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Aberdeen and Aberdeenshire: Quarterly Business Monitor #7

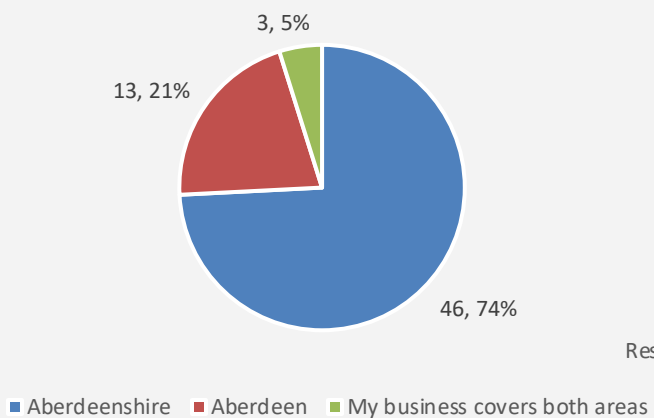
April 2023



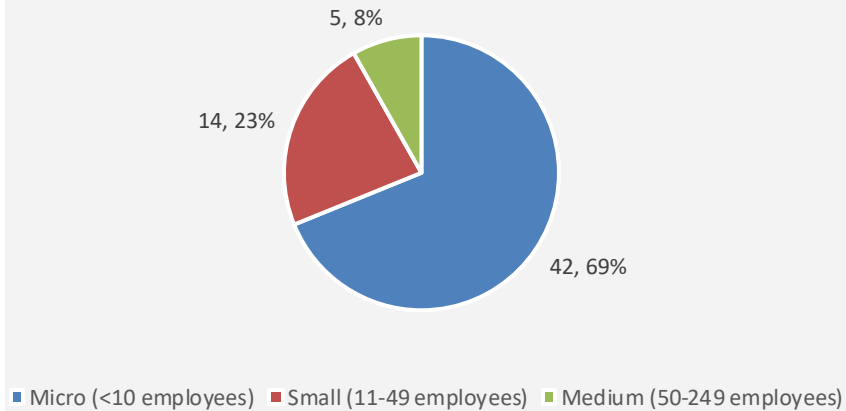
Response Profiles

3 in 4 responding businesses were Aberdeenshire based. Just over **5 in 10** were from the accommodation sector, with self-catering being the most represented sector overall, mirroring previous monitor waves. **7 in 10** responses were from micro businesses (those with less than 10 employees). Do bear these profiles in mind when reviewing the results.

