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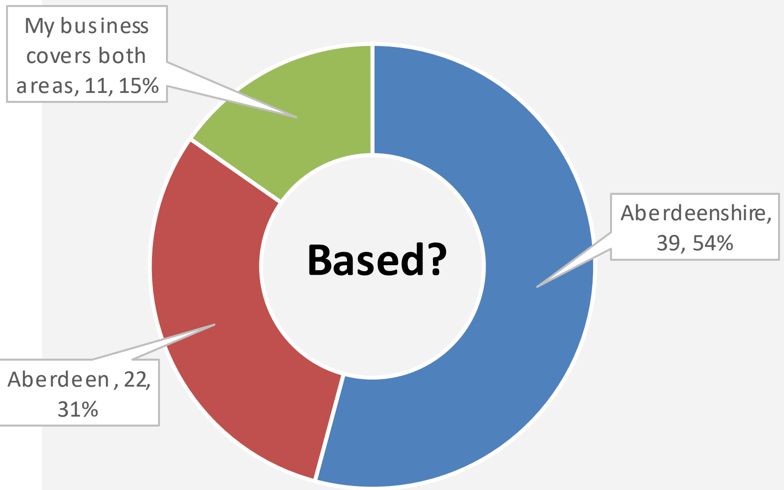
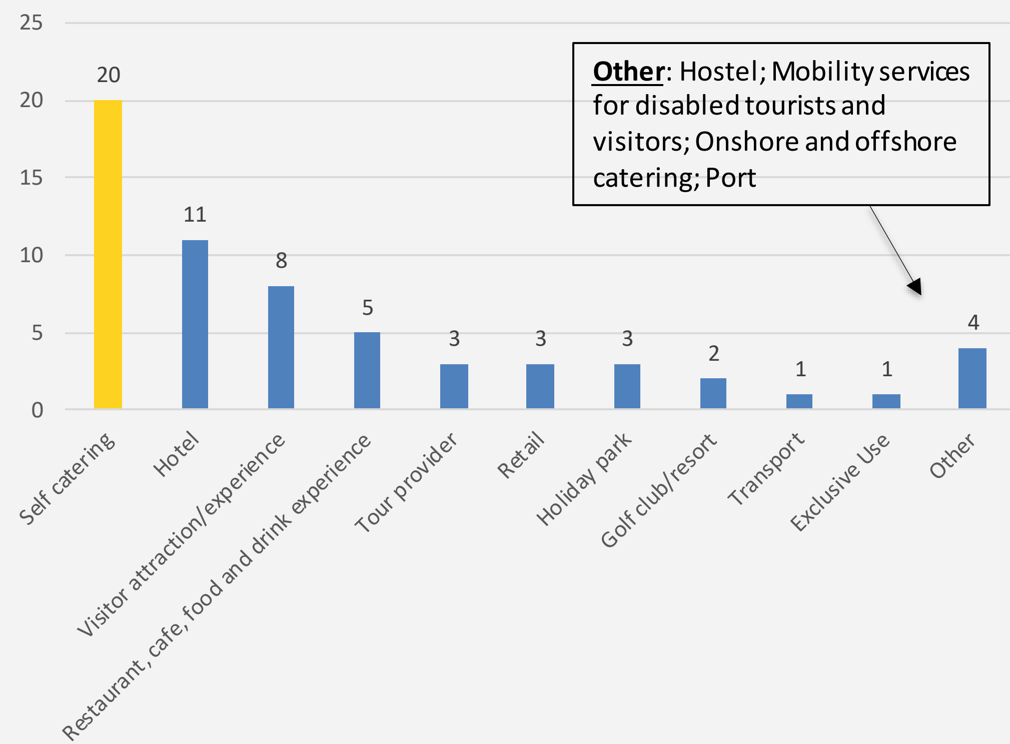
Aberdeen and Aberdeenshire: Quarterly Business Monitor #9

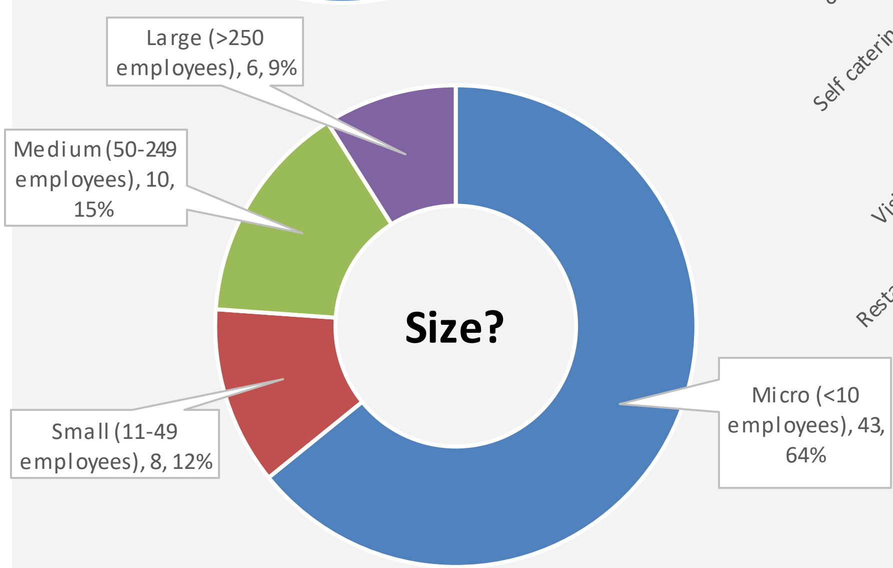
October 2023

Who responded to the survey?

