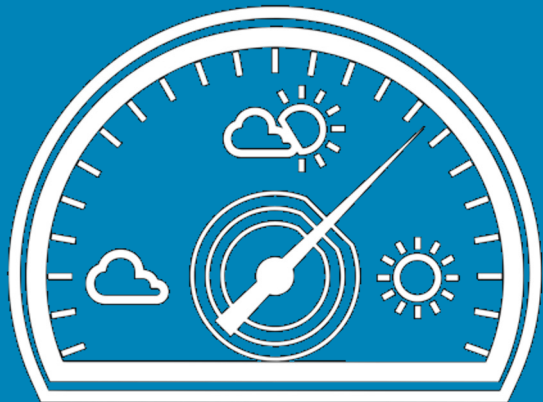


# MORAY SPEYSIDE



Business Barometer  
**2022**

April to June 2022  
Summary of key results

Published  
August 2022

VISIT  
**MORAY  
SPEYSIDE**

**56**  
DEGREE  
INSIGHT





# Summary Dashboard

## April to June 2022 results at a glance

The Moray Speyside Business Barometer is a new survey launched in early 2022 to obtain feedback from business operators across the region on a range of aspects including ongoing performance and confidence in the future. The survey will be undertaken on a quarterly basis to track trends in future.

This second report covers the April to June 2022 period.

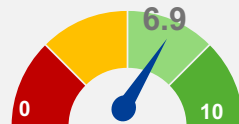
A total of **108** business took part in the Q2 2022 survey

This report is produced by 56 Degree Insight on behalf of Visit Moray Speyside Ltd, the Tourism BID Company for the Moray region,

56degreeinsight@56degreeinsight.co.uk

### BUSINESS CONFIDENCE

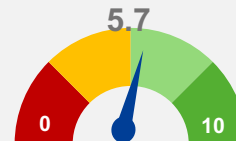
Short term (3 months):



Medium term (12 months):



Long term (24 months):



### NET PERFORMANCE (NET= % INCREASED - % DECREASE):

April to June 2022 v 2021:



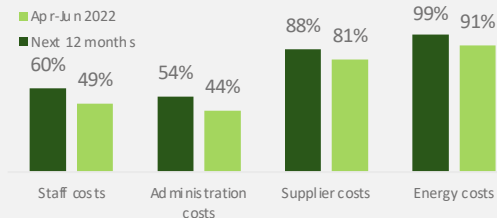
Expectations for next 12 months:



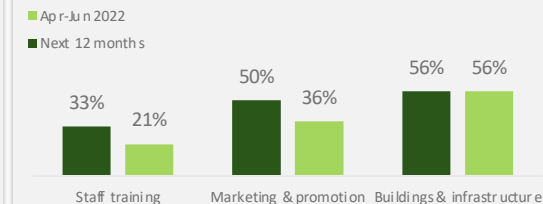
### TOP 3 BARRIERS TO GROWTH (0-10 RATING):



### COSTS (% EXPERIENCING/EXPECTING INCREASES):



### INVESTMENTS (% MAKING/PLANNING INCREASES):



# Summary Dashboard

## April to June 2022 commentary



### Visit Moray Speyside Commentary

Thank you to the 108 businesses who took the time to complete the second quarter of the Moray Speyside Business Barometer.

Your time, contribution, insights and opinions will be extremely helpful and informative as we seek to chart the opinion, challenges and health of region's tourism operators and wider business community over the next two years.

If you did not take part in this wave of the Barometer, don't worry, please do keep a look out for an invite to complete the next wave, which will cover the period July - September 2022.

You can find out more about the Barometer, read the results, and sign up for future waves of the survey on our website at <https://morayspeyside.com/barometer>

This data set covers the period from April to June 2022. This is the second wave of the barometer, the first one took place from January to March 2022, the results can be accessed online. Now that we have one barometer data from 112 businesses we can show a comparative basis, based against the periods January to March 2022.





# Summary Dashboard

## April to June 2022 commentary

### Visit Moray Speyside Commentary

A short breakdown of the results from this survey compared to Q1 (first wave Jan – April 2022).

As expected with the tourist season there is positive results regarding an increase in visitor numbers by 23% compared to Q1. Majority of visitors are from the UK (77%), there was an increase of 10% of overseas visitors compared to Q1 and we will hopefully see this increase in Q3.

More than half of accommodation businesses (51%) reported high levels of occupancy from April to June, expectations for the next three months is looking positive with 54% anticipating high occupancy levels. Since Q1 confidence in bookings for the next 12 months has decreased from 29% to 21%. 43% of self-catering businesses provided this response compared to 14% of B&B/Guesthouses, 8% of hotels and 1% of caravan/campsites.

The optimism of business levels for the coming 12 months is encouraging, with 44% of businesses expecting more customers in the next 12 months, and 46% anticipating increased turnover over the same period.

Businesses were asked to compare their business costs over the last three months compared to the same period in 2021 and around 91% of businesses said their energy costs are much higher than the previous year. 81% of businesses have seen an increase in supplier costs, 49% of businesses have seen an increase in staff costs and 44% of businesses have seen an increase in administration costs. Looking to the next 12 months businesses are expecting business costs to increase further with 99% of businesses expecting energy costs to increase. All types of businesses provided feedback in the survey.

In this survey we included a question regarding barriers to business growth with most businesses stating that supplier costs, bureaucracy/ legislation and staffing availability/levels were the biggest barriers when it came to business growth.

The topical question around the Short-Term Letting Legislation shows that overall, 46% of businesses expect the scheme to impact their business negatively but this increased to 72% within self-catering businesses. Continuing with the Short-Term Letting Legislation when asked how clear the requirements of the legislation, majority of businesses said it was not very clear at all.

A further topical question asked was short notice cancellations and majority of businesses have experienced an increase in these and not being able to fill them within the short time frame. There are various reasons for cancellations, but Covid is still impacting quite significantly.

We are grateful for your input on these 'topic' questions – the answers to which will help us to present evidence to local elected representatives and industry leadership.

