

# 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](http://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.SCOTTISHTOURISMANLIANCE.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:



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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

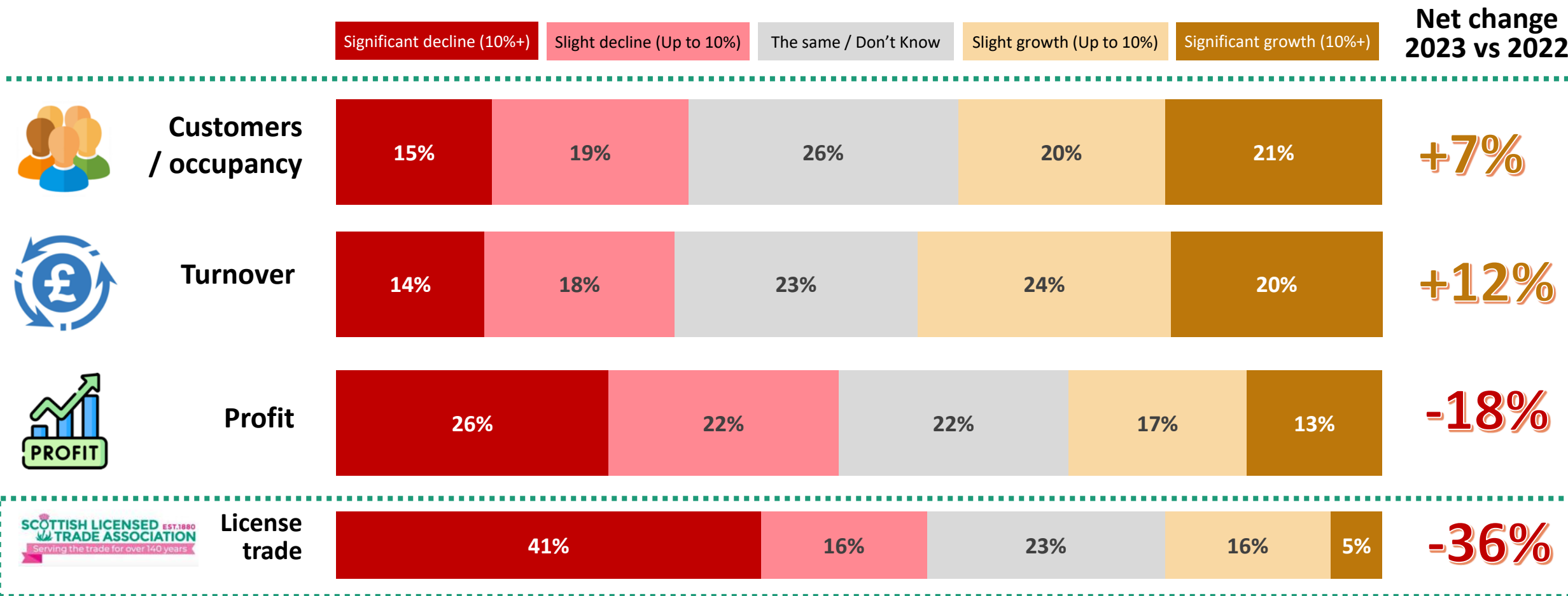


- STA commissioned 56 Degree Insight to run the Autumn wave of the Scottish Tourism Business Survey
- We worked with STA to design the questionnaire then hosted the survey online and analysed the results which are being released today
- Fieldwork ran from Friday 6<sup>th</sup> – Friday 20<sup>th</sup> 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:

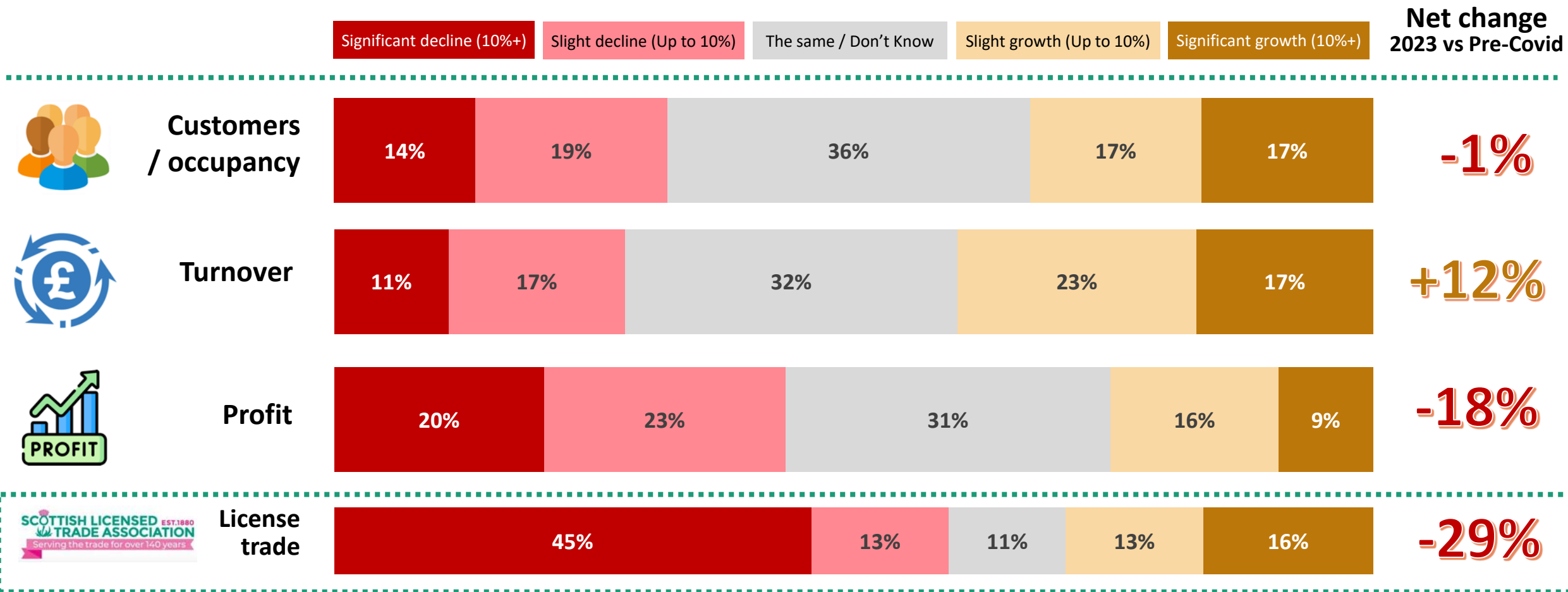
Whilst the number of customers and turnover have shown increases over 2022, there have been major declines in profitability)