54% of responding businesses were Aberdeenshire based. Almost **6 in 10** were from the accommodation sector. Consistent with previous monitors, self-catering was the most represented sector. Almost **two-thirds** of businesses classified themselves as **micro** (less than 10 employees). Bear these profiles in mind when reviewing the results.







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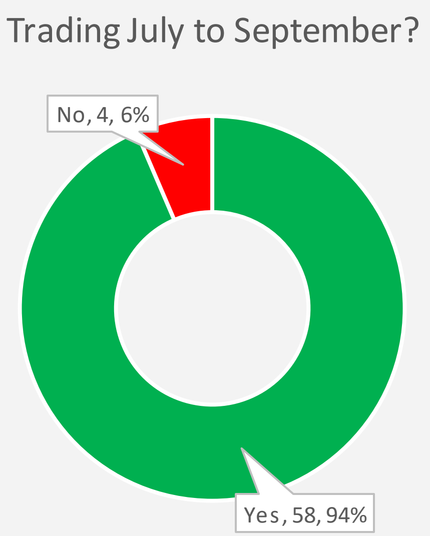
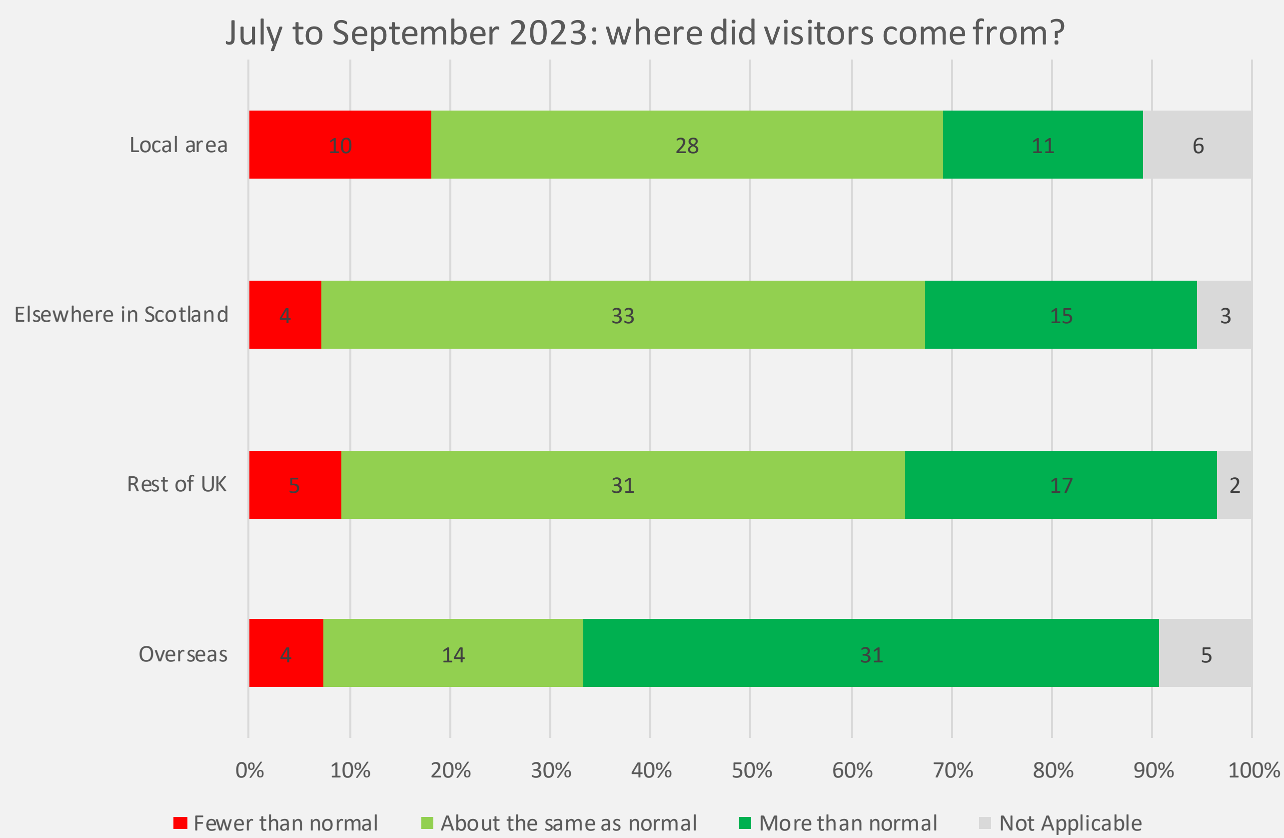
July to September 2023: Trading Overview

The vast majority of responding businesses were trading July to September. 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 positive peak season. Overseas visitors bucking the trend, with "more than normal" selected by 57% of responding businesses, a similar pattern to the previous monitor.





