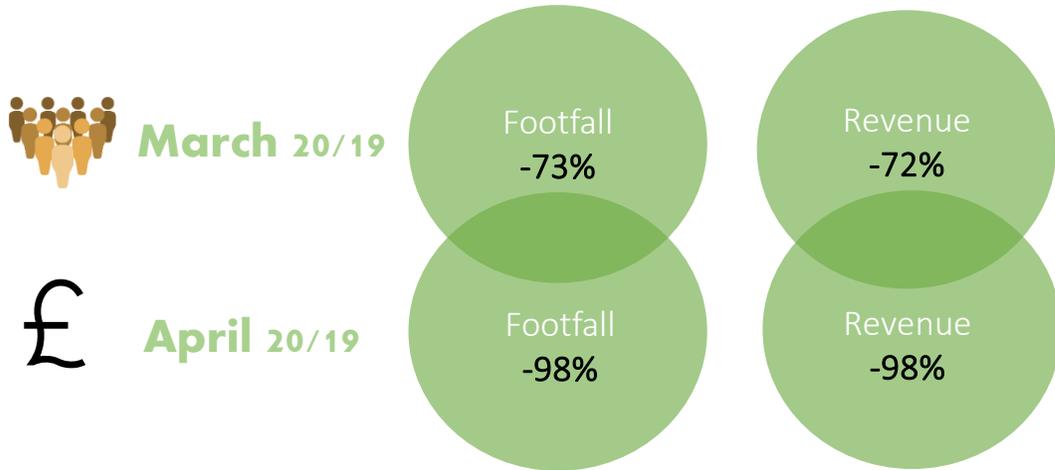
Credit: Robby Whitfield



Loss of footfall and revenue

What percentage of footfall and revenue did you lose as a result of COVID-19 in March and April, compared to the same months of 2019?

- Looking at how the COVID-19 pandemic has impacted on footfall and revenue, in March businesses experienced an average loss of **-73%** in footfall compared to March 2019 and an average loss of **-72%** in revenue compared with the same period the previous year.
- The findings show that this impact worsened into April as the lockdown progressed, with businesses seeing on average a **-98%** loss in both footfall and revenue compared to April 2019.



Attractions



March 20/19

Footfall
-74%

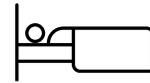
Revenue
-69%

April 20/19

Footfall
-100%

Revenue
-99%

Accommodation



March 20/19

Footfall
-77%

Revenue
-77%

April 20/19

Footfall
-95%

Revenue
-99%

Other



March 20/19

Footfall
-67%

Revenue
-66%

April 20/19

Footfall
-99%

Revenue
-97%

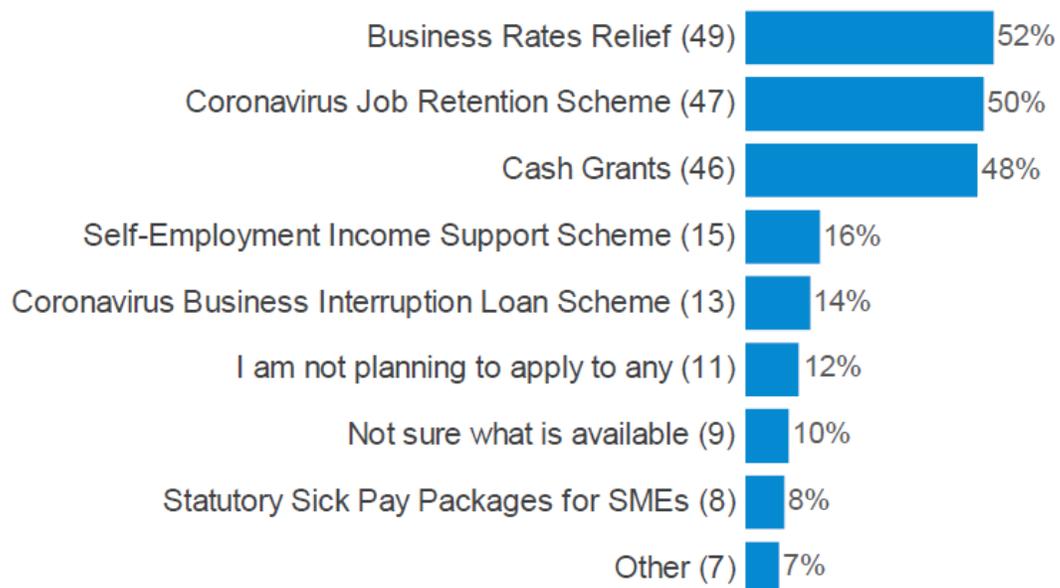
- All types of businesses suffered significant losses in footfall and revenue across both months compared to 2019, however in terms of footfall attractions saw the largest decrease over the two months compared to other businesses.
- All businesses saw a similar loss of revenue in April, although overall accommodation providers saw the largest average loss of revenue, compared to the same months in 2019.



