JULY 2023

QUARTERLY

BUSINESS MONITOR

APRIL - JUNE 2023
TRADING OVERVIEW

ENQUIRIES AND BOOKINGS
JULY TO SEPTEMBER 2023

OCTOBER AND BEYOND
LOOKING AHEAD

WHO DID WE SPEAK TO?

60% of responding businesses were Aberdeenshire based.

Just over **5 in 10 respondents** were from the accommodation sector. Once again, self-catering was the most represented sector, it was very positive to see increased responses from other key industry sectors this quarter.

6 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

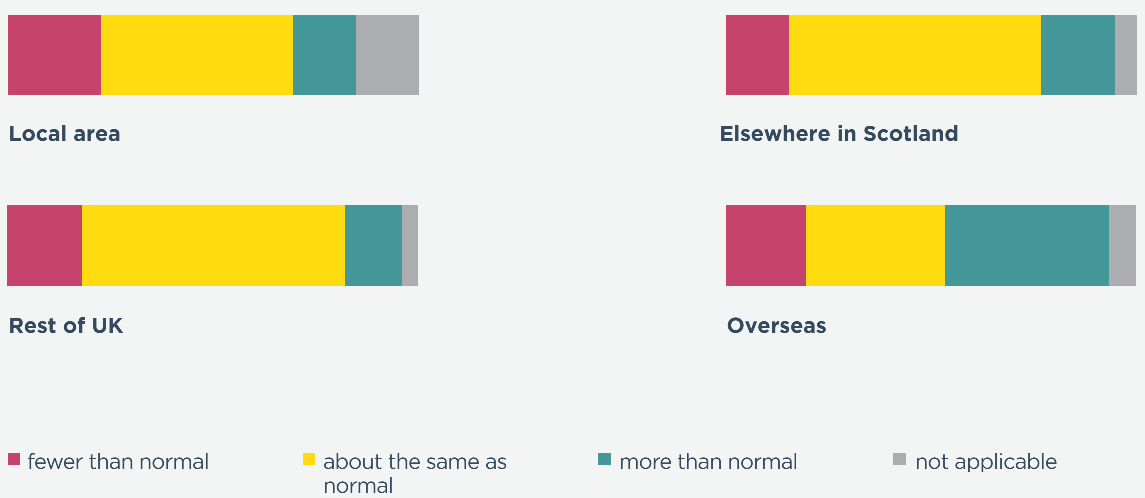
PAST QUARTER PERFORMANCE

APRIL TO JUNE 2023 TRADING OVERVIEW

Practically all responding businesses were trading April to June. 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?"**

Results indicate that visitor numbers from the local area, elsewhere in Scotland, and the rest of the UK were, predominantly, **"about the same as normal"**, reflecting a relatively positive start to the season. Visitors from overseas bucked this trend, with the dominant choice being **"more than normal"**, selected by 40% of responding businesses.

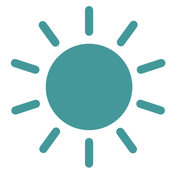
Origin of visitors: April - June 2023



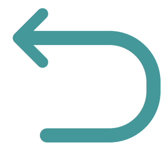
APRIL - JUNE HIGHLIGHTS

42% of the sample gave a response to this open-ended question
Emerging themes:

- **Healthy, strong demand, with several mentioning return of international visitors**
- **Good weather and the impact of this on business**
- **Healthy bookings for group tours and trips**



Good weather and impact on business



Return of international visitors

"I am a driver guide who plans itineraries for 1 to 20 plus people. I have seen a very positive increase in visitors this past 6 months. Visitors are amazed at the range of activities and variety of scenery we have in Aberdeenshire"
Tour Guiding, Aberdeenshire

"Strong Easter with volumes returning to pre-pandemic levels. Good growth overall year on year. Overseas visits continue to build/recover."
Heritage + Gardens, Aberdeenshire

