

NC500 Covid-19 Business Impact Survey

June 2020



Covid-19 Business Impact Survey

We recently undertook a Business Impact Survey to gain a better understanding of how Covid-19 has affected our Business Members and the North Highlands area as a whole, and to gain insight into how we can all work together in order to minimise the negative impacts the pandemic will have on businesses in the region.

The results of this survey will help us represent our businesses and the challenges faced when we speak to Highland Council, VisitScotland and the Scottish Government.

The survey was sent to 428 Business Members and we received a response rate of 43%.



The North Highlands Tourism Industry and Coronavirus Pandemic

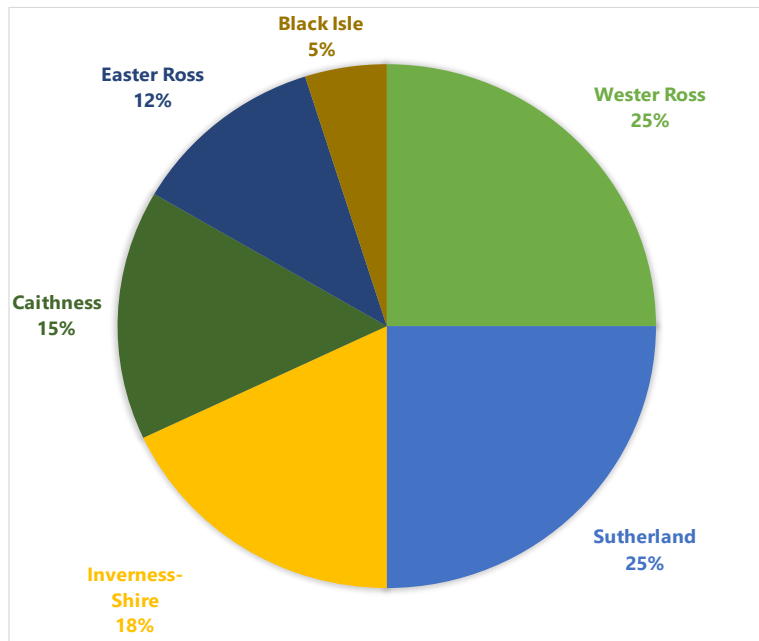
It is not new information that the tourism industry is a huge part of the Scottish economy and we as a business in the North Highlands realise the importance of it – particularly for the fragile economy of the North Highlands which relies heavily on tourism as an income.

The impact of the current pandemic on businesses has been unprecedented and will sadly mean some will be unable to reopen. Immediate support for businesses struggling due to Covid-19 lockdown has been well received however there is concern that support in the form of funding and grants will dry up before businesses are able to re-open.

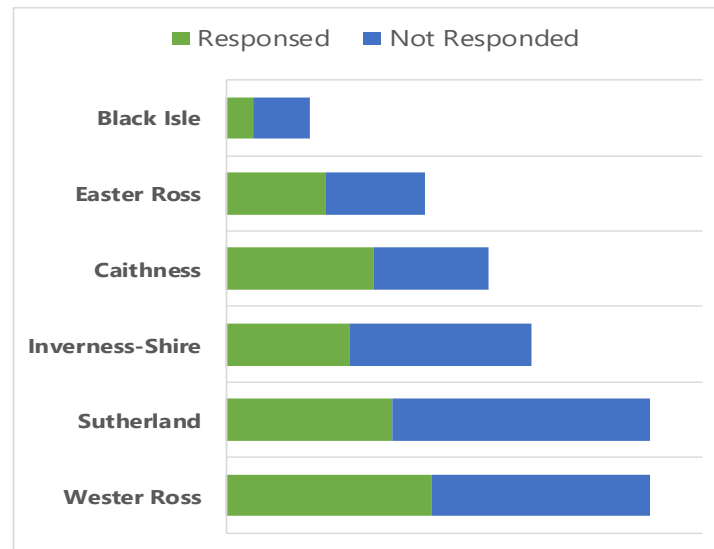
We are aware, and it is clear from the survey that many local businesses are too, that the rebooting of the tourist industry in the North Highlands needs to be approached sensitively due to the concerns that visitors may bring Covid-19 to the area.

Who completed the survey?

