

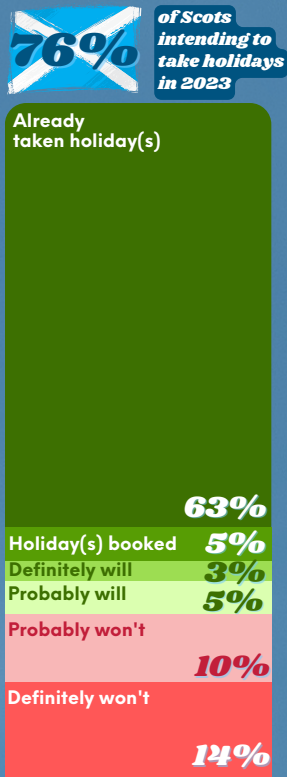
THE GROUNDS FOR CAUTIOUS OPTIMISM FOR SCOTTISH TOURISM SEEN IN APRIL CONTINUE INTO AUGUST: WE FORECAST MORE OF US TO TAKE HOLIDAYS IN SCOTLAND THIS YEAR - ALTHOUGH THE AMOUNTS WE SPEND WHILE AWAY ARE REDUCED. SIMILAR PICTURE FOR TRIPS FURTHER AFIELD

WHAT IS 2023 LOOKING LIKE IN TERMS OF SCOTS' HOLIDAY BEHAVIOURS?

By the end of July this year, over six in every ten Scots had already taken a holiday of some description away from home (63%). A further 5% had not yet done so but had holidays booked, whilst 3% were definite that they would take a holiday(s) this year. Some 5% 'probably' would - though this is always going to be the softest segment based on previous years' data as it is unlikely they will all convert to take holidays. Just under a quarter (24%) are already saying that a holiday is at best unlikely to be taken this year.

By the end of July, over a third of Scots had taken a domestic home holiday this year (36%), and with a further 19% claiming they are likely to do so, there is the potential that this year, over half of Scots residents will take a staycation of some description (55%). Four destinations are especially popular: the Highlands (potentially as many as 17% visiting), Edinburgh (13%), the Islands (13%) and Argyll, Loch Lomond & the Trossachs (12%). Just over four in ten intend visiting other parts of the UK this year (42%) with the North West, London and the North East remaining the most popular options.

Some 43% of Scots are likely to take a holiday in other parts of Europe this year with Spain (18%), France (9%), Italy (6%) and Greece (5%) likely to be the main beneficiaries. Travelling further afield continues to lag quite far behind (11% planning a long haul holiday) with the USA, Canada and Thailand the most popular options.



