HITRANS and Highlands & Islands Enterprise (HIE)

A9 Perth to Inverness Economic Appraisal Study

Business Surveys Report

Final Report, October 2007

HITRANS AND HIGHLANDS & ISLANDS ENTERPRISE (HIE)

A9 PERTH TO INVERNESS – ECONOMIC APPRAISAL STUDY

BUSINESS SURVEYS REPORT

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Document References

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1. INTRODUCTION

1.1 HITRANS and Highlands & Islands Enterprise (HIE) commissioned Scott Wilson, in conjunction with DHC and Napier University, to carry out an economic appraisal of the A9 from Perth to Inverness.

1.2 This report sets out the results of the business surveys in support of the economic appraisal. The purpose of the surveys was to collect information on the extent to which the A9 currently presents a constraint to business performance, to what extent improvements to the A9 impact on businesses and organisations, and to test for impacts of improvements on generated and safeguarded employment and on Gross Value Added (GVA).

1.3 In order to achieve the information required, data was sought and collected on the following issues from a range of businesses and organisations:

- headline financial information;
- composition and travel pattern of employees;
- prospects for the business sector;
- strengths and weaknesses of the present business location;
- the importance and level of business-related travel;
- the importance of logistics to the business; and
- the importance of the A9 to the business, and the likely impact on businesses as a result of improvements to the trunk road.

1.4 To achieve a robust result in terms of business survey information sought, businesses were selected by a random sample survey, stratified by key sectors and by distribution across the study area. This was to ensure representation of businesses and organisations in the study likely to be affected by the A9 trunk road.

1.5 Although some 1,500 to1,600 businesses were contacted for the telephone interview, 199 participated, representing a sample of approximately 12% to 13% of the total. This relatively low sample is a reflection of possible survey fatigue due to other recent studies. A separate in-depth interview programme conducted by DHC contacted 60 organisations and obtained 27 completed interviews, a 45% contact rate, making a total sample of 226 completed interviews.

1.6 The remainder of this report covers the results of the two types of survey; with results of the telephone survey detailed in chapter 2, and the results of the in-depth business interviews completed on a face-to-face basis, described in the following chapter 3. Chapter 4 provides a summary of the key findings.

2. FEEDBACK FROM TELEPHONE SURVEYS

2.1 Introduction

2.1.1 The telephone surveys were conducted using a computer automated telephone interview (CATI) process. This is similar to systems used in large call centres and requires relatively large databases of businesses to ensure optimum results. The main database used was the HIE web-based business directory of the Highlands and Islands with over 9,000 business entries, from which contact details were obtained. This was supplemented by other databases when required, notably those of the regional chambers of commerce and local enterprise companies.

2.1.2 The businesses were selected on a stratified random sample basis from which 199 businesses were interviewed in two waves. The first wave comprised of 100 business interviews, and the second comprised of 99 interviews. Both waves were necessary to ensure that businesses and associated organisations (e.g. chambers of commerce, etc.) were represented geographically from across the study area, and to ensure that all the main sectors in the economy were covered.

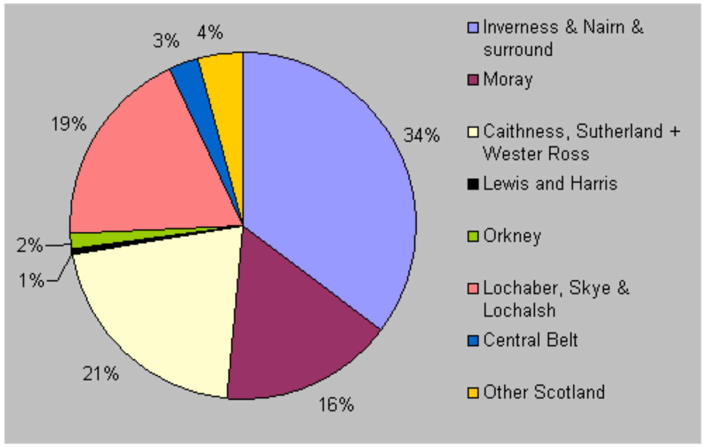
2.1.3 The questionnaire was developed in consultation with HITRANS and HIE and agreed at the outset. Appendix A includes a copy of the final questionnaire used. The telephone interviews took approximately 20 to 25 minutes each, and took the following structure:

- business function and characteristics;
- location, sectoral trend, and business development;
- staff travel and freight transport including management and procurement;
- spatial and economic factors affecting supplies and sub-contractors;
- the distribution of sales and the factors affecting market growth; and
- perceptions of the A9 and of transport generally.

2.2 Business Location and Turnover

2.2.1 Businesses were interviewed across the study area and a small proportion further afield, including the central belt of Scotland and other parts of Scotland. Figure 2.1 shows the distribution of businesses surveyed by location. The majority of businesses surveyed were located in the Inverness area and surrounding region. Together with Moray, these two important areas contributed approximately 50% of businesses surveyed.

