APRIL 2023

QUARTERLY

BUSINESS MONITOR

JANUARY - MARCH 2023
TRADING OVERVIEW

ENQUIRIES AND BOOKINGS
APRIL TO JUNE 2023

JULY 2023 ONWARDS
LOOKING AHEAD

WHO DID WE SPEAK TO?

The majority of responding businesses were Aberdeenshire based **(just over 3 in 4),** in line with previous Monitor waves.

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

7 in 10 classed themselves as micro-businesses (less than 10 employees). Bear these profiles in mind when considering the findings.

5 in 10 respondents were from the accommodation sector

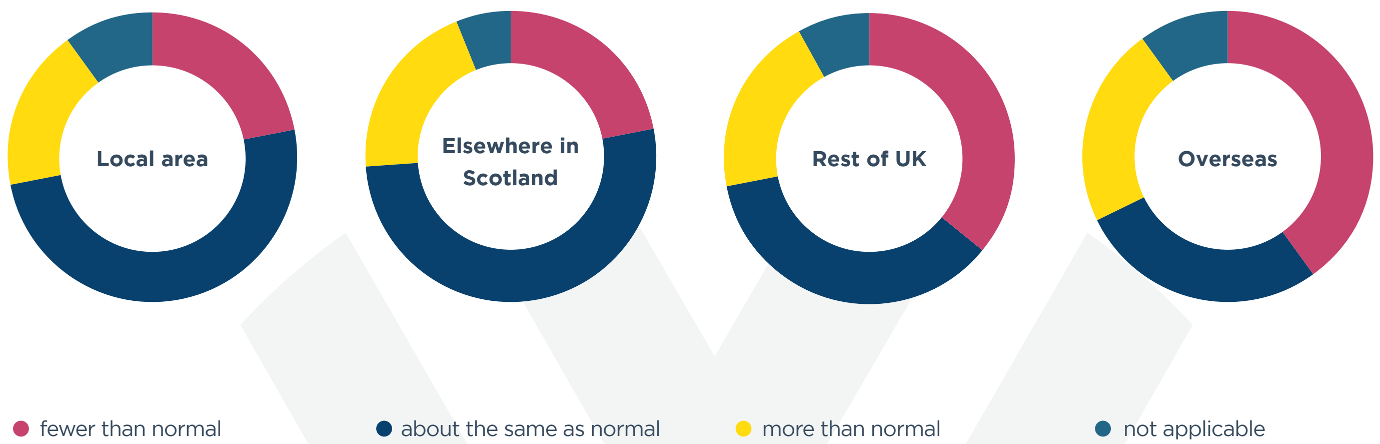
PAST QUARTER PERFORMANCE

JANUARY TO MARCH 2023 TRADING OVERVIEW

Just over **9 in 10** businesses were open for business January to March 2023. We asked businesses, **"compared to what you would normally expect at this time of year, did you see more, fewer or about the same number of visitors this past quarter from each of the following areas?"**

Results indicate that visitor numbers from the local area and elsewhere in Scotland were about the same as normal, whereas for the rest of the UK it was split between fewer and same as normal (perhaps reflecting sector differences within the sample). When it came to overseas visitors, the most commonly selected option by respondents was "fewer than normal for this time of year."

Origin of visitors: January to March 2023



JANUARY – MARCH HIGHLIGHTS

34% of the sample took the time and opportunity to comment on any highlights they had experienced during January to March. The comments came from a diverse range of businesses. Unusually no strong themes emerged this quarter, but multiple mentions were made of:

- **Increased occupancy/visitor numbers**
- **Repeat visitation**

Increased occupancy/visitor numbers

Repeat visitation

"After a quiet Christmas season, visitor numbers picked up during the final quarter by 29% compared to 2022, and by 44% compared to 2019, pre-pandemic"
Visitor attraction/experience, Aberdeenshire

"Some guests are staying longer"
Self-catering business, Aberdeenshire

"Weekend business increase driven in to Airport hotel market due to events taking place at P&J"
Small hotel, Aberdeen

"Weekends were fairly busy, and week-days about normal for this time of year"
Holiday park, Aberdeenshire

"Few more tourists than normal – don't normally arrive until the high season, but a few came earlier than normal"
Hostel, Aberdeenshire

"Past quarter was strong but when trading was weak it was record breakingly bad with weeks trading being pulled through by Friday Saturday"
Pub/bar, Aberdeen

JANUARY – MARCH BARRIERS

33% of the sample stated they had experienced barriers this quarter and, in some cases, multiple barriers. The main emerging themes were:

- **Costs (suppliers; cost of living; increased energy costs)**
- **The weather**

Costs

Weather

"Food and oil prices – choosing whether to increase room rates to cover the rising cost of living or to hold fast and take the hit on profits"
Guest house/Bed & Breakfast, Aberdeenshire

"I have found increased utilities, insurance, cost of goods, delivery and customs charges are taking away any profit made due to the increase of visitors"
Retail, Aberdeenshire

"Lack of people travelling. Lots of competition suppressing prices to a very low rate"
Self-catering business, Aberdeen

"Still some challenges with supplies. Affect of train strikes and airline issues"
Small hotel, Aberdeen

"Just the cost of living means people are not going away as much"
Self-catering business, Aberdeenshire

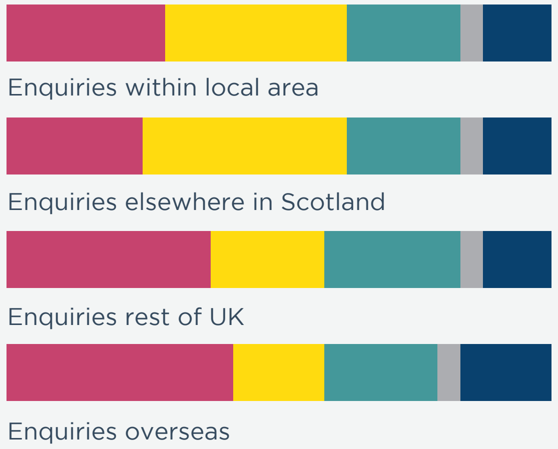
ENQUIRIES AND BOOKINGS – APRIL TO JUNE 2023

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.