Financial support schemes

Which of the following financial support schemes have you, or are you planning to access?

- The survey asked businesses about which financial schemes they have or are planning to access. The findings show that the most popular scheme was Business Rates Relief with **52%** of businesses selecting this, followed by the Coronavirus Job Retention Scheme (**50%**) and cash grants (**48%**), as seen in the graph below.



Attractions



Findings show that a larger percentage of attractions specified they had or are planning on accessing the Coronavirus Job Retention Scheme compared to businesses overall (55%). This was the top scheme selected by this group, followed by Business Rates Relief and cash grants.

Accommodation



Results show that accommodation providers are looking more towards accessing cash grants, with this being the most selected among this group (54%), which was then followed by Business Rates Relief (49%) and the Job Retention Scheme (38%).

Other



Results for businesses within this group were consistent with the results for businesses overall, although a significant percentage (67%) selected Business Rates Relief, followed by the Job Retention Scheme (59%) and cash grants (56%).

1-4 employees



Smaller businesses with 1-4 employees most commonly selected cash grants (44%), showing their importance to this group of businesses.



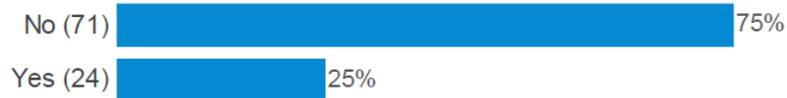
Financial support schemes

Have you had any challenges applying for a financial support scheme?



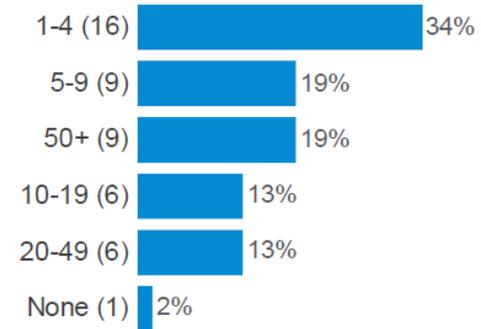
- **62%** of businesses stated they had not experienced any challenges when applying for a financial support scheme. Although, this percentage was not as high in the case of accommodation providers, with **46%** stating they had encountered issues when applying.
- These challenges included eligibility for Business Rates Relief and reluctance from banks to lend. In particular, businesses encountered challenges with the **Coronavirus Business Interruption Loan Scheme**, including slow processing times and a complex application process.

Have you had any insurance claims refused?



- Overall, **75%** of businesses stated they have not had any insurance claims refused during the COVID-19 period, which was particularly high in the case of attractions (**90%**). However, this was not as high for accommodation providers (**65%**).

How many employees has your organisation placed on furlough?