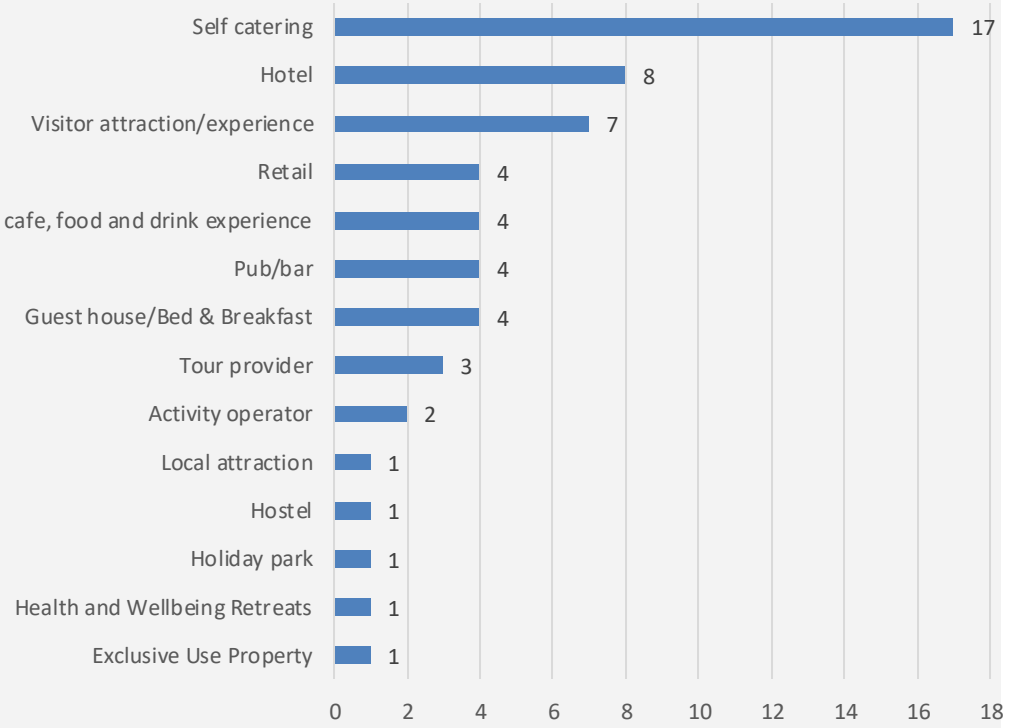
Location



Size



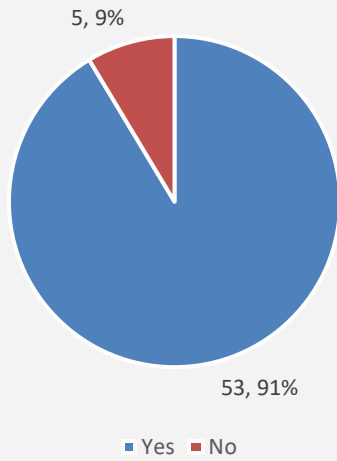
Sector



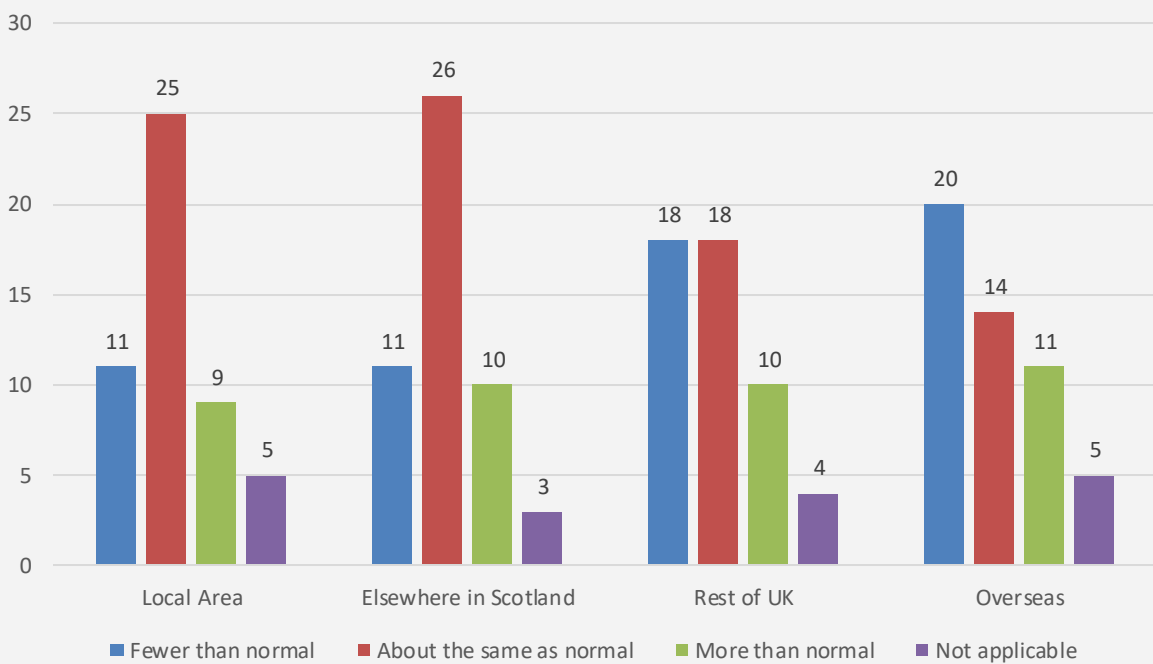
January – March 2023: Trading Overview

Just over **9 in 10** responding businesses were open for business January to March 2023. 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 elsewhere in Scotland were about the same normal, whereas for the rest of the UK it was split between fewer and same as normal (perhaps reflecting sector differences within the sample). The most selected response for overseas visitors was “fewer than normal for this time time of year”.

Trading January-March?



Origin of visitors: January to March 2023



January – March 2023 Highlights



- 34% of the sample gave a response to this open-ended question
- No strong themes emerging this quarter, but multiple mentions of:
 - Increased occupancy/visitor numbers
 - Repeat visitation

<i>Highlight</i>	<i>Sector & Location</i>
After a quiet Christmas season, visitor numbers picked up during the final quarter by 29% compared to 2022, and by 44% compared to 2019, pre-pandemic	Visitor attraction/experience, Aberdeenshire
Some guests are staying longer	Self-catering business, Aberdeenshire
Weekend business increase driven in to Airport hotel market due to events taking place at P&J	Small hotel, Aberdeen
Weekends were fairly busy, and weekdays about normal for this time of year	Holiday park, Aberdeenshire
Few more tourists than normal – don't normally arrive until the high season, but a few came earlier than normal	Hostel, Aberdeenshire
Past quarter was strong but when trading was weak it was record breakingly bad with weeks trading being pulled through by Friday Saturday	Pub/bar, Aberdeen

