BVA BDRC

ClearSight®

On

Recovery

May 2022

ClearSight® on Recovery - Introduction

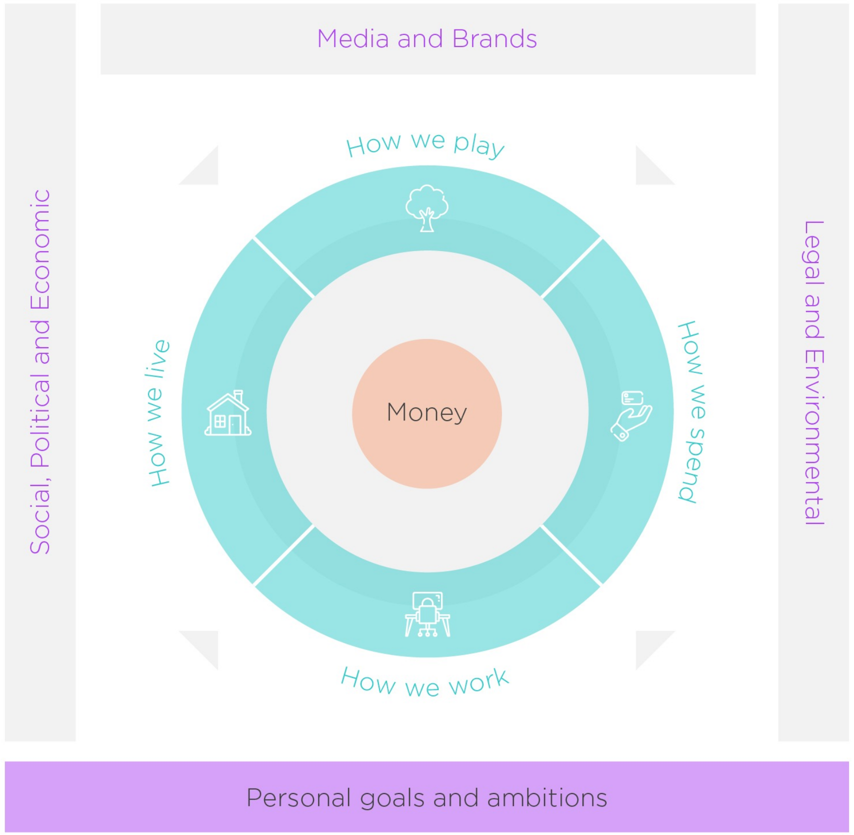
The speed of change and scale of disruption caused by the COVID-19 pandemic has been hard to overstate, whether from the direct impact (or timing) of government intervention, the science of a mutating virus and the race against time to vaccinate entire populations, changes to the industry supply-side and distribution channels or shifts in the priorities and preferences of citizens and consumers.

Just as the sunlit uplands appeared to be emerging on the horizon, a period of geopolitical and economic uncertainty, with an accompanying cost-of-living crisis for consumers brings yet another major external challenge for many of our clients and subscribers.

Through ClearSight®, our goal is to help organisations make sense of this rapidly changing world and join the dots between how their target audiences live, work, spend and play – with reports on the most salient business issues and latest consumer and business trends.

In this edition of ClearSight® on Recovery, we provide an update on levels of UK consumer participation across key out-of-home sectors. Our sector experts give their take on where each industry stands in terms of recovery, outlook and consumers' comfort with participation post-pandemic.

If you've not already signed up to get the latest insights, you can do so here: https://hcontent.bva-bdrc.com/clearsight



Executive Summary

- **Rail & bus travel** is close to pre-pandemic levels in terms of participation but remains some way below the norm in terms of journey volumes. There remains a modest comfort gap to close in terms of some consumers' comfort with the idea of travelling on public transport.

- **The outbound UK international holiday and air travel markets** are seeing much improved levels of participation in 2022, but remain significantly smaller than the pre-pandemic norm and with a significant 'comfort gap' still to close.

- **UK holidays and paid-for accommodation** are recording a strong recovery in 2022 with growth in booking activity during April boding well for the outlook for the summer. Consumer comfort levels are comparable to pre-pandemic.

- **Out-of-home leisure** verticals such as dining, pubs, cinema and gyms have recorded a strong recovery in terms of UK consumer participation – which is now comparable to pre-pandemic and with few signs of any residual comfort gap.