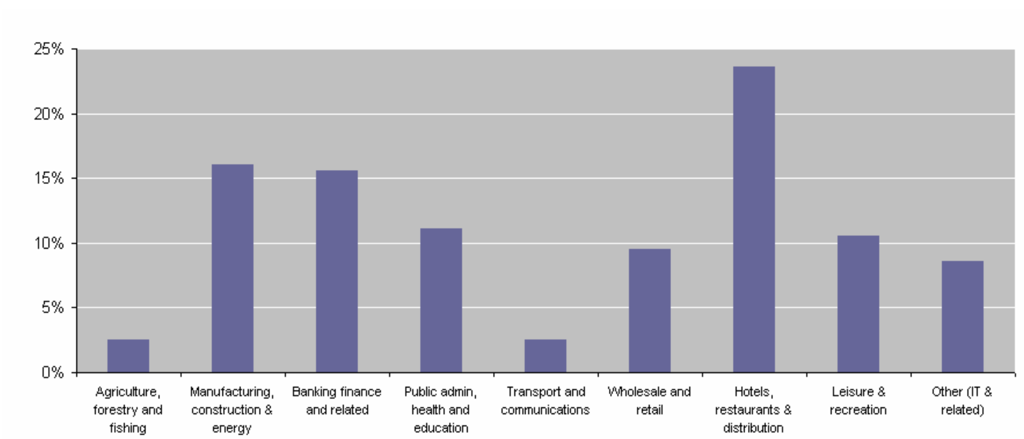
Figure 2.1: Location of Businesses Surveyed



2.2.2 It was the intention to interview a larger proportion of the business sample in the central belt in order to ascertain the perceived and actual constraints businesses faced in moving to the Highland region. Unfortunately, owing to a very high level of survey fatigue, the actual proportion of businesses surveyed in the central belt remained very small, less than 4%. Success was also rather limited in the island regions of the study area, namely Lewis, Harris and Orkney. However, the detailed in-depth interviews carried out by DHC helped to supplement information in these areas.

2.2.3 In order to assist with analysing the data, the categorisation of the interviewed businesses was based on the Government's Standard Industrial Classification (SIC). Figure 2.2 shows the distribution of all 199 responses by SIC.

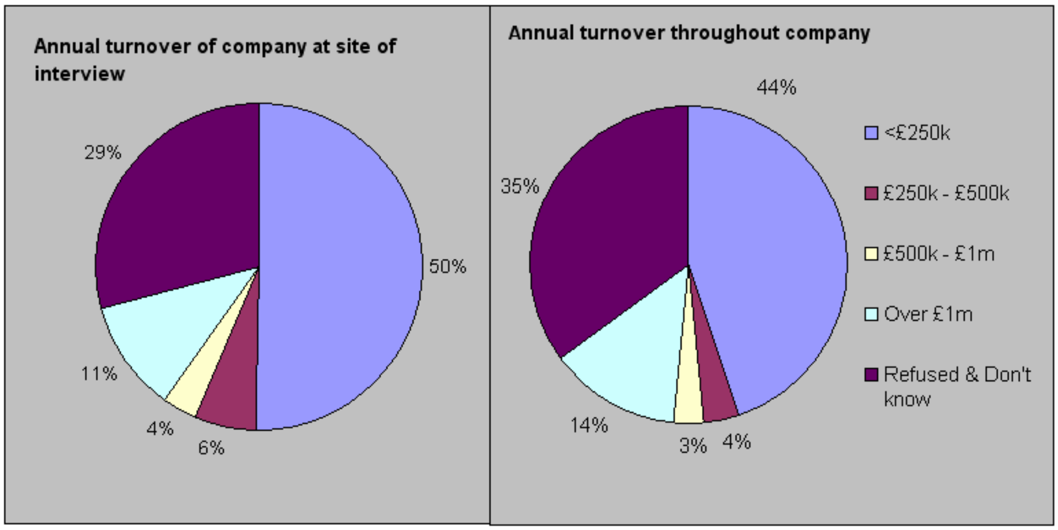
Figure 2.2: Main Categories of Businesses Surveyed (based on SIC)



2.2.4 Naturally the location of businesses surveyed will have an impact on the types of business interviewed. With the first wave of interviews, over 50% of businesses interviewed were in the hotels, restaurants and distribution category. Although the second wave of business interviews has assisted in rebalancing this proportion, this sector still accounts for the largest proportion of businesses, nearly 25%. This is partly a result of the relatively high rates of active survey participation of this sector, but also partly reflects the significant contribution this sector makes to the sub-regional economy.

2.2.5 Figure 2.3 shows the relative size of businesses interviewed in turnover terms. Half of businesses interviewed had an annual turnover of less than £250,000 at the site of interview. But a significant proportion of businesses, 21%, of those that knew the financial data and agreed to provide it, indicated a turnover in excess of £250,000. One in ten companies said their turnover was greater than £1 million per year.

Figure 2.3: Annual Business Turnover



2.2.6 Figure 2.3 also shows total business turnover. None of the changes shown is unexpected:

- the proportion of the smallest companies surveyed falls;
- refusals and those who do not know the financial performance of the company increase; and
- annual turnover increases throughout the company (as more business sites are included).

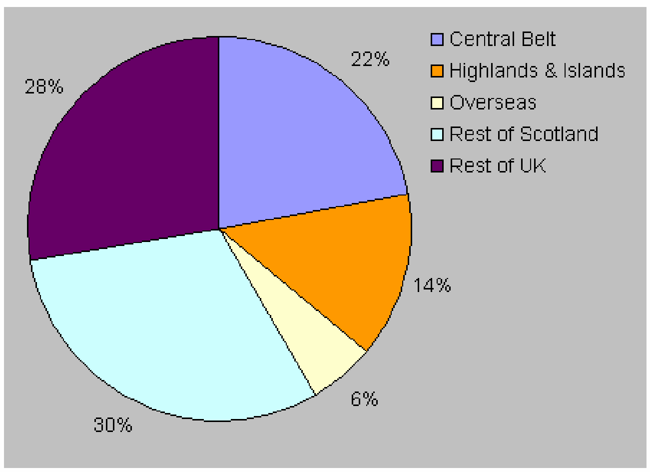
2.2.7 The annual turnover results suggest that the businesses interviewed were rather larger than would be expected if the sample had been dominated by micro-businesses such as bed and breakfast enterprises, and reflects a relatively broad sample survey.