July to September 2023 Highlights

- 41% of the sample shared highlights from the past quarter
- Emerging themes:
  - Increase in international visitors
  - Increase in visitor numbers and occupancy levels

Highlight	*Sector & Location*
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
Continued growth and demand from golfers across the UK and overseas to attend the Royal Deeside Golf Week (RDGW)	Golf club/resort, Aberdeenshire
During the last quarter, we passed the total of visitors we had for 2022	Visitor attraction/experience, Aberdeen
Great room business, much of it associated with events	Hotel, Aberdeen
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
Definitely up on last year	Restaurant, café, food and drink experience, Aberdeenshire

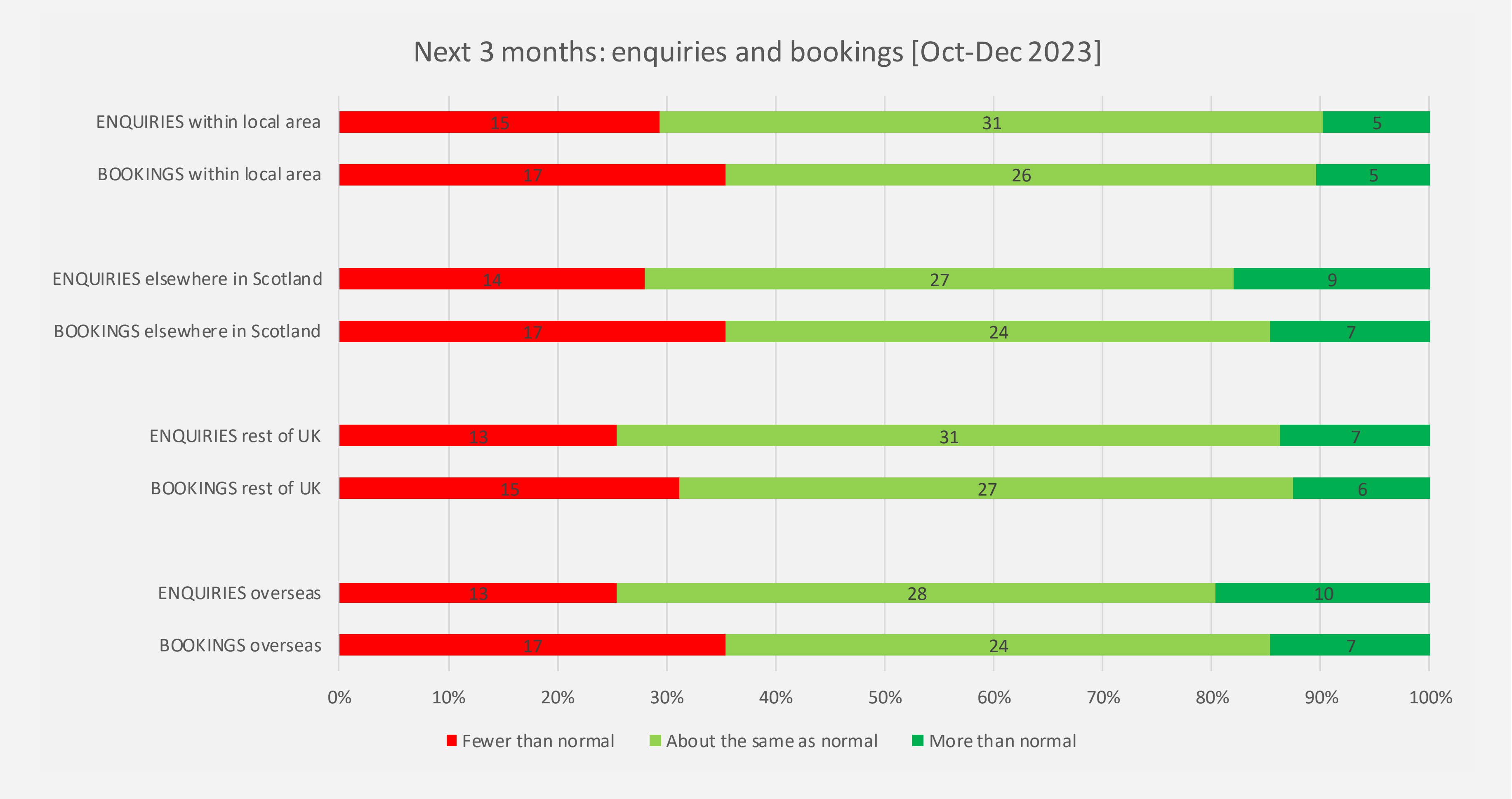
July to September 2023 Barriers

- 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

Barrier	*Sector & Location*
Compiling all evidence necessary for the STL licence at a busy time of the year!	Self-catering, Aberdeenshire
Guide shortages, guide availability	Tour provider, Aberdeen
Increased price of all purchases/consumables	Visitor attraction/experience, 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

