

Special report: Why Scotland's tourism industry is in it for the long-haul

Tourism organisations, businesses and experts give their views on how sector will survive coronavirus



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SPECIAL REPORTS



Edinburgh is missing out on its usual millions of overseas visitors this year

Tourism in Scotland will recover from the coronavirus crisis, industry leaders say. But it may look very different – and it will be a long haul.

The **Scottish Tourism Alliance (STA)**, the largest member organisation for tourism businesses in Scotland, has led industry calls for support since the Covid-19 crisis started to unfold.

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“We are in uncharted waters and I don't think the severity of the impact on the industry and the cost of damage is appreciated,” says STA chief executive Marc Crothall.

“And it's right the way through the supply chain. If you're a hotel, for example, will your food and drink supplier, your laundry provider or the maintenance man who used to do all the odd jobs still be around?

“What about the vital organisations that help with recruitment and training? Or the coach companies and transport operators? There are so many different elements to the tourist's journey.


"If some of them have not made it through this storm, we'll need clarity on how we replace the customer journey, or provide alternative solutions.

"And it will be challenging, because people's decisions to part with cash will be even more considered given the squeeze on their own household budgets."

The association welcomed the UK Government's pledge to cover 80 per cent of workers' salaries but feared this was already too late for some businesses. As the outbreak took hold, the STA led lobbying for a raft of measures, including the scrapping of all business rates and local taxes for all travel and tourism businesses for 2020 and deferring all corporation tax, VAT, PAYE and other tax payments for 12 months.

On a positive note, the industry was working collaboratively across sectors in ways not seen before – a key vision of the Scotland Outlook 2030 strategy launched by the STA, VisitScotland and Scottish Enterprise in early March.



 **Scottish Tourism Alliance chief executive Marc Crothall**

"Working together in partnership culture will be far, far stronger than it's ever been before," Crothall says.

"We are already working closely with the food and drink sector and looking to facilitate, for example, how some of the displaced hospitality workforce might be made available temporarily to fill a recruitment gap like picking soft fruit – rather than losing them from the industry altogether."

Based on previous experience of dealing with the impacts of foot and mouth disease, avian flu and SARS, national tourism agency VisitScotland reactivated its emergency planning process and recalled the Scottish Tourism Emergency Response Group.

This aims to deliver a co-ordinated response to Covid-19 and includes industry, government, enterprise agencies and the transport sector.

Chris Greenwood, senior insight manager at [VisitScotland](#), has been tracking 20 years of market trends.

“Historically, travelling consumers have demonstrated a level of resilience either by adapting their behaviour or rebounding quite quickly,” he says. “People see travel and tourism as a right rather than a privilege. I think we treasure our freedom of movement and people will adapt accordingly.”

In 2002, after travel restrictions were lifted following 9/11 and the foot and mouth outbreak, UK attractions saw an eight per cent uplift in visitor numbers.

“Outdoor activities related to wildlife watching and agri-tourism saw significant double digit growth of about 40 to 50 per cent, because these had been off the cards during foot and mouth,” Greenwood adds.

After the 2008 financial crisis, when incomes were squeezed, people adapted by holidaying at home rather than going abroad, giving birth to the “staycation” trend.

Brexit uncertainty also saw tourists defer foreign travel. But a surge of late bookings followed after Britain left the European Union at the end of January.

In the current crisis, Greenwood says flexibility and adaptability are key for businesses, and he has already seen this – for example, in distilleries converting production to hand gels.

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“For me, small business resilience augers well for the sustainability of the industry,” Greenwood says. “That’s the message that’s come from previous crises. It’s that flexibility that builds resilience. That’s not taking away from the fact that many businesses out there are really trying to come to terms with what’s happening here and now.”

At **Marketing Edinburgh**, the capital’s official destination marketing organisation, head of business tourism Amanda Ferguson believes coronavirus may profoundly change the industry’s policy direction.

“Tourism is an £11bn industry for Scotland and employs 34,000 people in Edinburgh,” she says. “I think the city is about to realise how widespread tourism, the visitor economy and the hospitality industry actually is.

“Aside from coronavirus, the debate in the wider sector has been about over-tourism – and that’s being written into strategies covering the next 10 years. So it’s not about growing tourism, it’s about managing it.

