

Marc Crothall MBE

Chief Executive, Scottish Tourism Alliance
Co-Chair, Tourism & Hospitality Industry Leadership Group



**SCOTTISH
TOURISM
ALLIANCE**

Your voice in tourism matters

www.scottishtourismalliance.co.uk

@St_alliance @MCrothall

TOURISM BUSINESSES

CONFIDENT OR CONCERNED?

REPORT ON THE FACTORS AFFECTING TOURISM BUSINESSES IN SCOTLAND

THE SCOTTISH TOURISM ALLIANCE
WWW.SCOTTISHTOURISMANIALLIANCE.CO.UK
SEPTEMBER 2017



Scots tourism sector 'gazing over a cliff' warns expert



Scottish tourism sector facing "unprecedented" challenge

Key research project announced to assess sector's rising costs

15/03/2017

→ What's your view on this? Post your comments here:



SCOTTISH
TOURISM
ALLIANCE

Your voice in tourism matters



The Scottish Tourism Alliance

SCOTTISH TOURISM INDUSTRY
RECOMMENDATIONS TO THE
SCOTTISH GOVERNMENT
BUDGET & SPENDING REVIEW



THE STA AGENDA IS FOCUSED BOTH ON THE IMMEDIATE, AND THE FUTURE CONCERNS AND CHALLENGES THE INDUSTRY MIGHT FACE. WE SEEK TO BOTH INFLUENCE ONLY SUPPORTIVE POLICY FOR THE SECTOR AND WHEN IMPLEMENTED, IT IS BALANCED AND FAIR. WE WILL CONTINUE TO LOBBY ON BEHALF OF OUR MEMBERS FOR ONLY THE BEST POSSIBLE CONDITIONS TO EXIST SO THAT BUSINESSES CAN FULLY RECOVER, BUILD RESILIENCE, BECOME SUSTAINABLE, INVEST WITH CONFIDENCE, STAY COMPETITIVE, THRIVE AND PROSPER.

OUR AREAS OF PRIORITY REPRESENTATION, INFLUENCE AND FOCUS ARE

- Staying Competitive (Tax, Product, Quality, Price)
- Addressing The Rising Costs of Doing Business
- Policy Matters STL, DRS, TVL, LEZ , HPMA
- Keeping Tuned into Future Trends and the Economic Outlook ,Local, National Global
- Skills, Fair Work and Labour Availability
- Transport & Housing Infrastructure.
- Support to Help Drive Innovation
- Ensuring The New Deal For Business Works For Tourism and Hospitality

<https://scottishtourismalliance.co.uk/summary-of-position-statements/>



New Deal4Business Working Group

- 1. Shared awareness of the economic and business environment** – to ensure Scottish businesses are resilient, and able to capitalise on investment and trade, maximise economic opportunities within Scotland as well as thrive internationally and to contribute to the mission and targets outlined in the National Strategy for Economic Transformation (NSET).
- 2. Developing the best environment to do business** – to ensure our skills pipeline, talent availability, business support, tax and regulatory framework are attractive to business and industry and helping to create the best possible enabling business environment. This workstream will consider the findings of the relevant sub-group on further enhancements to the Non-Domestic Rates system.
- 3. Enhanced partnership working** – build on the Joint Principles Agreement to work better with business across all tiers of government including co-production where feasible, ensuring impact on business are identified and picked up early and policy aligned accordingly across SG policy areas. Build relationships to ensure private sector picks up its share in supporting the delivery of the priority areas that the government is seeking to pursue for the nation.
- 4. Contribution to a Wellbeing Economy** – build on the principles of an economy that has wellbeing at its heart, built on the principle of equity, diversity and inclusion with fairness at the core and being positively clear on the important contribution and role of business in the delivery for Scotland's prosperity.



New Deal4Business Working Group

In order to have the greatest impact the NDBG prioritised 10 key recommendations that will make the most immediate difference – these are

- Developing a new Business and Regulatory Impact Assessment (BRIA) Tool Kit.
- Re-establishing the Independent Regulatory Review Group.
- Reviewing the Government Policy Development Cycle.
- Undertaking a systematic mapping of business engagement.
- Keeping ALL Non-Domestic Rates policy reforms under review.
- Designing the administrative and digital process for the Non-Domestic Rates review.
- Taking forward Labour Market participation work.
- Agreeing a shared description of the Wellbeing Economy.
- Sharing and use data on Business Support.
- Reviewing and sharing information on key sectors and market opportunities

The #NDBG Implementation Plan presents a new and exciting long-term commitment to partnership working between SG and business. Read more at <https://shorturl.at/orMQY>

How's Business?

