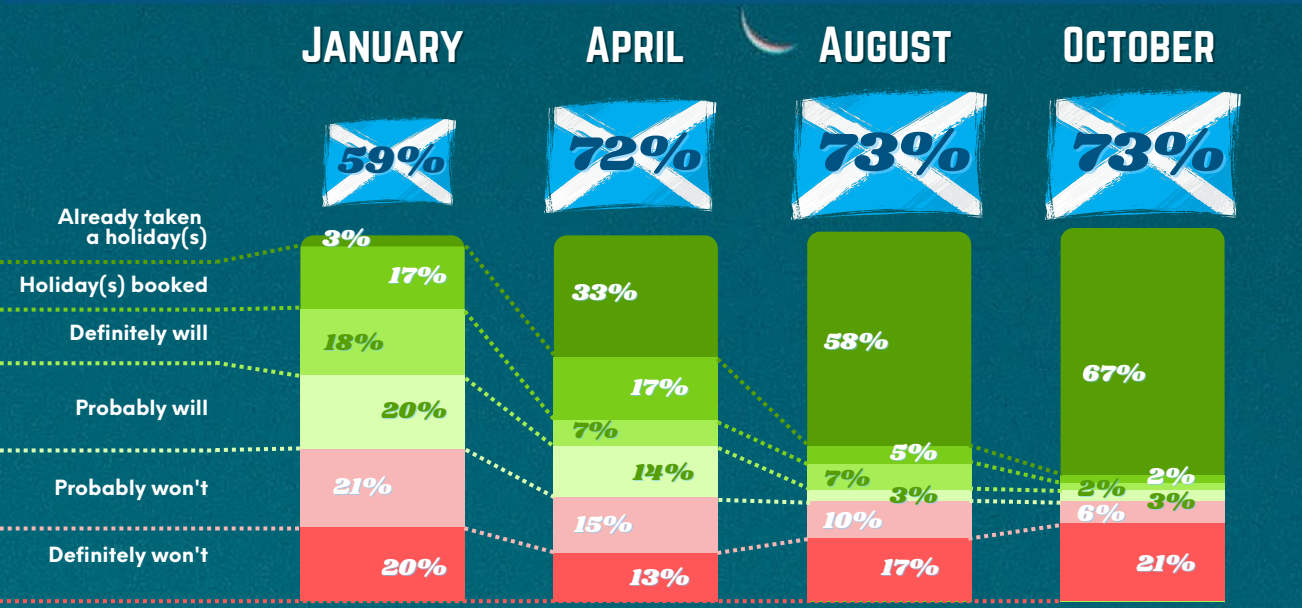


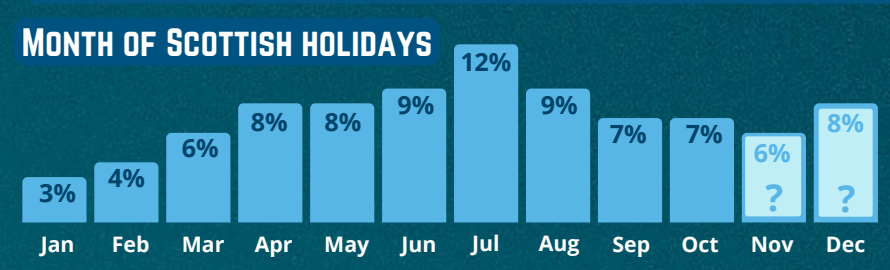
## ALTHOUGH NEARLY THREE QUARTERS OF SCOTS ARE TAKING HOLIDAYS IN 2022, THIS IS STILL LOWER THAN PRE-PANDEMIC LEVELS AS THE COST OF LIVING CRISIS IMPACTS START TO BITE



