**Shetland Tourism Services Assessment**

**Final Report November 2021**

**Project Overview**

Shetland Tourism Association (STA) was recently awarded a grant from the VisitScotland Sector & Destination Operational & Market Readiness Fund. This grant was provided so that STA could conduct a full assessment of tourism services available in Shetland, most of which have been negatively affected by the Covid-19 pandemic.

The contract for carrying out this project was awarded to a local tour operating company, Island Vista, who have almost 15 years of experience working in the tourism industry in Shetland.

Given the challenges of the past year and a half, many businesses have had concerns about re-opening. The project’s aim is to figure out what people’s concerns are and to establish what type and level of support businesses are calling for going forward.

This project was conducted between May and November 2021. An initial survey was sent to tourism businesses across Shetland. Many of the businesses then received a follow up call to ask them some further questions about how the 2021 season was progressing for them.

Throughout the project, we sent 280 surveys in total. We received 90 responses, 82 of these surveys were from tourism business and 8 surveys were from businesses with an interest in tourism, although it is not their sole focus, such as retailers. This works out as a 32% response rate, which is the average response rate expected for UK business surveys.

In October, we launched the community engagement survey, which was a simple 10 question survey, to gain a better understanding of how the public feel about the restart of tourism. This survey was promoted through local media, social media and at the Taste of Shetland festival, where I attended the event alongside Shetland Tourism Association. The survey could be completed online and for the Taste of Shetland festival, we created a QR code for easy access. Paper copies of the survey were also available. We received a total of 100 responses for this section of the project.

The majority of the follow up calls have been conducted throughout October and November. This has given us the chance to hear how the summer has gone for businesses. Many of the businesses who completed the survey early in the project, had quite a different outlook by the end of the summer. Mostly due to the uncertainty over the industry at the start of the summer. However, many businesses have had a good season, and this has led to a lot of confidence and optimism.

Unfortunately, there are 9 businesses who I have been unable to follow up with after completing the survey, despite numerous attempts to contact them by phone and by email.

**Engagements by Sector**

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| **Sector** | **No. Of Businesses**  **Sent Survey** | **Total**  **Responses**  **Received** | **Follow Up**  **Calls** |
| Guesthouses/B&B’s | 43 | 12 | 9 |
| Self-Catering | 136 | 28 | 25 |
| Hotels and Inns | 8 | 5 | 3 |
| Events | 1 | 1 | N/A |
| Transport and Travel | 7 | 2 | 2 |
| Tour Operators | 26 | 12 | 11 |
| Visitor Attractions | 23 | 18 | 18 |
| Food and Drink | 8 | 4 | 4 |
| Retail and Crafts | 23 | 7 | N/A |
| Sport and Leisure | 5 | 1 | 1 |
| **Total** | **280** | **90** | **73** |

**Service Availability**

74 of the 82 tourism businesses who responded said that they were already open again for business. Of the remaining 8 businesses:

* 2 have reopened since completing the survey
* 1 has partially reopened but will only offer their full services from 2022
* 2 are unsure when they will reopen, however one of these businesses is undertaking extensive refurbishment and their decision to not reopen is for this reason and not because of the pandemic
* 1 business skipped this question
* 2 said that they will be open again in 2022

**Current Operations**

Almost a half of businesses have said that they are currently operating as they were before the pandemic. 23 of those businesses are in the accommodation sector, mostly self-catering, where there have not been as many constraints for their business.

A third of businesses have adapted to be able to offer the same product/service but in new ways. 2 of the 7 businesses who have completely changed their business model are self-catering properties, which now contain guests on a long term let basis.

