Coronavirus (COVID-19) Industry Survey 2020

January 2021
(68 slides)

VisitScotland on behalf of the Scottish Tourism Emergency Response Group (STERG)

Contents

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Project background

- COVID-19 has had a devastating impact on the tourism industry in Scotland and worldwide.
- The Scottish Tourism Emergency Response Group (STERG) has been tasked with coordinating the response to all challenges relating to the COVID-19 pandemic.
- In order to guide and inform its response, STERG has undertaken a series of industry surveys with businesses within the tourism and hospitality sectors across Scotland. Other surveys have also been issued from various tourism sector and regional bodies to establish the impact on specific sectors or regions.
- The research has been used to determine the scale and impact of the ongoing crisis on tourism and hospitality businesses.
- The first two waves of research were conducted in-house by VisitScotland. The third wave has been conducted by Progressive Partnership.
- The data contained in this report show the findings from the third wave of research conducted in November/December 2020.

Research objectives

The impact of the pandemic

- Determine the impact of the pandemic so far (at Nov/Dec 2020) on turnover and staff numbers
- Determine the proportion of businesses that have ceased trading either temporarily or permanently

Actions taken to survive

- Identify the measures taken by businesses so far to mitigate the impact of the pandemic
- Determine which further measures are likely to be needed in the coming months

Awareness and usage of advice and support

- Establish awareness and usage of various sources of financial and non-financial support available
- Explore the challenges faced by businesses in accessing government support
- Determine awareness and usage of information and advice from government, sectoral and regional organisations
- Determine ratings of the benefit of the various types of support used

The outlook for 2021

- Explore the perceived outlook for businesses in the shorter and longer term in terms of trading and staff retention
- Identify types of financial and non-financial support most likely to be of value to businesses in 2021

Research method and data analysis

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Research method

- The data was gathered via an online survey sent to tourism and hospitality businesses across Scotland.
- The survey link was distributed by STERG organisations and other industry partners, either directly to database members or indirectly via websites and social media channels.
- The fieldwork ran from 19th November – 7th December 2020.
- A final sample of 2,974 response was achieved.
- This sample provides a margin of error of between +/- 0.3% and +/- 1.7%*.

Data analysis

- Only statistically significant differences are reported.
- Statistically significant differences between sub-groups on charts are noted with or
- Where base sizes are low a caution sign is shown. These results must be read with caution.
- Where figures do not add to 100% this is due to multi-coded responses or rounding.

* Margin of error calculated at the 95% confidence interval (market research industry standard). This margin of error should be treated as indicative as respondents were self-selecting and not using strict probability sampling.

As this was a self-selecting online survey, we cannot be sure that the final sample is representative of the tourism industry in Scotland. The survey will only have been completed by businesses who were sent the link or saw the survey link on partners' websites/social media channels. Those most directly affected by the crisis may also have been the most motivated to respond.

Sub-samples used in analysis

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- Data for sub-samples are included in this report. These sub-samples and the base sizes for each are shown below.
- It should be noted that base sizes for routed questions will be lower. Where bases for sub-samples fall below 50 respondents, these are noted with a caution sign on the charts. Bases for routed questions are detailed in the appendices.

Industry sector	No.
Non-serviced accommodation	1,145
Hotels, B&Bs and guesthouses	787
Activities, attractions and tours	586
Food, drink and retail	221
Travel and transport	57 ⚠
Events and festivals	53 ⚠

Local Authority	No.		No.
Highlands	672	Scottish Borders	122
Argyll and the Isles	283	Eilean Siar	115
Perthshire	215	Orkney	107
Edinburgh	206	Moray Speyside	96
Dumfries & Galloway	160	Stirlingshire	88
Ayrshire & Arran	143	Glasgow	73
Aberdeen/shire*	130	Dundee/Angus*	63
Fife	126	Shetland	55 ⚠

* Aberdeen/Aberdeenshire and Dundee/Angus have been combined as the base sizes for the individual local authorities were too low for analysis.

Area type	No.
Rural	1,867
Cities	325
Islands	277

Rural = Aberdeenshire, Angus, Argyll/Isles, Clackmannanshire, D&G, East Lothian, Fife, Highlands, Moray Speyside, Perthshire, Borders
Cities = Glasgow, Edinburgh, Aberdeen, Dundee
Islands = Orkney, Shetland, Eilean Siar

⚠ Data from sub-samples with low base sizes should be treated with caution.

Context: When the research was conducted daily positive cases in Scotland were high but fairly stable. The vaccine was approved during the fieldwork period and the loosening of restrictions for Christmas was announced. However, 11 LAs moved from L3 to L4 just before the start of fieldwork.

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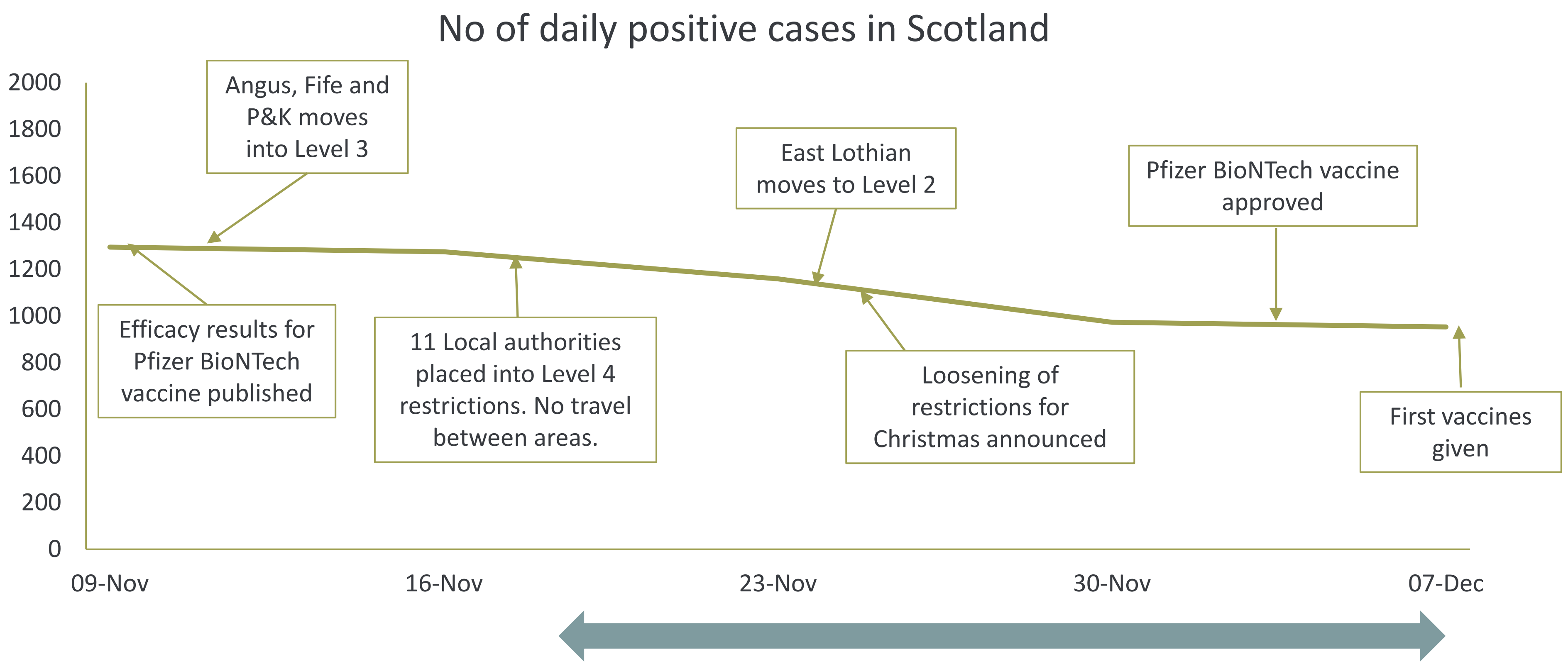

Level 1 - Comhairle Nan Eilean Siar, Highland, Moray, Orkney, Shetland
Level 2 - Aberdeen City, Aberdeenshire, Argyll and Bute, Borders, Dumfries and Galloway, East Lothian
Level 3 - Angus, Clackmannanshire, Dundee City, Edinburgh, Falkirk, Fife, Inverclyde, Midlothian, North Ayrshire, Perth and Kinross
Level 4 - East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire, West Lothian

Sample profile

The sample includes a majority of accommodation providers – particularly self-catering. This is important to bear in mind when looking at total sample findings.

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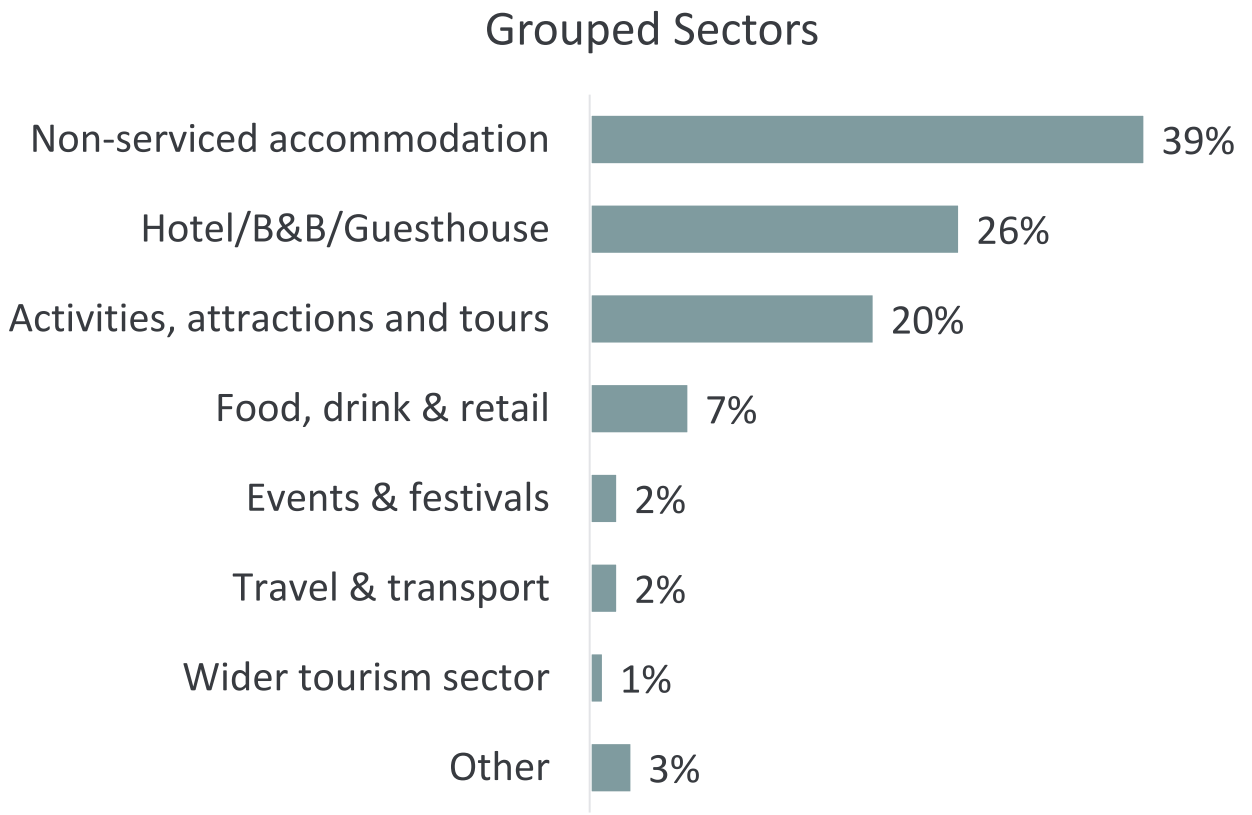
Sector	No.	%
Self-catering	972	33%
B&B / Guesthouse	482	16%
Hotel	305	10%
Tour guide	170	6%
Visitor attraction	157	5%
Tour operator	137	5%
Retail	81	3%
Caravan/camping/glamping	71	2%
Outdoor activities – land based	64	2%
Restaurant	63	2%
Outdoor activities – water based	58	2%
Transport operator	46	2%

Sector	No.	%
Café	41	1%
Hostel	41	1%
Bar/pub	36	1%
Holiday park	32	1%
Exclusive use venue	29	1%
Events and festivals	27	1%
Cultural venue	23	1%
Marina / port / harbour	11	< 1%
Conference centre	3	< 1%
Wider tourism industry supplier	39	1%
Other	86	3%

Q1: How would you describe the main activity of your business?

Base (all): 2,974

Almost two thirds of respondents were accommodation providers - non-serviced accommodation accounted for two fifths, while one quarter were serviced accommodation. One in five of businesses was classified as activities, tours and attractions.



Q1: How would you describe the main activity of your business?

Base (all): 2,974

The survey received responses from across Scotland, with a particularly strong response from the Highlands followed by Argyll and the Isles.

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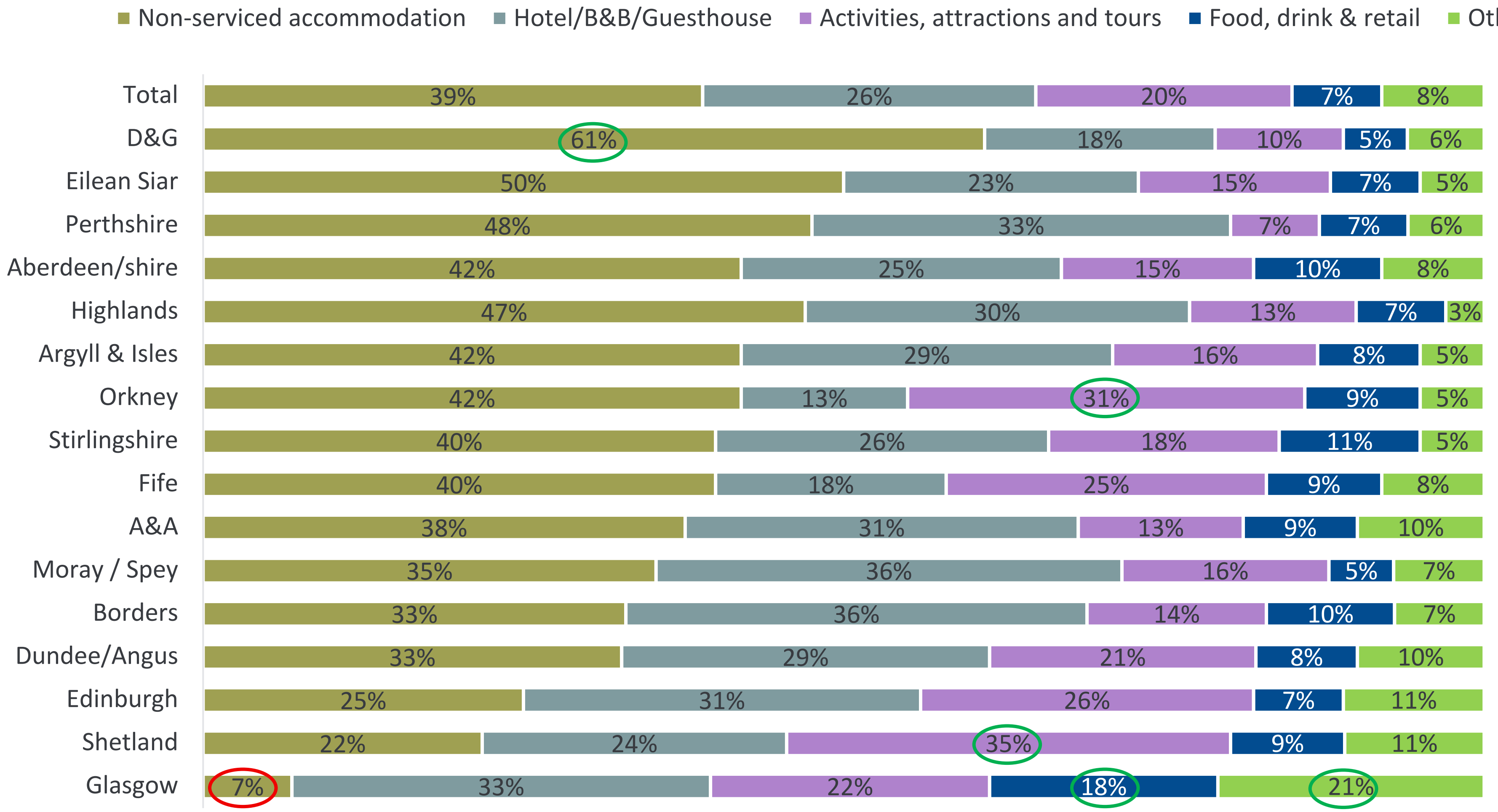
Sector	No.	%
Highlands	672	23%
Argyll and the Isles	283	10%
Perthshire	215	7%
Edinburgh	206	7%
Dumfries & Galloway	160	5%
Ayrshire & Arran	143	5%
Fife	126	4%
Scottish Borders	122	4%
Eilean Siar	115	4%
Orkney	107	4%
Aberdeenshire	104	3%
Moray Speyside	96	3%
Stirlingshire	88	3%

Sector	No.	%
Glasgow	73	2%
Shetland	55	2%
Angus	43	1%
East Lothian	32	1%
North & South Lanarkshire	29	1%
Aberdeen	26	1%
Dundee	20	1%
East & West Dunbartonshire	20	1%
West Lothian	17	1%
Clackmannanshire	14	< 1%
Renfrewshire, East Renfrewshire, Inverclyde	14	< 1%
Midlothian	13	< 1%
National operator	172	6%

Q4: In which region is the majority of your business based?

Base (all): 2,974

The split of types of businesses varied by region. Non-serviced accommodation was more dominant in rural locations, particularly Dumfries and Galloway, whereas in cities serviced accommodation was more prevalent.



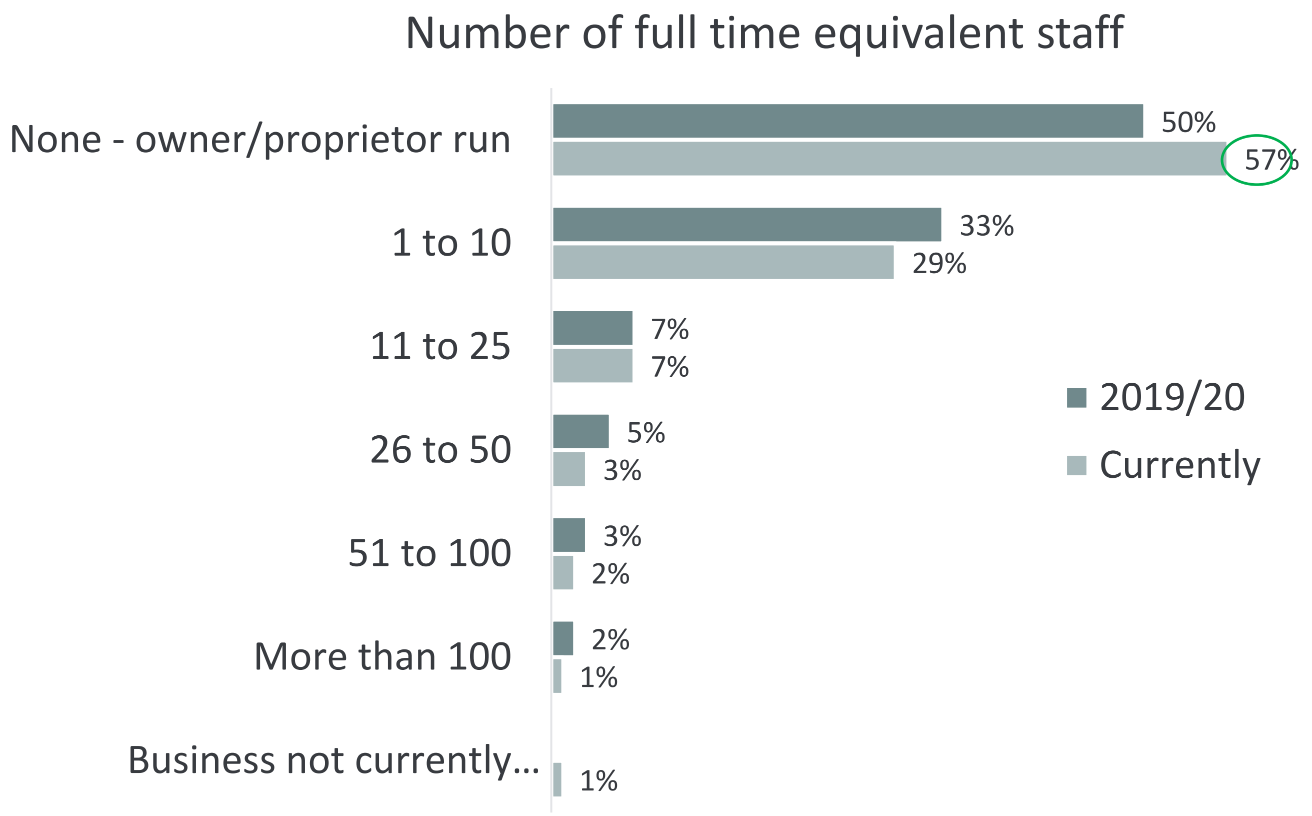
Orkney and Shetland had higher than average responses from businesses offering activities, attractions and tours.