The STA Autumn Industry Survey

A review of 2023 and a look forward

STA Autumn Conference



SCOTTISH
TOURISM
ALLIANCE

31 October 2023
56 DEGREE
INSIGHT



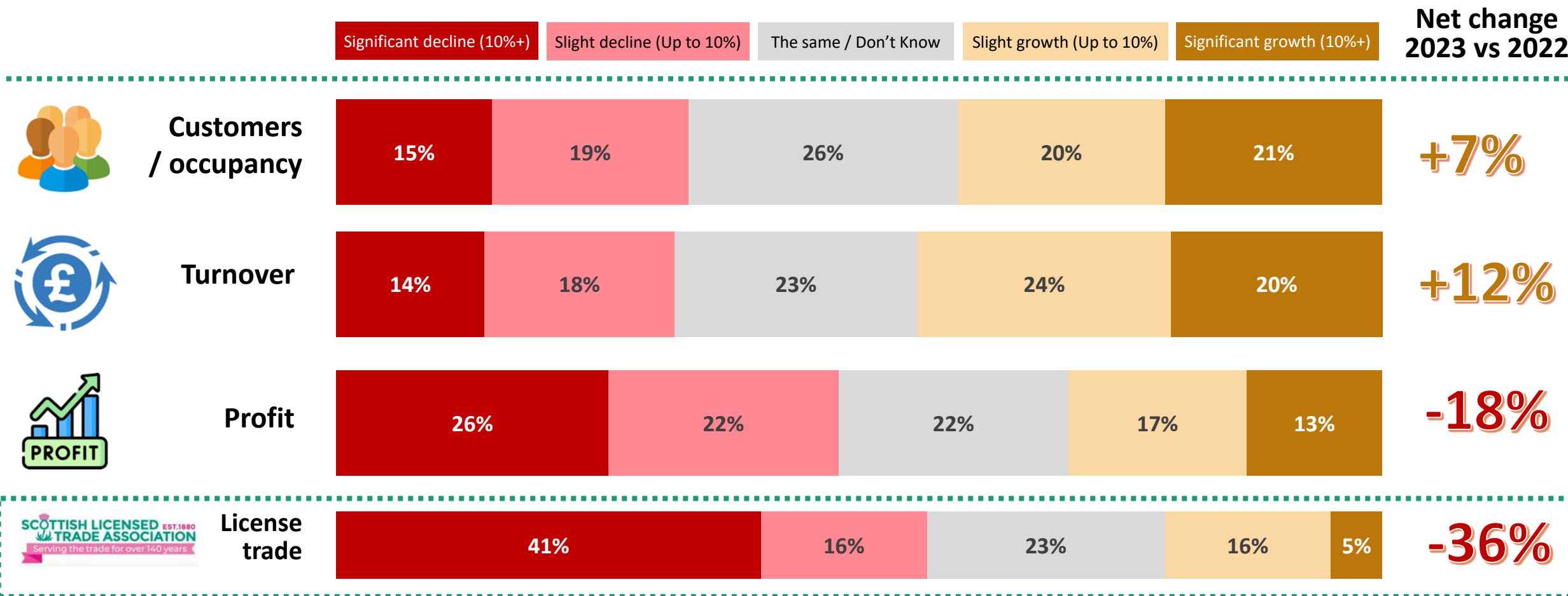
An online survey with responses from a broad cross-section of Scottish tourism businesses helps us quantify the challenges we are facing as we near the end of 2023



- STA commissioned 56 Degree Insight to run the Autumn wave of the Scottish Tourism Business Survey
- We worked with STA to design the questionnaire then hosted the survey online and analysed the results which are being released today
- Fieldwork ran from Friday 6th – Friday 20th October
- 218 responses from across the country and covering a broad spectrum of tourism businesses:
 - 124 self-catering businesses
 - 48 serviced accommodation providers
 - 65 non-accommodation businesses
- In addition, the recent Scottish Licensed Trade Association survey of pubs and restaurants provides some equivalent information from 340 pubs and restaurants

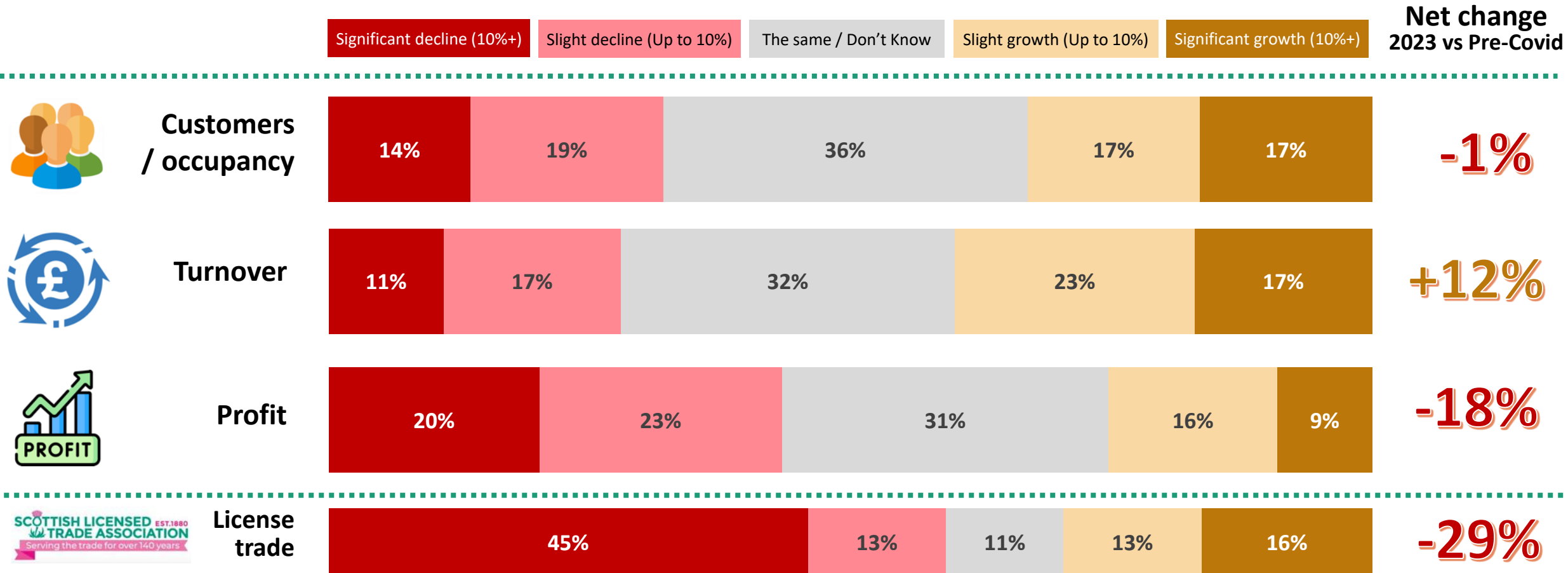
Business Performance – 2023 vs 2022:

Whilst the number of customers and turnover have shown increases over 2022, there have been major declines in profitability)



Business Performance – 2023 vs pre-pandemic levels:

Whilst the number of customers are back to pre-pandemic levels, 43% of businesses have shown declines in their profits – and again, even more so in pubs and bars (58%)



And what cash reserves do they have in place?

