

April 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?



5 in 10 respondents were from the accommodation sector, with **self-catering** being the most represented sector, similar to previous industry surveys.



7 in 10 respondents classed themselves as **micro-businesses** (less than 10 employees)



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

WHAT DID THEY TELL US

JANUARY TO MARCH 2022 TRADING OVERVIEW

The vast majority of respondents (90%) had been open for business in January to March. Overall, trading for January to March painted a more positive picture than the previous Monitor wave, with some levelling out taking place as indicated by the increase in respondents selecting **“visitor numbers were about the same”**, particularly in relation to **“Visitors from elsewhere in Scotland”**. In relation to visitors from overseas, the most selected response was **“fewer than normal”**.



Trading Overview Jan - March 2022

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

JANUARY TO MARCH HIGHLIGHTS

Around two-thirds of the respondents took the time and opportunity to identify trading highlights from the past quarter:

“As a tour guide, the hidden work is done prior to the season (April to October). This year it has been exceptionally busy with quotes and availability being the problem. The 2022 year looks exciting going forward.” Tour provider, Aberdeen and Aberdeenshire

“It has been good to see folks are still supporting local business and in fact glad to be able to get out and about again.” Restaurant, café, food and drink experience, Aberdeen

“Generally occupancy has exceeded expectation, still fired with staycation business, we are also enjoying an increase in corporate business both in transient rooms and small conference. Local food and beverage business remains strong” Medium hotel, Aberdeenshire

“Visitors enjoying their holiday more than normal and grateful having safe place to stay.” Self-catering accommodation Aberdeenshire

Key barriers to trading during January to March 2022 were:

- **Rising costs (operating costs; cost of living)**
- **Bad weather/storms**
- **Staffing challenges (recruitment; isolating requirements = short staffed)**
- **COVID restrictions (Omicron messaging; uncertainty)**
- **Reduced footfall**

“Because of cost of living customers are too scared to book.” Campervan hire, Aberdeen and Aberdeenshire

ENQUIRIES AND BOOKINGS - APRIL TO JUNE 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.

For local area and Scotland enquiries and bookings, we see that **“About the same as normal”** is the most selected category, a positive result, particularly when compared to the previous Monitor wave. As would probably be anticipated, the most selected option for overseas visitors remains **“Fewer than normal”**, the dial is shifting however and it's positive to see the chunk of green **“More than normal”** getting a reasonable share of respondents' ticks.

When we look further ahead, to July 2022 onwards, again the local and elsewhere in Scotland picture is mainly positive. Rest of UK and Overseas have greater chunks of **“fewer visitors than normal”** which probably reflects on-going uncertainty and hesitancy amongst some visitors to book too far in advance of a visit – backed up by some of the comments on the right.

“Bookings for July to September tended to be from England and are now 50% less than normal. Virtually no bookings for October. People appear to be going abroad this year after staycations last year.”

Self catering provider, Aberdeen

“It is heartening to see enquiries and confirmations rather than cancellations as we have had in the past 2 years. Tour operators are already asking about 2023.”

Tour provider, Aberdeen and Aberdeenshire

“We are hoping for a return in significant numbers of overseas business and the future booking seems to support this, this must replace the extremely buoyant domestic staycation business enjoyed last summer and the summer before” Medium hotel, Aberdeen



Enquiries and bookings for April to June 2022

● fewer than normal ● about the same as normal ● more than normal ● our business doesn't take advance enquiries/ bookings

INVESTMENT

Just over **a third (36%)** of the sample have plans to significantly invest in their business in the near future. When given the opportunity to expand on the purpose of this investment, 14 businesses stated it was to expand and grow, the remaining 6 said it was to maintain the current standard.

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

- **Investment recently made**
- **Lack of funds**
- **Uncertainty due to rising costs**
- **Prioritising recovery first**

“Cash flow issues and rising prices of everything.”

Restaurant, café, food and drink experience

“We feel that we have invested heavily over the last 10 years and further investment is not currently required.”

Medium hotel, Aberdeenshire

“Not enough income, and staff wages come first.”

Visitor attraction/experience, Aberdeenshire

LOOKING AHEAD – OPTIMISM LEVELS

This third wave of our Quarterly Business Monitor sees the **highest levels of optimism yet**, across all 3 time periods. As would be predicted, the longer term view (24 months) attracts the greatest levels of optimism, but this is closely followed by the short term picture (next 3 months). The “neither/nor” gap is at its smallest for the next 3 months, potentially reflecting the likelihood that businesses have a clearer idea of enquiries and bookings for this short-term period.



Business performance optimism levels

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

RESPONDENTS' FINAL COMMENTS

Whilst these optimism levels are welcomed, the final question, an open text box, attracted responses which highlight the wide range of challenges still facing businesses as they look to the months ahead.

“Prices going up on everything from utilities to fuel. People are struggling to think about holidays when they can’t afford to heat their homes or put fuel in their vehicles.”

Self-catering accommodation, Aberdeenshire

“Staffing and costs are starting to be a real barrier to doing business.”

Medium hotel, Aberdeen

“Difficult trading circumstances with 2 years of COVID and straight on to a fuel crisis. One property has huge energy costs making it non-profitable come October if things don’t change.”

Self-catering accommodation, Aberdeenshire

“The number of self catering cottages and AirBnBs is getting too many for the number of customers unless the customers can be increased. We are currently missing the foreign guests.”

Self-catering accommodation, Aberdeenshire

“Bookings for summer holidays are all repeat guests. Bookings outwith holidays have been very slow but are coming in. They are being booked within 6 weeks of a stay.”

Self-catering accommodation, Aberdeenshire

HOW CAN WE USE THESE RESULTS?

The quarterly results can help businesses gauge their own performance in relation to the overall performance of the region (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 April Monitor was live from the 4th to the 11th of April. We distributed it to 1689 individuals via a standalone VisitAberdeenshire industry newsletter. 64 eligible responses were received, resulting in a response rate of 3.8% - 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