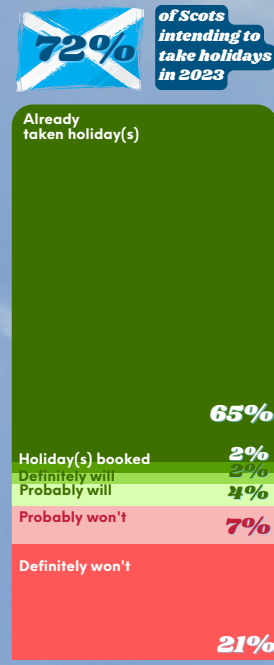


AS THE YEAR HAS DEVELOPED THERE HAS BEEN AN INCREASING TREND TO TAKE MORE HOLIDAYS IN EUROPE: HOWEVER HOLIDAYS AND BREAKS BY SCOTS IN SCOTLAND HAVE DECREASED SLIGHTLY ACROSS 2023 COMPARED WITH 2022 AND THIS TREND LOOKS LIKELY TO CONTINUE - IN THE SHORT TERM AT LEAST

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

By late October, almost two in every three Scots had taken a holiday of some description away from home (65%) and by the end of the year, up to 72% expect to have done so. A further 2% had not yet done so but had holidays booked, whilst 2% were definite that they would take a holiday(s) before the end of the year. Some 4% 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 three in ten (28%) are saying that a holiday is at best unlikely to be taken this year.



By late October, 36% of Scots had taken a domestic home holiday this year and with a further 8% claiming they are likely to do so, we predict that up to 44% of Scots residents will take a staycation of some description. Four destinations are especially popular: the Highlands (up to 12% are likely to visit), Edinburgh (11%), Glasgow (10%), the Islands (9%) and Argyll, Loch Lomond & the Trossachs (8%). Just under a third intend visiting other parts of the UK this year (32%) with the North West, London and the North East remaining the most popular options.

We predict that some 38% of Scots are likely to take a holiday in other parts of Europe this year with Spain (17%), France (6%), Italy (4%), Germany (4%), Portugal (4%) and Greece (4%) likely to be the main beneficiaries. Travelling further afield continues to lag quite far behind (10% planning a long haul holiday) with the USA and Canada the most popular options.

2023 holidays in Scotland



2023 holidays elsewhere in the UK



2023 holidays to Europe



2023 holidays - long haul



Region	Taken	Anticipated	2023 Predicted
HIGHLANDS	10%	2%	12%
EDINBURGH	8%	3%	11%
GLASGOW	7%	3%	10%
ISLANDS	7%	2%	9%

Region	Taken	Anticipated	2023 Predicted
L LOMOND, ARGYLL	7%	1%	8%
AYRSHIRE	4%	2%	6%
PERTSHIRE	4%	2%	6%
DUMFRIES & GALL	3%	2%	5%

Region	Taken	Anticipated	2023 Predicted
ANGUS & DUNDEE	3%	2%	5%
FIFE	4%	1%	5%
ABERDEENSHIRE BORDERS	3%	1%	4%

Region	Taken	Anticipated	2023 Predicted
NW ENGLAND	9%	2%	11%
LONDON	8%	2%	10%
NE ENGLAND	6%	1%	7%

Region	Taken	Anticipated	2023 Predicted
MIDLANDS	4%	2%	6%
YORKSHIRE	4%	1%	5%
SW ENGLAND	4%	1%	5%

Region	Taken	Anticipated	2023 Predicted
SE ENGLAND	2%	1%	3%
WALES	1%	1%	2%
N IRELAND	2%	-	2%

Region	Taken	Anticipated	2023 Predicted
SPAIN & ITS ISLANDS	15%	2%	17%
FRANCE	5%	1%	6%
ITALY	4%	-	4%

Region	Taken	Anticipated	2023 Predicted
GREECE/ISLANDS	3%	1%	4%
PORTUGAL	3%	1%	4%
GERMANY	3%	1%	4%

Region	Taken	Anticipated	2023 Predicted
TURKEY	2%	1%	3%
CYPRUS	2%	1%	3%
NETHERLANDS	2%	1%	3%