- **The UK visitor attraction market** has also recovered strongly. Outdoor attractions are a beneficiary of the pandemic, with incidence of visits across the general population already higher than the pre-pandemic norm, and growing month-on-month as seasonal factors also kick in. Indoor attractions have taken longer to recover, but participation has now returned to 'normal' levels.

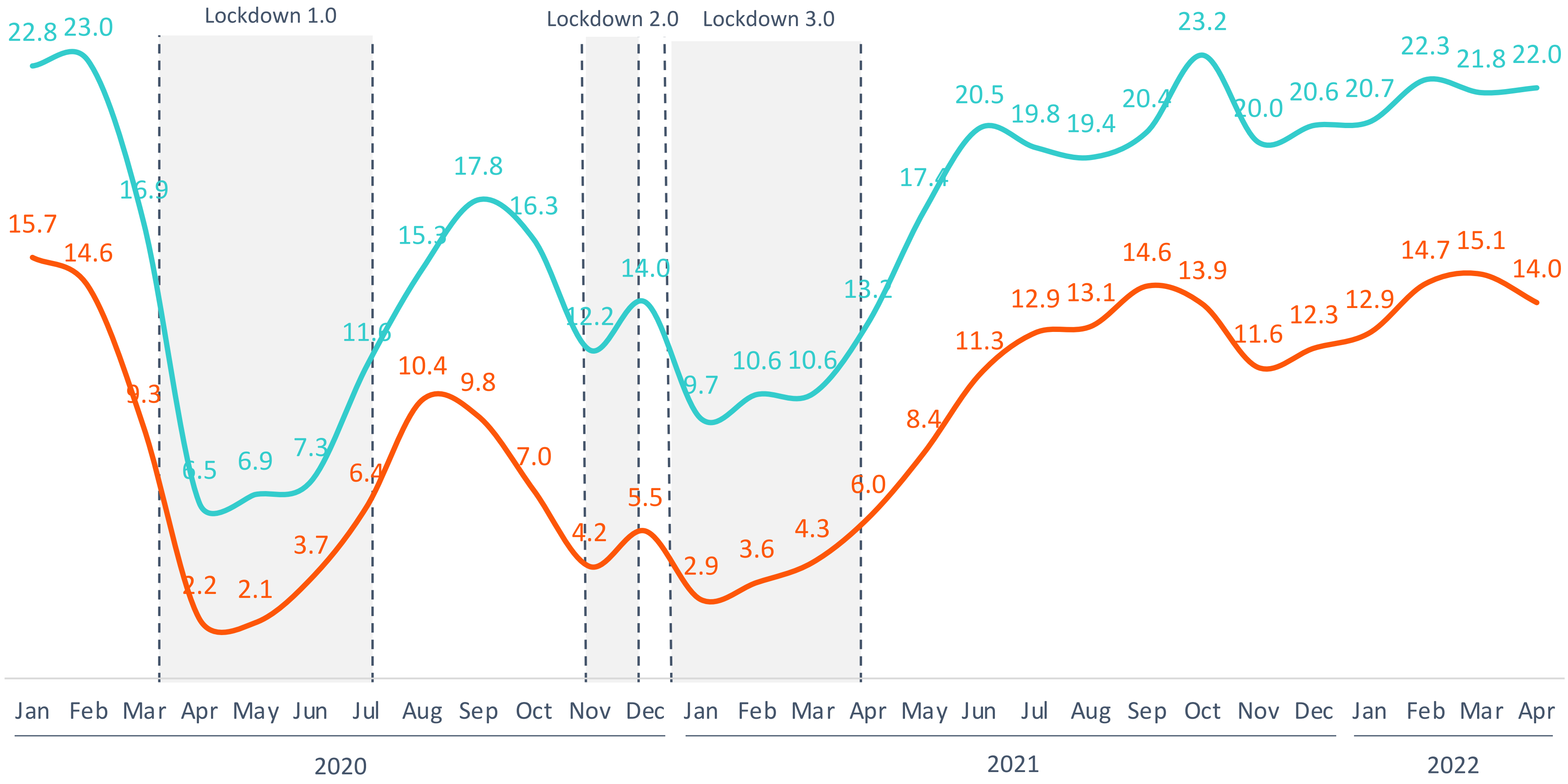
Comfort level indicators used in this report

Comfort with participation at similar level to / above pre-pandemic	Comfort with participation 5 – 10% below pre-pandemic norm	Significant comfort gap remains >10% vs pre-pandemic norm

Train and bus usage

Train Bus

% Incidence of participation in each activity / sector in each month



Tim Sander

The incidence of rail usage in the UK population is almost back to pre-pandemic levels – even if there remains a residual ‘comfort gap’ to close.

