OCTOBER 2023

QUARTERLY

BUSINESS MONITOR

JULY - SEPTEMBER 2023
TRADING OVERVIEW

ENQUIRIES AND BOOKINGS
OCTOBER TO DECEMBER 2023

JANUARY AND BEYOND
LOOKING AHEAD

WHO DID WE SPEAK TO?

It was positive this quarter to see a greater geographical spread of businesses participating in our survey: **just over half** were based in Aberdeenshire, **almost one-third** operated out of Aberdeen, and **15%** of responding businesses cover both areas. As with previous surveys, the dominant category was **accommodation,** represented by **6 in 10** responding businesses, with **self-catering,** again, being the most represented sector. **Almost two-thirds** classed themselves as **micro-businesses** (less than 10 employees). Do bear these business profiles in mind when considering these findings.

6 in 10 respondents were from the accommodation sector

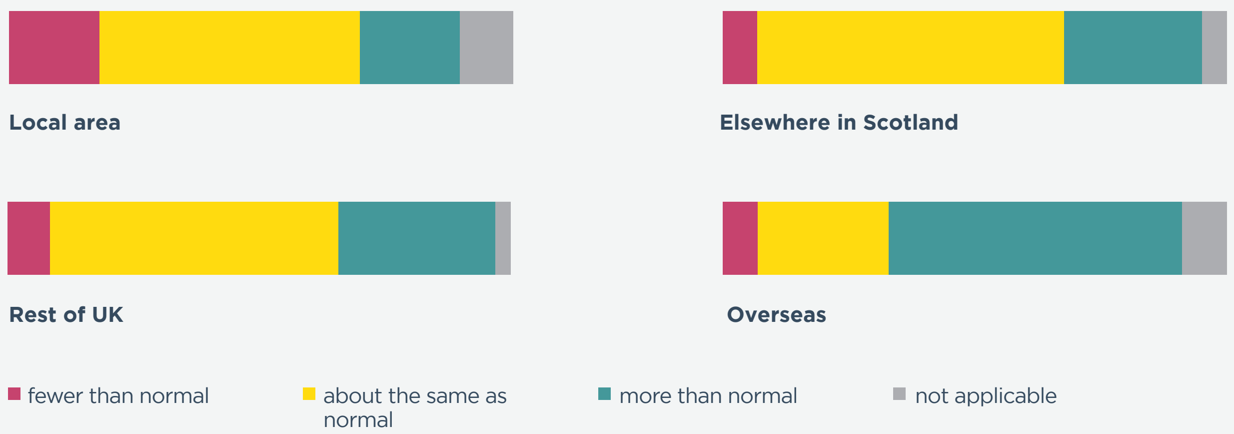
PAST QUARTER PERFORMANCE

JULY TO SEPTEMBER 2023 TRADING OVERVIEW

As would be expected, the vast majority **(94%)** of businesses were open for business July to September 2023. Within every quarterly survey, we ask 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, elsewhere in Scotland and the rest of the UK were, predominantly, about the same normal, reflecting a positive peak period season. As with the last quarterly survey, a high % of responding businesses **(57%)** stated they were experiencing more overseas visitors than normal (2019 levels).

Origin of visitors: April - June 2023



JULY TO SEPTEMBER HIGHLIGHTS

41% of the sample took the time and opportunity to share business highlights from July to September. The comments covered a diverse set of topics, but some key themes did emerge:

- **Increase in international visitors (backing up the numbers highlighted earlier)**
- **Increase in visitor numbers and occupancy**

A higher hotel occupancy with a balance of 1-night stays and longer stays of 3 nights or more. Increase in European mainland guests, as well as visitors from the US
Hotel, Aberdeenshire

My business increased by 50% on the same quarter in 2022
Tour provider, Aberdeen and Aberdeenshire

People have been exploring the east coast of Scotland more than before and coming away from the west coast norms
Self catering, Aberdeenshire

Continued growth and demand from golfers across the UK and overseas to attend the Royal Deeside Golf Week (RDGW)
Golf club/resort, Aberdeenshire

Great room business, much of it associated with events
Hotel, Aberdeen

During the last quarter, we passed the total of visitors we had for 2022
Visitor attraction/ experience, Aberdeen

JULY TO SEPTEMBER BARRIERS

30% of the sample stated they had experienced barriers this past quarter. Key themes:

- **Short term lets legislation**
- **Increasing business costs (e.g. supplies; costs associated with STL)**
- **Staff shortages**

Compiling all evidence necessary for the STL licence at a busy time of the year!
Self-catering, Aberdeenshire

Increased price of all purchases/ consumables
Visitor attraction/ experience, Aberdeen

Guide shortages, guide availability
Tour provider, Aberdeen

The cost from our suppliers have increased and due to this we have had to relook at our pricing structure
Restaurant, cafe, food and drink experience, Aberdeenshire

We had less trade from local customers in comparison to previous months and the previous year, which we have attributed to people now holidaying abroad more since Covid.
Holiday park, Aberdeenshire

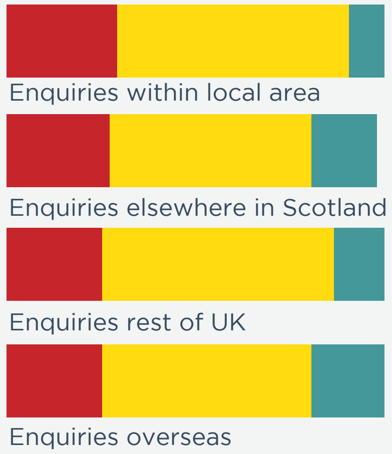
ENQUIRIES AND BOOKINGS NEXT 3 MONTHS AND BEYOND

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.

