



From Lockdown to Living Costs

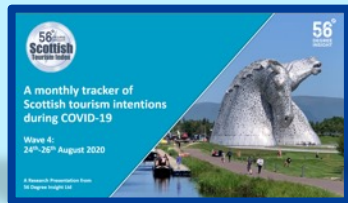
The Challenges facing Scottish Tourism

20th June 2022
Birnam Arts Centre

Perthshire Tourism Partnership



Providing insight on the trends and drivers of Scottish tourism activity is one of our key objectives at 56 Degree Insight



56 Degree Insight defines who we are and where we come from. Our home turf, the Edinburgh area, sits on the 56 Degree North line of latitude and we provide precise direction and insights looking at your business issues from every possible angle.

Jim Eccleston and Duncan Stewart



- With an absence of information on how the Scottish population felt about holidays and travel during lockdown in Spring 2020, we launched the Scottish Tourism Index to try to fill this information gap for tourism businesses
- 5 nationally representative surveys of the Scottish population were run between May 2020 and March 2021 ensuring we could see how attitudes and behaviours evolved.
- This year, we have decided to relaunch the STI on a quarterly basis to provide a much needed barometer of Scottish consumer attitudes, plans and behaviours
- Today, we will take you on that journey – and also share our thoughts on trends and prospects

What we'll cover today

- Scots' feelings about travel in general
- The desirability of different destinations
- Scottish home holiday prospects for 2022
- Trends and possible future directions of travel





Scots' feelings about travel in general



HOW SCOTS WERE FEELING ABOUT HOLIDAYS AND TRAVEL DURING THE FIRST LOCKDOWN – EARLY MAY 2020:

In the midst of the first lockdown in 2020, we saw that Scots had a wide range of feelings about future holiday taking, ranging from fear to travel again to a desire to quickly get back to normal



2020



SCARED – NERVOUS ABOUT TRAVEL AND FEELING VERY WARY (11%)

EXPECT TO TRAVEL IN FUTURE BUT WITH ADDITIONAL CAUTION, PLANNING AND SOME CHANGES



NOTHING'S CHANGED – EXPECT TO CONTINUE AS BEFORE (17%)

Feel nervous, going to avoid travel till its settled

Very, very wary

I am in the shielded group of people. I will be very cautious of going away anywhere until I know covid19 has passed

Cannot see how air travel will be possible for a while - busy airports and full aircraft are one of the best situations for the spread of disease. Same with public transport.

Scared to be with a lot of people

I would use our own transport. Keep away from crowds or restricted spaces.

I would try to avoid public transport, buses, trains and planes and would ensure I had plenty of hand sanitiser and wipes.

It has not decreased my motivation or ambition to travel, However it has made me think about how I can travel more conscientiously and safely. This is in reference to both COVID and global warming.

Makes me desperate to go travelling

I am still not scared to go places as I think if you take care you should be ok. It's like the cold or the flu. If you don't pick up the virus you cant get sick.

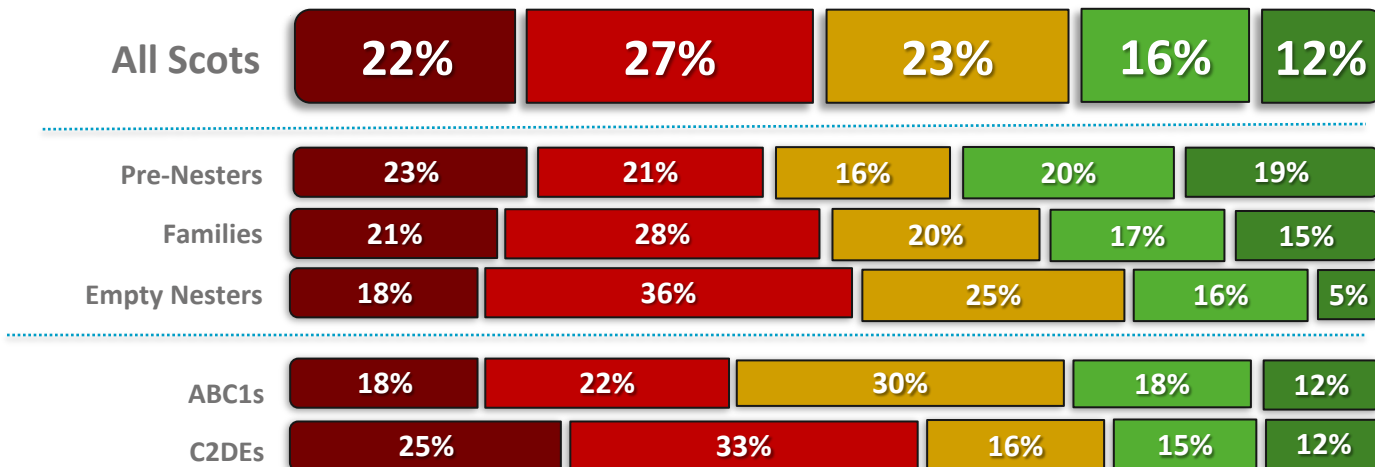
My opinion on travel hasn't changed at all.