Breakdown of businesses per region

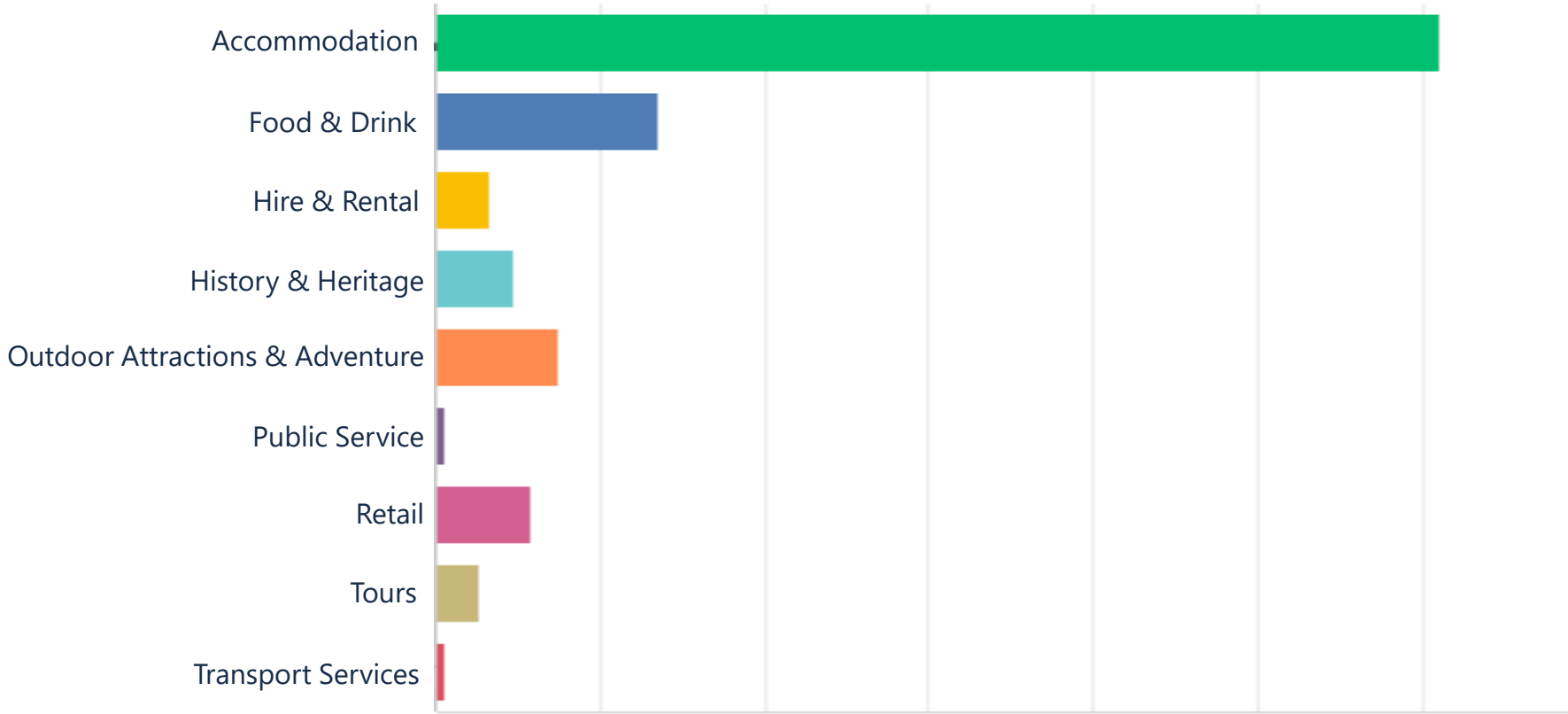


Responses per region



43% of Business Members responded to the survey

Primary Business Type



How has Covid-19 impacted Business Members along the NC500?

Operational Status

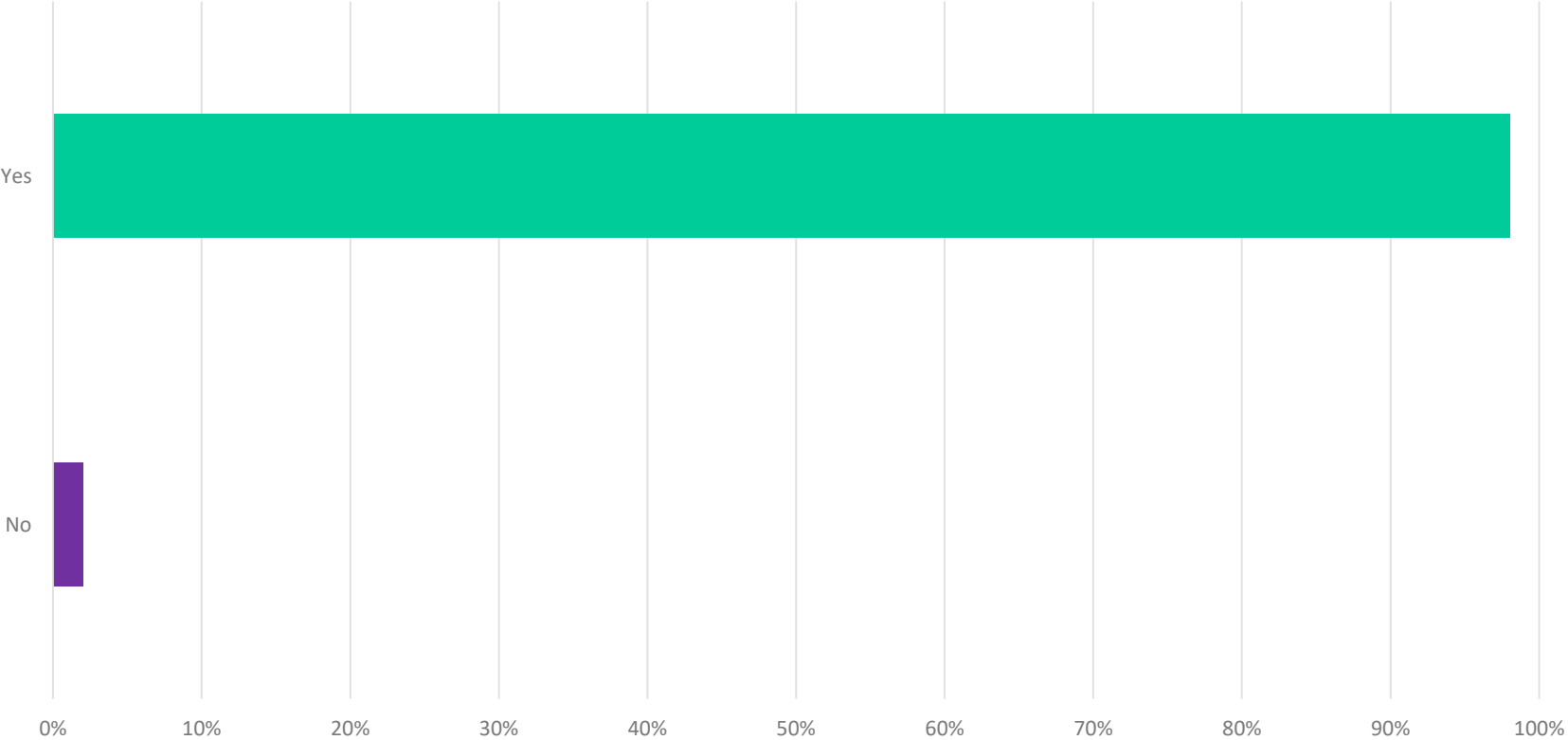
98% of businesses who responded to the survey have been affected by Covid-19 in some way, with 86% of businesses having had to close due to the pandemic. The remainder have managed to stay open, albeit with some changes, including:

- Only opening for key and essential workers
- Offering limited services
- Reduced opening times

