Introduction

▶ Each quarter, the Cairngorms Business Barometer (CBB) seeks feedback from business operators across the Cairngorms National Park (CNP) on a range of aspects including ongoing performance and confidence in the future which allows for a quarterly assessment of the 'health' of the tourism economy in the Park area.

Summarised below are the key findings from the latest CBB online survey which was distributed to businesses in April 2017 and asked operators to consider their performance during the first quarter of the year (January to March).
The results from previous surveys are also shown to enable year-on-year comparisons and an understanding of ongoing trends.

93 businesses from across the CNP area contributed their views this quarter - this compares to 90 last quarter.

Executive Summary

▶ The distribution of visitor origin broadly remained unchanged in Q1 2017 compared to the Q1 Average. However, perhaps a reflection of decreasing UK consumer confidence there was a notable decrease of visitors from England compared to Q1 2016.

▶ Whilst overseas visitors continued to account for just over 10% of all visitors to the park, it is worth mentioning that businesses noted a stark increase in visitors from the United States.

▶ Although customer numbers and turnover figures decreased this quarter, the decline was less pronounced compared to last year. That said, the outlook for the year ahead was very positive and well above Q1 Average levels.

▶ Accommodation providers achieved similar average occupancy compared to the same time last year, however, it was well above the Q1 Average. Looking to the next 12 months, they demonstrated very positive expectations regarding future performance as well.

▶ Overall levels of investment in staff training, infrastructure and marketing were above the Q1 average, with marketing investment reaching its highest ever levels.

▶ There was moderate agreement that a voluntary visitor contribution scheme towards the maintenance of paths within the National park would be beneficial and nearly half of all businesses indicated they would be prepared to support the scheme in some shape or form.

▶ The short term business confidence was at its highest ever levels since the Barometer began in Q3 2009. Meanwhile, the medium term and long term outlooks were above the Q1 Average and Overall Average

Cairngorms Business Partnership Commentary

▶ *It is very encouraging to see that our National Park status continues to be an important factor in attracting first time visitors. Q1 2017 saw one of the poorest winters for snowsports in the area for some time with 44% of businesses, across all sectors, seeing their turnover decline however businesses remained very upbeat with 53% anticipating increased revenues within the next 12 months, compared with only 23% expecting their revenues to decrease. The area is much more resilient to unpredictable weather than we might imagine and it was surprising that during such a poor winter, weather dropped from being the number one barrier to doing business to second place behind bureaucracy.*

* For an example of the quarterly questionnaire please click here.

Dashboard Summary

Origin	Q1 2017	Q1 2016		Q1 Average	
Scotland	49%	48%	▲	49%	↔
England	28%	34%	▼	31%	▼
Overseas	13%	11%	▲	11%	▲

Mix of customers during quarter compared to last year and quarter average.

Business Levels		Q1 2017	Q1 2016		Q1 Average	
Customers	- Last 3 months	-9%	-23%	▲	-13%	▲
	- Next 12 months	35%	16%	▲	17%	▲
Turnover	- Last 3 months	-12%	-16%	▲	-11%	▼
	- Next 12 months	32%	19%	▲	18%	▲

Net business level changes in last 3 months and in next 12 months compared to last year and quarter average.

Investment		Q1 2017	Q1 2016		Q1 Average	
Staff training	- Last 3 months	25%	18%	▲	13%	▲
	- Next 12 months	37%	36%	▲	26%	▲
Marketing	- Last 3 months	37%	33%	▲	22%	▲
	- Next 12 months	38%	42%	▼	31%	▲
Infrastructure	- Last 3 months	35%	43%	▼	28%	▲
	- Next 12 months	45%	50%	▼	36%	▲

Net investment changes in last 3 months and in next 12 months compared to last year and quarter average.

Barriers	Q1 2017	Q1 2016		Q1 Average	
Average	**5.31**	**5.60**	▼	**5.60**	▼
Bureaucracy	6.19	6.48	▲	6.29	▼
Weather	5.82	6.18	▼	6.28	▼
Supplier Costs	5.66	5.31	▲	5.90	▼

Overall average and individual barrier to growth scores for top 3 factors compared to last year and quarter average.

Business Confidence	Q1 2017	Q1 2016		Q1 Average	
Next 3 Months	6.68	6.02	▲	6.01	▲
Next 12 Months	6.43	6.13	▲	6.08	▲
Next 24 Months	6.18	6.38	▼	6.16	▲

Business confidence over short, medium and long term compared to last year and quarter average.

Area

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Angus Glens, Highland Perthshire, Glenlivet, Royal Deeside, Badenoch & Strathspey

|	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q1 2016	Q1 2015	Q1 Average	Overall Average
Highland Perthshire	5%		4%					
Glenlivet		10%		5%	6%	8%		
Royal Deeside	21%	20%	19%	19%	25%	18%	23%	23%
Badenoch & Strathspey	71%	66%	73%	71%	64%	63%	66%	66%

▶ The sample was comprised as follows this quarter: Badenoch & Strathspey businesses (71%), Royal Deeside (19%), Glenlivet (5%) ,Highland Perthshire (4%), and Angus Glens (0%)

Sector

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Other, Non-tourism business, Attraction, Food / Beverage / Retail, Activities, Accommodation

|	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q1 2016	Q1 2015	Q1 Average	Overall Average
Non-tourism business	8%	5%	7%	9%	10%		7%	8%
Attraction	7%		9%	6%	6%	5%	7%	8%
Food / Beverage / Retail	14%	10%	16%	10%	9%	13%	12%	12%
Activities	13%	15%	8%	10%	10%	10%	12%	12%
Accommodation	53%	57%	58%	64%	65%	63%	60%	58%

▶ In terms of business sector, the sample was made up as follows: Accommodation provider (64%), Activity operator (10%), Food / Beverage / Retail business (10%), Attractions (6%) and Non-tourism business (9%).