2.2.8 Over 15% of businesses surveyed were in the manufacturing, construction and energy sectors, another 15% in the banking, finance and related services, and about 12% each in the public sector, leisure and recreation. Although the surveys covered a wide range of sectors, coverage with significant depth was obtained in those sectors that employ the majority of people in the study area.

2.2.9 The location of the business headquarters (HQ) gives an indication of where the business's 'centre of gravity' lies. This is shown graphically in Figure 2.4. Of the businesses interviewed:

- fewer than 15% had their headquarters in the study area;
- over 20% of businesses surveyed said that their HQ was in the central bof Scotland;
- over 30% had their HQ in the rest of Scotland, and
- over a third of businesses had their HQ either in the rest of the UK or overseas.

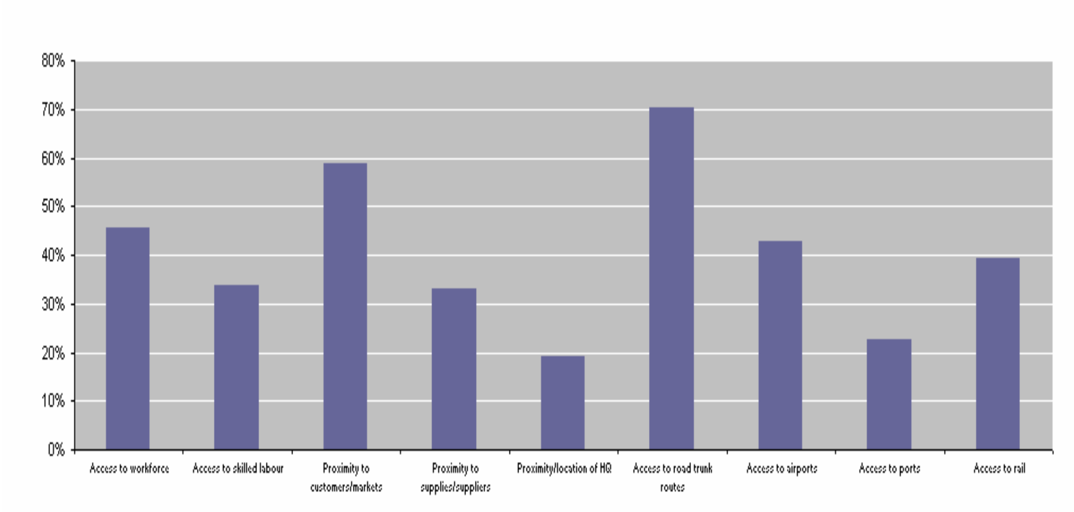
Figure 2.4: Businesses HQ Locations



2.2.10 Where the business HQ is located may be important. Decisions affecting businesses with their headquarters that are located outwith the study area are made elsewhere. This can mean, in some cases, that business ties to the region may be weaker than would otherwise be the case, and issues linked to business location in the Highlands and Islands (H&I) may be more tenuous.

2.2.11 Figure 2.5 shows the relative importance of the major issues that determine the business location. The results are based on responses that were either *important* or *very important* to the business.

Figure 2.5: Relative Importance of Issues Determining Business Location



2.2.12 Figure 2.5 clearly demonstrates that:

- the majority, over 70%, of businesses cited that access to the road network was of importance;
- this was followed by proximity to customers and markets with 60% of businesses responding that this is important; and
- proximity or location of the business HQ was cited by less than 20% of businesses as important to the location of the business, the lowest level of the reasons cited.

2.2.13 Although we did not ask specific questions as to what determined HQ location, from the surveys it was clear that for the majority of businesses, HQ location was primarily a function of historical circumstances. For instance, it was often the founder's place of residence, or the location was an historical administrative centre, or it was close to a primary resource, such as spring water. It may therefore be reasonably argued that the A9 trunk route has had little influence on the attraction or retention of company headquarters.

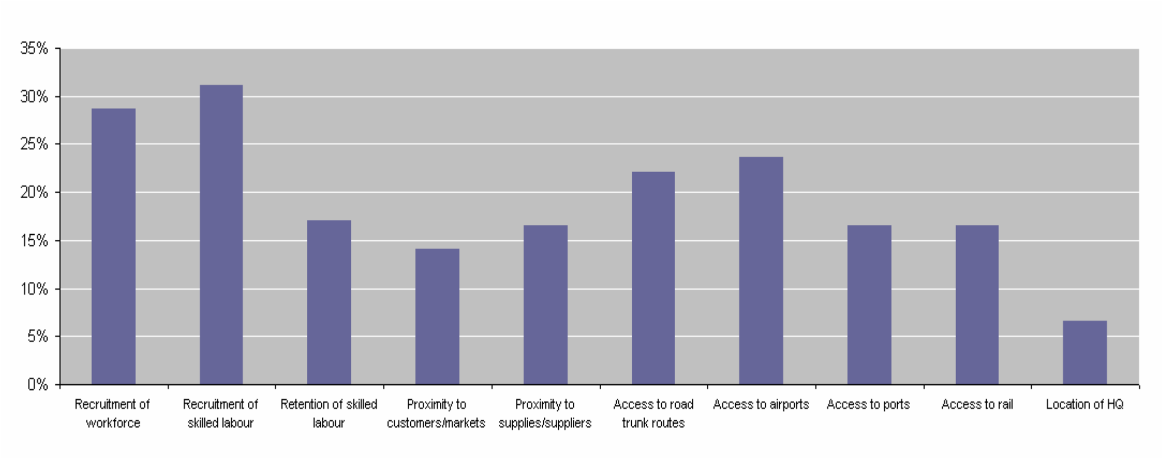
2.2.14 The flip side to those factors of importance of location is what businesses consider are the current strengths and weaknesses of their current locality.

