

What does this report tell us about business confidence in Oxfordshire?

Overall the survey shows a mixed picture with more businesses feeling confident than not, but there is still a significant amount of concern for the future driven predominantly by rising operational costs and changes in customer behaviour.

Although Covid safety is no longer front of mind in the majority of visitors' priorities when travelling, the patterns of behaviours the pandemic helped establish have become normalised e.g. booking closer to preferred trip date and expecting corresponding flexibility from operators. This trend has been entrenched during the cost-of-living crisis creating a set of difficult operational issues for operators.

How was business in 2023?

- The majority of businesses responding to the survey (80%) said their performance had improved on 2023 with 43% saying performance was much better than 2022.
- When compared to 2019, pre-pandemic, 29% of respondents said that business was performing better, 35% said either the same or a little better and 24% saying performance was worse.
- Looking back at Christmas 2023 and the New Year 35% of businesses said performance was as expected with 45% saying performance was better than expected and 20% saying it was worse.

What challenges do Oxfordshire's businesses face in 2024?

- 75% of respondents agreed that customers are demanding flexibility when booking and 70% agreed or strongly agreed that bookings are made closer to departure than previously.
- When asked which were the key barriers to productivity they faced, staff retention affected 41% of respondents, with reliance on the domestic market and seasonality quoted by 34% and supply chain issues by 25%.

How are businesses responding to the challenges?

Businesses are addressing their operating costs and delaying investment. 51% said they had increased their prices by up to 10% with a further 25% increasing prices by more than 10%. 25% were working to increase visitors' secondary spending. 22% were cutting staffing and 20% were delaying investment e.g. in building or maintenance works.

How seasonal is tourism in Oxfordshire?

- In a normal year 55% of respondents would expect spring to account for under 25% of their business.
- 55% of respondents would expect summer to account for up to 50% of their business with 16% expecting up to 75% of their business and a further 16% expecting over 75% of their business at this time.

- For 62% of respondents, autumn accounts for under 25% of their business whilst for 26% it accounts for up to 50% of business.
- 72% of respondents expect to receive under 25% of their business during winter with 20% stating it accounted for up to 50%.

Which external interventions will support business development?

A reduction of VAT on hospitality and tourism products was unsurprisingly favoured by 63% of respondents, along with 47% wishing to see VAT reduced on energy costs and 41% on food supplies. 53% of respondents thought greater investment in destination marketing important with 43% in favour of sector specific grants.

What would help develop the year-round visitor economy?

73% of respondents recognised the importance of marketing Oxfordshire in order to sustain its position as a desirable destination with potential visitors. 59% called for more focus on the off-peak periods and showcasing the whole county. 51% saw the importance of encouraging high-quality experiences and 49% of respondents believe relationship building with repeat visitors will yield results.

Who responded to this survey?

51% of respondents were from Oxford City, 17% from South Oxfordshire, 14% from West Oxfordshire, 12% from Vale of White Horse and 6% were from Cherwell District. 39% were attractions or experience operators, 21% were from serviced accommodation businesses. 39% were small businesses (under 50 employees), 31% were medium sized businesses (51-250 employees) and 18% micro-businesses (under ten employees).

Contact partnership@experienceoxfordshire.org for more information.