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Aberdeen and Aberdeenshire: Quarterly Business Monitor #4

July 2022

Survey Background

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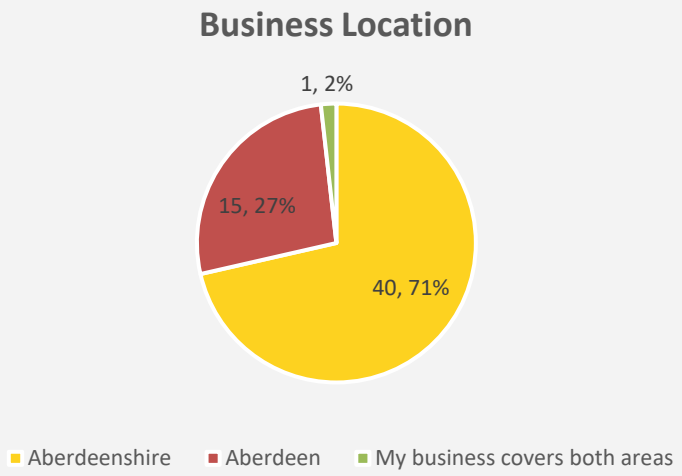
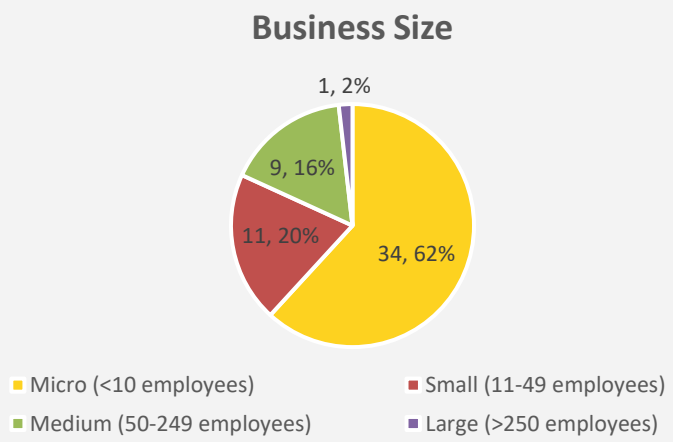
- Purpose of survey: quarterly monitor to gather industry feedback on business performance
- Key themes:
  - Business performance in most recent quarter
  - Enquiries and bookings status for next quarter and beyond
  - Investment activity
  - Levels of optimism in short, medium and longer term
- Survey live 4th to 11th July
- Distributed to 1686 individuals via standalone newsletter
- 57 eligible responses received: 3% response rate
- Distribution widened to include LinkedIn and Twitter

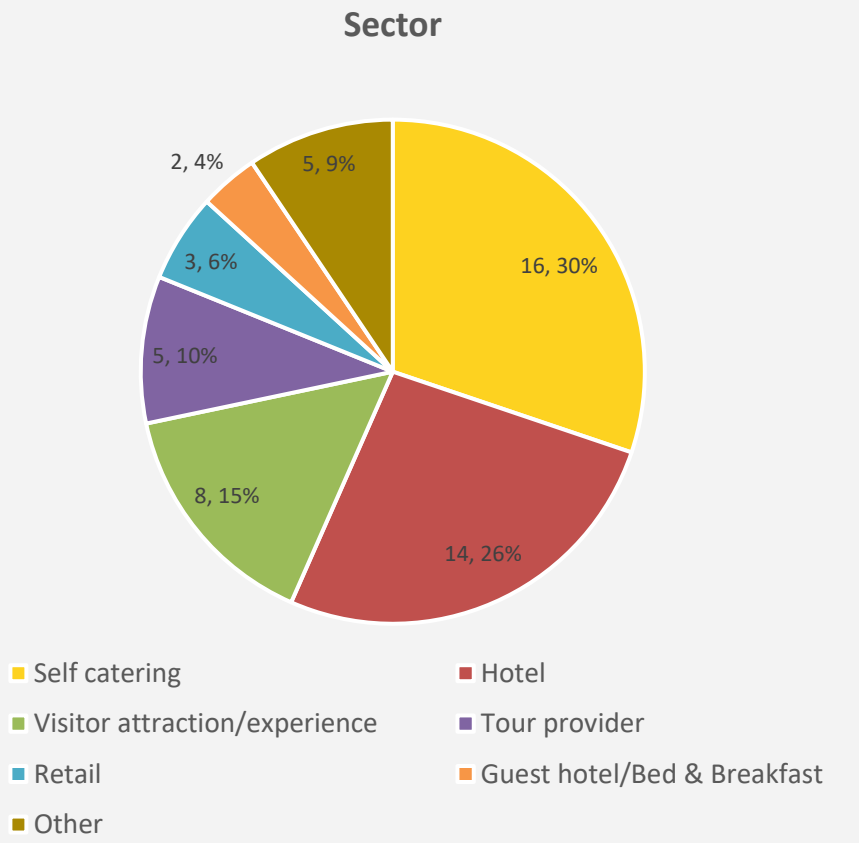
RESPONDING BUSINESS PROFILES:

TMajority of responding businesses were Aberdeenshire based (just over 7 in 10).