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| **In response to Covid-19/the current operating environment, what changes have you already made or plan to make to ensure the survival of your business? Please select the statement that fits best** | |
| My business is operating as it was before the pandemic | 38 |
| I have diversified to offer new products or services | 8 |
| I have diversified to offer the same products or services in new ways | 27 |
| I have completely changed my business model | 7 |

Surprisingly, just over a third of businesses have said that they have or soon will be increasing their prices. However, this has not been blamed entirely on Covid-19. Other factors include:

* Increased cost of electricity
* Increased cost of wages
* Increased cost of materials
* Increased cost of food

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| **Has the current situation had an impact on your pricing structure?** | |
| Yes | 26 |
| No | 53 |
| Unsure | 3 |

**Current Outlook**

The business outlook has been positive throughout the survey, with 82% of businesses saying that while their business has been impacted by Covid-19 they are confident about the future of their business or will recover with the right support and guidance. 7% of businesses reported that the Covid-19 impact has been slight.

For the people who completed the survey in the first half of the project, it was clear that there was a lot of uncertainty about reopening again. However, when speaking to them at the end of the season, they are feeling much more confident. There are two factors leading to this optimism. Firstly, businesses now have a much better understanding of how to operate safely while following Covid protocols and secondly, many businesses were concerned that there would be no visitors to Shetland, despite the reopening, but they have been greatly assured by the number of people who have come to Shetland this summer. Quite a few accommodation providers have said that the season is much longer this year, with some saying that they have been fully booked in October and some still have bookings into November. They have also reported that bookings are strong for 2022.

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| **Please select the statement which best describes your current business outlook** | |
| My business is doing fine, the impact of Covid-19 has been slight. | 6 |
| My business has been impacted by Covid-19, but I am confident about the future of my business. | 46 |
| My business has been significantly impacted by Covid-19, but with the right guidance and support it will recover. | 21 |
| My business has been seriously impacted by Covid-19 and I will need significant financial support to survive. | 4 |
| My business has been seriously impacted by Covid-19 and I am unsure if it can survive/recover. | 3 |
| I have closed my business and/or switched to alternative employment | 2 |

**Support and Guidance**

71 businesses said that there are no gaps in the guidance and support preventing them from offering their usual service.

9 businesses answered “yes” to this question on the survey. When later asked about it in the follow up interview, 8 businesses said that this was no longer the case and 1 business said that they still required financial support.

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| **Ideally, what support would you need in preparing your business for restart?** | |
| None | 44 |
| Financial Support | 8 |
| Guidance/advice | 8 |
| Both financial support and guidance/advice | 14 |
| I'm unsure | 8 |

Overall, businesses have found the level of support and guidance received during the pandemic to be satisfactory, although many businesses have stated that it has not always been easy to find the relevant information. They have also found the information to be quite ambiguous, meaning a lot of interpretation was necessary. Things have become much clearer as the season progressed and they started putting the information into practice. Things also because easier for businesses as restrictions began to ease, such as social distancing no longer being a requirement in Scotland from August onwards.

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| **Please select the statement which best describes how you feel about the Covid-19 business guidance and information available from the authorities during the pandemic** | |
| The information available has been comprehensive and easy to find. | 39 |
| The information available has been comprehensive but complicated to find and/or too slow in coming. | 20 |
| The information available has been incomplete and/or difficult to find. | 11 |
| I have not been able to find the information I require at all. | 1 |
| I don't know, I have not looked for this type of information. | 3 |
| Other | 7 |
| Skipped Question | 1 |

Half of businesses have been pleased with the level of financial support received. Some businesses felt that the financial support was too slow in coming and quite a few were not aware of any support until the last minute.

Unfortunately, about a third of businesses are still going without any financial support. Some have not bothered applying as they know that they did not meet the criteria. The obstacles preventing them from getting any financial help were:

* Not being in business long enough
* Having more than one business but all under the same umbrella
* Not having a business address/not paying business rates
* Having another income that was more than what was received from their self-employed income
* Not having a fund that was suitable for their type of business
* Did not receive funding due to being part of an online platform only such as Air BnB

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| **Please select the statement which best describes how you feel about the financial support available during the pandemic so far** | |
| The financial support on offer has been adequate and easy to access | 30 |
| The financial support has been adequate but complicate to access and/or too slow in coming. | 11 |
| The financial support has been inadequate, complicated to access and/or too slow in coming. | 12 |
| I don't know, I didn't qualify for any support. | 11 |
| I don't know, I didn't apply for any support. | 8 |
| Other, (please specify) | 9 |
| Skipped Question | 1 |

**Covid Protocols**

In general, businesses seem to have a good understanding of the Covid protocols required for their business including the cleaning procedures, maximum capacities, group sizes and time between guests. As previously mentioned, for many businesses it was a struggle to find the relevant information in the beginning, but these concerned are no longer an issue since reopening.

