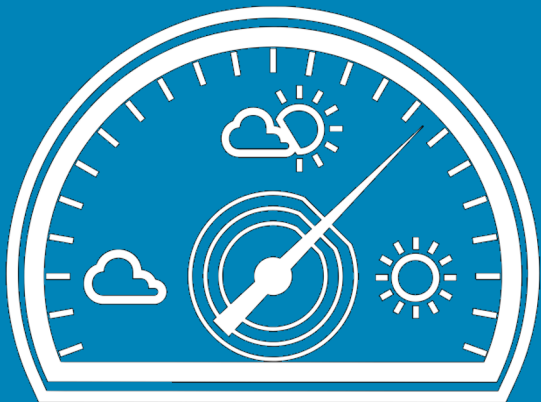


# MORAY SPEYSIDE



Business Barometer  
**2022**

January to March 2022  
Summary of key results

Published  
May 2022

# VISIT MORAY SPEYSIDE



**56°**  
DEGREE  
INSIGHT



# Summary Dashboard

## January to March 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 first report covers the January to March 2022 period.

A total of **122** business took part in the Q1 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

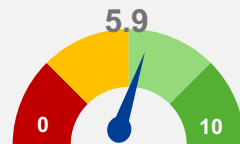
Short term (3 months):



Medium term (12 months):

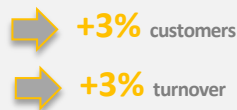


Long term (24 months):



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

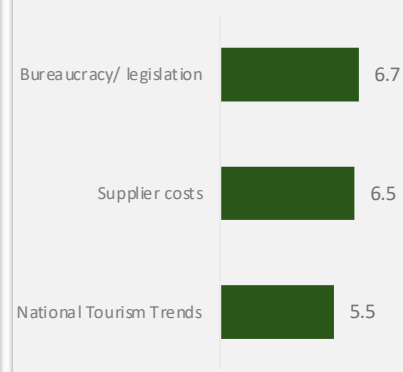
January to March 2022 v 2021 (excluding those closed during period(s)):



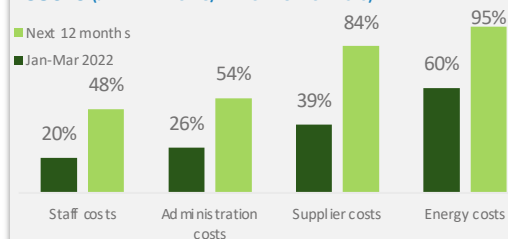
Expectations for next 12 months:



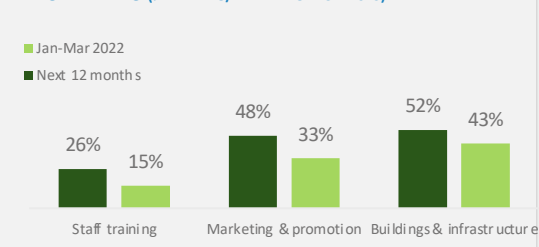
### TOP 3 BARRIERS TO GROWTH (0-10 RATING):



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



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



# Summary Dashboard

## January to March 2022 commentary



### Visit Moray Speyside Commentary

Firstly, thanks to the more than 120 businesses who took time to complete the first ever Moray Speyside Business Barometer.

Your time, contribution, insights and opinions will be exceptionally helpful and informative as we seek to chart the sentiment, 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 April-June 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 January to March 2022. As this is the first wave of the barometer, and the first time the survey has taken place in Moray Speyside, we can't yet comment on a comparative basis, nor do we have data from previous periods. That said, we are grateful to our partners at the Cairngorms Business Partnership, whose Barometer has been running for some years, and which we share a number of the same questions. This may offer an opportunity to for us to compare and contrast some key measures.





# Summary Dashboard

## January to March 2022 commentary

### Visit Moray Speyside Commentary

Looking then at this first wave of results.

There are some encouraging signs regarding business confidence with the majority of businesses indicating a positive sentiment across the next 3, 12 and 24 months.

In regard to business levels, as this is the first wave of our Barometer, we can't compare against Q1 2021. Optimism around business levels for the coming 12 months is encouraging, with 51% of businesses expecting more customers in the next 12 months, and 47% anticipating increased turnover over the same period.

For accommodation businesses, the majority (71%) reported average accommodation occupancy levels of under 50% during the January to March 2022 period. Expectations for the next three months were positive with 36% anticipating high occupancy rates (70% or over.) 45% of self-catering businesses provided this response compared with 19% of B&B/Guesthouses.

Businesses are telling us there are increasing concerns around the rising cost of energy and utilities. Most of those who responded indicated that their energy and supplier costs had increased in the last three months. The vast majority of businesses expect their supplier and energy costs to increase over the next twelve months, and around half expect administration and staff costs to increase.

These concerns were recorded across all of the types of business included in the survey.

In this first wave Barometer, our additional questions were focused on gauging interest in, and barriers to, installation and deployment of 'green' infrastructure within your business, and on the barriers to investment in more efficient heating systems.

What's clear from these questions is that most business owners would be more likely to install EV charge points if funding were available, and more likely to make improvements to the efficiency of their heating systems if funding was available.

We also included a question regarding Fairbnb.coop, an equitable booking platform which seeks to share commission with communities and stakeholders rather than shareholders. There is an encouraging level of interest in this platform, which offers an additional sales channel for those businesses who wish to support the regeneration and development of their local tourism ecosystems.

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.

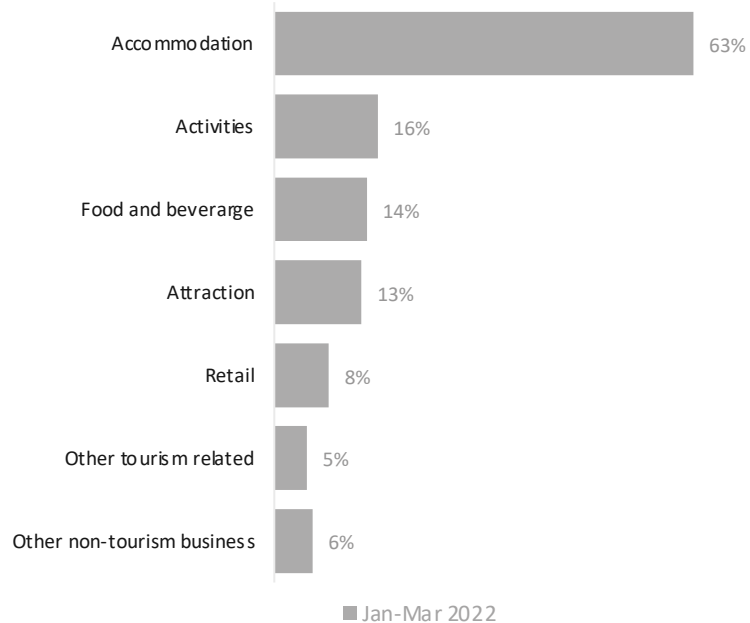
If there are questions, you'd like us to ask in the next Barometer, just get in touch.