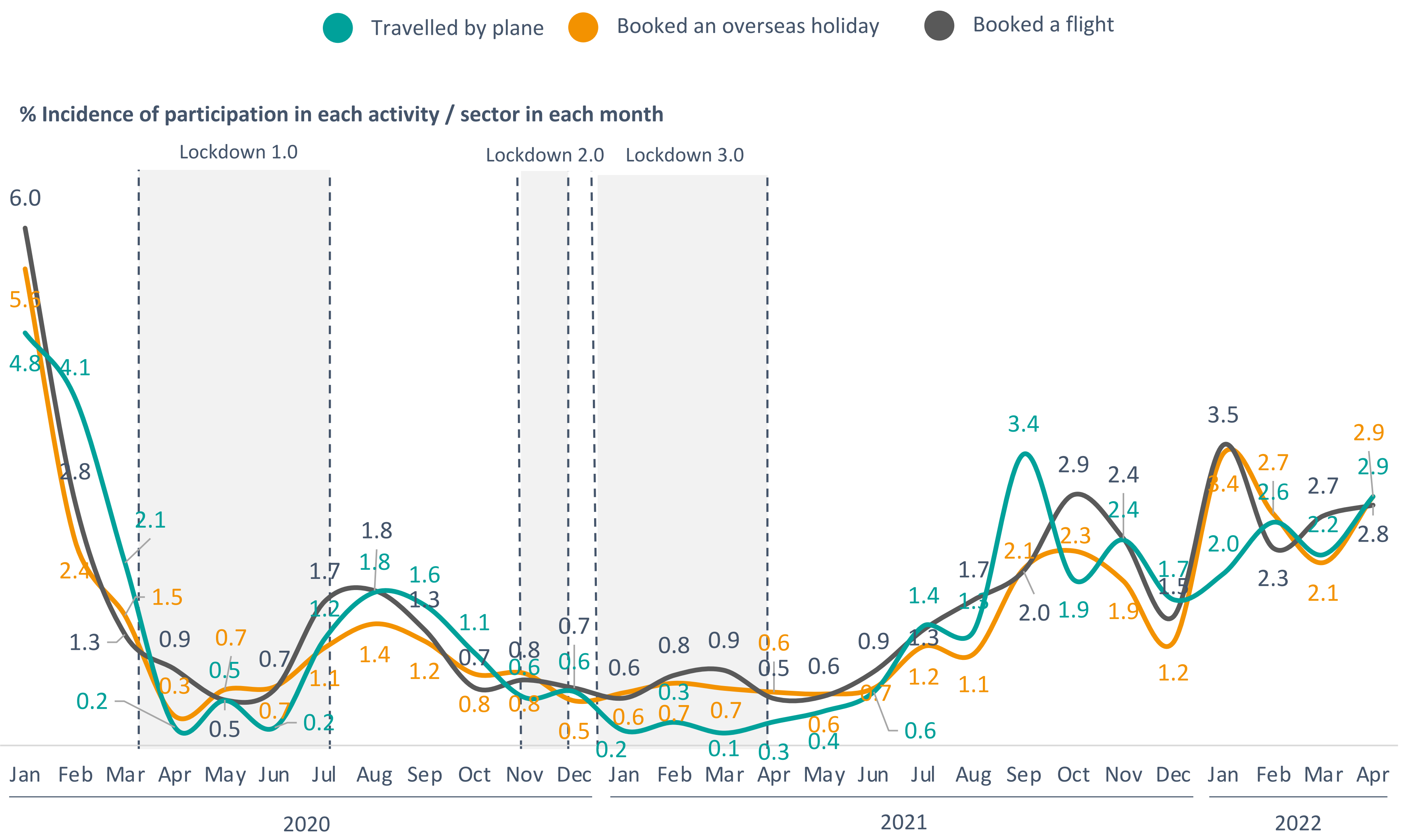
Recovery in participation is, of course, running ahead of recovery in journey volumes, as *frequency* of travel remains lower than pre-pandemic, particularly among commuters. Official statistics show that passenger journeys are currently at just over 60% compared to pre-pandemic levels (although higher for leisure journeys). The recent Great British Rail Sale campaign may trigger an uplift in frequency and volume over the coming months.