The highest level of satisfaction for information received throughout the pandemic has been amongst accommodation providers and specifically self-catering accommodation. Many said that the information received from the Association of Scotland’s Self-Caterers (ASSC) has been very comprehensive and of great benefit.

In contrast though, 12 accommodation businesses have not completed a Covid-19 risk assessment. When asked about this in their follow up interviews:

* 3 businesses did not feel it was necessary to have one as they were already taking necessary precautions
* 4 businesses had an informal risk assessment
* 3 businesses were unsure how to do a risk assessment.
* 2 businesses said they would do it later, before they reopen their business

One of the venues also had not completed a Covid risk assessment. I signposted all businesses to the HSE website where there was a lot of information and templates for doing a risk assessment.

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| **Have you done a Covid-19 risk assessment?** | |
| Yes | 68 |
| No | 13 |
| Skipped Question | 1 |

There were mixed opinions about VisitScotland’s Good to Go scheme. Only 45% of businesses have completed the scheme.

Many have commented saying that it was an easy process to complete and helpful for creating a checklist.

Some feel that visitors like the reassurance of having it, but others have said that there is no noticeable benefit and there has been no way to monitor it.

Only 1 accommodation provider said that they have been specifically asked for it.

Of the businesses that had heard of the scheme but who had yet to get the certificate, gave the following reasons as to why they did not have it:

* Lack of time but it was on their “to do” list
* It was only applicable to accommodation providers
* Did not feel it was necessary as they were managing without it
* Did not think it was relevant for their business
* Did not see the point in it
* Thought it would not bring any benefits
* They are not open for business yet
* They have already spoken to other organisations for advice. E.g., Public health, Air BnB

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| **Are you aware of the VisitScotland Good to Go scheme?** | |
| Yes, I have the certification | 37 |
| Yes, but I have not got the certification | 26 |
| No, I don’t know what this is | 13 |
| Unsure | 6 |

**Other Businesses**

We sent out a slightly different survey to businesses who, while some of their income came from visitors and tourists, they were not a business in the tourist industry. For example, local shops, retailers, and crafts. These businesses did not receive a follow up call, as not all of the information was relevant to this project.

We received 8 responses in total and all businesses are already working again. All reported that there were no gaps in provision preventing them from being able to offer their services again.

All of these businesses, except one, stated that their businesses have been impacted by the lack of visitors to Shetland. 5 of the 8 businesses said that since the restart of the tourism, things have picked up again.

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| **How much of your business comes from tourism or tourism related activities?** | |
| All | 0 |
| Most | 1 |
| Some | 6 |
| A little | 1 |
| None | 0 |

**Sector Organisations**

Most businesses belong to one or more sector organisation. They all reported that it has been beneficial to be part of an organisation throughout the pandemic as it has been good for receiving information and for feeling like there “was someone there for you”.

Shetland Tourism Association and Association of Scotland’s Self Caterers in particular have been highly praised by members for the level of help and information that they have received throughout the pandemic.

18 businesses do not belong to any sector organisations. When asked about this, they said that they did not feel the need to join after doing the business for so many years and a few businesses said that they were busy enough without it.