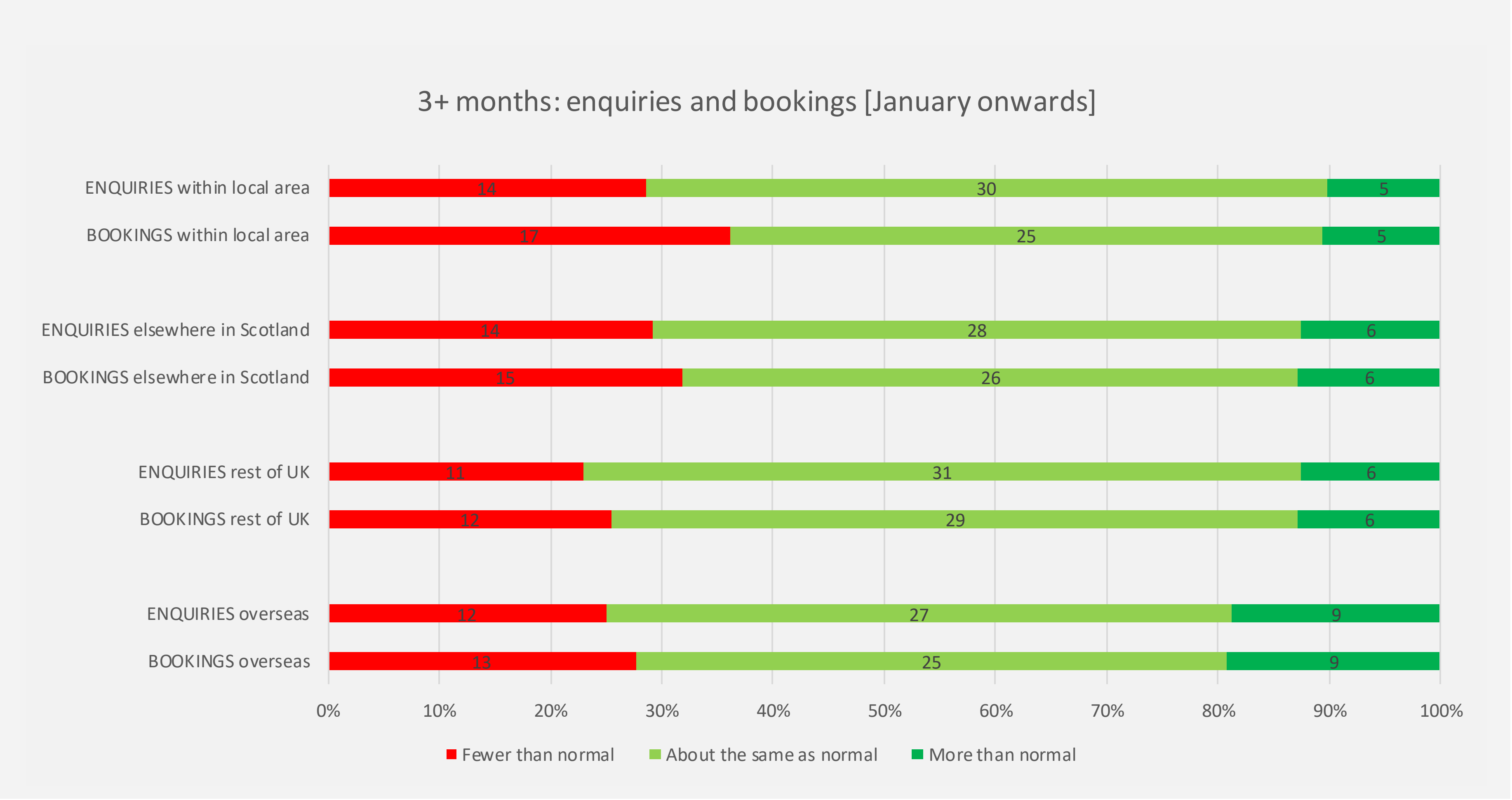
Enquiries and Bookings – October to December 2023

"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 chart below, a reflection perhaps of the ongoing cost of living and shortened booking windows, as indicated in some open-ended responses.



Enquiries and Booking – January 2024 onwards

A similar chart, but this time looking past the next 3 months into the new year 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 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 and Bookings Comments

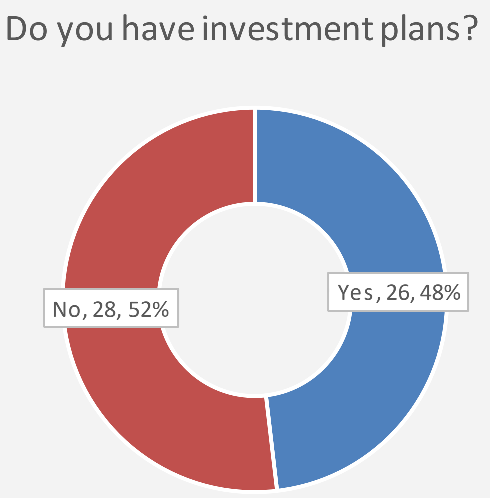
- Just over a third (36%) of responding businesses gave feedback relating to future enquiries and bookings
- There was a diverse mix of positive and negative comments
- Key emerging theme:
  - Shortened booking windows, last minute bookings
  - Several businesses feeling positive about 2024