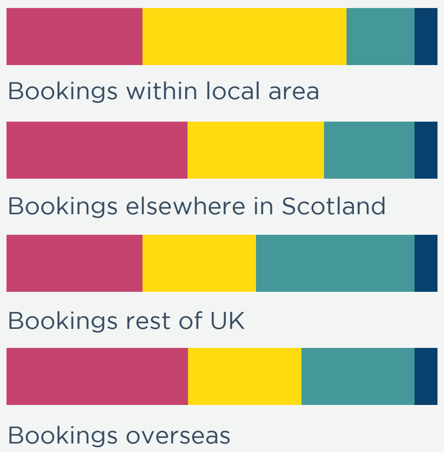
Due to the nature of their business, advanced enquiries and bookings wasn't applicable for some of our respondents.

Whilst a good chunk of businesses are stating enquiries and bookings are **"same as normal",** there are still significant amounts of red in the chart below, most likely reflecting rising energy costs, the ongoing cost of living crisis and the impact these are having on confidence levels, discretionary income and decision making.

Enquiries for next 3 Months (April – June 2023)

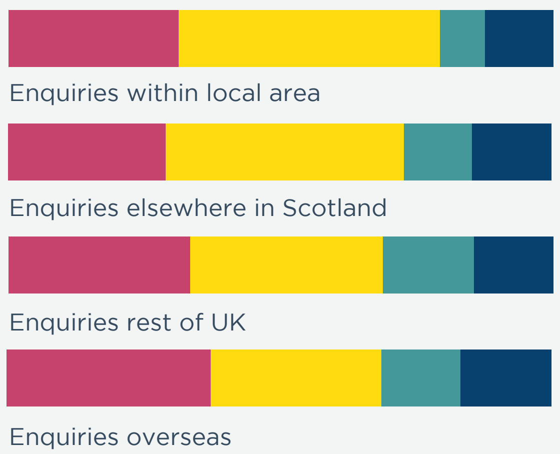


Bookings for next 3 Months (April – June 2023)

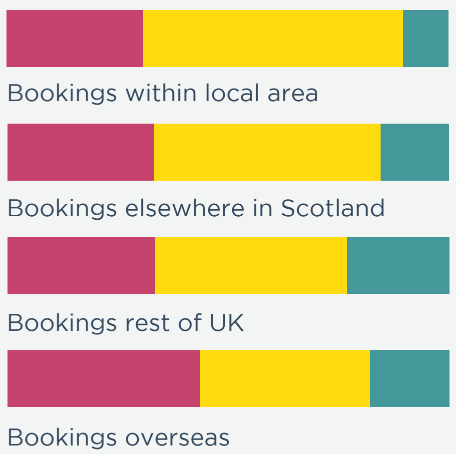


When we look further ahead, to July 2023 onwards, it is positive to see the number of businesses stating enquiries and bookings are about the same as normal (2019 levels), and indeed a handful of respondents are stating they are seeing more than normal enquiries and bookings coming through for the peak season and beyond.

Enquiries 3 Months+ (July 2023 onwards)



Bookings 3 Months+ (July 2023 onwards)



■ fewer than normal ■ about the same as normal ■ more than normal ■ we are closed Apr-June ■ our business doesn't take advance enquiries/ bookings

"Definite increase in international enquiries and more people looking into summer 2024"
Tour provider, Aberdeenshire

"Easter is impacting negatively on corporate travel in April. Harder to gauge longer term demand outwith the group travel sector due to the short nature of booking windows"
Small hotel, Aberdeen

"Big confidence in the next six months, really hoping for a good summer season"
Pub/bar, Aberdeen

"Loads more future bookings compared to last year, but expected as last year was still sort of COVID times, getting back to normal now"
Hostel, Aberdeenshire

"Returning guests still returning! New guests are generally booking very last minute"
Self-catering business, Aberdeenshire

"The cost of living plus threat of licensing fee may mean we think seriously about staying in business"
Self-catering business, Aberdeenshire

INVESTMENT

Almost half (47%) 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, **13 businesses** stated it was to expand and grow, the remaining **8** said it was to maintain the current standard. Do note the small numbers under discussion.

The main reasons, receiving multiple comments, for no significant investment in the near future were:

- **No time [run up to peak season]**
- **Rising costs**
- **Impact of short-term lets legislation**
- **Refurbishment/investment undertaken recently**

LOOKING AHEAD – OPTIMISM LEVELS

Whilst a number of businesses selected neither/nor, indicating ongoing uncertainty, it is no longer the dominant section on the chart. It is positive to see the significant increase in businesses stating they feel optimistic about the short-term, as well as the medium to longer-term outlook – a reflection most likely of where we are in the season.

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 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 3rd to 10th of April. We distributed it to **1635** individuals via a standalone VisitAberdeenshire industry newsletter. 64 eligible responses were received, resulting in a response rate of **3.9% (falling within the standard response rate for surveys of this type (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.

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 base-line for understanding our operating environment.

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**