The bus sector shows a not dissimilar pattern.

Comfort level indicator

q1a. When have you done the following activity/activities?

Air travel & overseas holidays



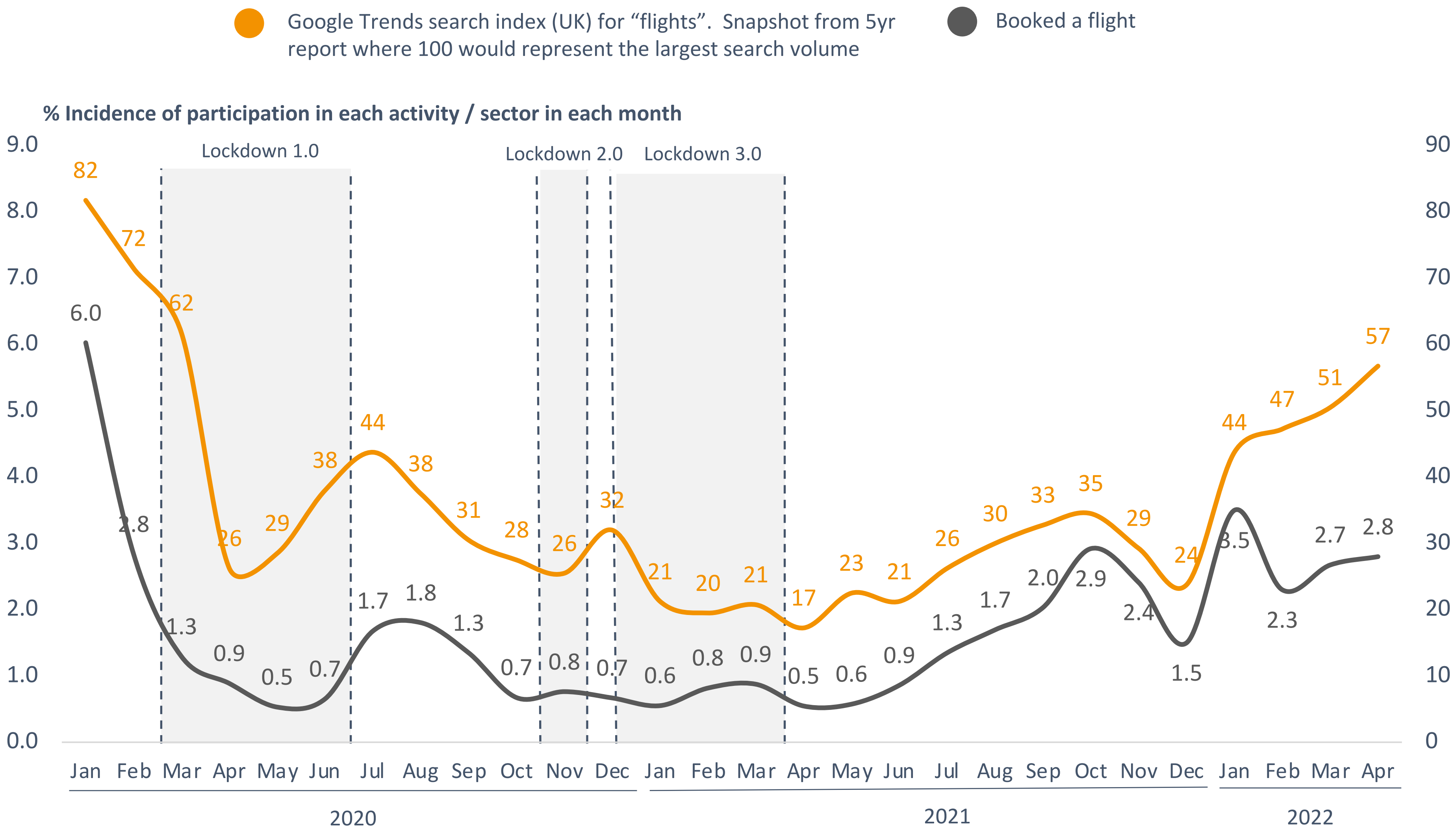
Jon Young

With outbound travel restrictions now lifted, it's no surprise that the incidence of UK consumers booking overseas trips is 4 - 5 times higher than in April 2021. However, although outbound restrictions have been lifted, comfort levels remain low, driven by uncertainty around travel restrictions in other countries, concerns about catching COVID, and the perceived cost/hassle of COVID paperwork. The cost of living crisis is also holding back overseas trip intention, domestic holidays typically being seen as the cheaper option. As if this isn't enough for the overseas travel industry, the war in Ukraine is also acting as a deterrent to overseas travel. With the nation now in the habit of taking holidays in the UK, it's hard to see a quick return to pre-pandemic levels for the overseas travel industry.

