

QUARTERLY

BUSINESS MONITOR



COVERED THIS QUARTER

October - December 2022
TRADING OVERVIEW

ENQUIRIES & BOOKINGS
January - March 2023

April 2023 onwards
LOOKING AHEAD

Who did we speak to?

This wave achieved the highest response rate since the Monitor was launched in October 2021. **103 businesses** took the time to provide their thoughts and feedback, a summary of which is provided in this Factsheet. The full set of results is available [here](#).

The majority of responding businesses were Aberdeenshire based (8 in 10), in line with previous Monitor waves.



5 in 10 respondents were accommodation businesses, with self-catering being the most represented sector. It was very positive to see an increase in responses from other key industry sectors this quarter.

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

Past Quarter Performance

October to December 2022 Trading Overview

The vast majority of respondents were open for business October to December.

Respondents were asked “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?”.

Unusually, all the geographical categories followed a similar pattern this quarter, with the most prominent column for each category being “Fewer than normal”. Perhaps reflecting the uncertainty and constraints existing in the domestic market and the delay in return to “normal” business from the inbound market.

Visitor Profile Oct - Dec 2022

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



Local area



Elsewhere in Scotland



Rest of UK



Overseas

October - December Highlights

40% of responding businesses took the time and opportunity to comment on the highlights they had experienced during October to December. The main emerging themes were:

- **Return to pre-COVID market mix**, return of international visitors and the corporate market.
- **Strong festive period.**

“Corporate oil and gas related business is growing again strongly.”

Medium hotel, Aberdeen

“December was unusually busy outside the main festive period. Lots of fairly short notice short breaks, especially from booking.com.”

Self-catering business, Aberdeenshire

“Exceeded 2019 revenues, which was last full complete year pre Covid. High corporate travel Oct/Nov, although 3 day week/WFH is still impacting. Conference business promising, and Xmas numbers were very good.”

Medium hotel, Aberdeen

“Increased interest from golfers in Holland booking for the July 2023 RDGW event.”

Golf club / resort, Aberdeenshire

“Seeing customers from many different countries for the first time and an increase in business were the highlights.”

Tour provider, Aberdeenshire

“Visitor numbers over 100K for year for first time since 2019.”

Visitor attraction, Aberdeenshire

“An excellent trading period leading up to Christmas.”

Retailer, Aberdeenshire

October - December Barriers

47% of the sample responded to this open-ended question.

The key themes can be summarised as:

- **Costs** (costs of living; supplier/food costs; high rates; fuel prices; energy prices).
- **Staffing and Recruitment** (shortages; lower applications than before).
- **Weather** (floods; snow; slow removal of snow/ice).
- **Rail strikes.**

“Cost of food/drink, as well as the rising cost in Electric, which at Christmas time with lights, etc. it’s hard to be festive when you’re trying to cut back on these.”

Small hotel, Aberdeenshire

“Energy prices; people not travelling, me not having the money to do essential upgrades. Not sure if my holiday let will survive another winter.”

Self-catering business, Aberdeenshire

“We did try and encourage retailers to trade later, but I still feel that staffing levels in units are lower due to redundancies that occurred during COVID period.”

Retailer. Aberdeen

“High fuel prices and cost of living crisis has curtailed tourists. The very bad weather and lack of road maintenance into the Country park put people off coming to park.”

Holiday park. Aberdeenshire

“Weather – snow, ice. Road conditions. Rail strikes. Food costs.”

Guest house / Bed & Breakfast, Aberdeenshire

“Logistics into the city with strikes on rail.”

Small hotel, Aberdeenshire

Enquiries and Bookings, January - March 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 cost of living crisis and the impact these are having on confidence levels, discretionary income and decision making.

When we look further ahead, to April 2023 onwards, the chart is similar. There are still significant chunks of red, but it is positive to see the number of businesses stating enquiries and bookings are about the same as normal (ie. Pre-COVID levels). Of note is the number of businesses stating they are seeing **“more than normal” enquiries and bookings** from the **overseas market**, possibly relating to the strong exchange rate and therefore being seen to offer greater value for money.

“I had a small B&B. I closed my business because of all the uncertainty regards STR legislation coming in. Basically, I have been priced out of the market.”

Guest house / B&B, Aberdeenshire

“I think people are being cautious and are waiting to see how the economy and travel delays will impact on their holidays. I am confident that bookings will come.”