# 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%

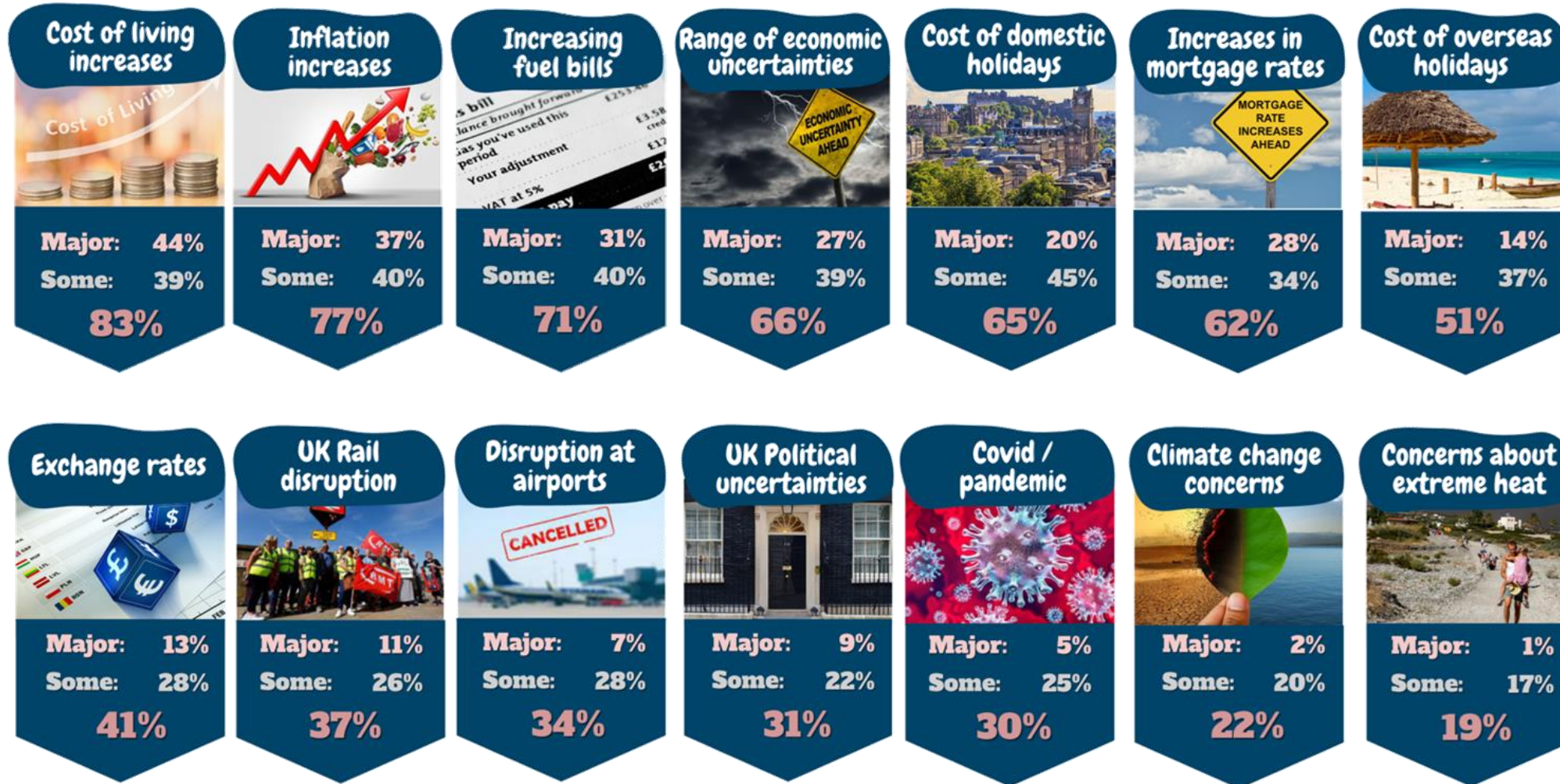
Self-catering accommodation: 44%





# 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



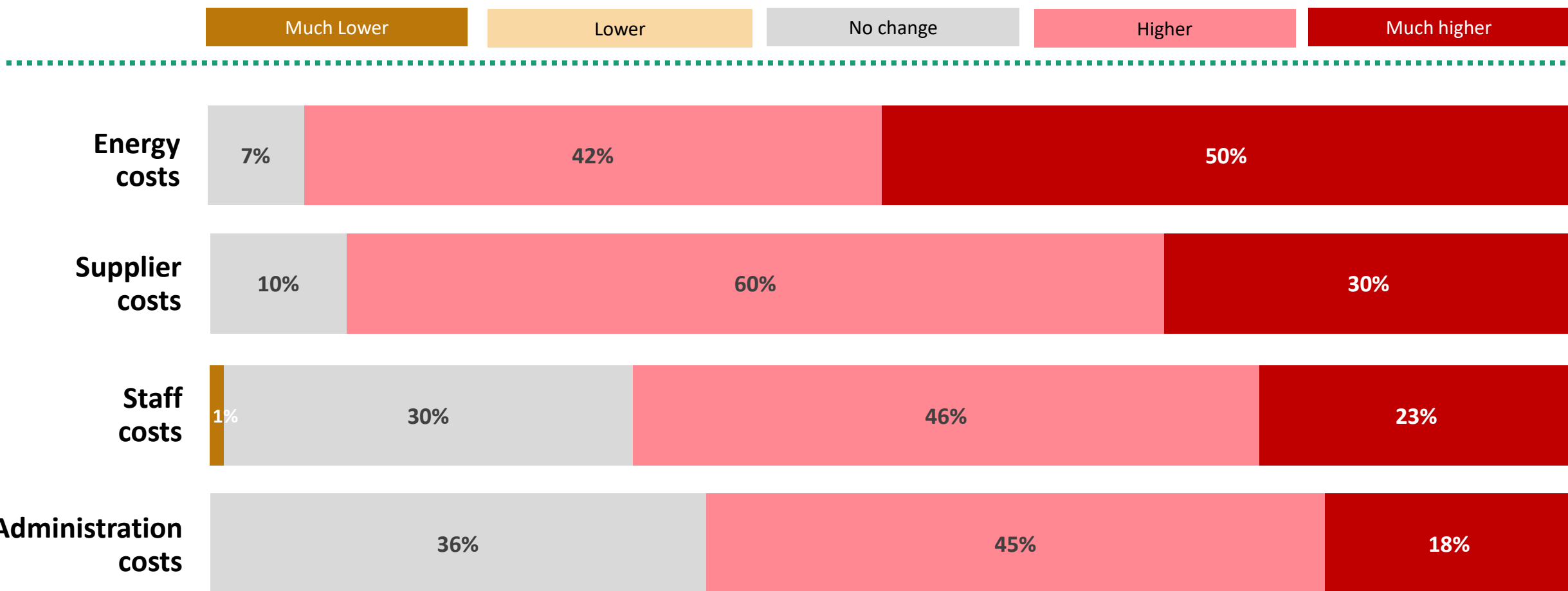