Comfort level indicator

q1a. When have you done the following activity/activities?

Flight Bookings & Search Behaviour



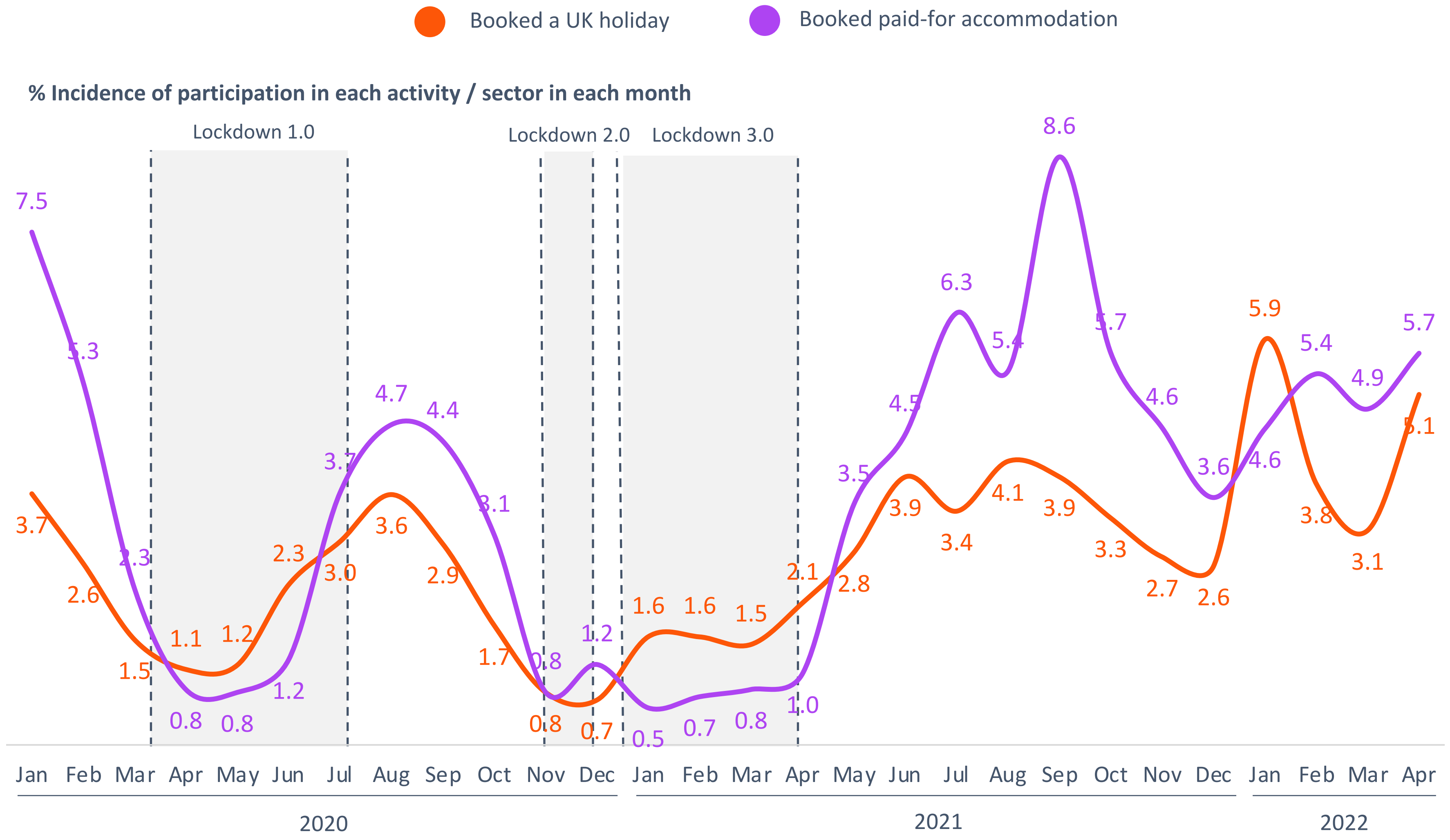
James Bland

Google Trends data for 'flights' as a search term shows how closely our monthly incidence of participation data correlates with actual online behaviour: until February this year the match looks almost perfect, apart from a blip between lockdowns 2 and 3 where people perhaps looked more than they booked.