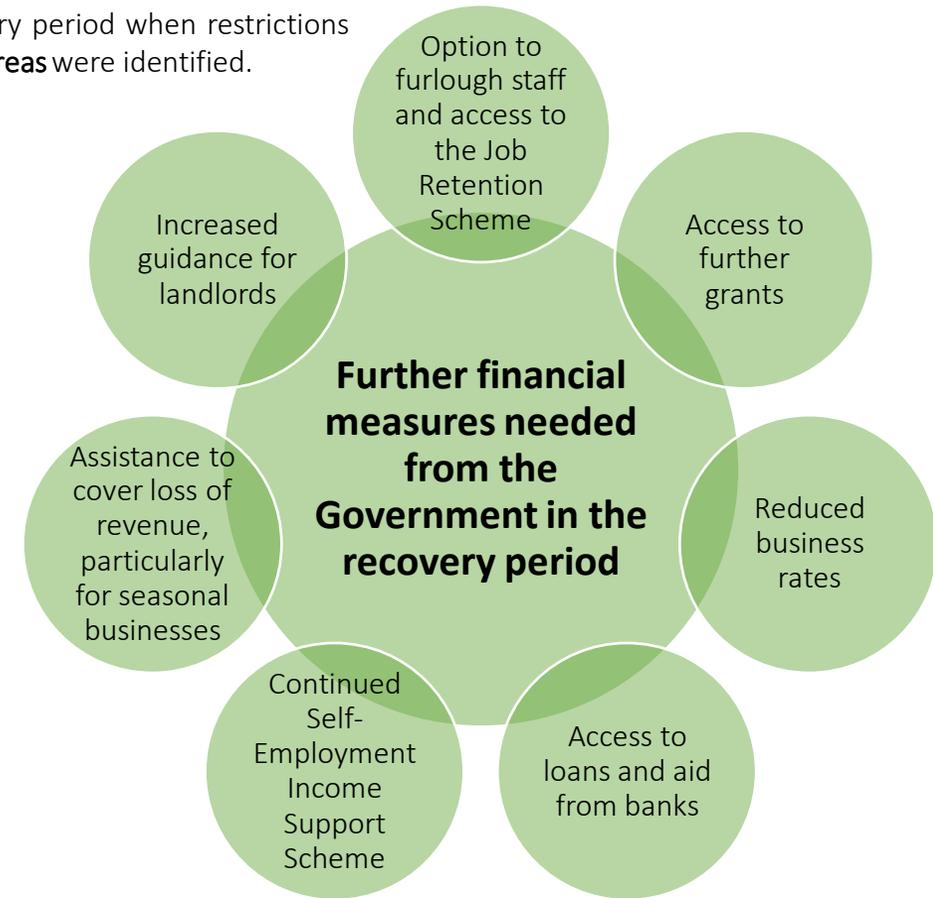
- Of the businesses that stated they had or are planning on accessing the Job Retention Scheme, the survey asked how many employees their organisation has placed on furlough. Overall, the largest proportion of businesses (**34%**) have placed **1-4 employees** within their organisation on furlough.
- This result was consistent among attractions and ‘other’ businesses, however the largest proportion of accommodation providers (**29%**) have placed 50+ of their organisation’s employees on furlough.
- Looking at the percentage of furloughed staff in relation to the number of total employees, businesses with **1-4** employees all specified they had furloughed between 1-4 employees. Businesses with **5-9** employees, **82%** specified they had furloughed between 5-9 staff members, with the remaining **18%** furloughing between 1-4 employees. Overall, the majority of businesses indicated that their number of furloughed employees is in the same bracket as their total employees, indicating that most businesses have furloughed the majority of staff members.

£ Further Financial Measures

What further, or continued, financial measures do you envisage your business needing from the Government in the recovery period when restrictions begin to be lifted?

Businesses were asked what financial measures their business would need from the Government during the recovery period when restrictions begin to be lifted. Answers given were analysed and grouped together thematically, from this the following **seven key areas** were identified.

- 1 The most cited answer focused on the importance of extending the **Job Retention Scheme** and the need for support to be available until businesses can open fully.
- 2 Businesses then stressed the need for **further grants** especially if strict prolonged social distancing measures remain in place, as this will limit footfall and revenue.
- 3 A significant number of businesses voiced the need for financial assistance to **cover loss of earnings** and highlighted the negative financial impact on **seasonal businesses**, which rely heavily on revenue in the summer and may require additional support in the winter months.
- 4 Businesses also highlighted the need to access **loans** and prolonged assistance from **banks**.
- 5 A number of businesses also stressed the need for the Government to ensure the **Self-Employment Income Support Scheme** is extended.
- 6 Increased **guidance for landlords**.
- 7 Businesses expressed the desire for **Business Rates Relief to continue** into 21/22.