## NOTE: Ferry Issues

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



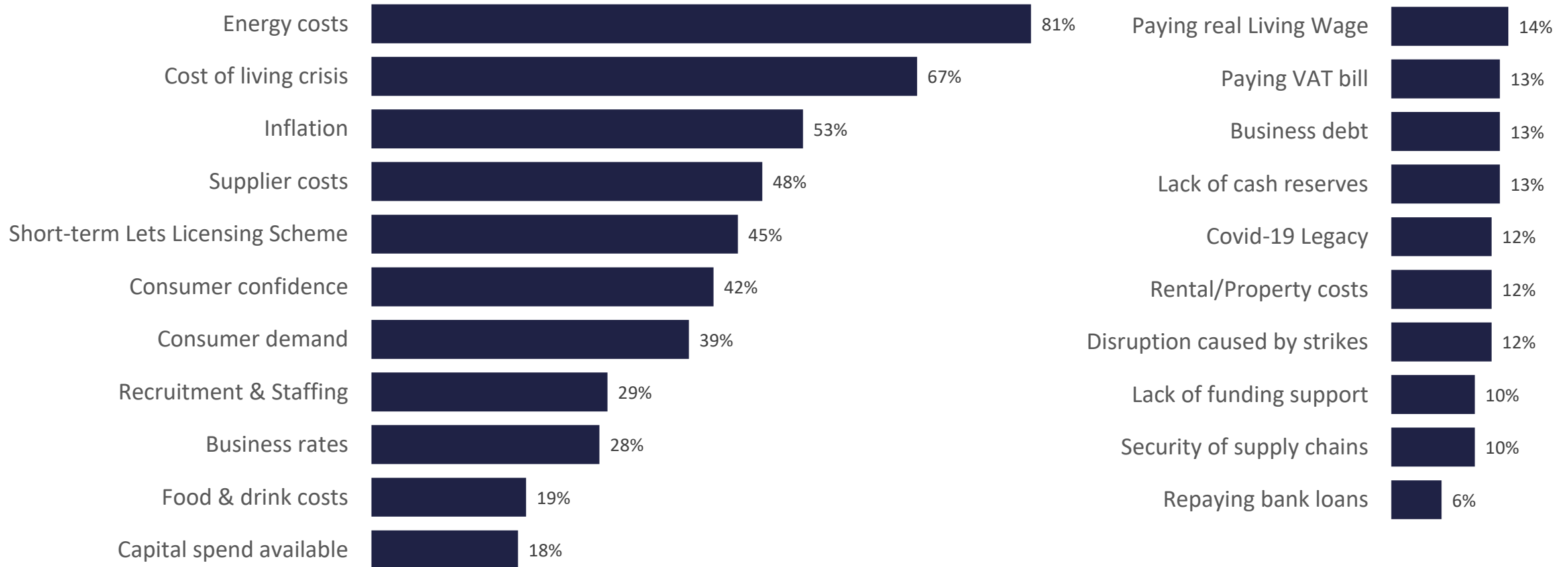


# Main challenges facing Scottish tourism businesses for the rest of 2023 and 2024

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

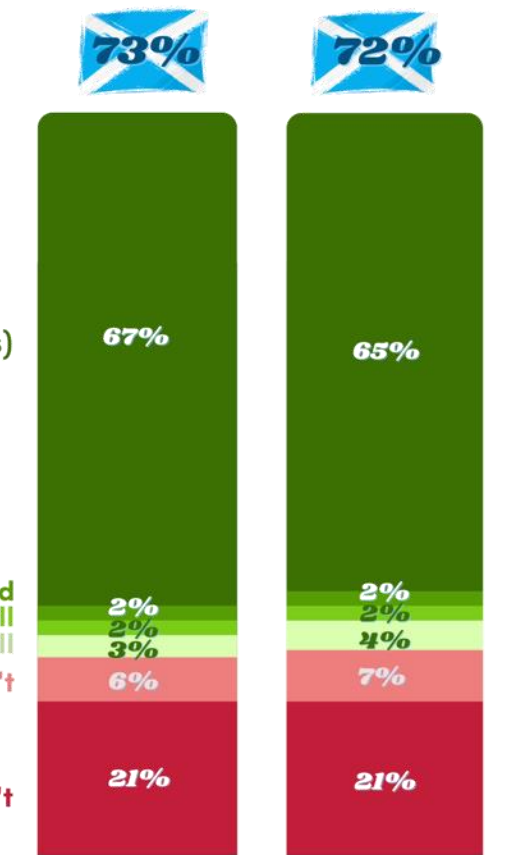