"85% occupancy across all holiday cottages"
Self-catering, Aberdeenshire

"Good level of sales compared to previous pre COVID years"
Restaurant, café, food and drink experience, Aberdeen

"Getting busier with golfing visitors – both accommodation and food/drinks. Last minute one night bookings showing strong performance. Weather definitely affecting day-to-day trading"
Small hotel, Aberdeenshire

"A feeling in some areas we are almost reaching 2019 levels of business. April to June felt this way, but Summer may look less at present"
Visitor attraction/experience, Aberdeen

APRIL - JUNE BARRIERS

40% of the sample responded to this open-ended question
Key themes:

- **Increasing business costs**
- **Staff shortages**
- **Short term lets legislation**

Costs

Short term lets legislation

"Catering recruitment remains a challenge particularly in rural areas of Aberdeenshire"
Heritage + Gardens, Aberdeenshire

"Increased costs in energy and food, customers reluctance to pay anymore"
Medium hotel, Aberdeen

"Public price/rate sensitive due to current financial climate (UK domestic market)"
Golf club/resort, Aberdeenshire

"Supply chain is getting back to normal regards supply/delivery but prices are always on the up"
Visitor attraction/experience, Aberdeen

"Short term letting license standards requiring extra spending"
Self catering, Aberdeenshire

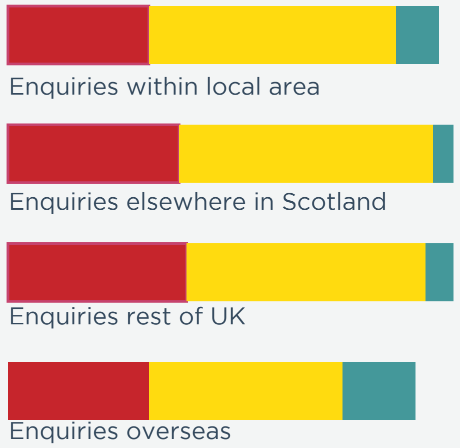
ENQUIRIES AND BOOKINGS – JULY TO SEPTEMBER 2023

"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 each of the following areas?"

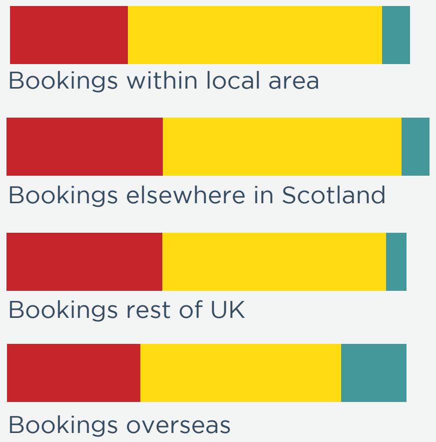
A follow-on question asked about bookings.

Whilst the dominant chunk for all markets is **"about the same as normal",** there continues to be significant amounts of red in the charts to the right, disappointing for peak season, a reflection perhaps of the ongoing impact of cost of living, together with the shortened booking window as indicated in some responses.

ENQUIRIES FOR NEXT 3 MONTHS (July - September 2023)

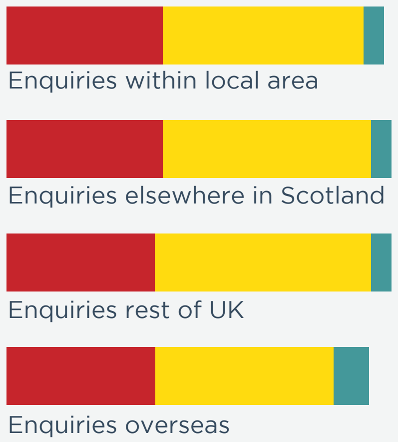


BOOKINGS FOR NEXT 3 MONTHS (July - September 2023)