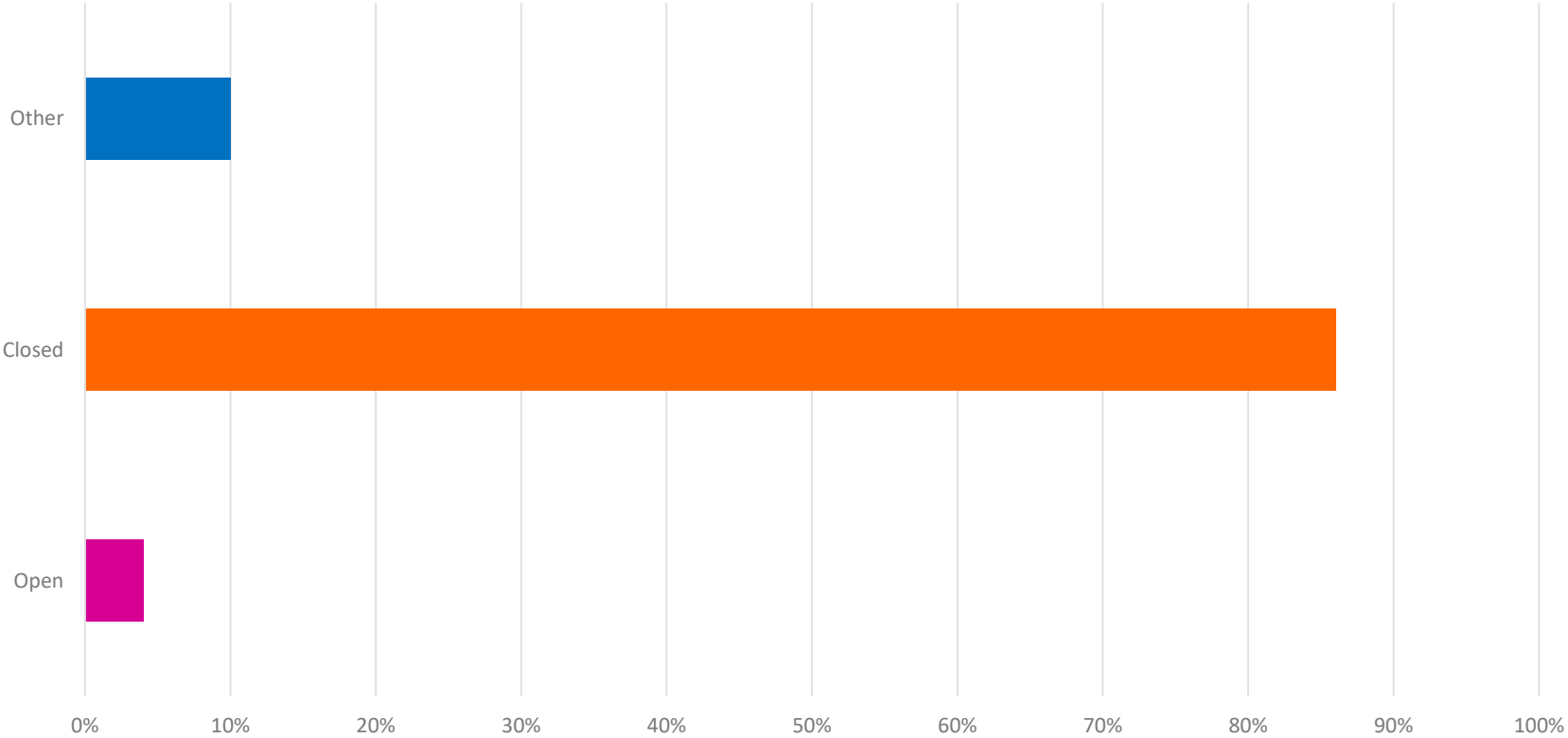
67% of businesses anticipate being able to reopen in 2020, with 18% planning to reopen in 2021. A further 15% feel that they are unlikely to reopen due to the pandemic.



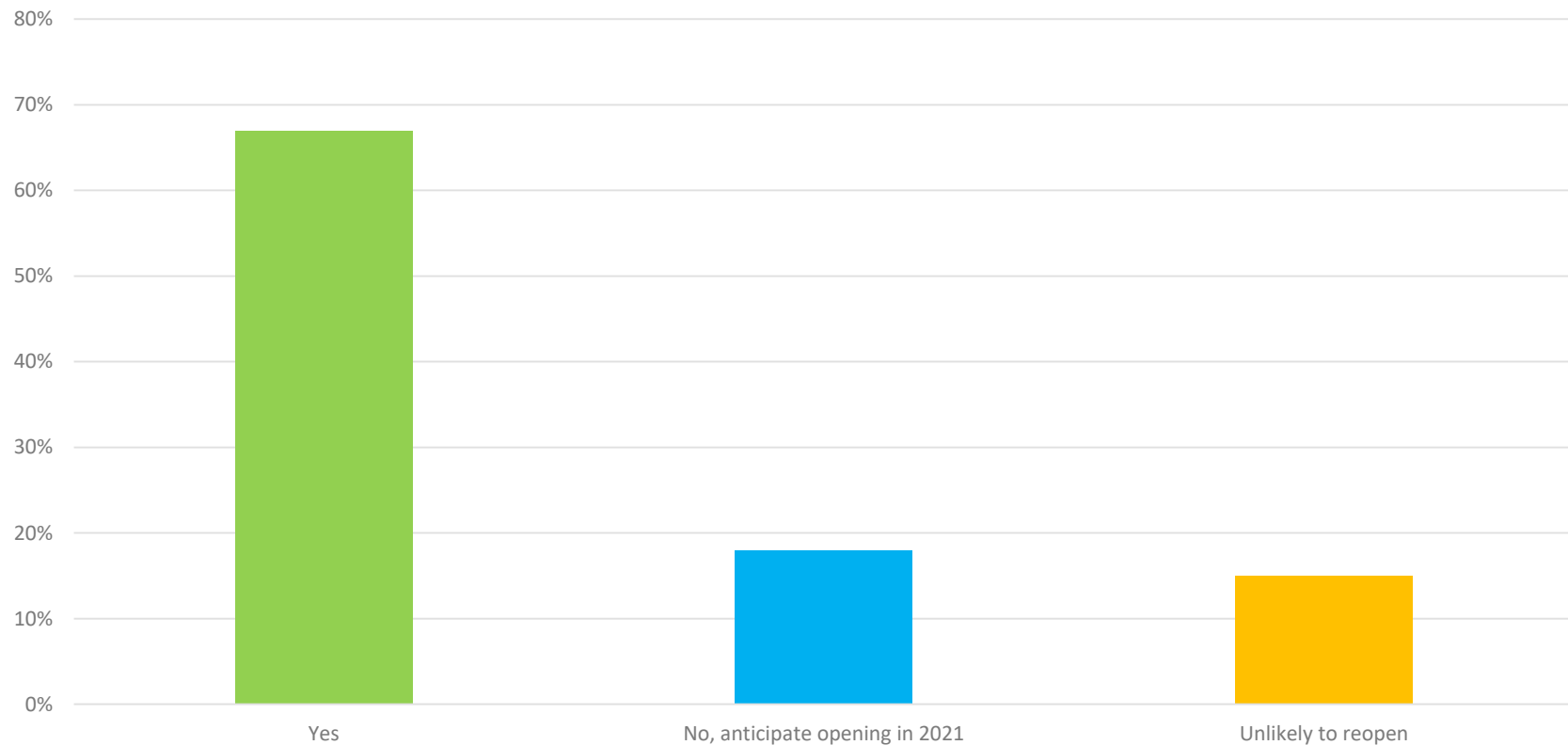
Has Covid-19 affected your operational status?