2023 holidays in Scotland



2023 holidays elsewhere in the UK



2023 holidays to Europe



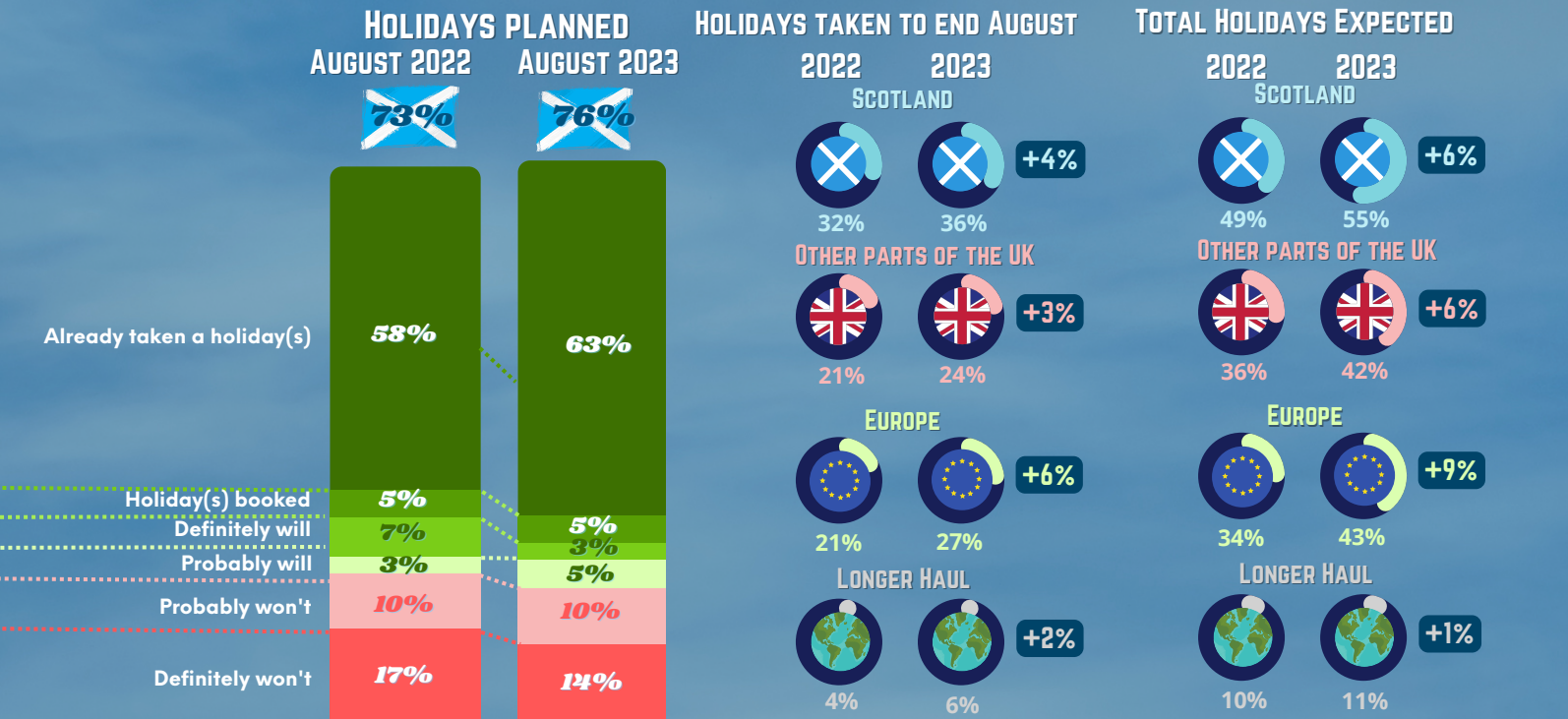
2023 holidays - long haul



Region	Taken	Possible	2023 Potential
HIGHLANDS	8%	9%	17%
EDINBURGH	6%	7%	13%
ISLANDS	4%	8%	12%
L LOMOND, ARGYLL	5%	7%	12%
GLASGOW	5%	5%	10%
AYRSHIRE	4%	4%	8%
DUMFRIES & GALL	3%	4%	7%
PERTSHIRE	3%	4%	7%
ANGUS & DUNDEE	3%	3%	7%
FIFE	3%	3%	6%
ABERDEENSHIRE	3%	3%	6%
BORDERS	2%	3%	5%
NW ENGLAND	6%	7%	13%
LONDON	5%	6%	11%
NE ENGLAND	5%	4%	9%
YORKSHIRE	3%	4%	7%
MIDLANDS	3%	3%	6%
SW ENGLAND	2%	3%	5%
SE ENGLAND	2%	2%	4%
WALES	2%	2%	4%
N IRELAND	1%	2%	3%
TURKEY	1%	2%	3%
CYPRUS	1%	2%	3%
CROATIA	1%	2%	3%
OTHER	3%	2%	5%
SPAIN & ITS ISLANDS	11%	7%	18%
FRANCE	5%	4%	9%
ITALY	3%	3%	6%
GREECE/ISLANDS	3%	2%	5%
PORTUGAL	2%	2%	4%
GERMANY	2%	2%	4%
MEXICO	-	1%	1%
AUSTRALIA	-	1%	1%
CEN/SOUTH AMERICA	-	1%	1%
USA	2%	3%	5%
CANADA	1%	1%	2%
THAILAND	1%	1%	2%

CAUSE FOR OPTIMISM COMPARED WITH THIS TIME IN 2022 WITH INCREASED ACTIVITY

It is also possible to compare tourism prospects amongst Scots with this time last year - we ran identical questions in the same week at the beginning of August each year. Encouragingly, holiday taking is ahead of where it was a year ago - 68% have already taken holidays or have holidays booked - five percentage points ahead of last year at this time (63%). And whilst 73% of Scots anticipated taking holidays during 2022 at this point of the year, this has increased to 76% in 2023. More Scots have already holidayed in Scotland this year compared with the same time last year (36% vs 32%) and whilst 49% anticipated taking any holidays in Scotland last year, this has increased to 55% this year. There are potential increases compared with last year for most destinations - however the increasing trend which began last year for returning to Europe has continued: 43% anticipate such a holiday this year - an increase of nine percentage points on the 2022 predictions at this time (34%).