HOW SCOTS WERE FEELING ABOUT HOLIDAYS AND SHORT BREAKS ALMOST A YEAR LATER – IN MARCH 2021:

A year later in March 2021, around half of Scots were still not really thinking about holidays although almost three in ten were keen for a holiday in the summer or even sooner



Not in my thoughts	Something for later	Probably later in year	Probably in the summer	As soon as possible
I am not thinking about holidays at all in 2021 – I have other priorities	I am not thinking about holidays at the moment - that's something for later	I plan to take a holiday but it will probably be a bit later in the year	I'm keen for a holiday at some point in the summer when it is safe to do so	I am desperate to take a holiday and will do so as soon as it is possible



HOW SCOTS WERE FEELING ABOUT HOLIDAYS AND SHORT BREAKS ALMOST A YEAR LATER – IN MARCH 2021:

When asked why they felt that way, there was an emotional ‘tug-of-war’ between a desire to stay safe on one side and a need for travel on the other



Holidays not in my thoughts / Something for later 49% of Scots	
Doesn't yet feel safe/ too much risk of transmission	25%
Its too soon/prefer to wait until things settle down	14%
Not a priority/ no plans	13%
Too much uncertainty/ ambiguity	11%
Can't afford to/ too expensive	11%

"I have no confidence as yet to feel safe travelling or visiting another country despite being vaccinated."

"We don't know for definite that it will be safe to travel. Even if it is safe with the increase of people travelling the chance of another spike is greater."

"I'm not confident it will be safe to take a holiday this year even when we have had the vaccine, I still think there could be a further lock down around summer."

"As I am not working at the moment my priorities are finding a job - holidays are not a priority."

Holidays considered but probably later in year 23% of Scots	
Its too soon/prefer to wait until things settle down	31%
Doesn't yet feel safe/ too much risk of transmission	18%
The vaccine rollout provides confidence	17%
Need to wait until lowered restrictions	14%
Can't afford to/ too expensive	7%

"I am not keen to join a stampede of people who want to go on holiday. I will assess the risk of travelling by different means and decide how and where to travel when I decide the risk is worth taking."

"Summer is too soon, situation could change rapidly again but hopefully will have calmed down in more places later in year with more vaccines."

"Won't consider holiday until later, more people vaccinated, rates very low."

Want a holiday as soon as possible / In the Summer 28% of Scots	
Need to get away/escape/deserve a holiday	44%
Need to travel to see family	11%
Need holidays for mental health/ to relax	8%
Will only consider domestic holidays for now	6%
The vaccine rollout provides confidence	5%

"I haven't had a break since September 2019 and am so exhausted having worked the whole way through the pandemic and never being able to relax or blow off steam. A break is a priority."

"I need to get out my house as live alone and feels like a prison. I need a break ASAP"

"Because I enjoy travelling - I usually travel often and have missed doing it since the pandemic started. It will be nice to get a change of scene too."

SO, ANOTHER YEAR ON – IN APRIL 2022, HOW DO SCOTS FEEL NOW?:

There is undoubtedly further recovery with almost three quarters planning to take at least one holiday this year. Domestic holidays remain appealing but more so for secondary breaks



of Scots expect to take holidays this year

+13% compared with January expectations

Domestic short breaks and holidays broadly fall into two categories:

- **Regular trips which are repeated** e.g. a favorite dog friendly holiday cottage, family tradition to stay in a caravan or annual trip to see a show, visiting friends/family
- **Trips to discover and explore new places** – a break from the norm, recharging batteries, indulging, eating good food, returning to childhood haunts – rural and city breaks.

During the pandemic more time than normal has been spent (re)discovering destinations in the UK and positive experiences mean that many would like to continued to see more of their country.

However future domestic holidays are likely to be secondary breaks with main holiday(s) taken overseas

Trips in the UK come with the expectation that weather may be poor

This concern is ‘de-risked’ by taking shorter breaks (including shorter travel time) – this also means that the time off work is less of a commitment with annual leave ‘saved’ for international trips

When travelling with children more planning is needed for domestic trips to ensure that there is plenty to do, especially if the weather is poor – this tends to be less of a concern for overseas trips

HOW SCOTS WERE FEELING ABOUT AIR TRAVEL DURING 2020-21:

Scots' worries about air travel in 2020 continued into 2021 with almost three quarters unlikely to consider flying to a holiday destination last year



This has changed significantly in 2022 – but now the recent airport delays and flight cancellations are impacting on the plans of many for Summer 2022

