

January 2022

QUARTERLY

# BUSINESS MONITOR



## WHY DID WE CARRY OUT THE SURVEY?

VisitAberdeenshire launched the Quarterly Business Monitor in October 2021, with the purpose of gathering industry feedback on current and future business performance.



The key themes within the Monitor are:

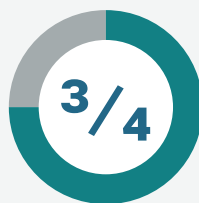
- Business performance in the most recent quarter
- Enquiries and bookings status for next quarter, and beyond
- Investment activity
- Levels of optimism in the short, medium and longer term

Sharing the key findings within VisitAberdeenshire, and across tourism and hospitality businesses in the region, gives an insight to the current state of the market and a baseline for understanding our operating environment.

## WHO DID WE SPEAK TO?



Almost **5 in 10** respondents were from the accommodation sector, with **self-catering** being the most represented sector.



**Three-quarters** of the sample classed themselves as **micro-businesses** (less than 10 employees)



The majority of responding businesses were Aberdeenshire based (**almost 7 in 10**), in line with previous industry surveys.

# WHAT DID THEY TELL US

## OCTOBER TO DECEMBER 2021 TRADING OVERVIEW

The vast majority of respondents (**93%**) had been open for business in July to September. When asked about visitor numbers for the past quarter, the picture was not so positive for October to December, with responding businesses highlighting that they had **“fewer than normal”** visitors across all 4 categories (local area, elsewhere in Scotland, rest of UK, overseas). Some responding businesses did select **“about the same as normal”**, which was very positive to see. However very few selected **“more than normal”**. The emergence of the VOC Omicron strain early December, and the subsequent Scottish Government guidance to reduce contacts and limit socialising with other households, will undoubtedly have had an impact on industry, particularly specific sectors within the industry.



Visitor profile Oct-Dec 2021

● fewer than normal    ● more than normal  
● about the same as normal    ● not applicable

## QUARTER 3 HIGHLIGHTS

**“Continuing to be agile in changing COVID landscape and starting a new partnership with a local organisation.”** Aberdeen activity operator

**“We were busy for Aberdeen Restaurant Week (fortnight in November), and the first two weeks of December. Since then, it has been exceptionally quiet.”** Restaurant, café, food and drink experience, Aberdeen

**“Many first timers coming for “safe break”, sometimes only travelling for 2 to 3 hours.”** Self catering provider, Aberdeenshire

**“We saw audiences return more confidently to our venues and in greater numbers than anticipated after having been closed for 17 months.”** Music/Arts venue, Aberdeen and Aberdeenshire

**“Business was good until second week in December, there was strong demand for leisure rooms and food and beverage.”** Hotel, Aberdeen

The **key barrier** to trading during October to December 2021 was:

- **COVID and the associated restrictions (mentioned by the majority of respondents)**

Other barriers mentioned by a small numbers of respondents included:

- General rising costs
- Visitor footfall (no international visitors; rest of UK potentially deterred from visiting Scotland due to restrictions in place)
- Storm Arwen (no utilities, had to cancel guests)

## ENQUIRIES AND BOOKINGS – JANUARY – MARCH 2022

Respondents were asked **“Compared to what you would normally expect at this time of year, are you seeing more, fewer or about the same number of enquiries from local area, Scotland, rest of UK, Overseas”**. They were then asked a follow on question relating to bookings from these locations.

Due to the nature of their business, advanced enquiries and bookings wasn’t applicable for some of our respondents. Also some businesses are closed during these months.

Across the 4 categories (local area, elsewhere in Scotland, rest of UK and Overseas), the most selected response was **“fewer than normal enquiries and bookings”**, peaking at **over 7 in 10** respondents selecting this for **“enquiries from overseas visitors”**. Undoubtedly the ongoing uncertainty associated with VOC Omicron and possible restrictions was impacting on visitor enquiries and bookings at the time we surveyed businesses.