2.2.15 The responses illustrated in Figure 2.6 are based on businesses considering whether the issue in question is either a *big weakness* or a *weakness* of the present location of the business. The main responses suggest that the main weaknesses are:

- recruitment issues in general, both of skilled staff and general workforce, with approximately 30% of business responses;
- access to airports and the trunk road network, which are the next most often cited weakness, with between 20% and 25% of business responses; and

- the location of the business headquarters was regarded as a weakness by the *fewest* businesses interviewed.

Figure 2.6: Perceived Weaknesses of Current Business Location



2.2.16 Interestingly, a significant proportion of businesses considered that access to the local trunk road network was an important consideration for their location. At the same time more than one in five businesses interviewed commented that access to the trunk road network remained a weakness of their current location. This is likely to impact on their ability to recruit staff, also cited as a weakness by a significant proportion of businesses.

2.2.17 Figure 2.7 overleaf illustrates where the majority of clients were based. This Figure shows that:

- a greater proportion of clients were located within 20 miles of the business than elsewhere, with nearly 29% of businesses indicating that more than 50% of their clients were within this distance;

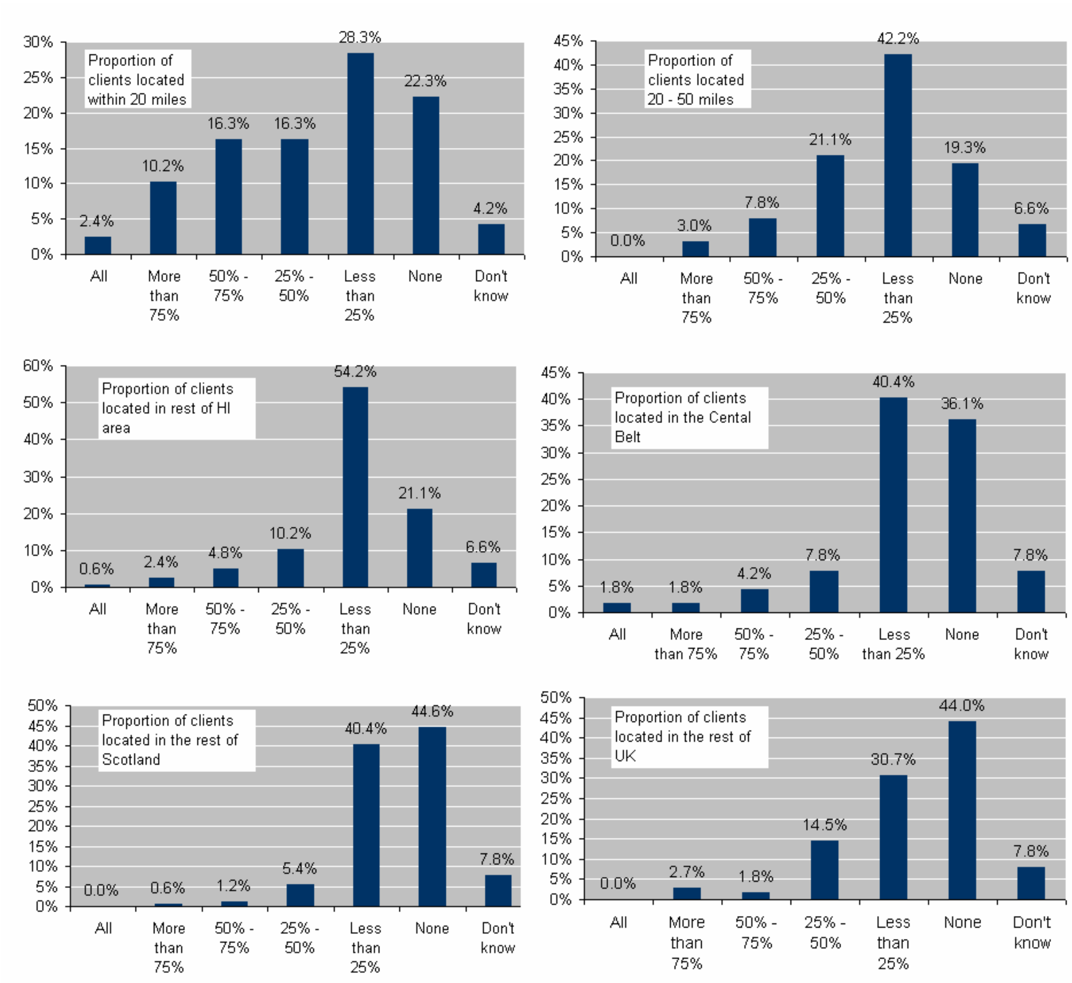
- only about 11% of businesses reported that more than half of their clients were located within 50 miles of the business;

- just under 8% of businesses reported that the majority of clients were located in other parts of the Highlands;

- over 75% of businesses reported that less than 25% of their clients were located in the central belt; and

- 85% of businesses reported that less than 25% of their clients were located in other parts of Scotland.