### 1 HOW HOLIDAY PLANS EVOLVED IN 2022 AND WHERE SCOTS TOOK THEIR HOLIDAYS

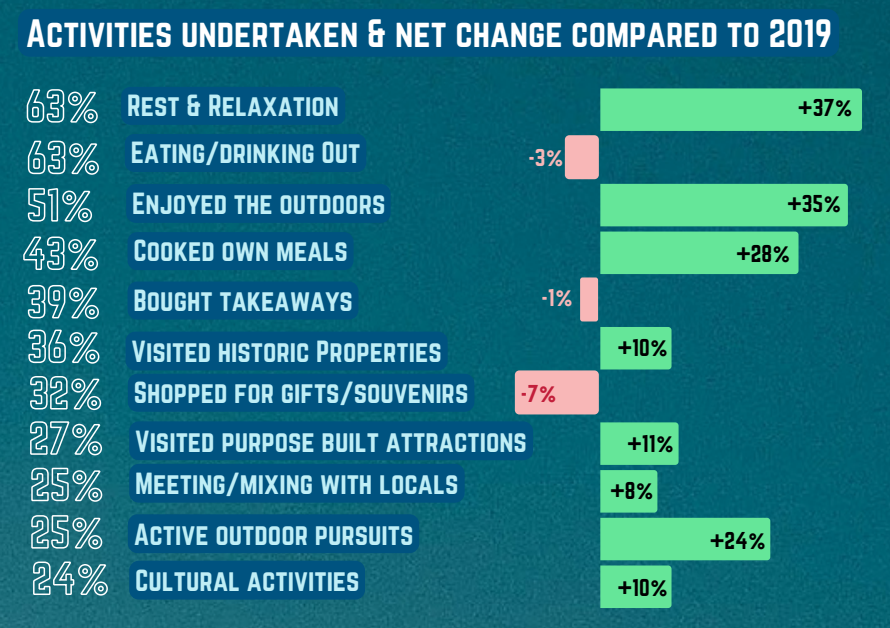


### 2 CHARACTERISTICS OF HOLIDAYS TAKEN IN SCOTLAND IN 2022

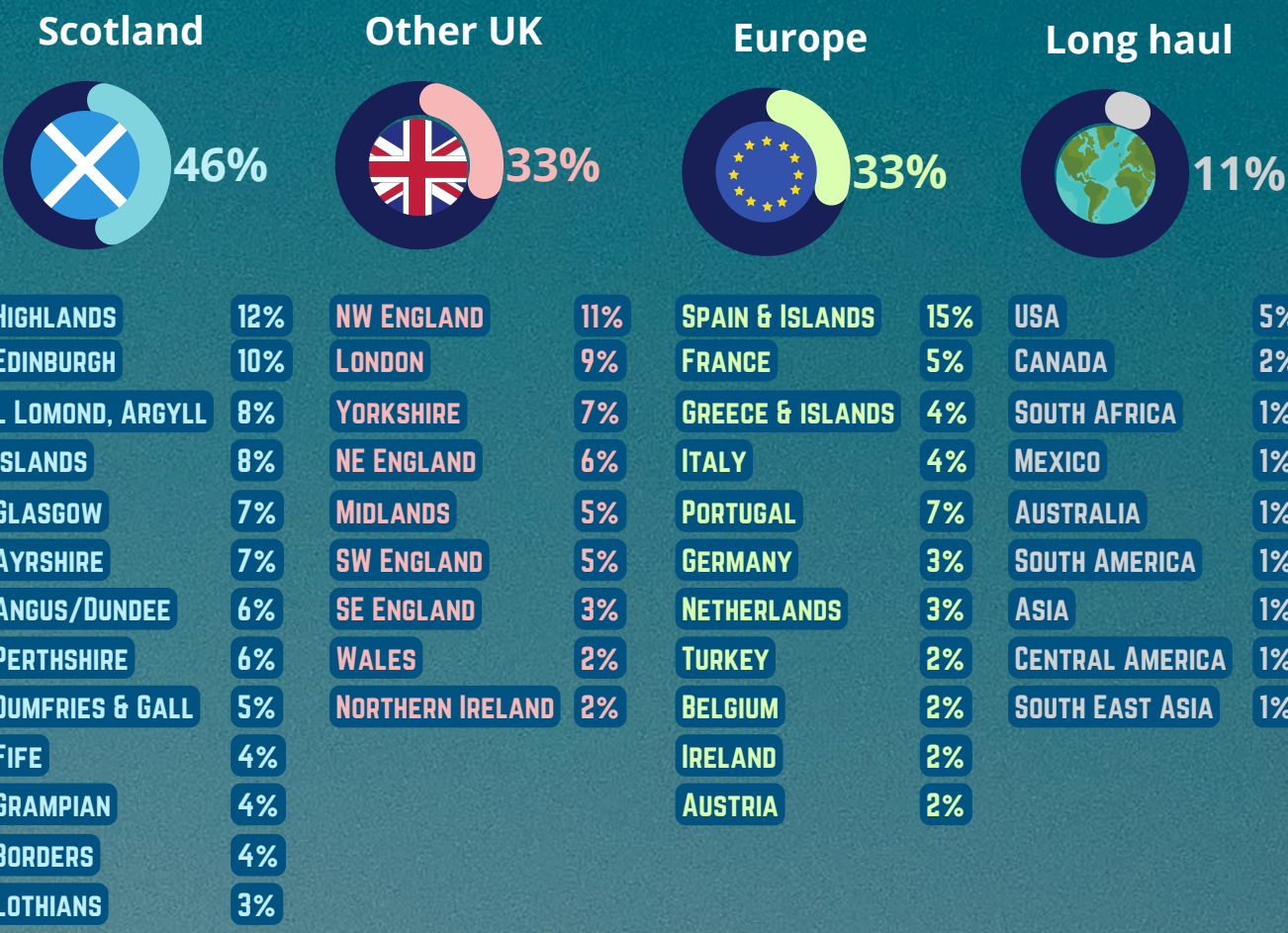


#### ACCOMMODATION USED ON SCOTTISH HOLIDAYS

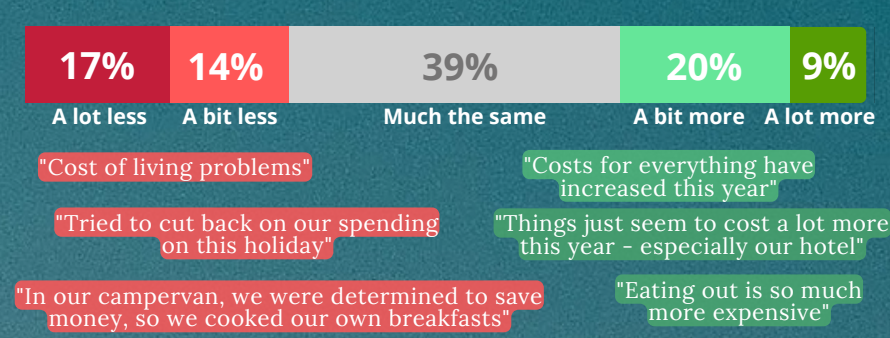
Accommodation Type	Percentage
SELF CATERING	29%
LARGE HOTEL	28%
SMALL HOTEL	23%
FRIENDS & RELATIVES	16%
B&B / GUESTHOUSE	16%



BY LATE OCTOBER, 46% HAD EITHER TAKEN OR WERE PLANNING A HOLIDAY IN SCOTLAND THIS YEAR WHILST 33% WENT ELSEWHERE IN THE UK, 33% TO EUROPE AND 11% FURTHER AFIELD



#### HOW SPENDING COMPARED ON 2022 SCOTTISH HOLIDAYS TO SPENDING IN PREVIOUS YEARS



As 2022 progressed, by April, the forecasts of the proportions of Scots expecting to take holidays this year reached 72% and this has proven to be a fairly accurate estimate. In the latest survey, we predict 73% of Scots will take holidays somewhere in 2022 (by late October, 67% had already done so). Some 46% of Scots will holiday in Scotland - the main destinations being the Highlands (12% of Scots) and Edinburgh (10%). A third (33%) are taking trips elsewhere in the UK - particularly the Lakes & the North West (11%) and London (9%). A third are visiting Europe this year with Spain and its islands the main destination (15% of Scots). In terms of long haul, only around 11% are travelling further afield - the USA is the main destination.