What is your business' current operational status?



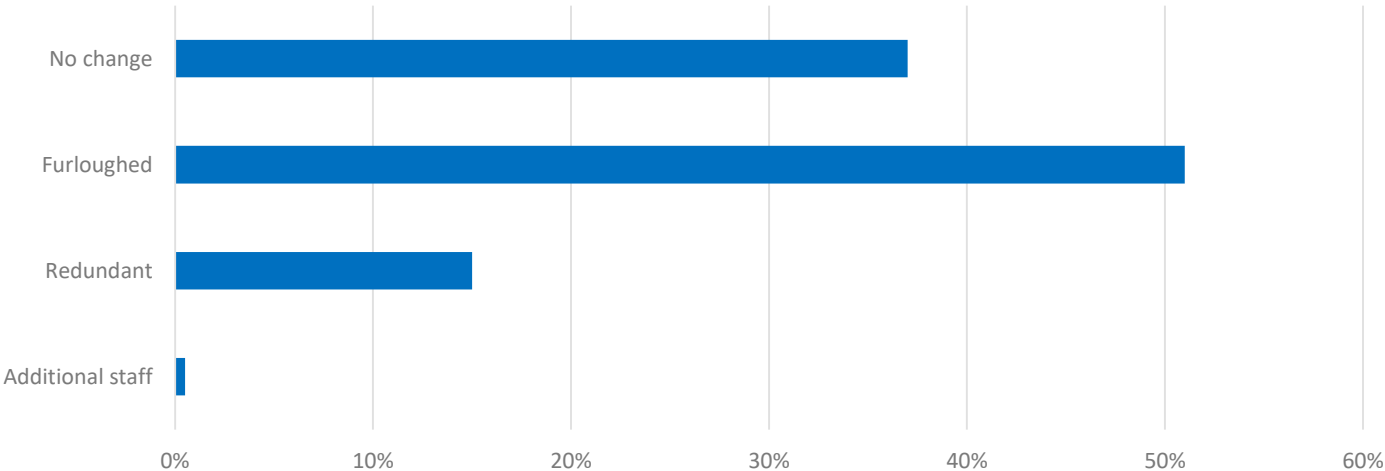
Do you anticipate opening your business in 2020?



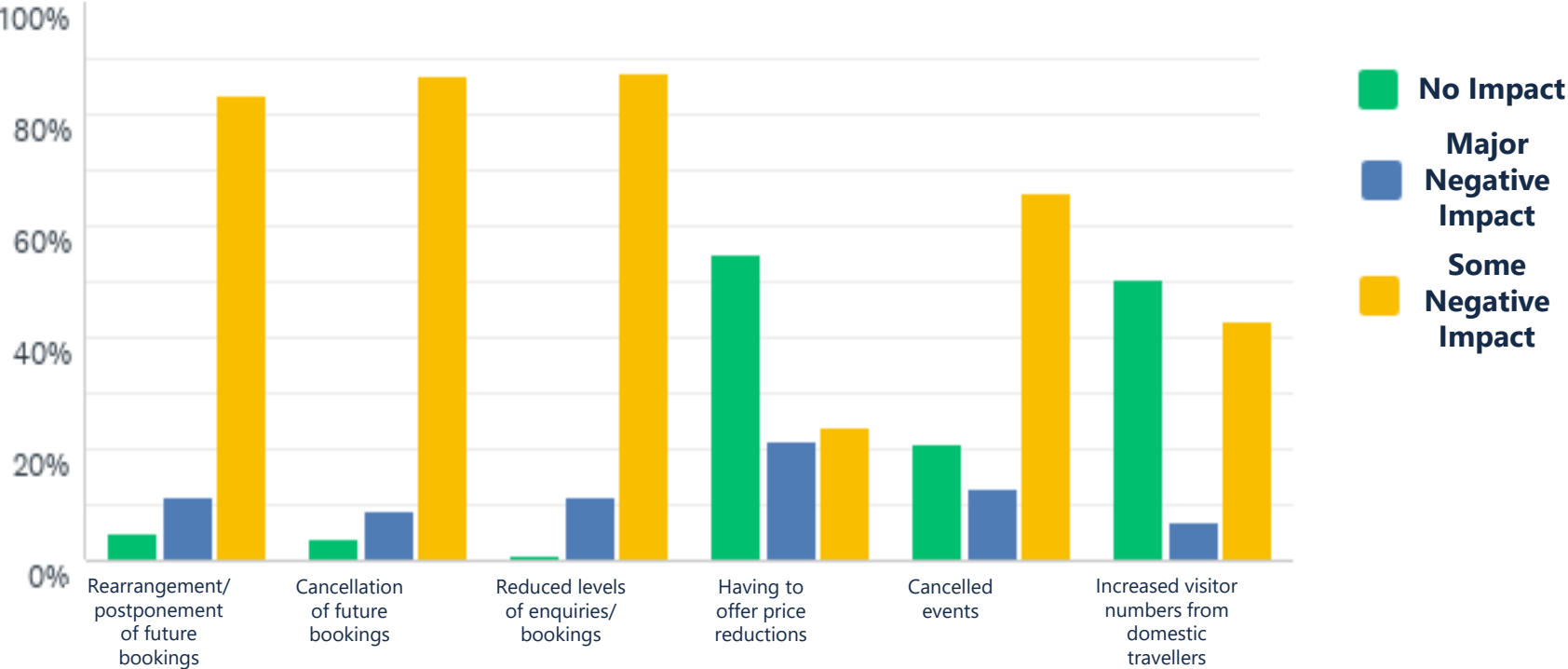
How has Covid-19 impacted Business Members along the NC500?

Workforce

The survey suggests that over 1500 members of staff from the 43% of Business Members who responded to the survey are usually employed during a standard season, however, the pandemic has resulted in 50% of businesses needing to furlough some or all of their staff, whilst 15% have unfortunately had to make some of the staff redundant. One business has however hired additional staff to cope with a change in business activities and increased demand.