Origin
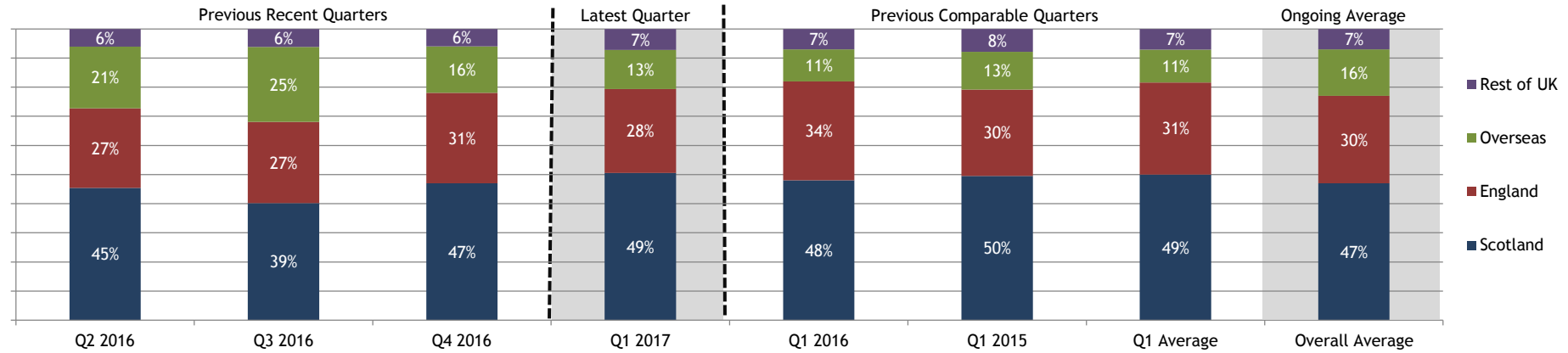
- ► The mix of customers in the Park area during the quarter was as follows: Scotland customers (49% of all customers), visitors from England (28%), Overseas visitors (13%), and visitors from the rest of the UK (7%).

- ► As in previous quarters, the Scottish market continued to account for the largest share of visitors. Compared to Q1 2016 and to a lesser extent the Q1 Average and Overall Average a decline was noted in visitors from England.

Origin - Top Source Markets England and Overseas
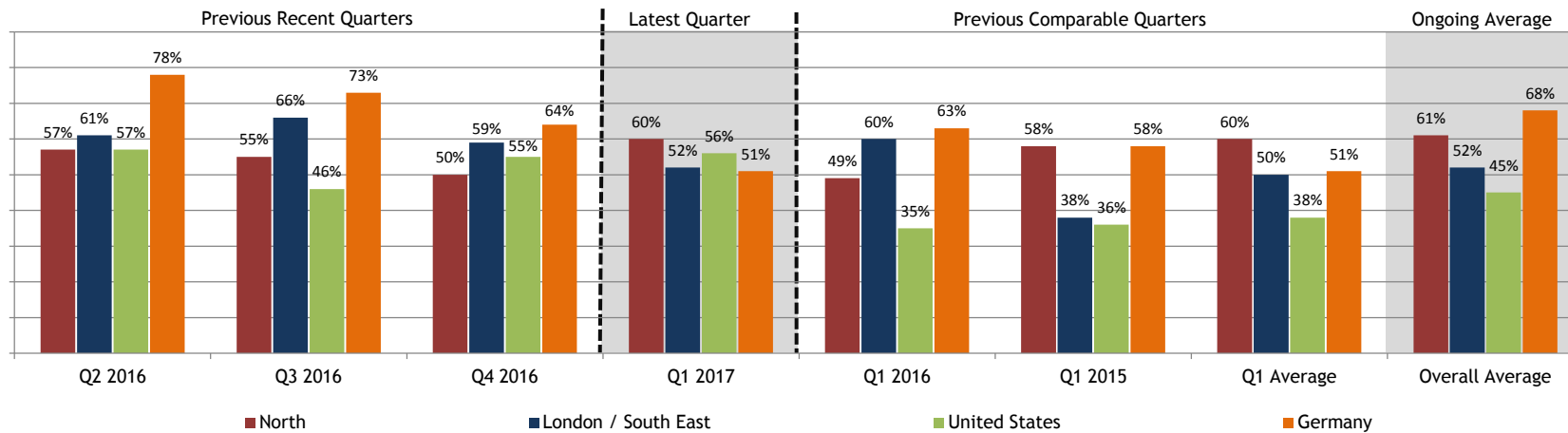
- ► The most common segment from England was visitors from the North (60% of businesses who engaged with visitors from England traded with customers from the North of England) followed by London / South East (52%). The proportion of visitors from these top two source markets has fluctuated over the last two comparable quarters but was broadly on par with the Q1 Average.

- ► There was a stark increase of visitors from the United States (56%) compared to previous comparable quarters and the Q1 Average. As a result the US market was the key overseas source market this quarter. The next most significant market was Germany (51% which was below previous comparable quarters but on par with the Q1 Average).