In terms of Scottish holidays, there has been a good spread across the year, though June, July and August have been the most popular months (12% of Scots took holidays in Scotland in July). Self-catering, according to our research, remains the preferred choice on Scottish holidays amongst the home market (used by 29% of Scots who took holidays). In terms of activities, rest and relaxation was undertaken on 63% of trips as was eating and drinking out. Trends post-Covid to spend more time on holiday outdoors have continued, however the impact of the cost of living squeeze is evident with a drop in the numbers eating out, and for shopping for gifts and souvenirs. There is of course a dichotomy - whilst some have tried to cut back and spend less on their holiday, others have had to spend more because of higher costs.

A number of barriers to holiday taking have been notable this year. The Covid pandemic clearly affected our travel choices over 2020 and 2021, but it is still present in 2022 - 58% felt their holiday choices were still being impacted by the pandemic (a wariness of travelling too far for some and nervousness that plans might need to change for others). However, in 2022, the biggest impacts have been caused by rising costs of living - three quarters of Scots said this affected their holiday choices and decisions (74%), further driven up by rising fuel costs for 60% of Scots. The result - fewer holidays, if any in 2022 for some, and for those who did holiday, less spend on the trip. Disruption at airports and on the railways also impacted holiday decisions and behaviours for 43% and 37% respectively - the former having a greater impact on foreign holidays, the latter impacting more on domestic breaks. And the war in Ukraine impacted on the holiday choices of around a third of Scots (32%) - both in terms of avoiding the region and the indirect impact of the conflict on costs for holidays generally.

And these impacts have resulted in some changing behaviours for holidays in 2022. Almost half of Scots cut back on their spending when choosing their holiday and destination (47%), whilst a similar proportion cut back on their spending whilst they were on holiday (49%). Almost four in ten booked their holidays much closer to when they actually took them (39%). This reflects continued uncertainties around costs as well as the pandemic, and also resulted in 29% of foreign holidays being booked through a third party operator. And ultimately, the range of uncertainties and higher costs in 2022 have resulted in Scots taking fewer holidays in 2022 than they did pre-Covid - in 2019 and earlier: although 17% took more holidays this year than in 2019, over half of Scots (51%) took fewer (a net change of -34%). This was especially the case for overseas travel (-37%). Whilst main holidays and short breaks in Scotland are also down compared with 2019 (-12% and -15% respectively), the resultant share of Scots domestic holidays vs holidays to the rest of the UK and overseas has therefore increased slightly.

So, what does 2022 hold in store? At this early stage, there remains a lot of uncertainty and a number of things could very likely derail and change plans. Further increases in the cost of living would impact three quarters of Scots holiday plans (75%), with inflation (74%) and rising fuel and energy costs (69%) being the primary economic levers which could negatively impact. But there is a clear message that increased costs introduced by the tourism industry itself will also negatively impact the likelihood of domestic or overseas trips (66% and 65% respectively). More positively however, there is a latent desire amongst Scots to increase their holiday time in 2023 compared with 2022 if at all possible. Some 38% hope to take more holidays than this year, and with 20% expecting to take fewer, this is a potential net increase of +18%. Of course, the extent to which this might happen will clearly depend on the various barriers to trip-taking already highlighted.

### 3 WHAT IMPACTED MOST ON HOLIDAY CHOICES DURING 2022?

#### Rising Costs of Living

74% "Less disposable income resulting in all money going towards utilities, food and travel"

49% "Due to the cost of living I can't afford food and heating let alone travel"

47% "I had less spending money on my holiday this year"

41% "Costs of everything have gone up including air fares so I couldn't afford a holiday this year"

#### Rising Petrol & Diesel Costs

60% "Trying to reduce my trips overall to save money on fuel"

39% "Because of the rail strikes we had to drive to our holiday in October and this ended up costing us a bit more than expected, we would normally also do more short Scottish breaks but the cost of petrol during the summer was a huge dissuasion"

#### Coronavirus Pandemic

58% "The lockdowns precipitated our decision to get a dog, and forego overseas travel. We now go to places we can easily take our dog with us."