Impact of a staggered reopening

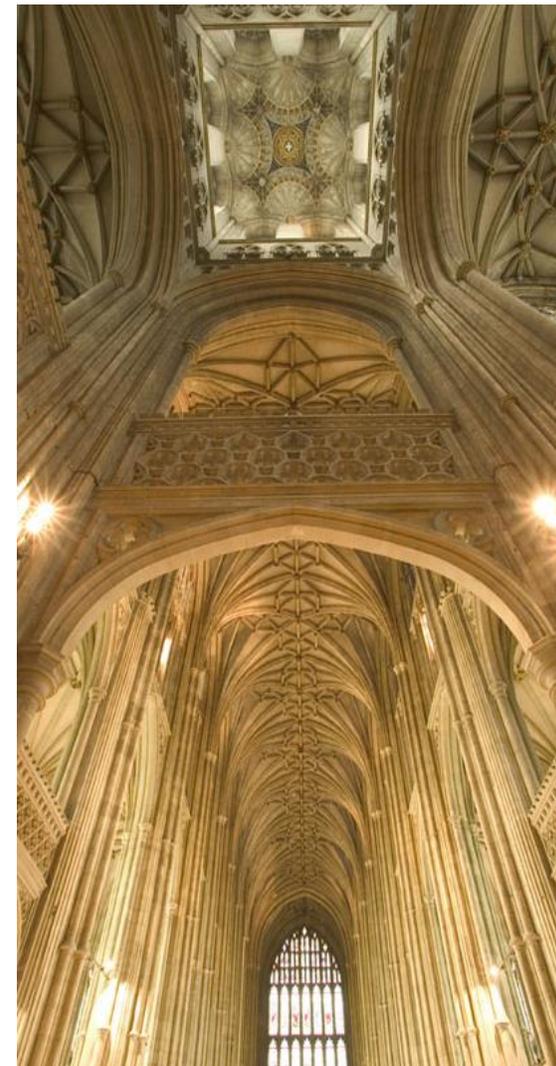
What impact would a staggered reopening have on your business?

Businesses were then asked what impact a staggered reopening would have on their business, for example, if businesses are permitted to reopen but with existing social distancing measures retained; hotels open with no bar or restaurant area; or a cap being introduced on venue numbers.

- The most common response to this question was that businesses felt that implementing social distancing measures would be **impractical due to factors such as the size, layout of even age of their venue**. Some businesses expressed concerns around these restrictions significantly impacting their product or experience if they were to open with social distancing measures in place. For businesses in this situation, their current offering may have to be adapted and bookings would have to be effectively managed and staggered for certain times.
- Businesses also expressed great concern over reopening with social distancing measures in place as it would have a significant **impact on footfall and loss of revenue**. Again, here there was an emphasis placed on the importance and reliance of the summer months for this industry in particular, with some businesses raising the issue that if they were to reopen in this manner they may be **operating at a loss**. Furthermore, particular businesses stated that they would **rather remain closed** until social distancing measures have been completely lifted.
- However, some businesses although not ideal stated they would rather have the opportunity to open even at a reduced capacity, than not at all and some stated that they would look to **adapt their business** as long as customers felt comfortable to travel and the demand was there.
- Dependence on the inbound and elderly markets were also raised by particular businesses, although they felt that these markets may take more time to return as confidence may be low for these groups, especially those at an increased risk.

Accommodation

Self-catering providers stated they would be able to easily manage self-contained properties with social distancing in place. However, overall accommodation providers expressed concerns around needing more time to prepare and clean rooms, which may increase time between bookings and restrict the number they can take. Properties that cater for couples and small family groups could function with measures in place, but for those that cater for larger groups, their rates may have to be reduced to cater for less guests. Finally, accommodation providers also stated that it would be difficult for them to reopen and attract guests if nearby restaurants and bars were closed.





Impact of a staggered reopening - Business quotes

“Due to building layout and corridor width virtually impossible to open until all social distancing is ended”

“Unable to run all experiences at the regular schedule - at least halving the offering and adding additional time to clean”

“It would be somewhat impractical for us and undoubtedly would mean a loss in revenue”

“Huge financial impact, particularly in the height of the season, in terms of restricting numbers of visitors and therefore revenue”

“No impact as my accommodation is an independent annexe entirely apart from the main house”

“I feel if guests are confident enough to travel we would be able to adapt to reassure guests all the social distancing measures are in place”

“If social distancing measures remain in place there is no point in reopening until they are lifted”



Operational difficulties

What specific operational difficulties do you anticipate when looking to reopen your business and will you need Government assistance and guidance ahead of this?

The survey also aimed to identify what specific operational difficulties businesses may have when looking to reopen and if they would require Government assistance ahead of this.