## % ranking each as a Top 6 challenge to their business

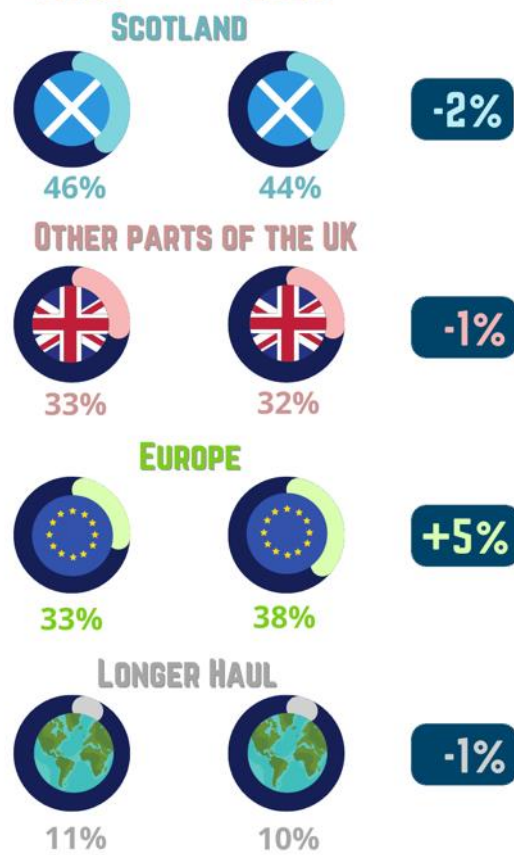


# The October Scottish Tourism Index reinforces the tourism business viewpoint: decreases in the number of Scots taking holidays in Scotland this year, shorter durations and lower spend