Figure 2.7: Client Locations



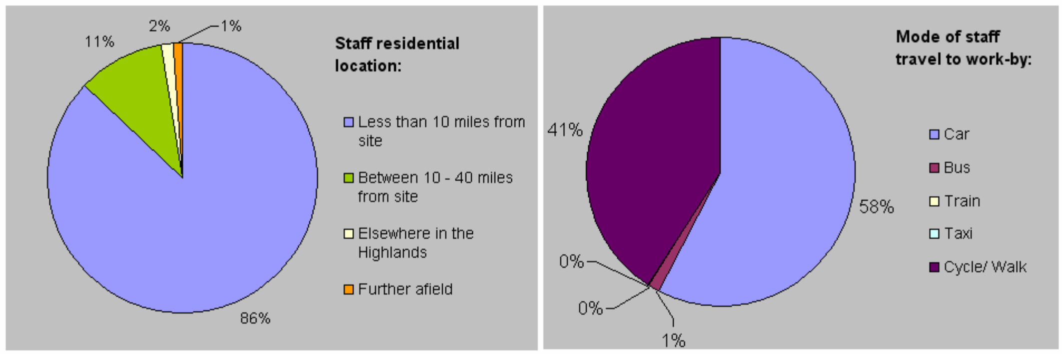
2.2.18 Relative business proximity to markets and customers was not considered a major weakness largely because, for a significant proportion of businesses, their clients are relatively close to the business itself. Surprisingly few businesses had a large proportion of clients based in the central belt, located in the rest of Scotland or indeed based elsewhere in the UK.

2.3 Staff Travel, Commuting and Employee Growth

2.3.1 For most businesses, over 80% of businesses reported that more than 50% of their staff lived within 10 miles of the business location. Another 10% of businesses reported that more than 50% lived between 10 miles and 40 miles from the site, with only a very small proportion of businesses, 2.5%, reporting that the majority of their employees living further away than this. Figure 2.8 shows both the location of employees and their method of commuting to and from work.

2.3.2 Commuting patterns largely reflect this spatial distribution. When asked what proportion of their staff travelled to work by various modes of transport, nearly 46% of businesses responded that the majority, over 50%, commuted by car.

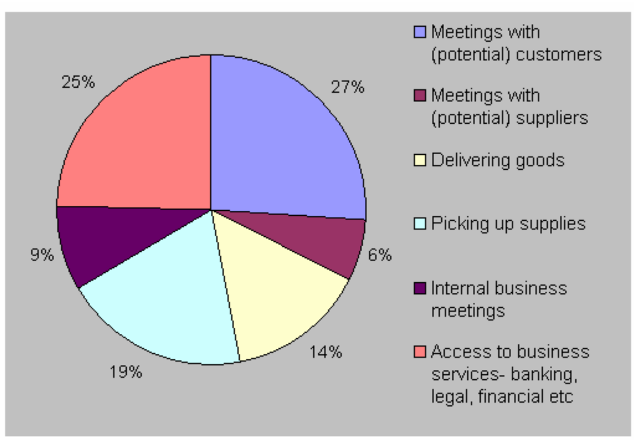
Figure 2.8: Location of Business Employees and Commuting



2.3.3 However, the proportion of employees that cycle or walk to work is relatively high. About a third of businesses reporting that the majority of their staff commuted in this way. By and large most employees live close to work, which may partly explain this pattern. But for those unable or unwilling to use a car to commute, the tiny proportion of employees who use buses suggests that the public transport option for the vast majority of commuters does not exist.

2.3.4 Figure 2.9 shows the reasons for staff travel. Meetings with potential customers and access to business services were the most common reasons offered by businesses for their staff travelling at least once a month.

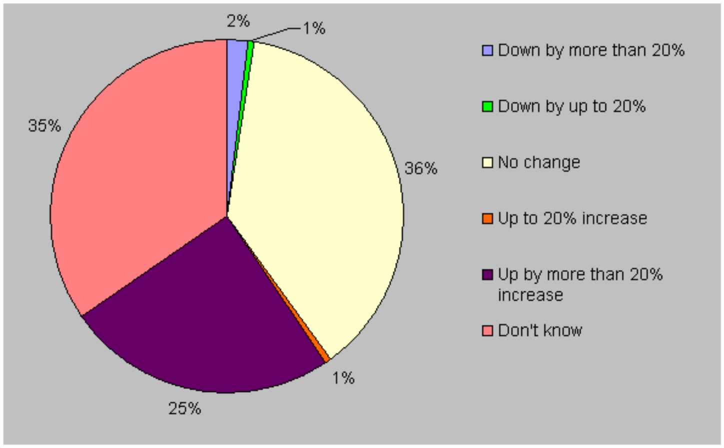
Figure 2.9: Reasons for Staff Travel at Least Once a Month



2.3.5 Picking up goods and delivering supplies were also popular reasons for staff travelling on business.

2.3.6 Staff travel patterns described above are likely to be amplified by growth in employment envisaged by the majority of businesses interviewed. Figure 2.10 illustrates how interviewees see their businesses developing in terms of employment over the next five years.

Figure 2.10: Business Five-Year Forecast of Employment Changes



2.3.7 Businesses were optimistic about the intentions to employ further staff. Figure 2.10 shows that although over a third of businesses had no idea of their future employment policy, a quarter of businesses thought they would increase their employment by more than a fifth. Only a tiny fraction of the businesses surveyed, 3%, anticipated shedding staff.