One in eight have no cash reserves in place – four in ten, only up to 3 months.

And the situation is worse amongst accommodation establishments, especially the serviced sector

NO CASH RESERVES

1 to 3 Months

4 to 6 Months

7 to 9 Months

10 to 12 Months

12 Months +

12%

27%

18%

8%

5%

13%

39%

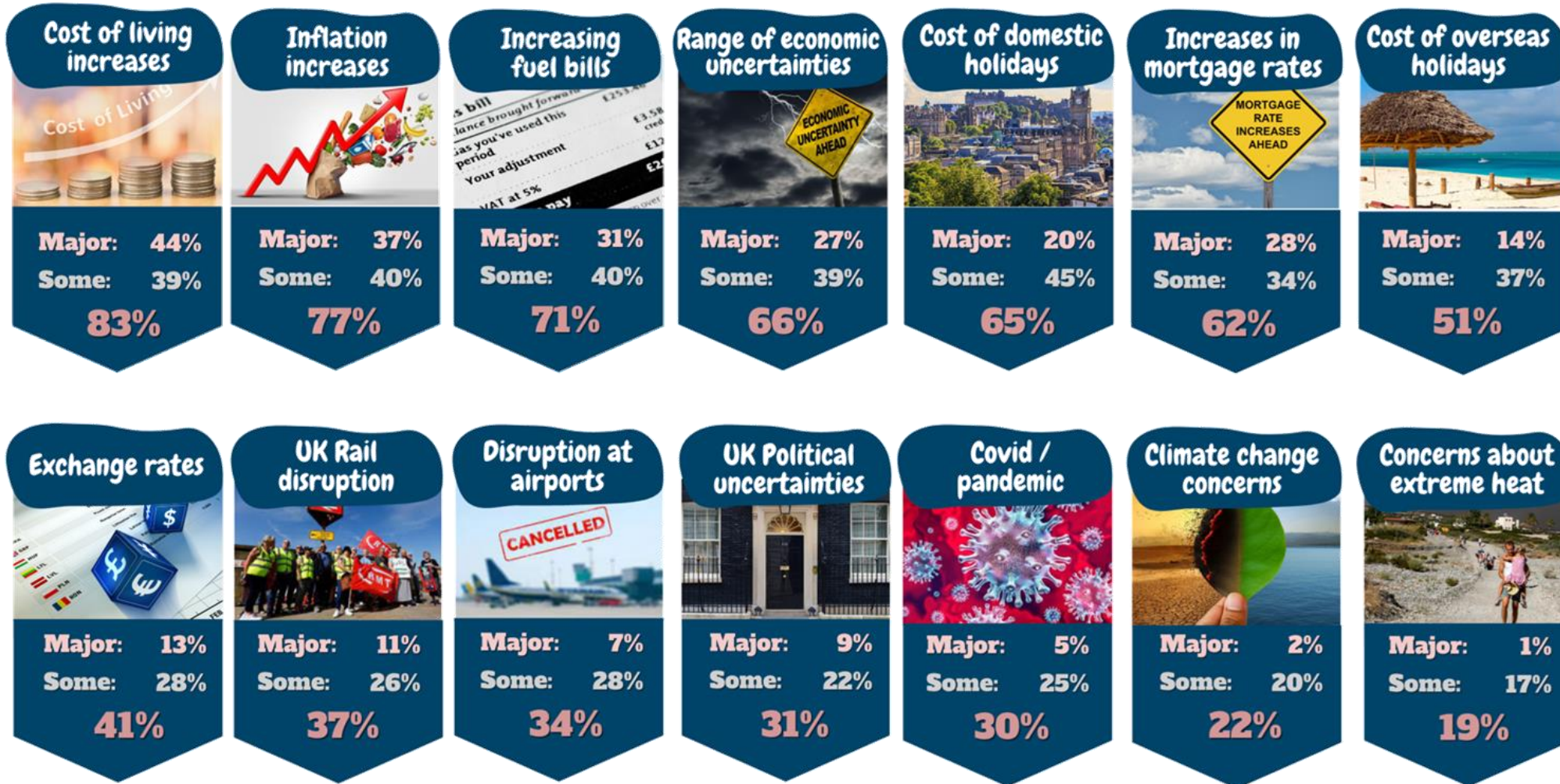
Serviced accommodation: 48%

Self-catering accommodation: 44%



Factors impacting consumer behaviours which have affected Scottish tourism businesses

Financial barriers have played a key role in controlling consumer demand for Scottish holidays in 2023 – 83% of businesses cited cost of living increases, 77% mentioned inflation and 71% referenced increased fuel bills