Unlikely to consider travelling by air during 2020

June 2020: **68%** in agreement

Unlikely to consider travelling by air for a holiday or break during 2020

July 2020: **78%** in agreement

Unlikely to consider travelling by air for a holiday or break during 2021

August 2020: **60%** in agreement

Unlikely to consider travelling by air for a holiday or break during 2021

March 2021: **72%** in agreement

Greatest agreement:

- Empty Nesters (79%)
- Families (76%)
- C2DEs (74%)

Least agreement:

- Pre-Nesters (56%)
- ABC1s (69%)

HOW SCOTS WERE FEELING ABOUT THEIR PERSONAL FINANCES – 20-21

Over a third of Scots' finances were significantly impacted by COVID-19 – a consistent proportion over the period which undoubtedly impacted on holiday considerations



My personal finances are being impacted significantly by the COVID-19 restrictions

2020 -May: **33%** June: **33%** August: **35%** in agreement

March 2021: **34%** in agreement

Greatest impact on:

- Pre-nesters (47%)
- Families (43%)
- C2DEs (39%)

Least Impact on:

- Empty Nesters (21%)
- ABC1s (28%)

The cost of living crisis is really starting to bite – and over four in five Scots claim that it has impacted their holiday plans in some way



The cost of living crisis in 2022 is having a major impact on holiday choices



"Money is being used to cover day to day life. Bills have increased but no pay rises. I have also dropped days as childcare is expensive"

"Barely enough money for basic necessities such as fuel and food and clothes for myself and family so holidays are not an option this year"

"I have less disposable income due to the rise in cost of living and therefore less to spend on holidays"

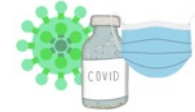
"Spiralling cost of living and energy bills are leaving me with nothing each month, no chance of affording a break"

COVID CONTINUES TO BE A FACTOR FOR SOME:

Coronavirus fears have not disappeared – and the recent surge in cases acts as a reminder for many – and it is still having an impact on the decisions of 3 in 4 Scots



But Covid-19 continues to impact on holiday choices



75%

MAJOR IMPACT: 24%
SOME IMPACT: 51%

"I am worried that there could be a spike in Covid cases and that this could put a stop on going"

"In relation to Covid, I am still being cautious about being in crowds or away from my own home. I don't know how much of this is down to fear of catching covid - or just out of the habit of going away"

"In regards to covid I just don't feel comfortable staying in a hotel that others have recently stayed in. How do I know it's been properly cleaned?"

"I am aware that there are still restrictions in place regarding COVID, and therefore don't want to book for the USA until we don't have to test"

WAR IN UKRAINE HAS DEALT AN UNEXPECTED BLOW FOR INTERNATIONAL TRAVEL FOR MANY

Almost half of Scots' holiday choices have been impacted by the war in Ukraine – dampening demand for neighbouring countries such as Turkey and adding an uncertainty to travel



And war in Ukraine is also a major consideration in many of our holiday choices



47% MAJOR IMPACT: **13%**
SOME IMPACT: **34%**

"We were thinking of going on a city break to Easter Europe however this may change with the war in Ukraine. We may go elsewhere further away from the conflict"

"My cruise was meant to be calling at St Petersburg, which was the main reason I booked it. Now it has been substituted with Stockholm"

"Avoid holidaying in Eastern European countries that are currently dealing with a large influx of refugees from Ukraine. Also if there are other consequences from the war in Ukraine on certain other countries"

"War in Ukraine makes me worry about flying abroad in case the war escalated and causes disruptions to flights"



