

OCTOBER 2022

QUARTERLY

BUSINESS MONITOR



What's Inside

JULY TO SEPTEMBER 2022
TRADING OVERVIEW

ENQUIRIES AND BOOKINGS
OCTOBER TO DECEMBER

INDUSTRY OPTIMISM
LOOKING AHEAD

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.

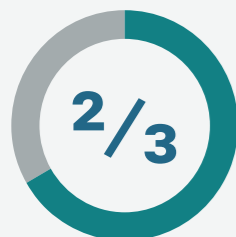
WHO DID WE SPEAK TO?



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



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

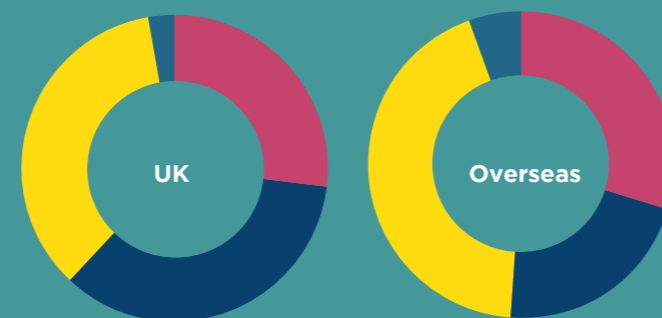


Two-thirds classed themselves as **micro-businesses** (less than 10 employees).

WHAT DID THEY TELL US?

July to September 2022 Trading Overview

As would be expected for the traditional peak summer period, the vast majority of respondents (**93%**) had been open for business in July to September 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 numbers from the local area and elsewhere in Scotland are returning to normal (for those businesses who responded). With regards to visitors from the rest of the UK, respondents had mixed experiences with a fairly equal spread across all options. Interestingly the most selected response in relation to visitors from overseas was **“more than normal”**, which was very positive to see.



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

PAST QUARTER HIGHLIGHTS

15 diverse businesses took the time and opportunity to comment on any highlights they had experienced during July to September.

The main emerging theme was the continued return of inbound visitors (European markets mentioned, plus further afield markets, North America, Australia).

Other highlights included:

- Visitors staying longer
- Weekend trade being stronger due to healthy tourist market and the return of the student population

PAST QUARTER BARRIERS

Of the 20 businesses who chose to respond to this question, half stated they experienced no barriers to trading during July to September. Of those who did name barriers the clear emerging themes were:

£ **Costs** (suppliers; cost of living; increased energy costs)

↓ **Staffing and recruitment challenges, resulting in reduced operation**

ENQUIRIES AND BOOKINGS - OCTOBER TO DECEMBER 2022

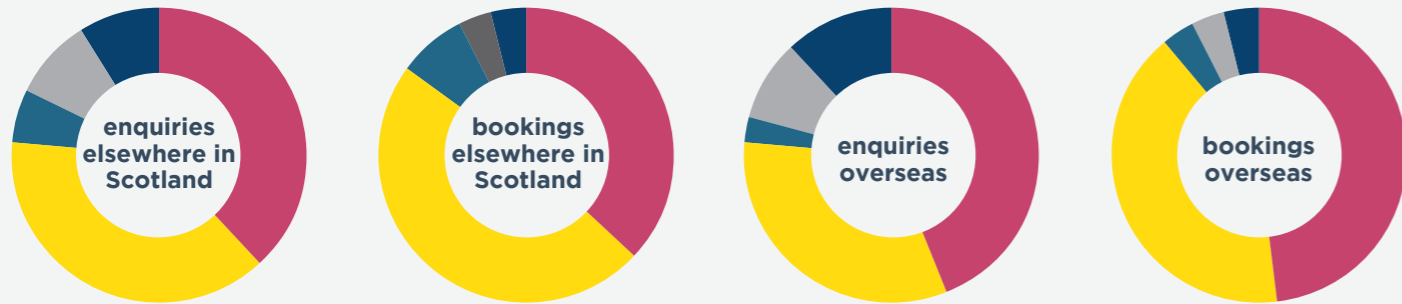
Respondents were asked **“Compared to what you would normally expect at this time of year, are you seeing more, fewer or about the same number of enquiries from local area, Scotland, rest of UK, Overseas”**. They were then asked a follow on question relating to bookings.

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”**, there are still a significant number of businesses selecting **“fewer than normal”**. Possibly not surprising however given the rising costs being faced by the consumer. Also, as we move into the shoulder months and the traditional **“off peak season”** for some sectors, consumers may be looking to go further afield with the discretionary spend they do have available to them.

When we look further ahead, to January 2023 onwards, the chart is similar. This, together with the quotes that follow, suggest consumers are delaying booking, and indeed enquiring, until transport and costs have stabilised.

Enquiries and bookings for October to December 2022



Enquiries and bookings for January 2023 onwards



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

ENQUIRIES AND BOOKINGS COMMENTS

“Forward bookings appear strong”

Self-catering accommodation, Aberdeenshire

“Still concern about flying and public transport, so self-catering is very safe and reliable option”

Self-catering accommodation, Aberdeenshire

“Although we don't take bookings, many customers are checking to see if we're open due to the general downturn in hospitality, with pubs closing or reducing hours across the country”

Pub/bar, Aberdeenshire

“While some continue to book further ahead and put in regular dates which is good, other bookings are more last minute or shorter lead times”

Self-catering accommodation, Aberdeenshire

INVESTMENT

Just under half (48%) 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, 11 businesses stated it was to expand and grow, the remaining 5 said it was to maintain the current standard.

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

- Market uncertainty
- Energy costs
- Post COVID recovery has not materialised
- Short term licensing regulations

“The post COVID recovery has not materialised and we are almost certainly going to cease trading”.

Self-catering business, Aberdeenshire

“Fear of low footfall and low spend for the few that may be able to venture out”

Visitor attraction/experience, Aberdeenshire

LOOKING AHEAD - OPTIMISM LEVELS

Whilst optimism does increase, slightly, with time, the outlook is fairly similar for the short, medium and long term. As with the last quarterly business monitor, the most selected category for each time period was “neither/nor”, perhaps a reflection on this time of continued uncertainty where concerns regarding COVID are still present, consumer behaviour is affected by new challenges (transport disruption; cost of living), and business-related costs continue to rise.



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 October Monitor was live from the 10th to the 17th of October. We distributed it to **1677** individuals via a standalone VisitAberdeenshire industry newsletter. **49** eligible responses were received, resulting in a response rate of **2.9%** (falling marginally short of 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.

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