January – March 2023 Barriers

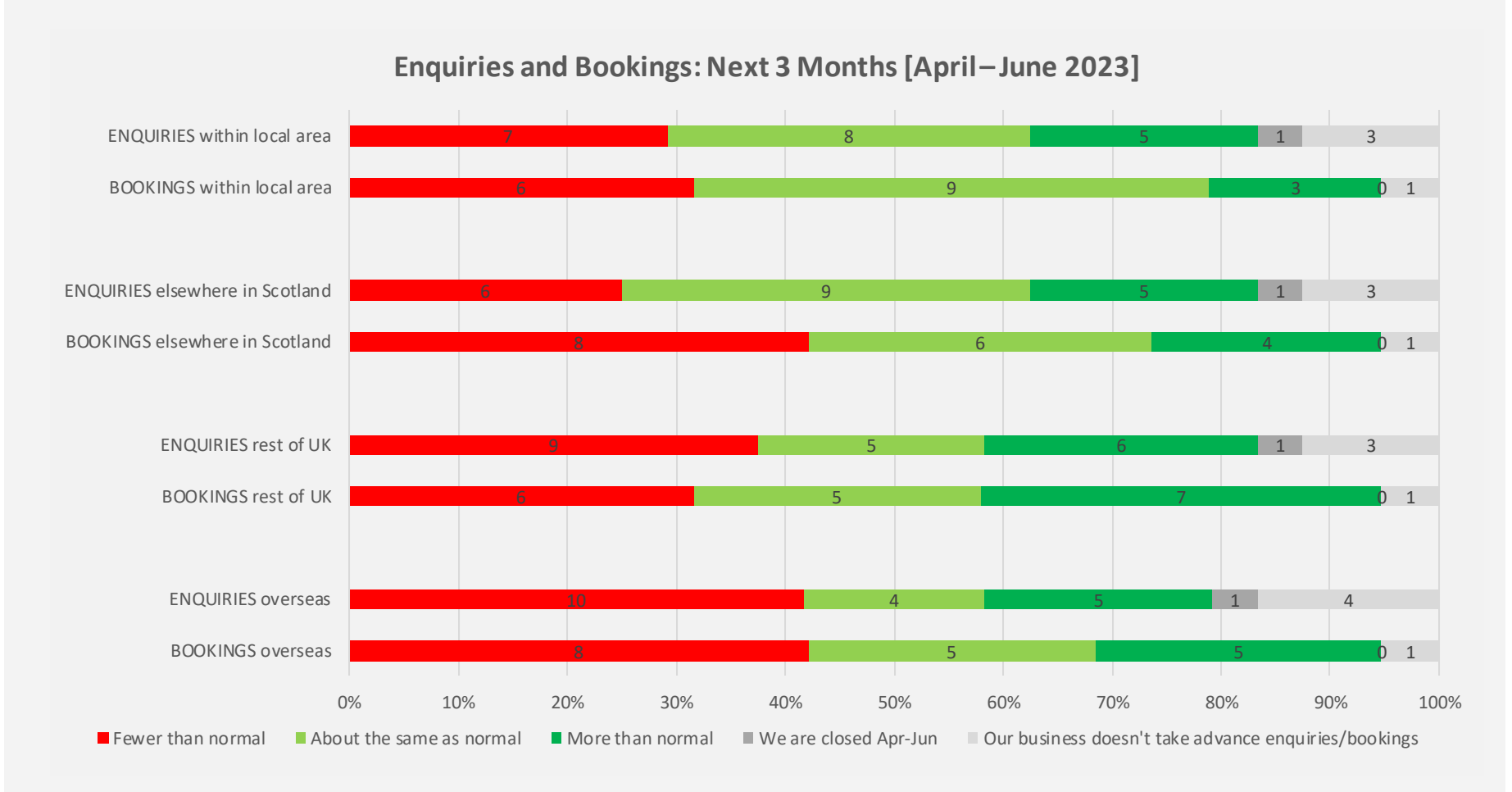


- 33% of the sample responded to this open-ended question
- Key themes:
 - Costs [cost of living; supplier/food costs; high rates; fuel prices; energy prices]
 - Weather

<i>Barrier</i>	<i>Sector & Location</i>
Food and oil prices – choosing whether to increase room rates to cover the rising cost of living or to hold fast and take the hit on profits	Guest house/Bed & Breakfast, Aberdeenshire
I have found increased utilities, insurance, cost of goods, delivery and customs charges are taking away any profit made due to the increase of visitors	Retail, Aberdeenshire
Lack of people travelling. Lots of competition suppressing prices to a very low rate	Self-catering business, Aberdeen
Still some challenges with supplies. Affect of train strikes and airline issues	Small hotel, Aberdeen
Just the cost of living means people are not going away as much	Self-catering business, Aberdeenshire