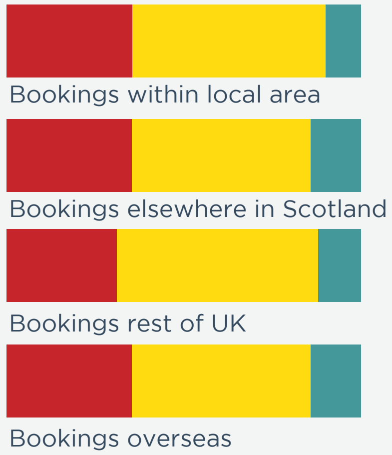
Due to the nature of their business, advanced enquiries and bookings wasn't applicable for some of our respondents.

For the next 3 months (October to December), the dominant chunk for all markets is **"about the same as normal",** there does however continue to be significant amounts of red in the chart below, a reflection perhaps of the ongoing cost of living and shortened booking windows, as indicated in some open-ended responses.

ENQUIRIES FOR NEXT 3 MONTHS (October to December 2023)

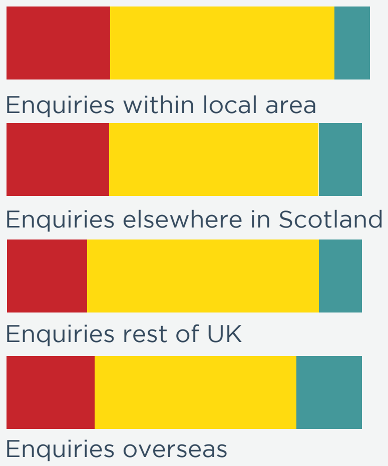


BOOKINGS FOR NEXT 3 MONTHS (October to December 2023)

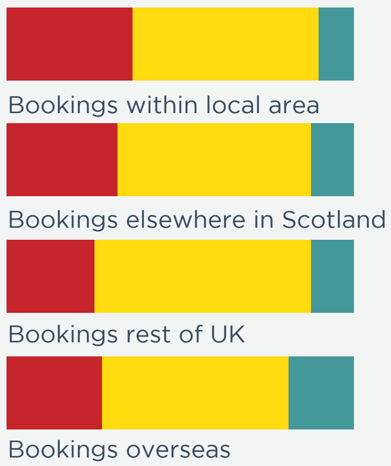


Looking beyond this period (January 2024 onwards), whilst there are still significant chunks of red, it is positive to see the number of businesses stating enquiries and bookings are about the same as normal (ie. 2019 levels), and handfuls selecting more than normal. The period in question relates to, traditionally, the off-season period for some sectors of the industry, which undoubtedly impacts on decision making, together with the uncertainty associated with cost of living and other economic considerations.

Enquiries January onwards



Bookings January onwards



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

Bookings can be uncertain going into October as reduced daylight hours and weather play a major factor. Despite this, I am pretty well booked up for the month. 2024 enquiries are brisk
Tour provider, Aberdeen and Aberdeenshire

Tour groups and demand for whisky tastings has increased
Restaurant, café, food and drink experience, Aberdeen and Aberdeenshire

Trends are for shorter booking windows, especially in the corporate travel world, so not concerned at this stage with lower advance enquiries and booking levels
Hotel, Aberdeen

I'm booked till October 2024 give or take a few weeks here and there. Many repeat bookings but lots of bookings too. More from Yorkshire/London area
Self catering, Aberdeenshire

INVESTMENT

Almost half (48%) of the responding businesses have plans to significantly invest in their business in the near future. Of those who replied positively to investment (26), almost **two-thirds** stated this was investment to expand and grow rather than maintain the current standard. Do note the small numbers under discussion.

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

- **Refurbishment/investment undertaken recently**
- **Rising costs**

LOOKING AHEAD – OPTIMISM LEVELS

Businesses appeared, on the whole, to be optimistic about the 3 time periods presented. It is perhaps understandable that businesses were least optimistic about **"the next 3 months"** given, on this occasion, it refers to October to December which may be a traditionally quieter period for majority of businesses. That said, the net optimism levels for each time period are positive, with almost 7 businesses in 10 stating they were optimistic about the next 12 and 24 months.

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 October Monitor was live from the **2nd to 9th October**. We distributed it to **1608** individuals via a standalone VisitAberdeenshire industry newsletter. **74** eligible responses were received, resulting in a response rate of **4.6%** (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 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.

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**