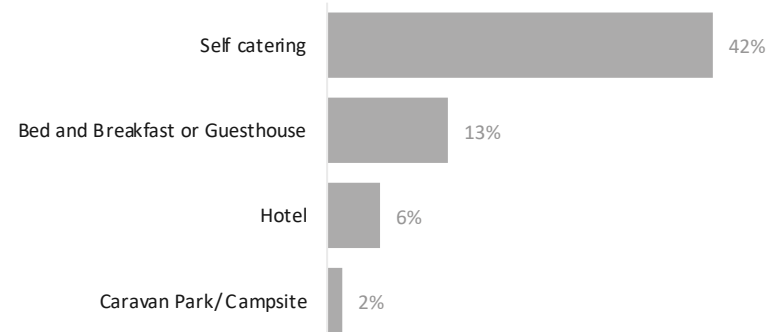
# Sample profile by sector

The vast majority of the 122 businesses taking part in the survey were in the tourism sector. Around three in five (63%) were accommodation businesses (mostly self catering), 16% were activity providers, 14% provided food and beverage and 13% were attractions.

## Survey participants by sector:



## Survey participants by accommodation type:



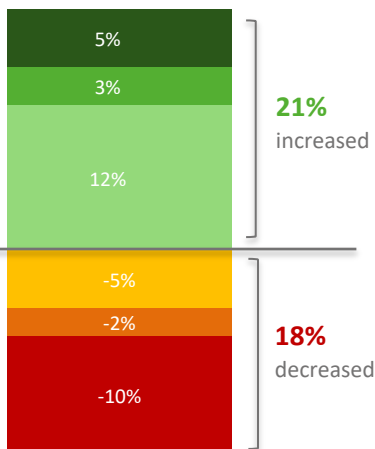


# Business levels – last 3 months compared to Q1 2021

Not surprisingly given the restrictions in place due to the Covid pandemic in early 2021, when asked to compare levels of business during January to March 2022 with the same period in 2021, around half of respondent selected the 'not applicable' response as their business had not been trading during this period. However, as shown below, amongst those who did respond performance during this period was fairly varied in terms of both numbers of customers and turnover. Retail businesses, activity operators and attractions were the most likely to report a net increase in business compared to 2021.

## Number of customers:

**+3%** net change



10% no change  
51% not trading

■ INCREASE (+)11% or more

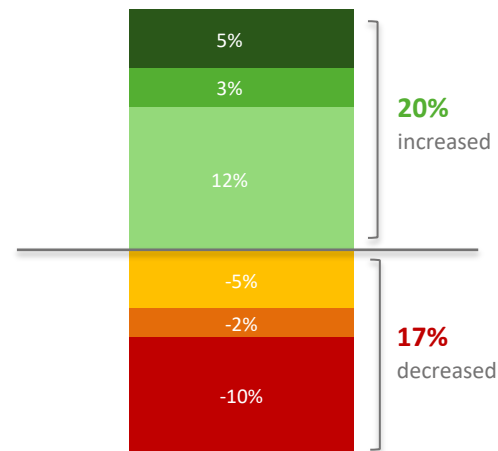
■ Between 6% and 10% Increase ■ Up to 5% Increase

■ Up to 5% Decrease

■ Between 6% and 10% Decrease ■ DECREASE (-)11% or more

## Turnover:

**+3%** net change



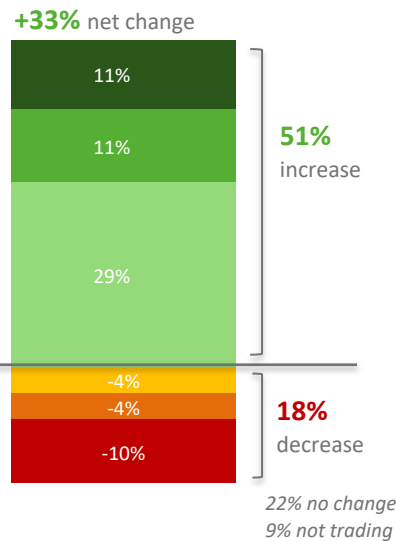
9% no change  
53% not trading



# Business levels – looking ahead to the next 12 months

Looking to the future around 51% of businesses expect increased numbers of customers during the next 12 months and 47% expect increased turnover. While the overall expected net change (% expecting increase - % expecting decrease) in number of customers and turnover is +33% and +25% respectively, non-accommodation businesses are the most optimistic about the prospects for growth.

## Expected number of customers:



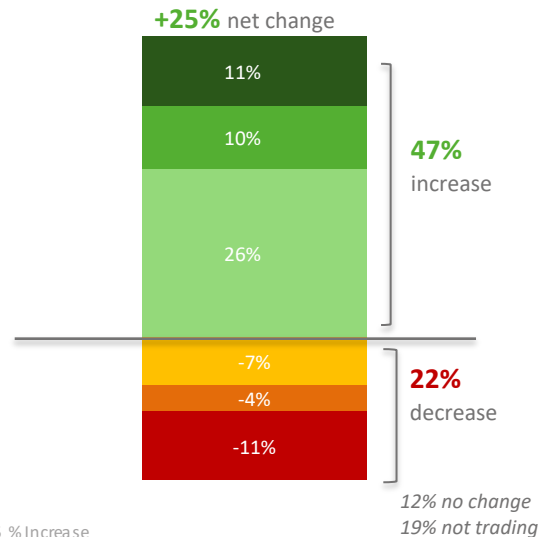
■ INCREASE (+)11% or more

■ Between 6% and 10% Increase ■ Up to 5% Increase

■ Up to 5% Decrease

■ Between 6% and 10% Decrease ■ DECREASE (-)11% or more

## Expected turnover:

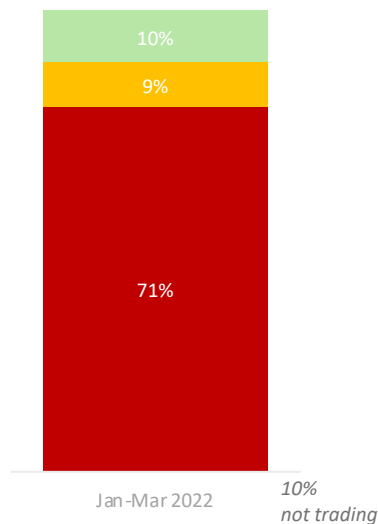




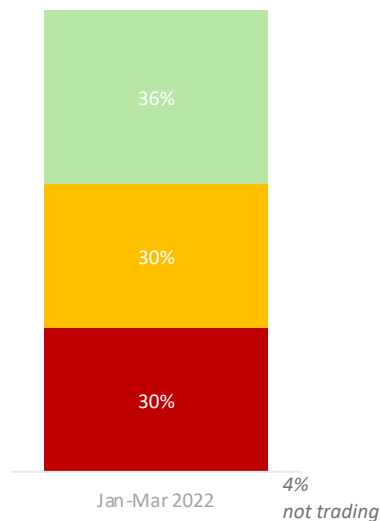
# Business levels – accommodation occupancy levels