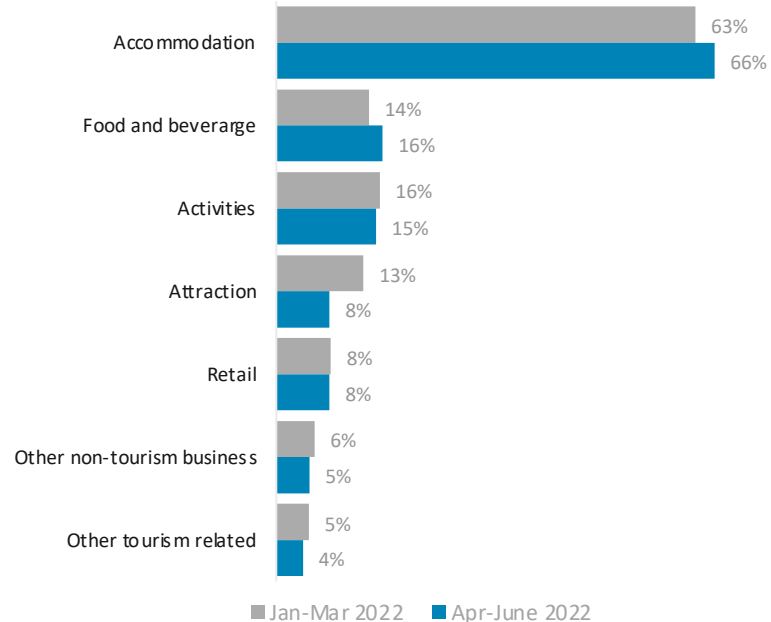
If there are questions, you'd like us to ask in the next Barometer, just get in touch.



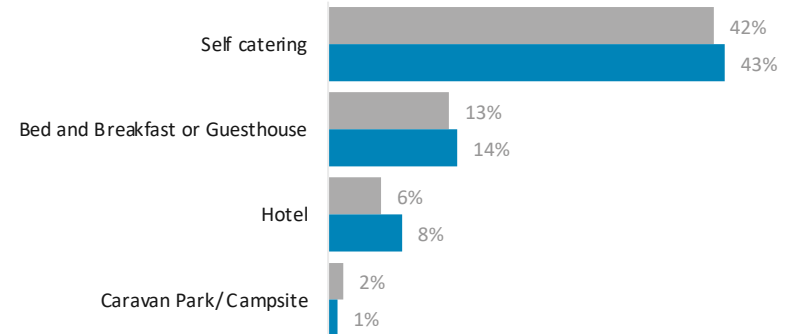
# Sample profile by sector

The vast majority of the 108 businesses taking part in the Q2 2022 survey were in the tourism sector. Two thirds (66%) were accommodation businesses (mostly self catering), 16% provided food and beverage, 15% were activity providers and 8% were attractions. This profile is similar to that obtained in the Q1 2022 survey.

## Survey participants by sector:



## Survey participants by accommodation type:

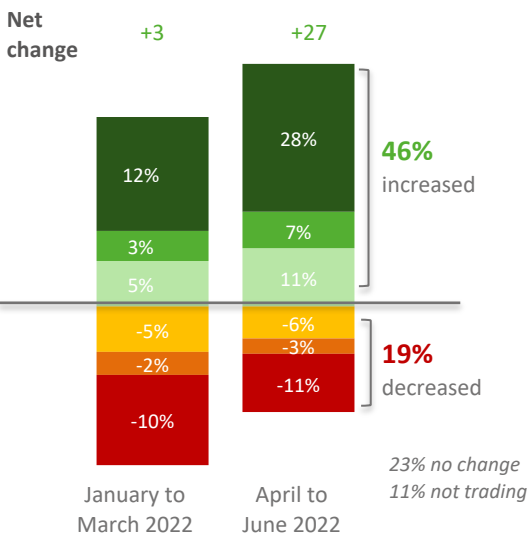




# Business levels – last 3 months compared to Q1 2021

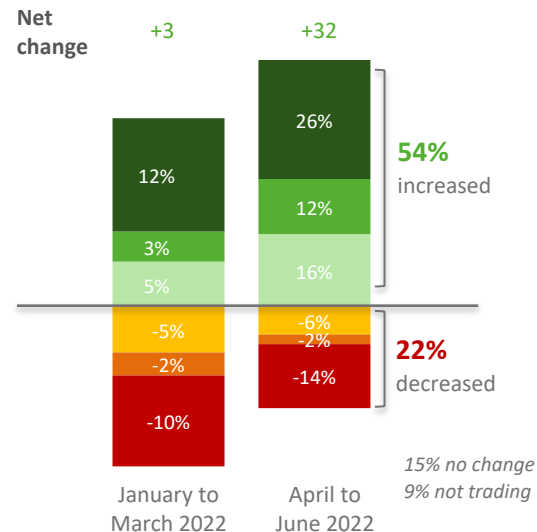
When asked to compare levels of business during April to June 2022 with the same period in 2021, just under half of businesses stated that they had experienced an increased number of customers while just over half had experienced an increase in revenue. However around 1 in 5 had experienced a decrease in customers and/or turnover.

## Number of customers:



■ INCREASE (+)11% or more   
 ■ Between 6% and 10 % Increase   
 ■ Up to 5 % Increase  
■ Up to 5% Decrease   
 ■ Between 6% and 10% Decrease   
 ■ DECREASE (-)11% or more

## Turnover:

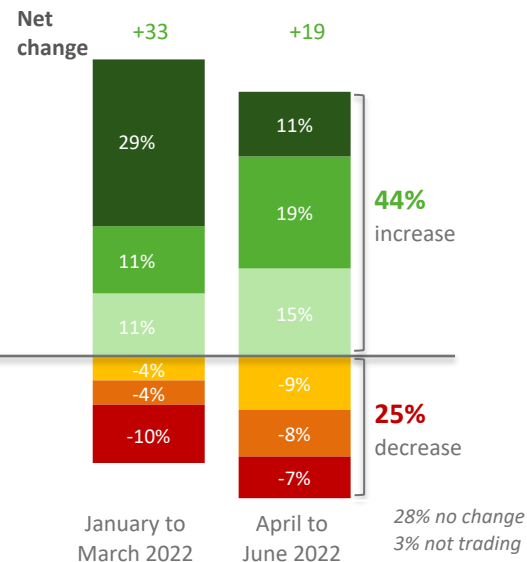




# Business levels – looking ahead to the next 12 months

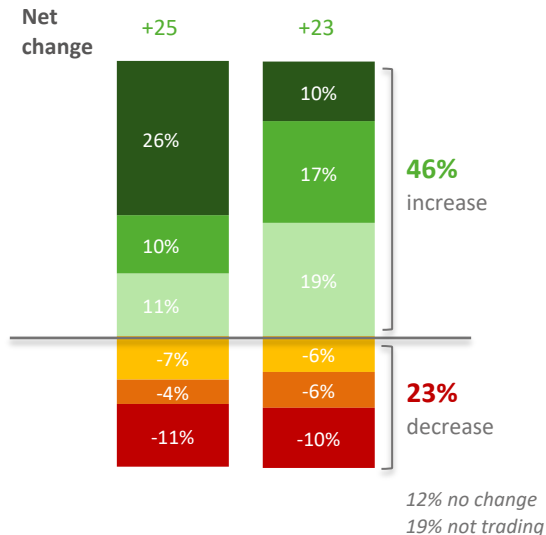
Looking to the future around 44% of businesses expected increased numbers of customers during the next 12 months and 46% expected increased turnover. The overall expected net change (% expecting increase - % expecting decrease) in number of customers and turnover was +19% and +23% respectively, a slightly less positive outlook than was recorded in the Q1 survey.

