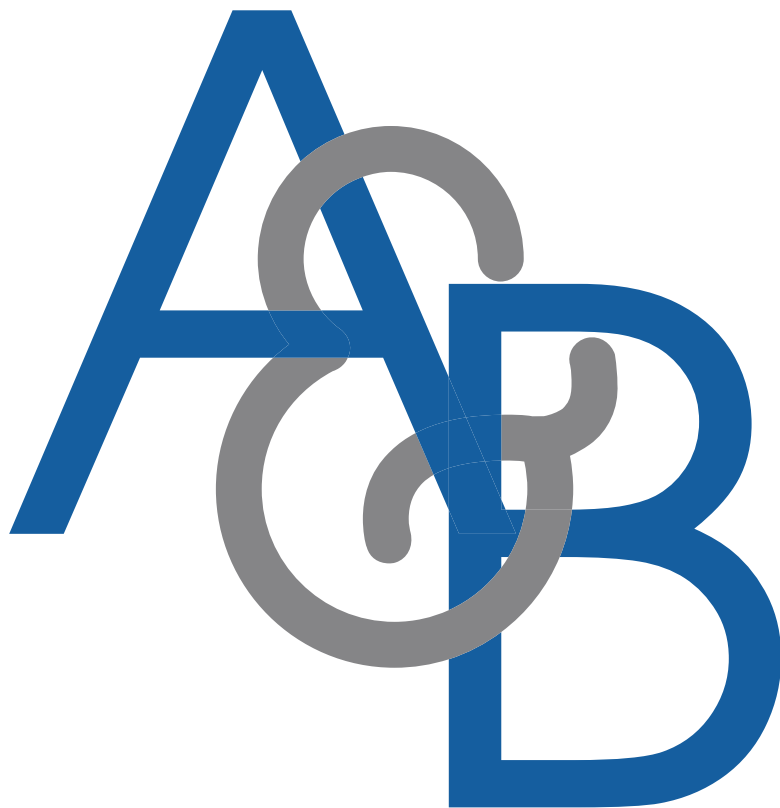


SCOTLAND'S HOSPITALITY INDUSTRY



AN UPBEAT STORY

Scotland is suffering the same economic and social factors as the rest of the hospitality industry but it has tales to tell and the future is bright

Although £6 billion goes into the Scottish economy from the hospitality industry, in June, the Scottish Tourism Alliance said that the majority of operators are financially fragile and still in survival mode after Covid-19. The numbers reflect that: 16% of businesses had no cash reserves and 34% had only three months' worth of reserves.

More positively, 28% of organisations are making a steady recovery and 18% said their businesses was performing quite well. Edinburgh and Aberdeen reflect those figures, if for different reasons. In the Scottish capital, there was an influx of international guests after Easter, as the domestic market is not prepared to pay the city's high rates, and the American market in particular showed a marked recovery.

"I was at a hotel in Las Vegas with 600 luxury apartments and holding 140 meetings a day, and there was enormous interest in Scotland, mainly because of TV drama series Outlander," says general manager of the Waldorf Astoria, Edinburgh, Nitin Ramtri MIH. "Scotland is seen as the new Italy because it has multigenerational appeal; people want to visit their parents or grandparents, and it is seen as cool and trendy for youngsters."



ABOVE &
BEYOND

"We have also seen a growth in Chinese guests thanks to direct flights from Beijing that started in June 2023. I attended a sales mission to China and the interest people have in Scotland is phenomenal," he says. And guests from the Middle East have also returned in some numbers.

Aberdeen's bubble is attached to corporate customers and North Sea oil; business is starting to recover but is not yet at pre-Covid levels. People know there is more to see than oil but many visitors stop at Edinburgh or continue up the west coast to Skye. Outlander also plays a part here and Maryculter House has launched an Outlander Aberdeenshire package.

Also gaining corporate business at scale is National Museums Scotland, because association delegates at EICC attend gala dinners or drinks receptions at the museum. "Corporates have money, and they want to meet face-to-face and catch up," says director of hospitality and events at National Museums Scotland Stuart Douglas MIH. "When they walk into a space that's a museum during the day and see it transformed into an event space at night, phones are out, and everyone is taking pictures that go straight onto Instagram and Twitter."



MARKET FORCES

He has also seen a resurgence in the American market because of the advantageous exchange rate. "That's making a massive difference and spend has gone up dramatically on events this year," said Douglas.

However, the impact of the experience is difficult to convey through images and Douglas admits that marketing the venue is not always easy. "We have to work really hard to sell because if you come to the museum during the day it's very difficult to imagine how it is at night, so even with pictures, we have to explain this is what it will look like and what their journey is going to be," he says. "It is an experience; you don't get to sit in a museum every night of the week."

Because it appeals mainly to a corporate market, Aberdeen looks at towns with airports within an hour's flight of the city. "People come from Norwich, Manchester, Belfast, Dublin, and London City to Aberdeen because those are strong oil and gas routes, so we tap into that for leisure business," says managing director of Maryculter House Peter Walker FIH MI.