2.3.8 This increase in staffing levels over the next five years would be expected to exert more pressure on the local road network in the study area, particularly at peak morning and evening times.

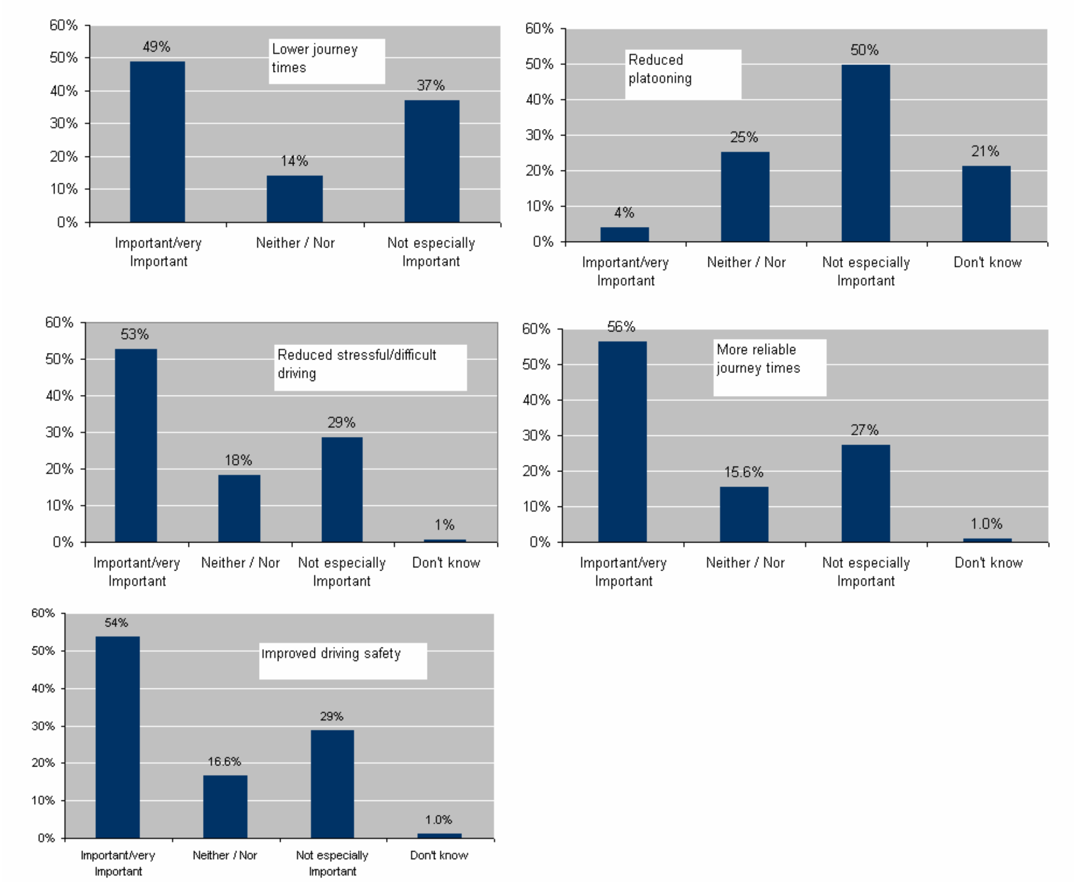
2.4 Road Transport Issues

2.4.1 Businesses were asked their views on the relative importance of a number of potential road transport improvements without particular reference made to the A9. Figure 2.11 shows their responses.

2.4.2 From Figure 2.11 it is noted that:

- more reliable journey times and improved safety were the most important issues with 56% and 54% of businesses respectively regarding these as important or very important;
- this was closely followed by reduced stressful and difficult driving with 53% of businesses considering this issue as important or very important;
- less than half of businesses surveyed considered lower journey times, (higher speeds) as important as the issues above, with 37% stating that this was not especially important; and
- half of businesses interviewed regarded platooning as not especially important, and only 4% stating that this issue was important or very important.

Figure 2.11: Business Responses to Road Transport Issues



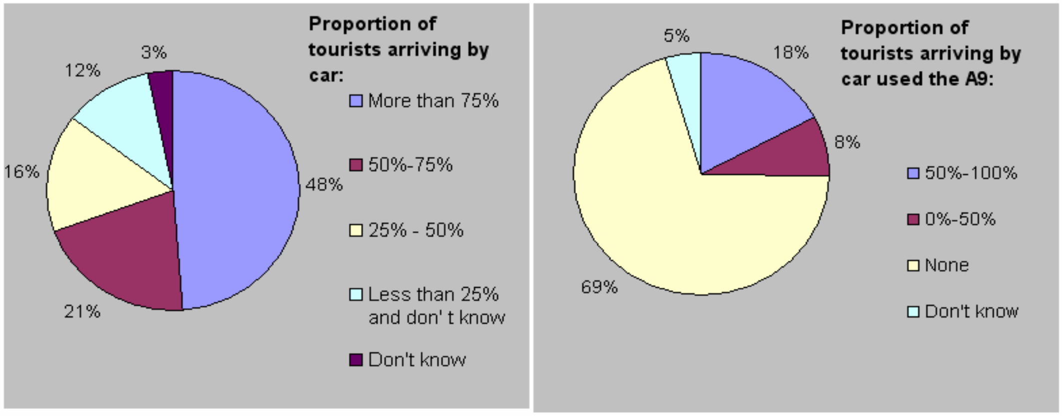
2.4.3 The overall message from these observations seems to be that safety, journey reliability, reduced stress and difficult driving conditions were very important for businesses.