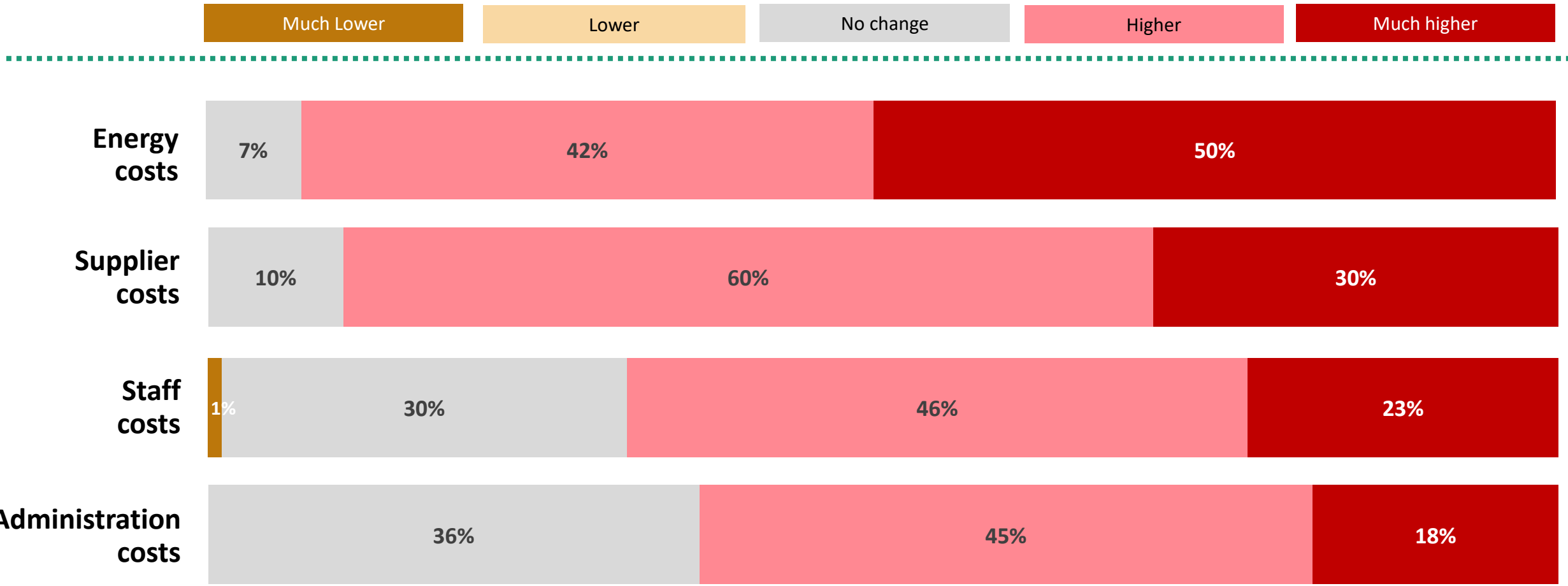
NOTE: Ferry Issues

Not included as a specific question in the survey given the national nature of the sample.

However, 12 businesses located on the west coast / islands, did raise concerns spontaneously: last minute cancellations, route re-planning, disputes re accommodation and reputational issues

Increases in business costs over 2022

The real challenges impacting the bottom line have been the increased costs experienced across all aspects of the business compared with 2022 – in particular, fuel and energy costs

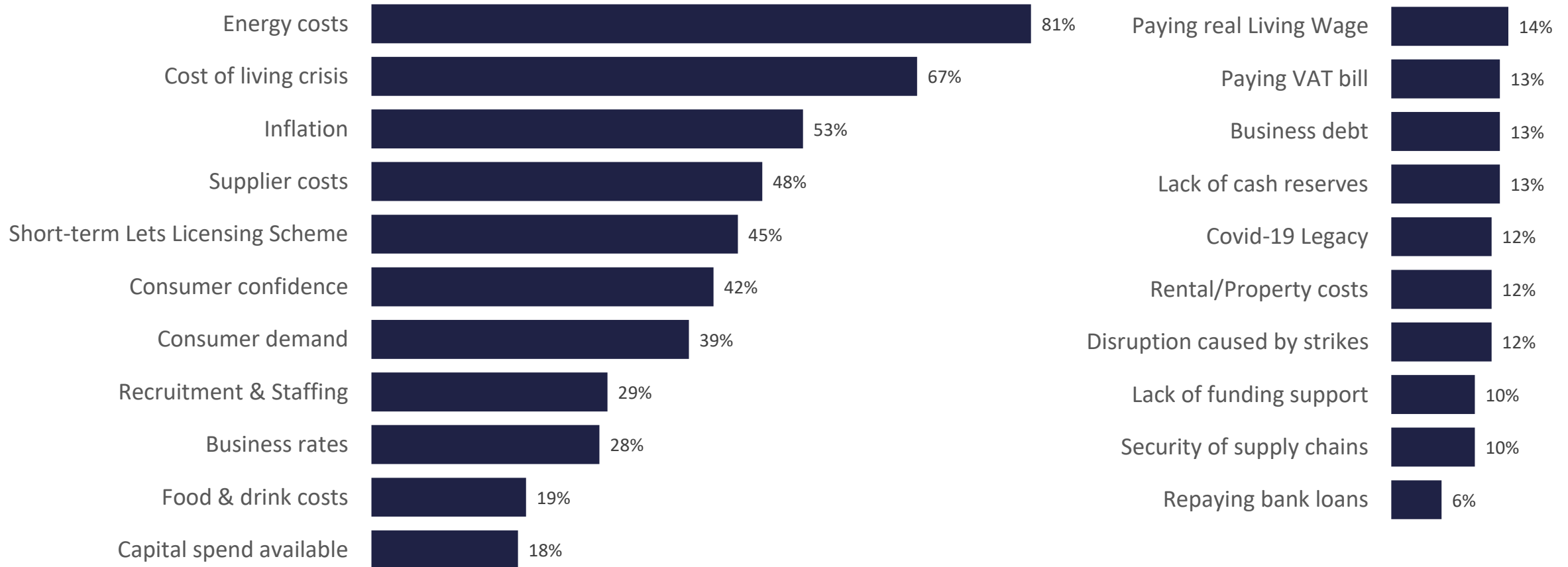


Main challenges facing Scottish tourism businesses for the rest of 2023 and 2024

Energy costs remain the single biggest challenge facing Scottish tourism businesses for the foreseeable future – though a whole series of other financial challenges are likely to continue to cause concern