Possibly reflecting the time of year, the majority of accommodation businesses (71%) reported average accommodation occupancy levels of under 50% during the January to March 2022 period. However expectations for the next three months were more positive with 36% anticipating high occupancy rates (70% or over) - 45% of self catering businesses provided this response compared with 19% of B&B/Guesthouses.

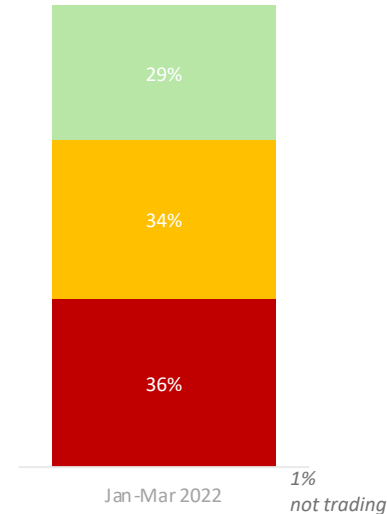
## Last three months:



## Expected during next three months:



## Expected during next twelve months:



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

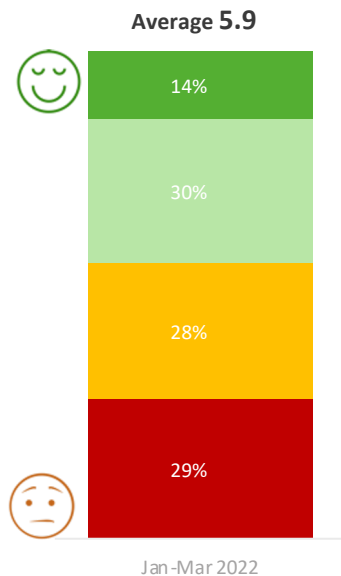




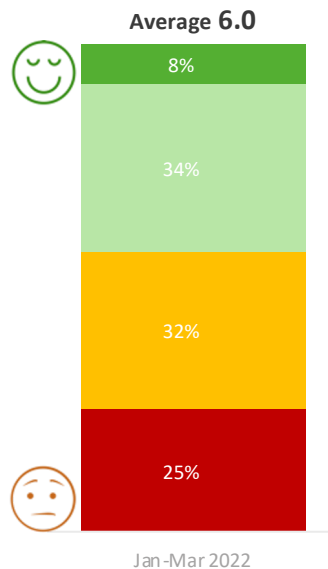
# Business confidence

When asked to rate their overall business confidence for the short, medium and long term future, broadly similar responses were obtained for each time period. An average rating of around 6 out of 10 was obtained but for each period with confidence was higher amongst non-tourism businesses, attractions and activity operators than accommodation businesses (especially B&B/guesthouses whose confidence levels were lowest).

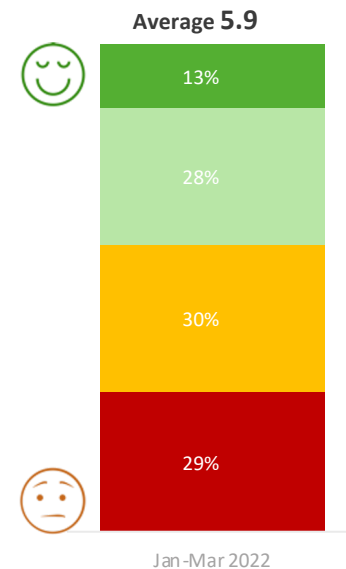
## SHORT TERM (NEXT 3 MONTHS):