43% "I was wary and nervous on going on holiday this year"

37% "I have a great fear about being too far from home still - I had the virus twice and have some medical issues so its a great fear of catching it again"

#### Disruption at airports

43% "Was worried about large queues and baggage problems plus getting Covid - so we didn't fly this year"

37% "The idea of spending hours in a packed airport waiting for flights that are not taking off totally put me off."

37% "Disruption at airports made me a bit reluctant to book a holiday, so I have waited until schools are back."

#### Disruption on the railways

37% "Several train trips we wanted to take we couldn't because there weren't trains running"

37% "Ended up driving to London airport from Scotland due to rail strikes"

37% "The rail strikes meant we had to drive. We moved our holiday to try to avoid the strikes but we ended up travelling during the strikes anyway"

#### The War in Ukraine

32% "I wanted to go to Eastern Europe but changed my mind as it's too close to the war"

32% "Price increase in literally everything and restrictions of airline routes due to the war"

32% "I had considered a holiday to Japan but increased flight times to avoid Russian airspace has put this on hold"

32% "I think people are a more wary now...with the distinct possibility that this awful war could spread...without any notice!"

### 4 WHAT WAS DIFFERENT ABOUT THE HOLIDAYS TAKEN IN 2022?

#### 2022 CHANGES IN HOLIDAY BEHAVIOURS

- 49% SPENDING LESS WHILST ON HOLIDAY
- 47% SPENDING LESS TO GO ON HOLIDAY
- 41% UNCOMFORTABLE GOING ABROAD DUE TO COVID
- 39% BOOKING CLOSER TO TRIP BECAUSE OF UNCERTAINTIES
- 29% USING 3RD PARTY OPERATORS FOR OVERSEAS FOR MORE SECURITY

#### 2022 VS 2019 AND EARLIER

Category	Less in 2022	More in 2022	Net Change
Holidays in General (All Dests)	51%	17%	-34%
Main Holidays in Scotland	33%	22%	-12%
Short Breaks in Scotland	37%	22%	-15%
Holidays/Breaks - Other UK	43%	16%	-26%
Holidays/Breaks - Europe	52%	15%	-37%
Holidays/Breaks - Long Haul	50%	14%	-36%

### 5 WHAT ARE THE EARLY INDICATIONS ABOUT HOLIDAY BEHAVIOURS IN 2023?

#### WHAT WILL IMPACT 2023 HOLIDAY DECISIONS AND CHOICES?

- 75% COST OF LIVING INCREASES
- 74% INFLATION INCREASES
- 69% RISING FUEL & ENERGY COSTS
- 66% COSTS OF DOMESTIC HOLIDAYS
- 65% COSTS OF OVERSEAS HOLIDAYS
- 65% GENERAL ECONOMIC UNCERTAINTY
- 57% POOR EXCHANGE RATES
- 46% COVID/PANDEMIC UNCERTAINTIES
- 46% UK POLITICAL UNCERTAINTIES
- 42% CONTINUING WAR IN UKRAINE
- 39% CLIMATE CHANGE CONCERNS
- 39% INCREASES IN MORTGAGE RATES

#### HOLIDAY INTENTIONS 2023 VS 2022

Category	Less than 2022	More than 2022	Net Change
Holidays in General (All Dests)	20%	38%	+18%
Main Holidays in Scotland	22%	29%	+7%
Short Breaks in Scotland	20%	31%	+11%
Holidays/Breaks - Other UK	24%	27%	+3%
Holidays/Breaks - Europe	23%	33%	+9%
Holidays/Breaks - Long Haul	21%	31%	+10%