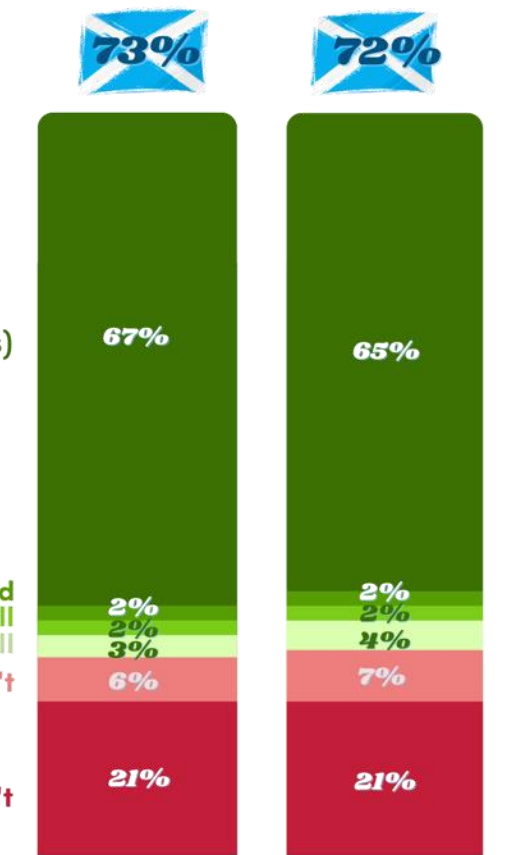


% ranking each as a Top 6 challenge to their business

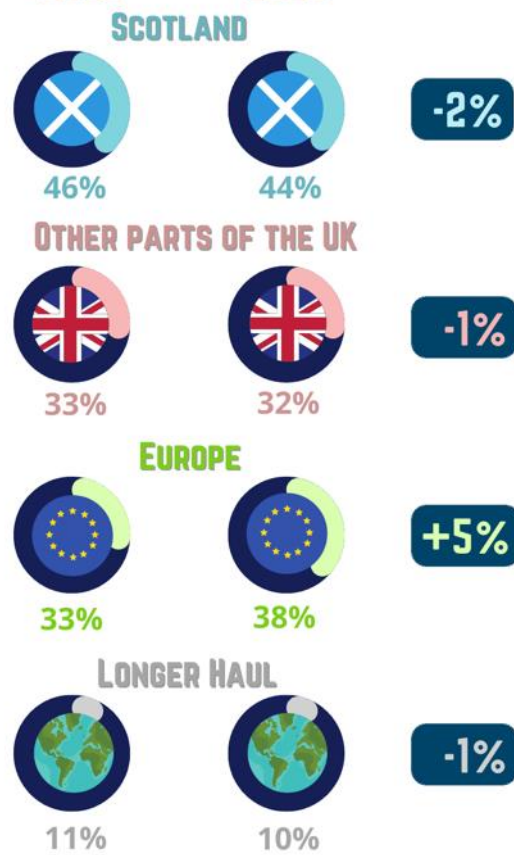


The October Scottish Tourism Index reinforces the tourism business viewpoint: decreases in the number of Scots taking holidays in Scotland this year, shorter durations and lower spend

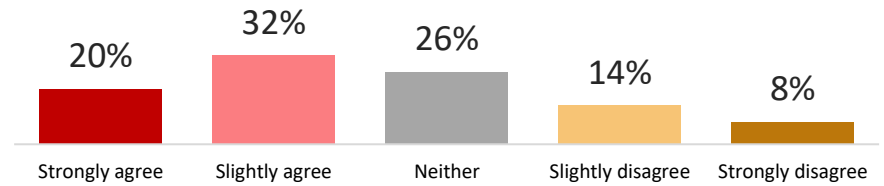
HOLIDAYS PLANNED



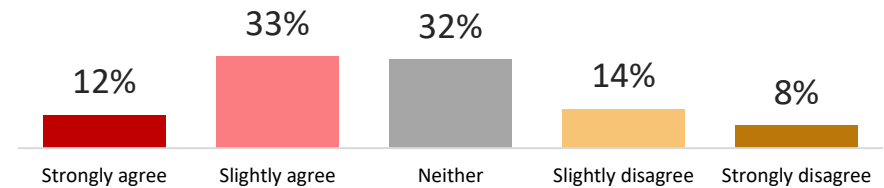
DESTINATIONS



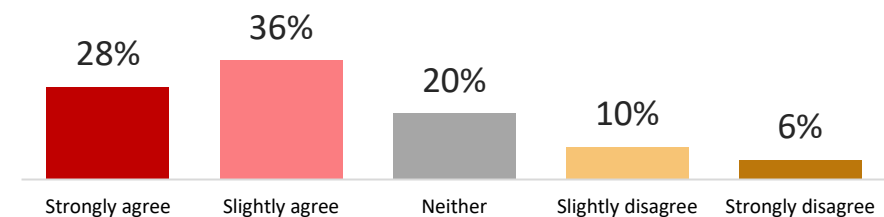
NUMBER: Overall this year, I have taken fewer breaks/holidays in Scotland than I did last year



DURATION: Generally, any breaks I've taken in Scotland have tended to be shorter than in previous years



SPEND: I was much more careful on my holiday spending, keeping costs as low as possible



RESPONDING TO A CHANGING WORLD



THE MEGATRENDS PRE-COVID HAVE NOT REALLY CHANGED.