Business Levels

No. Of Customers: Last 3 months and next 12 months

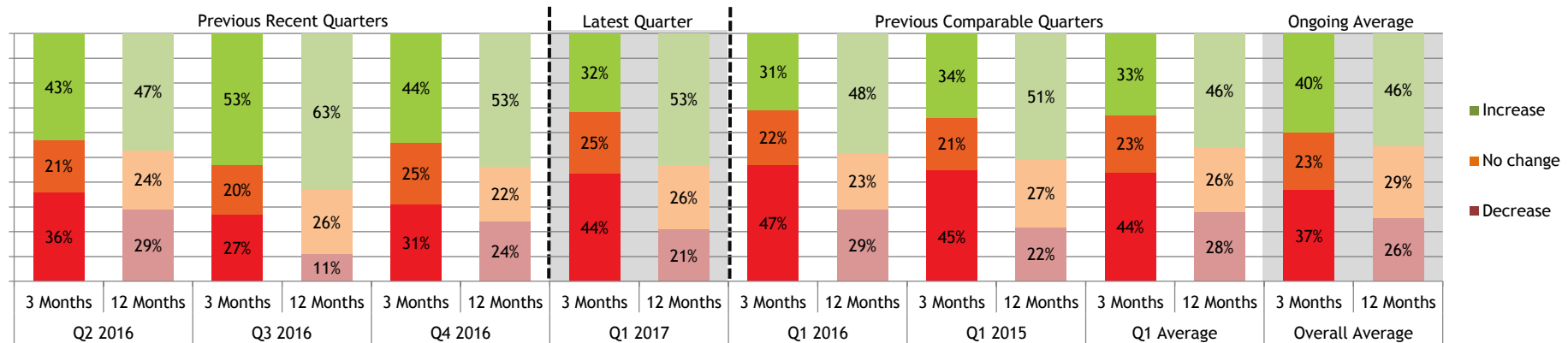|	Previous Recent Quarters						Latest Quarter		Previous Comparable Quarters						Ongoing Average	
	Q2 2016		Q3 2016		Q4 2016		Q1 2017		Q1 2016		Q1 2015		Q1 Average		Overall Average	
	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months
Increase	34%	44%	45%	56%	41%	48%	31%	54%	28%	44%	34%	49%	32%	45%	37%	43%
No change	28%	30%	28%	33%	28%	31%	29%	27%	21%	29%	22%	29%	23%	27%	25%	32%
Decrease	38%	27%	28%	11%	32%	21%	40%	19%	51%	28%	44%	21%	45%	28%	38%	25%

▶ There was a small overall decrease in customer numbers this quarter as more businesses decreased than increased their customer numbers (40% versus 31%). Whilst a decline, it is important to note that the rate of decline was less pronounced than Q1 2016 and the Q1 Average.

▶ An overall increase in customer numbers was expected in the year ahead as more businesses expected to increase customer numbers from their current level in the next 12 months than decrease (54% versus 19%). The overall outlook recorded this quarter was much more positive than previous comparable quarters, the Q1 Average and the Overall Average.
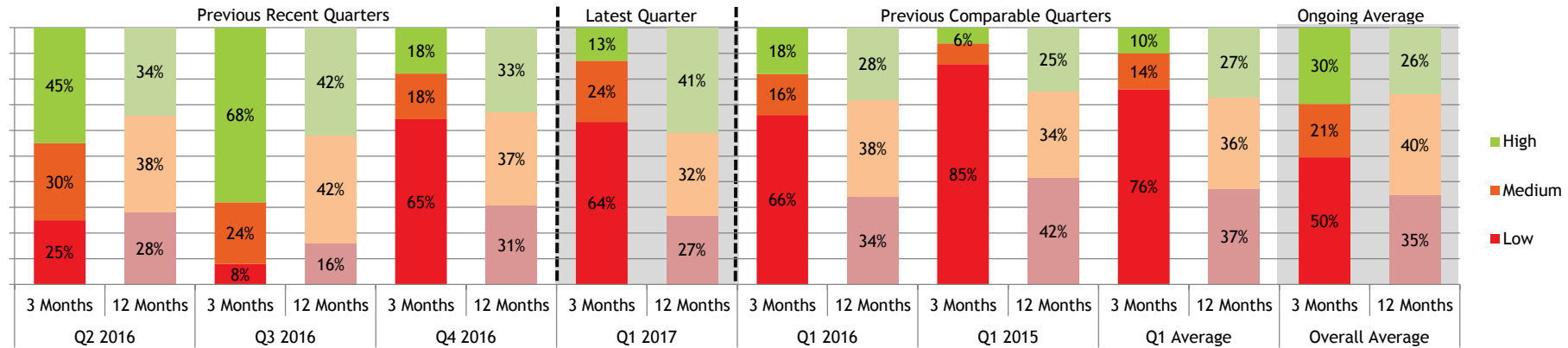
Business Levels

Turnover: Last 3 months and next 12 months

	Previous Recent Quarters						Latest Quarter		Previous Comparable Quarters						Ongoing Average	
	Q2 2016		Q3 2016		Q4 2016		Q1 2017		Q1 2016		Q1 2015		Q1 Average		Overall Average	
	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months	3 Months	12 Months
Increase	43%	47%	53%	63%	44%	53%	32%	53%	31%	48%	34%	51%	33%	46%	40%	46%
No change	21%	24%	20%	26%	25%	22%	25%	26%	22%	23%	21%	27%	23%	26%	23%	29%
Decrease	36%	29%	27%	11%	31%	24%	44%	21%	47%	29%	45%	22%	44%	28%	37%	26%

▶ There was an overall decrease in turnover this quarter as more businesses decreased their turnover than increased their turnover (44% versus 32%). However, turnover fell at a slower rate observed than Q1 2016 and was roughly on part with Q1 2015 and the Q1 Average.

▶ An overall increase in turnover was expected in the year ahead as more businesses expected to increase their turnover from the current level in the next 12 months rather than decrease (53% versus 21%). The results this quarter constituted a much more positive outlook compared to last quarter, previous comparable quarters, the Q1 Average and the Overall Average.
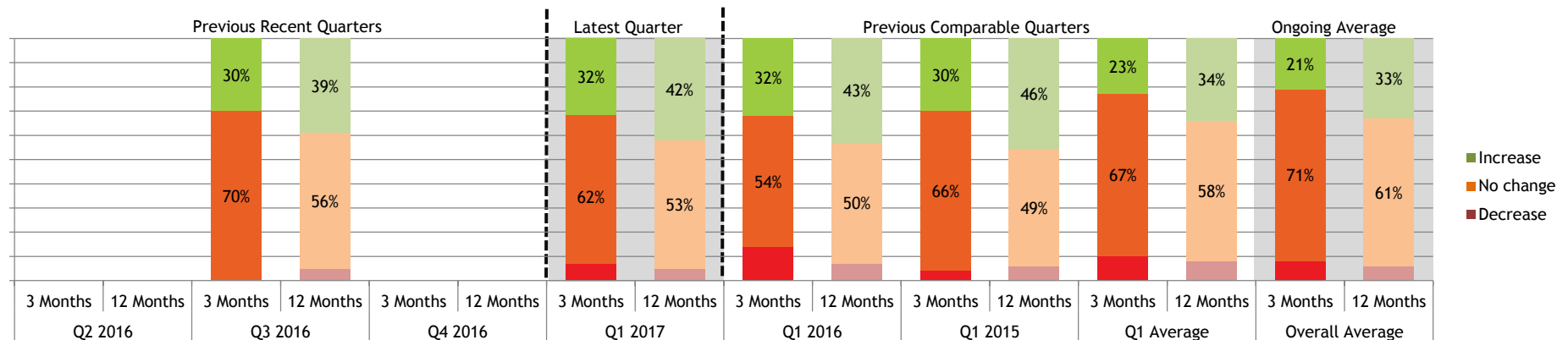
Business Levels
Accommodation Occupancy: Last 3 months and next 12 months