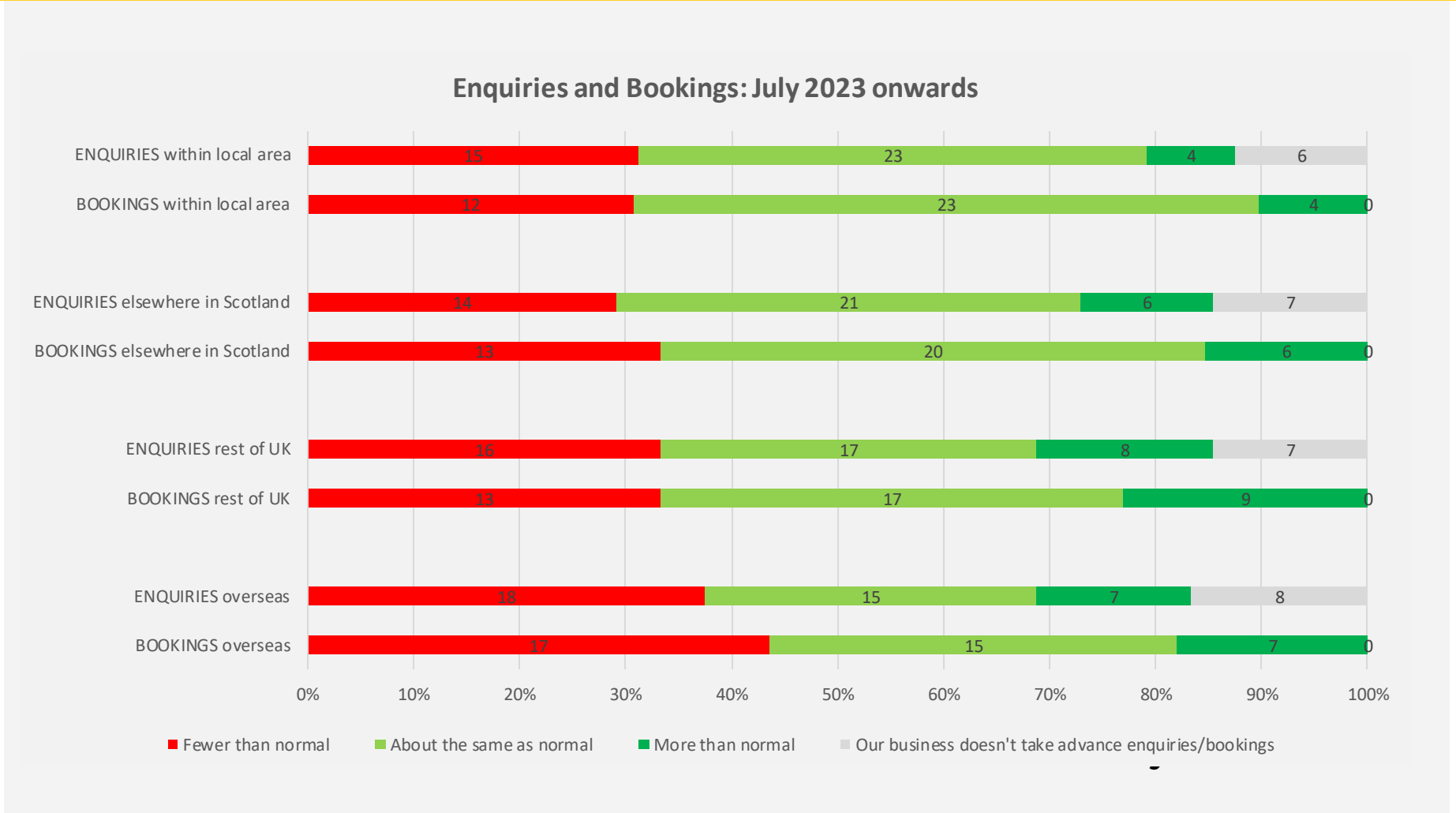
Enquiries and Bookings – April to June 2023

“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 a good chunk of businesses are stating enquiries and bookings are “same as normal”, and, encouragingly, “more than normal”, there are still significant amounts of red in the chart below, reflecting rising energy costs, the ongoing cost of living crisis and the impact these are having on confidence levels, discretionary income and decision making.



Enquiries and Booking – July 2023 onwards

A similar chart, but this time looking past the next 3 months into Summer 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), and indeed a handful of respondents are stating they are seeing more than normal enquiries and bookings coming through for Summer 2023 and beyond.