From February – perhaps as inflation really started to bite – the "looking/booking gap" looks to have returned, so while it is probably reasonable to assume there is still interest in travel, the pressing question – that will only be answered by behaviour – is whether that interest is sufficient to cope with the cost of living challenges facing Brits remains to be seen. For that reason, I'm probably not expecting as big a return to foreign holidays as we might otherwise have seen.

q1a. When have you done the following activity/activities?

UK Holidays & Paid-for Accommodation



James Bland

You don't need data or commentary from me to tell you that lockdowns are bad for travel and accommodation, and a mere glance at the charts will tell you that when the shackles are released, Brits burst back into booking. In the first half of the "pandemic so far" our tendency to book seemed to mirror the inverse of the UK's cases chart which, if you recall, was reported every day in the news until the Government decided that Covid was over.

Comparing the first two months of 2022 with the equivalent period in 2020 we see a reversal in the order of UK holiday bookings (up) and flight bookings (down) – see previous slide. What's not immediately apparent from these data is whether this is residual reluctance or a permanent change in mindset.

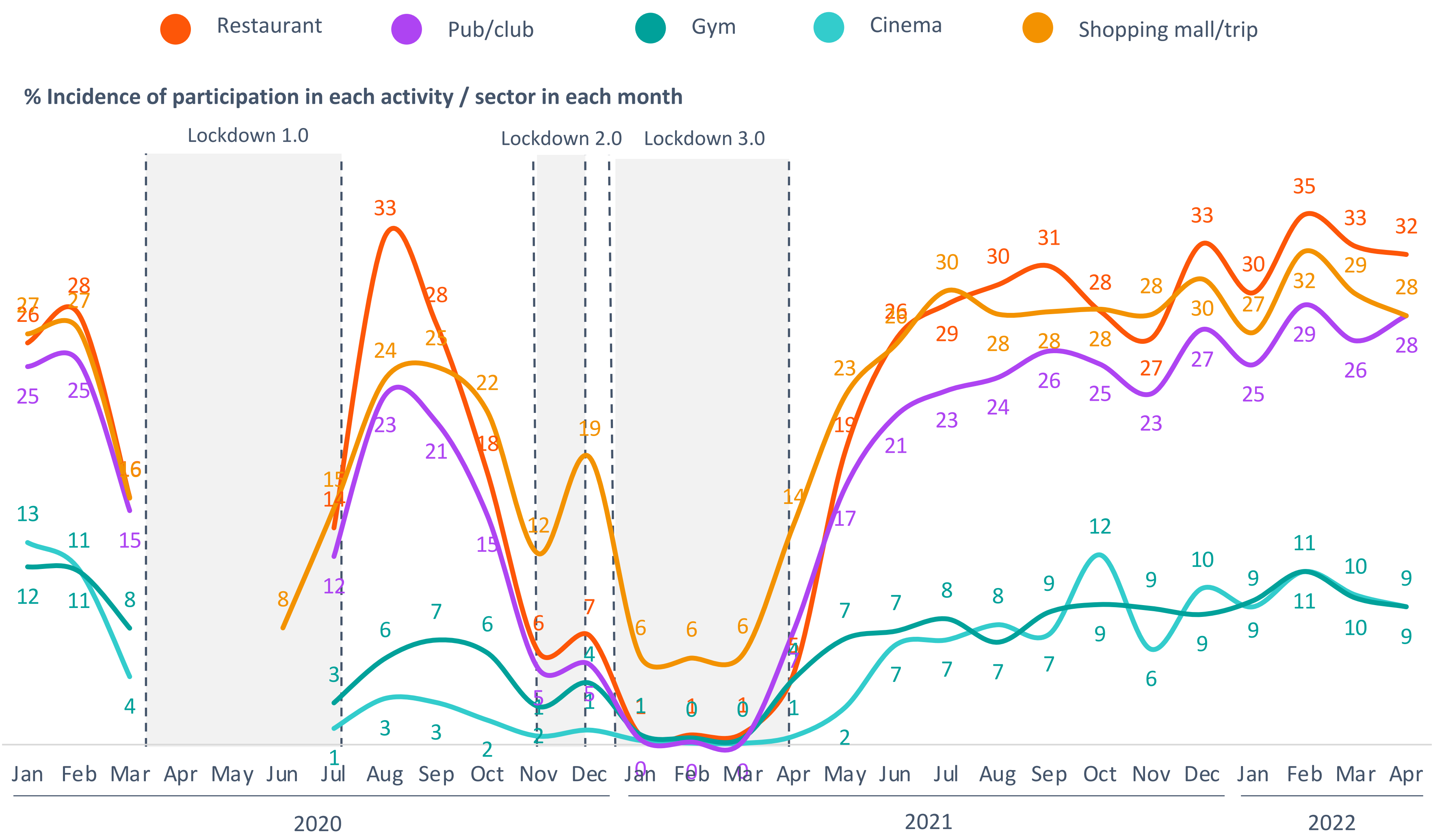
Encouragingly, for domestic UK tourism, the incidence of those booking UK holidays rose significantly during April – to more than double what was recorded for the corresponding period in 2021.