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: High (green), Medium (orange), Low (red)

Q2 2016 — 3 Months: High 45%, Medium 30%, Low 25%; 12 Months: High 34%, Medium 38%, Low 28%
Q3 2016 — 3 Months: High 68%, Medium 24%, Low 8%; 12 Months: High 42%, Medium 42%, Low 16%
Q4 2016 — 3 Months: High 18%, Medium 18%, Low 65%; 12 Months: High 33%, Medium 37%, Low 31%
Q1 2017 — 3 Months: High 13%, Medium 24%, Low 64%; 12 Months: High 41%, Medium 32%, Low 27%
Q1 2016 — 3 Months: High 18%, Medium 16%, Low 66%; 12 Months: High 28%, Medium 38%, Low 34%
Q1 2015 — 3 Months: High 6%, Medium, Low 85%; 12 Months: High 25%, Medium 34%, Low 42%
Q1 Average — 3 Months: High 10%, Medium 14%, Low 76%; 12 Months: High 27%, Medium 36%, Low 37%
Overall Average — 3 Months: High 30%, Medium 21%, Low 50%; 12 Months: High 26%, Medium 40%, Low 35%

▶ 64% of accommodation providers recorded low occupancy of less than 50% whilst 13% achieved high occupancy of 70% or above during the quarter. Although the majority of accommodation providers observed low occupancy, average occupancy was on par with Q1 2016 and well above two years ago and the Q1 Average.

▶ 27% of accommodation providers expect to achieve low occupancy of less than 50% for the year ahead whilst 41% expect to achieve high occupancy of 70% or above. Accommodation providers had much higher expectations regarding future performance compared to all previous comparable quarters and the Overall Average.
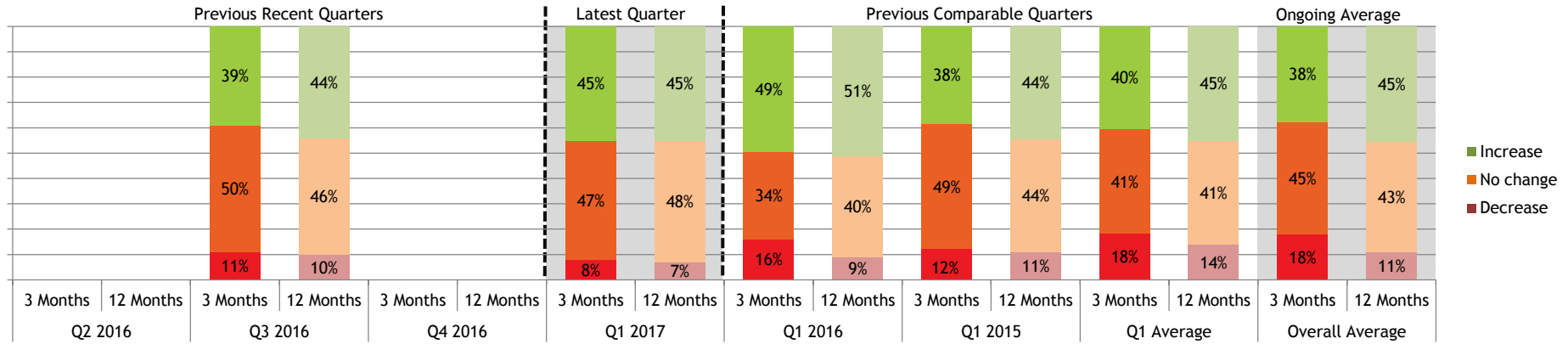
Investment Levels
Staff Training: Last 3 months and next 12 months

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Increase (green), No change (orange), Decrease (dark red)

Q3 2016 — 3 Months: Increase 30%, No change 70%; 12 Months: Increase 39%, No change 56%
Q1 2017 — 3 Months: Increase 32%, No change 62%; 12 Months: Increase 42%, No change 53%
Q1 2016 — 3 Months: Increase 32%, No change 54%; 12 Months: Increase 43%, No change 50%
Q1 2015 — 3 Months: Increase 30%, No change 66%; 12 Months: Increase 46%, No change 49%
Q1 Average — 3 Months: Increase 23%, No change 67%; 12 Months: Increase 34%, No change 58%
Overall Average — 3 Months: Increase 21%, No change 71%; 12 Months: Increase 33%, No change 61%

▶ Whilst most businesses (62%) noted no change in staff training investment, a small overall increase in staff training investment was recorded as 32% increased their investment in this aspect compared to just 7% who decreased investment. The overall growth in staff training investment was above recent comparable quarters and well above the Q1 Average and the Overall Average.