## Expected number of customers:



■ INCREASE (+)11% or more   
 ■ Between 6% and 10% Increase   
 ■ Up to 5% Increase  
■ Up to 5% Decrease   
 ■ Between 6% and 10% Decrease   
 ■ DECREASE (-)11% or more

## Expected turnover:

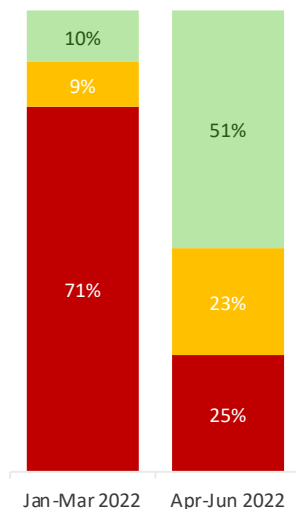




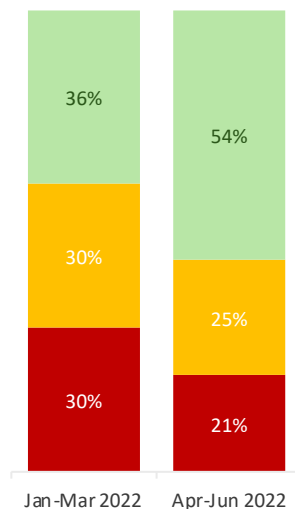
# Business levels – accommodation occupancy levels

Around half of accommodation businesses (51%) reported high levels of occupancy during the last three months and a similar percentage expected to maintain these levels during the next three months (54%). However, looking to the next 12 months a more varied picture was predicted with 41% of businesses expecting low occupancy rates on average. Compared to the Q1 survey slightly fewer businesses predicted high occupancy rates for the next 12 months.

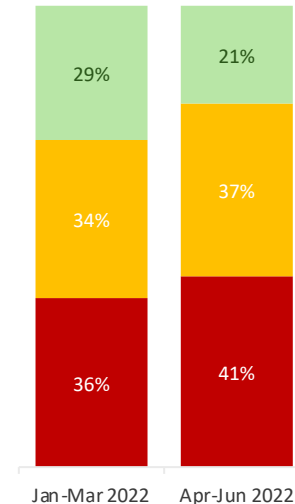
## Last three months:



## Expected during next three months:



## Expected during next twelve months:



■ Low (under 50%) ■ Medium (50% to 69%) ■ High (70% or over)

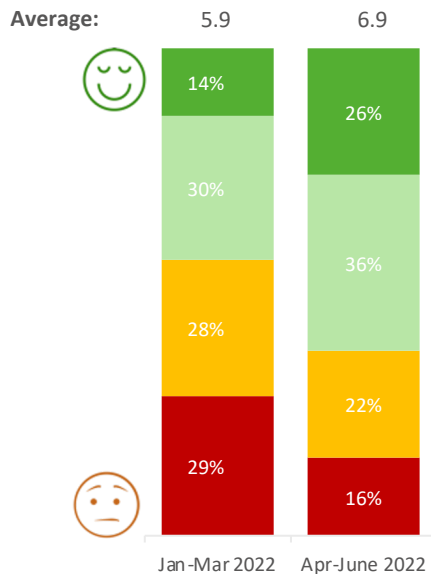




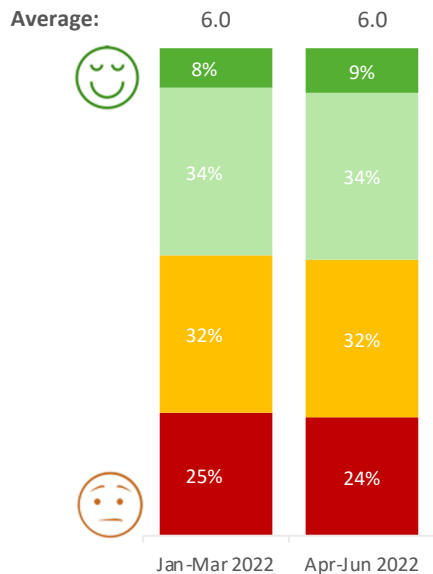
# Business confidence

When asked to rate their overall business confidence for the short, medium and long term future, the most positive response was received in relation to the next 3 months (i.e. July to September) while more mixed views were provided in relation to the next 12 and next 24 months. Compared to the Q1 survey, levels of optimism for the long term reduced slightly.

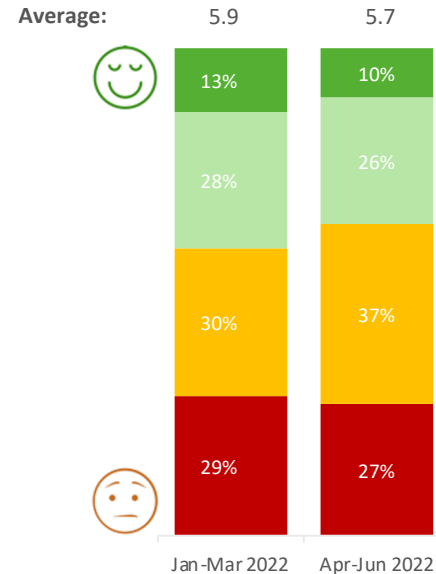
## SHORT TERM (NEXT 3 MONTHS):