A similar pattern was seen when we asked about enquiries and bookings for January 2022 onwards.

**“Virtually no booking in January, first time in 15 years we have had no guests in January (other than being closed due to COVID restrictions).”** Self catering provider, Aberdeen

**“No enquiries. Compared to January 2020 where £25k+ of future bookings for the year were made. This January so far has NO enquiries let alone bookings for the year.”** Tour provider, Aberdeen and Aberdeenshire

**“We noticed a substantial number of enquiries from visitors showing interest in visiting us (especially production area tours) so hopefully things will improve, and we can resume these tours very soon.”** Visitor attraction, Aberdeenshire



Enquiries and bookings for January to March 2022

● fewer than normal    ● about the same as normal    ● more than normal    ● not applicable    ● we're closed Jan- March

## INVESTMENT

A quarter (24%) of the sample have plans to significantly invest in their business in the near future. In a follow-on question, 10 businesses stated the investment was to expand and grow, the remaining 2 said it was to maintain the current standard.

The main reasons given for no significant investment in the near future were:

- Lack of funds
- Uncertainty over business future (due to COVID, the economy, rising costs)
- Programme of continual maintenance and refurbishment in place

**“I am willing to invest, but not significantly. I will invest enough to keep it viable and invest in training/development at a similar level to previous years.”**

Tour guide, Aberdeen and Aberdeenshire

**“We don’t have much money and any money we do have we will be using to keep our business afloat due to the massive fall in revenue. We do not have enough money to pay our staff next month and will almost certainly have to make people redundant.”**

Hotel, Aberdeen

**“We continually invest in internal and external maintenance and new furnishings and fittings on an annual basis to avoid major investment. We internally redecorated entire property during 2021 lockdown.”**

Self catering provider, Aberdeenshire

## LOOKING AHEAD – OPTIMISM LEVELS

As would be expected, the longer the time window the greater the levels of optimism. **6 in 10** responding businesses stated they were quite/extremely optimistic about business performance over the next 24 months. When reduced to next 12 and 3 months, it becomes less optimistic at 45% and 14% respectively.



Business performance optimism levels

● extremely optimistic ● quite optimistic ● neither / nor ● not very optimistic ● not at all optimistic

## HOW CAN WE USE THESE RESULTS?

The quarterly results can help businesses gauge their own performance in relation to the results for the region overall (if it's sensible to do this based on the responding sectors). This can be from a past performance perspective, ie. the most recent quarter, but also when looking ahead to future enquiries and bookings.

From a VisitAberdeenshire perspective, the quarterly results help us further understand the current challenges and barriers facing industry which feeds into our own planning for the year ahead. We will also use the results for awareness and lobbying purposes, as we have done with all our past industry surveys.

## ABOUT THE SURVEY

The January Monitor was live from the 10th to the 17th of January. We distributed it to 1720 individuals via a standalone VisitAberdeenshire industry newsletter. 71 eligible responses were received, resulting in a response rate of 4% - falling within the typical response rates for surveys (3-5%). The distribution was widened during the live period to VisitAberdeenshire's LinkedIn and Twitter accounts to boost response rates. As with all surveys, do note there are sample size fluctuations from question to question.

The quarterly monitor is aimed at tourism and hospitality businesses within Aberdeen and Aberdeenshire. It runs quarterly: October, January, April and July. We will share a summary every quarter, building a picture of business performance across the peaks and troughs of the year. Do encourage your own network to participate in the Monitor, the more businesses that feed in and complete the survey, the more representative the results will be.

## INSIGHTS & EVALUATION AT VISITABERDEENSHIRE

VisitAberdeenshire undertakes a range of industry and visitor research. To find out more about what we have available in terms of insights specific to your own business needs, or to discuss these results in more detail, contact [insights@visitabdn.com](mailto:insights@visitabdn.com)