▶ Going forward businesses continued to expect a faster rate of change in staff training investment compared to current levels. That said, more than half of businesses (53%) thought that staff training investment would be unchanged in the coming 12 months. These results suggest more intent to invest compared to the Q1 Average and the Overall Average but an overall similar level of intent compared to last year.
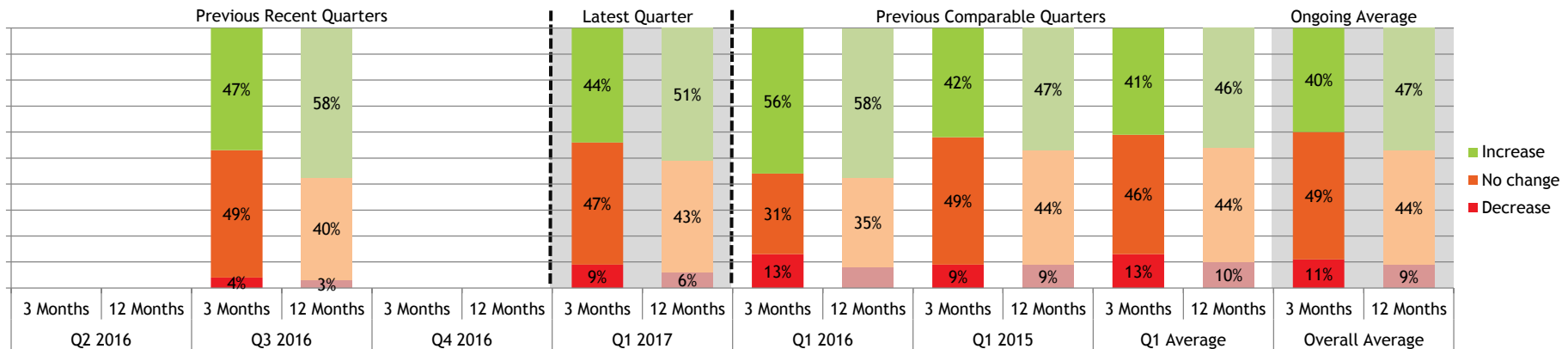
Investment Levels
Marketing: Last 3 months and next 12 months

	Previous Recent Quarters			Latest Quarter	Previous Comparable Quarters			Ongoing Average

Chart data (Increase / No change / Decrease):

	3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months
Increase	39%	44%		45%	45%		49%	51%		38%	44%		40%	45%		38%	45%			
No change	50%	46%		47%	48%		34%	40%		49%	44%		41%	41%		45%	43%			
Decrease	11%	10%		8%	7%		16%	9%		12%	11%		18%	14%		18%	11%			
	Q2 2016			Q3 2016	Q4 2016		Q1 2017		Q1 2016		Q1 2015		Q1 Average		Overall Average				

▶ An overall increase in marketing and promotion investment was recorded as 45% of businesses increased their investment in this aspect this quarter whilst 8% decreased investment. The overall growth in marketing and promotion investment this quarter was at its highest ever level since the barometer began in Q3 2009.

▶ Continued growth in marketing and promotion investment was again expected as 45% of businesses expected to increase their investment in this aspect in the year ahead whilst only 7% expected to decrease investment. These results marked similar intent in marketing and promotion investment for the year ahead compared to comparable quarters and were above Q1 Average.

Investment Levels
Infrastructure: Last 3 months and next 12 months

Chart data (Increase / No change / Decrease):

	3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months		3 Months	12 Months
Increase	47%	58%		44%	51%		56%	58%		42%	47%		41%	46%		40%	47%			
No change	49%	40%		47%	43%		31%	35%		49%	44%		46%	44%		49%	44%			
Decrease	4%	3%		9%	6%		13%			9%	9%		13%	10%		11%	9%			
	Q2 2016			Q3 2016	Q4 2016		Q1 2017		Q1 2016		Q1 2015		Q1 Average		Overall Average				

▶ An overall increase in buildings and infrastructure investment was recorded as 44% of businesses increased their investment in this aspect whilst 9% decreased investment. The overall growth in buildings and infrastructure investment this quarter was notably lower than Q1 2016 but on par with two years ago and higher than the Q1 Average and the Overall Average.

▶ Going forward there are strong expectations to increase buildings and infrastructure investment - 51% expected to increase investment in this aspect in the year ahead whilst 6% expected to decrease investment. These results implied lower levels of confidence to invest in buildings and infrastructure compared to Q1 2016 but a slightly more optimistic assessment compared to the Q1 Average.
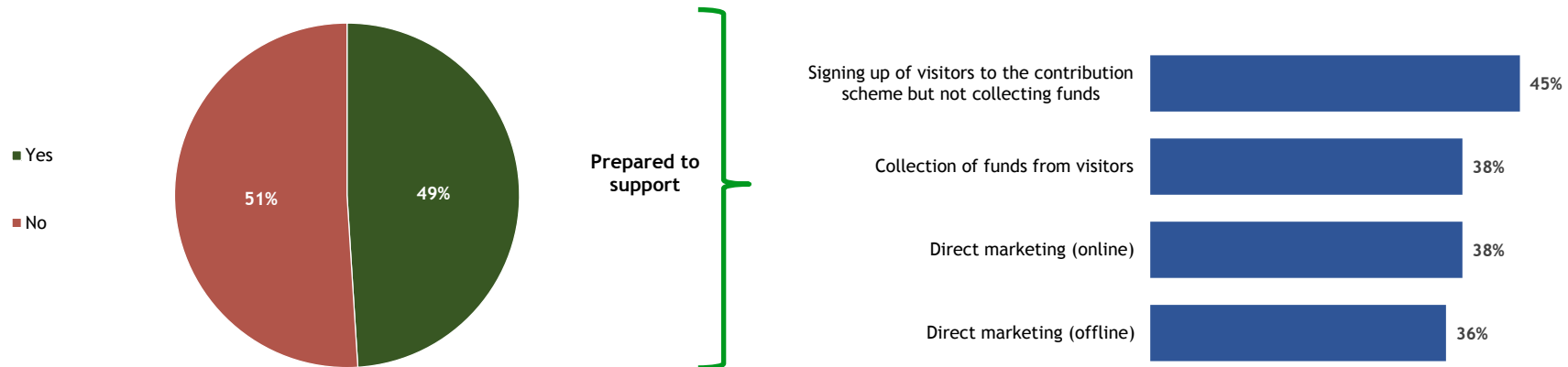
Quarterly Topical Questions: Path Maintenance in the National Park

To what extent do you agree with the following statement: "A voluntary visitor contribution scheme towards maintenance of paths within the National Park would be beneficial."