6 in 10 were from the accommodation sector, self-catering was the most represented. Positive to see an increase in hotel responses this quarter. Note there was a marked decrease in responses from restaurant, café, food and drink experience category, one business only, reported within “Other” below. Almost two-thirds of the sample were micro businesses.







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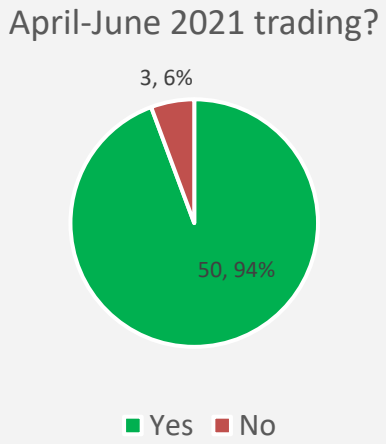
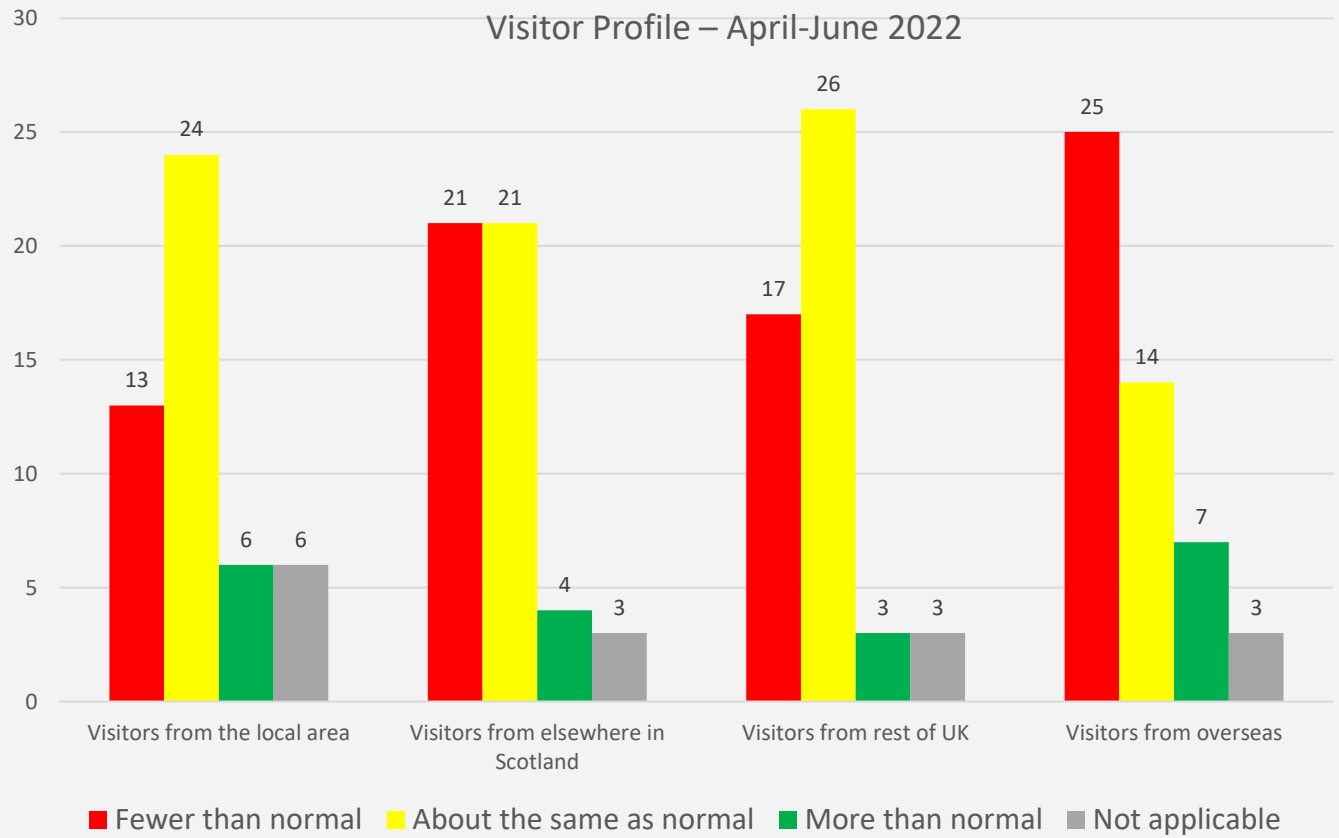
APRIL TO JUNE – TRADING OVERVIEW:

Vast majority of respondents were open for business 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 and rest of UK are starting to return to normal, with visitors from elsewhere in Scotland lagging slightly. The most popular response relating to "visitors from overseas" was there was still fewer than normal, selected by half the respondents.





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Past Quarter Highlights

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- 27 individuals took the opportunity to provide some commentary in this open-ended, optional question
- Of that 27, 5 said no/none/not really
- Very few identifiable themes in this quarter's comments, although there were multiple responses relating to:
  - Seeing the return of international visitors (Switzerland, Germany, France mentioned)
  - Good demand, linked to events taking place (HMT, Nuart)

Past Quarter Barriers

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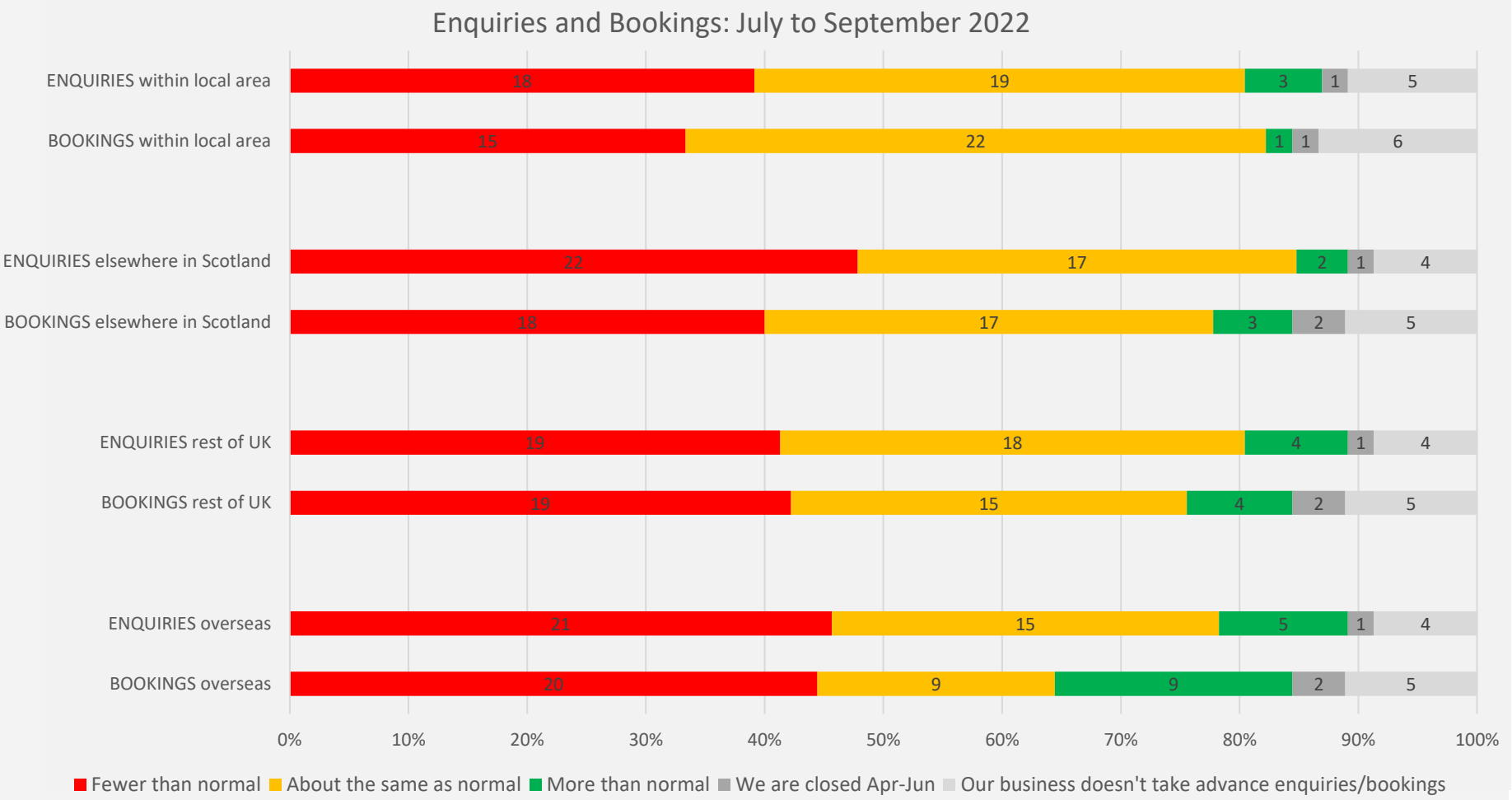
- 33 individuals took the opportunity to provide some commentary in this open-ended, optional question
- Of that 33, 8 stated no/none/not really
- The themes within this section emerge more clearly:
  - Costs (suppliers; cost of living; increased energy costs)
  - Transport/connectivity (airport chaos; reduced rail and bus services; poor transport within the city)
  - Staffing and recruitment challenges, meaning reduced services [within the hotel/s]

