



Scottish Visitor Attractions: Performance and Prospects in 2023

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CEO, ASVA

Who are we?

ASVA is the representative body the attractions sector in Scotland

286 organisations in membership, representing 510 individual attractions (including 65 in the South of Scotland) and over 60 businesses in the supply chain to the sector

Our vision is *'To support & inspire Scottish visitor attractions to deliver outstanding experiences for each and every visitor.'*

We do this by:

- Connecting the sector together, including providing members with exclusive ASVA passcards to facilitate benchmarking and networking opportunities
- Providing bespoke training and events tailored to the needs of the attractions sector
- Promoting and sharing both national and international best practice through our events and conference programmes
- Representing the interests of the attractions sector with government bodies and other national agencies to ensure that the views of our members are considered in major matters of policy
- We negotiate exclusive member rates for useful products and services, e.g. mystery visitor programme, recruitment support, insurance support etc
- Informing the sector, including producing detailed specific trends information and statistics reports to educate members and help with decision making



Are we good at what we do?

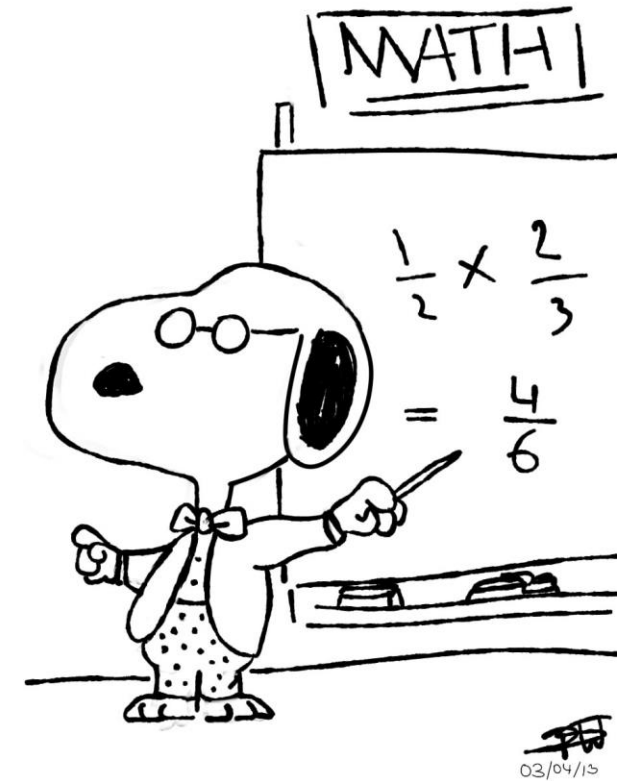
ASVA biennial membership survey results – October 2022

- ASVA delivers on its mission statement – 8.6/10 (59% scoring 9 or 10/10)
- ASVA is influential in tourism policy – 8.6/10 (54% scoring 9 or 10/10)
- I would recommend ASVA membership to others – 8.5/10 (61% scoring 9 or 10/10)
- ASVA membership represents good value for money – 8.4/10 (51% scoring 9 or 10/10)