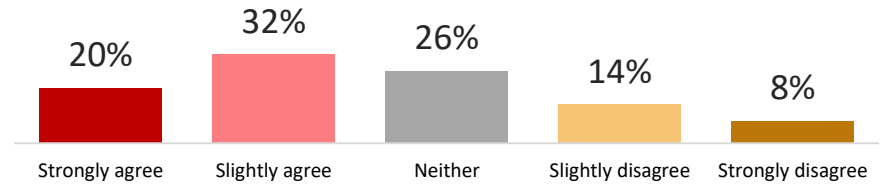
## HOLIDAYS PLANNED



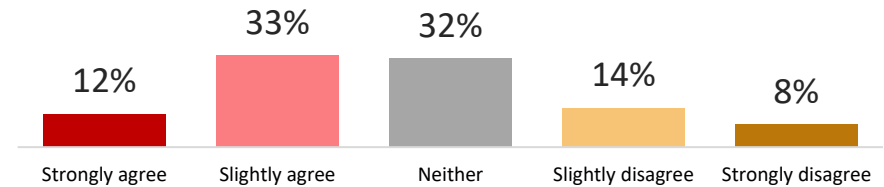
## DESTINATIONS



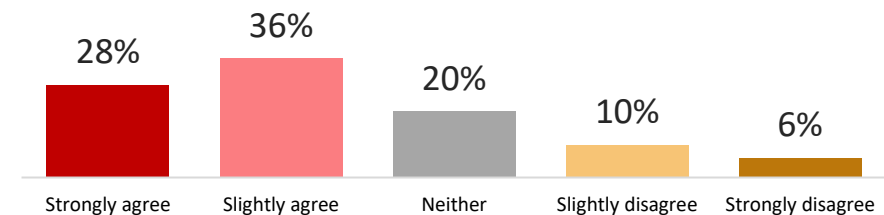
## NUMBER: Overall this year, I have taken fewer breaks/holidays in Scotland than I did last year



## 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

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





# 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**

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

### **Mission**

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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 21<sup>st</sup> 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 21<sup>st</sup> 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 21<sup>st</sup> 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 21<sup>st</sup> 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

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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.  
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Responsible tourism for a sustainable future.

 *Visit  
Scotland* | *Alba*<sup>TM</sup>

 SCOTTISH  
TOURISM  
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 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