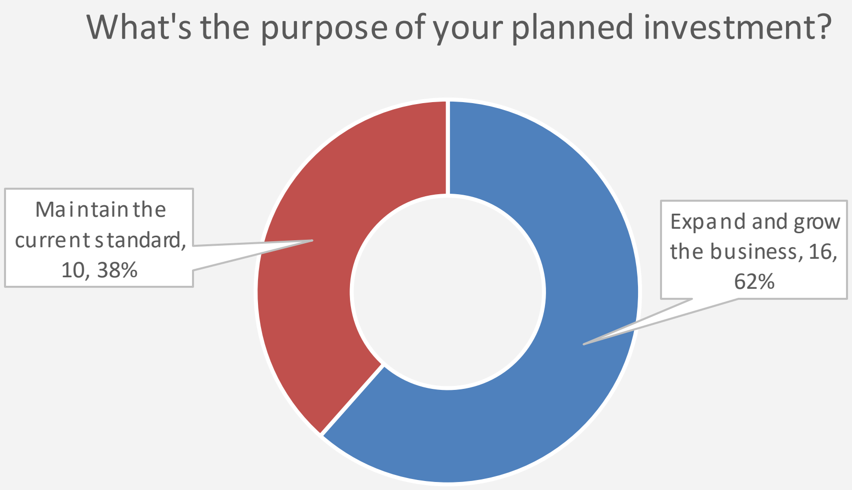
Comment	*Sector & Location*
Bookings can be uncertain going into October as reduced daylight hours and weather play a major factor. Despite this, I am pretty well booked up for the month. 2024 enquiries are brisk	Tour provider, Aberdeen and Aberdeenshire
My bookings are all very last minute this year although it has been a very busy year just not much time between booking and staying!	Self catering, 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
We are hoping the increase in Cruise liners planned for Aberdeen will continue to improve our visitor numbers and we hope to improve our income accordingly	Visitor attraction/experience, Aberdeen
Tour groups and demand for whisky tastings has increased	Restaurant, café, food and drink experience, Aberdeen and Aberdeenshire

Investment plans in the near future

Almost half 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 smaller numbers.





Key reasons for no investment in near future included:

- Refurbishment/Investment recently undertaken
- Rising costs

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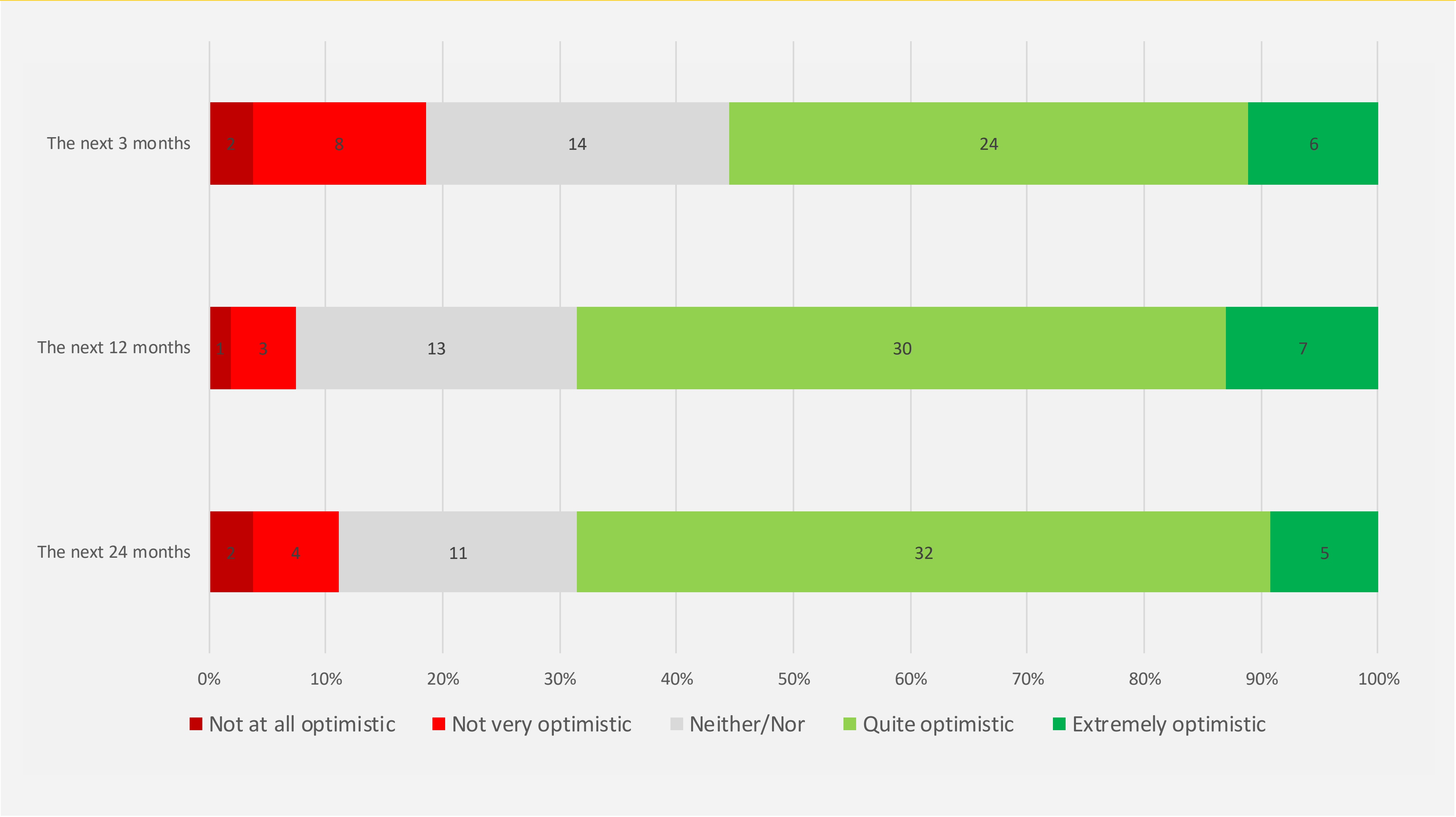
Levels of optimism: short, medium and longer-term