## MEDIUM TERM (NEXT 12 MONTHS):



## LONG TERM (NEXT 24 MONTHS):

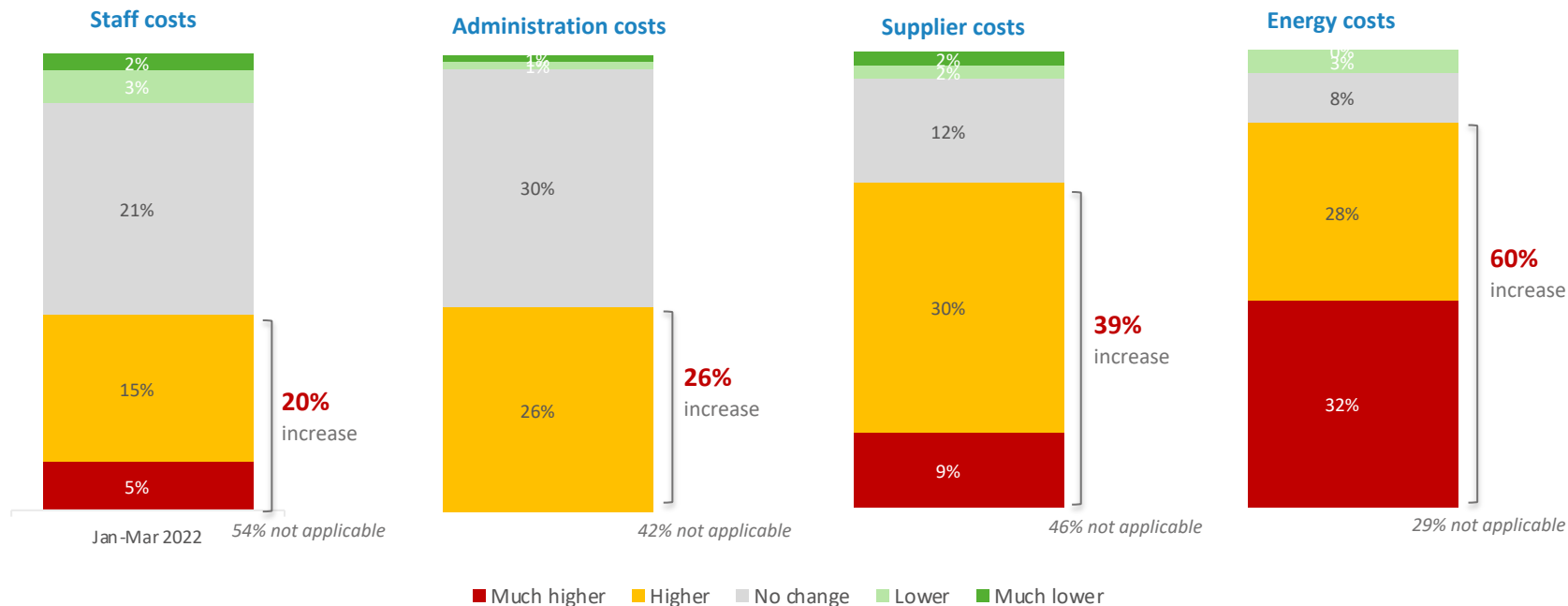


■ Less than 5 ■ 5 or 6 ■ 7 or 8 ■ 9 or 10



# Costs of business - last 3 months

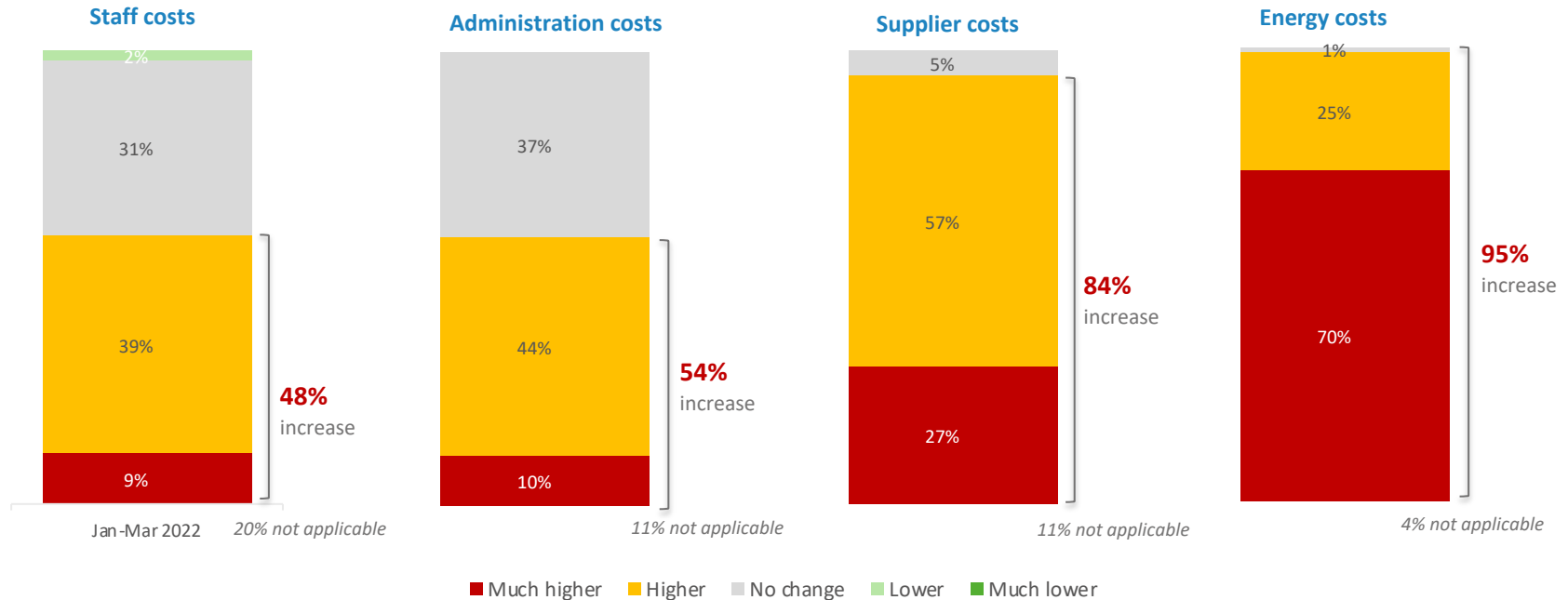
When asked how their business costs during the last 3 months compared with the same period in 2021, while large percentages stated that this was 'not applicable' to them (presumably as their business had been closed in Jan-Mar 2021 due to Covid-19 restrictions), most of those who could respond indicated that their energy and supplier costs had increased.





# Costs of business - expected for next 12 months

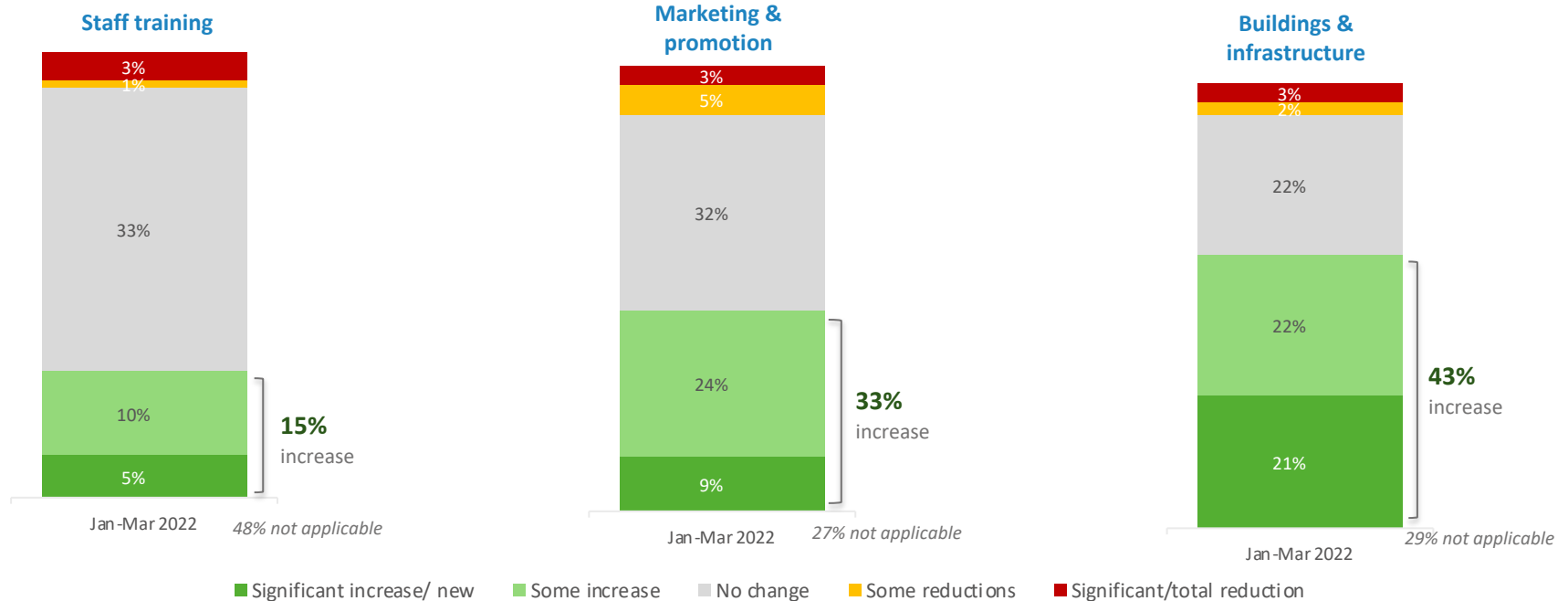
Looking to the next 12 months, the vast majority of businesses expect their supplier and energy costs to increase and around half expect administration and staff costs to increase. These concerns were recorded across all of the types of business included in the survey.