## MEDIUM TERM (NEXT 12 MONTHS):



## LONG TERM (NEXT 24 MONTHS):

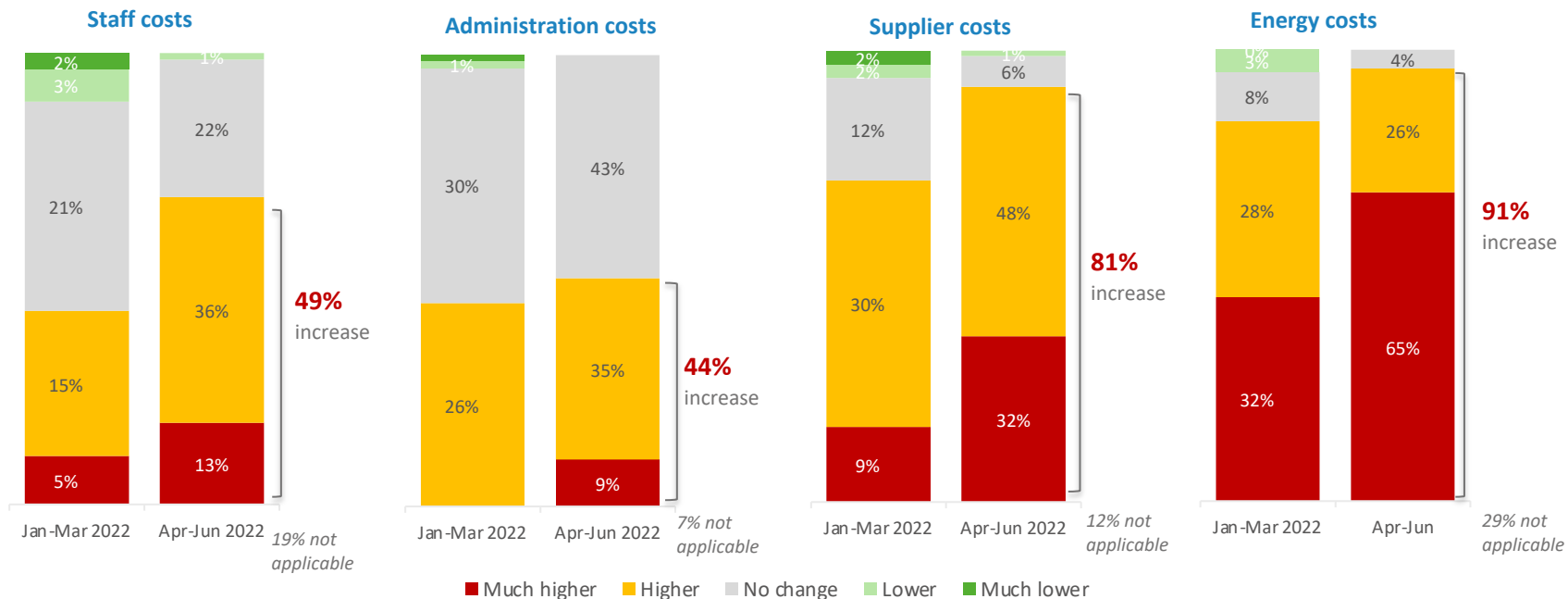


■ Less than 5 ■ 5 or 6 ■ 7 or 8 ■ 9 or 10



# Costs of business - last 3 months

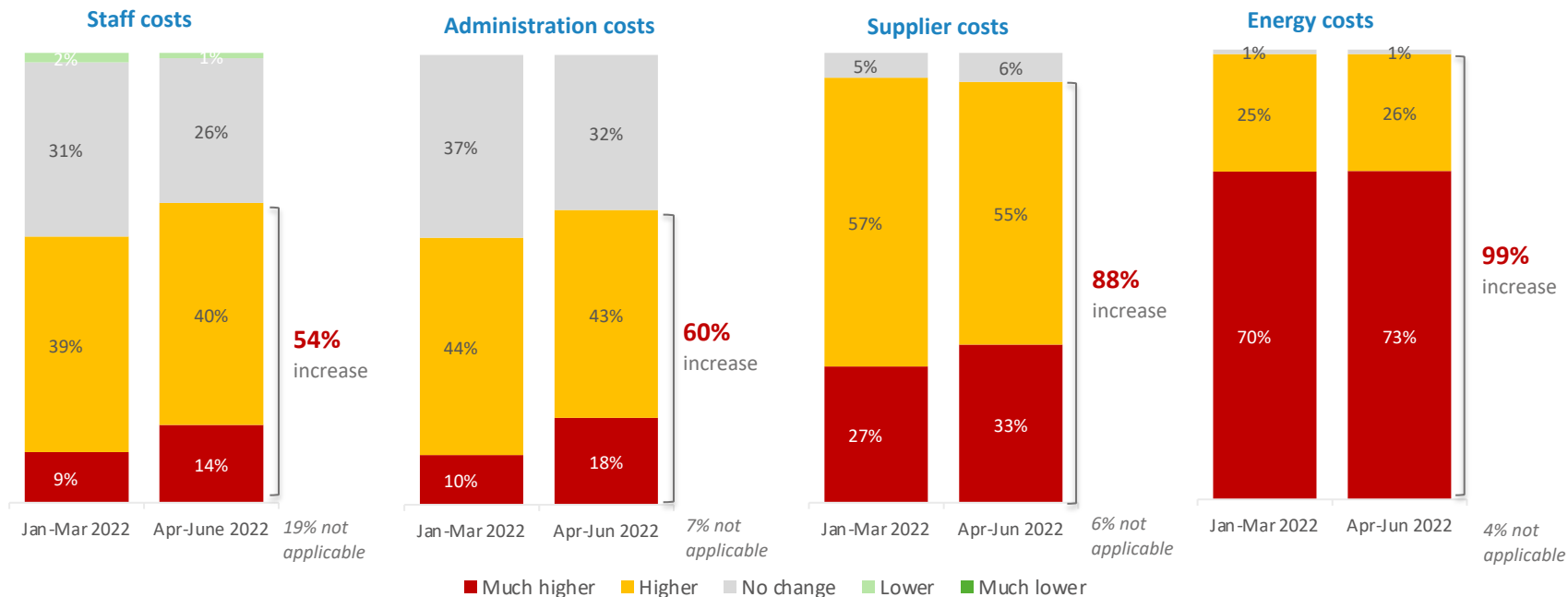
When asked how their business costs had changed during the last 3 months compared with the same period in 2021, the vast majority of businesses indicated that their energy and supplier costs had increased. Notably 2 in 3 stated that their energy costs were 'much higher' than a year ago. Also around half (49%) had experienced increased staff costs while 44% experienced increased administration costs.