Comfort level indicator

q1a. When have you done the following activity/activities?

Out-of-home activities

% Incidence of participation in each activity / sector in each month



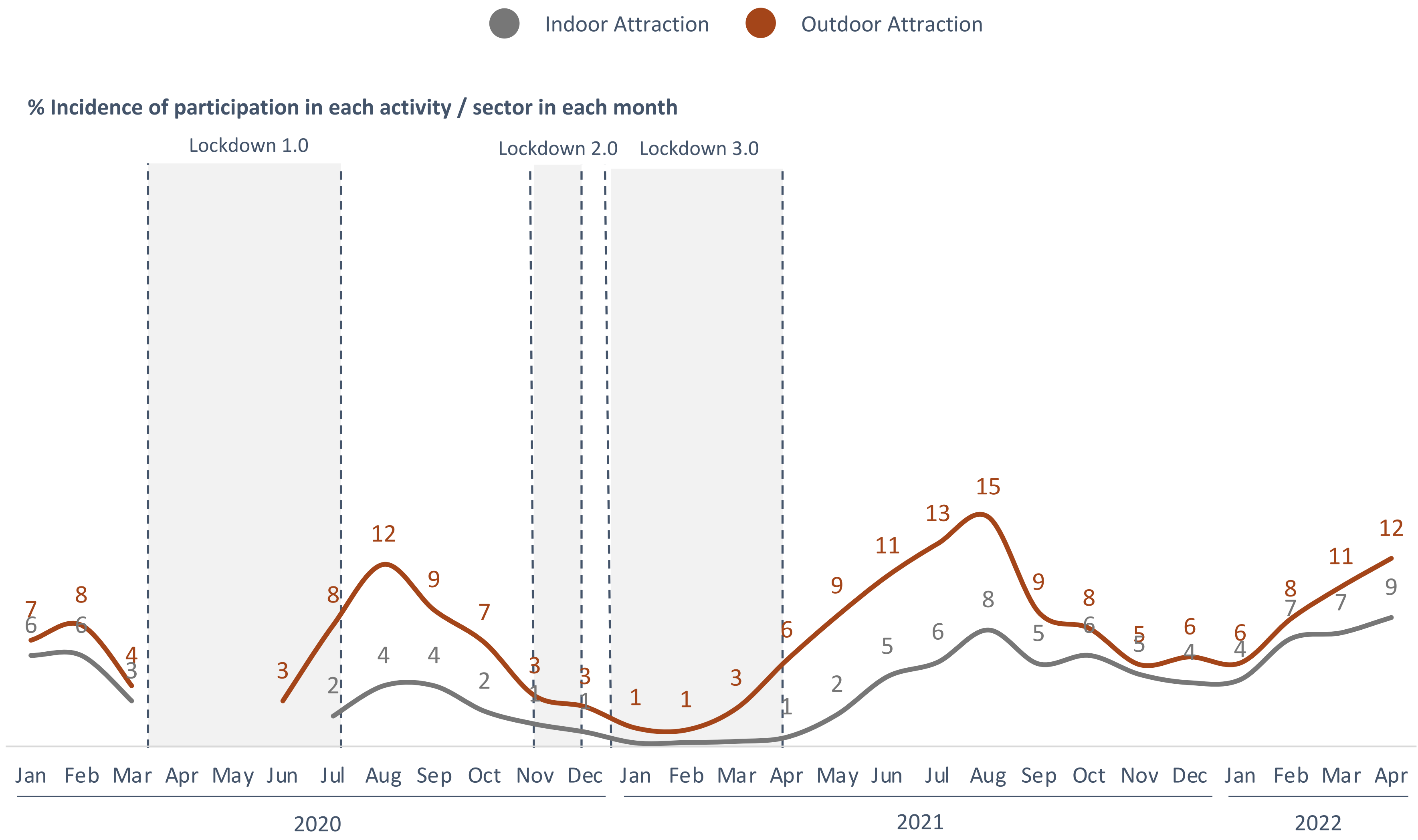
Matt Costin

Out-of-home sectors such as dining, pubs, gyms, cinema and retail have recorded participation levels comparable to, or higher than pre-pandemic levels during Q1. The concern is that this strong performance has partially been enabled by lockdown savings and the natural desire among consumers to go out and spend again, following the return to normality. Faced with the biggest hit to household incomes since records began, it is hard to imagine that we will not see some slowdown – albeit, we hope, balanced by 'positive' dynamics such as the Queen's Platinum Jubilee and the onset of the great British Summer!

Comfort level indicator

q1a. When have you done the following activity/activities?

Visitor attractions



Katie Vosper

Outdoor attractions, in particular parks, gardens and woodlands have been beneficiaries of the pandemic. Perceived as the 'safe' option for days out (and during some periods of lockdown the 'only' option) visitors returned far quicker than to indoor settings, and the audience for outdoor attractions expanded.

The mindfulness benefits of outdoor settings adds to their appeal at a time when we are becoming more conscious of managing our mental health.

It is therefore perhaps unsurprising that the incidence of visits to outdoor attractions now exceeds pre-pandemic levels, and we expect this to continue.

Indoor attractions took longer to recover, despite the many safety measures put in place. Incidence of participation is now back to pre-pandemic levels and continues to grow month-on-month, although some displacement to outdoor attractions, and a change in consumer habits means that the volume of visits remains subdued, as we can see from the visitor volume figures for 2021 published by DCMS and the Association of Leading Visitor Attractions (ALVA).