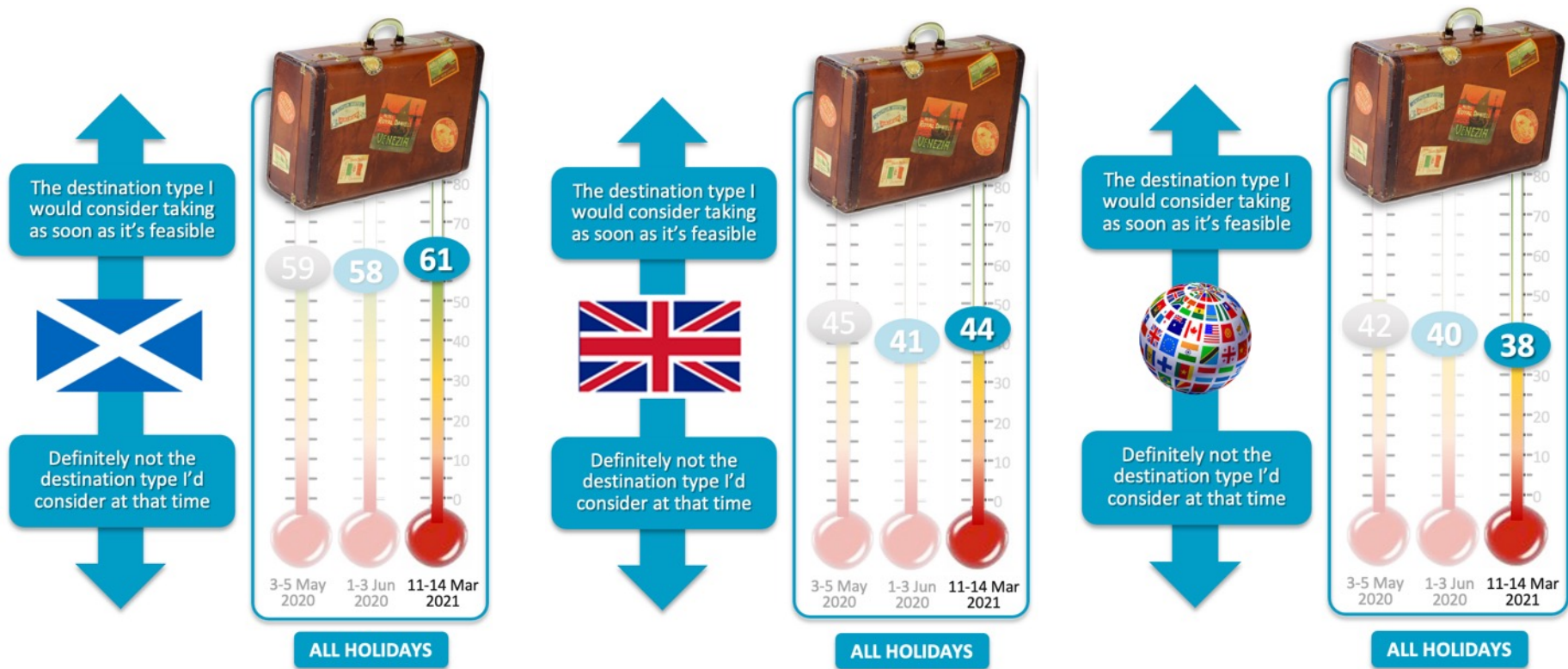
The desirability of different destinations





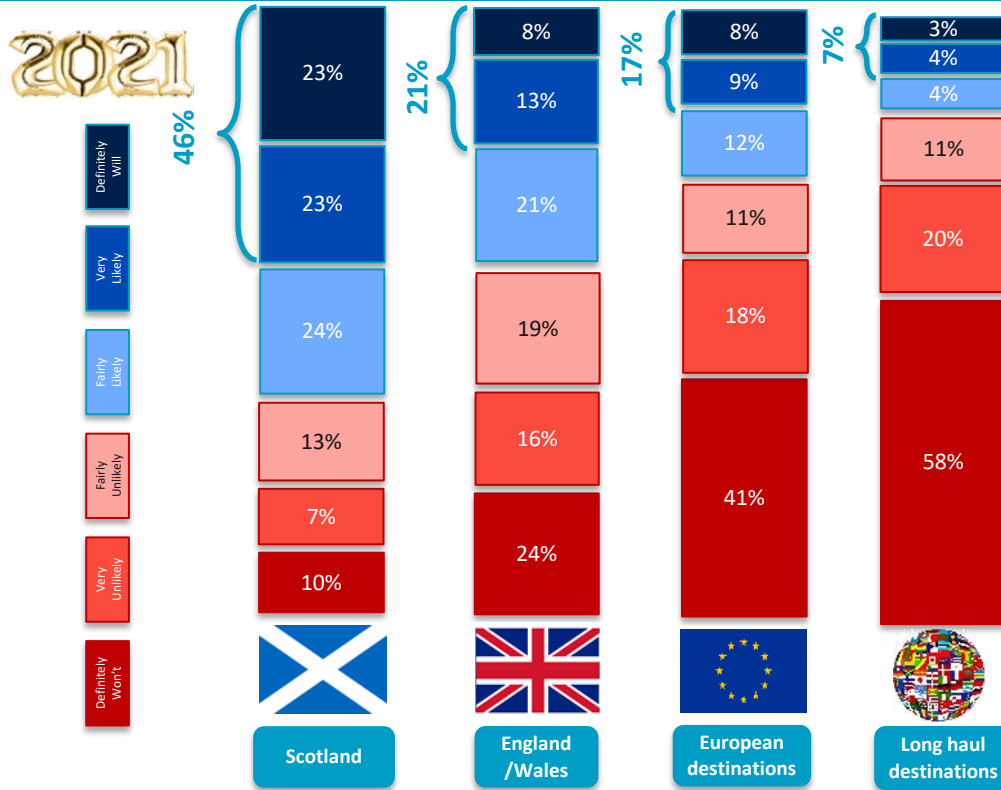
TOURISM DESIRABILITY SCORES DURING THE PANDEMIC

