

October 2021

QUARTERLY

# BUSINESS MONITOR



## 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.

## WHO DID WE SPEAK TO?



Just over **4 in 10** respondents were from the accommodation sector, with **self-catering** being the most represented sector.



**Two-thirds** of the sample classed themselves as **micro-businesses** (less than 10 employees)



The majority of responding businesses were Aberdeenshire based (**almost 7 in 10**), in line with previous industry surveys.

# WHAT DID THEY TELL US

## JULY TO SEPTEMBER 2021 TRADING OVERVIEW

The vast majority of respondents (**98%**) had been open for business in July to September. As would be predicted, responding businesses highlighted that they saw **“more than normal”** visitors from the local area and rest of Scotland. When the geographical focus shifted to rest of UK and overseas, the most favoured response was **“fewer than normal”**, particularly in relation to those from overseas.



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

## BUSINESS PERFORMANCE HIGHLIGHTS FOR THE QUARTER

**“Continuing to be agile in changing COVID landscape and starting a new partnership with a local organisation.”**  
Aberdeen activity operator

**“Amazing local support, very busy August in the circumstances”** Aberdeenshire restaurant/café/food and drink experience

**“Over the last quarter, our visitor numbers have not only significantly increased over 2020 levels, but also pre-pandemic levels in 2019.”**  
Aberdeenshire visitor attraction

Key barriers to trading during July to September 2021 were:

- COVID and the associated restrictions
- Staffing issues (recruitment/retention)
- Consumer behaviour (hesitancy to travel and concerns about crowded areas)
- Road changes/closures

## INVESTMENT



**4 in 10** respondents have plans to significantly invest in their business in the near future. In a follow-on question, almost **two-thirds** stated it was investment to expand and grow the business, the remaining respondents said it was to maintain the current standard.

The main reasons given for no significant investment in the near future were:

- Can't afford to
- Uncertainty over COVID
- Uncertainty over rising costs (wages; food; energy)
- Made investment recently

## ENQUIRIES AND BOOKINGS – OCTOBER TO DECEMBER 2021

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 from these locations.

Due to the nature of their business, advanced enquiries and bookings wasn't applicable for some of our respondents. For enquiries and bookings from the local area and Scotland, the most popular response was that these were **“about the same as normal”**. However, when we ventured further afield, looking at enquiries and bookings from rest of the UK and overseas, we see that pipeline business isn't back to pre-pandemic levels, with **6 in 10** respondents saying enquiries and bookings from overseas are **“fewer than normal”**.

A similar pattern was seen when we asked about enquiries and bookings for January 2022 onwards.



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

**“So many people have moved their bookings from this year to next year, so it is difficult to accurately report new bookings.”**

Aberdeenshire self-catering

**“Enquiries and bookings are increasing, but remain substantially lower than we'd normally expect for this time of year.”**

Aberdeen small hotel

**“With still some events being cancelled next year, this will have a continuous knock-on effect.”**

Aberdeen transport

## LOOKING AHEAD – OPTIMISM LEVELS

Around **7 in 10** responding businesses stated they were quite/extremely optimistic for both the next 12 months and the next 24 months.

Looking to the **short term**, whilst there are concerns, understandably, almost **half the sample** said they were also optimistic about the next 3 months.

**To note:** this was a snapshot early October so levels of confidence and optimism will be constantly shifting particularly given this was before the emergence of the latest Omicron variant.



● extremely optimistic  
● quite optimistic  
● neither / nor  
● not very optimistic  
● not at all optimistic

## ANY FINAL COMMENTS?

**“VAT increase, COVID passports, increase in staff costs, increase in raw material costs will severely impact the industry.”**

Aberdeenshire small hotel

**“We are fortunate to have benefited long term from the pandemic and people's desire to get away to a safe environment without flying or leaving British shores.”**

Aberdeenshire self-caterer

## HOW CAN WE USE THESE RESULTS?

The quarterly results can help businesses gauge their own performance in relation to the results for the region overall (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 4<sup>th</sup> to 9<sup>th</sup> of October. We distributed it to 1766 individuals via a standalone VisitAberdeenshire industry newsletter. 82 eligible responses were received, resulting in a response rate of 4.6% - falling within the typical response rates for surveys (3-5%).

The quarterly monitor is aimed at tourism and hospitality businesses within Aberdeen and Aberdeenshire. It will run 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](mailto:insights@visitabdn.com)