

JULY 2022

QUARTERLY

BUSINESS MONITOR



What's Inside

APRIL TO JUNE 2022
TRADING OVERVIEW

ENQUIRIES AND BOOKINGS
JULY-SEPTEMBER, & BEYOND

INDUSTRY OPTIMISM
NEXT 3, 12 & 24 MONTHS

WHY DO 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.

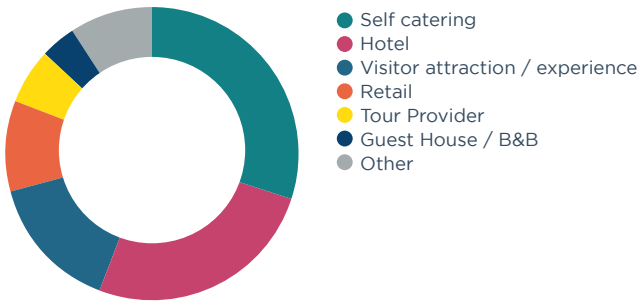
The key themes within the Monitor are:

- 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 RESPONDED?

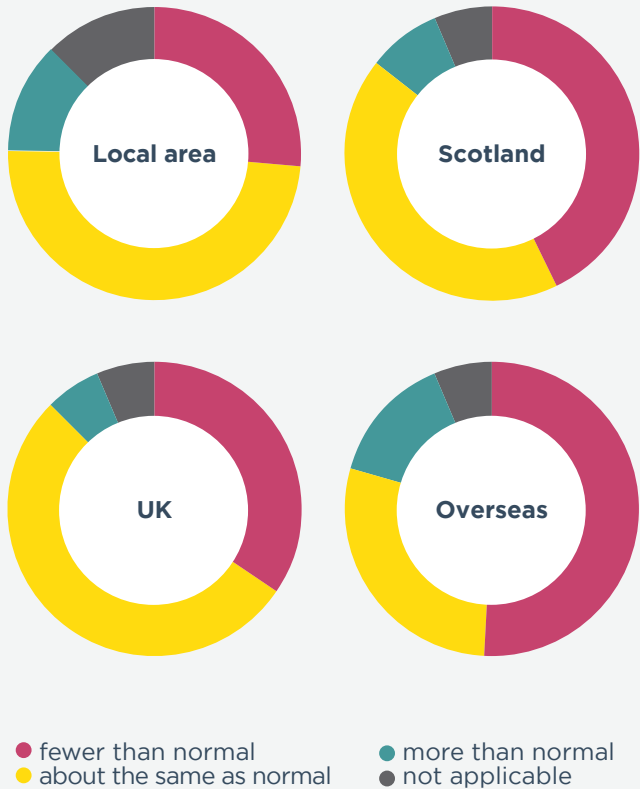
The majority of responding businesses were **Aberdeenshire based** (just over 7 in 10), in line with previous Monitor waves. **6 in 10** respondents were from the **accommodation sector**, with **self-catering** being the most represented sector, closely followed by hotels which was very positive to see. There was a marked decrease in the number of responses received from the restaurant, café, food and drink experience category this quarter. **Two-thirds** classed themselves as **micro-businesses** (less than 10 employees)



WHAT DID THEY TELL US?

April to June 2022 Trading Overview

The vast majority of respondents (**94%**) had been open for business in April to June this year. 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 number from the local area and rest of UK are starting to return to normal, however visitors from elsewhere in Scotland appears to be lagging slightly. The most popular response relating to “**visitors from overseas**”, possibly expected, was still fewer than normal, selected by half the respondents.



PAST QUARTER HIGHLIGHTS

Just under half the respondents took the time and opportunity to comment on any highlights they’d experienced during April to June. There were very few emerging themes, with different businesses naming business/sector specific highlights. Two areas that did receive multiple responses were:

- Seeing the return of international visitors (Switzerland, Germany, France mentioned)
- Good demand, clearly linked to events taking place (HMT, Nuart, local events mentioned)



PAST QUARTER BARRIERS

Over half our respondents provided feedback on the barriers they faced during April to June. The themes were more evident, with regular references being made to:

- £ **Costs** (suppliers; cost of living; increased energy costs)
- ✈ **Transport/connectivity issues** (airport chaos; reduced rail and bus services; transport within the city)
- ↓ **Staffing and recruitment challenges, resulting in reduced operation** (within the hotel/s)