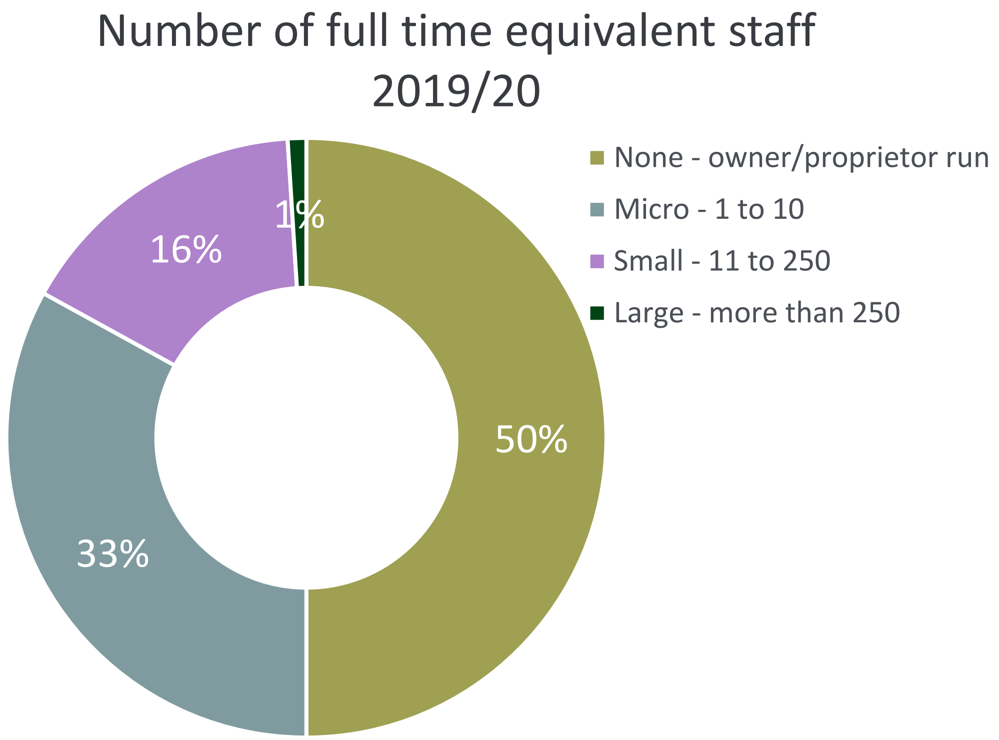
Glasgow had the highest proportions of food, drink and retail businesses and other businesses and the lowest proportion of non-serviced accommodation providers.

Q1: How would you describe the main activity of your business?

Base (all): 2,974

The majority of the sample was small businesses – pre-covid half employed no staff other than the owner and one third employed 10 or less. At the time of the survey more were working alone with no employees than last year.

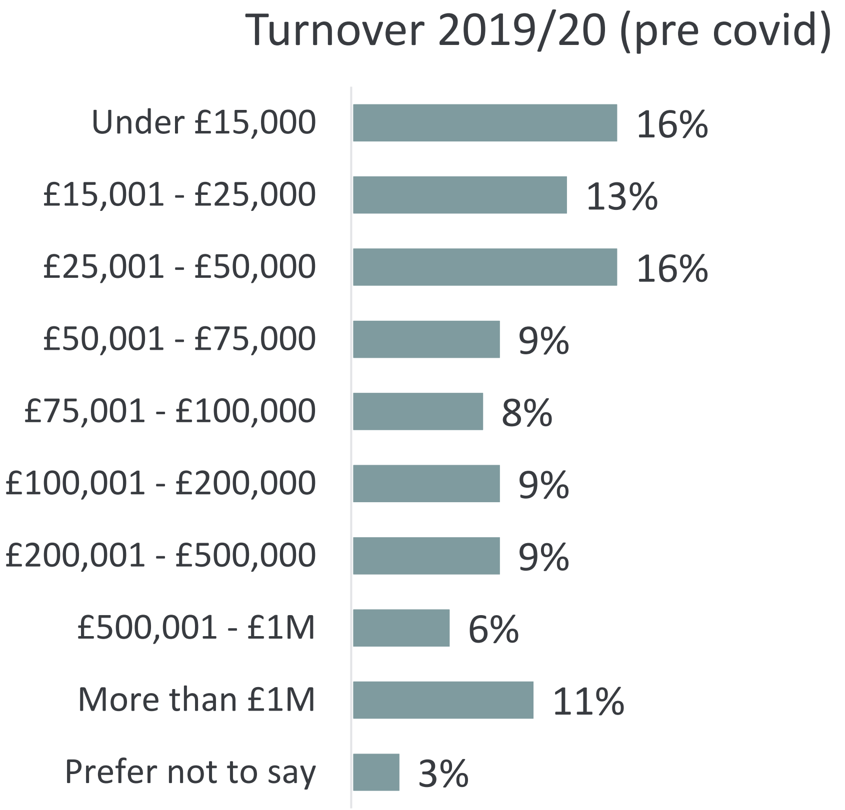




Q6: On average, how many full-time equivalent staff did your business employ in Scotland before the pandemic, i.e. 2019-2020? Q7: How many full-time equivalent staff does your business currently employ in Scotland? Please include in your total those staff that are currently furloughed

Q6 Base (all excluding those who opened in last year): 2,879
Q7 Base (all): 2,974

Reflecting the prevalence of small businesses in the sample, 62% had a turnover of £100k or less in 2019/20. One in ten were operating on a larger scale with a turnover of more than £1 million (M).

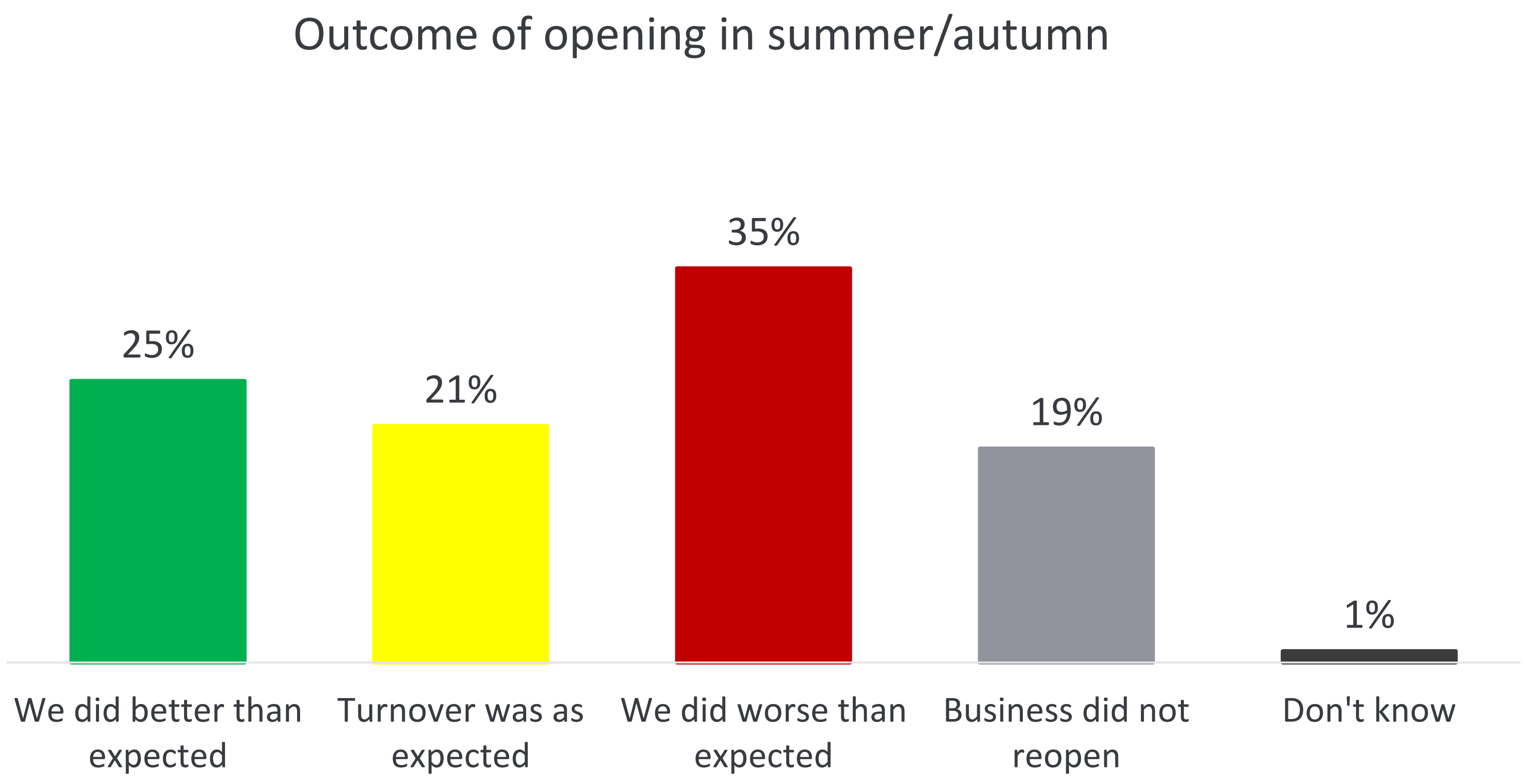


Q3: Approximately, what was your annual business turnover for the last financial year pre-Covid (2019-20)?

Base (all excluding those who opened in last year): 2,879

Impact of pandemic on businesses

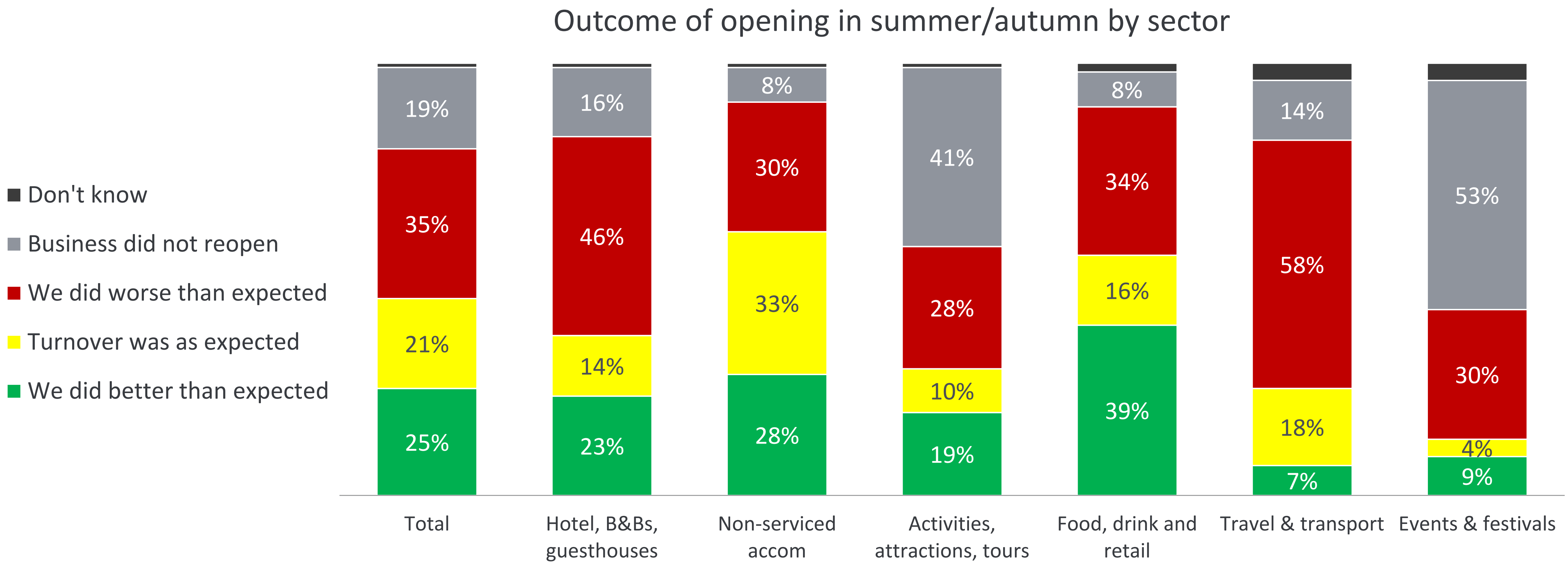
Over a third of businesses overall reported that they did worse than expected when they re-opened in summer/early autumn, although a significant proportion (1 in 4) did do better.



Q9: How did the re-opening of tourism affect your business in the summer/early autumn months?

Base (all): 2,974

The travel and transport sector was the most likely to have done worse than expected, while food, drink and retail was the most likely to have done better. Significant proportions of businesses in activities, attractions and tours, and events/festivals did not re-open.



Q9: How did the re-opening of tourism affect your business in the summer/early autumn months?

Base (all): 2,974

Cities such as Edinburgh and Glasgow were particularly badly hit with around half saying the impact of re-opening in the summer was worse than expected. Orkney and Shetland had the highest proportions saying their business did not reopen.

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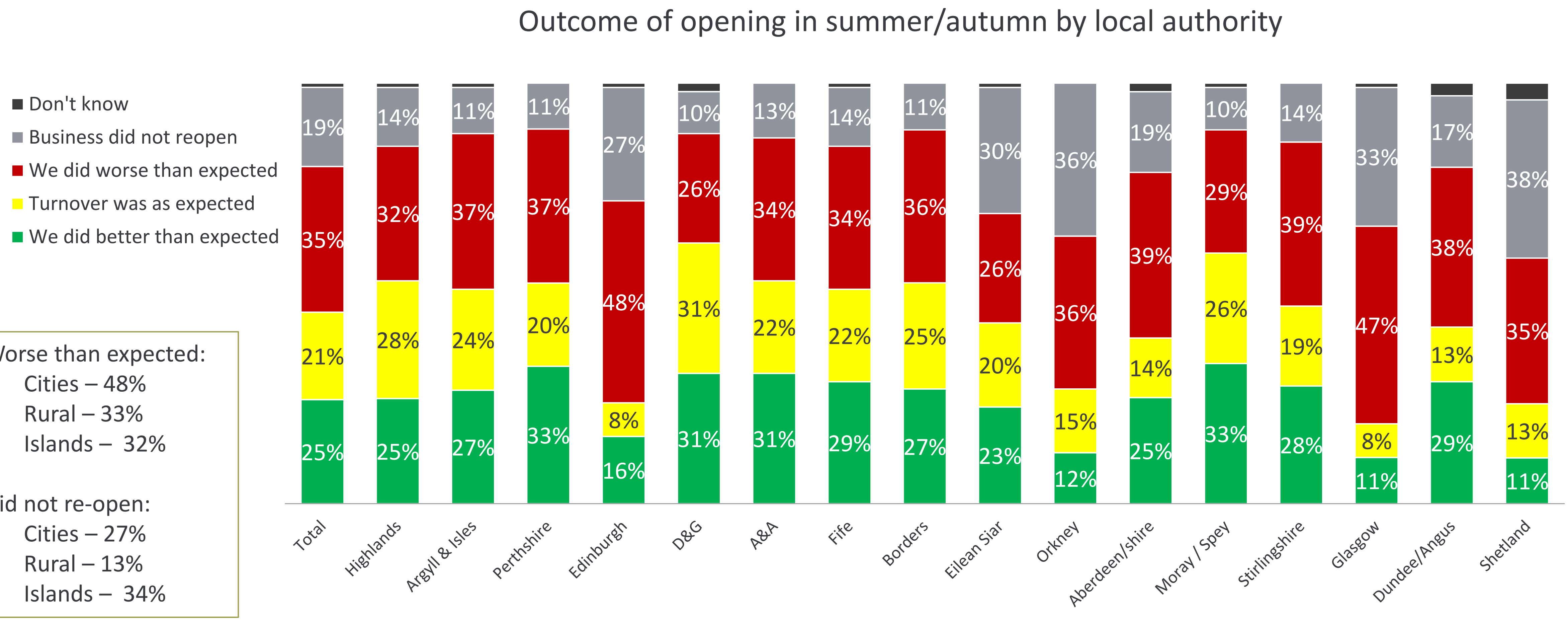


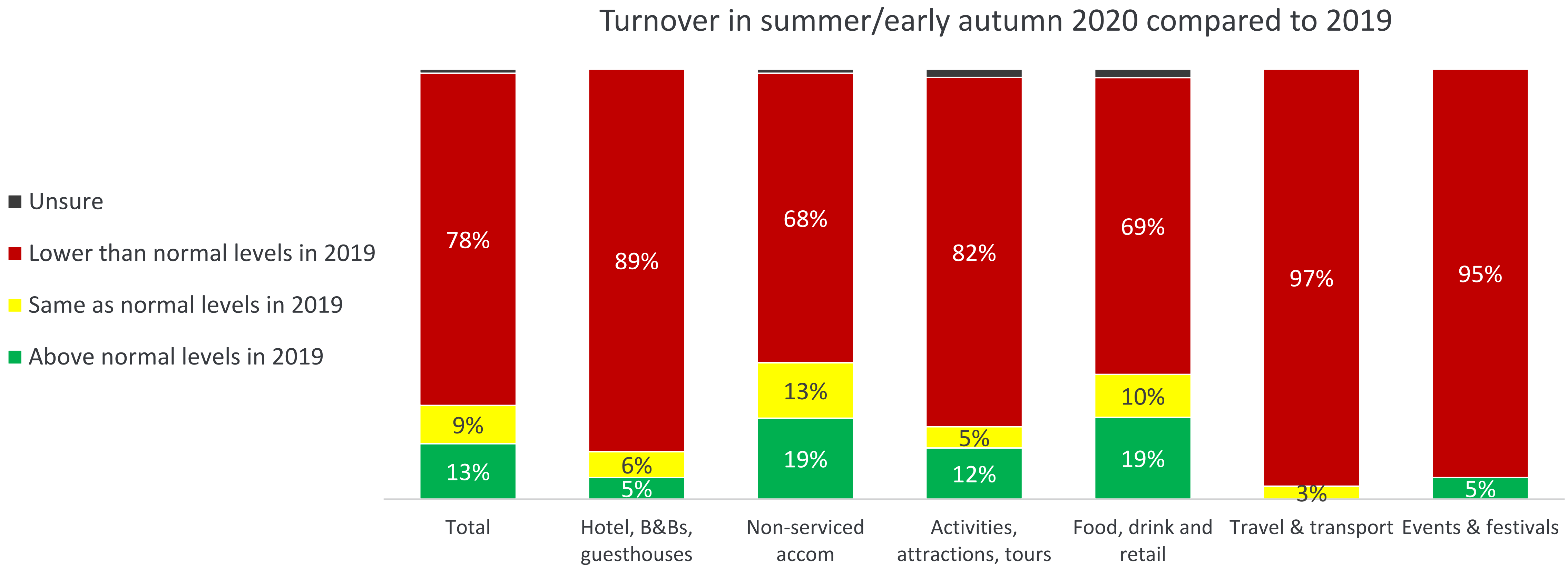
Worse than expected:
- Cities – 48%
- Rural – 33%
- Islands – 32%

Did not re-open:
- Cities – 27%
- Rural – 13%
- Islands – 34%

Q9: How did the re-opening of tourism affect your business in the summer/early autumn months?

Base (all): 2,974

Regardless of whether businesses felt they did better or worse than expected when they re-opened, most (4 out of 5) reported that their turnover was lower than in a normal year. One in five of non-serviced accommodation providers and food, drink and retail businesses reported that they actually did better.



Q9a: Was your turnover better or worse than a normal year when you re-opened in the summer/early autumn months?

Base (business operating for > 1 yr and stated it did better/worse than expected): 1,714

Almost all businesses based in cities and on the islands who reported they did better or worse than expected reported that their turnover was down. Businesses in Perthshire and Dumfries and Galloway were the least likely to report reduced turnover in 2020 – although almost two thirds in these areas did report a reduction compared to 2019.

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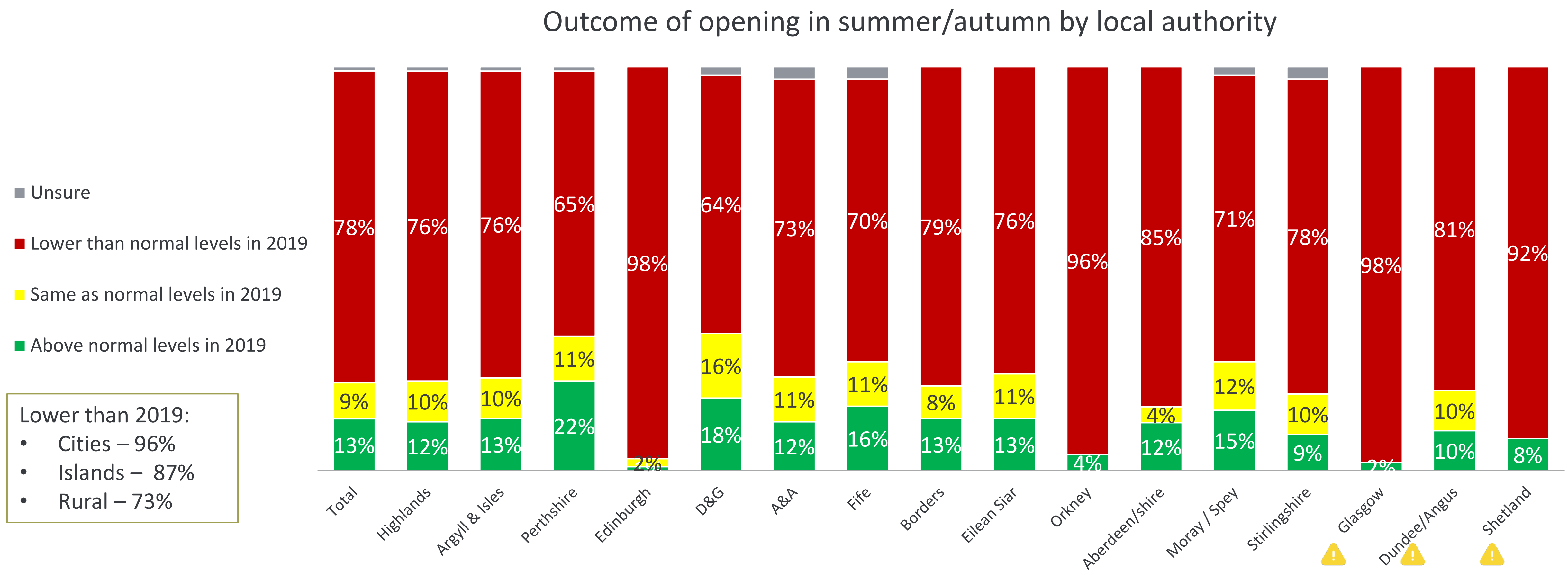


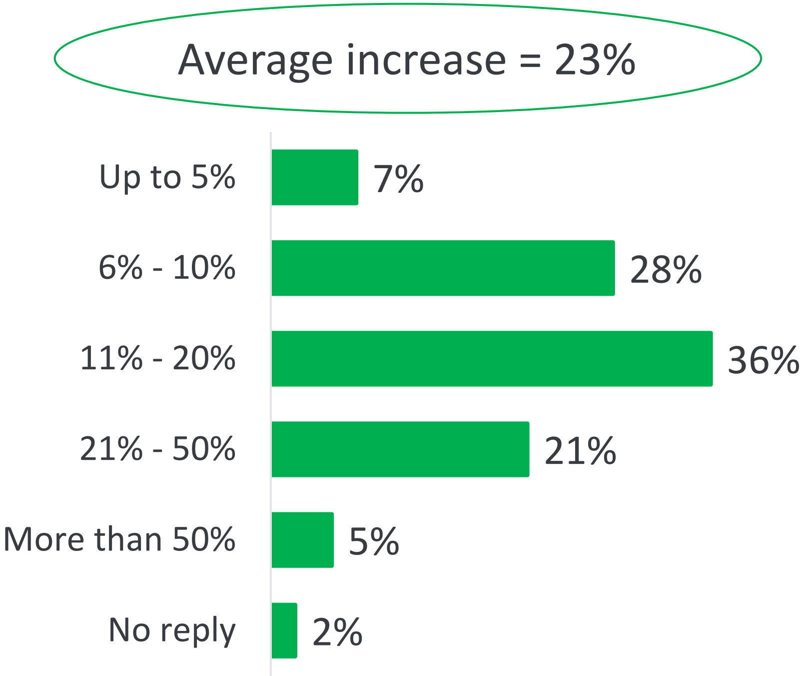
Lower than 2019:
- Cities – 96%
- Islands – 87%
- Rural – 73%

Q9a: Was your turnover better or worse than a normal year when you re-opened in the summer/early autumn months?