Experience
More



Limitless
Discoveries



The Evolving
Traveller



Technology
to Stimulate

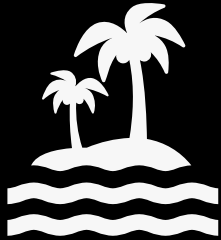
Eco-Adventurer



Blended Traveller



Leisure Seeker



Cultural Explorer



New Traveller Segments

Luxury Seeker



Digital Traveller



Wellness Worshipper



Adventure Lover





TOURISM & HOSPITALITY INDUSTRY LEADERSHIP GROUP
YEAR ONE OVERVIEW

Scotland Outlook 2030

Responsible tourism for a sustainable future

Vision

Scotland - we will be the world leader in 21st century tourism.

Mission

Together we will grow the value and positively enhance the benefits of tourism across Scotland by delivering the very best for our visitors, our businesses, our people, our communities and our environment.

We will deliver our mission with all of our partners and stakeholders working in collaboration to bring the right visitors to our shores and provide unique, quality experiences which they will share with the world.



Scotland Outlook 2030

Responsible tourism for a sustainable future

Our Diverse Businesses

We will build business resilience, sustainability and profitability.

Our Passionate People

We will attract, develop and retain a skilled, committed, diverse and valued workforce.

Strategic Priorities

Our Thriving Places

We will create and develop a sustainable destination together.

Our Memorable Experiences

We will provide the very best, authentic and memorable experiences.



What is 21st century tourism?*

- Creating **sustainable growth** with everyone playing an active role. It's about purpose and profit in equal measure, protecting people and place.
- **Collective ambition**, working together across all sectors and destinations with a strong, shared vision. It's about creativity, innovation, care for the environment, our people and future generations.
- Being brave, outward looking, forward thinking, responsible and **putting our communities, people, visitors, businesses and environment at the heart of everything we do.**
- Our vision of 21st century tourism is **about making Scotland, and our world, a better place** for us to live and work in, and for the world to visit.

How will Scotland Outlook 2030 be achieved?



How will Scotland Outlook 2030 be achieved?

- **Strategic Game Changing Actions**
Medium to long term game changing actions critical to becoming the world leader in 21st century tourism.
- **Actions & Initiatives Over & Above Core Activity**
S/M/L Actions which are beyond core activity (BAU) and which will help realise the vision and outcomes of SO2030.
- **Core Activity (Business As Usual)**
Everyday business operations for public sector agencies and industry aligned to SO2030.



Tourism and Hospitality Industry Leadership Group

To provide strategic direction to drive Scotland's ambition to be the world leader in 21st century tourism.

- The Industry Leadership Group (ILG) champions the national tourism strategy, Scotland Outlook 2030, a key component of the Scottish Government's National Strategy for Economic Transformation (NSET).
- The ILG provides strategic leadership to help grow the economic value and enhance the benefits of tourism, while delivering the very best for visitors, businesses, and communities.

In addition, the ILG:

Tourism and Hospitality Industry Leadership Group

To provide strategic direction to drive Scotland's ambition to be the world leader in 21st century tourism.

In addition, the ILG:

- Advocates the core principles of Scotland Outlook 2030 such as Responsible Tourism and Fair Work practices.
- Engages collaboratively with existing, nationally recognised tourism and hospitality working groups on the delivery of Scotland Outlook 2030

Who is the ILG?

- A network of individuals from across the public, private and the third sector. Together, they have knowledge and experience spanning Scotland, the UK and across the globe.
- 19 industry members were all appointed as individuals and not as representatives of companies or organisations.
- Nine organisations also sit on the group.
- Co-Chaired by Richard Lochhead, Minister for Small Business, Innovation, Tourism & Trade and Marc Crothall, CEO, Scottish Tourism Alliance. Vice-chair is Judy Rae, OnFife Cultural Trust.



Who is the ILG?

Aileen Crawford
Glasgow Life

Andrea Nicholas
Green Business UK

Barbara Smith
Ex-Diageo

Benjamin Carey
Carey Tourism

Calum Ross
Loch Melfort Hotel

Carron Tobin
Rural Dimensions
SCOTO

Chris O'Brien
Nevis Range

Chris Greenwood
Moffat Centre

Debbie Johnson
IHG Hotels &
Resorts (UK &
Ireland)

Joshua Ryan-Saha
Traveltech for
Scotland

Joss Croft
UKinbound

Judy Rae
OnFife Cultural
Trust

Kat Brogan
Mercat Tours

Kelly Johnstone
Springboard Charity

Leon Thompson
UKHospitality
Scotland

Melanie Allen
Nithbank Country
Estate

Michael Golding
ASVA

Russell Murray
Wilderness Group

Stephen Duncan
Historic Environment
Scotland

Co-Chair - Richard Lochhead, Minister for Small Business, Innovation, Tourism and Trade.
Co-Chair - Marc Crothall MBE, CEO, Scottish Tourism Alliance
Vice-Chair - Judy Rae, OnFife Cultural Trust

SCOTLAND
OUTLOOK **2030**
Responsible tourism for a sustainable future.

 *Visit
Scotland* | *Alba*TM

 SCOTTISH
TOURISM
ALLIANCE
Your voice in tourism matters


unite
the UNION


COSLA

 SOUTH of
SCOTLAND
ENTERPRISE

 Scottish Enterprise

 Skills
Development
Scotland

 HIE
Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

 Scottish Government
Riaghaltas na h-Alba

Industry members are appointed as individuals, they do not represent companies or organisations.

Where can the ILG add the most value?