“I would argue that this is a game-changer, that we need to re-evaluate the value of tourism and we need to be focussed on building the industry on the other side of coronavirus.”

Ferguson says she had seen great examples of invention and selflessness, including an Edinburgh hotel offering free rooms and breakfast to key clinical and medical staff commuting from other locations to help fight Covid-19.

Some freelancers such as technical and audio-visual specialists were also opting out of competitive tenders to give others a better chance of securing the work. “We need people to be self-sacrificing and thinking of the wider community – and we’re seeing more of that coming to the fore,” she says.

Looking ahead, COP26 – the UN Climate Change Conference originally scheduled to take place in November 2020 in Glasgow and now postponed until 2021 – is a “phenomenal opportunity” for Scotland and the UK.

“It’s going into Glasgow, but will be spread across both Glasgow and Edinburgh because of the sheer volume of bedrooms needed for delegates,” Ferguson explains. “For us as an industry, I hope it will lead to

further investment in sustainable tourism, which is a key pillar for tourism in Scotland and Edinburgh.”

Before the event was postponed Ferguson says she was fielding enquiries from organisers trying to source electric vehicles. “It’s been an insight for me to see the number of electric vehicles that can already be privately hired as taxis,” she says.

“I hope this will be the catalyst for increasing the number of charging points not just in Edinburgh but across Scotland. And I hope it will ensure hotels and venues who are already quite far ahead in their green credentials go that extra mile.”

Scottish Canals runs the Caledonian, Crinan, Forth & Clyde, Monkland and Union Canals and manages destinations including The Falkirk Wheel, The Kelpies and Fort Augustus, a historic village on the Caledonian Canal at the most southern tip of Loch Ness.



The Crinan Canal at Ardrishaig on the Kintyre peninsula

“We’re working on a three model basis,” says Catherine Topley, Scottish Canals chief executive.

“One is that we will lose the whole season, which would be very unfortunate. But we are currently planning to maximise, if possible, the opportunity to undertake core maintenance and activity.

“Then there’s the more likely potential scenario, where we’re planning hopefully within three months to be coming out of the end of this and providing services to encourage people back into tourism and open spaces.

“We acknowledge that people will have gone through quite a difficult period emotionally and also financially. So we want to create an environment that’s healthy to come back to and recognises the price point required.”

Meantime Scottish Canals is monitoring developments in other countries and keeping in regular contact

with the Scottish Government. As public assets, the canals will remain open.

“The canals are a great place for people to go for a walk around,” Topley says. “There are 148 miles of canals where you can go and enjoy the fresh air, as long as you’re sensible and careful about social distancing.”

Serviced apartment provider Lateral City is part of real estate development and investment business, **Chris Stewart Group**, and owns The Edinburgh Grand, a five-star hotel residence in Edinburgh’s St Andrew Square, and the Old Town Chambers off Edinburgh’s Royal Mile, a five-star development of 50 serviced apartments.

Earlier this year, the business was also appointed by Royal Collection Trust – which manages the Queen’s residences – to operate Abbey Strand Apartments, a new development of nine serviced apartments in the grounds of Holyrood Palace, the Queen’s official residence in Scotland.

Grant McKenzie, operations director for Chris Stewart Group, says: “We have a beautiful product and will showcase our apartments in whatever way we can. There is resilience in the hospitality industry and we have been reacting at pace and robustly as new announcements are made to ensure that we can continue to offer people the option of a home from home.

“This is uncharted territory and so we have to think ahead and think creatively.” In the year to March 2020, McKenzie says Lateral City’s apartments showed significant year-on-year growth.

In October 2019, **Hays Travel**, the UK’s largest independent travel agent, acquired the 555 high street branches of former tour operator Thomas Cook – saving more than 2,000 jobs. The deal included more than 50 stores in Scotland.

“Hays Travel saw the gap that the demise of Thomas Cook left for the travel industry in Scotland,” says Tanya Cooper, regional sales manager for West Scotland at Hays Travel. “It was also undeniable that Thomas Cook left behind extremely knowledgeable and experienced staff with consistently high customer service levels.”

As well as taking Scottish tourists abroad, the Sunderland-based business brings tourists into Scotland, mainly from elsewhere in the UK.

“We offer theatre, hotel, hot tub and lodge breaks all across Scotland,” Cooper explains. “Bus trips and weekend stays in Edinburgh are always popular around Christmas time.”