Enquiries and Bookings Comments

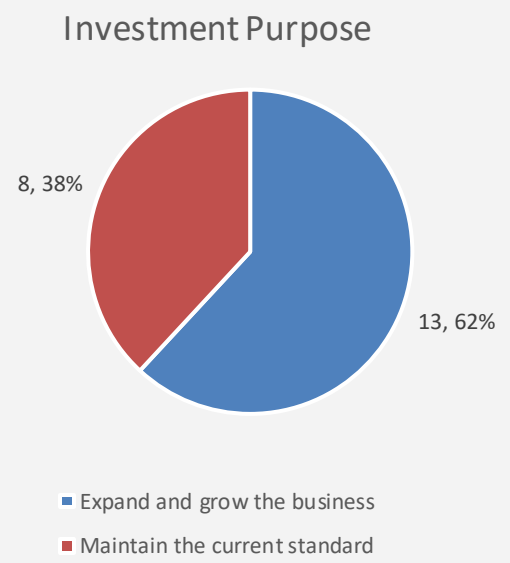
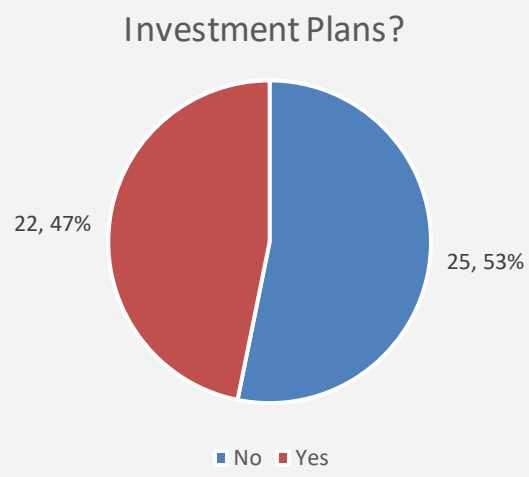


- 30% of the sample provided qualitative feedback relating to future enquiries and bookings
- No key themes emerged from the comments made in relation to enquiries and bookings. Selection of comments provided below

<i>Comment</i>	<i>Sector & Location</i>
Definite increase in international enquiries and more people looking into summer 2024	Tour provider, Aberdeenshire
Easter is impacting negatively on corporate travel in April. Harder to gauge longer term demand outwith the group travel sector due to the short nature of booking windows	Small hotel, Aberdeen
Loads more future bookings compared to last year, but expected as last year was still sort of COVID times, getting back to normal now	Hostel, Aberdeenshire
Returning guests still returning! New guests are generally booking very last minute	Self-catering business, Aberdeenshire
The cost of living plus threat of licensing fee may mean we think seriously about staying in business	Self-catering business, Aberdeenshire
Big confidence in the next six months, really hoping for a good summer season	Pub/bar, Aberdeen

Investment plans in the near future

Almost **5 in 10** respondents have plans to significantly invest in their business in the near future. Of those who replied positively to investment (22), **just over 60%** stated this was investment to expand and grow rather than maintain the current standard. Do note smaller numbers.