ILG Area of Influence



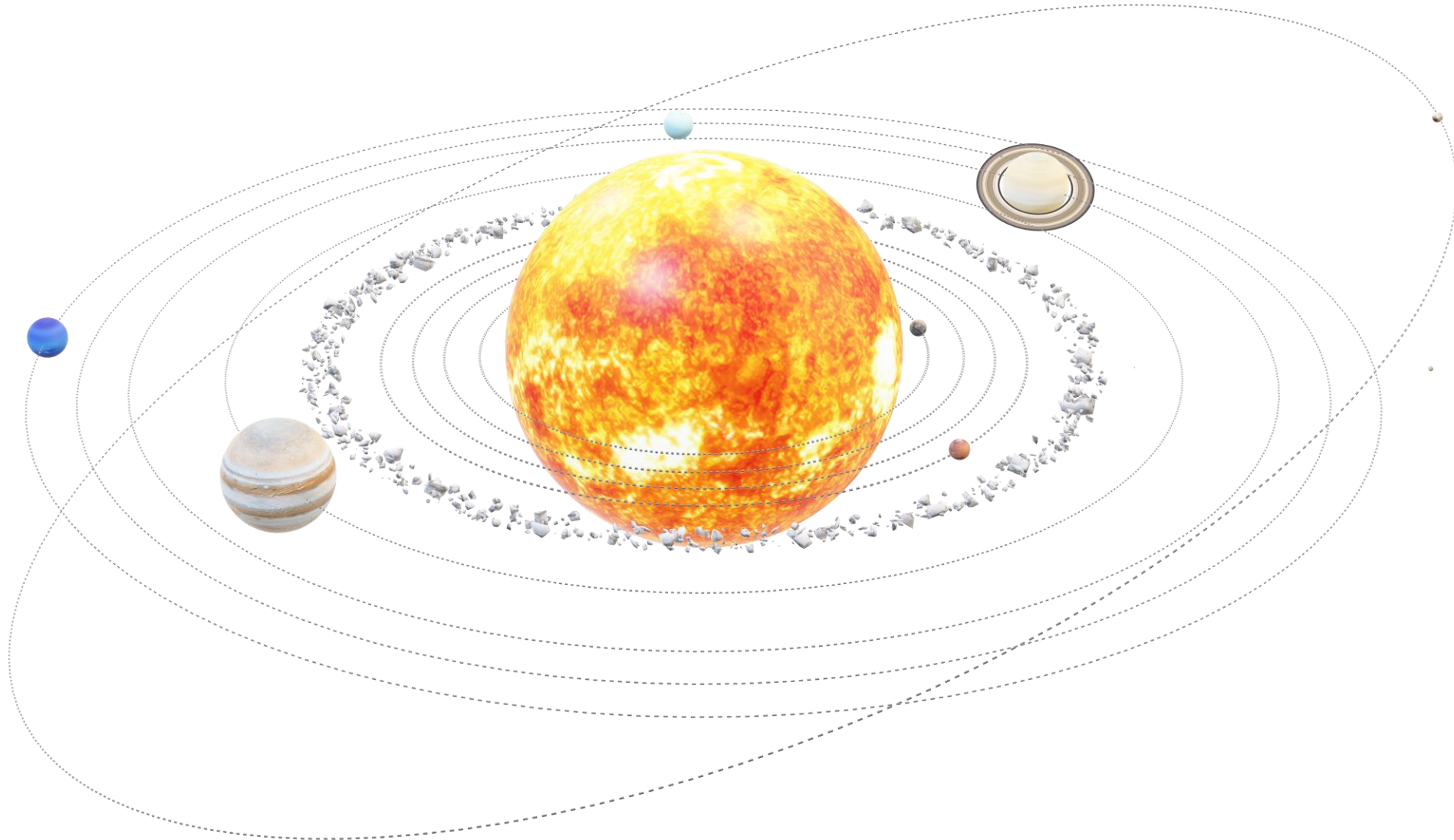
**Strategic
Game Changing
Actions**



Drives ILG Agenda

Actions & Initiatives Over & Above Core Activity

What has the ILG done in its first year?



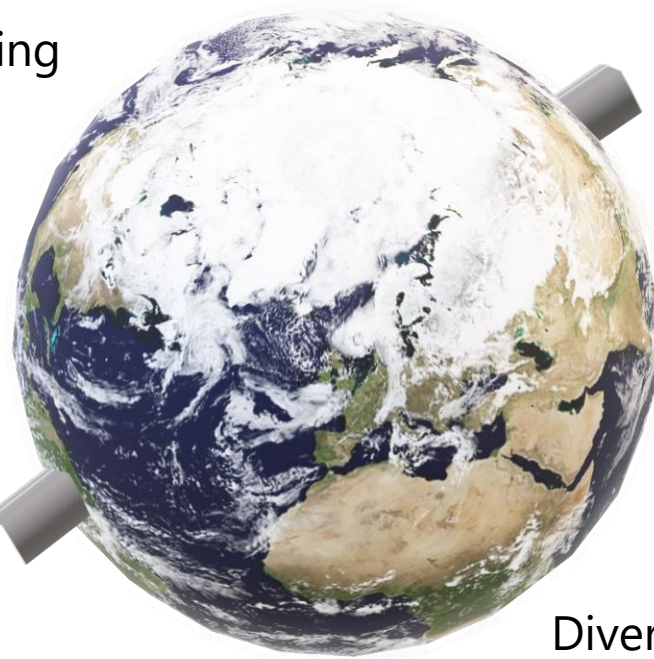
What has the ILG done in its first year?

Evidence and information gathering

Stakeholder mapping

International best practice

Current activity mapping to SO2030



Scotland Outlook 2030 review and assessment

What it means to be world leading in tourism?

Challenges & opportunities

Diverse businesses & passionate people

Thriving places & memorable experiences

What has that told us?

Scotland Outlook 2030 remains **relevant, aspirational and ambitious** and is aligned to NSET.