Like all businesses, Hays was having to take measures to lessen the impact of coronavirus on its company.

“At this stage, we are simply looking to cut non-essential expenditure,” Cooper says. “Our primary concern is for our customers who have been affected while on holiday and we have redoubled our support systems so that we in are touch with those clients to assist them every day.

“While this is a difficult time in the short term, the travel industry as a whole is very resilient and has bounced back from other setbacks in the past.”

Heart 200 is a new circular touring route covering 200 miles around Perth, Stirling, the Trossachs and Highland Perthshire. It was launched in 2019 to help reinvigorate tourism in the region, which has seen a drop in domestic visitor numbers since 2011 – particularly in Perthshire, where there has been a significant 17 per cent drop.

The new route is the brainchild of founder and managing director Robbie Cairns, who owns the four-star Fortingall Hotel near Aberfeldy and is originally from the Borders.

“Once the current situation has subsided, the tourism sector will need all the help it can get to get back on its feet again,” Cairns says. “Heart 200 aims to be a vehicle for tourism businesses in the region to collectively come together and market themselves to the world as a unified force.”

Cairns says the launch earlier this year of a new Heart 200 guidebook showcased the region as a “go-to” destination in Scotland.

“We anticipate a 2021 surge in domestic interest and zest for holidays and breaks in Britain, with the heart of Scotland featuring in many travel itineraries,” he adds.

Roland Smyth, head of the Scottish Hotels & Leisure group at law firm [CMS](#), says it is important to remember that Scotland’s hospitality sector has lived through previous global crises.

“Data from Savills shows that, although the 9/11 attacks impacted heavily on international travel, the full recovery window for international visitors to the UK was 16 months,” he says. “While the full recovery window from the 2008 global financial crisis triggered by the collapse of Lehman Brothers was 69 months.”

As part of the sector’s recovery, it would be important for hospitality and tourism businesses to increase business in what have traditionally been quieter months.

“In the capital, one of the key challenges will be to fill the city’s events calendar with new events to help spread visitors across the year and mitigate the traditional summer and December peaks,” he adds.

Scotland’s fundamentals remain strong, Smyth says, including a strong culture of excellent customer service, historic cities and buildings, and experiential tourism opportunities, such as hillwalking, outdoor sports, distillery tours and castles.

Anna Leask, professor of tourism management at [Edinburgh Napier University Business School](#), suggests that the Covid-19 crisis might reverse the industry’s previous skills shortage.

“We may now have the totally opposite situation, where we have a wealth of available talent to draw upon,” she says.

“So tourism employers may need to move from a position of being creative in how they recruited and retained staff, to now working out ways to simplify their recruitment processes to identify the best suited staff from a large labour pool.

“That said, many skills that form the basis of the Scottish tourism experience may well have been lost. For example, qualified and knowledgeable tour guides and visitor attraction interpreters who may have moved on, away or developed new careers.”

Scotland’s tourism industry was performing well before the coronavirus hit, with strong growth in the volume and value of both international and domestic visitors.

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Rebuilding this might involve collaboration across particular locations or sectors, with VisitScotland’s themed years potentially providing the vehicle for this.

“I imagine that tourism providers will need to work on communities to develop specific solutions for specific sectors and to gradually build these up,” Leask says. “Campaigns like the themed years have been popular in providing an impetus for businesses across destinations to work together. For example, in the Year of

Food and Drink (2015) we had The Real Mary King's Close in Edinburgh working with whisky merchant Royal Mile Whiskies and local chocolatiers to offer specialist tours that combined their individual expertise and products into one augmented product for visitors.

"The Year of Coasts and Waters 2020 this year hasn't really had a chance to get going, though events such as Write by the Sea over in Tighnabruaich on Argyll's Secret Coast managed to sneak in successfully before the lockdown.

"That was an excellent example of local businesses – hotels, restaurants, farms, coffee roasters and writers – all pulling together to offer a festival based on writing inspiration drawn from the local coasts and waters."

Looking ahead to a rescheduled COP26, Leask adds: "It's likely to provide Scotland with the opportunity to be at the leading edge of decision-making.

"While some commentators seem to think that climate change is losing out in light of the response to coronavirus, I imagine the data on how airlines and travel have been impacted will see key issues gaining potentially greater importance moving forward."



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