SCOTTISH HOME HOLIDAY CHARACTERISTICS, 2023

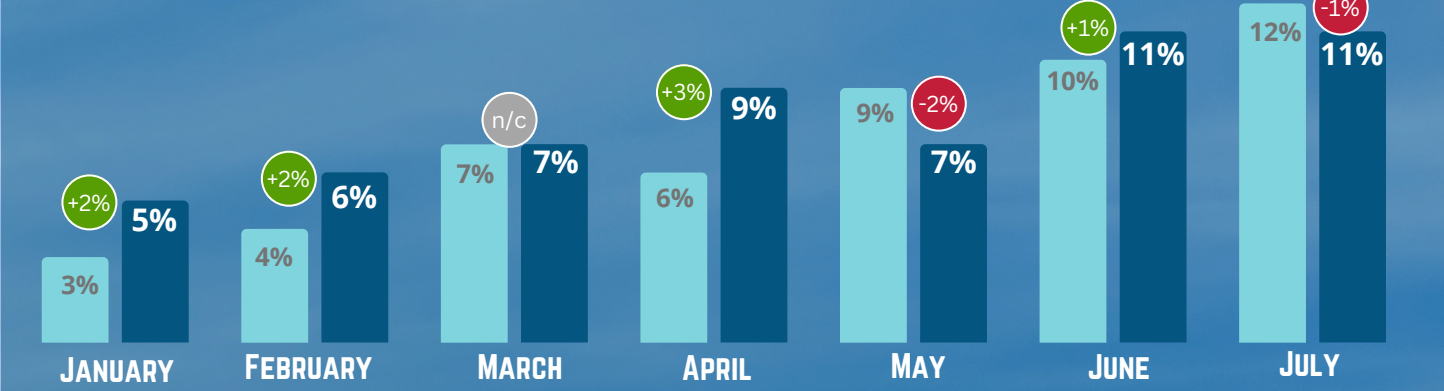
Although up slightly over the period as a whole, between January and the end of July, the proportion of Scots taking home holidays was higher in 4 months compared with 2022 (January, February, April and June), and lower in two months (May and July) - perhaps reflecting the poorer weather in May and July this year compared to last year.

This year, there has been a greater tendency to make last minute decisions when it comes to home holidays - 57% deciding a few weeks to a month or so beforehand (51% last year, when a larger proportion (40%) decided to take a home holiday several months in advance - 36% in 2023). Booking of elements of the holiday in advance was slightly lower in 2023 than 2022 (85% vs 88%), largely a result of a slightly smaller proportion booking their accommodation in advance (65% vs 69%).

In terms of accommodation used, self-catering/AirBnB are now most popular (31%), slightly ahead of hotels (29%). The popularity of this latter category has declined by 4 percentage points on 2022 with corresponding increases in the homes of friends and relatives, guesthouses/B&Bs and camping.

In terms of activities undertaken, perhaps reflecting spiralling costs, there have been marked decreases in visits to attractions and historic properties - mirroring recent ASVA research - whilst the popularity of being outdoors and taking part in active pursuits has increased. Smaller proportions are also eating out when on holiday.

MONTH OF SCOTTISH HOLIDAYS TAKEN SO FAR - 2022 vs 2023

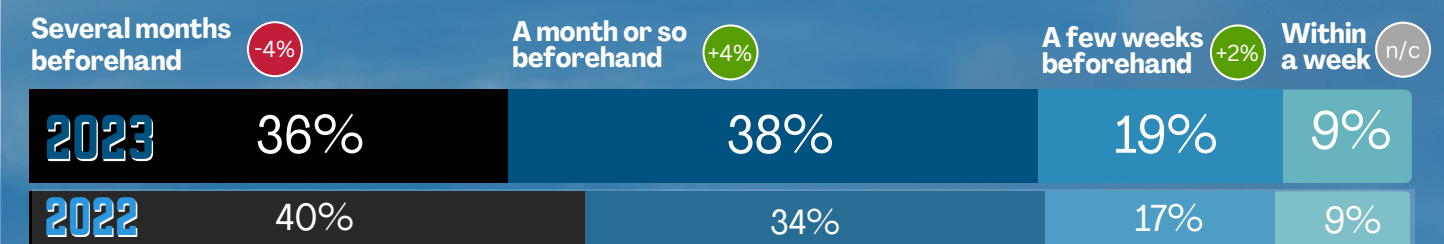


HIGH PRICES AT HOME & ON HOLIDAY ARE STILL HAVING AN IMPACT

The economic uncertainty across all aspects of our lives is still playing a role when it comes to our holiday decisions and behaviours. We have seen evidence amongst Scots taking domestic breaks that they are visiting paid attractions and eating out less than they would have done before - this reflects the general cost of living increases - 41% of our holiday decisions have been impacted by this (albeit a slowly improving situation than earlier in the year). Inflation is impacting on more than a third of us in terms of holiday decisions, and the reality of the costs whilst on holiday are more apparent in early August than earlier on in the year - around a third have had their overseas holidays impacted by holiday costs (33%) and it is also affecting 30% of domestic holidays. Concern about the extreme heat and devastation across many overseas destinations has impacted 16% of us (and we will be exploring these impacts in greater detail in some forthcoming additional analysis). More positively, the impact of Covid on holiday decisions is continuing to decrease - it appears to have only affected only one in ten of us in terms of holiday decisions this year.