How has Covid-19 impacted Business Members along the NC500?



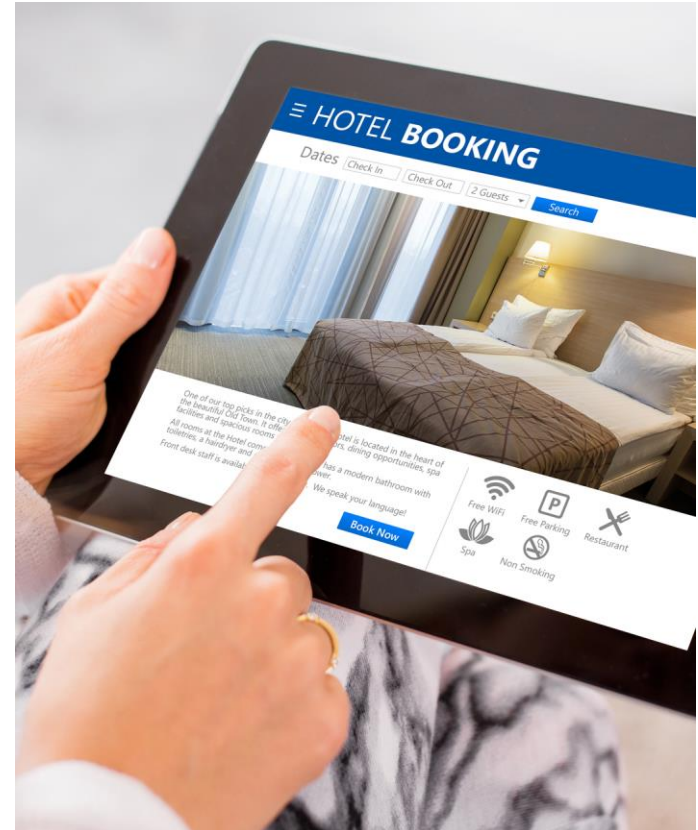
How has Covid-19 impacted Business Members along the NC500?

Impact on Bookings

87% of Business Members have seen a reduction in the level of enquiries and bookings since the pandemic started, and whilst 84% of businesses have seen their bookings rearranged or postponed for later dates, 87% have had future bookings cancelled. Increased enquiries and bookings from the domestic market does not seem to have had an impact yet, and businesses have not felt the need to reduce prices to attract visitors.

Cancelled Events

66% of Business Members have been affected by events around the route being cancelled. This is likely to be with regards to bookings, as well as being unable to attend events to sell their products and services.



Funding during Covid-19 Pandemic

There have been a number of grants and loans available through government schemes to businesses during this crisis such as the Coronavirus Job Retention Scheme, and 63% have been successful in applying for assistance. At the time of the survey, 25% had been unsuccessful and a further 12% were awaiting the outcome of the applications.

In general, businesses feel that the measures the Government has introduced during the pandemic have been acceptable however some businesses are concerned about ongoing funding post-lockdown for those unable to open up straight away. At present it seems it is a case of waiting to see what Government plans are with regards to grants and funding for businesses going forward.



Looking forward

How is Covid-19 changing the way businesses operate?

From new cleaning methods to installing hand sanitiser stations, PPE for staff and social distancing measures – many businesses are looking to put in place new procedures to help customers feel safer when visiting their premises, and ensure their staff are protected.

77% of businesses have considered introducing increased cleaning measures and 70% are weighing up social distancing practices. The table on the following page details a summary of measures businesses indicated they will be likely to take in order to manage the impact of the pandemic.



General

- **Clear messaging**/signage/information provision
- Introduction of **one way systems**
- **PPE** for staff, Perspex screens where appropriate
- **Shift work** where possible

Accommodation

- **Self check-in**
- Increase number of **nights between stays** (suggestion of 3) and **restrict number of guests**
- **Removal of non essential items** from rooms e.g. books/ soft furnishings
- Preparation of **video guides** for what would normally be shown on arrival e.g. how to light log burner or where to find toaster etc.
- **Increase cleanliness** standards e.g. disinfecting light switches

Dining

- **Limit number of guests** dining at once/stagger dining times
- Provide gas BBQs as an **alternative to takeaways**
- **Room service** style dining
- **Remove buffet style** service

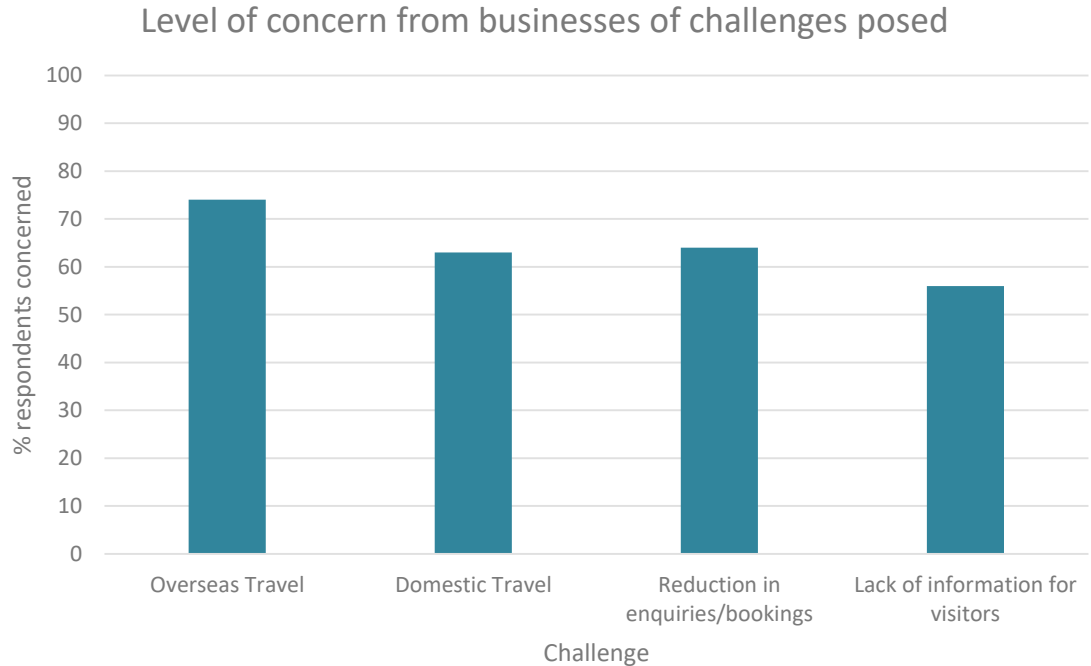
Camping/Caravan

- **Pitches a certain distance apart** (suggestion of 10m)
- **Limit access to communal areas** at certain times – shift style operation