Walker has seen a trend for guests to spend three nights in one property, rather than book three hotels for one night each, and the hotel exploits the strengths of its history and tradition. "We theme food and drink offerings around Knights Templars, the Jacobites and Titanic; it is not difficult to upsell a Knights Templar gin and tonic and a Jacobite or Outlander whisky flight when guests are drinking it sitting by the fire in a 13th century room. We can tell stories easily," he says.

Creativity is everything. During lockdown in 2021, Maryculter House was the only venue in the country to put on a Burn's Night, with a piper outside doing his bit at midnight, whiskies delivered to guests in their rooms and there were tartan rugs on the beds.

But there are untapped markets: "There is a huge number of people in London who have never been to Edinburgh. That is part of the great potential in the south of England – and we never look at that," says Nitin Ramtri.

Higher corporate spend also inspires leisure business, and at the Waldorf Astoria teams trade on YOLO moments – You Only Live Once experiences, which guests are only too happy to subscribe to when giving in to the temptation of a glass of champagne or another treat.

PICTURE PERFECT

Venues are aware of the power of social media and are playing to that. Maryculter House has devised tea menus that look good on Instagram and is refurbishing public corridors with statement chandeliers; similarly Christmas decorations and a 15ft. Christmas tree.

The Waldorf Astoria's marketing team has worked out the eight most Instagrammable spots in the hotel and tells guests where they are, with encouragement to tag the hotel. TikTok and YouTube are also popular with younger people. COSMO restaurants has brightly coloured images of food on its website, suggesting chefs could design eye-catching meals for those posting on social media.

The power and influence of social media is incontrovertible. Maryculter House had a surprise guest in the form of the UK's leading vlogger and YouTuber Mark Ferris. He was given a room upgrade and started posting about the hotel, saying how wonderful it was, how great the staff were, etc. to his 550,000 Instagram followers. "We picked up just short of 100 Instagram followers in an afternoon," says Peter Walker.

"Ten days later, he posted a vlog on his YouTube channel, which has 660,000 followers, saying this ancient hotel is amazing, the staff are wonderful, it's the best hotel experience I've had in the UK, you all need to book here and suddenly our Instagram and Facebook followers start going up," he says. Walker calculated it cost the hotel a room upgrade, four chocolate truffles, and a caramel wafer.



ABOVE &
BEYOND



BOTTOM LINE

COSMO restaurants has four bots to carry glasses – a service that is useful in a big venue. A robotic vacuum cleaner is useful for large event rooms and smaller cleaners vacuum bedrooms. There are Hilton hotels with robots in restaurants in America and when Nitin Ramtri was staying in one US Hilton, he rang reception to ask for a towel and was told Suzie would bring it. Suzie turned out to be a robot.

Stuart Douglas used to work for YOTEL, whose Singapore property has two room service robots. "They're great when they work but it is extremely expensive just to maintain them. We're not there yet but I'm sure it's coming," he says.

FORSIGHT

The future for Scotland's hospitality industry is bright. This is not without sticking points but it is becoming an international destination. Waldorf Astoria adds guests from Latin America and India to customers from the US and Middle East. The country is suffering the same dearth of skilled employees as plagues the rest of the UK, although Ramtri sees that improving and anticipates it will continue to do so. However, cost pressures will endure and the country's seasonality is a nuisance, because venues step up staff numbers in the summer, only to have to balance the cost of that come January / February.

National Museums Scotland is seeing healthy bookings, thanks partly to a hard working team at Edinburgh Airport, which is bringing in many new direct flights, and has helped alleviate the fallout from Covid. However, the downside to that is sustainability, and that features large in conference negotiations. "The ability for people to get here is a positive thing but that's something we are all going to have to address. I work for a government funded body and zero carbon is the goal," says Stuart Douglas.

Maryculter House had one of its best ever years but costs are taking their toll on margins. And this is particularly true for venues in the Highlands of Scotland or Skye, which would rely on a good summer to tide them through the winter, but costs, energy and staffing pressures reduce those earnings and they need the money to pay VAT returns in January.

Scottish hospitality proved adept at responding quickly to Covid-19 but now it will be survival of the fittest and the quickest in the privately owned world to pivot. In response to the labour shortage, Maryculter House provides free live-in accommodation, golf club membership and a good salary, but for other venues, a negative factor is that young people are happy to move on quickly to new jobs and they are not prepared to work long hours. To keep them, employers need to present a clear career path and to make their package and progress interesting; they are memory makers, whether for two people or a large group.

In addition, as customers, many people in their late teens and early 20s do not drink, so there is no culture of going out for a drink after work or on a Saturday night. The industry has to adapt to this.

In partnership with Visit Scotland, the hospitality industry needs collectively to promote Scotland as a year-round destination. Meanwhile, there is a continuing need for agility and creativity to sustain the sector. The going may be difficult but the future is full of opportunities.



WITH THANKS TO

Steven Chan General Manager, Cosmo Aberdeen

Stuart Douglas MIH Director of Hospitality & Events, National Museums of Scotland

Sarah Peters FIH Head of Events, Institute of Hospitality

Nitin Ramtri MIH General Manager, Waldorf Astoria Edinburgh

Robert Richardson FIH MI CEO, Institute of Hospitality

Peter Walker FIH MI Managing Director, Maryculter House