The appeal of holidays close to home was clear throughout the peak of the pandemic



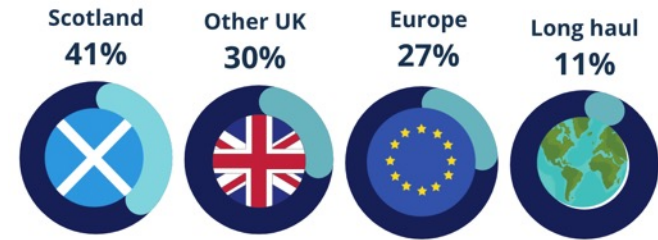
LIKELIHOOD TO VISIT DIFFERENT DESTINATIONS IN 2022:

Despite the uncertainties mentioned previously, by April this year, likelihood to take holidays elsewhere in the UK and abroad had increased over 2021 – alongside a slight decrease in home holidays



2022

41% of Scots are planning a holiday in Scotland with Spain the main overseas destination



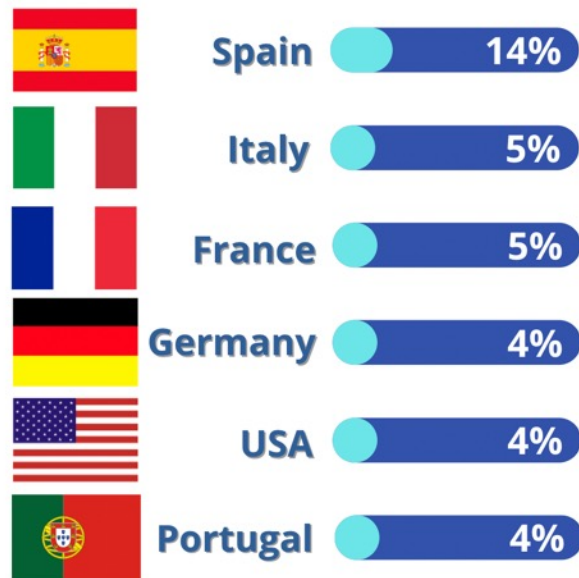
WHICH OVERSEAS DESTINATIONS DO SCOTS HOPE TO VISIT IN 2022?:

Interest in all countries has increased – almost trebling for Spain

2021

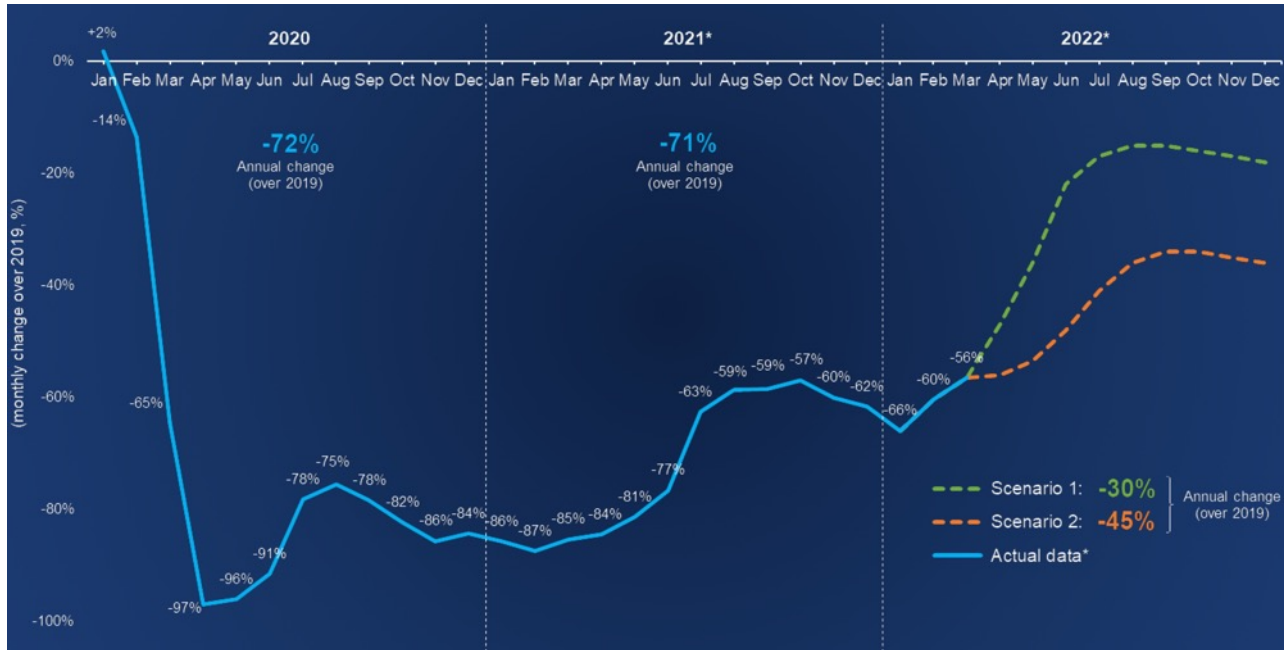


2022



AND WHAT ARE THE GLOBAL TRENDS IN INTERNATIONAL TOURISM?