# Investment in business - last 3 months

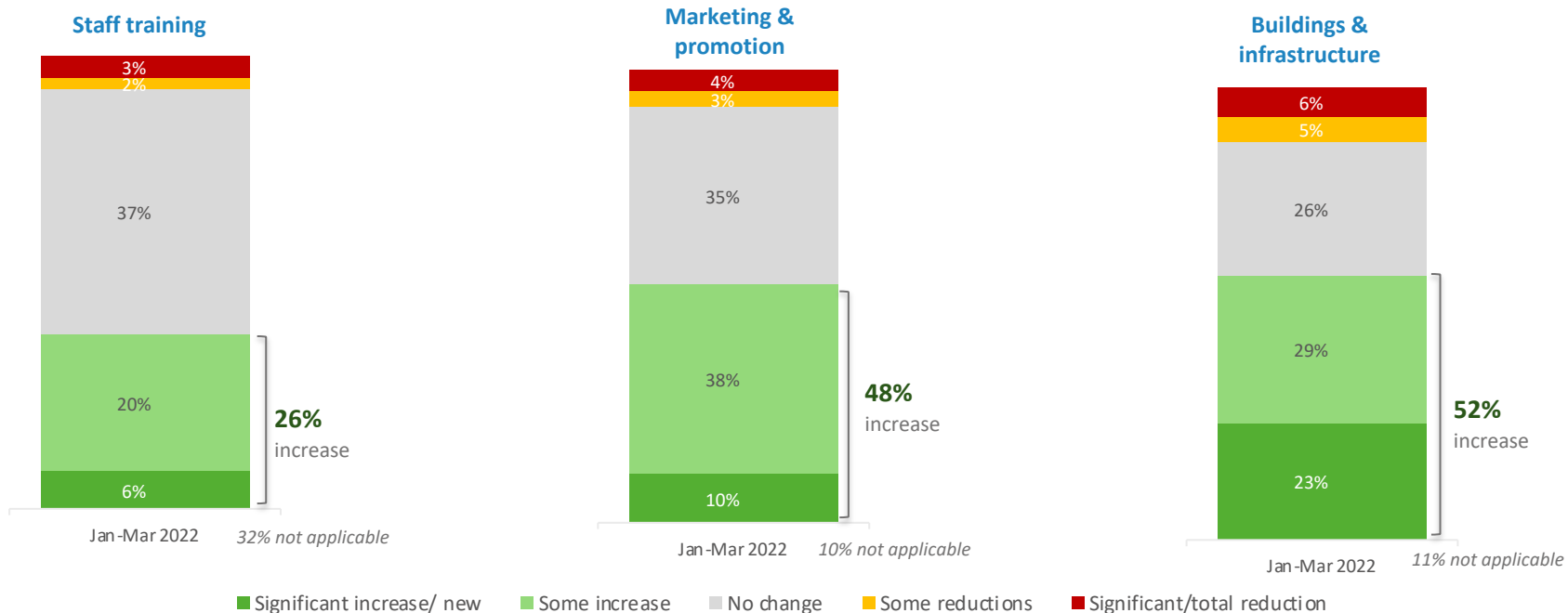
When asked about levels of investment in their businesses during the last 3 months in comparison to January to March 2021, around 2 in 5 indicated that they had increased their spend on buildings and infrastructure and a third had increased investment in marketing and promotion.





# Investment in business - expected for next 12 months

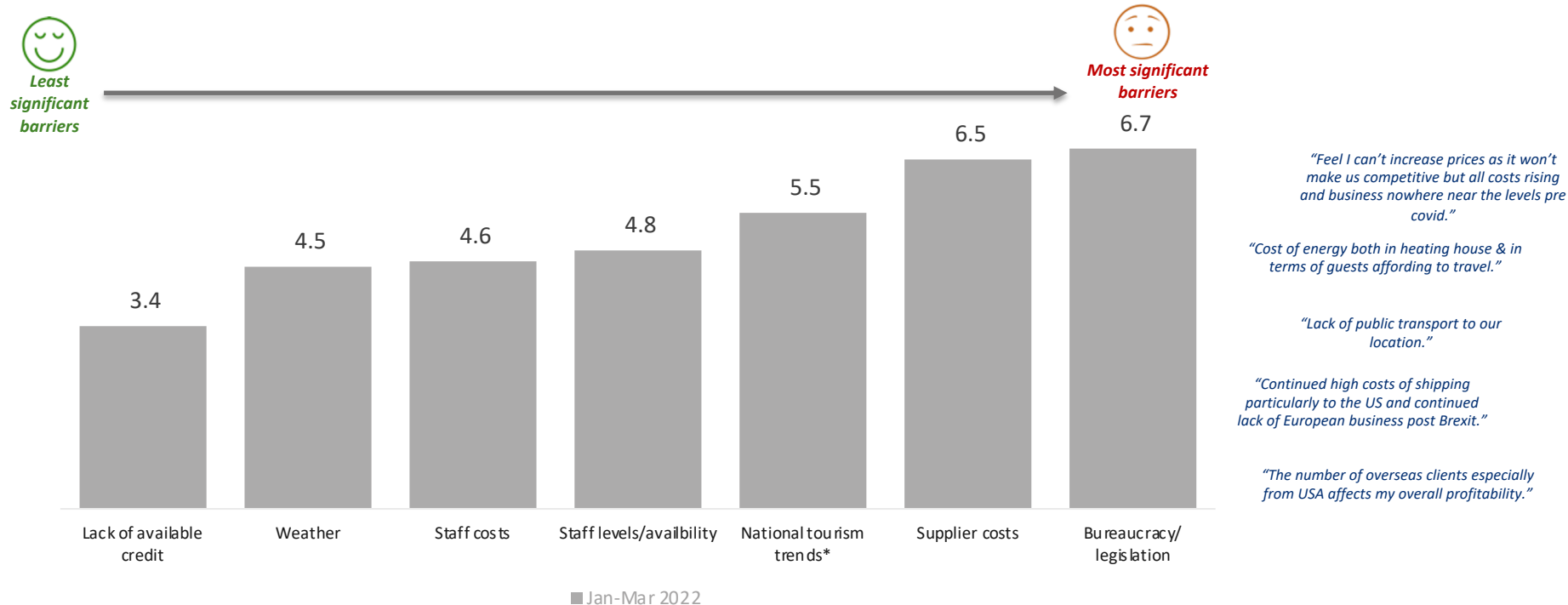
Looking to the future, around half planned to increase their investment levels in buildings and infrastructure and marketing and promotion and a quarter were planning to spend more on staff training. Businesses not involved in tourism, those in the food and drink sector and attractions were the most likely to plan increased investment levels in these areas.