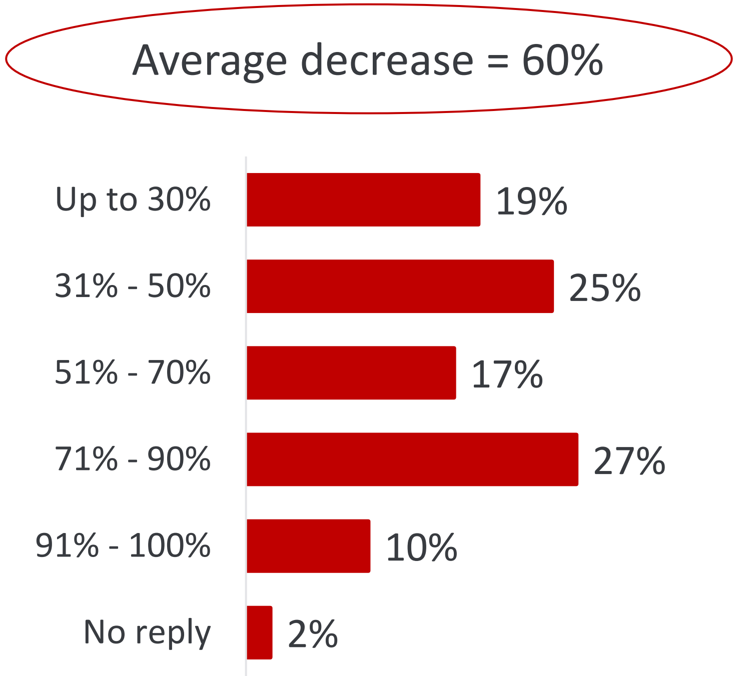
Base (business operating for > 1 yr and stated it did better/worse than expected): 1,714

Amongst those who reported their turnover was higher compared to a normal year, the average increase was 23%. Far more business said their turnover was lower than normal and the average decrease was 60%.

13% of those whose turnover was not as expected reported an increase in turnover compared to 2019



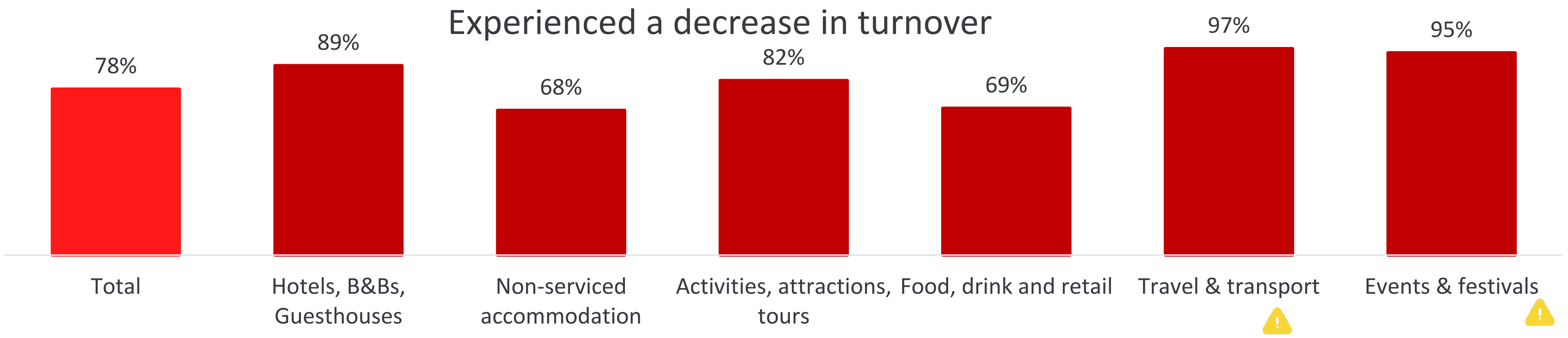
78% of those whose turnover was not as expected reported a decrease in turnover compared to 2019

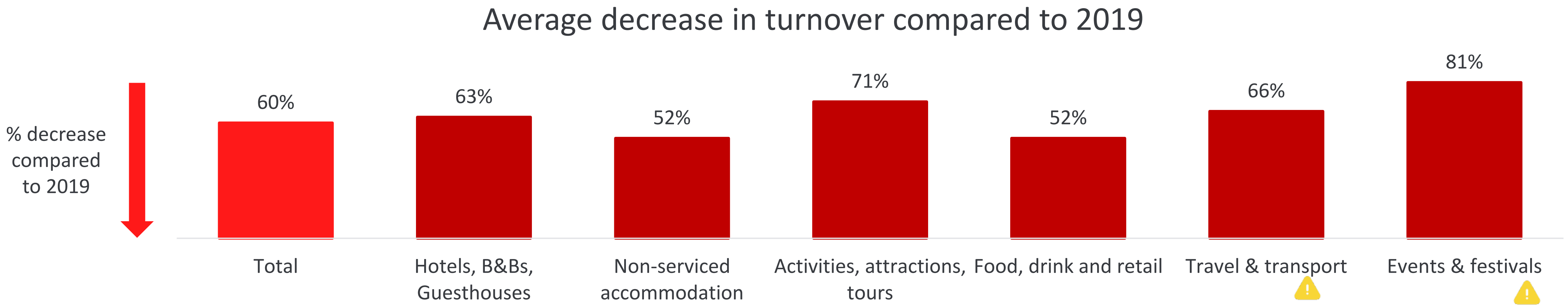


Q10: By how much did your turnover increase compared to the same period in 2019?
Q11: By how much did your turnover decrease compared to the same period in 2019?

Q10 Base (those who saw an increase): 215
Q11 Base (those who saw a decrease): 1,333

Amongst those who said their turnover was not as expected, the majority across all sectors reported it was down and the average decrease across all of these was of more than 50%. However, events and festivals have been particularly badly hit. 95% said their turnover was lower than normal and the average decrease was 81%.





Q9a: Was your turnover better or worse than a normal year when you re-opened in the summer/early autumn months?
Q11: By how much did your turnover decrease compared to the same period in 2019?

Q9a Base (operating for > 1 yr and did better/worse than expected): 1,714
Q11 Base (those who saw a decrease): 1,333
Caution: small base sizes

Almost all business (for whom turn over was not as expected) located in Edinburgh, Glasgow and the Northern Isles reported that their turnover was down. Businesses in Edinburgh experienced the highest % decrease in turnover.

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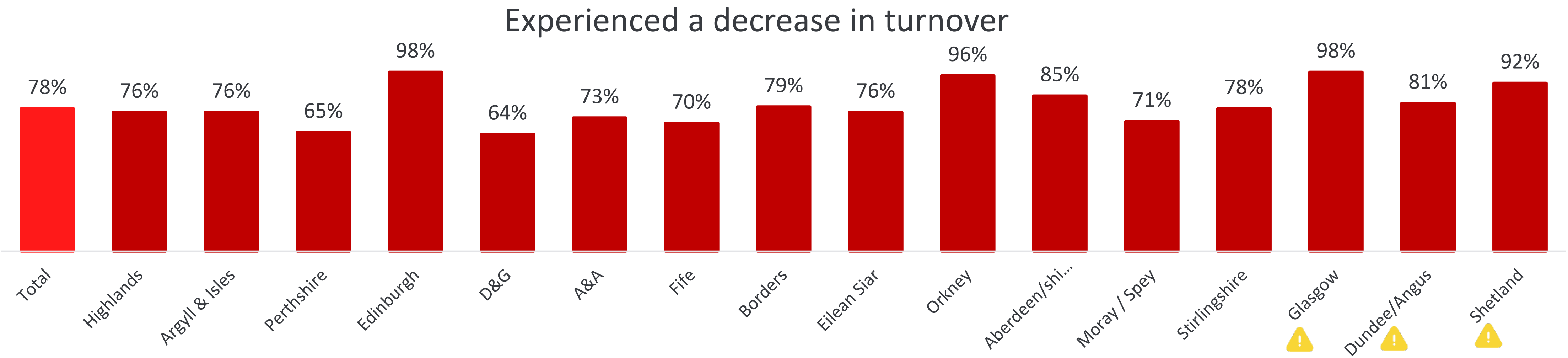
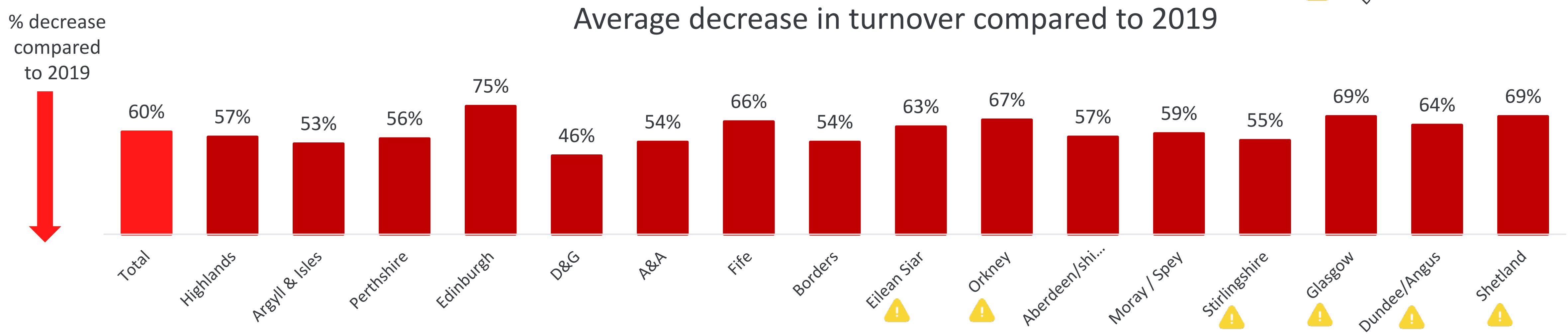
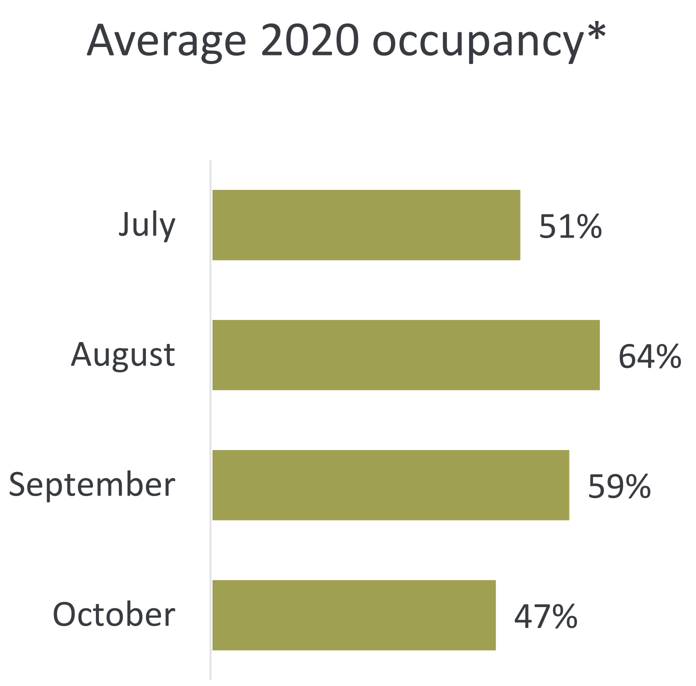




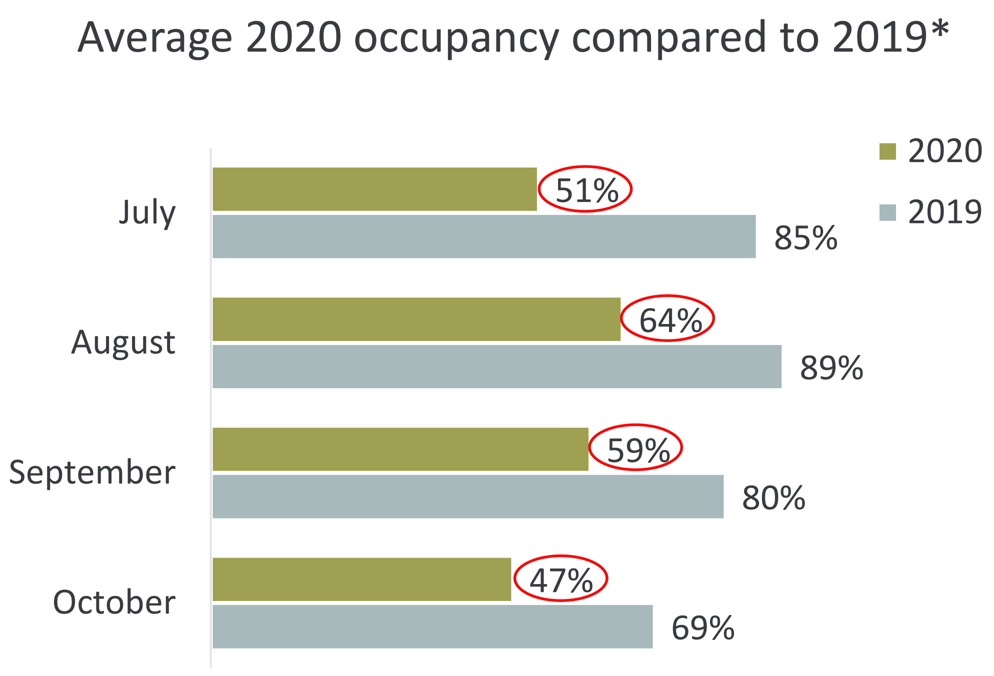
Q9a: Was your turnover better or worse than a normal year when you re-opened in the summer/early autumn months?
Q11: By how much did your turnover decrease compared to the same period in 2019?

Q9a Base (business operating for > 1 yr & did better/worse than expected): 1,714
Q11 Base (those who saw a decrease): 1,333
Caution: small base sizes

Amongst accommodation providers who opened in the summer and autumn months the average occupancy peaked in August at 64%. However, occupancy levels were well below 2019 when they were at least at 80% for July, August and September.



*Includes all accommodation open during each month in 2020 (excludes 0%).

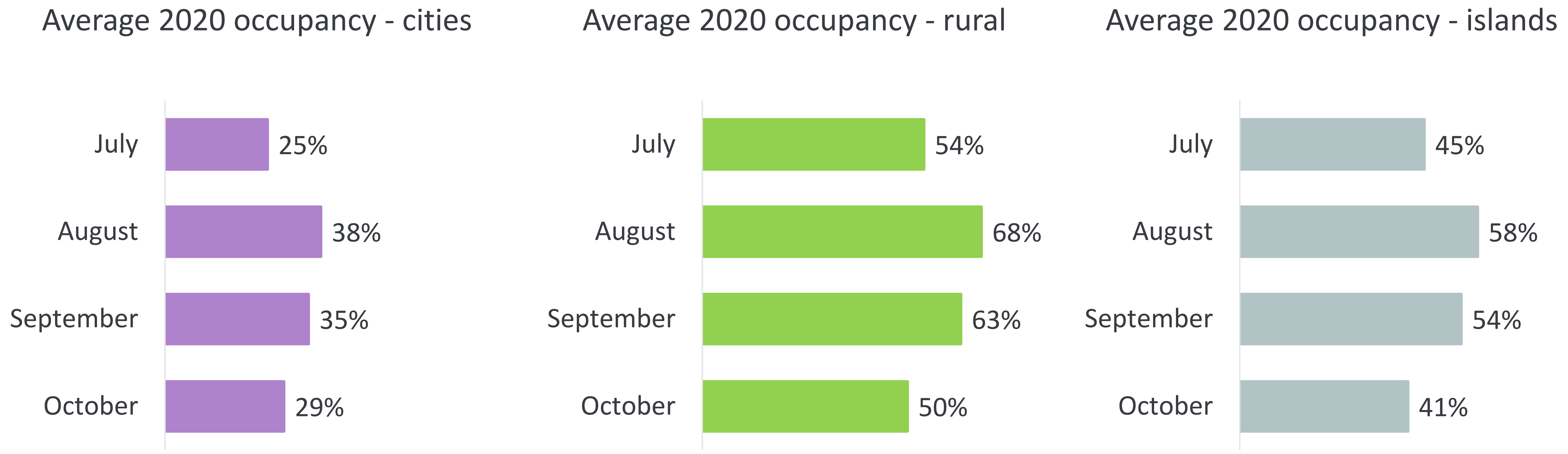


*Includes all accommodation operating for more than one year and open during each month in 2020 (excludes 0%).

Q14: What was your average 2020 occupancy in the following months?
Q15: What was your average 2019 occupancy in the following months?

Q14 Base (those who stated occupancy of >0% in each month): 1,351 – 1,437
Q15 Base (those who stated occupancy of >0% in each month): 1,481 – 1,505

Accommodation providers in cities experienced the lowest occupancy rates, while rural providers had the highest which is likely to reflect the desire amongst visitors to holiday in areas away from crowds.

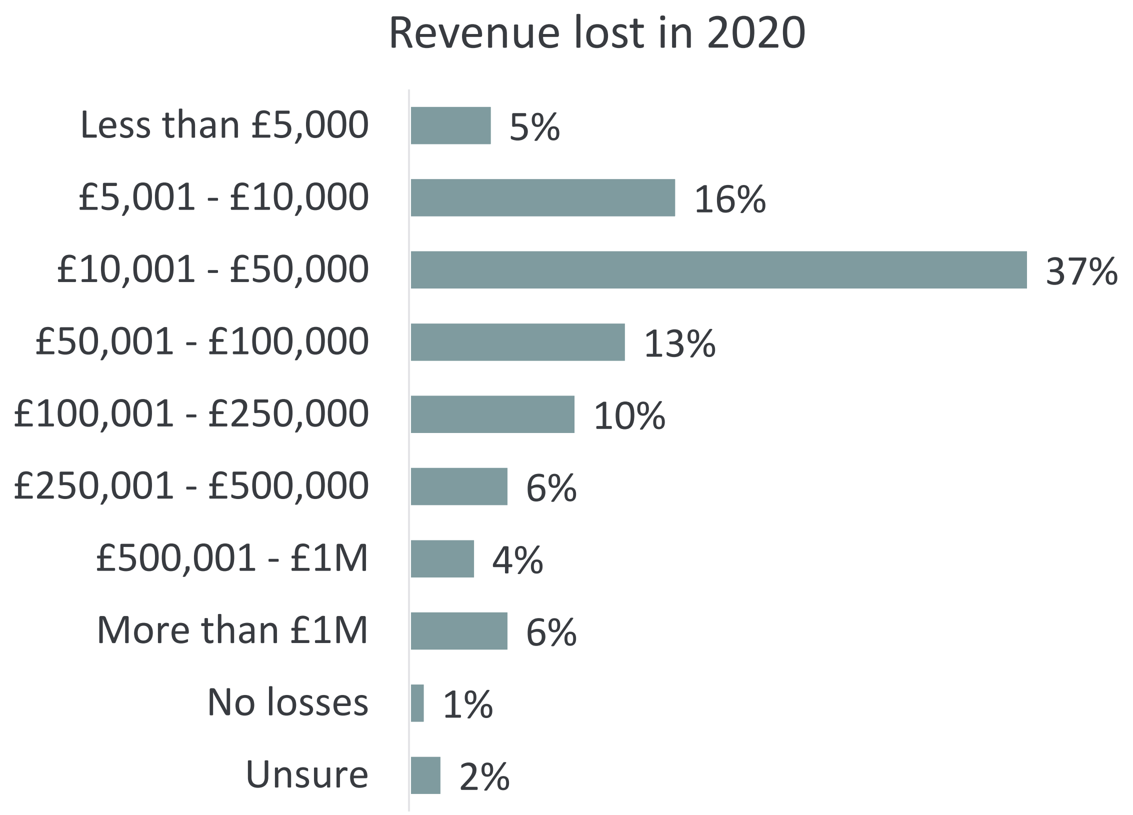


*Includes all accommodation open during each month in 2020 (excludes 0%).

Q14: What was your average 2020 occupancy in the following months?

Q14 Base (those who stated occupancy of >0% in each month): Cities 111 - 125; Rural 1000 - 1132; Islands 86 - 106

Almost all businesses reported losses due to the pandemic. At the time of the survey (November/December) revenue losses tended to be in the region of £10k to £50k. However, 39% reported losses of more than £50k, with 1 in 10 losing more than £500k.