UNWTO is anticipating improved recovery in 2022 than previously forecast: -30% to -45% compared to 2019. McKinsey believes it will be 2024 until we return to 2019 levels



Clearly, domestic tourism is going to remain key in the short-medium term



Scottish home holiday prospects in 2022



Overall, 72% of Scots are planning holiday(s) in 2022 (2.9 million adults) and 41% are planning Scottish holidays or breaks (1.7 million)

A holiday in 2022....?



41% taking holiday(s) in Scotland (1.7m)



A PATTERN OF DECISION-MAKING ACROSS THE SEASONS

As recently as April, although intentions to take holidays were clear, many were leaving bookings and firm plans to the last minute – reflecting the many uncertainties



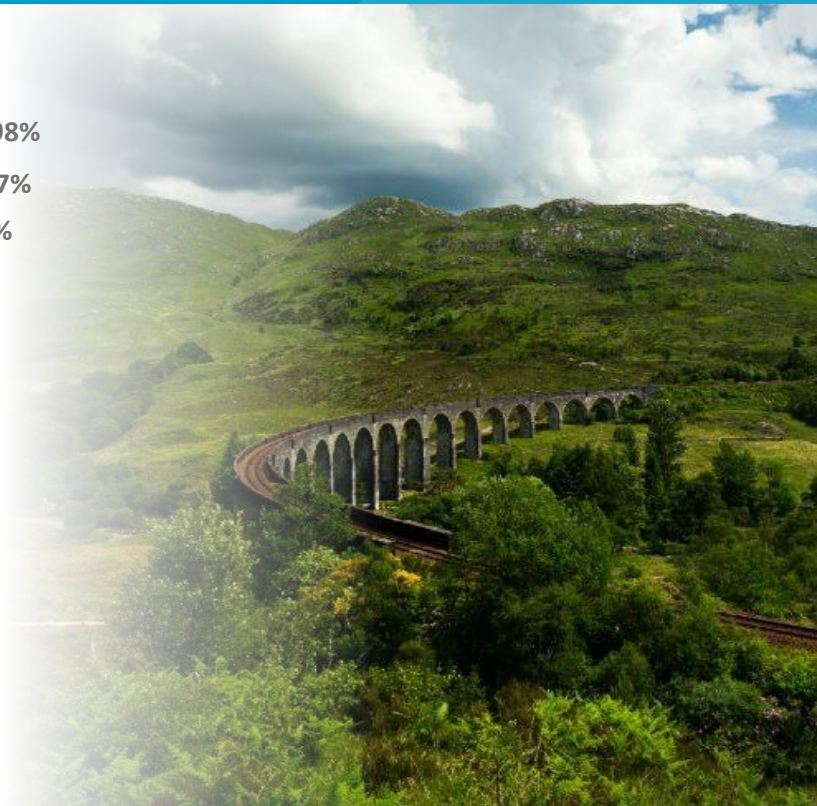
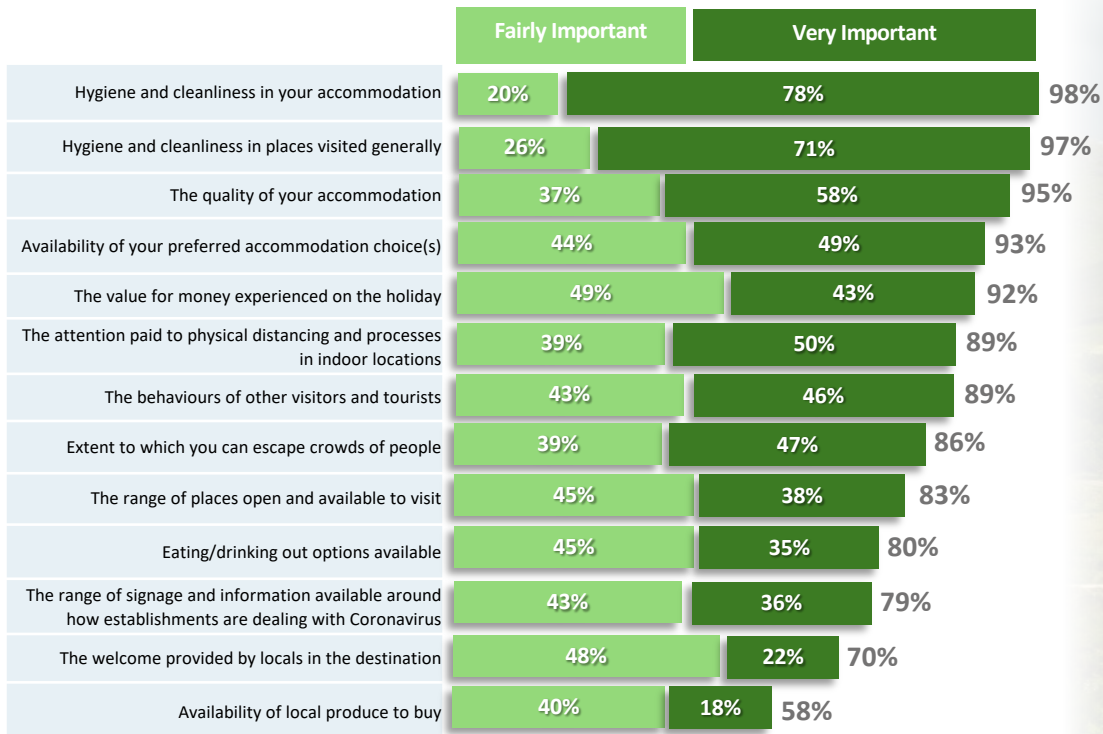