# Barriers to business growth

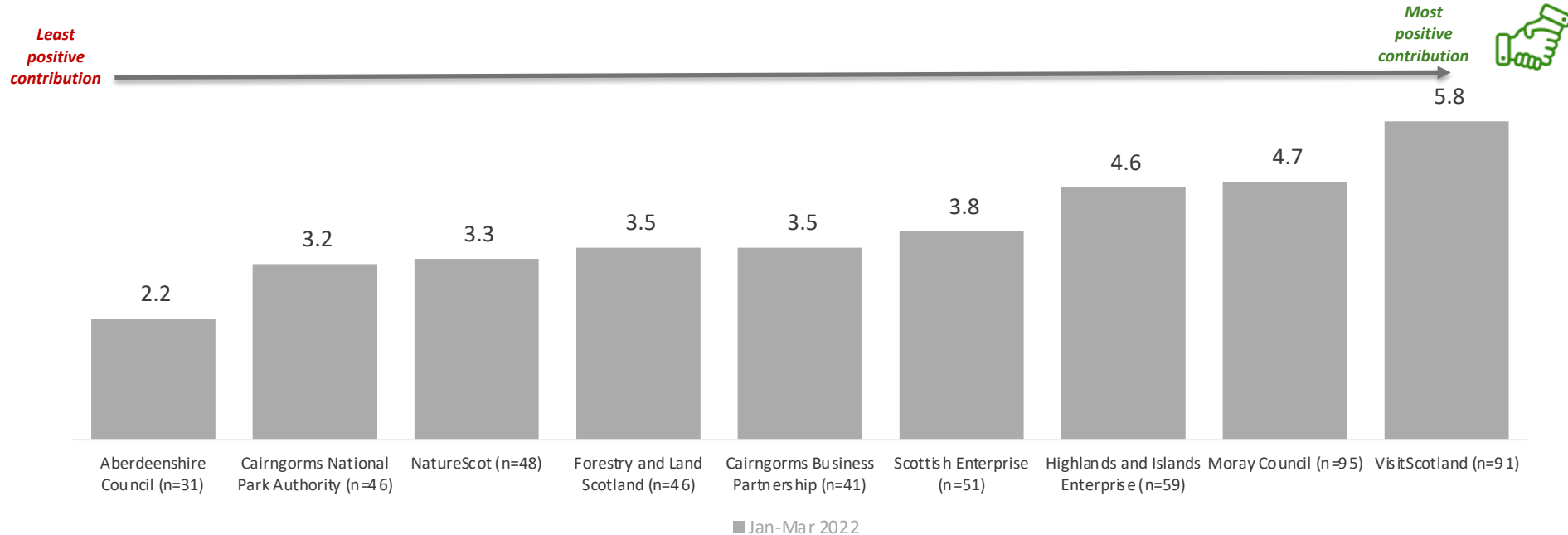
When asked to rate the impact of various aspects to the growth of their business on a scale from 0 (not at all) to 10 (very much a barrier) the areas rated as causing the greatest issues were bureaucracy/legislation and supplier costs. A selection of the comments provided by businesses who provided more details are also included below.





# Contribution of organisations in assisting running of business

Businesses also rated to what extent different organisations helped them to run their business, rating each from 1 (very poor contribution) to 10 (very positive contribution). A 'not applicable' response could also be provided where an organisation was felt to be not relevant (e.g. a different local authority area). Average responses obtained for each organisation amongst those providing a rating are shown below with VisitScotland, Moray Council and HIE obtaining the highest ratings.





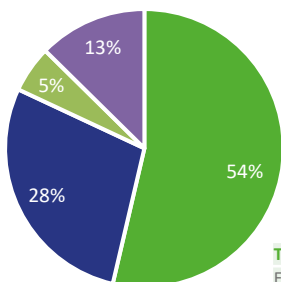
# Visitor profiles

Tourism sector businesses were asked to provide details on the typical profile of their customers during the January to March 2022 period in terms of place of origin and the mix of first time and repeat visitors. On average 87% of visitors were from the UK with the largest percentages of businesses reporting visitors from Scotland’s central belt.

## Origin of customers during last 3 months:

Jan – Mar 2022

Top overseas countries of origin:	
USA	51%
Netherlands	39%
Germany	34%
Scandinavian countries	20%

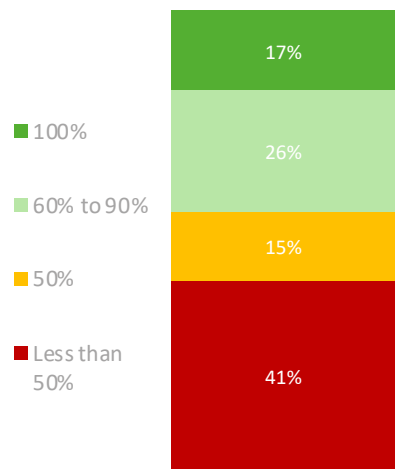


Top other UK places of origin:	
London / South East	22%
North East	16%
North West	11%
South West	10%

Top Scottish places of origin:	
Edinburgh/ Lothians	39%
Glasgow/ Strathclyde	38%
Aberdeenshire	37%
Moray	32%