■ 1=Disagree strongly　　■ 2　　■ 3　　■ 4　　■ 5=Agree strongly

18%	11%	40%	14%	18%

↓
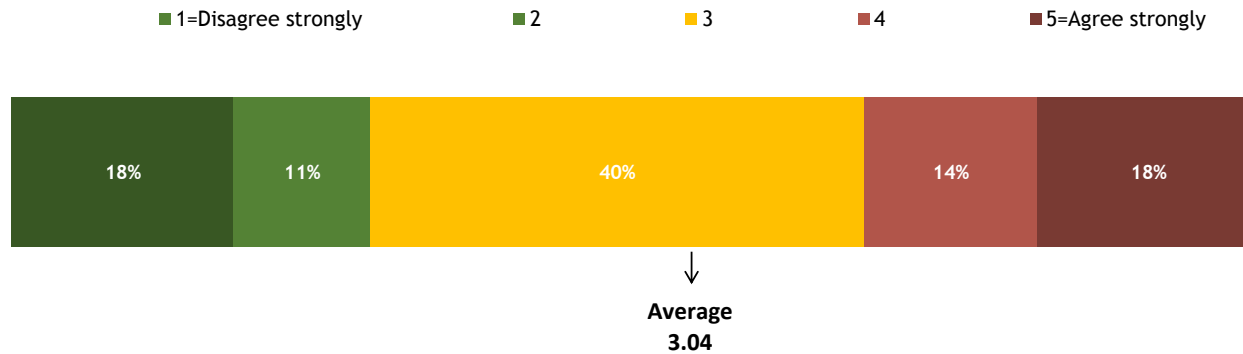
**Average
3.04**

▶ There was moderate support overall for a voluntary visitor contribution scheme for path maintenance as businesses rated this 3.04 out 5 on average.

▶ There was greater support for the scheme among non-accommodation businesses and those situated in Badenoch and Strathspey, 3.17 and 3.12 respectively.
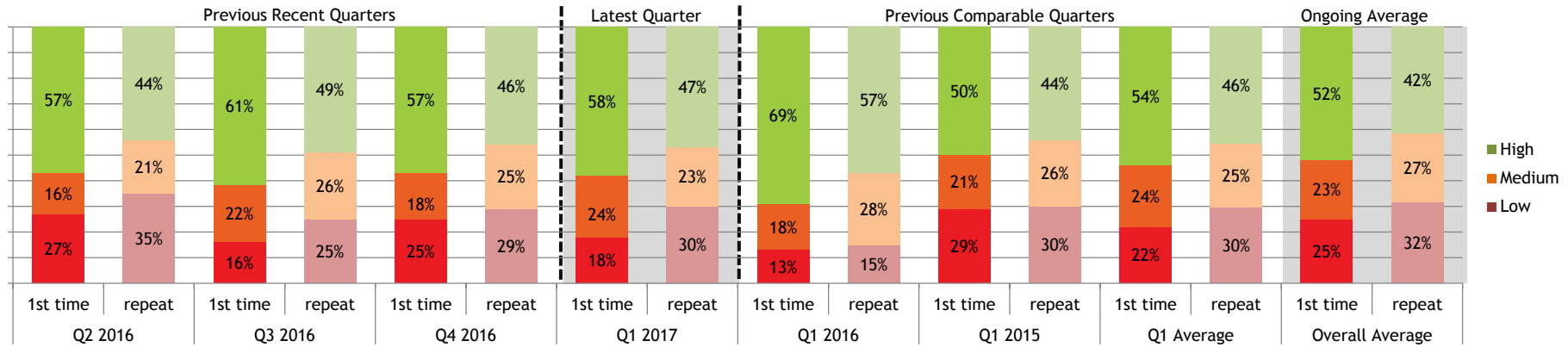
Would you be prepared to support a voluntary visitor contribution scheme through any of the following mechanisms?

■ Yes

■ No

51%　49%

Prepared to support

Signing up of visitors to the contribution scheme but not collecting funds — 45%

Collection of funds from visitors — 38%

Direct marketing (online) — 38%

Direct marketing (offline) — 36%

▶ Business views were polarised regarding willingness to support a voluntary visitor contribution scheme.

▶ Those who were prepared to provide support (49%) would prefer to do so through signing up of visitors to the contribution scheme but not collecting funds (45%).

▶ Offline direct marketing was the preferred support mechanism for non-accommodation businesses (cited by 50%). This mechanism was much less favoured by accommodation providers (referenced by only 26% of accommodation businesses).

Influences
Influence of CNP - Attracting First time & Repeat Customers

	Previous Recent Quarters						Latest Quarter		Previous Comparable Quarters				Ongoing Average	
High	57%	44%	61%	49%	57%	46%	58%	47%	69%	57%	50%	44%	54%	46%	52%	42%
Medium	16%	21%	22%	26%	18%	25%	24%	23%	18%	28%	21%	26%	24%	25%	23%	27%
Low	27%	35%	16%	25%	25%	29%	18%	30%	13%	15%	29%	30%	22%	30%	25%	32%

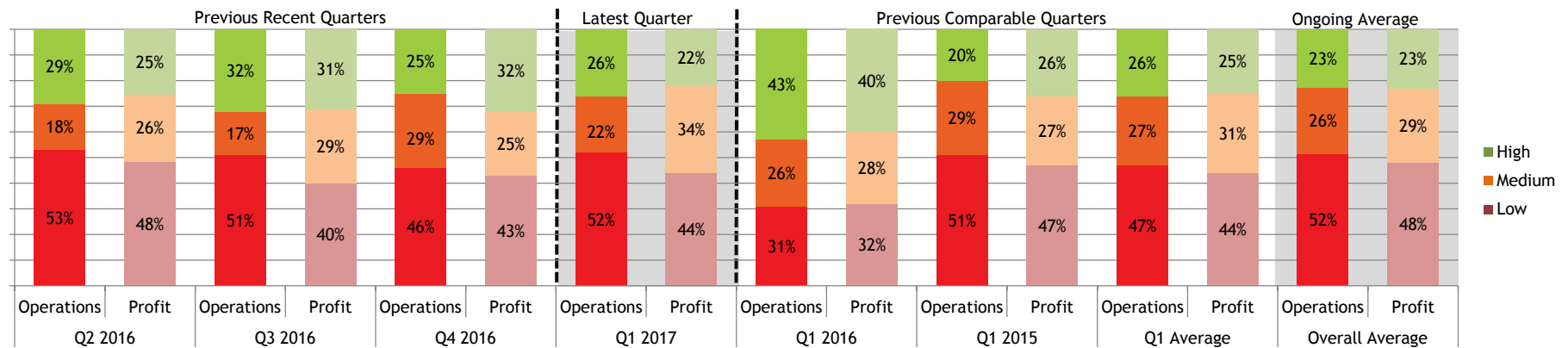1st time / repeat — Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q1 2016 | Q1 2015 | Q1 Average | Overall Average