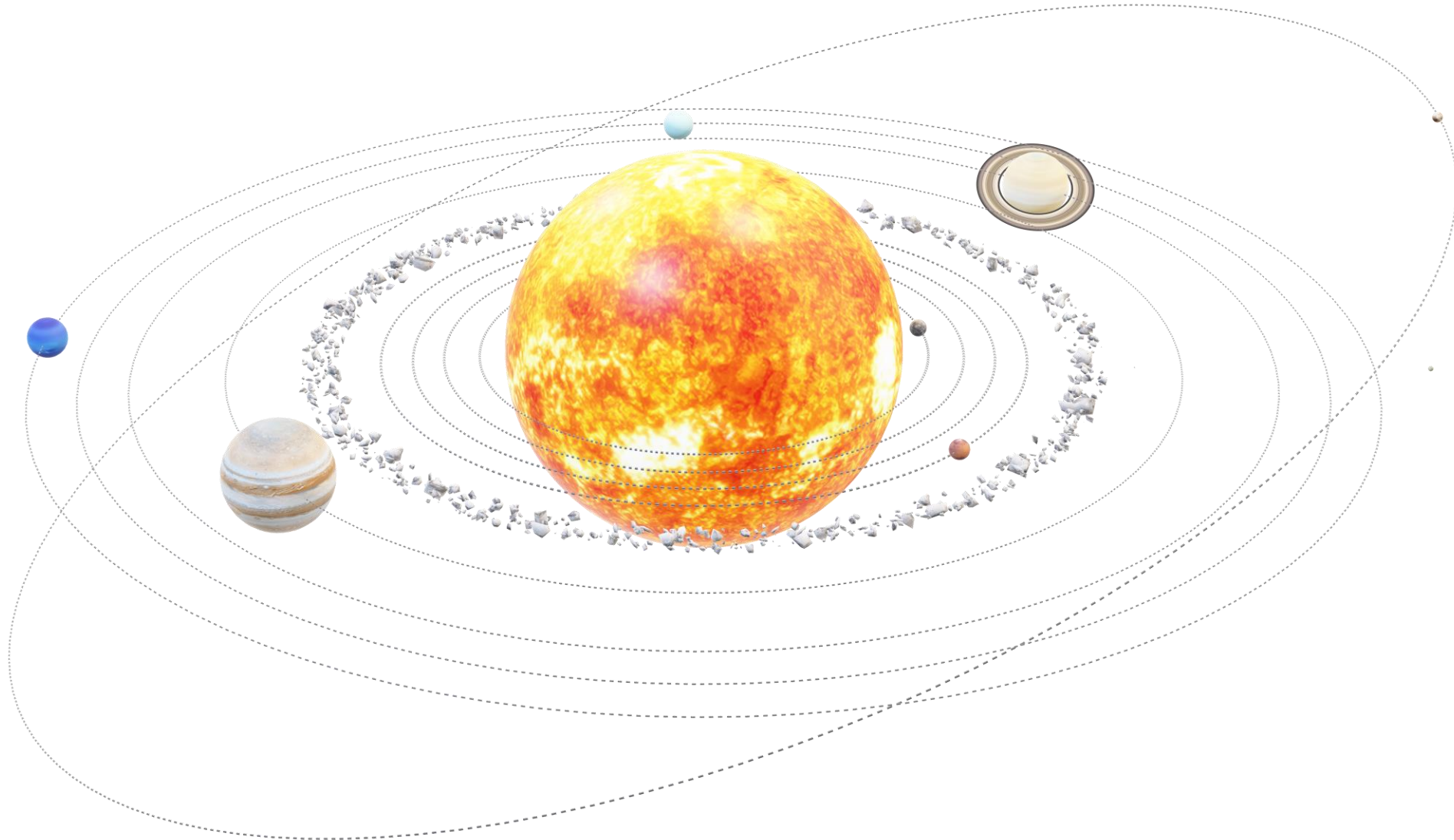
**Strategic  
Game Changing  
Actions**



Drives ILG Agenda

**Actions & Initiatives Over & Above Core Activity**

# What has the ILG done in its first year?





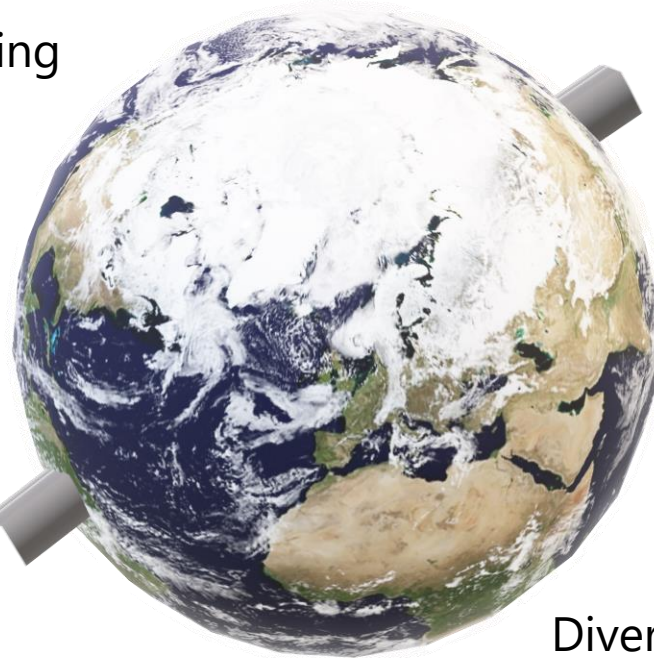
# What has the ILG done in its first year?