Self-catering business, Aberdeenshire

“We are naturally nervous with people being more aware of the cost of fuel, etc. to get to us and watching their budgets on what they spend.”

Restaurant, cafe, food and drink experience, Aberdeenshire

“The new trend is that enquiry and booking windows are shortening. Lower Q2 enquiries and bookings not necessarily reflective of concerns - at the moment!”

Small hotel, Aberdeen

“Good to see more interest and new bookings from international guests.”

Self-catering business, Aberdeenshire

“Strong US golf business.”

Medium hotel, Aberdeen

Enquiries for next 3 months (Jan - Mar 2023)

- fewer than normal
- about the same as normal
- more than normal
- we’re closed Oct - Dec
- we don’t take advanced bookings



Enquiries within local area



Enquiries elsewhere in Scotland



Enquiries rest of UK



Enquiries overseas

Enquiries 3 Months+ (Apr 2023 onwards)

- fewer than normal
- about the same as normal
- more than normal
- we don’t take advanced bookings



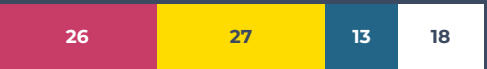
Enquiries within local area



Enquiries elsewhere in Scotland



Enquiries rest of UK



Enquiries overseas

Bookings for next 3 months (Jan - Mar 2023)

- fewer than normal
- about the same as normal
- more than normal
- we’re closed Oct - Dec
- we don’t take advanced bookings



Bookings within local area



Bookings elsewhere in Scotland



Bookings rest of UK



Bookings overseas

Bookings 3 Months+ (Apr 2023 onwards)

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Bookings within local area



Bookings elsewhere in Scotland



Bookings rest of UK

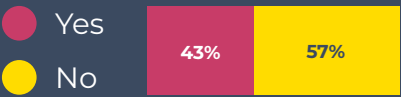


Bookings overseas

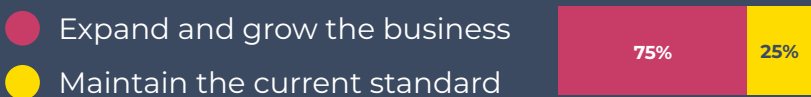
Investment

Just over **4 in 10 responding businesses** have plans to significantly invest in their business in the near future. When given the opportunity to elaborate on the purpose of this investment, **3 in 4** stated this was to expand and grow rather than maintain the current standard.

Investment plans?



Investment Purpose



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

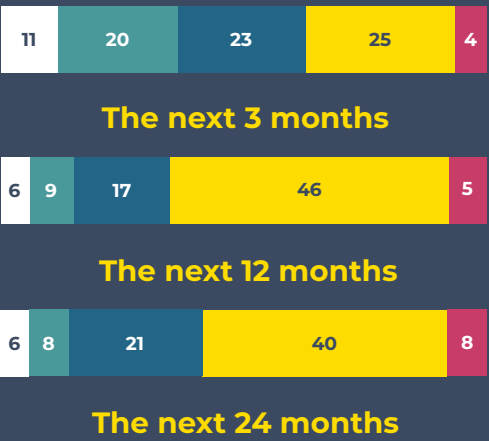
- Short term lets legislation.
- Market uncertainty.
- Refurbishment / investment recently undertaken (during COVID).
- Rising costs.
- Stability needs to return first.

Looking ahead - optimism levels

For the first time in several waves, there is a marked difference between the next 3 months and the medium to longer-term outlook. Whilst a number of businesses selected neither/nor, indicating ongoing uncertainty, particularly in the short-term, it is no longer the dominant section on the chart. It is positive to see the significant increase in businesses stating they feel somewhat optimistic about the medium to longer-term outlook.

Business performance optimism levels

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



The increased response rate this quarter enabled analysis of optimism levels across some of the sectors where there was a critical mass of responses. These were self-catering, visitor attraction/experience, retail and hotel. The analysis revealed that the **hotel sector** is the **most optimistic** across all 3 time periods. The full slide deck shows this breakdown in detail.

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 January Monitor was live from the **9th to 16th January 2023**. We distributed it to **1,624 individuals** via a standalone VisitAberdeenshire industry newsletter. **103 eligible responses were received**, resulting in a **response rate of 6%**. In addition, the link was sent directly to stakeholders and business groups for sharing with their own membership/networks.

The distribution was widened during the live period to VisitAberdeenshire's LinkedIn account to boost response rates. As with all surveys, do note there are sample size fluctuations from question to question.

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.

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.

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.

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.

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