Some people mentioned that they belonged to other member organisations. These include:

* Shetland Arts and Crafts
* Highland Food and Drink Club
* Cruise Scotland/Europe
* Cruise Lines International Association
* Museums and Galleries Scotland
* Sail Scotland
* Scottish Agritourism
* Wild Scotland
* Confederation of Passenger Transport
* Scottish Motor Trade Association
* VisitScotland
* Air BnB

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| **Are you currently a member of any sector organisation? Please select all that apply** | |
| Shetland Tourism Association | 45 |
| Shetland Food and Drink (Taste of Shetland) | 14 |
| Association of Scotland’s Self Caterers | 7 |
| Scottish Independent Tour Operators Association | 4 |
| Scottish Tourist Guides Association | 3 |
| Shetland Island Tourist Guide Association | 3 |
| Woman in Tourism | 1 |
| Association of Scottish Visitor Attractions | 4 |
| Other, (please specify) | 13 |
| None of the above | 18 |

**Key Concerns for Tourism Businesses**

Concerns for Reopening

There were several concerns for businesses upon reopening after the lockdown. These included:

* Being able to keep staff and visitors safe
* “Getting it right” so that they are operating safely and complying with regulations
* Getting the business and customers back again
* What would happen if guests got Covid-19 while staying in the business accommodation?
* Fitting in the cancelled bookings rolled over from 2020
* Potential for another lockdown
* Spreading Covid-19
* Local community thinking badly of them for encouraging visitors back to Shetland
* Catching Covid-19 from guests

Businesses were also given the opportunity to discuss other tourism-related items that were not to do with Covid-19, and numerous issues and opportunities were raised and identified.

Tourism Issues/Concerns

* The cost of getting to Shetland and lack of capacity on the ferry were mentioned by several businesses as one of their concerns going forward
* The lack of infrastructure and toilet facilities
* Windfarms-Yell and Viking. Two businesses thought this would be detrimental for their businesses
* In contrast, one business did not think tourists would be put off by the windfarms, but they worried the negativity surrounding the windfarms would talk people out of coming here
* A few businesses feel that Orkney provides better tourism services for their visitors and that tourism is not taken seriously in Shetland
* The lack of provision for people cycling in Shetland
* As the season is extending now into October and November, some accommodation providers are struggling to advise guests on what to see and do with so many attractions being shut for the winter
* Concerns that there will be a slump in “Staycationers” next year
* A few businesses feel that the short-term letting licence, soon to be brought into Scotland will have a negative impact on their business
* Better ferry connections for Fair Isle and the North Isles
* Attracting more staff for hospitality businesses
* Having large events in the summer months puts a strain on accommodation providers

Opportunities

* Many businesses stated that they thought the TV series “Shetland” would bring them lots of benefits and help weather the pandemic
* Some smaller islands hope to take advantage of the Scottish Islands Passport
* As there are more campervans coming to Shetland now, businesses would like to see more provision for them.
* A suggestion was made to have a “pass” that visitors could purchase for use on internal ferries and at venues, like what is in other countries.
* Food tourism and Shetland’s seafood have lots of potential for further opportunities
* More promotion for the North Isles, perhaps a steering group for all three islands to collaborate.
* Market tours and visitor attractions to locals
* Customer service training opportunities for local shops and hospitality businesses
* Include the younger generation more to get them invested in tourism
* Self-catering businesses providing welcome packs for guests should include local produce to promote other local businesses
* More interpretative boards required so that guests can explore without a guide
* Geology is an incentive to come to Shetland and should be promoted more
* More walking tours off the beaten track are required
* More new tour products are required

Space Tourism

Businesses were asked if they thought that the development of a space port in Unst would have any impact on their business. The results were mixed with the majority of businesses saying they did not know and had not really thought about it.

Some businesses in the North Isles thought it would be a welcome boost to Unst and would help attract more young families to the area, as well as visitors.

However, one business in Unst thought it would have a detrimental effect as space tourism was not good for the environment and worried about debris in the ocean.

Some businesses thought that it would have no effect on their business whatsoever and a few commented that they did not think it would ever happen.