Many opportunities and challenges will arise during the lifetime of the strategy impacting the four strategic priorities and their outcomes.



A mix of short, medium and long term **actions** were identified to support the delivery of SO2030.

Common themes impacting all priorities



Communities and local experiences

Collaboration, networking & sharing best practice

Sustainability through responsible tourism

Communities and locals using technology to unlock opportunities and address the challenges experiences

Accessing and attracting investment

People who work in & are connected to tourism & hospitality

Finding the right business support

Challenges with transport infrastructure

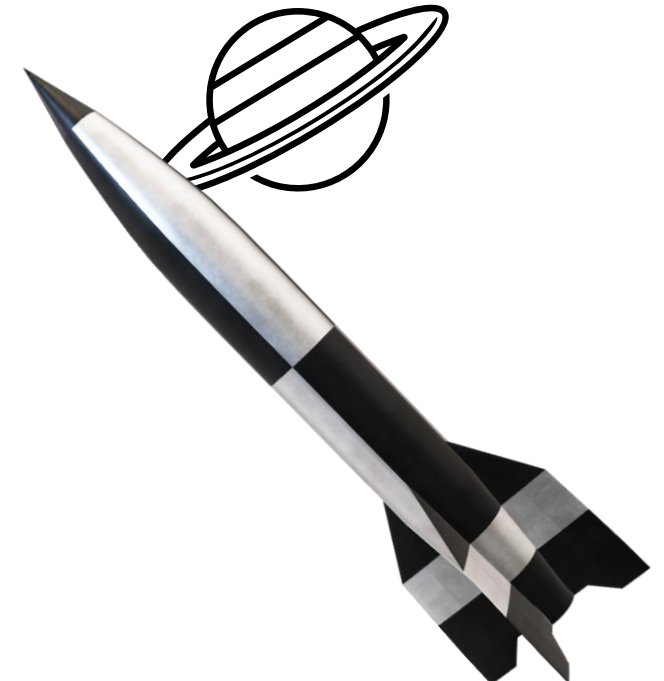
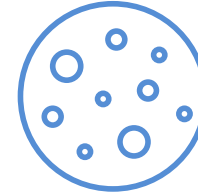
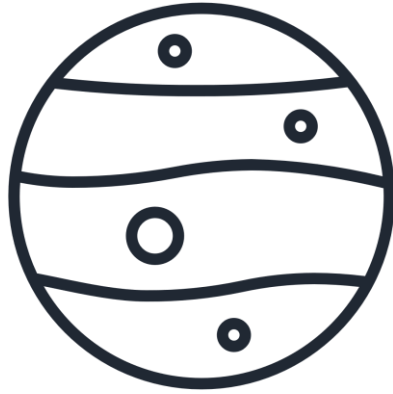
Using technology to unlock opportunities and address the challenges

A supportive policy & regulatory landscape

Common themes impacting all priorities



Five missions – the ILG's areas of focus



Five missions – the ILG's areas of focus

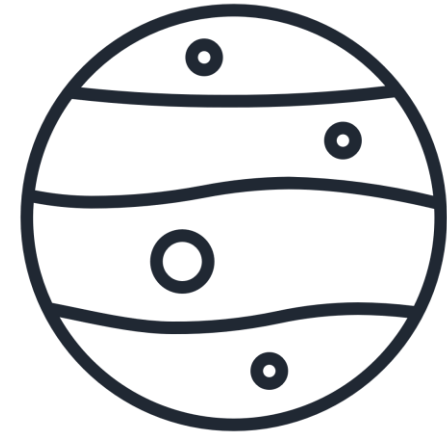
Proud and
valued
people
working for
Scotland

Community-
led tourism

Technology
to enhance
and enable

Net zero
acceleration

Sustainable
transport



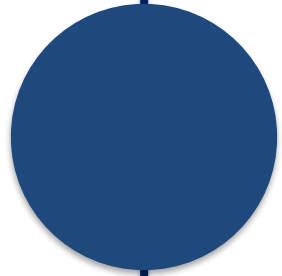
← Equality, diversity and inclusion →



January and February
2024



September 2023 to
January 2024



What Happens Now?

2024 & Beyond

January and February
2024

September 2023 to
January 2024

What Happens Now?



Develop missions and identify game changing actions to:

- Drive investment
- Support recovery
- Grow tourism sustainably

2024 & Beyond

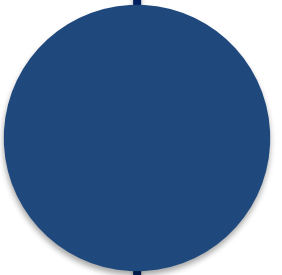
January and February 2024

September 2023 to
January 2024

What Happens Now?



Review by the ILG



2024 & Beyond

January and February
2024

September 2023 to
January 2024



Drive forward
missions together

SCOTLAND
OUTLOOK **2030**



Responsible tourism for a sustainable future.



MORE DATES FOR YOUR DIARY

STA X TRANSATLANTIC TRANSLATIONS GROUP WEBINAR

THURSDAY 7TH DECEMBER 2023, 11AM – 12PM

ONLINE

SCOTTISH TOURISM MONTH – THE SIGNATURE CONFERENCE

TUESDAY 12TH – WEDNESDAY 13TH MARCH 2024

DELIVERED BY THE STA, ASVA AND ASSC

P&J LIVE, ABERDEEN

THANK YOU FOR YOUR TIME AND FOR YOUR SUPPORT.

PLEASE FOLLOW AND STAY CONNECTED WITH US



**SCOTTISH
TOURISM
ALLIANCE**

Your voice in tourism matters

www.scottishtourismalliance.co.uk

@St_alliance