Comfort level indicator

q1a. When have you done the following activity/activities?

Appendix

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Methodology

Consumer survey

Nationally representative online survey. Data initially collected on a weekly basis via BVA BDRC's COVID-19 Sentiment Tracking research, then on a fortnightly to now monthly basis. Details of recent fieldwork waves:

- 2nd - 7th Sept (n= 1,762)
- 15th – 21st Sept (n= 1,762)
- 28th Sept – 5th Oct (n=1,759)
- 13th - 18th Oct (n=1,760)
- 26th Oct - 2nd Nov (n=1,764)
- 9th – 15th Nov (n = 1,750)
- 23rd – 29th Nov (n = 1,764)
- 7th – 14th Dec (n = 1,756)
- 18th – 23rd Dec (n = 1,761)
- 11th January – 18th Jan (n = 1,758)
- 25th – 29th Jan (n = 1,758)
- 8th – 14th Feb (n= 1,760)
- 24th – 28th Feb (n= 1,760)
- 10th – 15th Mar (n=1,757)
- 22nd – 27th Mar (n=1,763)
- 6th – 10th April (n=1760)
- 19th – 26th April (n=1,764)
- 4th – 10th May (n=1,758)
- 17th – 23rd May (n=1,760)
- 1st – 7th June (n=1,757)
- 14th – 18th June (n=1,759)
- 28th Jun – 4th Jul (n=1,759)
- 12th-16th July (n=1,761)
- 26th -31st July (n= 1,763)
- 9th -15th Aug (n=1,760)
- 23rd – 30th Aug (n= 1,758)
- 6th – 12th Sept (n=1,762)
- 23rd -28th Sept (n=1502)
- 7th -12th Oct (n=1508)
- 4-10th Nov (n=1758)
- 1st -7th Dec (n=1756)
- 4th-10th Jan (n=1755)
- 1st-7th Feb (n=1756)
- 1st – 7th March (n=1756)
- 1st – 7th April (n=1758)
- 3rd – 9th May (n=1760)

The data in this report is weighted to be representative of England, Wales, Scotland and Northern Ireland on age, gender, region and social grade.

The questionnaire focuses on understanding people's attitudes, lifestyles and perceptions of the coronavirus situation in the context of their relationship with different sectors.

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