# Costs of business - expected for next 12 months

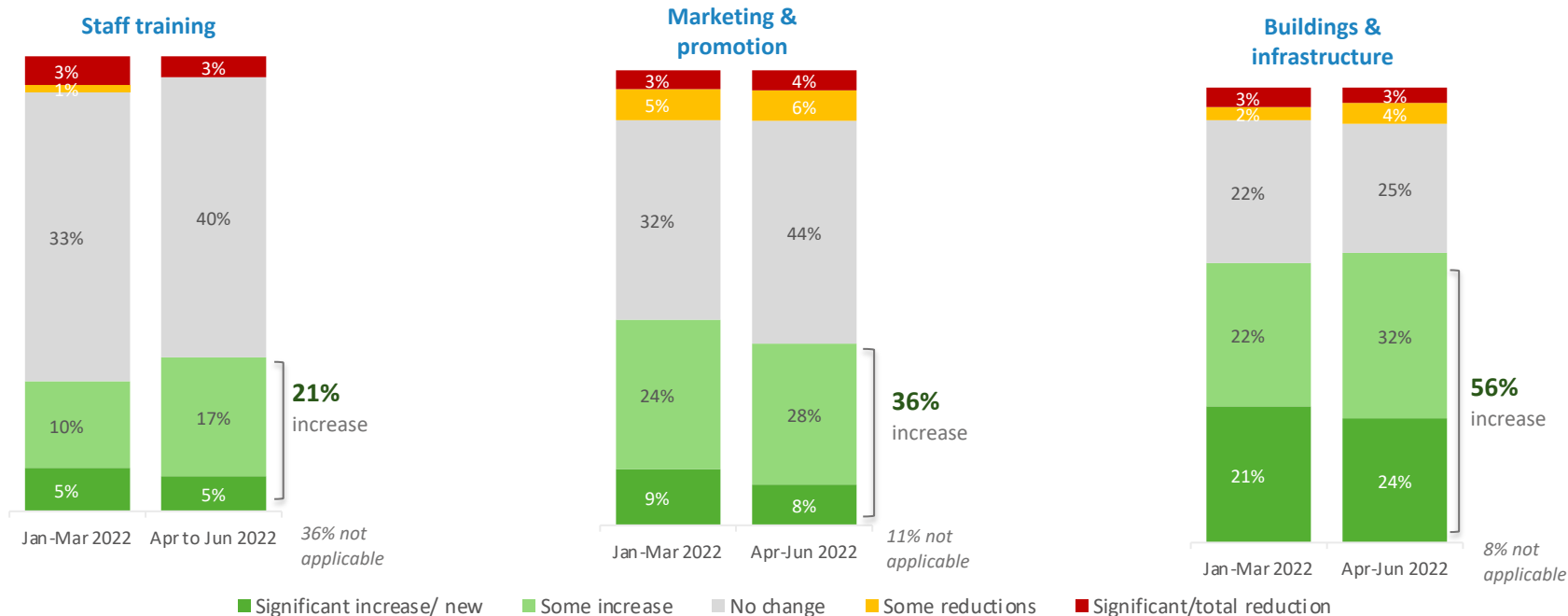
Looking to the next 12 months, the vast majority of businesses expect their supplier and energy costs to increase and just over half expect administration and staff costs to increase. Levels of concern about rising costs have increased since the Q1 2022 survey.





# Investment in business - last 3 months

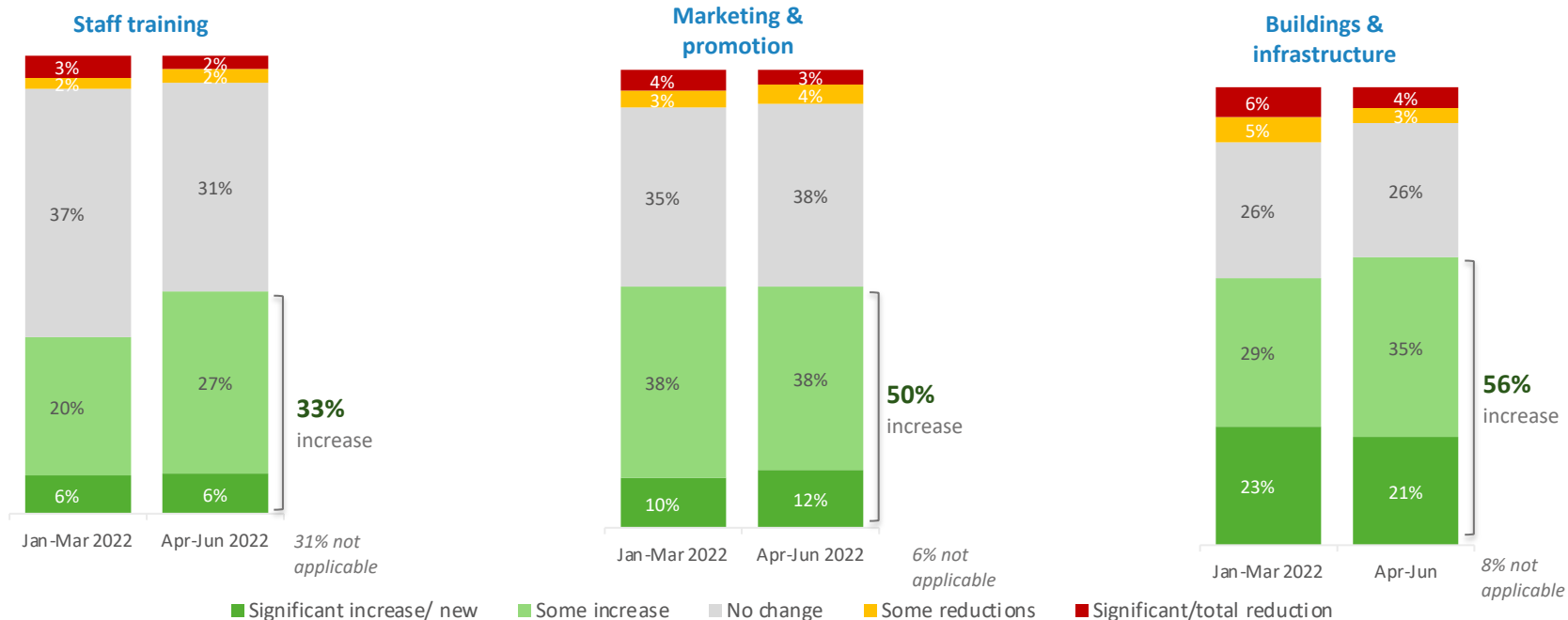
When asked about levels of investment in their businesses during the last 3 months in comparison to April to June 2021, just over half (56%) indicated that they had increased their spend on buildings and infrastructure and just over a third had increased investment in marketing and promotion. Responses were similar to those obtained in the Q1 2022 survey.