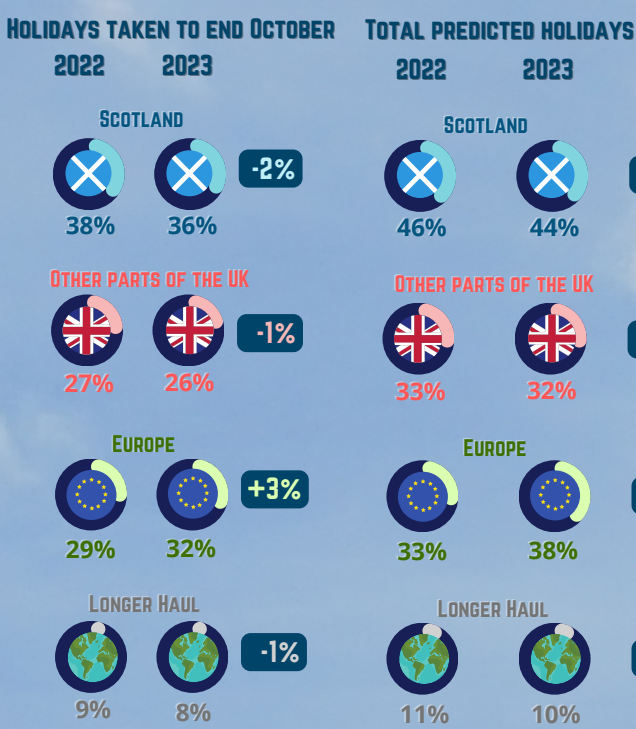
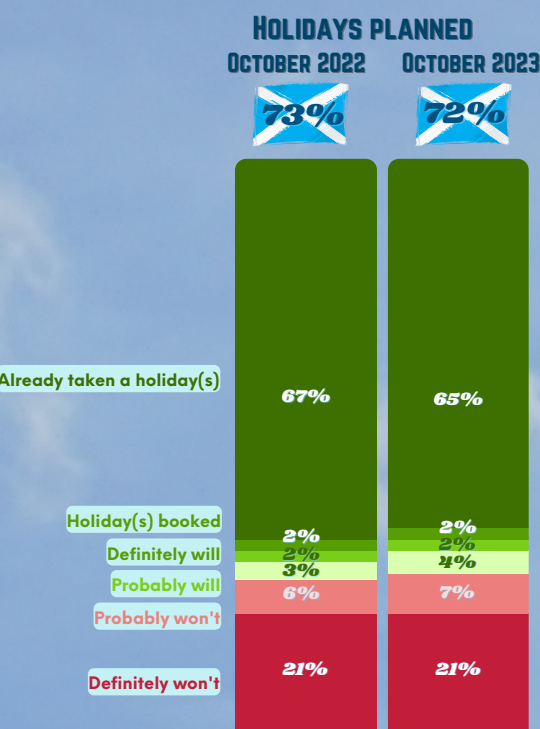
Region	Taken	Anticipated	2023 Predicted
USA	3%	-	3%
CANADA	2%	-	2%
MEXICO	1%	-	1%

Region	Taken	Anticipated	2023 Predicted
SOUTH AFRICA	-	1%	1%
AUSTRALIA	1%	-	1%
CEN/SOUTH AMERICA	1%	-	1%

Region	Taken	Anticipated	2023 Predicted
OTHER	2%	1%	3%

A DECLINE IN HOME HOLIDAYS AS WE REDISCOVER EUROPEAN DESTINATIONS

It is also possible to compare tourism prospects amongst Scots with this time last year - we ran identical questions in the same week in late October each year. Overall, the proportion of Scots expecting to take holidays this year is likely to decrease slightly by one percentage point to 72%. We are also two percentage points behind where we were this time last year in terms of holidays already taken (65% compared to 67%). The main reason for this drop is a decline in holidays taken in Scotland by Scots (-2% vs 2022) as well as declines to other parts of the UK (-1%) and long haul destinations (-1%). On the other hand, we are predicting a five percentage point increase in holidays to Europe in 2023 - 38% of Scots are likely to take such trips.



WHAT HAS IMPACTED OUR HOLIDAYS THIS YEAR AND IN WHAT WAY?

The economic uncertainty across all aspects of our lives is still playing a role when it comes to our holiday decisions and behaviours. The cost of living increases over 2023 have impacted 37% of our holiday decisions. Whilst this, alongside other economic uncertainties peaked in April the picture has been gradually improving since then. However, with April a key month for holiday planning and booking, this timing undoubtedly dampened holiday activity this year.

There has clearly been a gradual decrease in the negative impacts listed since the peak in April, however the one factor that has increased in impact in October over August is Covid - perhaps reflecting the recent increase in strains and their greater impact in the winter months. The dreadful recent scenes we've witnessed in the Middle East have also had a major impact on 11% of us in terms of holiday considerations in the last few months.

The slow reduction in these negative impacts is illustrated too by the fact that 30% were more able to take a holiday in 2023 than they feared at the start of the year - and a third of Scots see holidays as a priority and ring-fenced their budget whilst cutting back in other areas. That said, uncertainty had a number of effects - 35% waited until the last minute to book and 27% were more likely to use a 3rd party travel agent/tour operator to offer more protection. And Covid has not yet 'gone away' - 27% of Scots still don't feel comfortable going abroad on holiday because of ongoing concerns about Covid.