Key concerns for the future

Markets

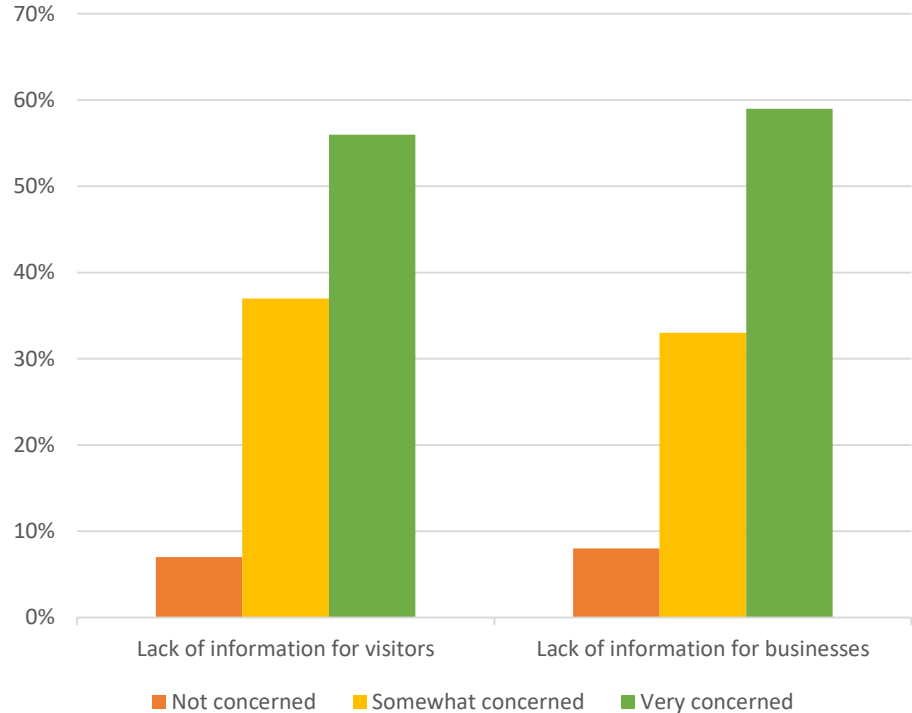
One of the biggest concerns for Business Members is the probable restrictions on travel, both from overseas (74%) and domestic (63%) markets. This appears to lead to a worry that there will be a reduced level of enquiries (64%) and forward bookings (64%) following the lifting of lockdown. Around half the businesses surveyed feel that a lack of information for visitors (56%) and businesses (59%) will be an issue going forward.



Key concerns for the future

Lack of Information

The majority of businesses (91%) indicated they were somewhat or very concerned about a lack of clear information for visitors. Many businesses suggested that measures they are putting into practice to manage the impact Covid-19 is having on their running procedures would entail providing clear information, signage and messaging for visitors. This would ensure that all customers, visitors and staff adhered to the same system and procedures to safeguard both communities and incomers. We are providing advice where possible across our Social Media channels and the website to both businesses and visitors.

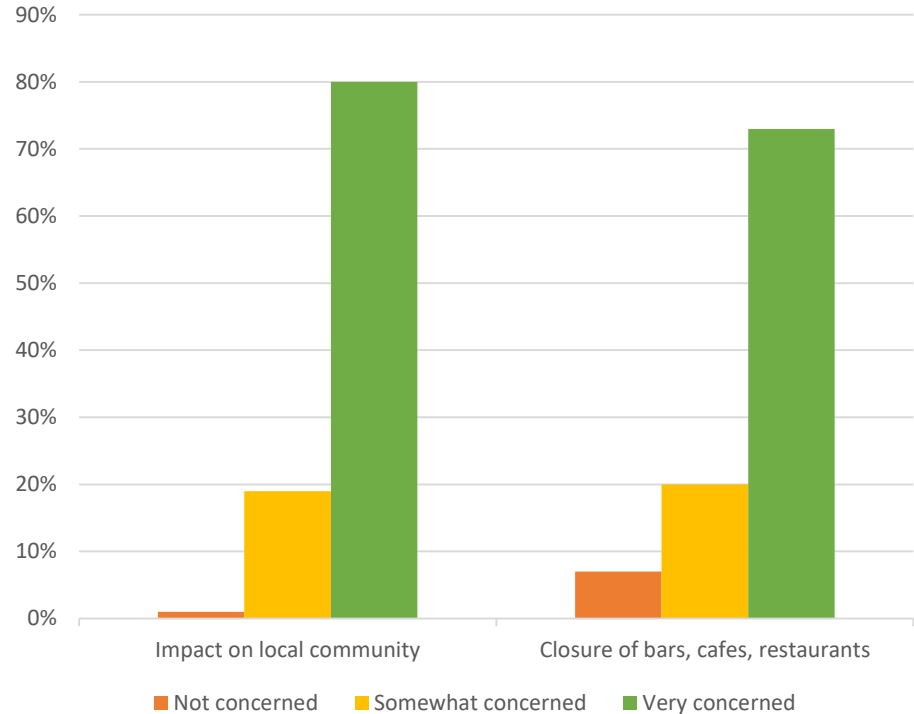


Key concerns for the future

Local Communities

Of additional concern is the impact of the pandemic on the local community (80% of businesses very concerned) and closure of local businesses such as bars, cafes and restaurants (73% of businesses very concerned).

There is also concern around how visitors will be received. Previous visitor surveys we have undertaken have suggested that 94% of visitors would like to come back to visit, however if reception to visitors is negative, then there could be a sense of not being welcome and therefore a reluctance to return to the area.



Key concerns for the future

Marketing & Promotion

81% of businesses would like to see positive PR/marketing to build consumer confidence. Increasing marketing and advertising spend is not considered to be a major concern at this time, perhaps due to the necessity to promote the region as a tourist destination in order for local businesses to bounce back after lockdown restrictions are eventually eased.

This positive PR/marketing push will need to be a concerted effort between local businesses, ourselves and other tourist organisations such as VisitScotland and local tourism groups.