Total revenue lost by businesses who responded to the survey (method of calculation is detailed in the appendices): **£1,050,665,000**

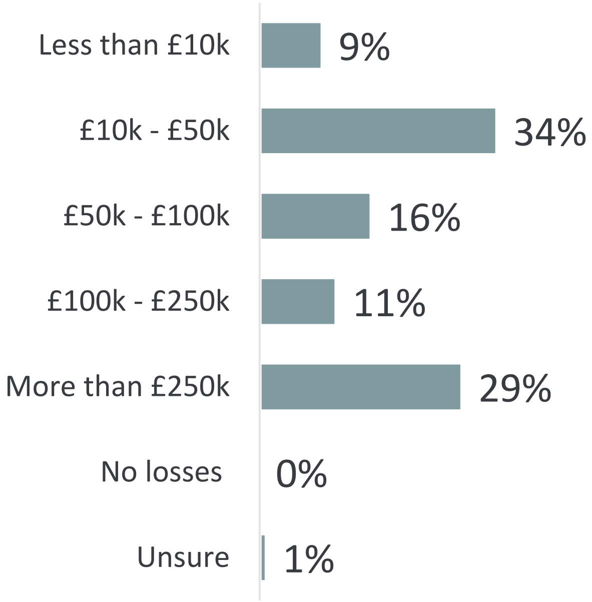
Q16: How much revenue has your business lost so far this year (i.e. since March 2020) because of Covid 19?

Base (all except businesses permanently closed): 2,944

The value of revenue lost was highest for hotels, B&Bs and guesthouses, 40% reported losses in excess of £100k. Over a third of food, drink and retail sector businesses also reported a similarly high level of lost revenue.

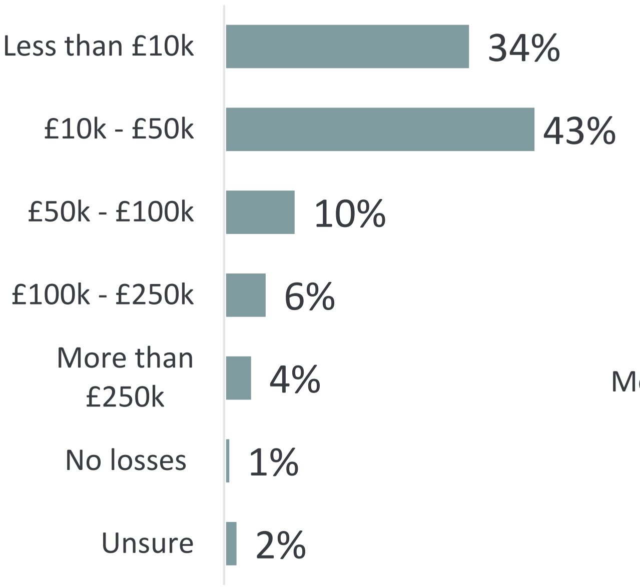
Revenue lost in 2020

Hotels, B&Bs, guesthouses



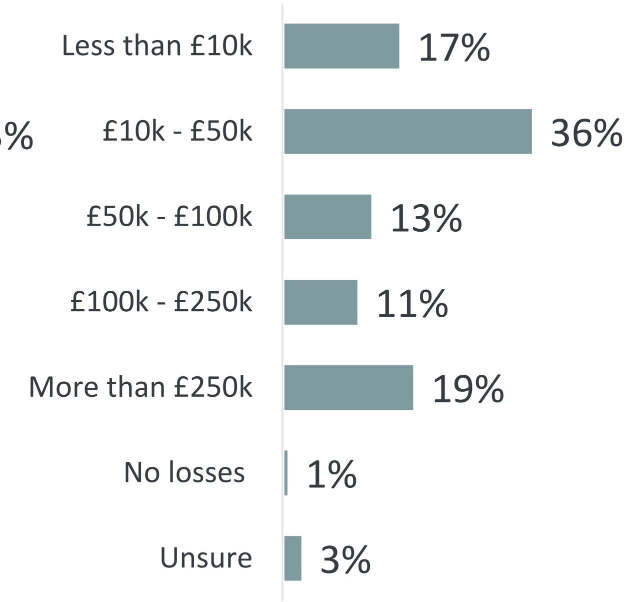
Total revenue lost
£470,227,500

Non-serviced Accom



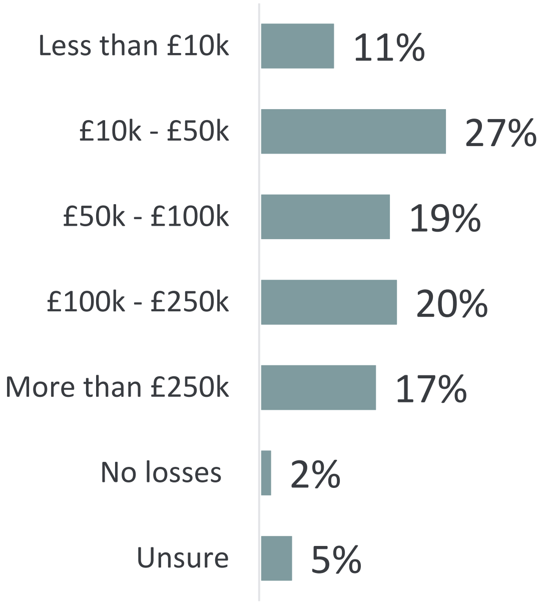
Total revenue lost
£97,897,500

Activities, attractions & tours



Total revenue lost
£264,100,000

Food, drink & retail



Total revenue lost
£59,280,000

Q16: How much revenue has your business lost so far this year (i.e. since March 2020) because of Covid 19?

Base (all except businesses permanently closed): Hotels, B&Bs, guesthouses 775; No-serviced accom 1136; Activities, attractions & tours 580; Food, drink & retail 220

Three quarters of businesses reported that they have had to reduce staff numbers in 2020. Around two thirds reported this meant putting staff on furlough and or not employing staff they normally would. However, over one third had also had to make staff redundant.

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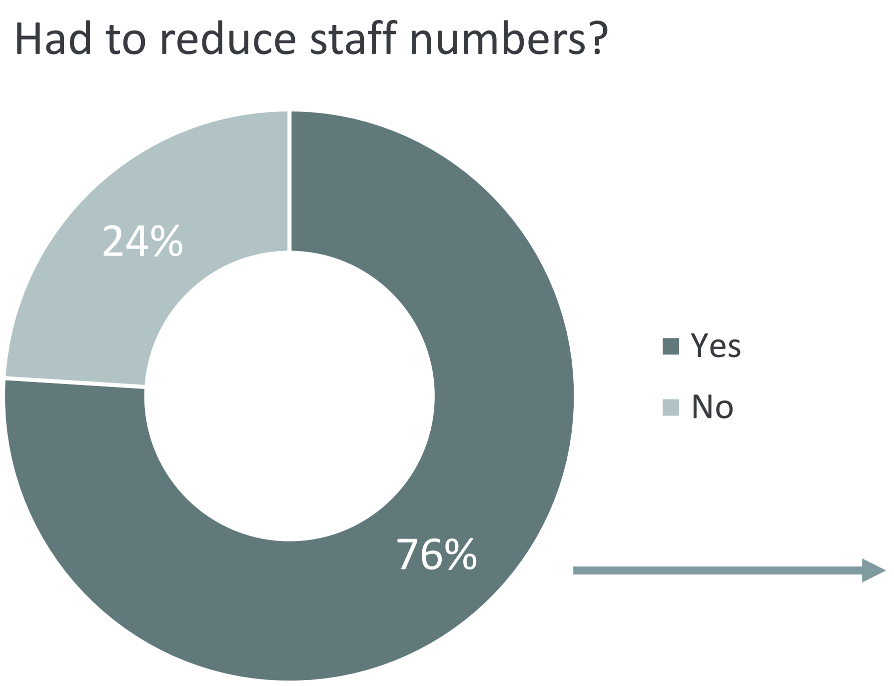

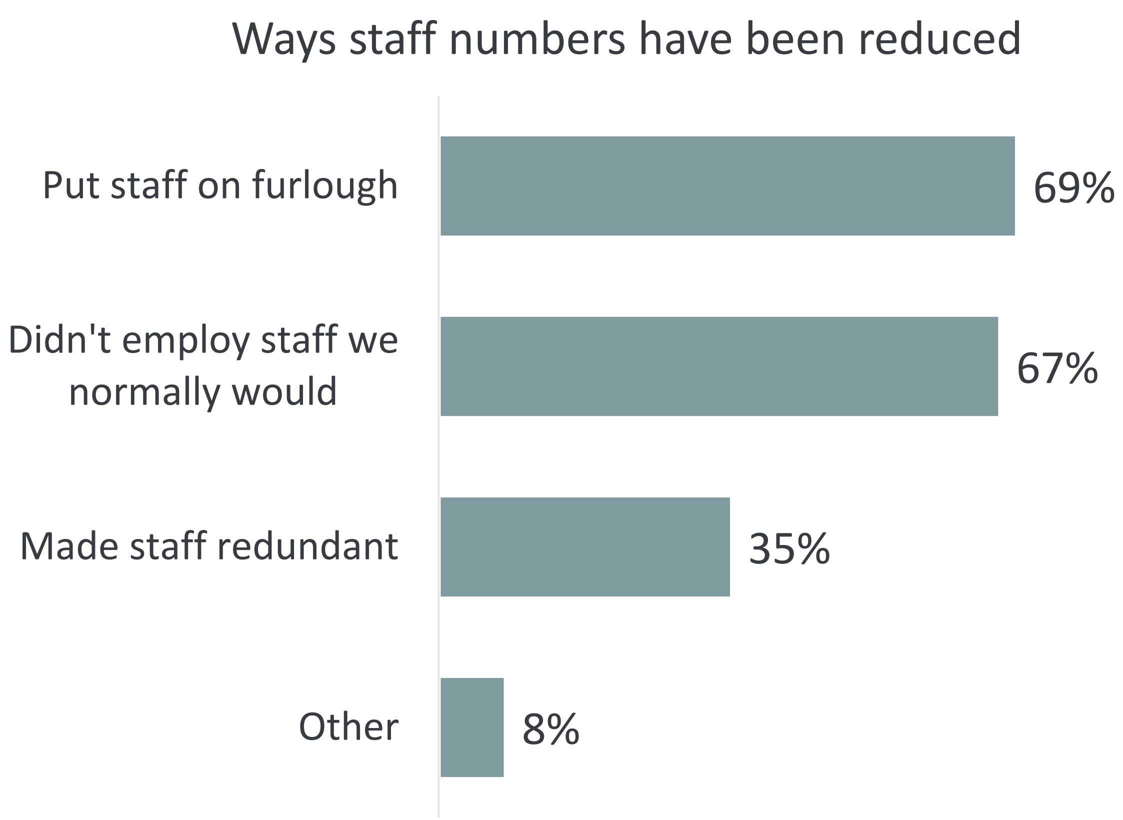

Q17: Have you had to reduce staff numbers so far this year? Q18: In what way have you reduced staff numbers?

Q17 Base (all who employ staff and not permanently closed): 1,341
Q18 Base (all who have reduced staff numbers): 1,020

Amongst those who had made staff redundant, the largest proportion (83%) reported having to let go of full timers (on average 8 staff). Six in ten (61%) businesses made part time staff redundant (on average 9 staff). Fewer made seasonal staff redundant (30%) but the average number was higher at 13 staff.

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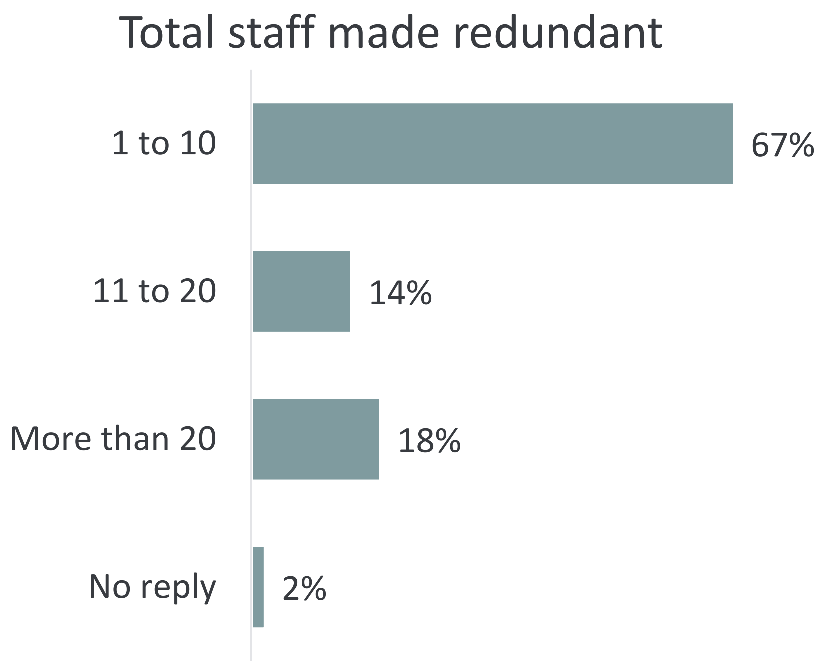
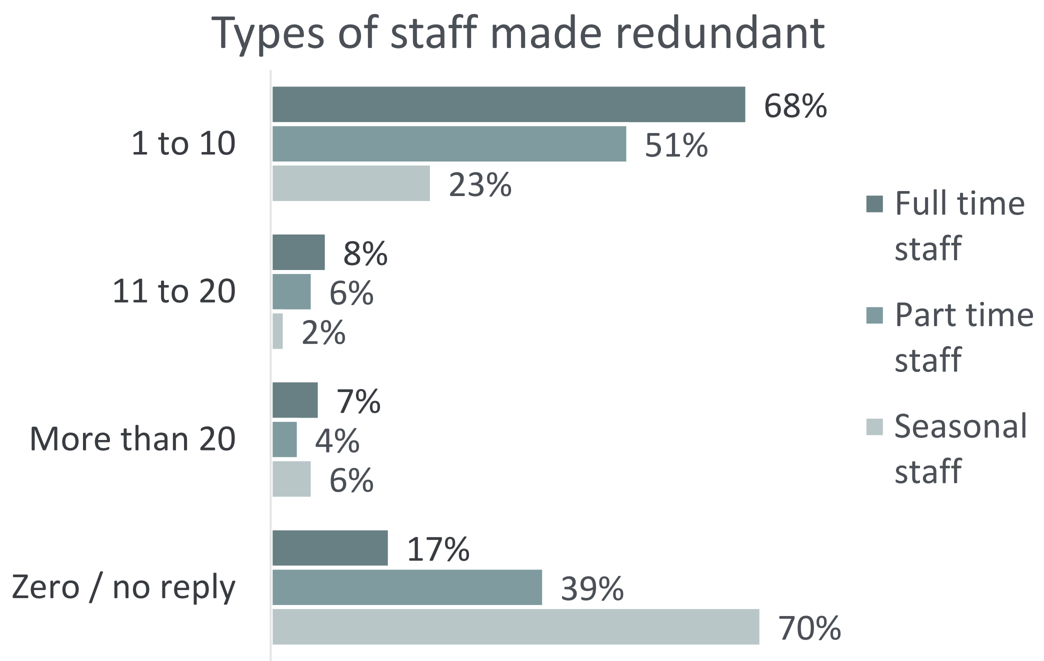




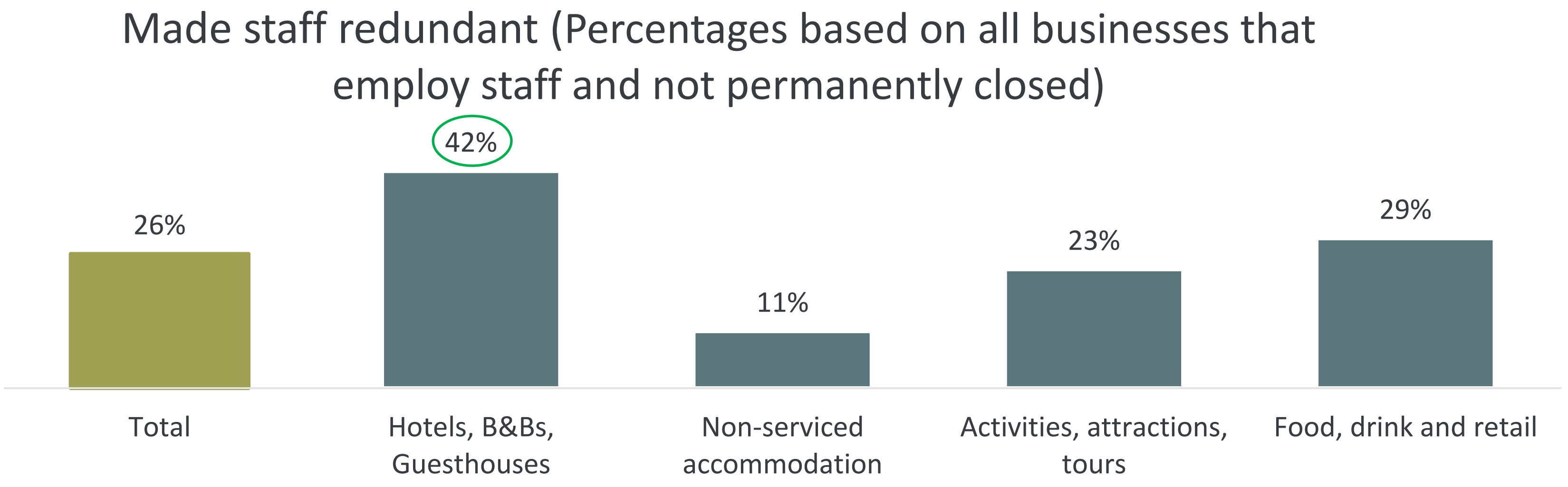
Average number of staff made redundant:
Total – 16.6; Full time – 8.1; Part time – 9.4; Seasonal – 12.9

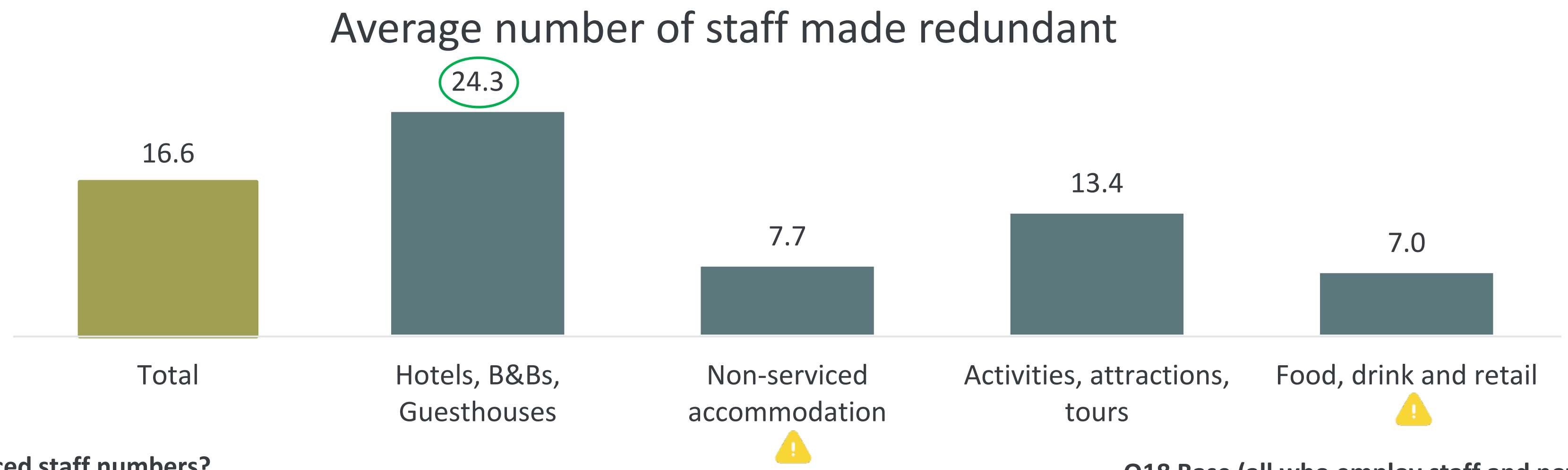
Average based only on those who have made each type of staff redundant (excludes 0%).

Q19: How many staff from your business have been made redundant so far this year?

Base (all who made staff redundant): 353

A significant proportion of business (with employees) across all industry sectors have made staff redundant but hotels, B&Bs and guesthouses were particularly likely to have made redundancies and lost the highest average number of staff. These losses were primarily amongst hotels (51% made staff redundant) rather than B&Bs/guesthouses (16%).

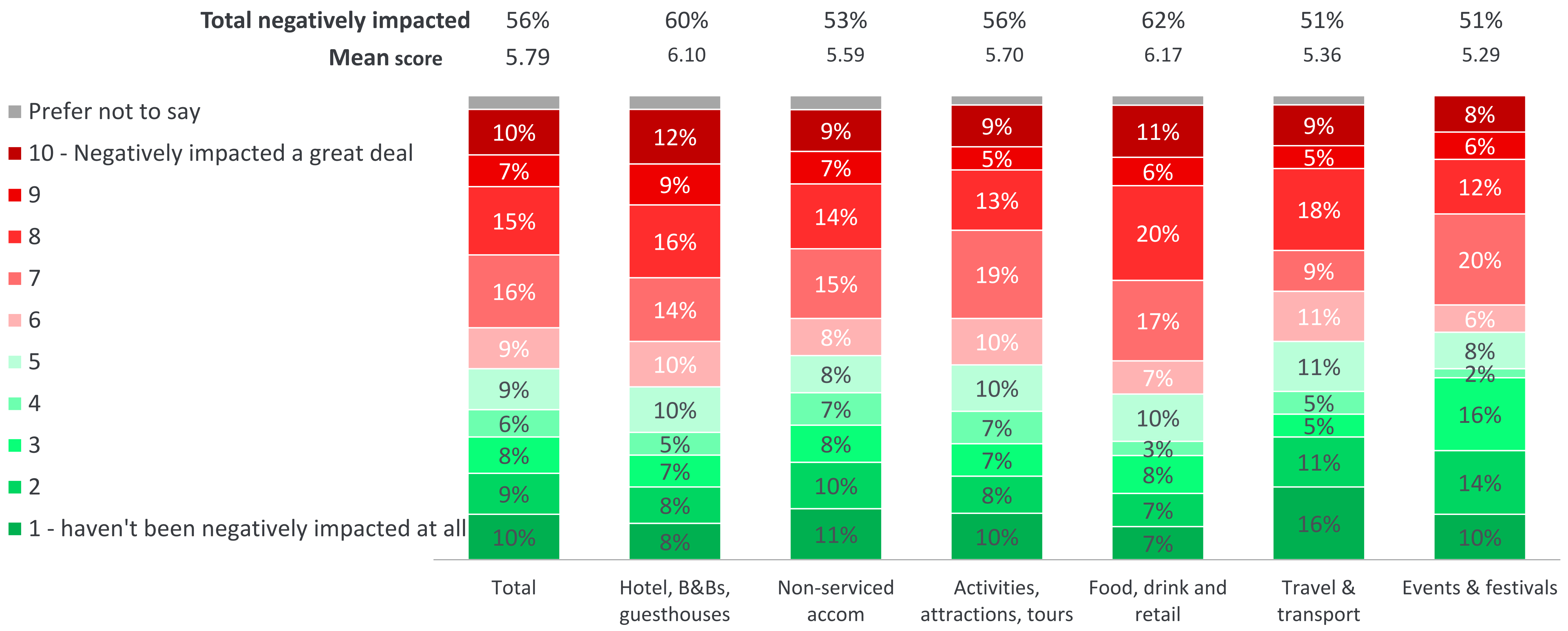




Q18: In what way have you reduced staff numbers?
Q19: How many staff from your business have been made redundant so far this year?