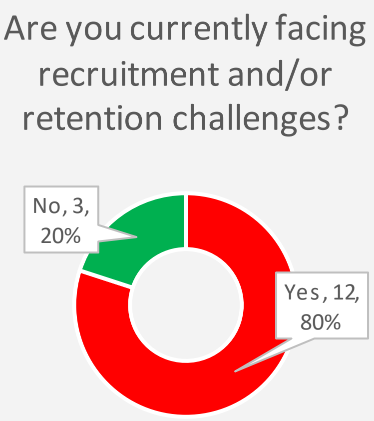
Businesses appeared, on the whole, to be optimistic about the 3 time periods presented. It is perhaps understandable that businesses were least optimistic about "the next 3 months" given, on this occasion, it refers to October to December which may be a traditionally quieter period for majority of businesses. 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.

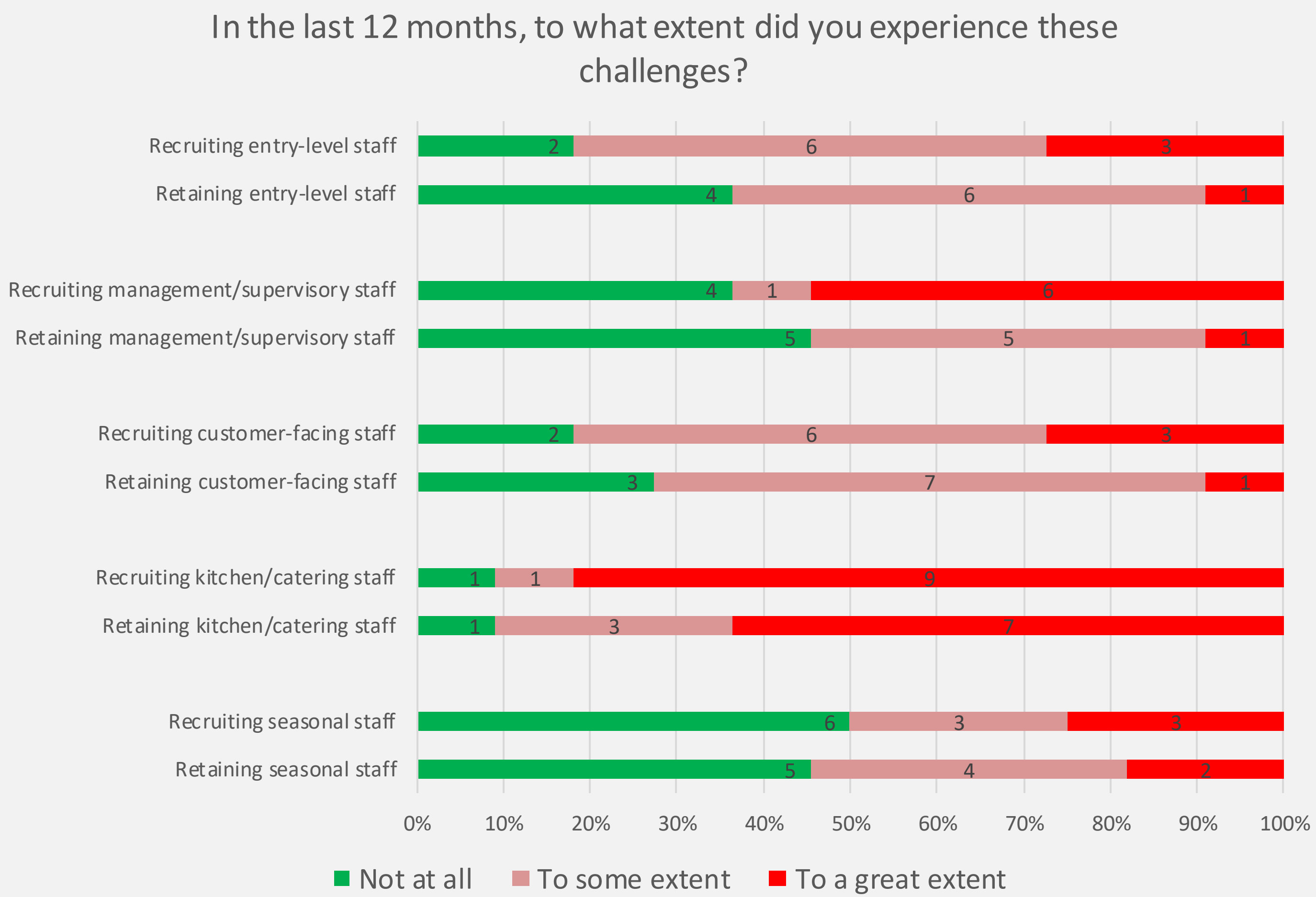


Recruitment and Retention Challenges

4 in 5 responding businesses stated they are currently facing recruitment and/or retention challenges. When asked about the past 12 months (October 2022 to September 2023), perhaps unsurprisingly, the area where these challenges are **most acute** is in relation to recruitment/retaining **kitchen/catering staff**. Businesses stated that recruitment/retaining seasonal staff was, relatively, less acute than other staffing categories.