# Investment in business - expected for next 12 months

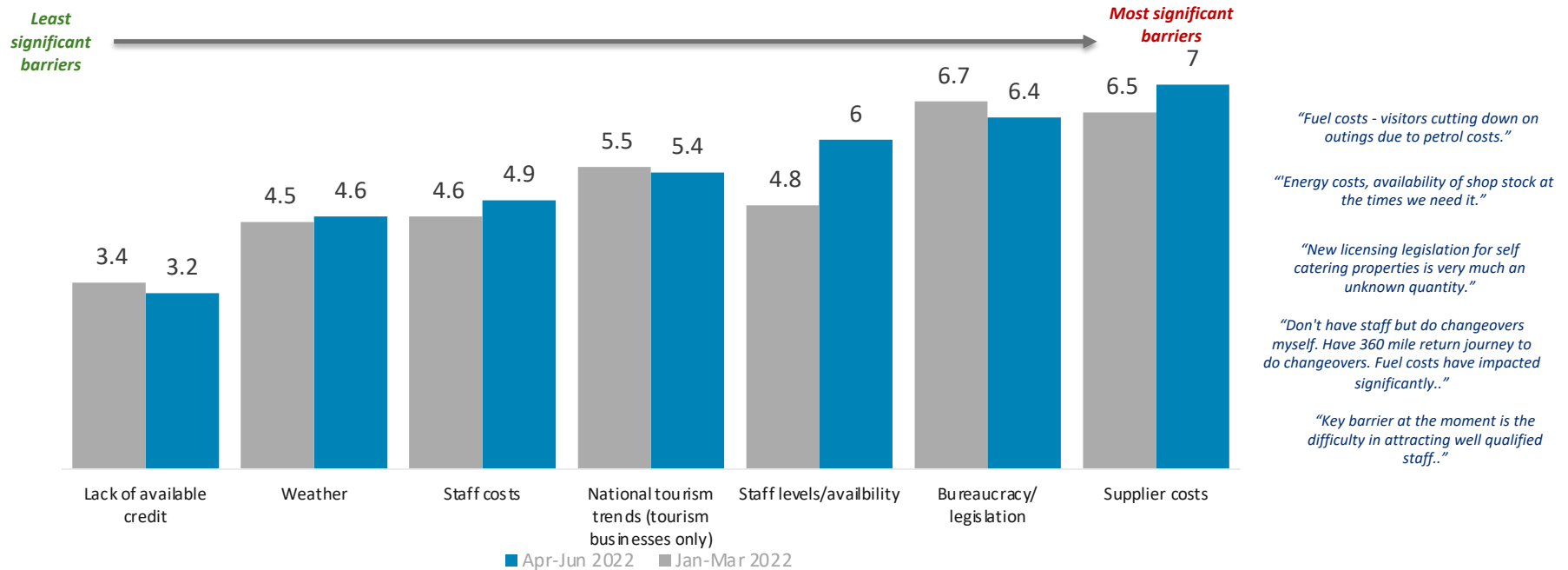
Looking to the future, 56% planned to increase their investment levels in buildings and infrastructure while half expected to spend more on marketing and promotion. A third were planning to spend more on staff training, an increase since the Q1 2022 survey.





# Barriers to business growth

When asked to rate the impact of various aspects to the growth of their business on a scale from 0 (not at all) to 10 (very much a barrier) the areas rated as causing the greatest issues were supplier costs, bureaucracy/legislation and staff levels/availability. Compared with the Q1 2022 survey, concerns over supplier costs, staff levels and staff costs all increased. A selection of comments regarding other barriers are provided below.

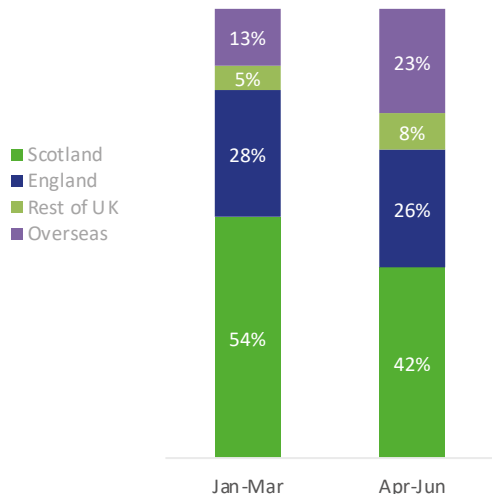




# Visitor profiles

Tourism sector businesses were asked to provide details on the typical profile of their customers during the April to June 2022 period in terms of place of origin and the mix of first time and repeat visitors. On average 77% of visitors were from the UK while 23% were from overseas, an increase from the percentage recorded in Q1 2022 (13%). Also an average of 56% of customers were first time customers, an increase from 52% in Q1 2022.

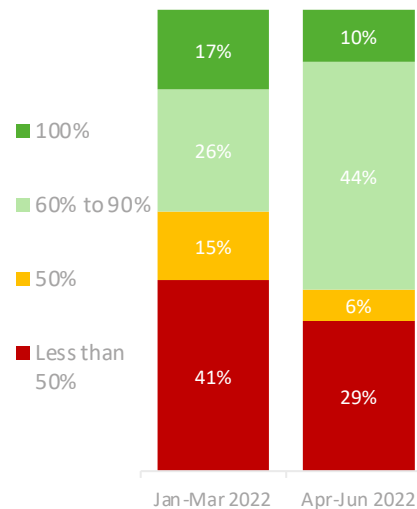
## Origin of customers during last 3 months:



### Top origin markets (% of businesses)

Top Scottish places of origin:	
Edinburgh/ Lothians	46%
Glasgow/ Strathclyde	48%
Aberdeenshire	37%
Moray	27%
Top other UK places of origin:	
London / South East	43%
Midlands	27%
North East	21%
North West	19%
Top overseas countries of origin:	
USA	75%
Germany	67%
Netherlands	52%

## Approximate percentage of first time customers over last 3 months



**Average:**  
 Jan-Mar 2022 - 52%  
 Apr-June 2022 - 56%



# Topical questions – Short Term Letting Legislation

A short set of questions was included in the Q2 2022 survey regarding the forthcoming short term letting legislation.