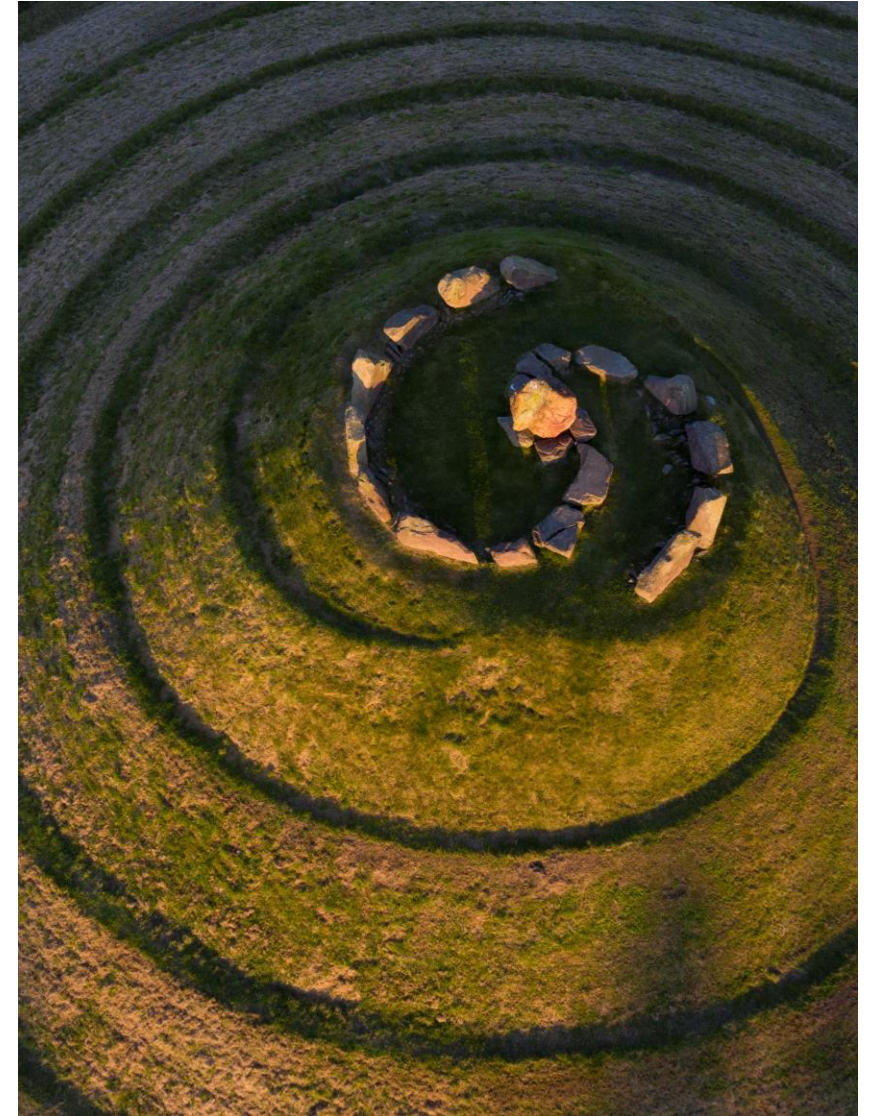
Latest insights

- Latest sector wide survey by ASVA, with support from the Moffat Centre for Travel & Tourism Business Development.
- Open from 24th February to 7th March 2023
- Responses received by 117 organisations representing more than 200 individual attractions
- Responses sought on:
 - Forecasted visitor numbers and turnover in 2023
 - Investment priorities for the year ahead
 - Changes to pricing
 - Recruitment & retention of staff
 - Challenges with costs and actions taken to mitigate cost increases
 - Biggest barriers to economic sustainability & growth
 - Interventions that would best support the sector



Status of the sector

- 85% of attractions fully open come Easter
- 15% will be operating with reduced hours/facilities due to staffing issues and/or financial constraints
- 40% are scaling back, cancelling or postponing capital works due to financial pressures
- Greatest financial pressures being faced are:
 1. Energy costs
 2. Staffing costs
 3. Cost of goods and services for core activity





Areas of investment

- Majority of respondents investing the same, if not more, in their business across a number of key areas when compared to 2022
- Main areas of investment are in:
 - Staff development & training – 88%
 - Regular facilities, infrastructure and maintenance – 83%
 - Marketing & promotion – 82%
- Least invested areas are:
 - New facilities & infrastructure – 32%
 - Leadership Development – 14%

Actions taken by the sector to mitigate costs

- 64% - seeking new ways to increase income to cover rising costs
- 49% - reducing energy consumption
- 35% - Using reserves to cover rising costs
- 26% - reducing staffing levels
- 22% - Reducing other outgoings, e.g. training & development for staff



Passing costs onto visitors

- 58% of operators intending to increase prices
 - with 1 in 10 at a rate higher than inflation
- 34% are unable/unwilling to increase prices
- Other measures include introducing variable or dynamic pricing or a 'pay what you can' policy





Recruitment

The Challenge

- Over 45% of the sector experiencing challenges with recruiting seasonal and permanent front of house staff
- Just under 20% experiencing challenges recruiting volunteers
- 20% experiencing challenges recruiting management positions and other skilled roles.

The Reaction

- 56% are national or real living wage employers
- More than 1 in 10 are providing above inflationary rate wage increases
- Just under 1 in 4 are introducing further flexibility with work patterns and/or additional benefits to staff beyond pay (e.g. increased holiday allowance, refer a friend bonus etc)



Looking ahead

- Forecasting visitor numbers for 2023
 - 1% - under 50% of 2022
 - 26% - between 51% & 90%
 - 20% - between 91% & 100%
 - 53% - over 100% of 2022
- Forecasting turnover for 2023
 - 3% - under 50% of 2022
 - 21% - between 51% & 90%
 - 27% - between 91% & 100%
 - 49% - over 100% of 2022

Business Confidence

- 65% of attractions are holding 6 months+ reserves in the bank vs 9% holding 1 month or fewer.
- 1 in 4 with between 2-5 months in reserve.
- 57% of the sector feeling optimistic about business prospects in 2023 (9% very optimistic)
- 21% feeling pessimistic (3%) very pessimistic.
- Under 1% are confident that the UK Government Energy Bills Discount Scheme will provide adequate protection against energy price increases





Biggest barriers to success

1. Increasing cost of doing business
2. Impact of cost-of-living crisis on visitor numbers and spend
3. Overstretched resources impacting on business operations
4. Challenges with recruitment of staff
5. Impact of Scottish Government policy decisions and legislation

Measures which would support economic sustainability

1. Further government intervention to reduce the cost of living for the consumer
2. Further government action on energy bills, e.g. more generous support scheme or action taken to safeguard businesses from significant price increases
3. Further government intervention to reduce the cost of doing business
4. Increase the number and/or value of funding opportunities available to businesses in the sector
5. An increase in national marketing activity targeted at the rest of UK audience





Final observations

1. Majority on the path to recovery, but increasing costs remain a significant barrier to success
2. The sector has proven – and continues to prove - itself to be incredibly adaptable and resilient
3. Investment levels are healthy, but comparatively less in new facilities/infrastructure and leadership could have implications for future success
4. Ours is a sector that is aligned with the principles of fair work
5. Clear message to Governments to take more significant action on the cost of living crisis and to reduce the ever increasing costs of doing business

Questions?

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