- The most commonly cited operational difficulty among businesses was their need for **assistance with cash flow** in order to prepare for reopening, with areas such as pre-ordering stock and the cost of preparing venues. Alongside this, once again businesses voiced their reliance on the continuation of the **Job Retention Scheme** to be able to continue operating.
- In terms of guidance needed, businesses expressed the need for **cleaning guidelines and products** they should be using, alongside coordinating the logistics of cleaning in between stays or customers, while keeping staff safe. Businesses also cited the need for Government guidance on **cash handling** and **cashless operating**. And with increased importance placed on cleaning and hygiene procedures, some businesses expressed concerns over **increased cleaning costs** and the cost of training staff and maintaining these levels of hygiene. Finally, businesses also felt that providing **PPE for staff** would be expensive as it is single use and they wanted to feel confident that this could be supplied.
- Findings also show the need for general guidance on practices and restrictions, that are clear and relevant to **different types of operations**, for example increased social distancing guidelines and specifically how these can be **effectively monitored**.
- Concern around the lasting impact of the pandemic on **public perception and behaviour** were also raised and that this may take a significant amount of time to recover as customers will be cautious. Businesses felt that customers will need clear guidelines to how to behave to support business efforts. Businesses will need to focus on attracting customers back in line with changed habits and behaviour.
- Lastly, a number of businesses felt that sufficient **notice of reopening** would be vital to be able to carry out operational changes required and to be able to trial these changes and ensure they are sufficiently staffed.



‘Businesses felt that sufficient notice of reopening would be vital to be able to carry out operational changes required and to be able to trial these changes’





Operational difficulties when reopening - Business quotes

“Clear guidance on what is acceptable for each type of operation”

“Clear guidance required - much clearer than we've had to date. And enough notice of reopening, so that operational changes can be made and trials conducted so that on reopening we have confidence in our systems”

“We are going to struggle to get our volunteer force to return until a vaccine is rolled out. The majority of our volunteers fall into the vulnerable category”

“Will need guidance on the possible extension of social distancing guidelines to see how we can apply them to our business”

“Keeping the necessary levels of cleaning, how to ensure customer compliance with rules”

“How to keep staff safe whilst cleaning after and serving members of the general public”

“We are dependent on open borders, other countries restrictions etc. We will continue to require a certain amount of assistance until the customer base is rebuilt”



Guidance on cleaning and hygiene

What, if any, additional guidance do you feel that you need on cleaning and hygiene measures ahead of reopening?

- Businesses were asked if they felt they needed additional guidance on cleaning and hygiene measures ahead of reopening. Overall, findings show that a number of businesses felt that this was already available online and that they have the information they need and were up to date. Other businesses gave details of their own deep clean procedures that they have or are currently undertaking and that they would continue to do this after reopening.
- However, a number of other businesses expressed the need for more general guidance on cleaning and hygiene, through clear Government standards to clarify procedures needed for compliance and to avoid any ambiguity. Furthermore, the below **six areas** give more detail into the areas mentioned by businesses where guidance would be welcomed.

1



Business specific guidelines are needed as different businesses have different operations and clarity would be beneficial. In particular for hotels and restaurants, for handling alcohol and for historic buildings.

2



Advice on PPE for staff in terms of what supplies would be required and where these are readily available. Businesses also mentioned needing clarity on the use of facemasks.

3



Guidance needed on the required frequency of cleaning and products that should be used in line with how long the virus can live on certain surfaces.

4



Information on regulations and guidance from **local councils and authorities**

5

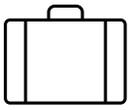


Assistance with **training** and clear guidelines for staff

6



Guidance on how to effectively **reassure customers**



Boosting the Hospitality & Tourism Sector

What fiscal measures should be taken to boost business in the hospitality and tourism sectors in the immediate aftermath of COVID-19 restrictions being lifted?

Looking to the future the survey asked businesses what measures should be taken by the Government to boost business in the tourism and hospitality sector after COVID-19 restrictions are lifted. Responses given by businesses were analysed thematically.

- The most cited answer given by businesses was that the Government could **offer breaks or holidays** in VAT and business rates, alongside offering the option of payment plans on corporation tax and relief for community interest companies.
- Businesses expressed the desire for **further grants** and **business loans**, as continued support for the sector. Businesses also cited the continuation of the **Job Retention Scheme** and for this be gradually reduced to aid with business recovery in line with demand and restrictions in place.
- A common theme that also emerged was the need to ensure there is a **clear marketing strategy** to attract customers and to give businesses support with advertising through best practice and grants.
- Businesses also voiced the need to promote **domestic tourism and staycations** and to promote British and local businesses and venues. This could be achieved through the use of a **national marketing campaign** to increase holidays in the UK and to support and rebuild the local economy.
- Finally, other measures mentioned included **ensuring the public feels safe** to travel and **clear guidelines** in the short and long-term are in place.