2.5 Road Transport Issues in the Tourism Sector

2.5.1 Businesses in the tourism and leisure sector were asked what proportion of tourists arrive to the region by car, and of these what proportion use the A9. Figure 2.12 shows their replies.

2.5.2 It should be noted that the sample for tourism businesses is likely to be skewed to the western part of the study area, which is likely to reduce the importance of the A9 for this particular sector and group of businesses. Further east, in Moray for instance, a much higher level of GVA derived from tourism is A9 dependent.

Figure 2.12: Road Use and Use of A9 by Tourist Visitors



2.5.3 By far the largest proportion, nearly half of all businesses, said that more than 75% of the tourists arriving at their site do so by car. This proportion of businesses increases to almost 70% if the share of tourists arriving by car is over 50%.

2.5.4 When asked what proportion of tourists arriving by car used the A9, a surprisingly large proportion of businesses, over two-thirds, said no visitors did so. Fewer than one in five mentioned that over 50% of tourist visitors used the A9.

2.5.5 For tourist facilities such as hotels, bed and breakfasts and camping and caravan parks, customers arrive by car in the big majority of cases, but these arrivals do not seem to be dependent on using the A9.

2.5.6 Part of the explanation of this is that the sample of businesses interviewed was slightly skewed to the western region for which the A9 is not a direct link. In addition, many tourist facilities may be located in relatively remote areas, where access may require the use of a number of different roads, of which the A9 may form just one segment, if at all, and may as a result be under-reported.

2.6 Business Perceptions of the A9

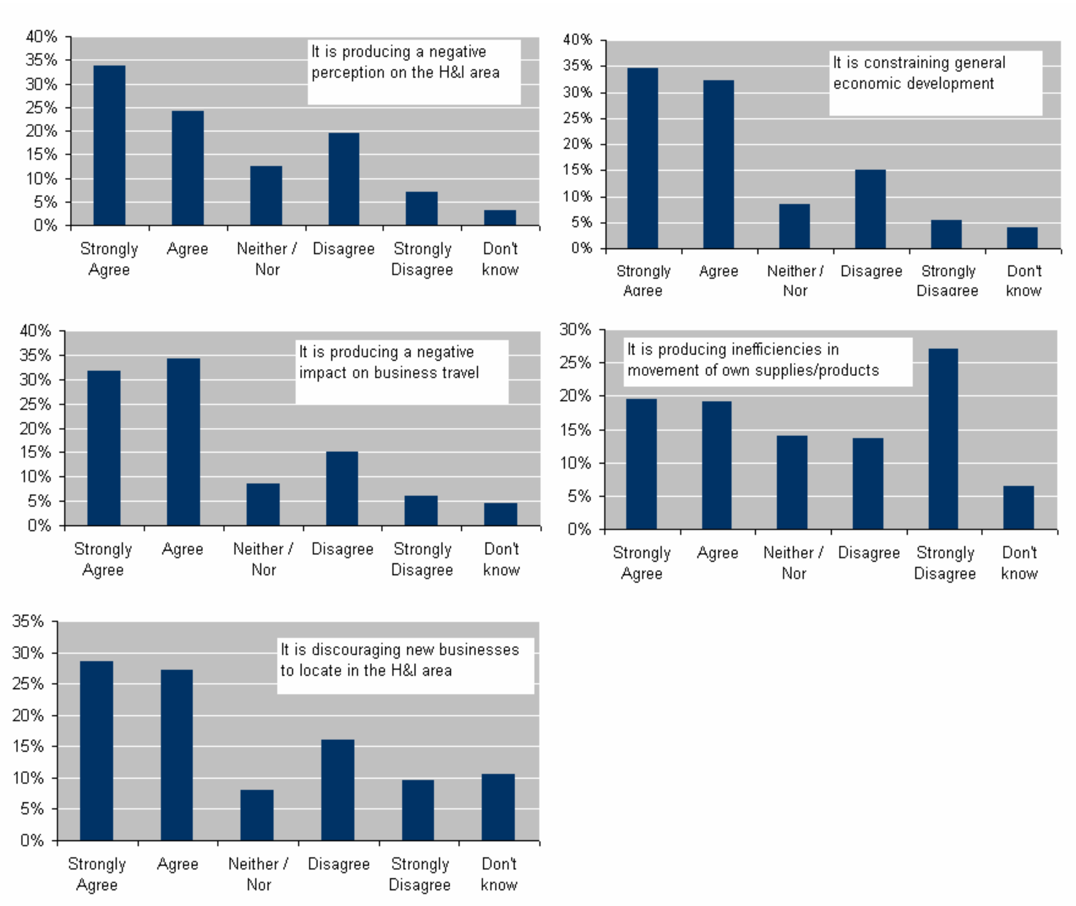
2.6.1 With particular reference to the A9, businesses were subsequently asked their views on the A9 as it is currently configured and the impact the road has in a general sense. Figure 2.13 overleaf shows their response.

2.6.2 This question is useful in terms of ranking the impacts of the A9 as businesses see them. The key findings, ranked in importance, are that:

- most businesses, about two-thirds, agreed (and over a third of these strongly agreed) that the A9 constrains general economic development. Furthermore, about the same proportions agreed and strongly agreed that the route is producing a negative impact on business travel;
- slightly less than 60% of businesses agreed that the A9 is producing a negative impression of the Highlands and Islands;
- about 55% of businesses agreed that the A9 is discouraging businesses to locate or re-locate to the Highlands and Islands region; and

- less than 40% of businesses agreed, and some 27% strongly disagreed, that the A9 is producing inefficiencies in the movement of their own supplies and products.