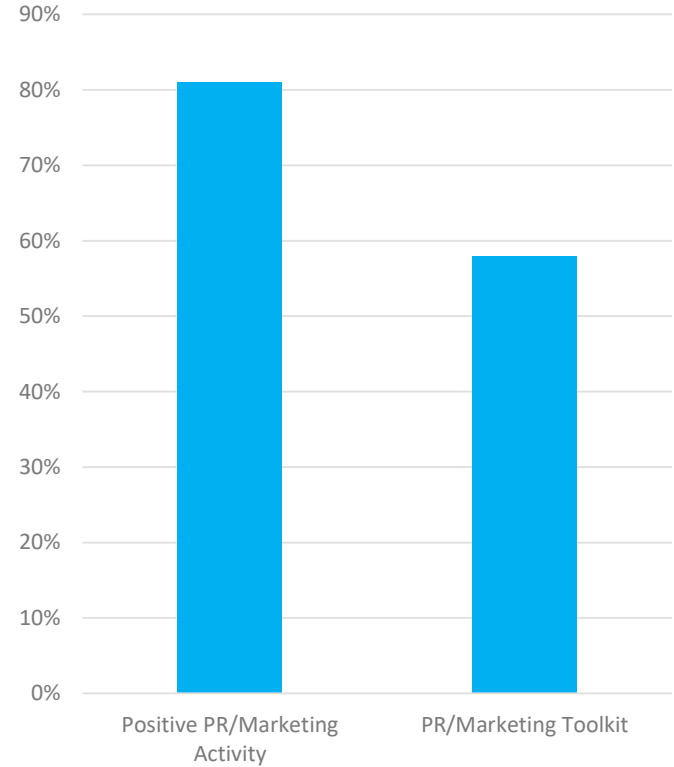


Key concerns for the future

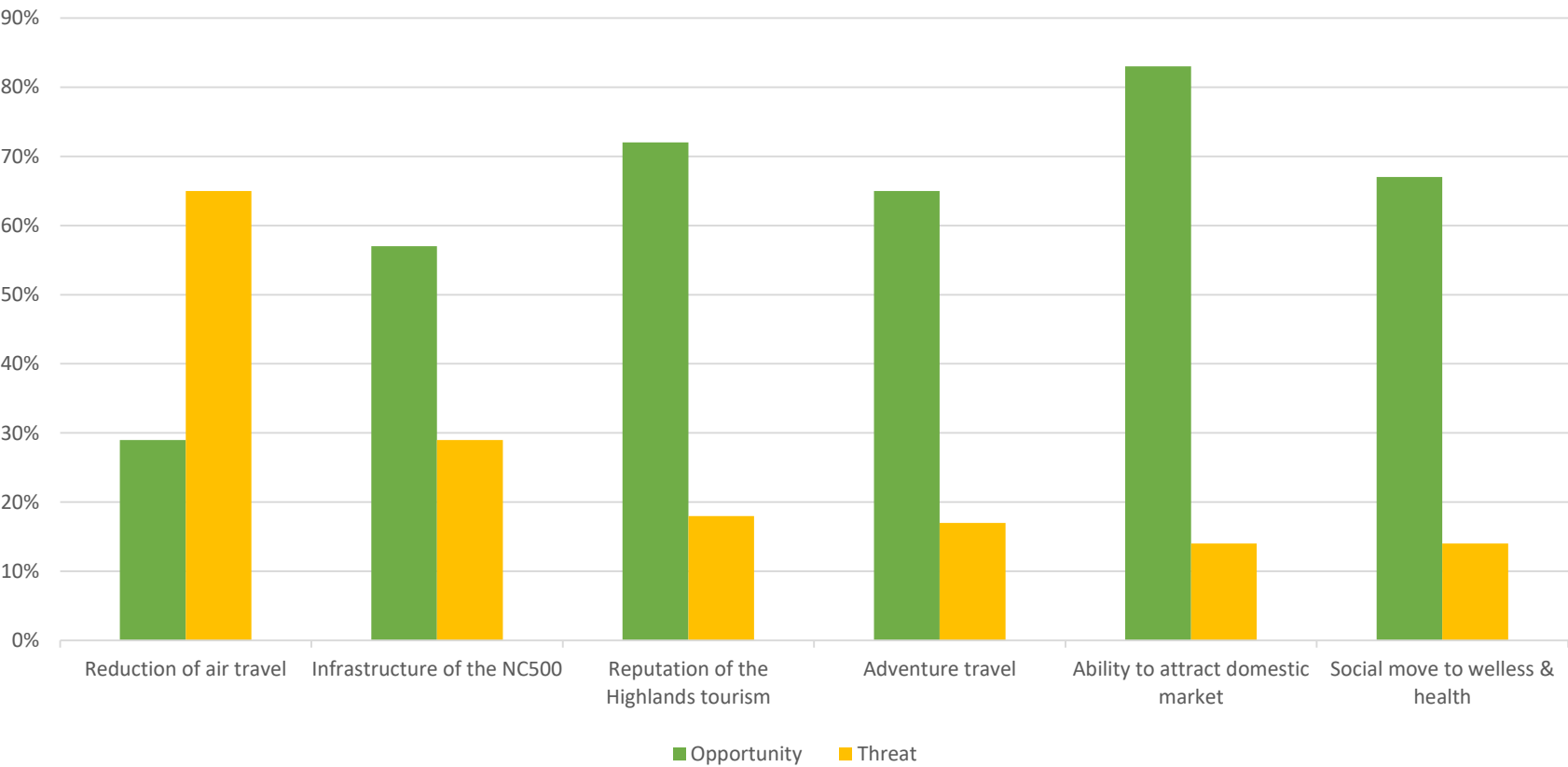
Marketing & Promotion

We continue to showcase and promote the North Highlands as an attractive tourist destination to visit when it is safe for people to do so, prioritising the safety and wellbeing of communities on the route and visitors to the region.

58% of businesses expressed an interest in a PR/Marketing toolkit for businesses to use; it was suggested that there is an emphasis on a collective *responsible* marketing strategy.