ENQUIRIES AND BOOKINGS – JULY TO SEPTEMBER 2022

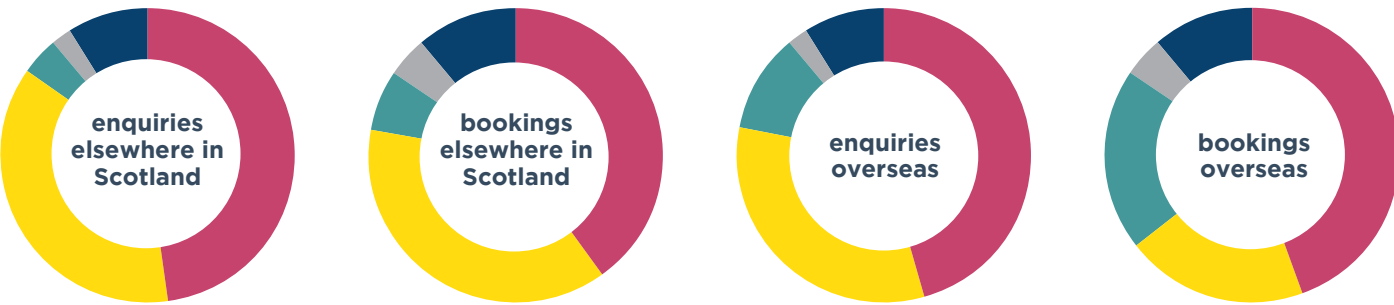
Respondents were asked “**Compared to what you would normally expect at this time of year, are you seeing more, fewer or about the same number of enquiries from local area, Scotland, rest of UK, Overseas**”. They were then asked a follow on question relating to bookings.

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”, particularly in relation to domestic visitors, there are still a significant number of businesses selecting “fewer than normal”, not an ideal picture for the peak season period. Possibly not surprising however given the ongoing travel uncertainty and rising costs being faced by the consumer.

Enquiries and bookings for July to September 2022

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



When we look further ahead, to October 2022 onwards, the enquiries and bookings chart is similar but with greater number of businesses stating enquiries and bookings are **“fewer than normal”** and this is across the board from **“the local area”** to **“overseas”** source markets. This, together with the quotes that follow, suggests consumers are delaying booking, and indeed enquiring, until transport and costs have stabilised.

ENQUIRIES/BOOKINGS COMMENTS

We provided an open text box following the enquiries and bookings questions. 15 respondents chose to provide commentary.

“Dramatic fall in advance bookings with most people booking close to their travel dates”

Self-catering accommodation, Aberdeenshire

“Pricing is difficult as we do not know where costs are going”

Medium hotel, Aberdeen

“There seems to be major issues with staffing levels in the shops, hotels and restaurants (in Braemar) resulting in partial closure of services at short notice”

Self-catering accommodation, Aberdeenshire

“We are now starting to get bookings for summer 2023, local corporate conference bookings are becoming more regular, our big push just now is Christmas, and 2023 travel trade”

Medium hotel, Aberdeenshire

INVESTMENT

Just under 1 in 3 (31%) 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, 5 businesses stated it was to expand and grow, the remaining 8 said it was to maintain the current standard.

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

- **Investment recently made**
- **Economic uncertainty**
- **Reduced income**

“Investment was made during and just after lockdown – it is now time to maximise and ensure consistent operations.”

Medium hotel, Aberdeenshire

“Need to replace capital reserves to enable investment.” Small hotel, Aberdeen

“Bookings down now for three years. Hostile legislation coming down the road, Not conducive to feeling positive about the future of my business.”

Self-catering accommodation, Aberdeen

LOOKING AHEAD – OPTIMISM LEVELS

For the first time since running the Monitor (October 2021), optimism does not increase with time, and the outlook is fairly similar for the short, medium and long term. The most selected category for each time period was “neither/nor”, perhaps reinforcing this time of uncertainty that we are in where COVID is still very much present, business costs continue to rise and challenges are now exacerbated by changing consumer behaviour and booking patterns (due to transport disruption and the costs of living).



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.

The quarterly results help VisitAberdeenshire further understand the current challenges and barriers facing industry which feeds into our own planning for the year ahead. We also use the results to raise awareness of the North-east at national fora, and to inform our contractors about the state of the sector.

To read these results in more detail please visit our Industry Research & Insights section: **industry.visitabdn.com**

ABOUT THE SURVEY

The April Monitor was live from the 4th to the 11th of July. We distributed it to **1686** individuals via a standalone VisitAberdeenshire industry newsletter. **57** eligible responses were received, resulting in a response rate of **3%** - 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**