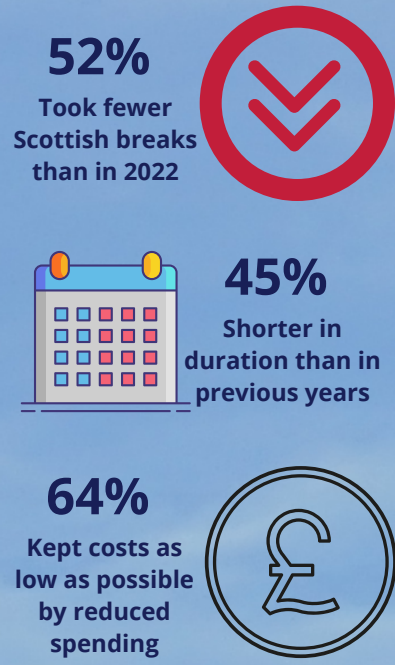
SCOTTISH HOME HOLIDAY CHARACTERISTICS IN 2023 - SHORTER, LOWER SPEND AND FEWER IN NUMBER WITH A CONTINUED TREND TOWARDS SELF-CATERING ACCOMMODATION AND CONSUMPTION

As we have seen above, the proportions of Scots taking holidays at home this year has decreased. But when we look at the detail, this is not the only downturn. Over half of us are taking fewer breaks in Scotland than we did in 2022, (52%) and for 45%, they are also shorter in duration. And reflecting the economic situation, almost two thirds of us have tried to keep our domestic home holiday costs as low as possible through reduced spending wherever possible.

Earlier in the year, the prospects for the season were slightly more optimistic. Up until Easter, it was even looking possible that there would be an increase in home holidays, however the poor weather in May and July led to decreases over 2022 that have continued each month - only June, coinciding with better weather, saw an increase.

The trend towards self-catering accommodation since the pandemic has continued in 2023 with a four percentage point increase over 2022 - and increases have also been the case for caravan, canvas and bunkhouse accommodation. Staying with friends and relatives shows the biggest increase over 2022 (+8%). On the other hand, serviced accommodation has suffered most with large hotels (-7%), small hotels (-4%) and guesthouses/B&Bs all showing decreases.

All of the above is a reflection of Scots trying to reduce their holiday spend - and this is also evident when it comes to their activities. Only cooking in their holiday accommodation and active outdoor pursuits have shown increases over last year whilst spending on eating out in particular has taken a huge hit (-13%).



Month	% Scots Taking 2023 Home Holidays	vs. 2022
JANUARY	4%	+1%
FEBRUARY	4%	-
MARCH	7%	+1%
APRIL	9%	+1%
MAY	7%	-1%
JUNE	11%	+2%
JULY	10%	-2%
AUGUST	8%	-1%
SEPTEMBER	7%	-1%
OCTOBER	6%	-1%

Accommodation	% Used	vs. 2022
SELF CATERING	33%	+4%
FRIENDS & RELATIVES	24%	+8%
LARGE HOTEL	21%	-7%
SMALL HOTEL	19%	-4%
B&B/GUEST HOUSE	14%	-2%
OWN CARAVAN	9%	+1%
OWN TENT	9%	+3%
HOSTEL/BUNKHOUSE	7%	+4%

Activities	% Undertaken	vs. 2022
REST & RELAXATION	63%	-
VISITS TO THE OUTDOORS	51%	-
EATING/DRINKING OUT	50%	-13%
COOKED YOUR OWN MEALS	47%	+4%
VISITS TO HISTORIC PROPERTIES	34%	-2%
BOUGHT TAKEAWAY FOOD	34%	-5%
ACTIVE OUTDOOR PURSUITS	33%	+8%
SHOPPED FOR GIFTS, SOUVENIRS	30%	-2%
MEETING/MIXING WITH LOCALS	25%	-
VISITED PURPOSE BUILT ATTRACTIONS	24%	-3%
CULTURAL ACTIVITIES	20%	-4%

LOOKING FORWARD, THE DOWNTURN IN HOME HOLIDAYS MAY WELL CONTINUE AS THE APPEAL OF OVERSEAS DESTINATIONS INCREASES

The trend that we have witnessed this year - a reduction in the number of domestic breaks by Scots, both in Scotland and elsewhere in the UK coupled with an increase in trips to Europe looks like continuing in 2024 - at least from this vantage point in October 2023.

At best, home holidays may continue at a similar reduced level to that experienced this year, whilst Europe looks likely to see a net increase in holidays by Scots of +5 percentage points. And 2024 may also see the long awaited recovery in long haul - with a net +3% increase predicted at this stage.