Trends and possible future directions of travel

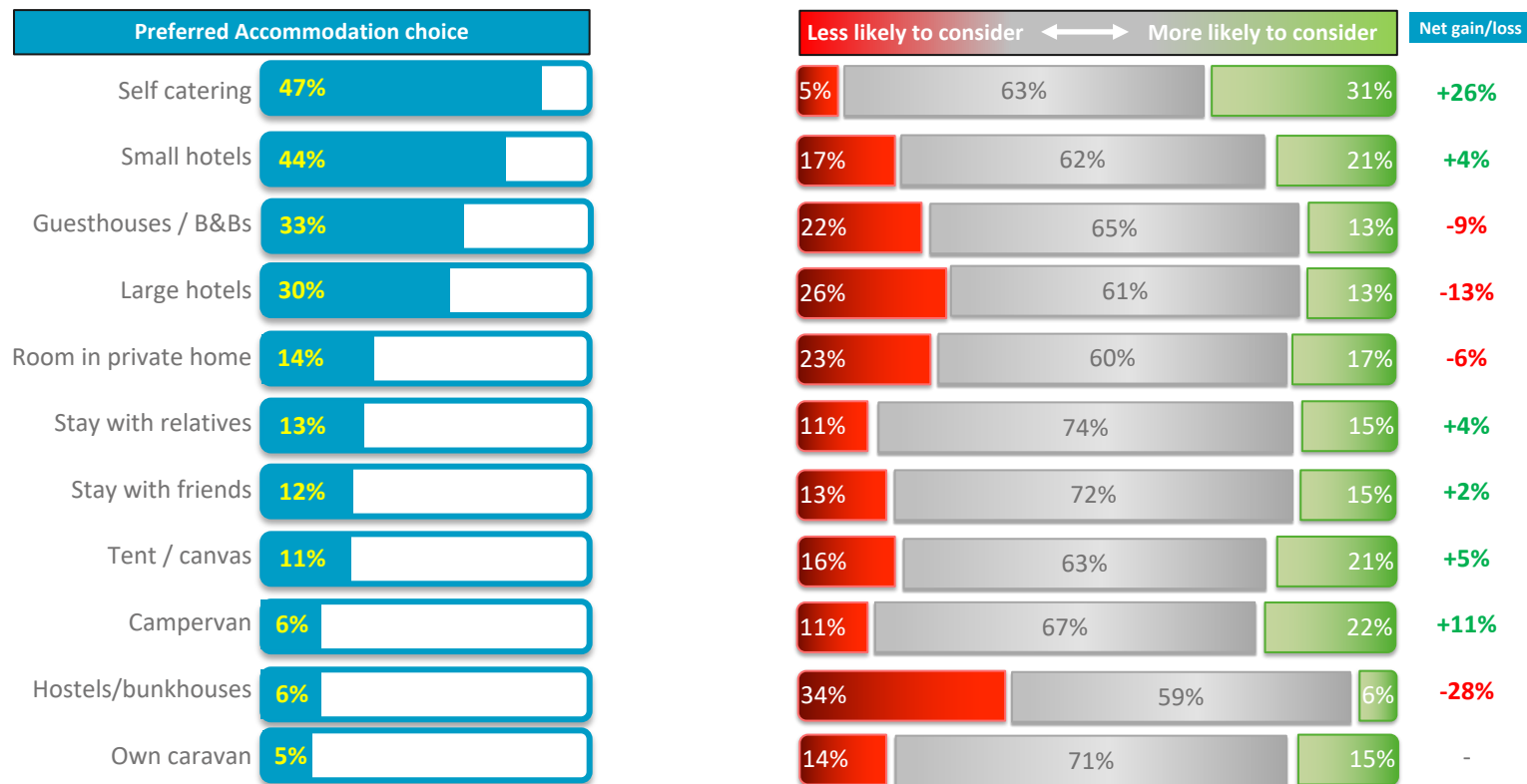


WHAT WAS IMPORTANT ON A SCOTTISH HOLIDAY IN 2021

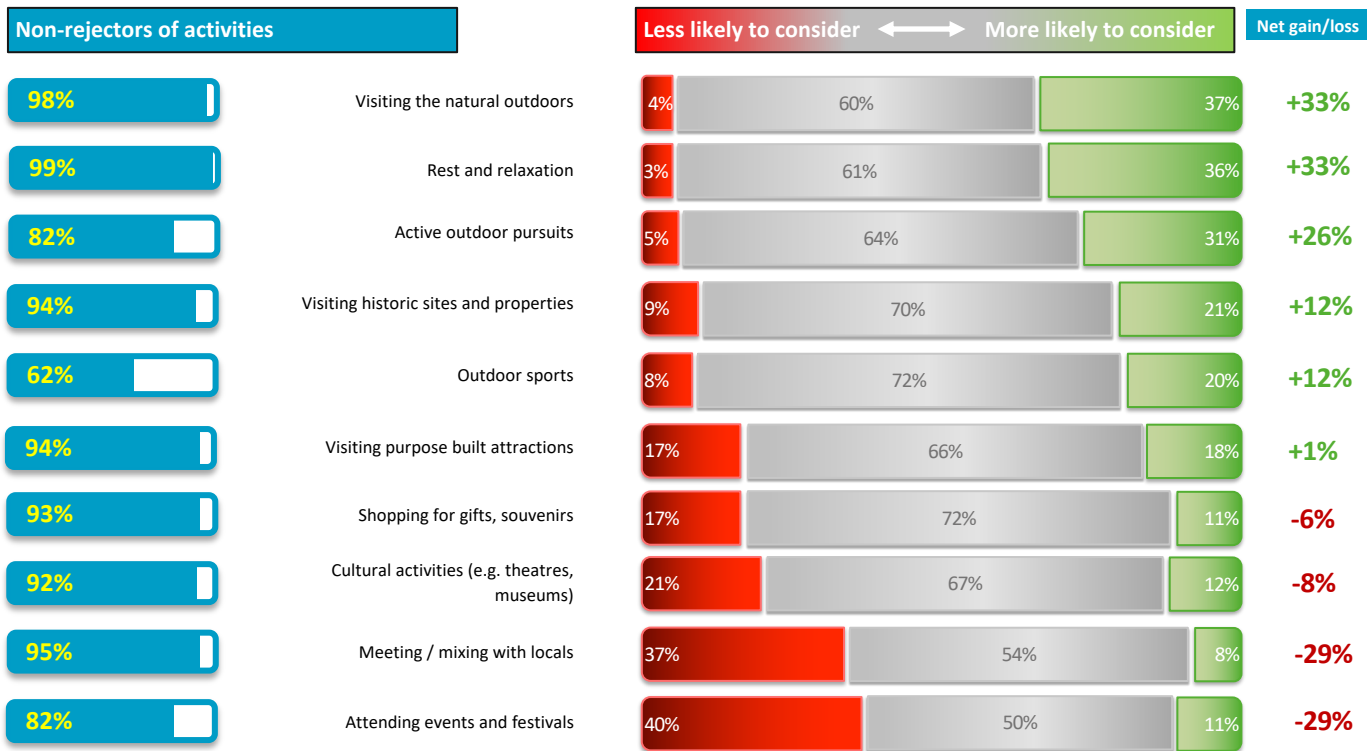
Hygiene and cleanliness topped the list as the most important factors to be adequately addressed on a Scottish staycation in 2021 – and still important in 2022



As in 2020, in 2021, self-catering was the most popular form of accommodation amongst Scots – but some signs that traditional serviced options are recovering in 2022



The natural outdoors, rest and relaxation and outdoor pursuits had greater appeal on a 2021 Scottish breaks - events and meeting locals had reduced appeal – will this continue?



OTHER TRENDS IMPORTANT TO SCOTS HOLIDAY CHOICES

The importance of sustainability and 'eco choices' continues to grow – and are linked to a desire for local food and drink and authentic experiences



Sustainability

Almost a third of Scots factor in green credentials when choosing their accommodation (31%)

31%

61%

Local Food and Drink

Six in ten choose places to eat that source local food and drink

Authenticity

Real, authentic experiences make visits much more enjoyable to most Scots

65%



Questions....





Jim Eccleston



Duncan Stewart

Download the Report here:

www.56degreeinsight.com/scottish-tourism-index

Any questions? A follow-up discussion?

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