Firstly, businesses were asked about their expectations on the impact of the scheme. As shown below overall 46% of businesses expected the scheme to have a negative impact on their business but this increased to 72% amongst self-catering operators.

*Under new legislation approved by the Scottish Parliament in January, all local authorities will be required to establish a short-term lets licensing scheme by 1st October 2022.*

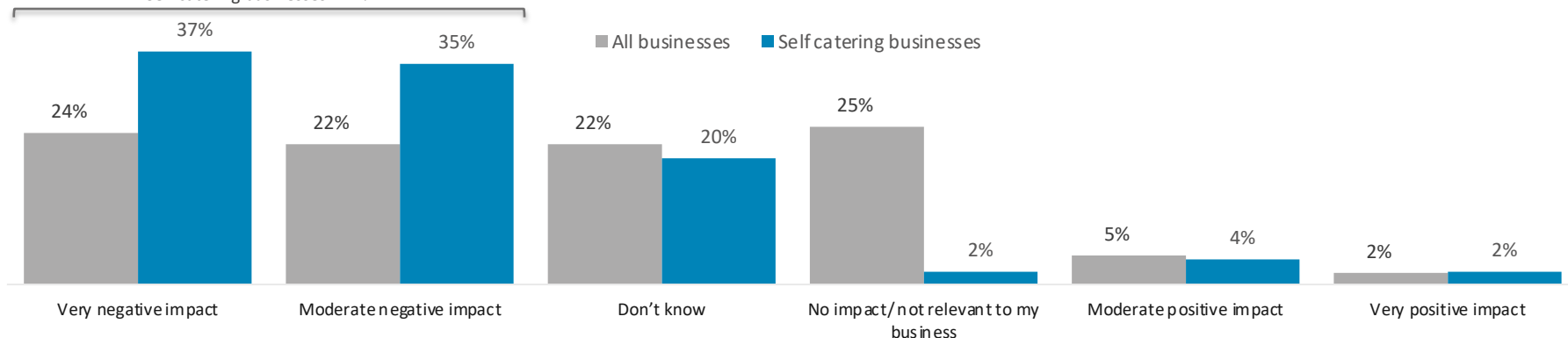
*Existing short term accommodation operators will have until 1st April 2023 to apply for a license and all properties will require a license in place by July 2024.*

How much, if at all, do you think this new legislation will impact upon your business?

**Total negative:**

All businesses – 46%

Self catering businesses – 72%



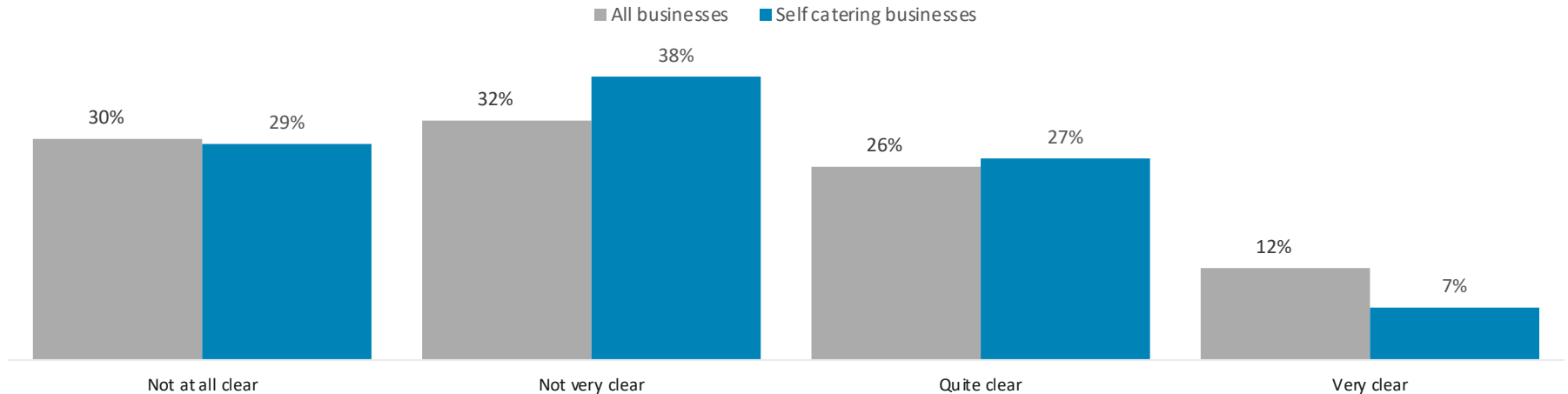




# Topical questions – Short Term Letting Legislation

When asked how clear they were on the requirements of the legislation and their responsibilities, 2 in catering operators (67%) stated that they were either 'not at all clear' or 'not very clear'. As shown overleaf, when asked for further feedback on the scheme most responses were negative with some raising questions about its implementation or concerned about the lack of information and others worried about the costs of implementing its requirements.

How clear are you on the requirements of this legislation and what your business will need to do to meet it's requirements? (excludes businesses that stated legislation had 'no impact' on their business)





# Topical questions – Short Term Letting Legislation

Please type in any further details on how you feel about the legislation (selection of comments provided)

*“Very badly planned.”*

*“I would like to see Moray council working towards an amicable , level playing field..i.e. working with the industry as opposed to against it. In principle I’m not against the legislation, but it needs to be fairly applied and responsive.”*

*“I can't see for me as a business established since 1998 and running based on a change of use/full planning consent meeting all fire, health and safety etc. regulations continuously WHY a license is necessary as I am already registered with and controlled by Moray Council. As I am on semi-retirement, just trading during main season I will not being able to digest any further costs like license fees and well, will not enter into any uncertainties in regards to being granted a license or not. Most certainly I will stop business if I require to apply for a license!”*

*“Impact of the unknown is stress. Still don't know the cost and extent of the licence cover. e.g. per property or per business. The fact of reapplication is still not known, this will greatly effect future bookings. Reapplication every 3 years is not sustainable. Maybe increase to every 5 years, to at least be able to build a more consistent business plan. Feel that the government are actively discouraging small businesses. Applying large scale business legislation to small businesses.”*

*“More hassle cutting into the little time we have. It would help to have something automated (from the rates, maybe?)”*

*“I don't have AirB&B guests so have some resentment to the ‘Edinburgh problem’ being managed by a blunt instrument that once again increases bureaucratic hassle and likelihood of further charges for hosts.”*