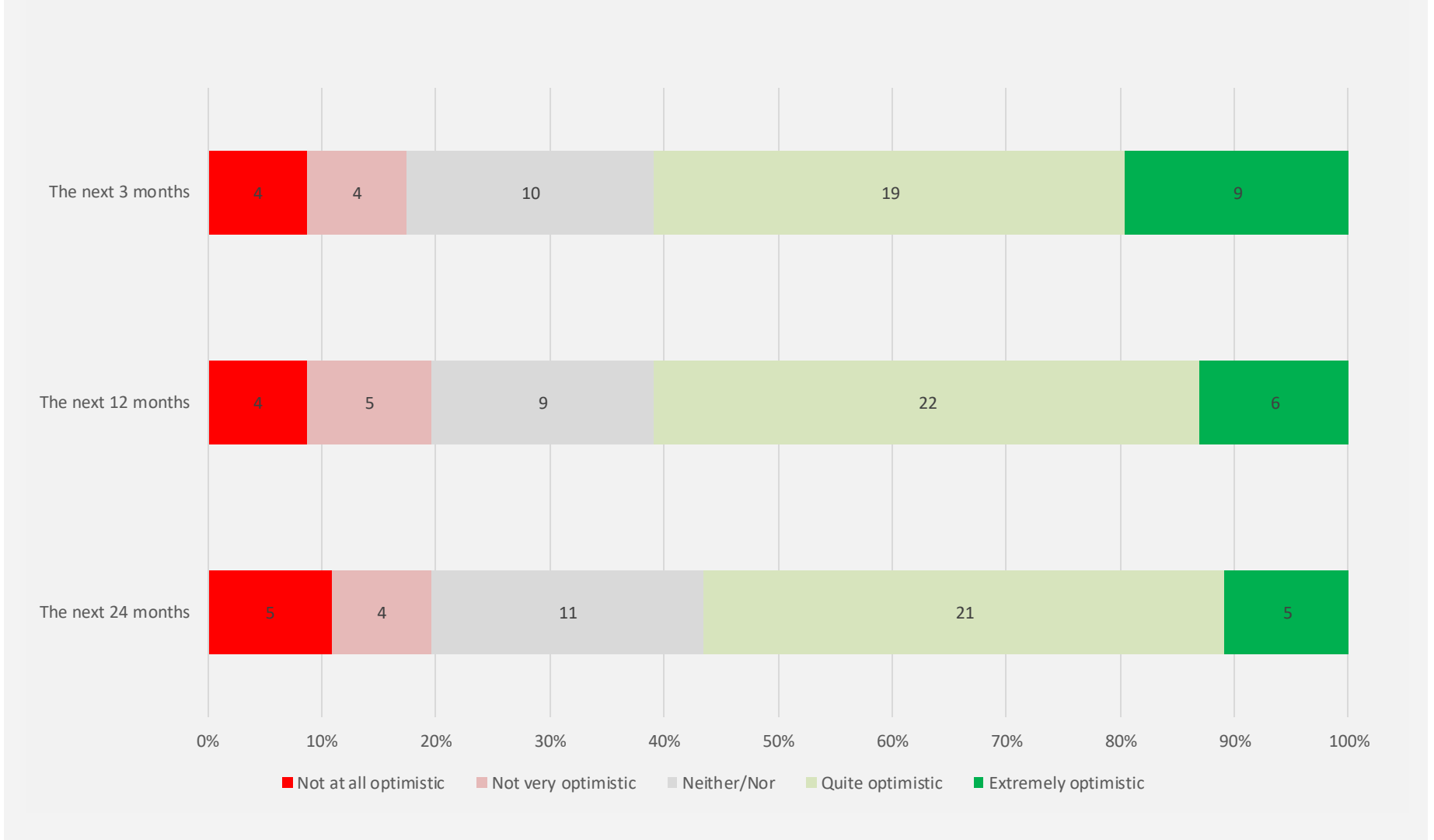


Reasons for no investment in near future included:

- No time [run up to high season]
- Rising costs
- Impact of short-term lets legislation
- Refurbishment/Investment recently undertaken

Levels of optimism: short, medium and longer-term

Whilst a number of businesses selected neither/nor, indicating ongoing uncertainty, it is no longer the dominant section on the chart. It is positive this quarter to see the significant increase in businesses stating they feel optimistic about the short-term - aswell as the medium to longer-term outlook – a reflection perhaps of where we are in the season.



Any final comments



- **A fifth** of the respondents chose to provide final comments
- Key themes, mainly extensions of previously stated barriers:
 - Impact of short-term lets legislation
 - Promotion

<i>Comment</i>	<i>Sector & Location</i>
Bus services would greatly boost local tourism focused businesses	Self-catering business, Aberdeenshire
This will be a crucial year as it's the first "normal" year since Covid, so it'll be interesting to see how many overseas and "rest of UK" bookings go	Holiday park, Aberdeenshire
Promote our region even harder this year	Self-catering business, Aberdeenshire

Survey Background



- 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 3rd to 10th April 2023
- Distributed to 1635 individuals via standalone newsletter
- Supported with direct distribution to key stakeholders and business groups
- 64 eligible responses received, a response rate of 4%
- Distribution widened to include LinkedIn industry.visitabdn.com



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**To discuss these results or sourcing
insights in general, please contact:**

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