■ Scotland ■ England ■ Rest of UK ■ Overseas

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



**Average:**  
Jan-Mar 2022 - 52%

Jan-Mar 2022

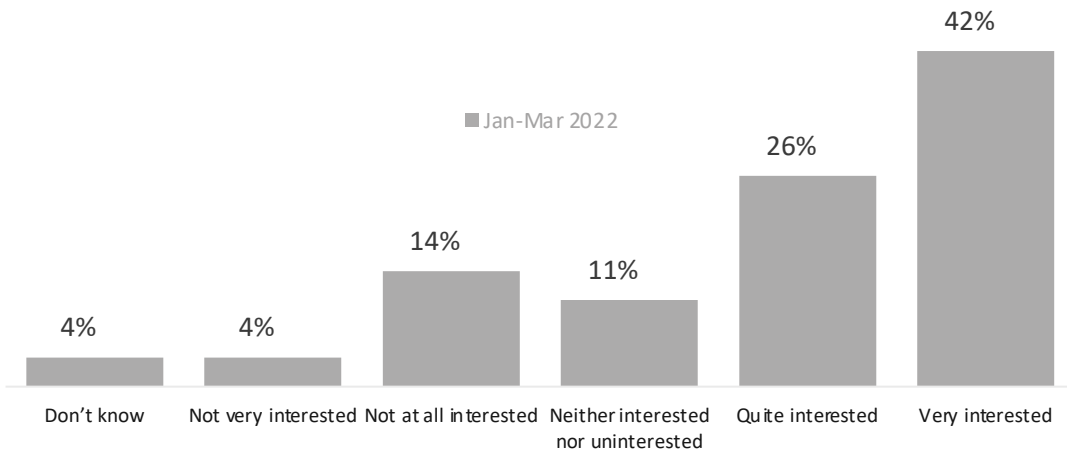




# Topical questions 1 – Electric Vehicle Charging

72% of businesses offer customers a car park and/or other private parking space(s). Amongst these businesses over two thirds were to some extent interested in installing an electric vehicle charging point but a number of factors including cost, a lack of information and a lack the require infrastructure had discouraged most.

**To what extent, if any, would you be interested in installing an electric vehicle charging point on your premises for customers to use?**



**What factors, if any, discourage you from installing an electric vehicle charging point at the moment?**

*"Lack of capital, and lack of three-phase electricity supply. Our car park would need to be levelled, have drainage pipes installed and have a tarmac covering, at least where the charging point would be."*

*"Choice of charger and costs will be excessive given current price increases in electricity. Is there a pay-as-you-go option for guests, or is expectation from consumers that this is covered in cost (so rates will need to increase)?"*

*"We can not get clear and concise information - except from, geezers who will install it from the back of a van so to speak. ZERO WASTE Scotland needs to make a whole lot more effort to inform businesses and help business."*

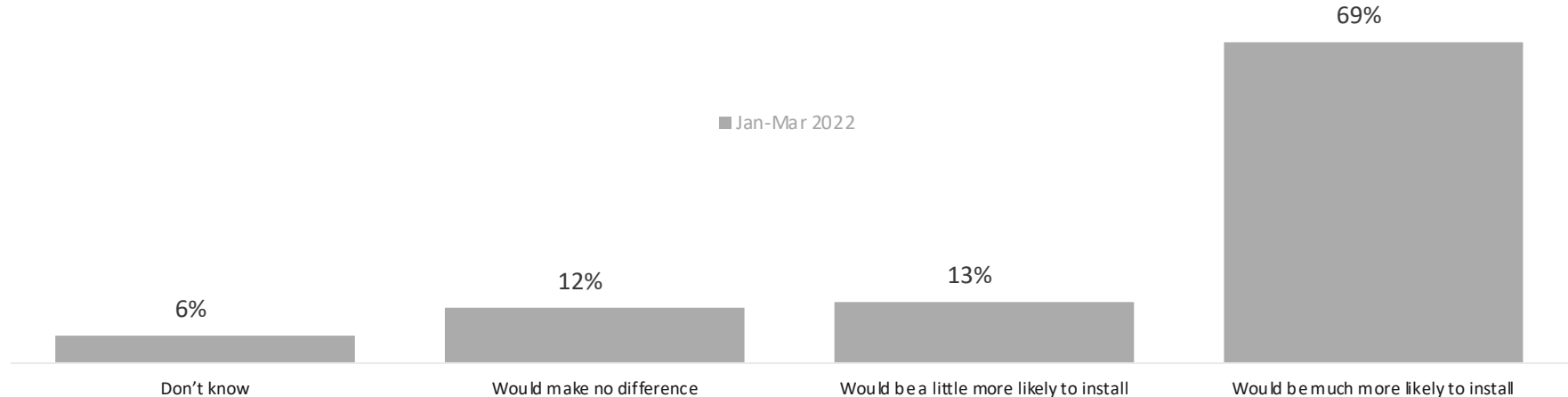
*"Looked at installing in the very beginning during construction and restoration. Costs were prohibitive, and incentives to share costs such as overnight parking and site access were against our business and security model. Costs now would be even more prohibitive due to the modifications required to our site infrastructure."*



# Topical questions 1 – Electric Vehicle Charging

Given a scenario where grant funding was made available to cover the cost, over two in three businesses expect that they would be much more likely to install an electric vehicle charging point.

**If grant funding was available to cover between 75% and 100% of the cost, would you be any more likely to install an electric vehicle charging point on your premises for customers?**

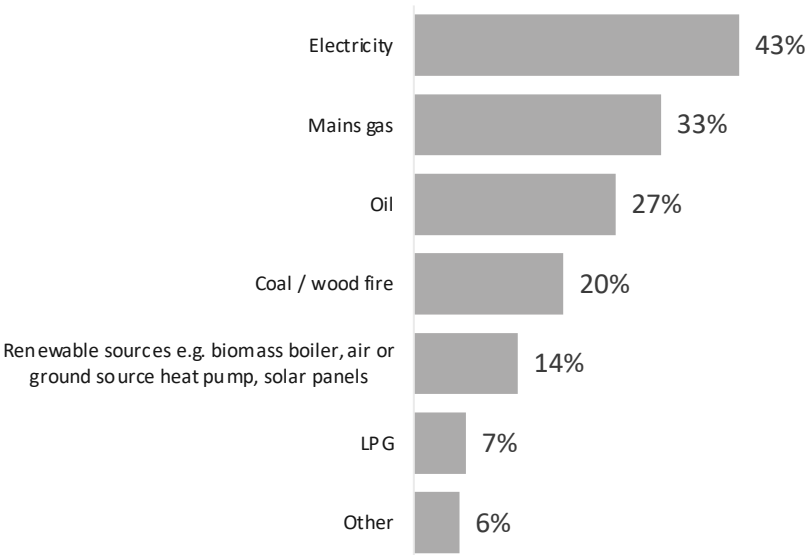




# Topical questions 2 – Heating

Businesses used a wide range of fuels to heat their premises (about 1 in 7 use renewable sources). Over a fifth plan to upgrade their heating or heat insulation with a focus on more efficient and lower cost options.