Q18 Base (all who employ staff and not permanently closed): 1,341
Base (all who made staff redundant): 353

The pressures of the pandemic are having a clear impact on the mental health of many people in the tourism industry. More than half gave a score of more than 5 out of 10 in terms of the severity of the negative impact, and only a quarter gave a low score of 1 to 3.

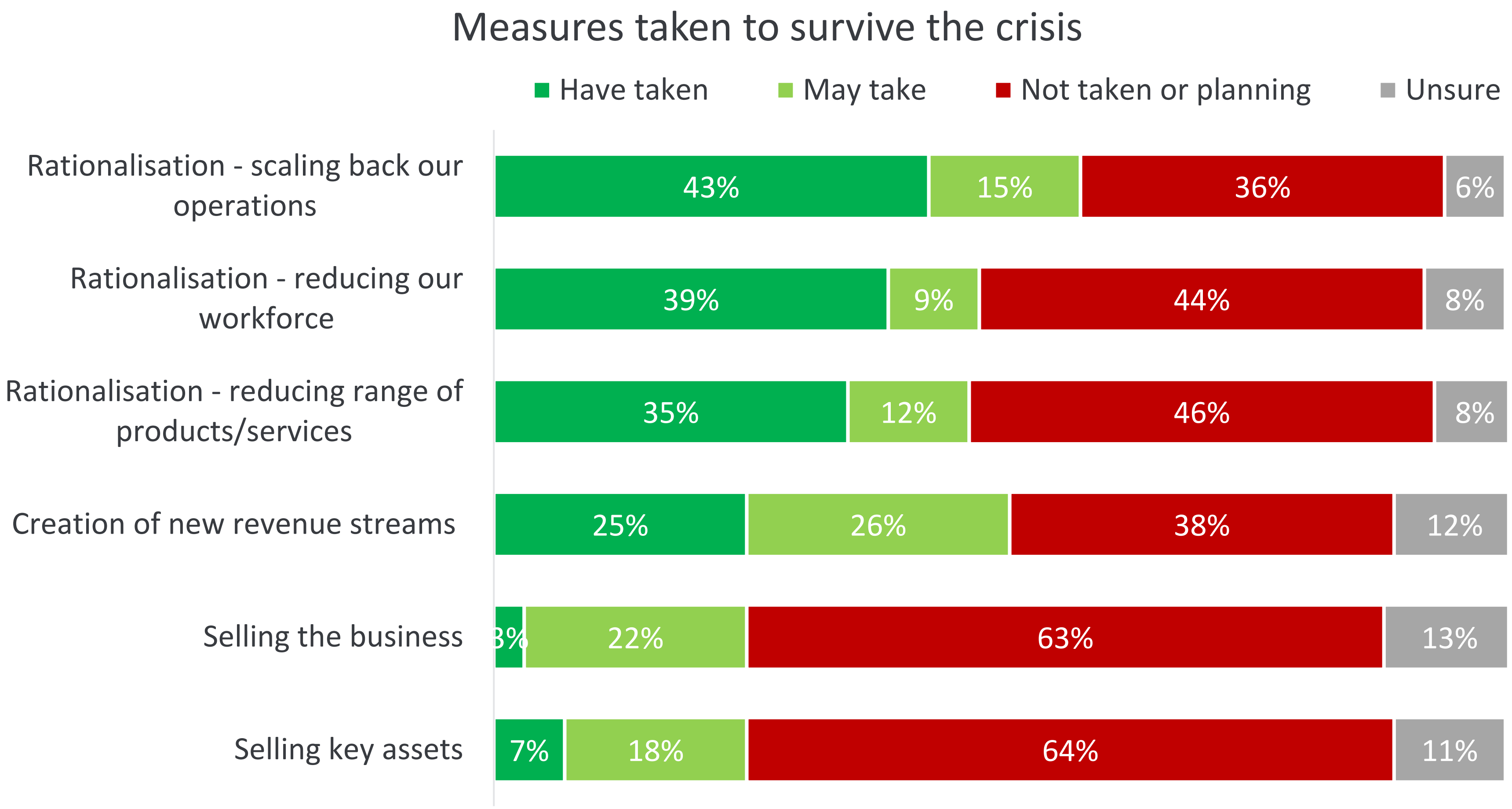


Q30: In terms of your mental health during the pandemic, to what extent would you say you've been negatively impacted, where 1 means you haven't been negatively impacted at all and 10 means you've been negatively impacted a great deal?

Base (all except businesses not yet re-opened): 2,944

Measures taken to adapt and survive

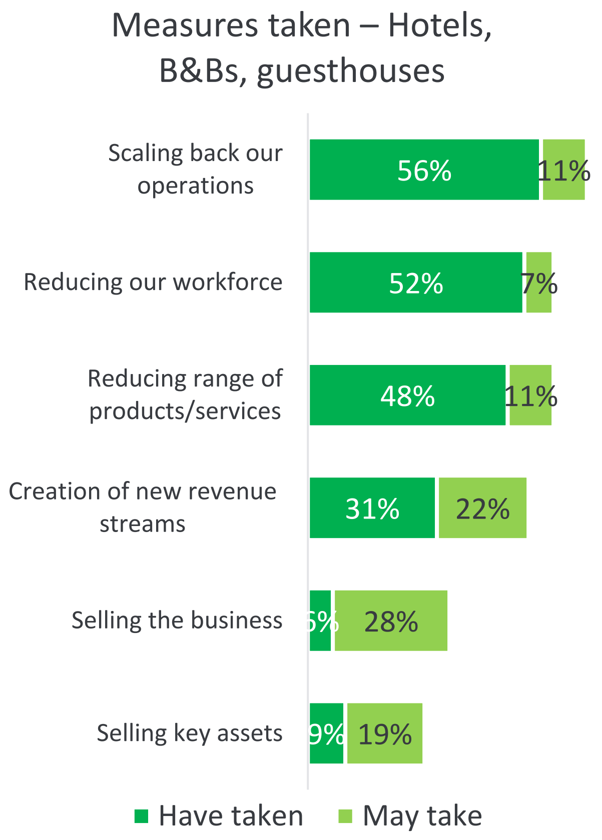
The main actions already taken by businesses have been scaling back operations, reducing staff and reducing their products and services. Half had or were considering new revenue streams and a quarter had or were considering selling the business or key assets.

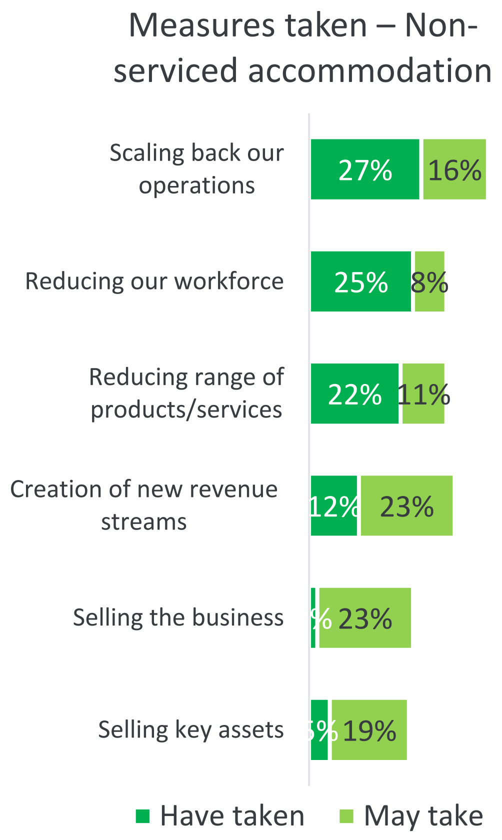


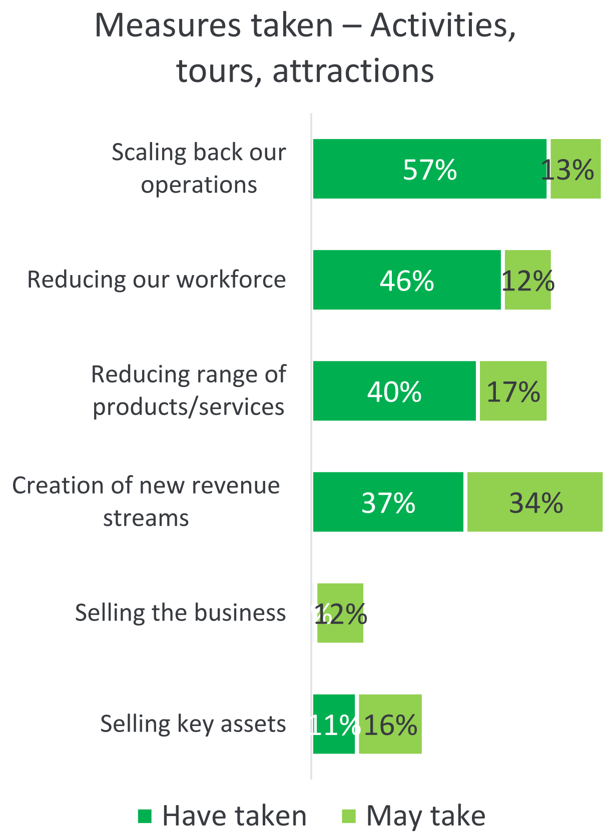
Q25: Which of the following measures have you taken, or think you may take, to survive the crisis?

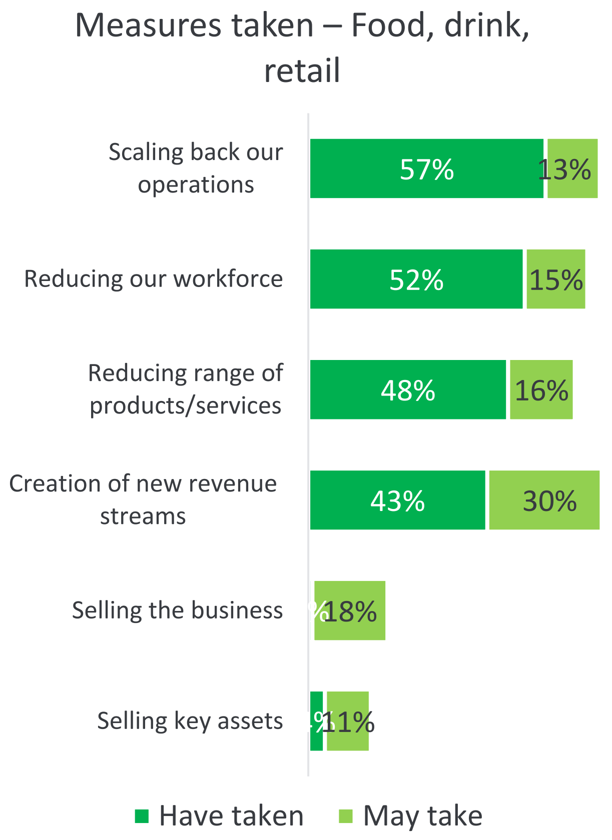
Base (all except businesses not yet re-opened): 2,423

Non-serviced accommodation providers were less likely to have taken measures than other types of business. New revenue streams were more often adopted or planned by activities, tours and attractions and food, drink and retail operations. Accommodation providers were the most likely to be considering selling the business.







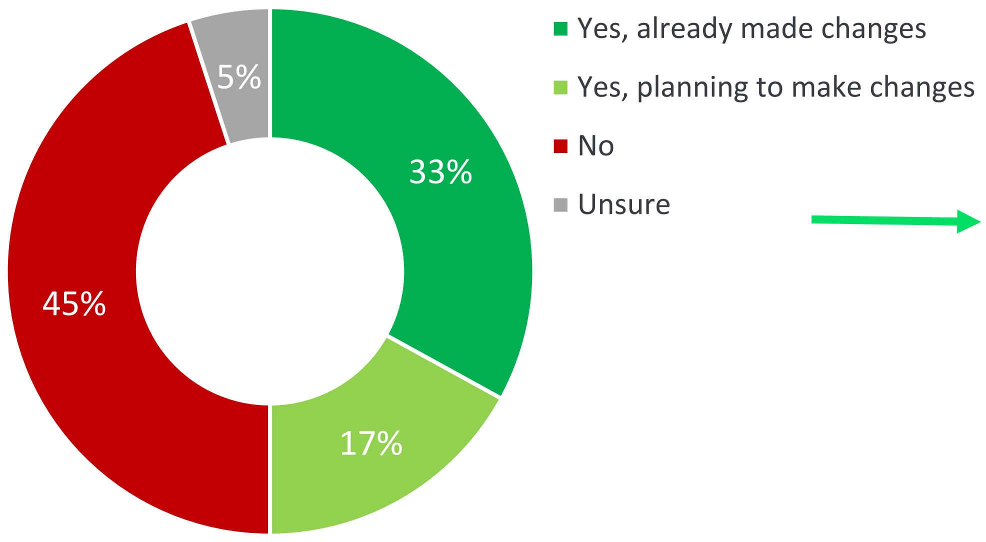


Q25: Which of the following measures have you taken, or think you may take, to survive the crisis?

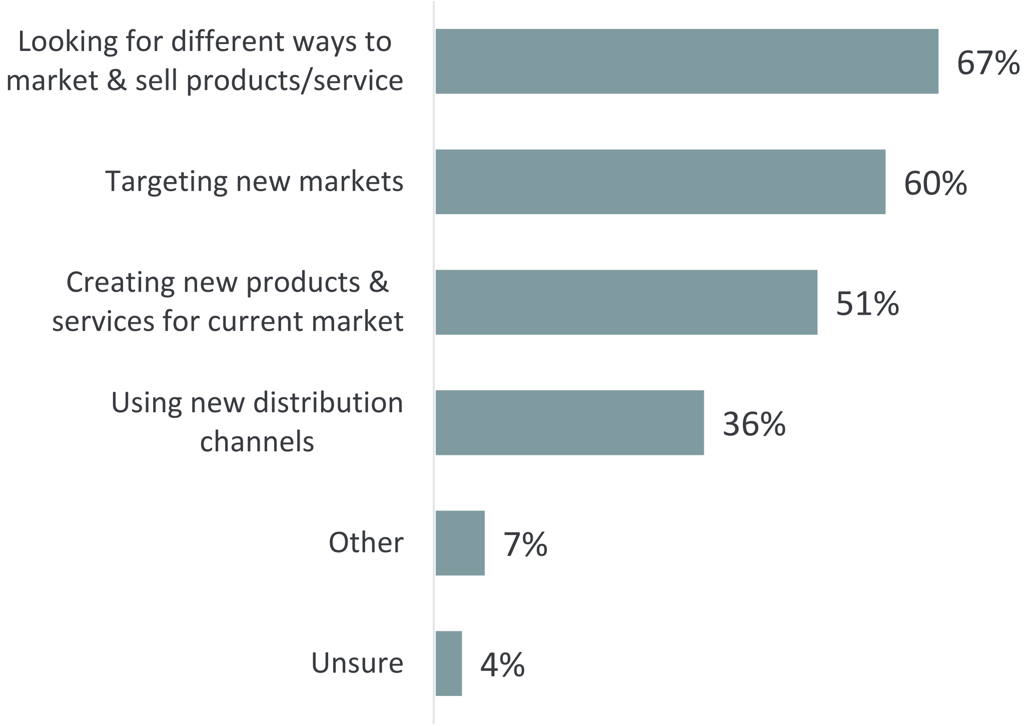
Base (all except businesses not yet re-opened): Hotels, B&Bs, guesthouses 658; Non-serviced accom 1048, Activities, tours attractions 343, Food, drink, retail 203

Half of businesses had made or were planning changes to their business as a result of the pandemic. Most commonly these businesses were looking for new ways to market their products and or targeting new markets.

Have you made changes to your business or plan to do anything different post Covid-19?



What changes have you made/planning?

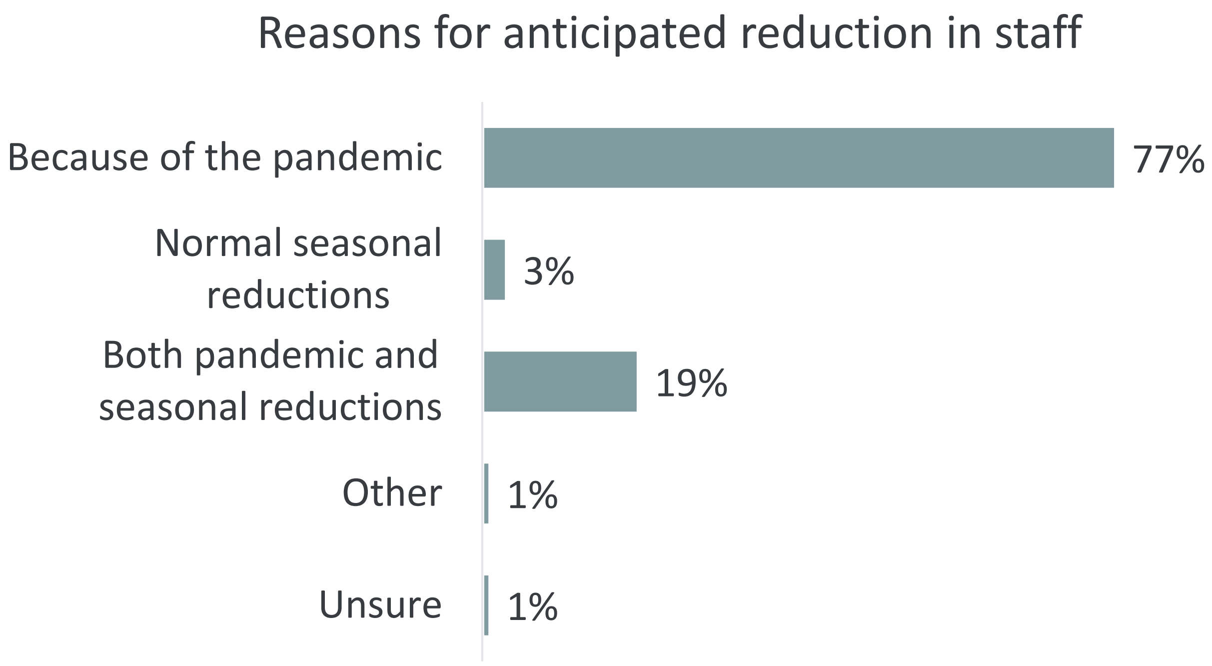


Q26: Have you made any changes to your business or are you planning to do anything different post Covid-19, such as targeting new markets, using new distribution channels or creating new products or services?
Q27: What changes have you made or are you planning post Covid-19?

Q26 Base (all except businesses not yet re-opened): 2,423
Q27 Base (those who made/plan changes): 1,211

Outlook for 2021

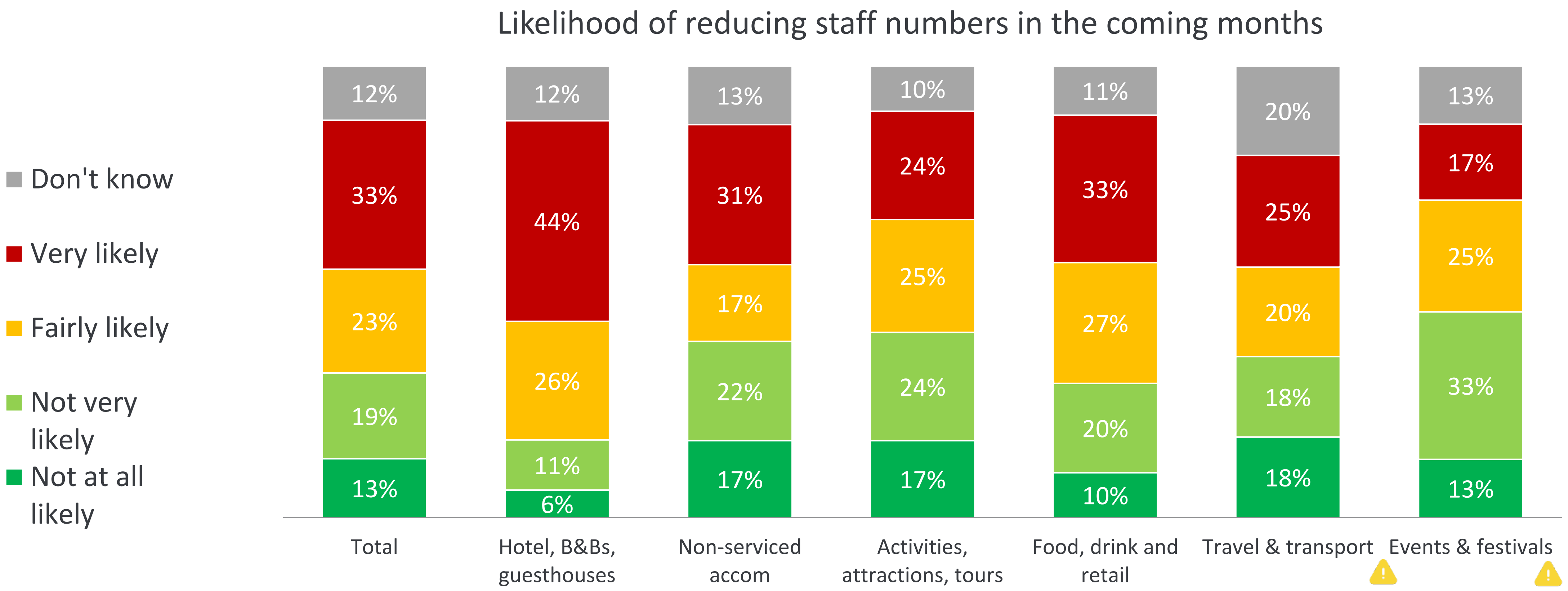
More than half of those who employ staff expected to have to make more reductions in the coming months. The main reason for further reductions in staff numbers was the pandemic rather than normal seasonal reductions.