'Businesses also voiced the need to promote domestic tourism and staycations and to promote British and local businesses and venues'





Boosting UK Inbound Tourism

What steps should the Government take to boost UK inbound tourism when social distancing measures are lifted?

The survey also asked businesses what steps the Government should take to boost UK inbound tourism when social distancing measures are lifted. Responses given by businesses were analysed and grouped thematically. The following areas emerged as the most common responses given by businesses

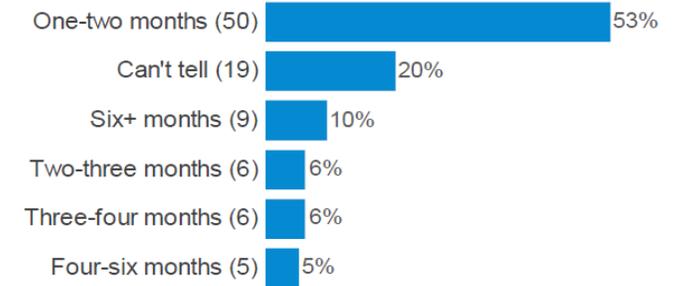
- 1 Investment in international **marketing and advertising campaigns** to attract overseas visitors when appropriate, that are well targeted and ensure areas outside London are promoted to ease tourism in the capital.
- 2 Activity should convey an **open for business and welcoming message** to overseas visitors and ensure that they feel safe to visit and that clear guidelines are issued.
- 3 Prices should remain attractive to overseas visitors, alongside potentially placing a **cap on flight prices** or reducing VAT to make the UK more competitive.
- 4 A number of businesses voiced their concerns over the need to invest more in ensuring existing tourism assets are preserved and focus should be placed on **domestic tourism** and local business support.



i Reactivating supply chains & advice needed

How long do you envisage that it will take you to reactivate your supply chain once the guidelines are relaxed?

- Findings show that the majority of businesses (53%) would need **1-2 months** to reactivate their business supply chain once guidelines are relaxed. This was then followed by **20%** who said that they 'can't tell', demonstrating some uncertainty among businesses at this stage regarding exact timeframes. This was then followed by six months or more (**10%**).
- Looking at responses and type of business, responses from accommodation providers were consistent with overall findings, however a larger proportion of attractions selected **2-3 months** compared to the overall results. Alongside this, a higher proportion of 'other' businesses selected **3-4 months**.



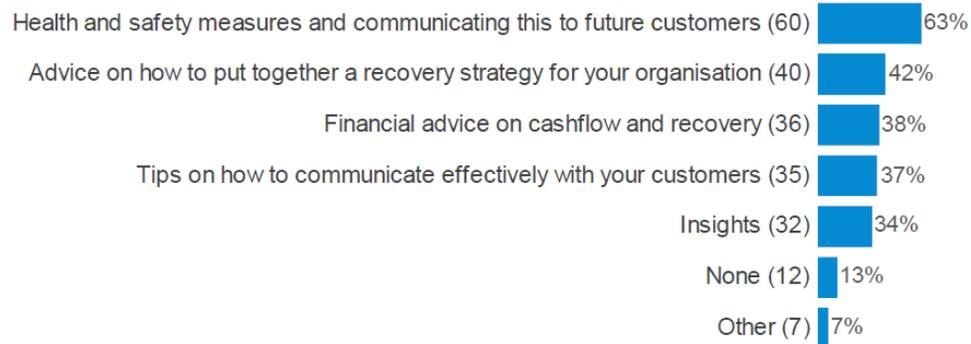
What advice would you most value at present from Visit Kent and wider regional and national bodies?

1  **Health and safety measures & communicating this to customers**

2  **Advice on how to build a recovery strategy**

3  **Financial advice on cashflow and recovery**

4  **Tips on communicating effectively with customers**



- Findings show that insights were more valued by accommodation providers, with a higher percentage selecting this (**41%**), compared to **34%** overall. A larger proportion of attractions specified they would value tips on how to communicate effectively with customers (**41%**), compared to **37%** overall. In addition, of the **41%** of attractions who selected this, **58%** were attractions with **under 20,000 visitors per year**, perhaps indicating the importance placed on advice in this area for smaller visitor attractions.