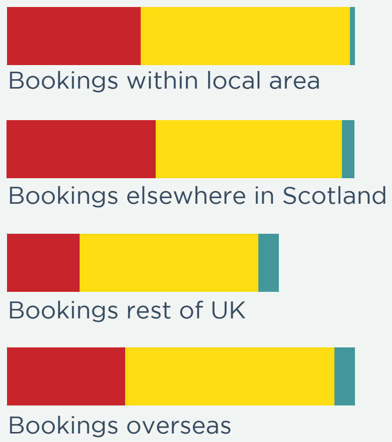


When we look further ahead, to October 2023 onwards, a similar chart, but this time looking past the next 3 months into Autumn and beyond. Whilst there are still significant chunks of red, it is positive to see the number of businesses stating enquiries and bookings are about the same as normal (ie. 2019 levels). The period in question coincides with the winter, typically off-season period, which undoubtedly impacts on decision making, together with the uncertainty associated with cost of living and other economic considerations.

Enquiries October and beyond



Bookings October and beyond



■ fewer than normal ■ about the same as normal ■ more than normal

ENQUIRIES AND BOOKINGS COMMENTS

"Booking has been very last minute this year and we have had visitors taking houses for a month and working from home which is a new thing for us. Overall slow to book and not much forward booking"
Self-catering, Aberdeenshire

"Concerns that mortgage rate rises will squeeze personal income for staycations"
Restaurant, café, food and drink experience, Aberdeen

"These are coming in thick and fast"
Language Travel Industry, Aberdeenshire

"Wondering if its worthwhile paying the new licence or just close down as the cost could make us unprofitable"
Self-catering, Aberdeenshire

"Our bookings for future enquiries seem encouraging at the moment"
Small hotel, Aberdeenshire

"We find it difficult to have accurate predictions regards future months as all our bookings are on an exceedingly short term basis which seems to be a post Covid/Brexit thing....."
Visitor attraction/experience, Aberdeen

INVESTMENT

Just over 5 in 10 respondents have plans to significantly invest in their business in the near future.

Of those who replied positively to investment **(34), almost two-thirds** stated this was investment to expand and grow rather than maintain the current standard. Do note smaller numbers.

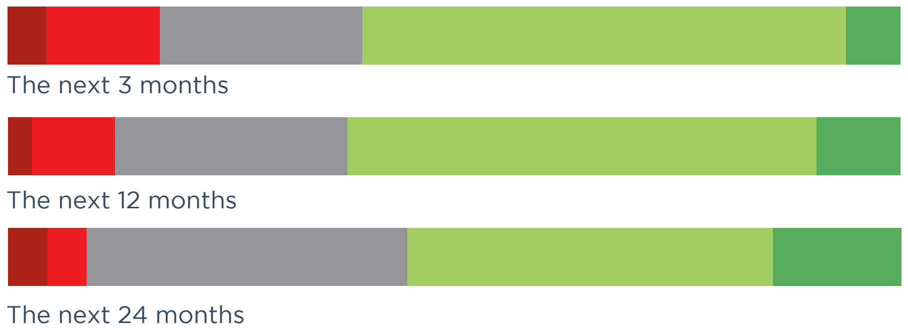
The main reasons for no investment in near future included:

- **Rising costs**
- **Impact of short-term lets legislation**
- **Lack of market certainty**
- **Refurbishment/Investment recently undertaken**

LOOKING AHEAD – OPTIMISM LEVELS

Whilst a number of businesses selected neither/no, indicating ongoing uncertainty, it is no longer the dominant section on the chart. Businesses were feeling optimistic about the next 3 months, perhaps unsurprising given it referred to the peak summer period, and also the next 12 months. **"The next 24 months"** was the period businesses were most unsure about, resulting in a slight squeeze on the net optimistic ratings.

Business performance optimism levels



● not at all optimistic ● not very optimistic ● neither / nor ● quite optimistic ● extremely 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 July Monitor was live from 3rd to 10th of July. We distributed it to **1635** individuals via a standalone newsletter. **86** eligible responses were received, a response rate of **4%** (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 account 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 share a summary of findings 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 into it 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 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**