Q20/Q22: How likely is it that you will have to reduce staff numbers in the coming months?
Q21/Q23: Are these further staff reductions anticipated in the coming months due to the restrictions as a result of the Covid pandemic or normal seasonal reductions that would happen any year?

Q20/Q22 Base (all who employ staff and not permanently closed): 1,341
Q21/Q23 Base (all saying likely): 749

7 in 10 hotels, B&Bs and guesthouses reported that they expected to have to reduce staff numbers further in the coming months (as from December on). The proportion was higher amongst hotels (77%) than B&Bs and guesthouses (53%). The majority (60%) of food, drink and retail businesses also expected to lose more staff in the coming months.



Q20/Q22: How likely is it that you will have to reduce staff numbers in the coming months?

Q20/Q22 Base (all who employ staff and not permanently closed): 1,341

Caution: small base sizes

Businesses based in Stirlingshire (76%), Ayrshire and Arran (69%), Edinburgh (69%), Borders (67%) and Glasgow (66%) were the most likely to anticipate further reductions in staff.

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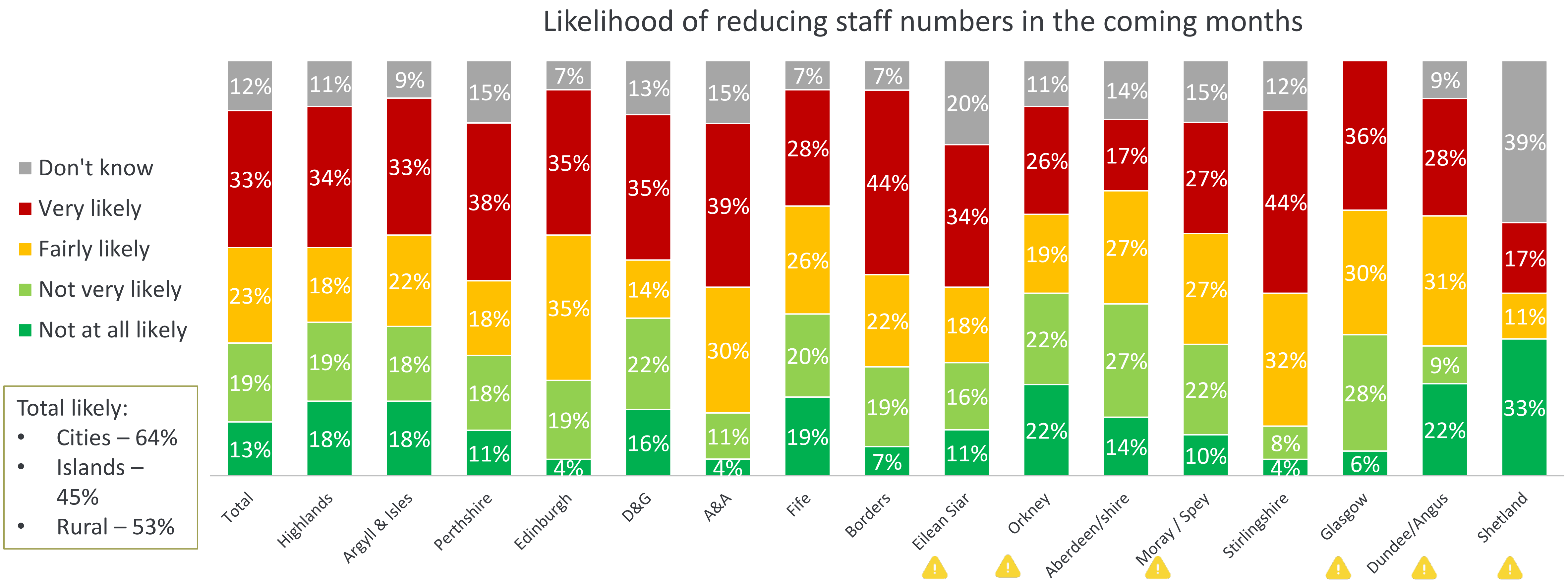


Total likely:
- Cities – 64%
- Islands – 45%
- Rural – 53%

Q20/Q22: How likely is it that you will have to reduce staff numbers in the coming months?

Q20/Q22 Base (all who employ staff and not permanently closed): 1,341
Caution: small base sizes

Worryingly, 1 in 5 of all businesses reported their cash reserves have already run out. The situation is critical for 26% who only have 3 months of reserves left, while 23% only have enough to survive another 6 months.

How long will cash reserves last?

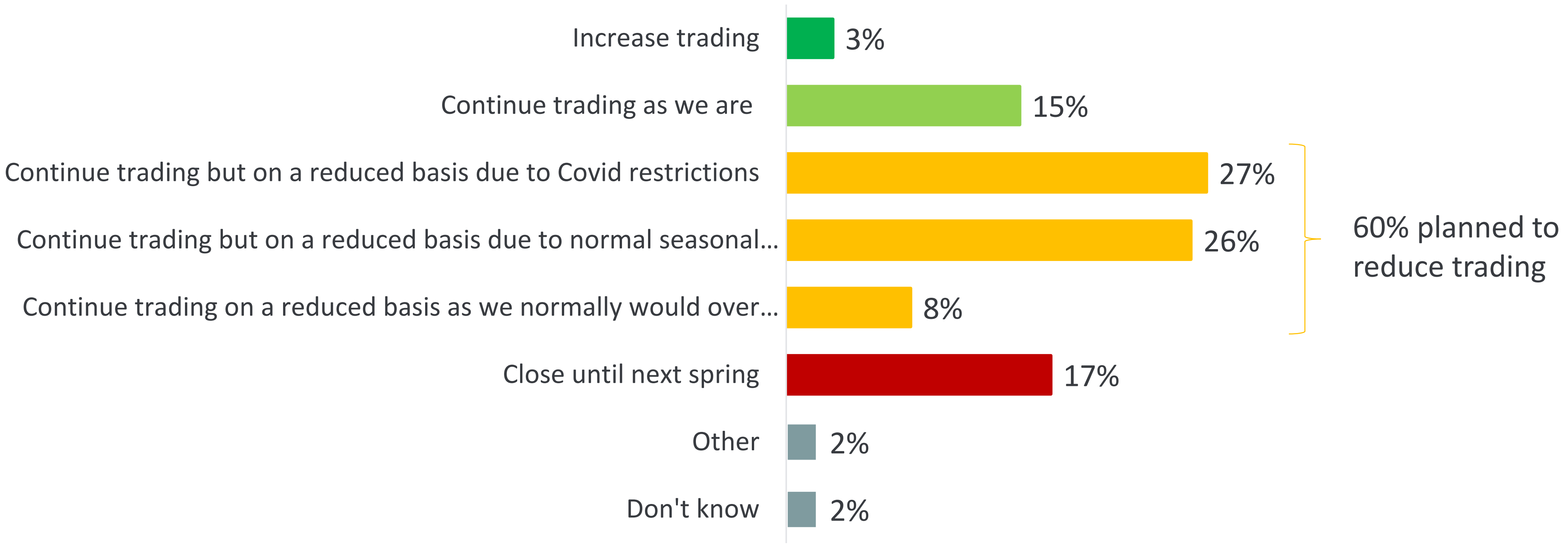
Hotels, B&Bs and guesthouses were the most likely to have reported that their cash reserves had already run out (27%) or would only last for the next 3 months (31%).

Q24: If the crisis continues to restrict business during 2021, how long will your cash reserves last?

Base (all except businesses not yet re-opened): 2,423

Six in ten businesses who were trading at the time of the survey anticipated a reduction in trading over the first part of 2021, mostly due to covid restrictions. However, 17% had decided to close until spring.

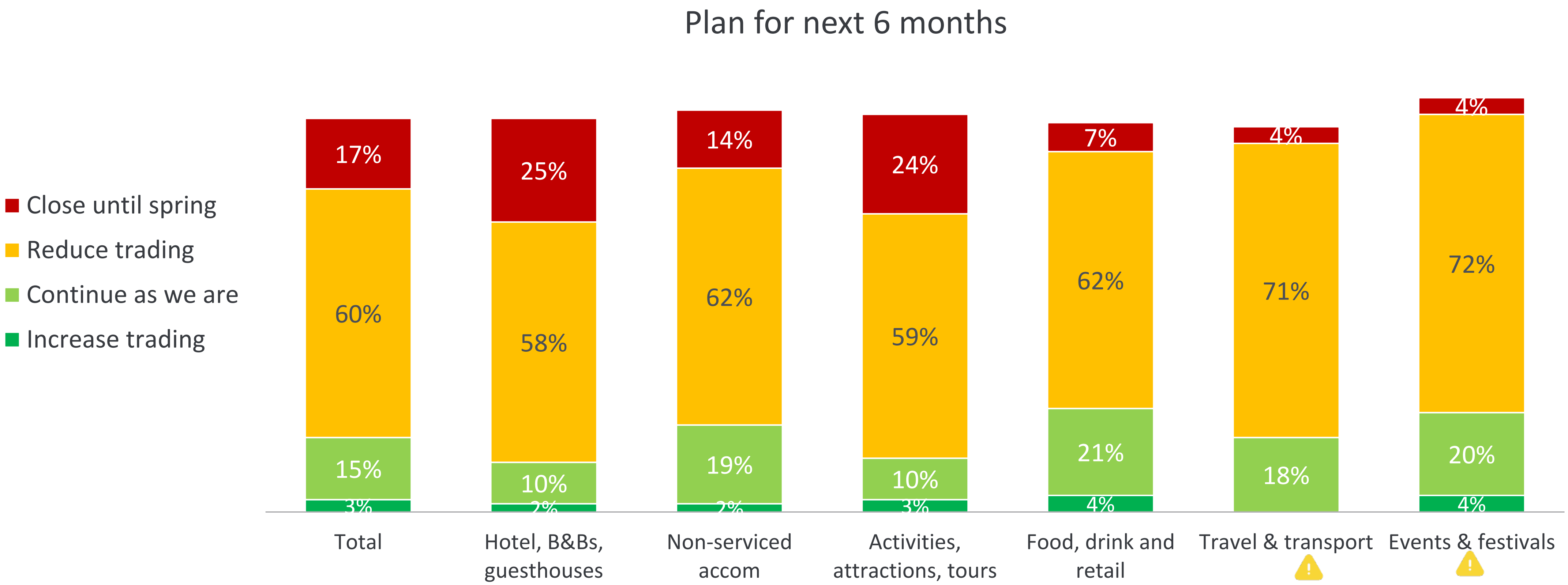
Plan for next 6 months



Q28: What are your plans for the next 6 months?

Base (all except businesses not yet re-opened): 2,423

At the time of the survey, accommodation providers and activities, tours and attractions were more likely to be considering closing until spring than other types of tourism businesses.



Q28: What are your plans for the next 6 months?

Base (all except businesses not yet re-opened): 2,423
Caution: small bases sizes

Business located in Argyll and Isles, Highlands and Ayrshire and Arran were the most likely to report that they plan to close until spring.

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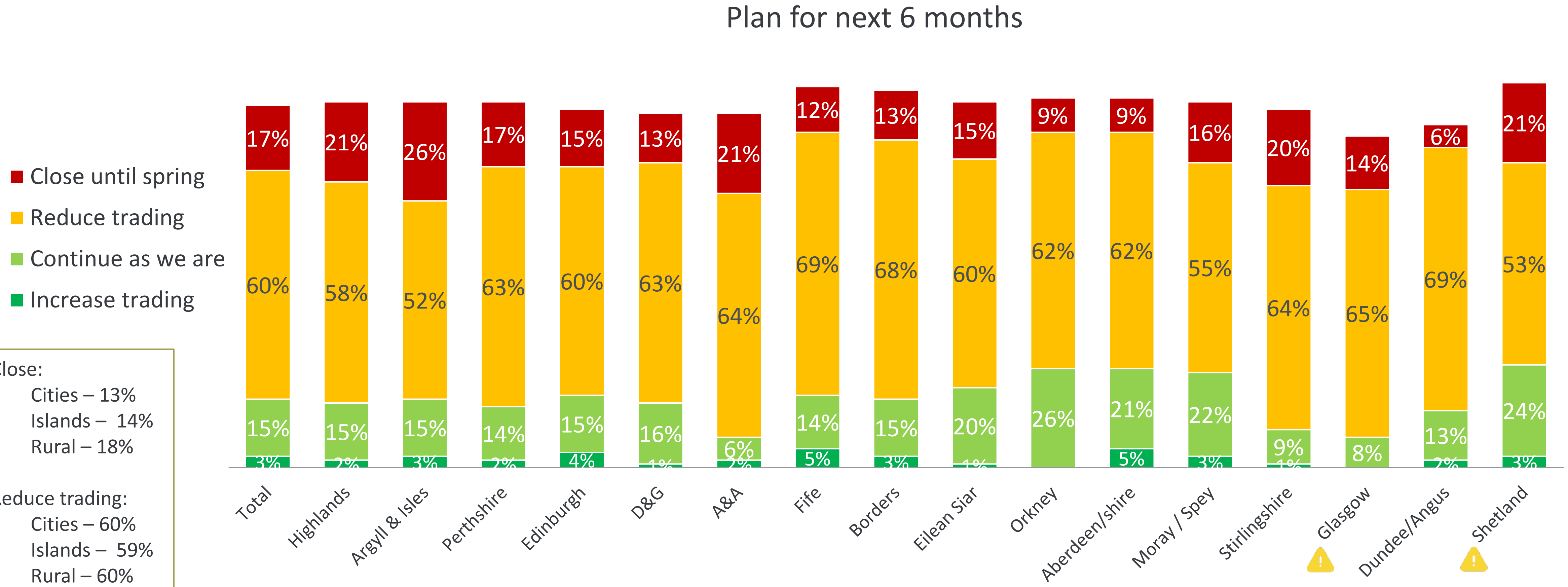

Close:
- Cities – 13%
- Islands – 14%
- Rural – 18%

Reduce trading:
- Cities – 60%
- Islands – 59%
- Rural – 60%

Base (all except businesses not yet re-opened): 2,423
Caution: small base sizes

Q28: What are your plans for the next 6 months?

Almost three quarters (73%) expected to get through the crisis, but most of these anticipated making changes in order to do so. One in ten did not expect their business to survive, while 17% were unsure if they will be able to get through 2021.

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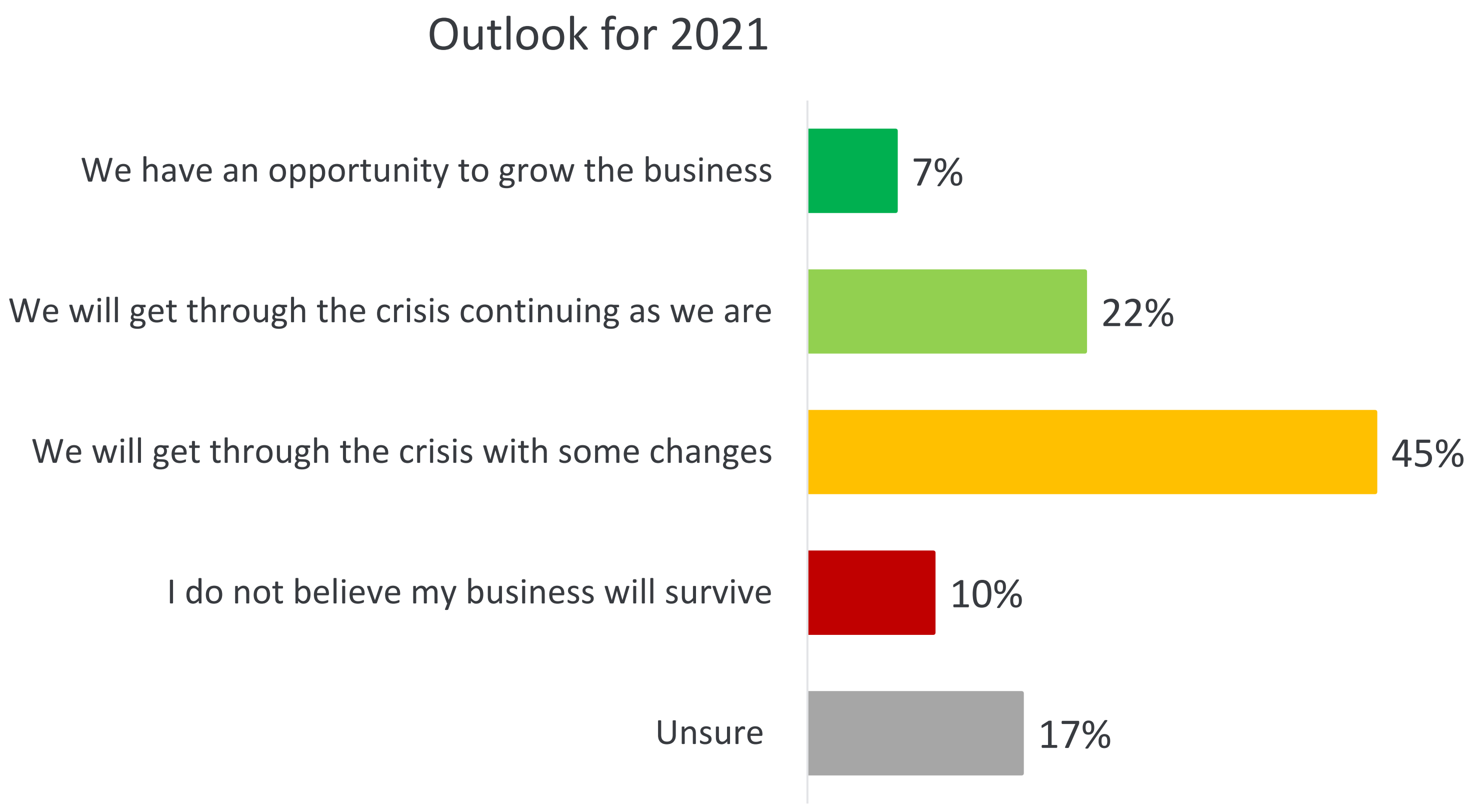
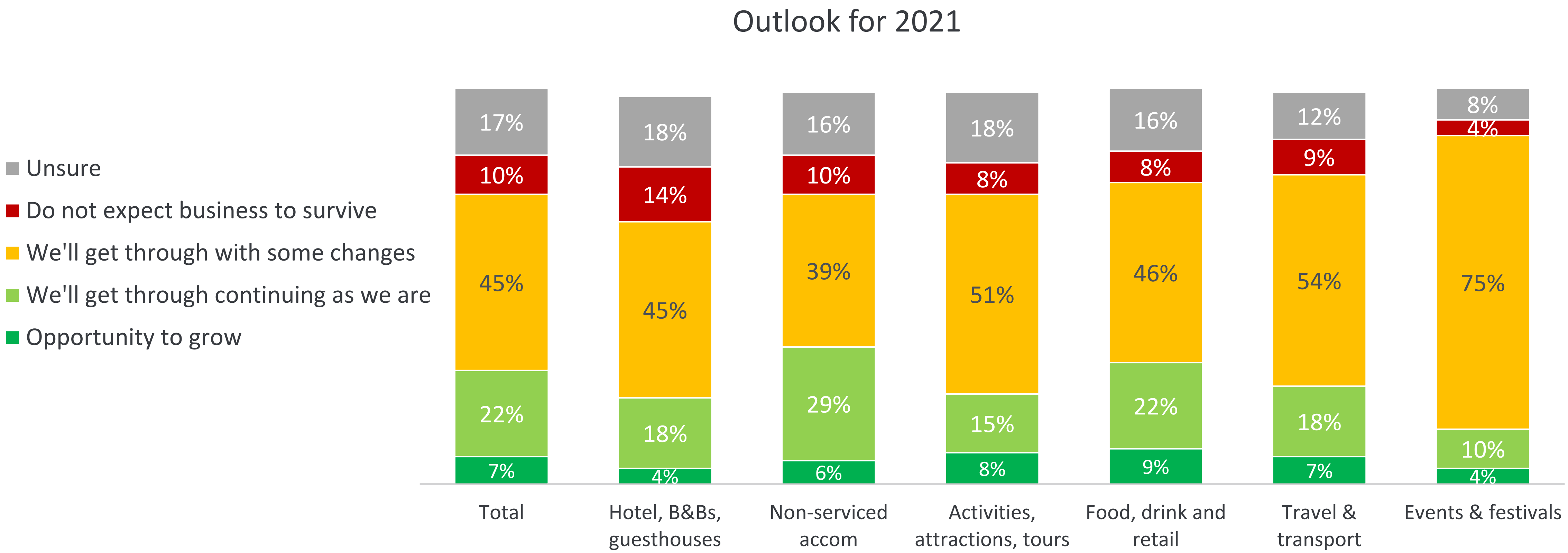


Q29: Which of the following best describes the overall outlook for your business going forward into 2021?