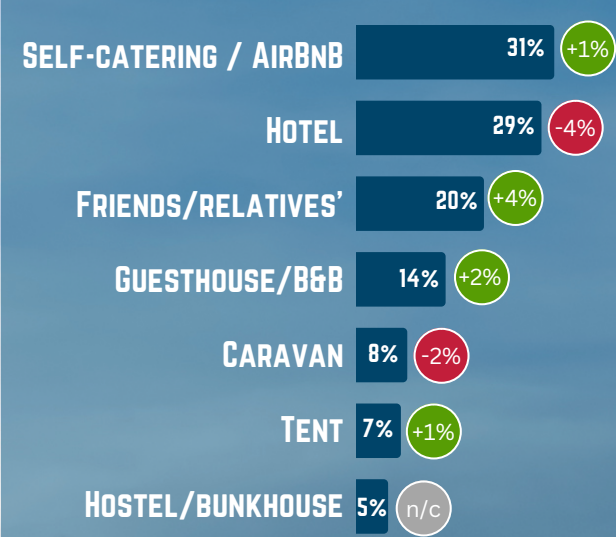
WHEN DECIDED TO TAKE A SCOTTISH HOLIDAY



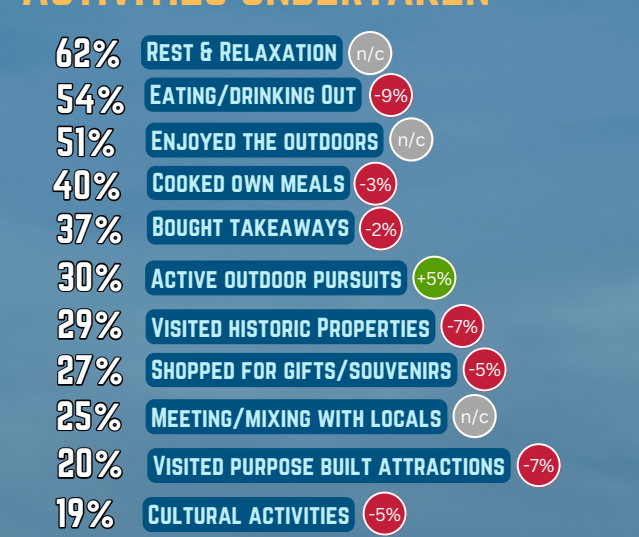
WHICH ELEMENTS OF THE SCOTTISH HOLIDAY WERE BOOKED IN ADVANCE? 2022 vs 2023



ACCOMMODATION USED

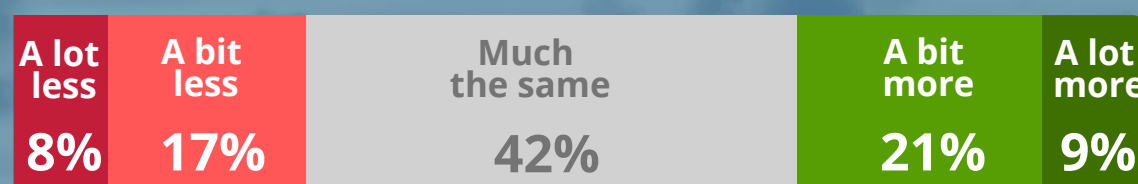


ACTIVITIES UNDERTAKEN



HOW SPENDING COMPARES ON 2023 SCOTTISH HOLIDAYS TO SPENDING IN PREVIOUS YEARS

We have seen in the analysis above how economic factors and rising prices are impacting on our holiday decisions and behaviours. When it comes to holidays in Scotland, there is of course a dichotomy - whilst some have been successful in cutting back and spending less on their holiday (25%), others have not been able to do so and have had to spend more (30%).



Why spent less?

- "I have other priorities this year so needed to spend less on a holiday"
- "Everything was too expensive so we decided to eat in the chalet"
- "Have a strict budget and don't want to use savings then not be able to replace them."
- "Very mindful of money when eating out"

Why spent more?

- "Hotels are becoming more expensive and food/drink prices have gone up."
- "The price of everything has gone up in the last year. What we bought last year costs more now."
- "Everything is more expensive. We did the same as we would normally do but spent almost 30% more"