*“I've read the requirements for the legislation and we already adhere to the majority of the requirements. My concerns are that there has been no communication regarding the license fee structure, the license has to be displayed on the outside of the property providing our name and address (this is a matter of privacy which I'm not happy with) and also that our business can be jeopardised by neighbours perception of our guests.”*

*“It all appears rather vague at present and would appreciate as many of my co landlords etc more definite clarity and communication as to what exactly is expected from us.”*

*“I feel this legislation is vital for tourism hotspots. However licensing should only be used if holiday accommodation triggers a certain level in a particular council area.”*

*“A checklist of all the documentation required would be handy.”*

*“Difficult to get bookings in current financial climate without dropping prices whilst costs go up. This impacts on profit but need to do it to get the bookings in the first place in order to comply.”*

*“I am a good honest hard working self catering provider with ALL my reviews over the past 4 years being 5 stars. I am very concerned that additional costs and unnecessary administration is going to be applied by Moray Council to run this very successful business. I am teetering on closing the business as I am disillusioned by the thought of this unnecessary legislation.”*

*“It appears to be a bureaucratic process that will have no impact on the safety or quality of short term letting accommodation but will add cost, administrative hassle and long term uncertainty to the business.”*

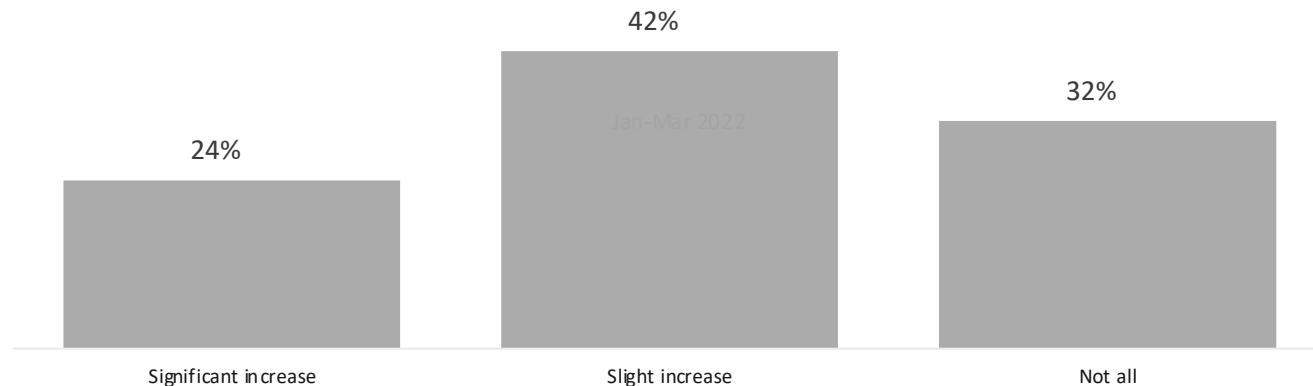


# Topical questions – Short notice cancellations

A short set of additional questions were asked of accommodation businesses about short notice cancellations. Two thirds (66%) stated that they had experienced an increase in short notice cancellations from the norm. As shown in the selection of comments on the right, a variety of reasons were linked to this including Covid, the use of booking platforms which allow free cancellation and customers changing plans to travel overseas.

**A number of businesses have told us informally that in recent months they have experienced an increase in the number of customers cancelling their accommodation bookings at short notice.**

**To what extent, if any, has your accommodation business experienced an increase in cancellations above what was the 'norm' previously? (accommodation businesses only)**



*“Unable to fill the gap at such short notice. In some cases less than 12 hours notice.”*

*Cancellations are not heavy as such, but I have a feeling some have cancelled to go abroad as opposed to staying in the UK.*

*“Loss of revenue, making some bookings non-refundable.”*

*“Airbnb now allow free cancellation up to 5 days before the stay and we never refill these slots.”*

*“Almost all of the cancellations are through Booking.com, but cannot obtain a reason why this is happening.”*

*“Usually within a day or so of the booking meaning we are unable to fill the rooms. We cannot reduce Covid outbreaks unfortunately.”*

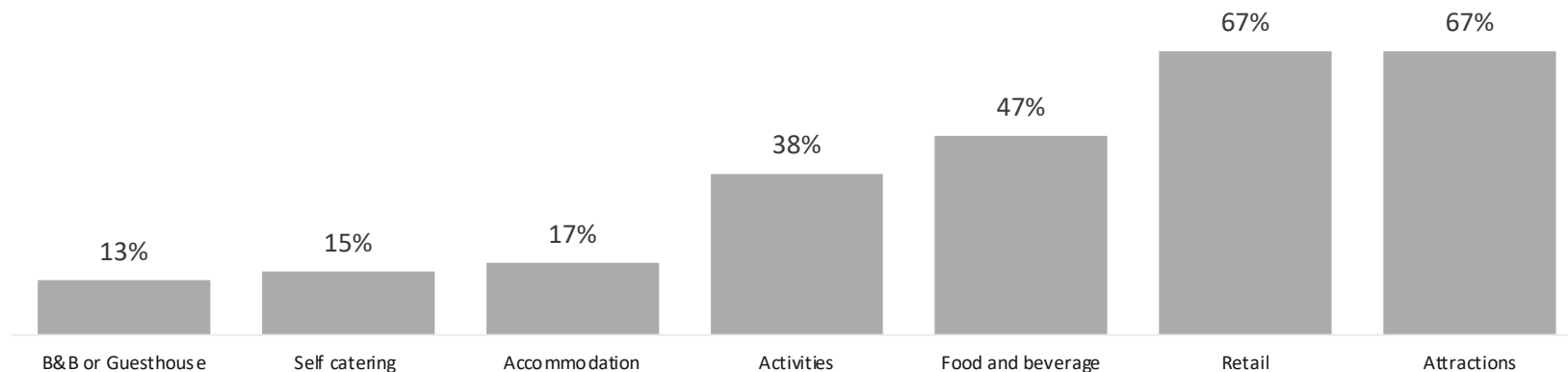
*“The increase is due to guests contracting Covid, the room is readvertised.”*



# Topical questions – Marketing budget

Finally, respondents were asked whether or not their business has a dedicated marketing budget. Overall 27% stated that they do have a dedicated budget although, as shown below, this level varied somewhat by type of business with those involved in retail and attractions much more likely to have a dedicated budget than those in the accommodation sectors. The small number of businesses who stated that they did have a dedicated budget were asked to indicate how much this was as a percentage of their turnover – responses ranged from 0.5% to 25%.

## Does your business have a dedicated marketing budget by business type?





**Any questions? A follow-up discussion?**

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