Base (all except businesses permanently closed): 2,944

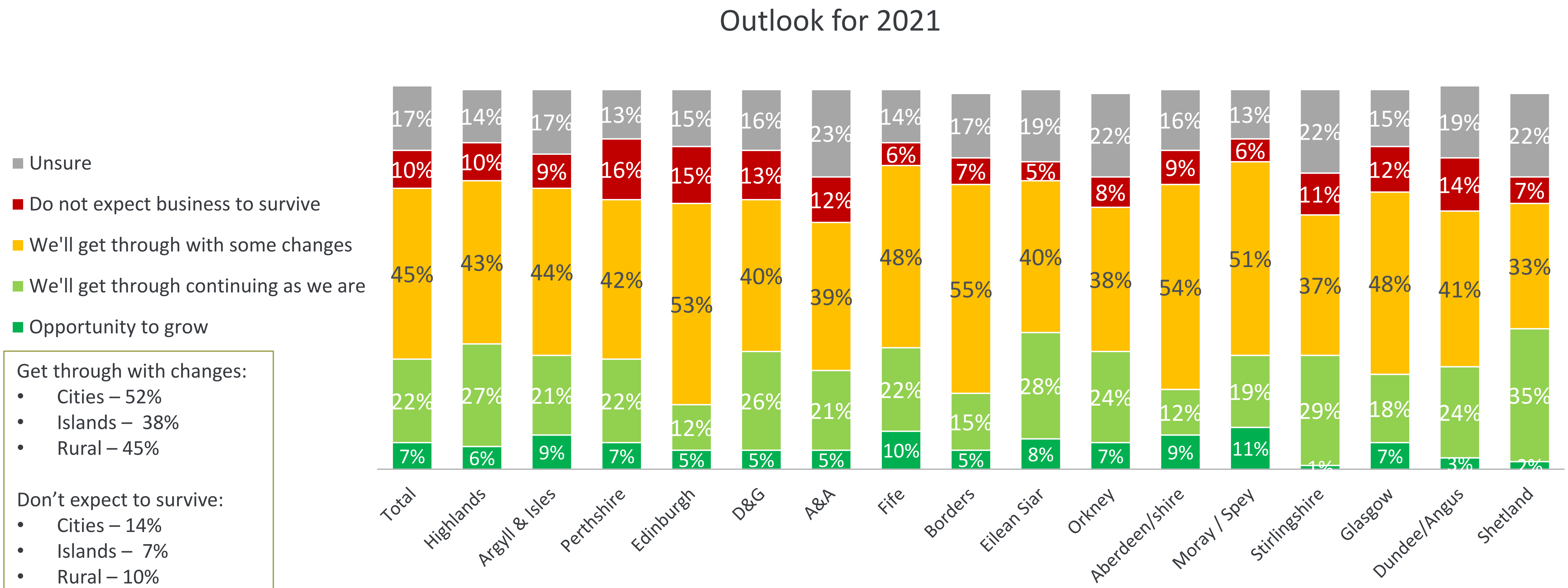
The largest proportions across all sectors expected to need to make changes to survive. The most optimistic sectors were non-serviced accommodation and food, drink and retail, while uncertainty and concern was strongest amongst hotels, B&Bs and guesthouses.



Q29: Which of the following best describes the overall outlook for your business going forward into 2021?

Base (all except businesses permanently closed): 2,944

The expectation that businesses will survive the crisis either by continuing as they are or by making changes was prevalent across all areas. However, up to 16% did not expect to survive in areas including Perthshire, Edinburgh and Dundee/Angus.



Get through with changes:
- Cities – 52%
- Islands – 38%
- Rural – 45%

Don't expect to survive:
- Cities – 14%
- Islands – 7%
- Rural – 10%

Q29: Which of the following best describes the overall outlook for your business going forward into 2021?

Base (all except businesses not yet re-opened): 2,944

Financial and other support

The majority of businesses (82%) have accessed some form of financial support during the pandemic, most commonly the Business Support Grant Fund and the Furlough scheme. Sector specific support was mentioned by fewer respondents, although a quarter of events and festivals businesses have accessed the Culture Organisations and Venues Recovery Fund.

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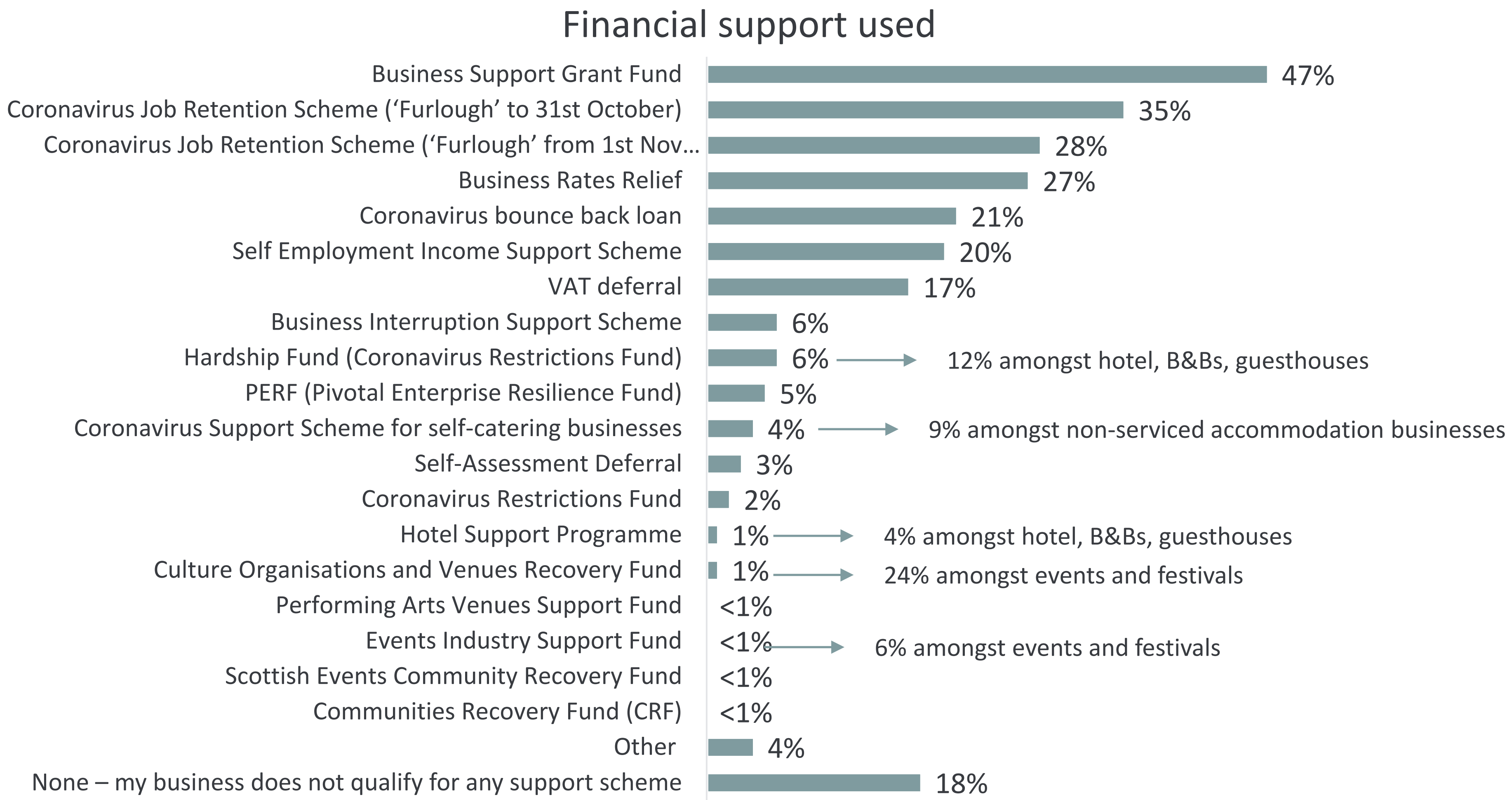

Sectors **most** likely to access financial support – Food, drink & retail (94%) and Hotels, B&Bs & guesthouses (90%)

Sectors **least** likely to access financial support – Activities, attractions & tours (76%) and Non-serviced accommodation (77%)

Q31: Which of the following government (UK / Scottish Government) financial support initiatives (if any) has your business used to manage through this crisis?

Base (all except businesses permanently closed): 2,944

The biggest challenge to tourism businesses in accessing government support was being ineligible for particular support, mentioned by 6 in 10 who made comment. This ineligibility tended to stem from their location, the fact they were considered open for business or because they were self-employed.

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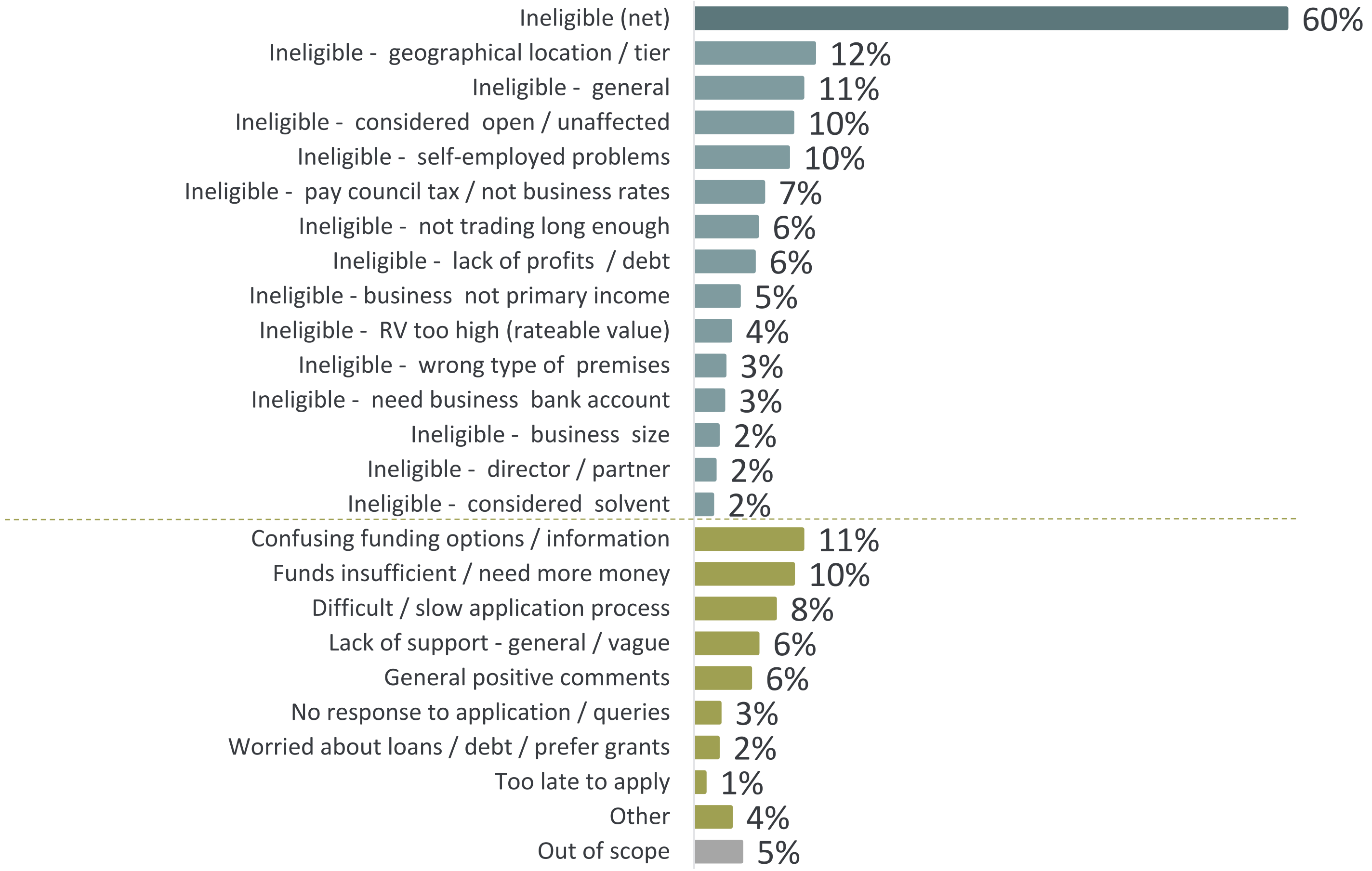
Challenges in accessing Government support



Q32: What challenges, if any, is your business experiencing (or has experienced) in terms of accessing government support? – Open ended question

Base (all who provided a response): 1,587

Some examples of comments

We fall thru the cracks of all funds other than rates relief which did not compensate us enough for the loss of income from which we continue to suffer.
Self-catering, Borders

Very little of the government support available applies to my business/situation. The one off Newly Self Employed Grant of £2000 helped in the short term, but the money has run out now, and none of the current support packages seem to apply to my business.
Outdoor activities, Orkney

As an events business we have neither been allowed to reopen nor provided with support beyond the initial £10k support grant and access to loan funding. Loan funding is not helpful when you can't operate. We need help to keep our staff working although we are not generating revenue as we otherwise would. In-person live events seem to have been forgotten as part of the tourism sector.
Events, Edinburgh

Applying for the Hotel Support fund via HIE has been problematic, the process having started back in early September and still no outcome on the 19th of November. The goal posts keep on moving.
Hotel, Highlands

At first we weren't qualified and then because our business rates are rated very low the grant hardly covered any costs. Now we are told that because we don't have to close we can't access further grants, even though we have hardly any customer markets left to target!
Self-catering, D&G

Much of the support we were not eligible for because we don't have a business property so don't pay rates or because they were restricted to certain industries. There are lots of different funds available from lots of different organisations and its all very confusing about what support is available and when, if you're eligible.
Tour guide, Dundee

Q32: What challenges, if any, is your business experiencing (or has experienced) in terms of accessing government support? – Open ended question

Awareness of the non-financial support available to the industry was generally good. 9 in 10 respondents were aware of at least one. The 'Good to Go' initiative and advice/support from public agencies were the most widely recognised forms of support.

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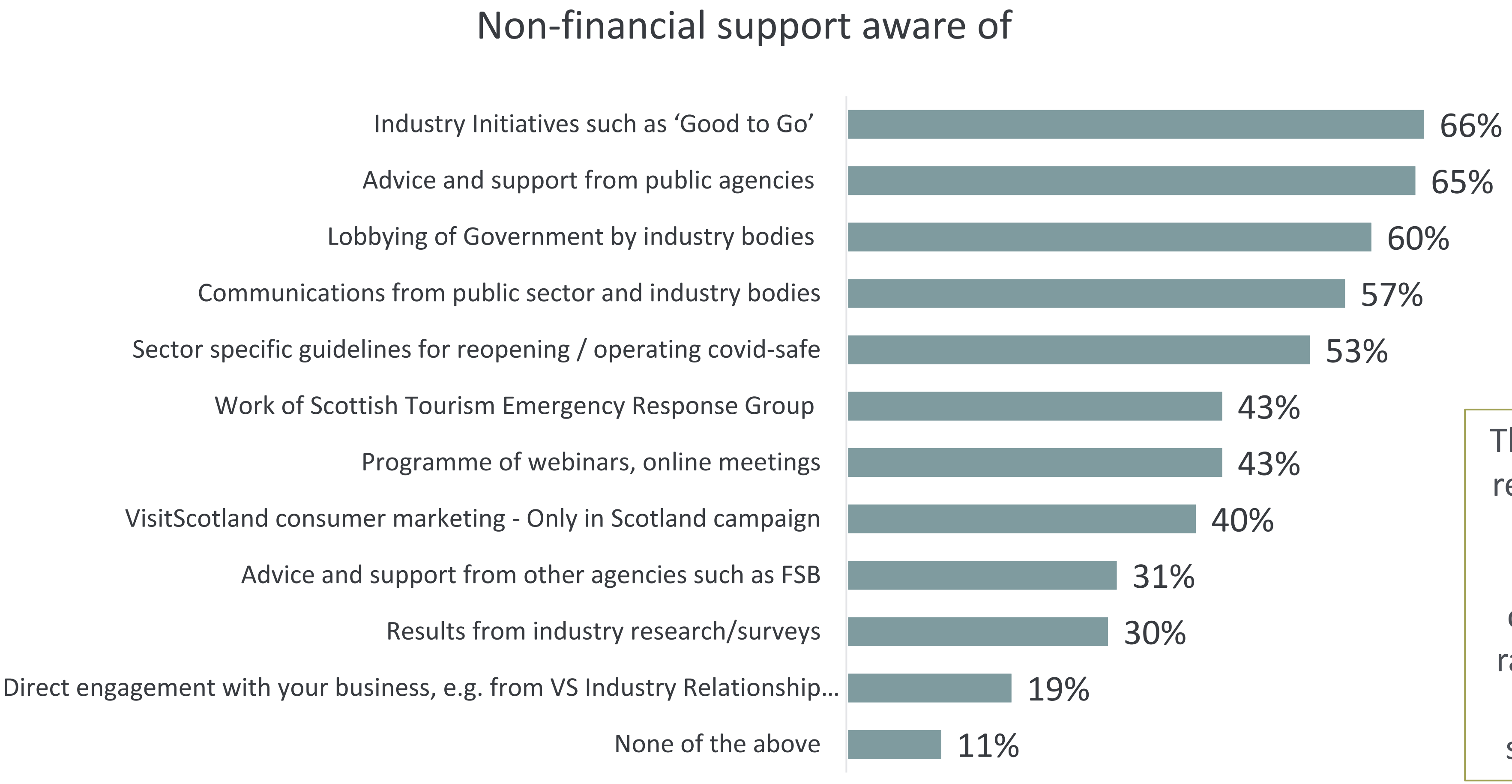

The Food, drink and retail sector tended to have lower awareness than other sectors of a range of sources of non-financial support available.

Q33: Which of the following areas of non-financial support both to the wider tourism industry as well as to your own business are you aware of?

Base (all except businesses permanently closed): 2,944

Those aware of each type of support were asked to rate its usefulness. Sector specific guidelines, lobbying of government by industry bodies and the results of industry research were considered the most useful non-financial support.

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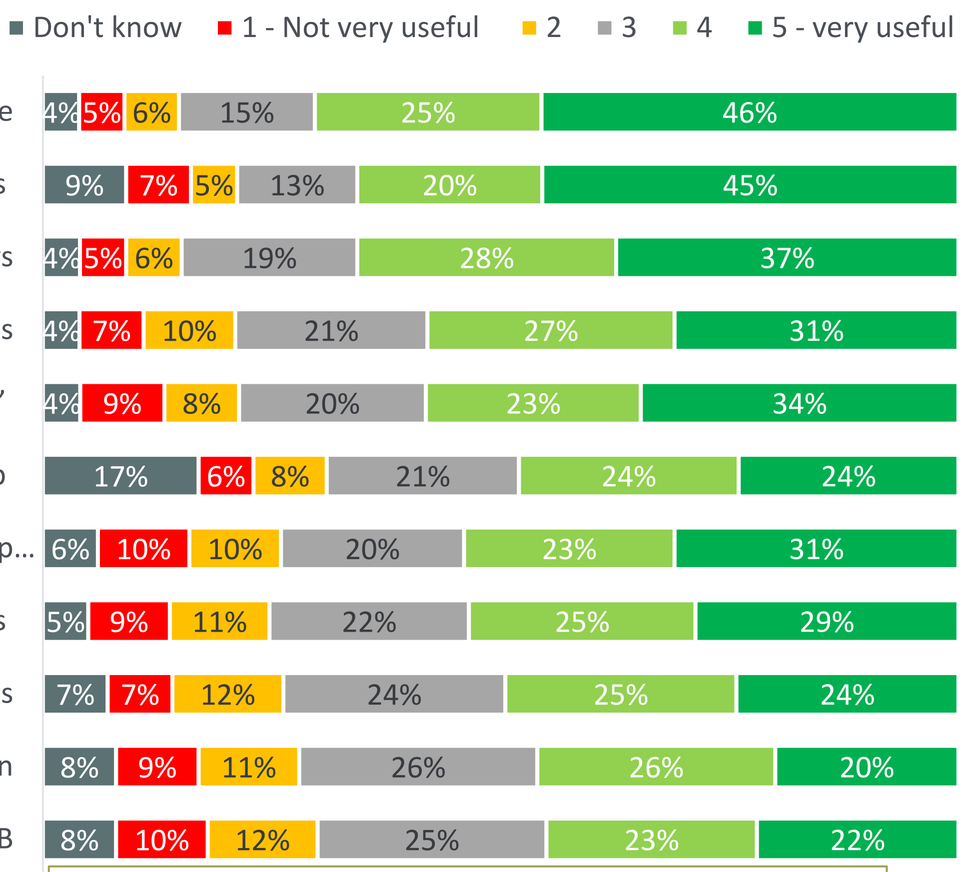

	Don't know	1 - Not very useful	2	3	4	5 - very useful	Total useful	Mean score*
Sector specific guidelines for reopening / operating covid-safe	4%	5%	6%	15%	25%	46%	70%	4.04
Lobbying of Government by industry bodies	9%	7%	5%	13%	20%	45%	66%	4.00
Results from industry research/surveys	4%	5%	6%	19%	28%	37%	66%	3.90
Communications from public sector and industry bodies	4%	7%	10%	21%	27%	31%	58%	3.70
Industry Initiatives such as ‘Good to Go’	4%	9%	8%	20%	23%	34%	58%	3.68
Work of Scottish Tourism Emergency Response Group	17%	6%	8%	21%	24%	24%	47%	3.60
Direct engagement with your business, e.g. from VS Industry Relationship...	6%	10%	10%	20%	23%	31%	54%	3.59
Advice and support from public agencies	5%	9%	11%	22%	25%	29%	53%	3.57
Programme of webinars, online meetings	7%	7%	12%	24%	25%	24%	49%	3.50
VisitScotland consumer marketing - Only in Scotland campaign	8%	9%	11%	26%	26%	20%	46%	3.40
Advice and support from other agencies such as FSB	8%	10%	12%	25%	23%	22%	45%	3.39

*Mean score calculated whereby 1 = not very useful and 5 = very useful

Q34: Please rate the following sources of support on a scale of 1-not very useful to 5 - very useful.

Base (all aware of each type of support): 539 – 1,939

VisitScotland was both the most recognised and the most used source of information and advice. The Scottish Government business support website was also known by 60% of respondents and used by half.