▶ 58% of businesses stated that the Park had a high level of influence (attributing a rating score from 7 to 10 out of 10) in attracting first time customers whilst 18% stated a low level of influence (attributing a rating score from 1 to 4 out of 10). The level of influence in attracting first time customers was below Q1 2016 but above two years ago, the Q1 Average and the Overall Average.

▶ 47% of businesses stated that the Park had a high level of influence (attributing a rating score from 7 to 10 out of 10) in attracting repeat customers whilst 30% stated a low level of influence (attributing a rating score from 1 to 4 out of 10). The level of influence in attracting repeat customers was also below Q1 2016 but above two years ago, the Q1 Average and the Overall Average.
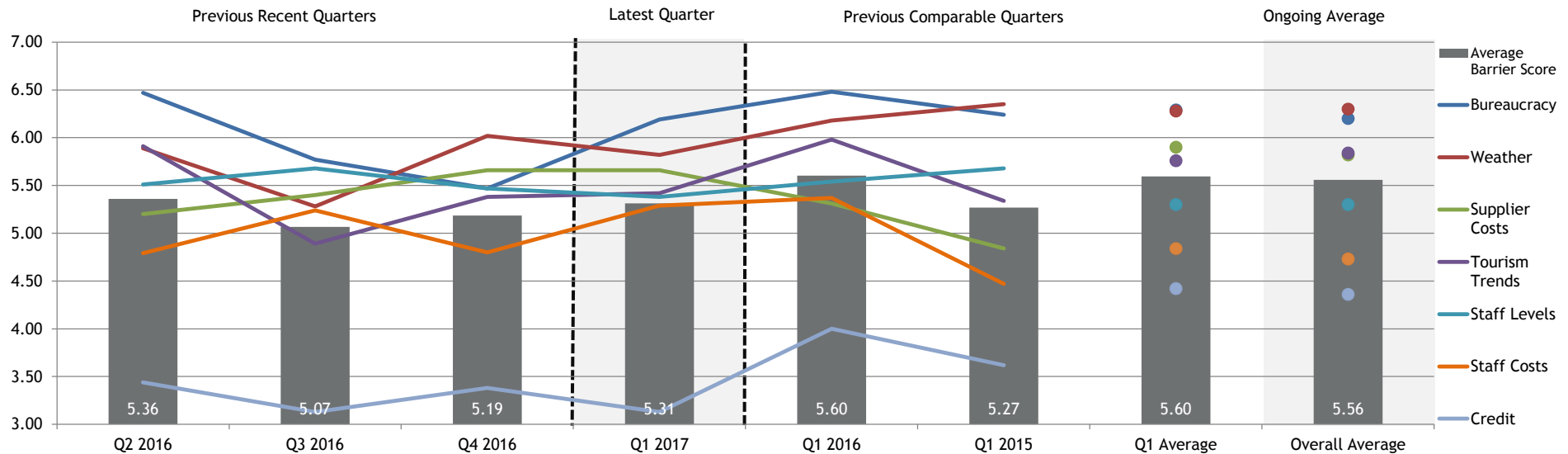
Influences
Influence of CNP - On Business Operations & Profitability

	Previous Recent Quarters						Latest Quarter		Previous Comparable Quarters				Ongoing Average	
High	29%	25%	32%	31%	25%	32%	26%	22%	43%	40%	20%	26%	26%	25%	23%	23%
Medium	18%	26%	17%	29%	29%	25%	22%	34%	26%	28%	29%	27%	27%	31%	26%	29%
Low	53%	48%	51%	40%	46%	43%	52%	44%	31%	32%	51%	47%	47%	44%	52%	48%

Operations / Profit — Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q1 2016 | Q1 2015 | Q1 Average | Overall Average

▶ 26% of businesses stated that the Park had a high level of influence (attributing a rating score from 7 to 10 out of 10) on their business operations whilst 52% stated a low level of influence (attributing a rating score from 1 to 4 out of 10). The overall level of influence on business operations was well below Q1 2016, broadly on par with the Q1 Average and slightly above the Overall Average.
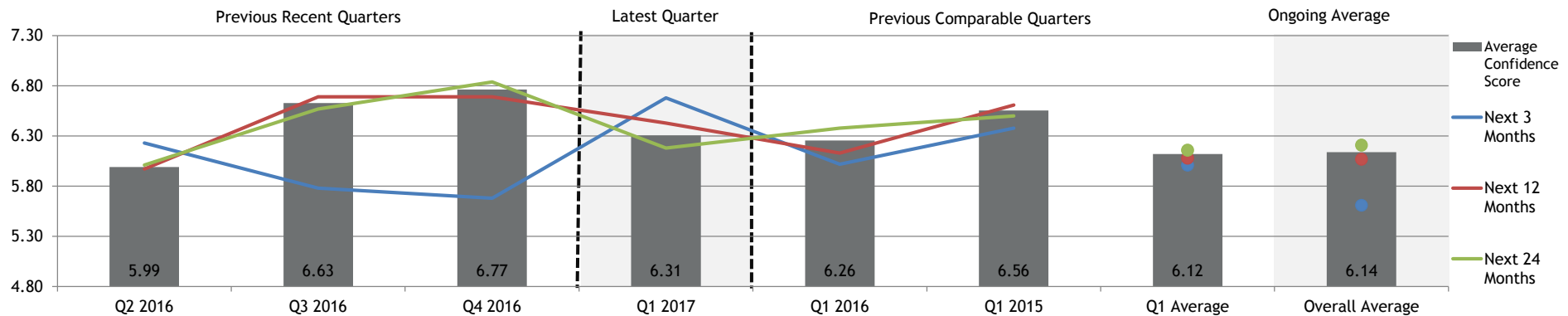
▶ 22% of businesses stated that the Park had a high level of influence (attributing a rating score from 7 to 10 out of 10) on their profitability whilst 44% stated a low level of influence (attributing a rating score from 1 to 4 out of 10). The overall level of influence on profitability was well below last year but broadly on par with the Q1 Average and the Overall Average.