ENQUIRIES AND BOOKINGS – JULY – SEPTEMBER 2022:

"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 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, not an ideal picture for the peak season period. Understandable however given the ongoing travel uncertainty and rising costs.



ENQUIRIES AND BOOKINGS – OCTOBER 2022 ONWARDS:

A similar chart, but this time looking beyond the next 3 months, so into the shoulder months and Autumn/Winter period. The large amount of red, where respondents have stated enquiries and bookings are "fewer than normal", suggest consumers are delaying bookings, and indeed enquiries, due to the number of unknowns within the industry at the moment.

Enquiries/Bookings Comments

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- 15 respondents chose to provide commentary

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

Self-catering, Aberdeenshire

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

Medium-sized hotel, Aberdeen

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"

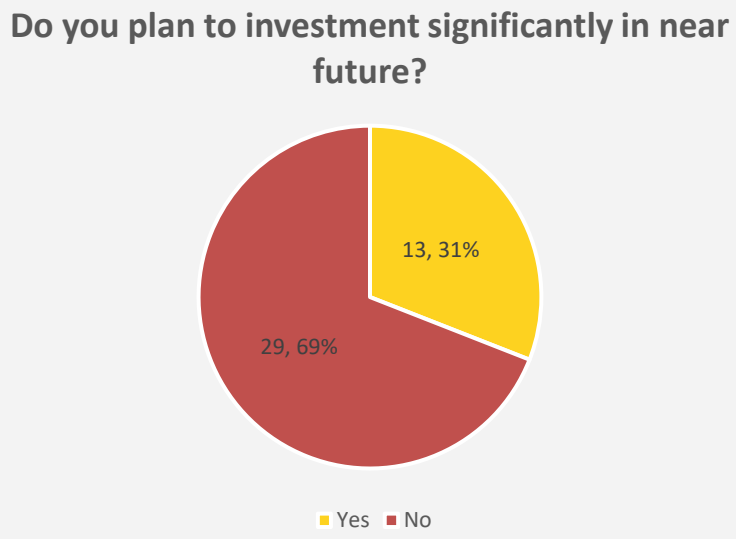
Medium-sized hotel, Aberdeenshire

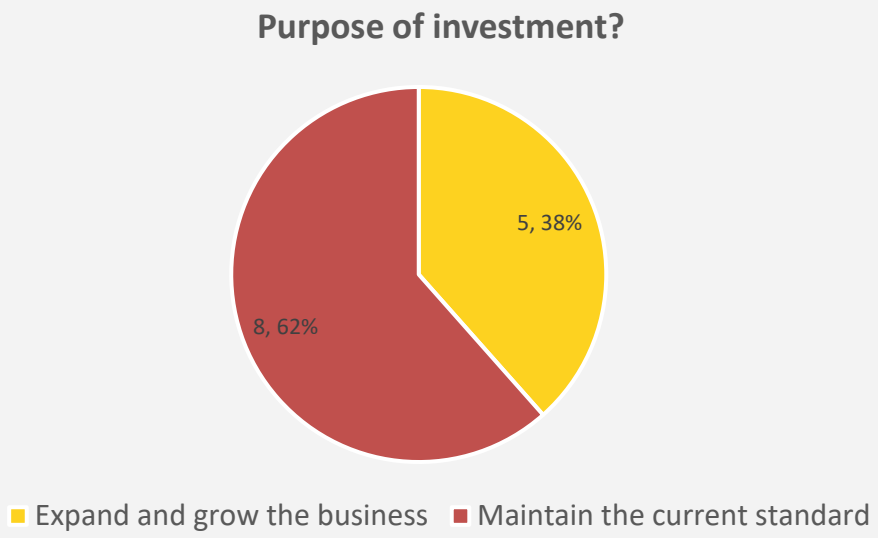
"There seems to be major issues with staffing levels in the shops, hotels and restaurants[in Braemar] resulting in partial closure of services at short notice"

Self-catering, Aberdeenshire

INVESTMENT PLANS IN THE NEAR FUTURE:

Just under 1 in 3 respondents have plans to significantly invest in their business in the near future. Of those who replied positively to investment (13), the majority said this was investment to main current standards rather than to expand and grow.