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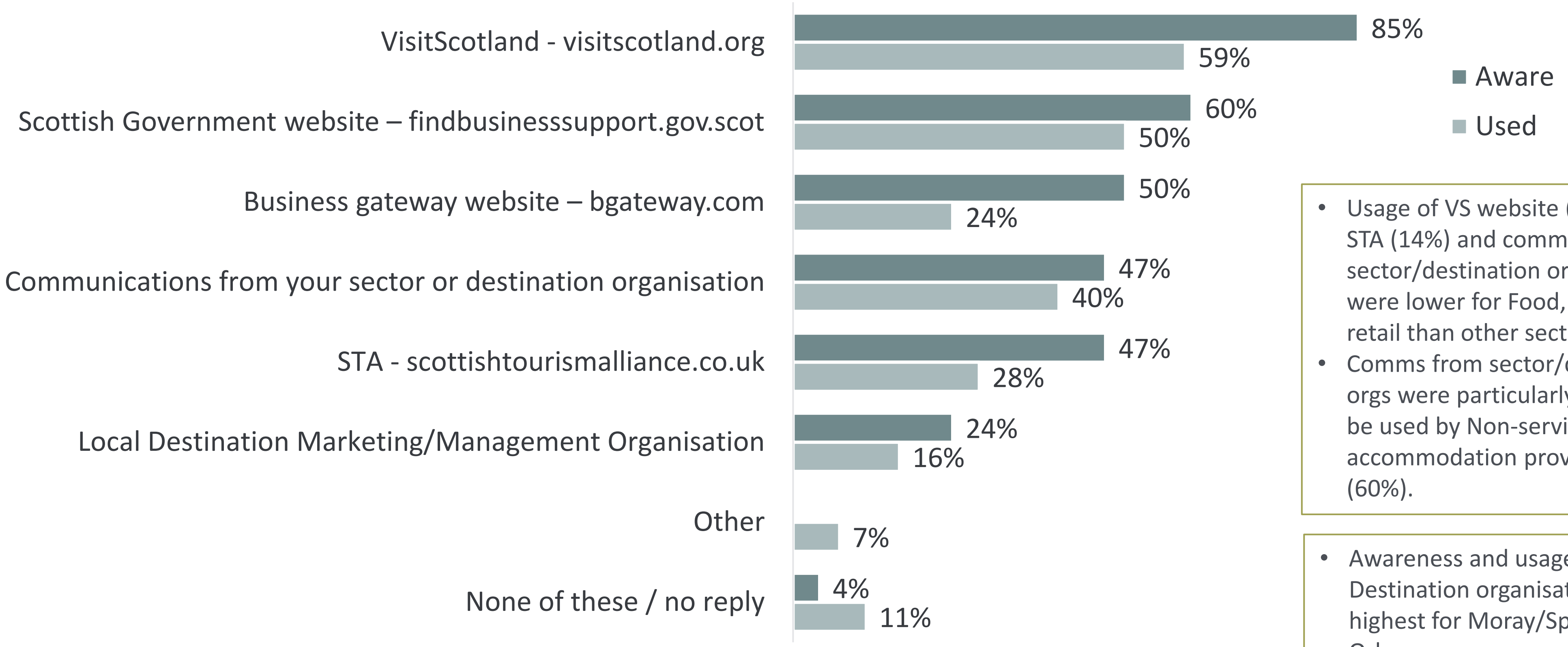
Sources of Information and advice aware of and used



- Usage of VS website (45%), the STA (14%) and comms from sector/destination org (15%) were lower for Food, drink and retail than other sectors.
- Comms from sector/destination orgs were particularly likely to be used by Non-serviced accommodation providers (60%).

- Awareness and usage of Local Destination organisations were highest for Moray/Speyside and Orkney.

Q35: Which of the following sources of information and advice are you aware of?
Q36: Which of these sources of information and advice has your business used since the start of the pandemic?

Base (all except businesses permanently closed): 2,944

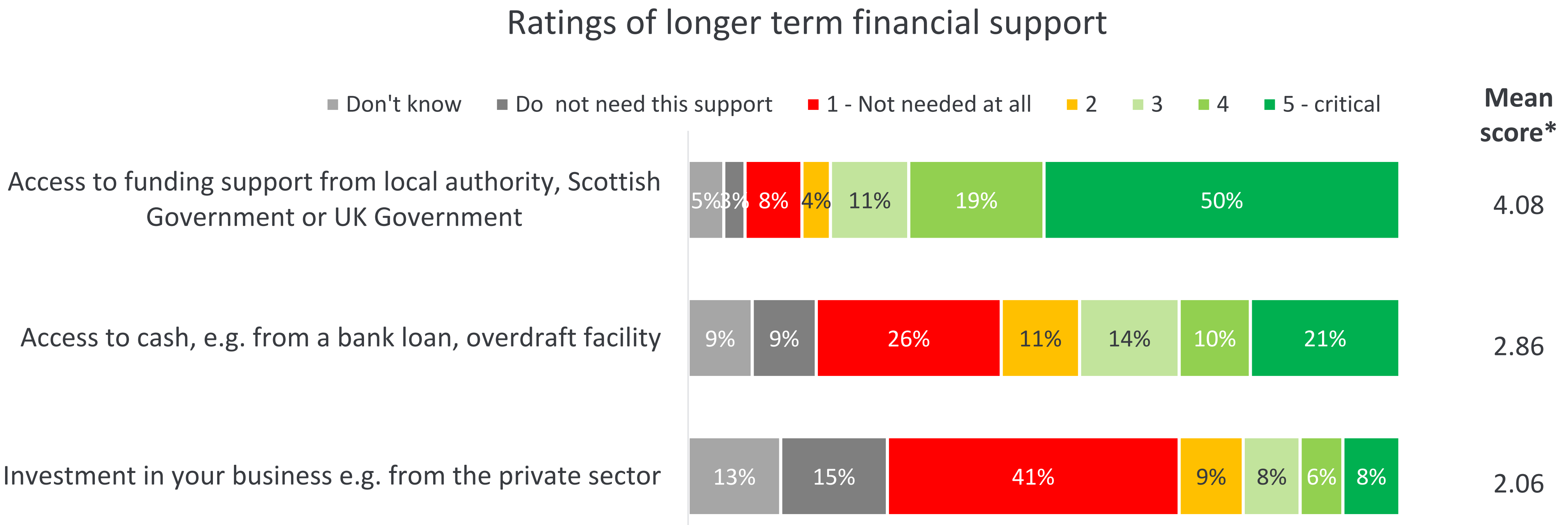
When asked to state which one source of information and advice was the most useful one quarter selected comms from their sector or destination organisations and one fifth selected the Scottish Government website.

- Comms from sector/destination orgs were particularly likely to be described as useful by Non-serviced accommodation providers (47%).

Q37: Which of these sources of information and advice did your business find most useful? Please select one response only.

Base (all except businesses permanently closed): 2,944

Access to funding support is the most needed type of long term financial support for businesses in the tourism sector – half of all businesses rated this type of support as critical. Access to cash (via a loan or overdraft) and investment from the private sector were far less appealing.



*Mean score calculated whereby 1 = not needed at all and 5 = critical

Q38: Please rate the following in terms of longer-term financial support required for your business to survive the crisis, whereby 1 is not needed at all by your business and 5 is critical to your business.

Base (all except businesses permanently closed excluding NA): 2,318 – 2,812

The most beneficial types of longer term non-financial support were continued lobbying of government on behalf of the industry and continued advice and support from industry bodies.

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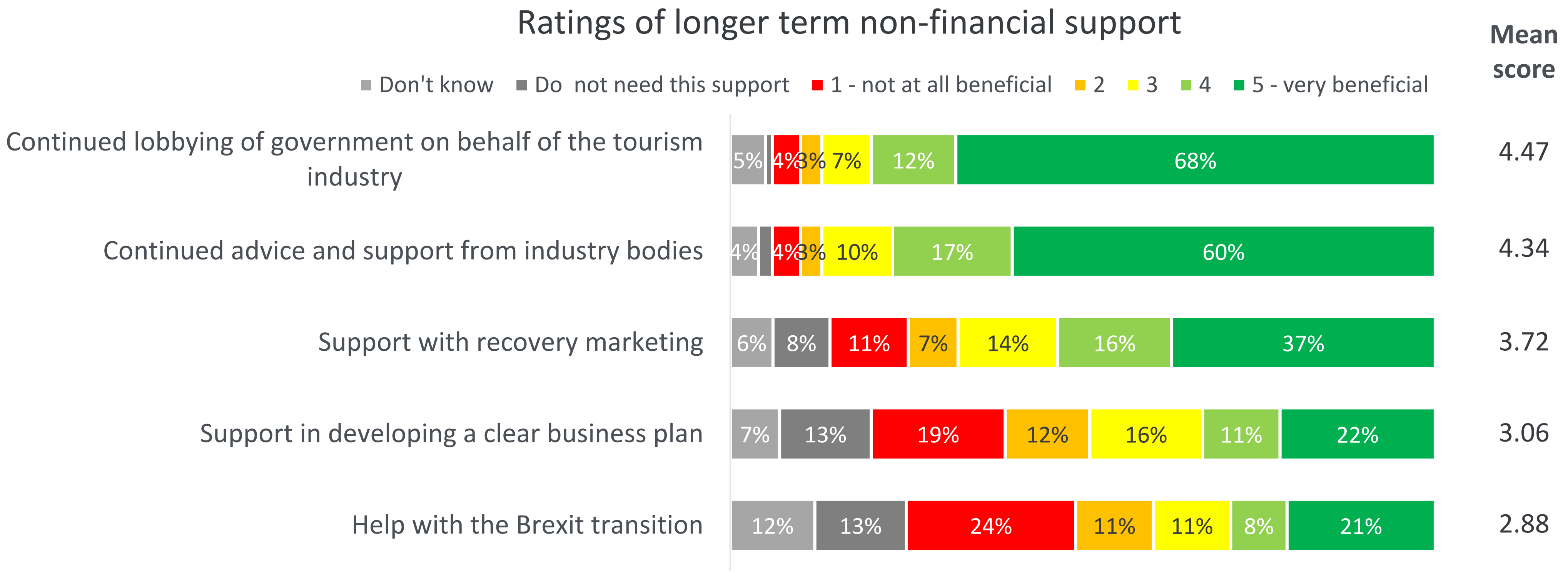

Mean score calculated whereby 1 = not at all beneficial and 5 = very beneficial

Q39: Please rate the following in terms of longer-term non-financial support required for your business from public sector and industry bodies to survive the crisis, whereby 1 is not at all beneficial to your business and 5 is very beneficial.

Base (all except businesses permanently closed, excluding NA): 2,598 – 2,878

One fifth of businesses who commented were also keen to see continued lobbying of the government on their behalf. A number of businesses were also looking for their sector to be better represented, or more promotion of Scottish tourism.

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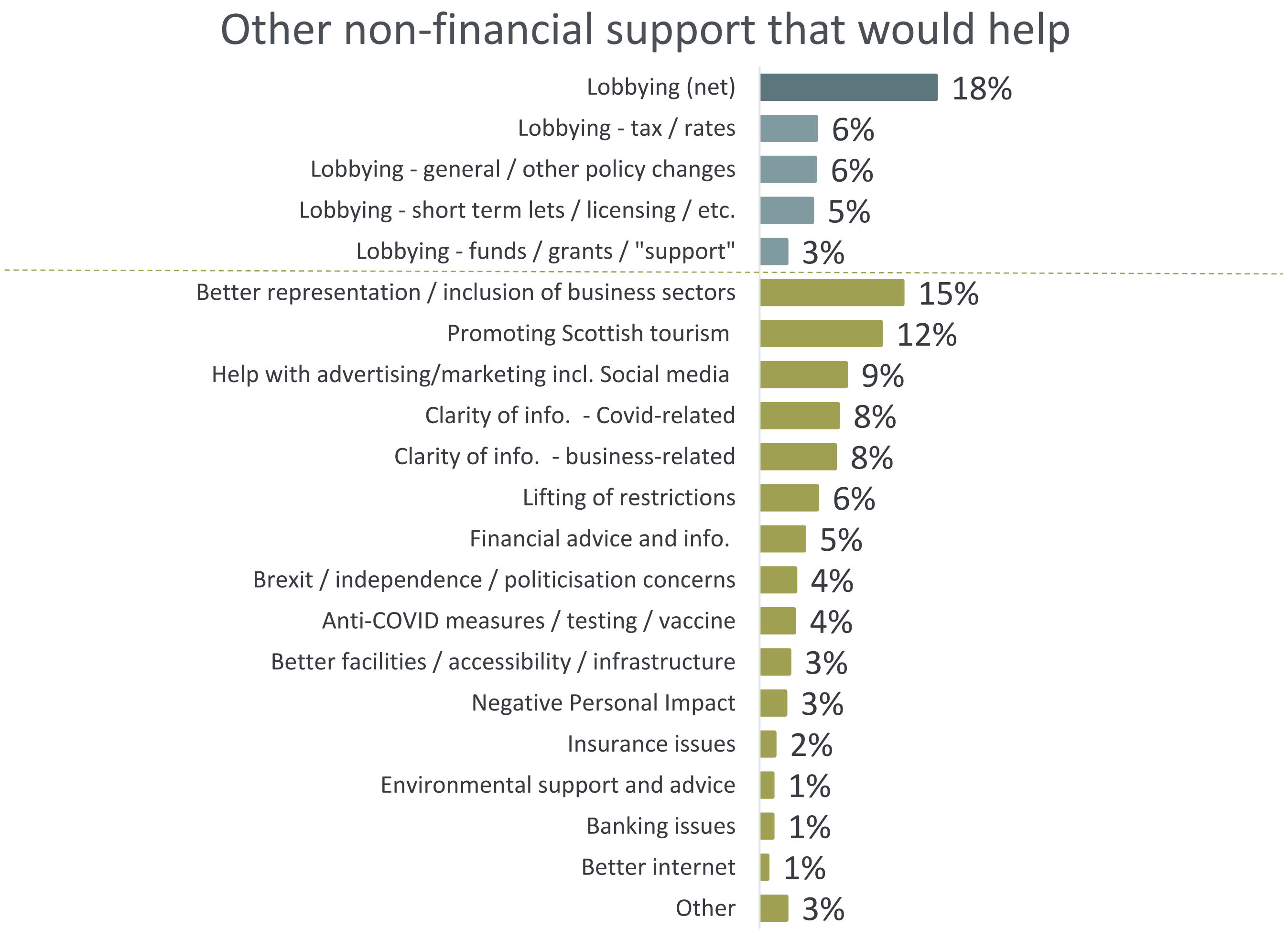

Q40: Is there anything else that public sector and industry bodies could provide in terms of longer term non-financial support to help your business through the crises? – Open ended question

Base (all who provided a response): 986

Some examples of comments (1)

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The Scottish Government website offering COVID guidance is very difficult to navigate and not user friendly. Thank goodness for the Cairngorm Business Partnership which was able to distil the salient information. Overall there are too many organisations vying for position offering COVID information and flooding the 'in box'. Prompt action on Hotel Support Scheme Grant Application is essential.

Hotel, Highlands

The Craft Sector has been widely ignored. It is time to realise that we need help and more help. If you want to pretend that you represent ALL the tourism industry, you must extend your umbrella of support to all the craft makers who make high quality craft so appreciated by the tourists. Otherwise you do not support THE tourism industry, you only support MOST OF the tourism industry.

Visitor attraction, Shetland

We need to have a long term plan for getting back to opening. The current guidelines do not allow enough notice to plan for stock or staff, we cannot organise any reopening with a few days notice. So it needs to be clear and time effective information for us to get back to opening.

Bar/pub, Stirlingshire

Demonstrations via zoom of detailed case studies of how other organisations/businesses have recovered and the steps taken.

Cultural venue, Scottish Borders

Clear concise information about rule changes and what is and is not allowed.

Self-catering, Aberdeenshire

Clarity on reopening requirements. Liability indemnification. Broad marketing support. Coherent strategy across all tourism sectors. i.e. no visitors will want accommodation on Islay if restaurants are take outs only and distilleries are working but not catering to visitors.

Self-catering, Argyll and The Isles

Q40: Is there anything else that public sector and industry bodies could provide in terms of longer term non-financial support to help your business through the crises? – Open ended question

Summary of key findings

Summary of key findings (1)

The impact of the pandemic on tourism businesses

- Despite the fact that the pandemic was less severe at the time of the research than now, the situation for very many businesses in the sector was critical.
- For some the summer and autumn months were better than expected, however, the large majority experienced lower turnover than in 2019 and the decrease was significant – 60% on average.
- The majority of businesses in all sectors reported that turnover was down, but hotels, B&Bs and guesthouses, activities and attractions, events and festivals, and travel and transport were the most severely affected.
- Occupancy levels for accommodation providers were also much lower than 2019, particularly in the cities.
- As a result, three quarters of respondents reported that they had reduced their staff numbers, with one third of these making staff permanently redundant. Hotels were the most likely to report that they had made staff redundant and reported the highest average number of redundancies.

Measures taken to adapt and survive

- Scaling back operations, reducing staff and reducing the range of products/services offered were the main actions that had been taken to help businesses survive the crisis.
- Half reported that they had made changes that they plan to continue post Covid, such as looking at different ways to market and sell, targeting new markets and creating new products and services.

Summary of key findings (2)

Outlook for 2021

- At the time of the survey (Nov/Dec 2020) most businesses were anticipating having to reduce their staff numbers further in the coming months.
- One in five had already run out of cash reserves, while a quarter only had enough to last 3 months.
- Nevertheless, the majority planned to continue trading – but for most on a reduced basis.
- Three quarters expected to survive the crisis, albeit with changes to their business, but one in ten expected to close permanently. Hotels, B&Bs and guesthouses were the most likely to be concerned that they might not survive the crisis.

Support for the sector

- Most businesses had been able to access some form of financial support – most commonly the Business Support Grant Fund and furlough.
- Awareness of sources of non-financial support was good, and generally this support was considered valuable by most aware of it.
- Looking forward, businesses would gain most value from access to funding, lobbying of the government, and advice and support from industry bodies.

Appendices

Sub-sample bases (sector)

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Sector	Q9a - Slides 20 / 23	Q11 - Slide 23	Q18 - Slide 31	Q19 - Slide 31	Q30 - Slide 32	Q20/Q22 - Slide 39	Q28 - Slide 43	Q29 - Slide 46
Hotels, B&Bs, Guesthouses	530	472	182	162	775	390	658	775
Non-serviced accommodation	640	432	133	45	1136	405	1048	1136
Activities, attractions, tours	265	216	349	58	580	249	353	580
Food, drink and retail	156	108	260	48	220	163	203	220
Travel & transport	37	36	18	10	57	40	49	57
Events & festivals	20	19	30	6	51	24	25	51

Sub-sample bases (area)

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Sector	Q9a - Slides 21/24	Q11 - Slides 24	Q20/Q22 - Slide 40	Q28 - Slide 44
Highlands	370	282	262	580
Argyll & Isles	172	130	140	253
Perthshire	144	94	94	192
Edinburgh	128	125	98	151
D&G	88	56	79	144
A&A	90	66	71	125
Fife	79	55	69	108
Borders	76	60	54	108
Eilean Siar	54	41	44	80
Orkney	50	48	27	68
Aberdeen/shire	84	71	77	105
Moray / Spey	59	42	41	86
Stirlingshire	58	45	50	76
Glasgow	41	40	47	49
Dundee/Angus	42	34	32	52
Shetland	25	23	18	34

Income lost calculation

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	Value for calculation	Number of respondents	Total revenue lost
Less than £5000	£5,000	157	£785,000
Between £5,000 and £10,000	£7,500	462	£3,465,000
Between £10,000 and £50,000	£30,000	1083	£32,490,000
Between £50,000 and £100,000	£75,000	381	£28,575,000
Between £100,000 and £250,000	£175,000	282	£49,350,000
Between £250,000 and £500,000	£375,000	172	£64,500,000
Between £500,000 and £1 million	£750,000	124	£93,000,000
Between £1 million - £5 million	£3,000,000	147	£441,000,000
Between £5 million - £10 million	£7,500,000	25	£187,500,000
More than £10 million	£10,000,000	15	£150,000,000
		2848	**£1,050,665,000**

Technical appendix (method and sampling)

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- The data was collected by an online survey.
- The target group for this research study was businesses in the hospitality and tourism sectors in Scotland.
- The sampling frame used for this study was database lists from industry bodies and VisitScotland. The survey link was also available on selected websites and social media channels.
- Fieldwork was undertaken between 19th November to 7th December 2020.
- The overall sample size of 2,974 provides a dataset with a margin of error of between ±0.3% and ±1.7%, calculated at the 95% confidence level (market research industry standard). The margin of error on sub-samples will be higher and will vary depending on the base sizes of the sub-samples.
- Respondents to internet self-completion studies are self-selecting and complete the survey without the assistance of a trained interviewer. This means that Progressive cannot strictly control sampling and in some cases, this can lead to findings skewed towards the views of those motivated to respond to the survey.
- As this was a self-selecting online survey, we cannot be sure that the final sample is representative of the tourism industry in Scotland. The survey will only have been completed by businesses who were sent the link or saw the survey link on partners' websites/social media channels. Those most directly affected by the crisis may also have been the most motivated to respond.
- Our data processing department undertakes a number of quality checks on the data to ensure its validity and integrity. For online surveys these checks include:
  - Responses are checked for duplicates where unidentified responses have been permitted.
  - All responses are checked for completeness and sense.
  - A computer edit of the data carried out prior to analysis involves both range and inter-field checks. Any further inconsistencies identified at this stage are investigated by reference back to the raw data on the questionnaire.
  - Where "other" type questions are used, the responses to these are checked against the parent question for possible up-coding.
- Responses to open-ended questions will normally be spell and sense checked. Where required these responses may be grouped using a code-frame which can be used in analysis.
- A SNAP programme set up with the aim of providing the client with useable and comprehensive data. Cross breaks are discussed with the client in order to ensure that all information needs are met.
- All research projects undertaken by Progressive comply fully with the requirements of ISO 20252.

Contact Us

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