Digital Resources

All businesses were asked about using digital resources to promote their businesses. Overall, businesses are happy with the digital resources they have in place. Many have other people doing it for them.

Several have increased their own knowledge during the pandemic by taking advantage of webinars offered by Business Gateway, Digital Boost, VisitScotland and training from online platforms.

There were two issues raised. Firstly, there were very few webinars aimed at businesses that had been running for a long time (10+ years). They would like something that would be able to help them to attract new markets and audiences.

It was mentioned that there are very little webinars aimed at museums or volunteer run groups, who are slightly different in business terms.

**Engagement with the Shetland Community**

I attended the Taste of Shetland festival alongside Shetland Tourism Association, where we were able to gather 40 surveys, taking our total to 100.

The results of this survey were very positive, with 85% of respondents saying that they were pleased to see the return of tourists and visitors to Shetland.

83% of these surveys felt that tourism businesses in Shetland can operate safely within current Covid-19 guidelines.

91% said that they thought that tourism is either very or somewhat economically beneficial to Shetland.

72% of respondents said that they felt confident about the future of tourism in Shetland.

67% of the people who completed the survey do not have their livelihood dependent on tourism.

76% of people surveyed said that they had already travelled outside Shetland or would do so later this year.

The community were also given the opportunity to ask questions or raise issues regarding tourism in Shetland. There were some interesting comments made:

* Concerns that tourism businesses are not being monitored to check that they are adhering to local covid protocols
* The lack of mandatory testing for travelling to Shetland and those visitors do not follow our covid protocols.
* There were a few respondents who raised the issue of the cost of travel to Shetland both by flight and by ferry
* The capacity on Northlink Ferries is a concern. As a lifeline service, it was not always possible for locals to travel to/from Shetland with the number of visitors travelling instead
* With the cost of travel being so high, a few comments were made that more should be invested in the tourism industry to provide a high-quality offering to visitors. Quality over quantity.
* One respondent mentioned that their neighbour’s B&B had a negative impact on their life. They thought tourism businesses should not be allowed to buy property to rent as holiday homes while there was a housing shortage in Shetland
* One respondent is concerned that important heritage sites such as Tingwall Church and Lunna Church will be lost once Church of Scotland gives them up
* Viking Windfarm was a concern for some of the respondents
* Concerns that pre-pandemic, the number of cruise ships was becoming unsustainable. What can be done to better manage visitor numbers? What can be done to bring more benefits to the regular population?
* One respondent is concerned about how large events such as Up Helly Aa can be managed safely
* One respondent thinks more should be done for tourists, especially on Sundays
* Lack of facilities for campervans was mentioned by a couple of respondents
* One respondent wishes that tourism would simply go away
* Another feels that there is no benefit from tourists. They avoid Lerwick on cruise ship days and feel that tourists are disrespectful towards our land, especially birders
* Concerns that there needs to be more public buses on cruise ship days as many of the cruise passengers use this lifeline service.
* Concerns that VisitScotland, Shetland Islands Council and HIE have no real interest in promoting Shetland as a tourism destination. The cost of getting here is used as a reason to not invest.
* Standard of customer service in the hospitality sector needs to improve
* Lack of infrastructure and amenities such as parking, public toilets, litter bins, etc. It is not acceptable to be attracting more people to Shetland without considering their basic needs and the impact on the local community.
* Lack of venues providing traditional music.
* More promotion for Whalsay required
* “Shetland” (TV series) will save Shetland
* More active focus offering excursions to rural businesses. Focussed on central mainland only.
* A need to keep a positive outlook despite staffing and supply chain issues
* Cycle tourism is popular in other countries but what is provided in Shetland?

See Appendix 1 for the results of the community engagement survey. The missing questions contained sensitive data so have not been included in the report.

One of the final questions asked to businesses was “do you feel confident about the future of tourism in Shetland?”

The answer from most businesses was “yes”. They thought it would take a while to come back fully and would require a lot of hard work but as Shetland has so much to offer, they were sure we would see more and more visitors going forward.

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