Key findings

- Aspects of businesses that have been most affected by COVID-19 included general footfall loss, impact on cash flow and impact on domestic group visits.
- On average businesses experienced a loss of -73% in March in terms of footfall compared to March 2019 and a -72% in revenue. This impact worsened into April as the lockdown progressed, with a -98% loss in both footfall and revenue compared to April 2019.
- The most popular financial schemes that businesses had or are planning on accessing included Business Rates Relief (52%), followed by the Coronavirus Job Retention Scheme (50%) and cash grants (48%).
- Businesses expressed the importance of extending the Job Retention Scheme and for support to be available until businesses can open fully. Businesses highlighted the financial impact on seasonal businesses which rely heavily on revenue in summer and therefore may require additional support in the winter months. This also shows the importance of working to extend the tourism season and seasonal marketing campaigns, alongside looking at ways to diversify and adapt product offering and create additional experiences.
- Particular businesses felt that that implementing social distancing measures would be impractical due to factors such as the size, layout of even age of their venue and were concerned that these restrictions would significantly impact on their product or experience.



Key findings

- Businesses said that they may need assistance with cash flow in order to prepare for reopening and that sufficient notice would be vital to be able to carry out operational changes required and to trial these changes. And the majority of businesses (53%) would need 1-2 months to reactivate their business supply chain once guidelines are relaxed.
- Looking to cleaning and hygiene guidance, findings show that business specific guidelines are needed and advice on PPE for staff and guidance on the frequency of cleaning required and products that should be used.
- In terms of boosting the UK tourism and hospitality sector, businesses voiced the need to promote domestic tourism and staycations and to promote British and local businesses and venues.
- The top four areas of advice that businesses would most value from Visit Kent and wider regional and national bodies included health and safety measures and communicating this to customers, advice on how to build a recovery strategy, financial advice on cashflow and recovery and tips on communicating effectively with customers.
- Overall, the sector will need sufficient support during the recovery phase, as consumers gradually begin to re-engage. Although, consideration needs to be given to the impact of seasonality and its prominence within the tourism and hospitality sector. In the short term consumers may look towards more outdoor, rural areas, with less perceived crowds- which does offer an opportunity to promote lesser known destinations and venues that offer this. However, it is vital that businesses are given the guidance and support they need to navigate through this phase and to adapt and protect their business.



Other News





Latest COVID-19 business support updates

- We've updated [our website](#) with the latest COVID-19 updates, from financial support information to the latest global news.
- Check SELEP's [South East Business hub](#) for the latest guidance on business support and opportunities available.
- [VisitBritain](#) and the [Government](#) have also launched business support hubs.
- Join our [LinkedIn Forum](#) and interact with Kent-based businesses, share your ideas, resources and updates.

Tracking Consumer Sentiment on the Impact of COVID-19

- BVA BDRC are conducting an ongoing weekly tracker on consumer sentiment surrounding the impact of COVID-19. The following findings emerged from the latest report published on 11th May.
- For the third consecutive wave, around 1 in 5 expect to visit an attraction in the next 3 months, pushing back the anticipated return another week.
- Zoos and theme parks have a particular challenge in convincing the public to return in the next few months. Indoor attractions face similar challenges to zoos and theme parks –they too will need to reassure visitors of their safety when visiting
- Social distancing is the most important priority for visitors when attractions reopen, followed closely by steps that maximise cleanliness
- Although all types of destinations are likely to receive fewer UK holiday-makers, rural destinations are likely to suffer the least –benefiting from the desire to avoid large crowds in confined spaces.

To view the full report click [here](#)

Glossary

VICs- Visitor Information Centres

CTR- Click through rate

AVE- Advertising Value Equivalent

GTOs- Group Travel Organisers

DMOs- Destination Management Organisations

OP- On par

ADR- Average Daily rate

RevPAR- Revenue per available room

YTD- Year to date

FIT-Free Independent Traveller

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Previous reports

To view our other research resources please visit- www.visitkentbusiness.co.uk

Acknowledgements

If you wish to use any figures or information contained within this report, please acknowledge the source as Visit Kent COVID-19 Business Impact Survey.

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