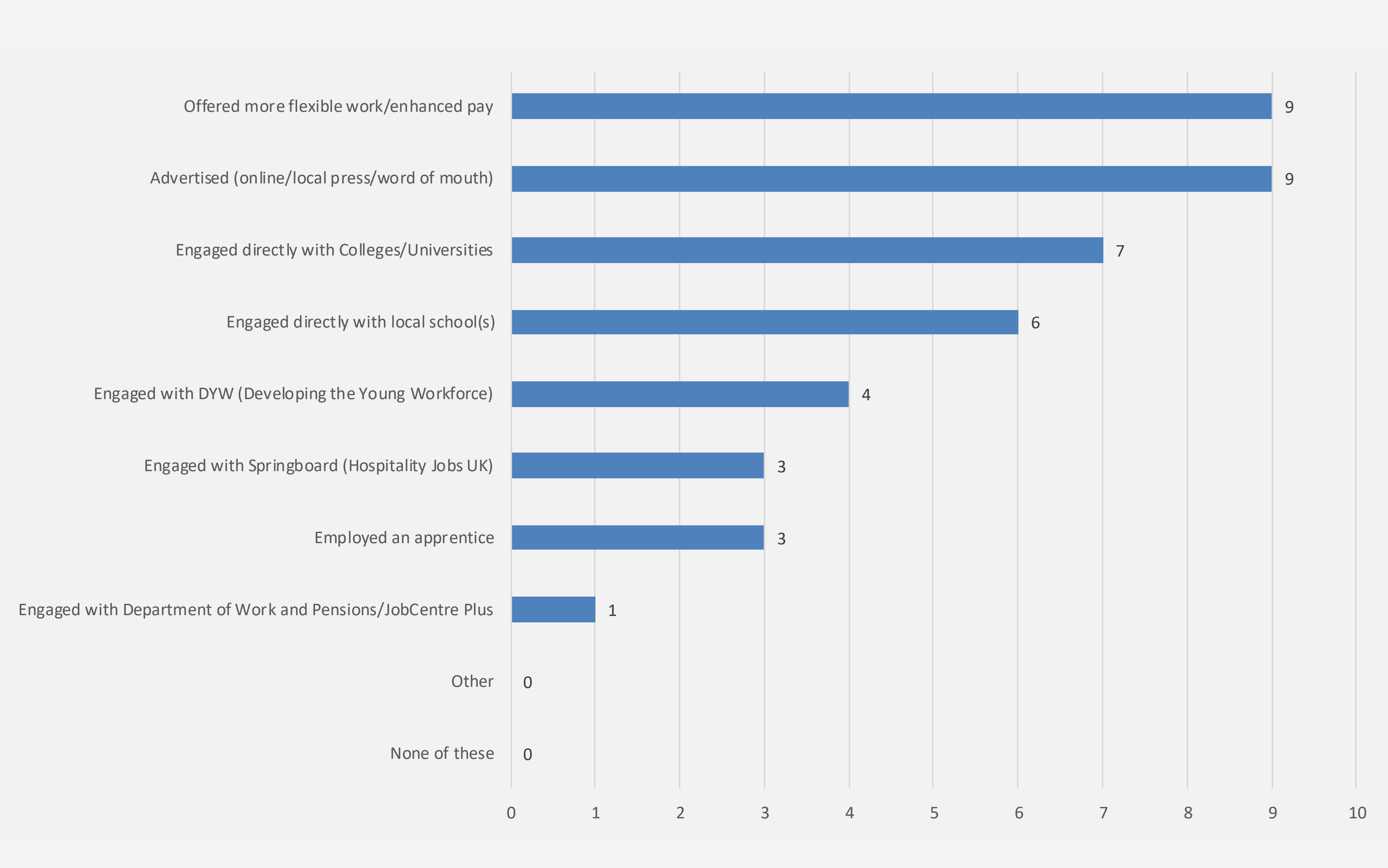
Do bear in mind, small response rates





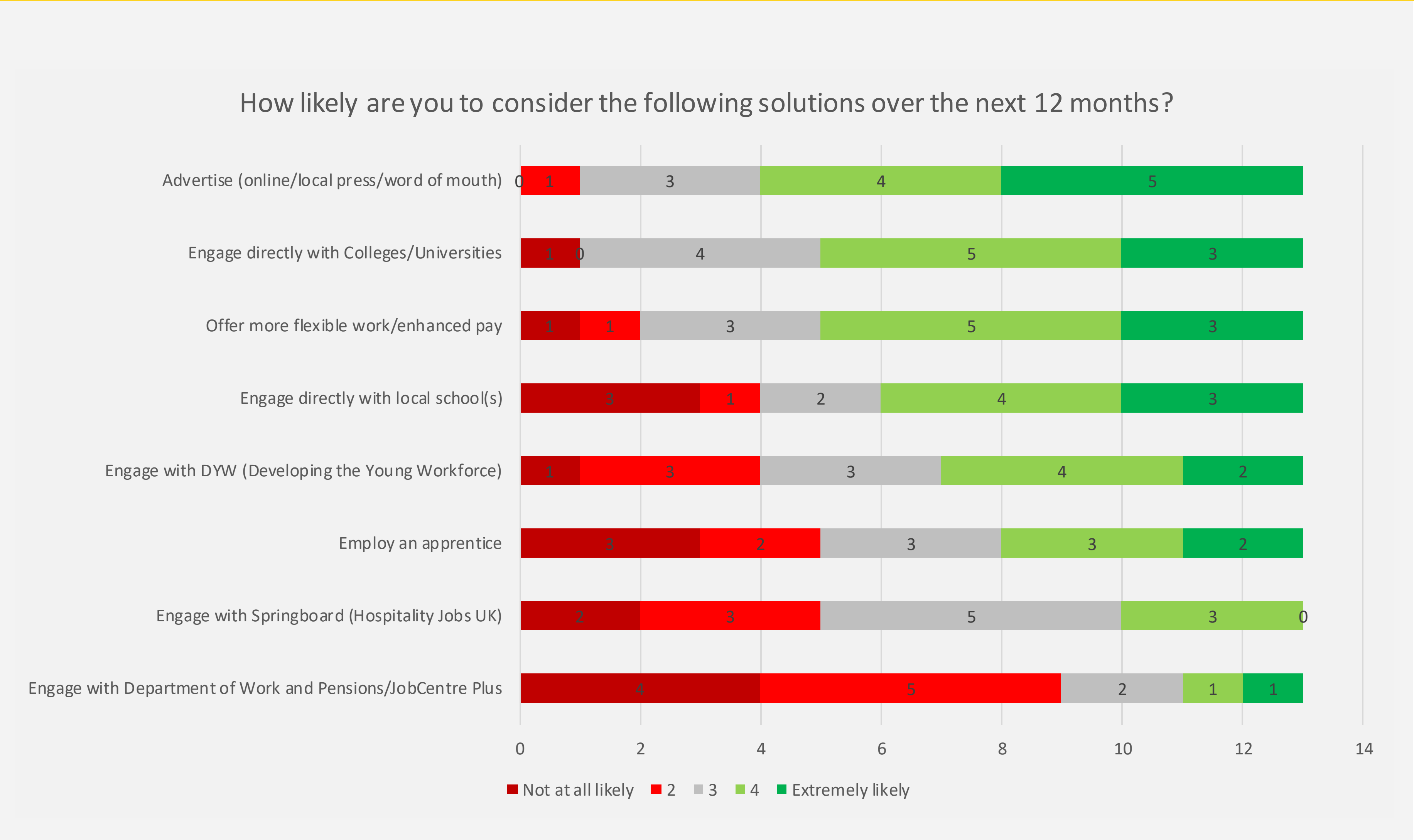
Recruitment and Retention Solutions: past 12 months

Businesses were asked about which solutions they had explored in the past 12 months to help resolve some of the challenges they have been facing. They were presented with a closed set of options, and asked to select all that applied.



Recruitment and Retention Solutions: next 12 months

Looking to the future, businesses were presented with the same set of solutions and asked how likely they would be to consider these to help resolve their recruitment and retention challenges. Businesses were most likely to consider the same solutions as had been explored in the past year – with the same top 4 (albeit in a slightly different order).



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 2nd to 9th October 2023
- Distributed to 1608 individuals via standalone newsletter
- Supported with direct distribution to key stakeholders and business groups
- **74** eligible responses received, a response rate of **4.6%** (within response rate norms for survey of this type)
- Distribution widened to include LinkedIn

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

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