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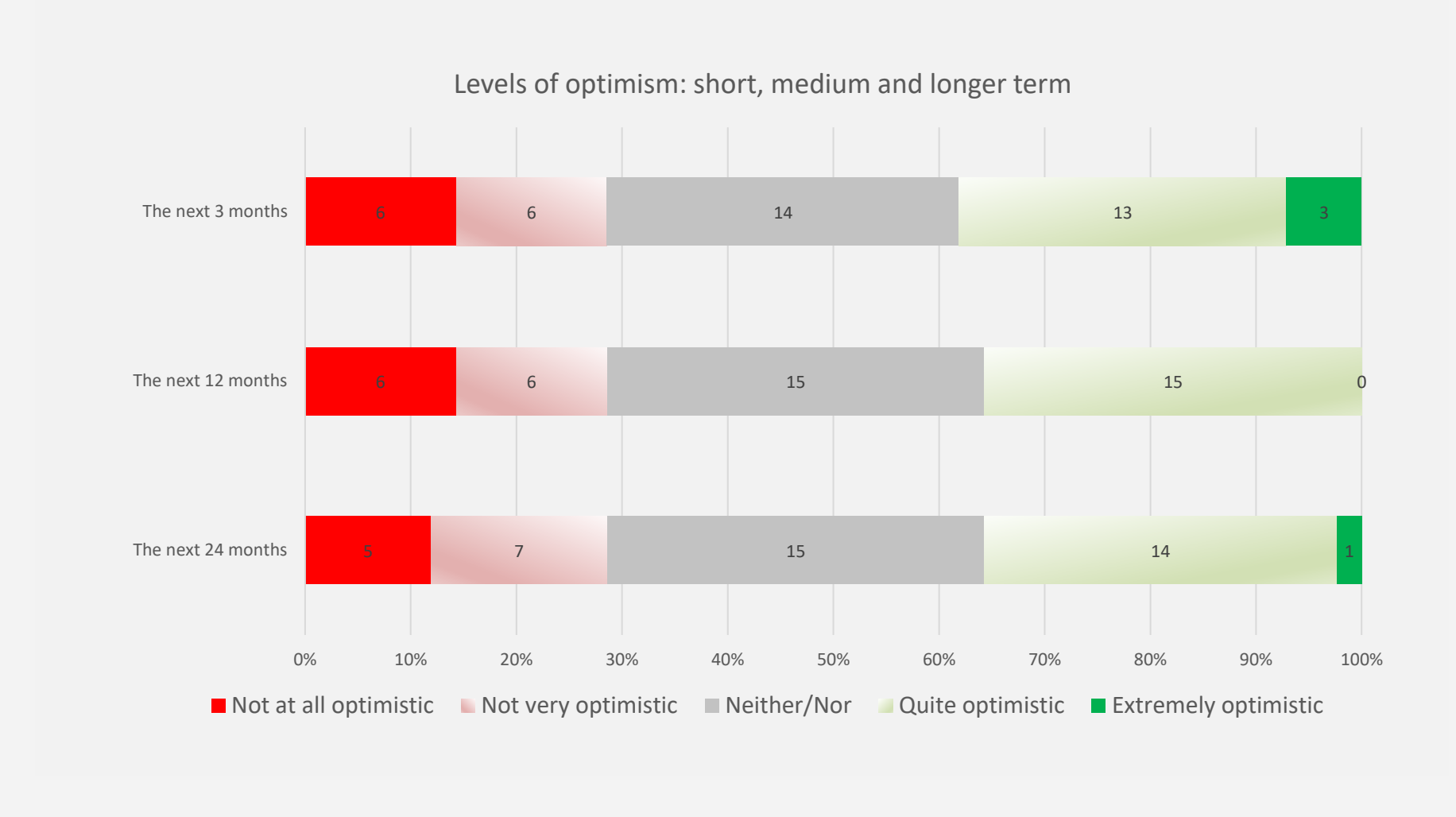
BUSINESS PERFORMANCE OPTIMISM LEVELS:

For the first time since running the Monitor, 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 a reflection on this time of uncertainty where COVID is still present, consumer behaviour is affected by new challenges (transport disruption; cost of living), and business-related costs continue to rise.



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To discuss these results or Insights in general, please contact:

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