## 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

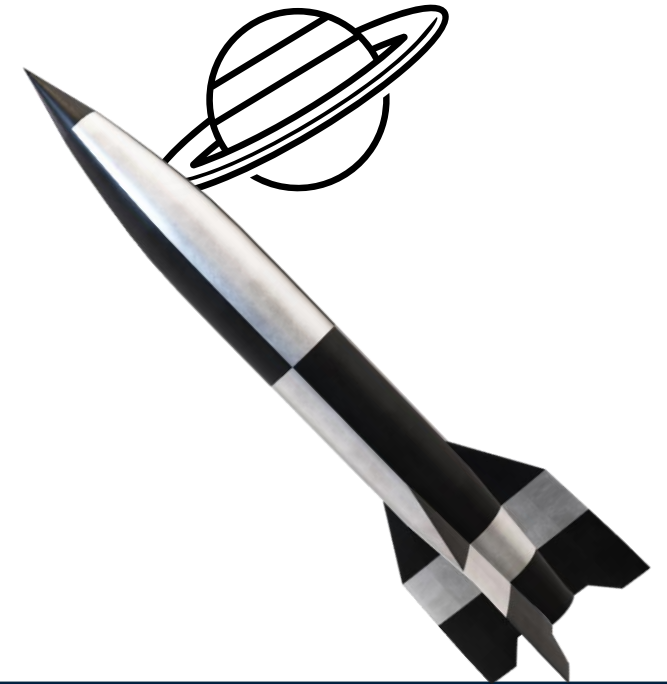
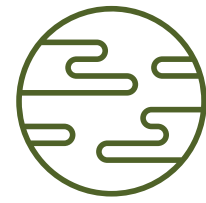
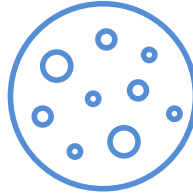
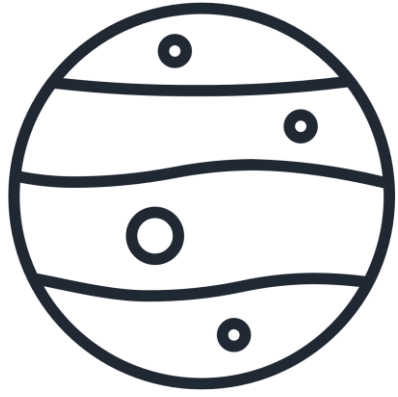
Using technology to unlock opportunities and address the challenges

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

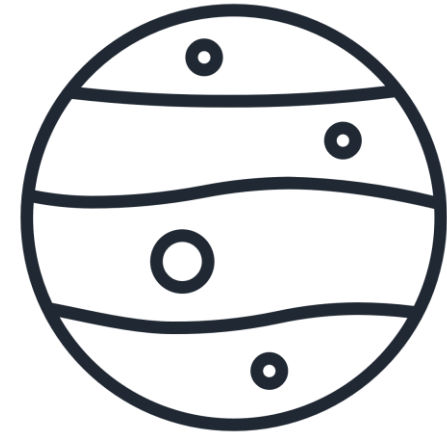
Proud and  
valued  
people  
working for  
Scotland

Community-  
led tourism

Technology  
to enhance  
and enable

Net zero  
acceleration

Sustainable  
transport



Equality, diversity and inclusion

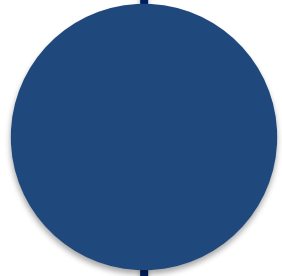




January and February  
2024



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

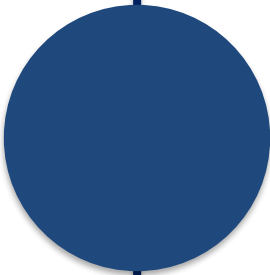
# January and February 2024

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 7<sup>TH</sup> DECEMBER 2023, 11AM – 12PM  
ONLINE

**SCOTTISH TOURISM MONTH – THE SIGNATURE CONFERENCE**

TUESDAY 12<sup>TH</sup> – WEDNESDAY 13<sup>TH</sup> 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**



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