## How do you currently heat your business premises?



**22%** of businesses have any plans to upgrade/ improve either the heating system or heat insulation in your business premises. Changes planned included:

- More energy efficient boiler(s)
- Installing solar panels
- Installing air source pump(s)
- Installing ground source heat pump
- Installing woodburner stove
- Updating electrical wiring
- Improving insulation

*“We want to install solar panels with batteries and air source heat pumps. Alternatively thinking to get a pellet boiler.”*

*“Greater measures planned re insulation and I'm actively sourcing info re heat pumps, solar and back up battery power to replace the oil fired boiler.”*

*“Improvements to efficiency of existing system, possible introduction of some more eco-friendly options (where possible, given our property's A-listed status.”*



# Topical questions 2 – Heating

Cost is the main factor discouraging businesses from making improvements to heating systems. As such it is unsurprising that most would be more likely to make improvements if grant funding covered most of the costs.

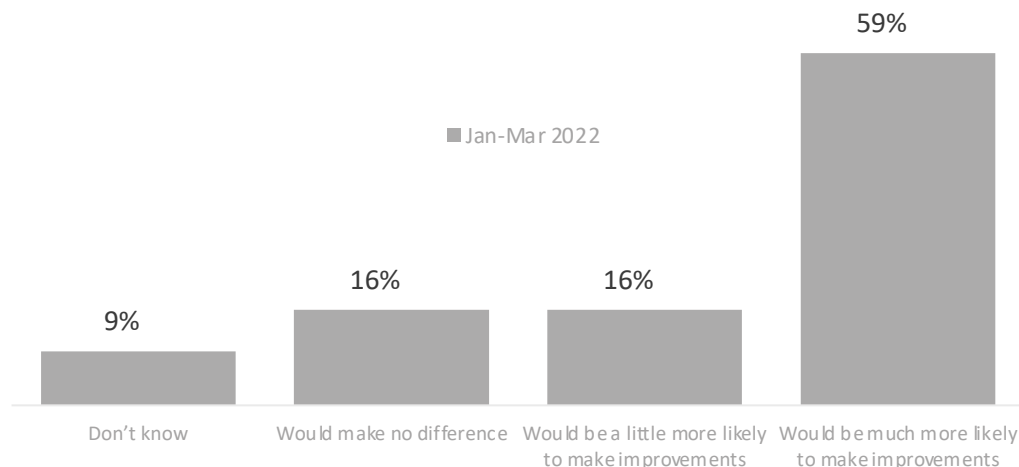
**What factors, if any, discourage you from making improvements to heating systems and/or heat insulation at the moment?**

**56% of businesses responding to this question mentioned cost as a barrier.**

Other factors mentioned included:

- Happy with current system (e.g. in new building)
- Don't have a property
- Protected status of building
- Availability of trades and materials
- Planning/ regulatory restrictions
- Plans to move to different property in near future

**If grant funding was available to cover between 75% and 100% of the cost, would you be any more likely to make improvements to heating systems and/or heat insulation at your business premises?**





# Topical questions 3 – Fairbnb

Around 2 in 3 businesses currently promote themselves using online platforms, including almost 9 in 10 accommodation businesses. Levels of interest in Fairbnb are relatively high but, as shown overleaf, some businesses have concerns over levels of commission and/or the benefits it would actually bring to their community.

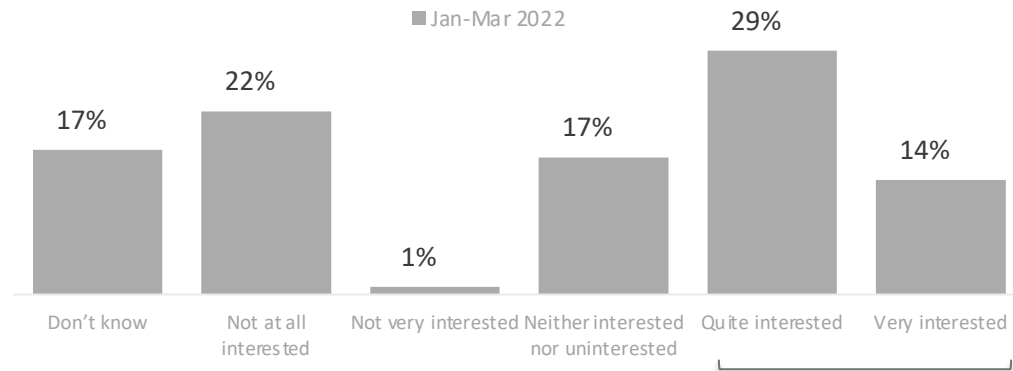
**64%** of businesses currently promote their business via any online booking platforms/ marketplaces (86% in accommodation)

*Established in 2016, Fairbnb provides an alternative to established booking platforms such as AirBNB, seeking to provide a fairer approach by passing back 50% of booking fees for use in community projects.*

*In practice this means that half of the 15% commission taken on every booking is paid back to the local community to be used in their choice of projects (e.g. this could be to improve signage or public toilets).*

*Businesses who 'sign up' to Fairbnb can still retain their listings on other commercial platforms. See <https://fairbnb.coop/about-us-3/> for more details.*

**If you had the option to promote your accommodation through Fairbnb with half of commission paid to the Moray & Speyside community for projects, how interested would you be in signing up? ?**



**43%** interested

- 59% of accommodation businesses
- 63% of B&Bs/ guesthouses
- 61% of self catering businesses



# Topical questions 3 – Fairbnb

## Interested

*“Anything to promote bookings is welcomed”*

*“Sounds like a great idea. We are providing activities, so not sure whether we could sign up for this but would if there was the possibility. Every solution that keeps the value local and pays stakeholders rather than shareholders is worth looking into.”*

*“Would need a lot further information before I could comment further. It sounds an interesting proposal...”*

*“I would much rather know that a % of the high OTA commission was staying locally, this would be superb both for its direct result and for feel good factor for guests and social responsibility PR for accommodation provider. We would welcome a listing on this platform, not one we had heard of before.”*

## Not interested

*“15% is still a lot of money, especially after 2 years being unable to trade. If we were doing it the prices on our own website would be lower than through Fairbnb.”*

*“Have no confidence that it would be spent wisely.”*

*“Commission is too high.”*

*“I don't want the complexity of another booking platform.”*

*“It would need to return thousands to make noticeable difference.”*

*“AirBNB is well established and seems to work efficiently.”*

*“We are already struggling with booking fees and the local community services rarely cover our area.”*



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

[duncan.stewart@56degreeinsight.com](mailto:duncan.stewart@56degreeinsight.com) | +44 (0) 771 786 8770  
[jim.eccleston@56degreeinsight.com](mailto:jim.eccleston@56degreeinsight.com) | +44 (0) 744 703 1396