Opportunities and Threats

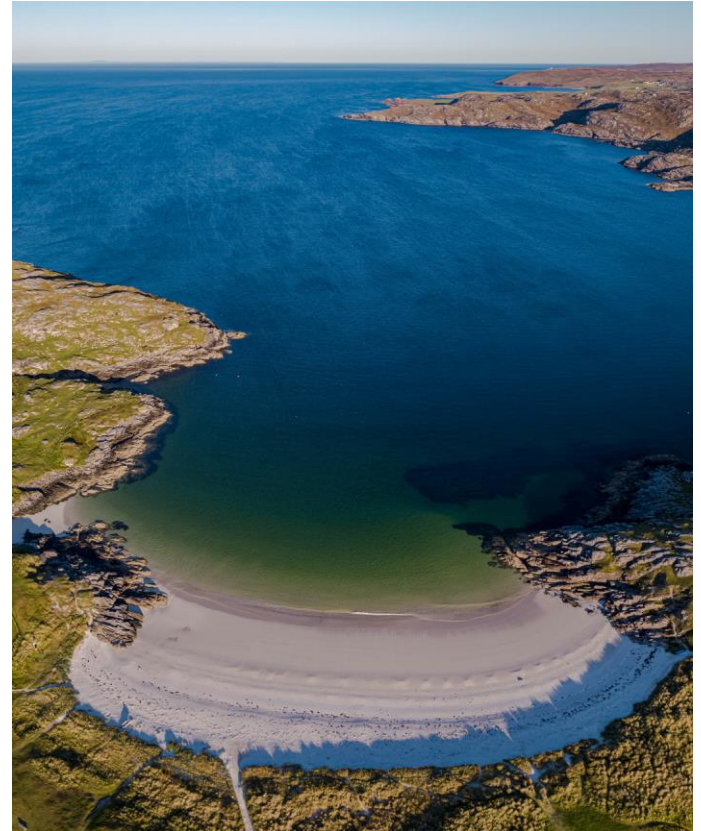


Opportunities and Threats

Opportunities

Previous surveys undertaken indicate that more than 80% of visitors to the NC500 are from the UK. Despite the impacts of Covid-19 on businesses, Scotland's ability to attract this key domestic market is clearly still seen as an opportunity by Business Members of the North Coast 500 (83% in this survey) as is the Highlands good reputation for tourism (72%). The infrastructure of the route is also seen as an opportunity to attract visitors moving forward.

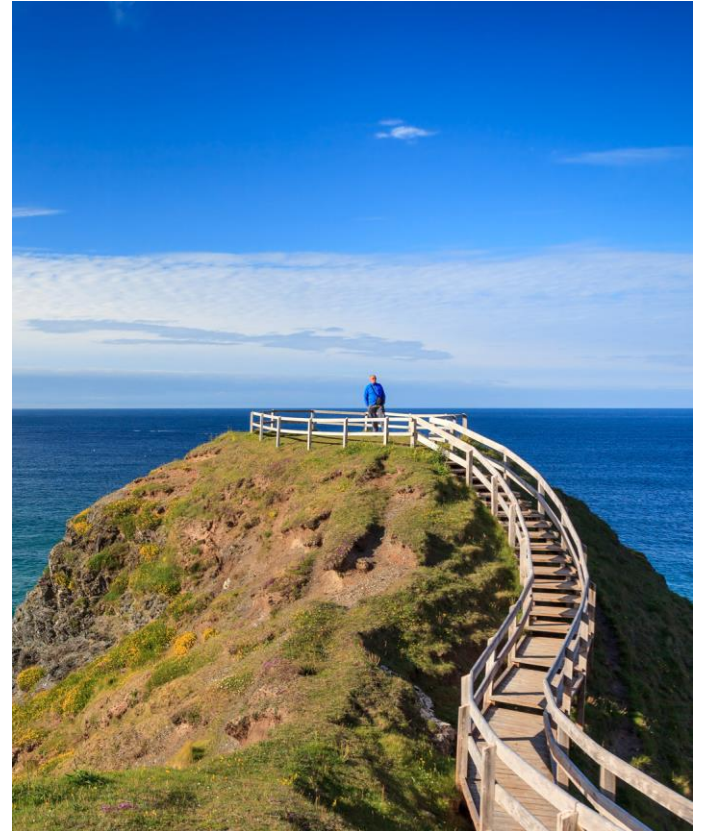
There is an emerging global trend in 'wellness tourism' which, taking into account the landscape, activity provision and food and drink sector in the North Highlands, the region is perfectly placed to capitalise on. Business Members have also indicated that this social move to wellness and health (67%) and an increased interest in adventure travel (65%) will be key opportunities to attract visitors.



Opportunities and Threats

Threats

Understandably, a reduction in air travel will be the biggest threat in attracting visitors, particularly from overseas (65% of businesses surveyed are 'very concerned') however there is growing speculation in the tourist industry that the 'staycation' will become the preferred option for Brits planning a holiday and this poses many opportunities for tourist businesses in the UK.



Conclusion

From the study it is clear that the major concerns about the impact of Covid-19 among Business Members are **staffing issues** due to employees being let go or furloughed, **reduced or cancelled bookings** and **apprehensive communities** regarding the return of tourists.

There is a clear need and willingness to implement **social distancing measures, increased cleanliness** and **PPE** for staff and visitors where appropriate. Being able to open safely in the future will require a change of business operation in most cases for example implementing a self check-in process and amending dining options.

Concern for overseas markets is apparent however there is **optimism for the domestic market** to pick up when lockdown restrictions are scaled back in the UK. Another concern among businesses is a lack of **clear, consistent messaging for visitors** in order to protect staff, tourists and communities.

There is an overarching belief in a need for **clear, positive marketing** in order to build **consumer confidence** and keep strengthening the **good reputation that the Highlands has for tourism excellence**.

Conclusion cont.

We have taken on board comments regarding potential funding post lockdown and will seek to signpost businesses to organisations such as Highlands & Islands Enterprise and Business Gateway who have more information on financial assistance.

We recognise from the survey that businesses are keen that we continue the marketing and promotion of the route and them as business members. This has always been our main focus and has achieved unparalleled success for showcasing the area. Our plans have been reviewed and we are strengthening our strategy and tactics around marketing the brand, the incredible route and businesses. However, that needs your support. We need stories, photographs, videos, better website content and social media engagement from you. NC500 has been much stronger than just being a touring route and we need you more than ever to add depth to this incredible thing that is NC500.

Our next step will be to carry out a series of Webinar discussions to look at the results of the Business Impact Survey, review any lessons we can take from your collective responses and discuss how we can move forward. It is by working together that we will find solutions to ensure that as many businesses can open again when it is safe for them to do so.

Details on how to register will be shared in our [Business Club Facebook Group](#) and by email.