Barriers

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Average Barrier Score, Bureaucracy, Weather, Supplier Costs, Tourism Trends, Staff Levels, Staff Costs, Credit

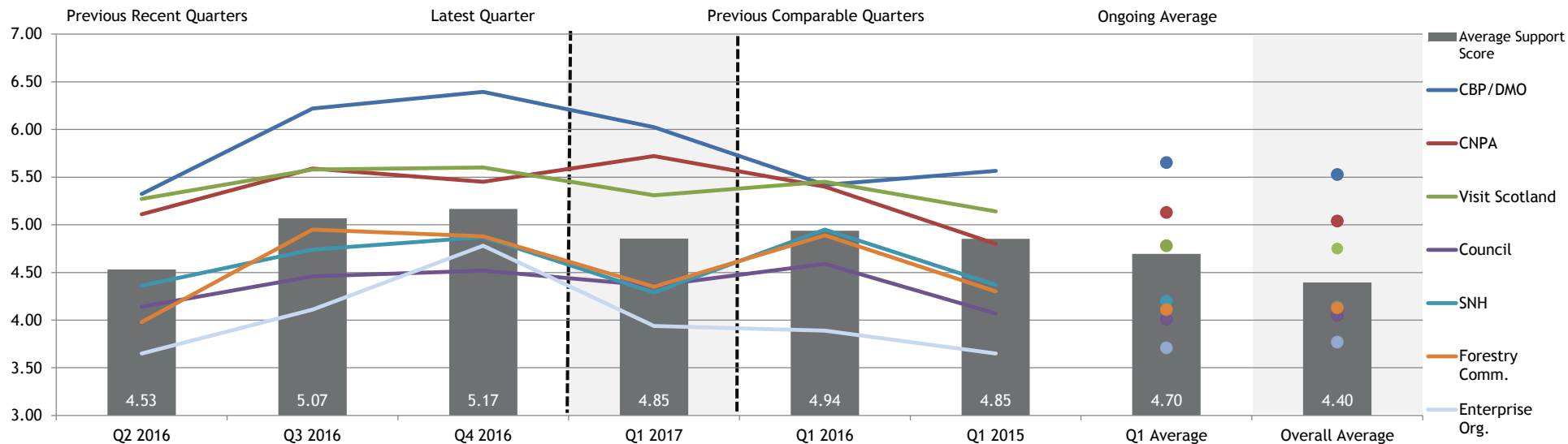| Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q1 2016	Q1 2015	Q1 Average	Overall Average
5.36	5.07	5.19	5.31	5.60	5.27	5.60	5.56

▶ The average barrier to growth score this quarter was 5.31 out of 10 which was higher than last quarter but significantly below last year, the Q1 Average and the Overall Average.

▶ Bureaucracy (6.19), weather (5.82) and supplier costs (5.66) were perceived to be the most significant barriers to growth this quarter.

▶ The barrier which recorded the steepest increase from last quarter was bureaucracy increasing from 5.47 in Q4 2016 to 6.19 in Q1 2017.

▶ Tourism trends were considered to be a much less significant barrier this year compared to last year (5.42 vs. 5.98 in Q1 2016) as too was the availability of credit (3.13 vs. 4.00 in Q1 2016)

Business Confidence

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Average Confidence Score, Next 3 Months, Next 12 Months, Next 24 Months

Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q1 2016	Q1 2015	Q1 Average	Overall Average
5.99	6.63	6.77	6.31	6.26	6.56	6.12	6.14

▶ Short term confidence (next 3 months) was rated at 6.68 out of 10 which was the highest ever level on record.

▶ Medium term confidence (next 12 months) was rated at 6.43 out of 10 which was below last quarter but above last year and the Q1 and the Overall Average.

▶ Long term confidence (next 24 months) was rated at 6.18 out of 10 which was well below last year and slightly below previous comparable quarters. Scores were comparable to the Q1 Average and the Overall Average.

▶ The Average Confidence Score - factoring in the medium and long term view - was 6.31.

Support

Previous Recent Quarters | Latest Quarter | Previous Comparable Quarters | Ongoing Average

Legend: Average Support Score, CBP/DMO, CNPA, Visit Scotland, Council, SNH, Forestry Comm., Enterprise Org.

Bar values:
- Q2 2016: 4.53
- Q3 2016: 5.07
- Q4 2016: 5.17
- Q1 2017: 4.85
- Q1 2016: 4.94
- Q1 2015: 4.85
- Q1 Average: 4.70
- Overall Average: 4.40

▶ The overall level of support / contribution provided by organisations was rated at 4.85 which was below recent quarters and Q1 2016 but above the Q1 Average and the Overall Average.

▶ The contribution / support provided by CBP / DMO (6.02) was rated most positively whilst the opposite was true for Enterprise Organisations (3.94)

▶ The organisation which recorded the largest change in perception from last quarter were the enterprise Organisations as scores decreased from 4.78 in Q4 2016 to 3.94 in Q1 2017. It is worth noting that all organisations besides the CNPA saw a decline in ratings compared to last quarter. In fact the CNPA's support ratings are at their highest ever level.

▶ The organisation which recorded the largest change in perception from last year was SNH: average support scores decreased from 4.95 in Q1 2016 to 4.29 in Q1 2017. A similar fall was also observed for Forestry Commission Scotland.