Figure 2.13: Business Impressions of the Impact of the A9

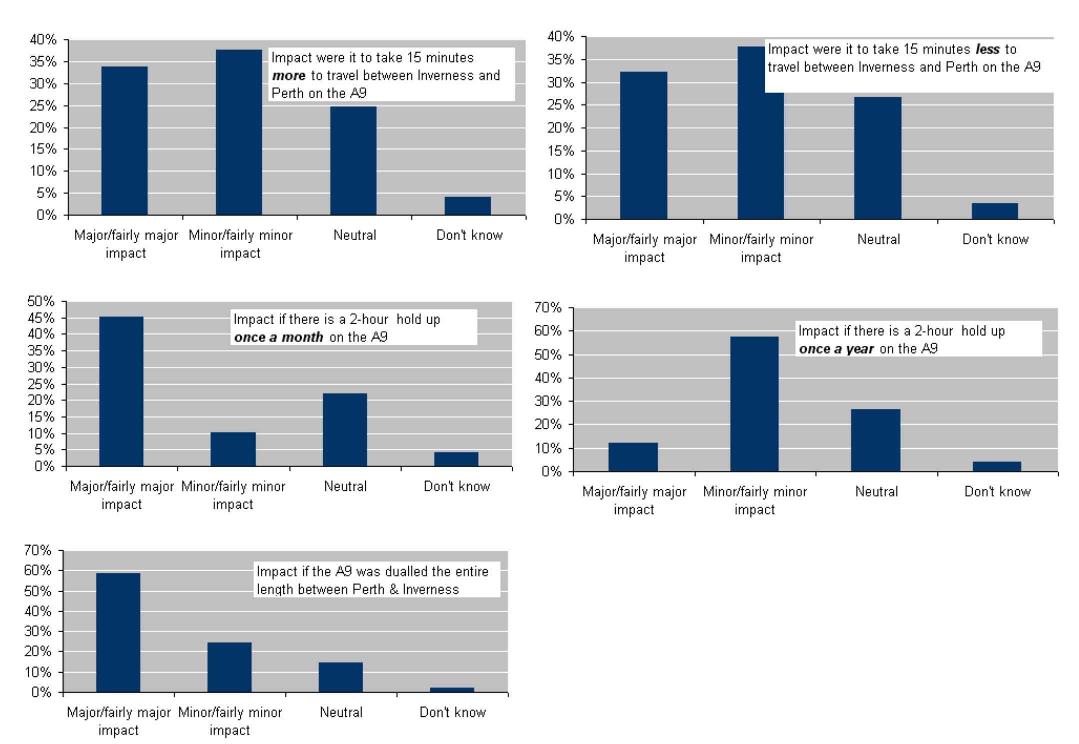


2.6.3 These results suggest that business interviewees were more prepared to agree with the perceived negative impressions of the A9 that do not directly affect the day-to-day running of the business. However, when specifically addressing the negative impact of the A9 on business performance, fewer businesses were prepared to blame the A9 directly.

2.7 Business Assessments of the Impacts from Improvements to A9

2.7.1 Figure 2.14 shows the business assessment of the impact on their performance due to changes or events occurring on the A9. Most businesses indicated that if journey times were 15 minutes shorter, there would be little or no impact on their business. This agrees with the road transport issues seen in Figure 2.11, which saw a greater proportion of businesses place less emphasis on lower journey times than on most of the other issues.

Figure 2.14: Business Assessments of the Impacts of the A9



2.7.2 The same sort of response is seen when businesses were asked to consider if journey times on the A9 were 15 minutes longer.

2.7.3 Of interest is the differences noted between the speculative impact on businesses of a two hour hold-up once a month as opposed to once a year. A hold up once a year would have a minor or fairly minor impact on businesses for about 60% of businesses, and a major or fairly major impact for about 25% of businesses. However, a hold up once a month would be expected by businesses to have a major or fairly major impact on about 45% of the sample, and a minor or fairly minor impact on a further 22% of businesses.

2.7.4 Not surprisingly, the majority of businesses (80.4%) indicated that full dualling of the A9 between Perth and Inverness would have a major or fairly major impact on their business. This compares with over a third of businesses which reported that full dualling would have either no impact or a minor or relatively minor impact on their business.

2.7.5 The sample of businesses that were interviewed from the central belt was very small; only six examples were interviewed. However none of these businesses considered upgrading the A9 would have either a major or fairly major impact on their business with the exception of a 2-hour hold up on the route once a month. Two businesses said that this would have a fairly major impact on their business. This was a much smaller proportion of businesses with this scale of response than for those resident in the study area.

2.7.6 Public sector and knowledge-based companies such as those in the IT and related services were analysed separately. The results of which are outlined below:

- a lower proportion of organisations in the public sector claimed that full dualling would have a major or fairly major impact on their operations than businesses as a whole (50% compared to nearly 60%);

- about the same percentage of public sector organisations as businesses as a whole indicate that changes to journey times have a major or fairly major impact (32%);

- public sector organisations were only slightly less sensitive than businesses as a whole on frequent hold-ups on the A9, but were much more sensitive about occasional hold-ups on the A9, with 41% of these organisations indicating that this has a major or fairly major impact compared with only just over 10% of all businesses;

- a lower proportion of businesses in the IT and related sector (40%) indicated that they were less affected by upgrading to the A9 than the business sector as a whole in terms of this having a major or fairly major impact (60%); and

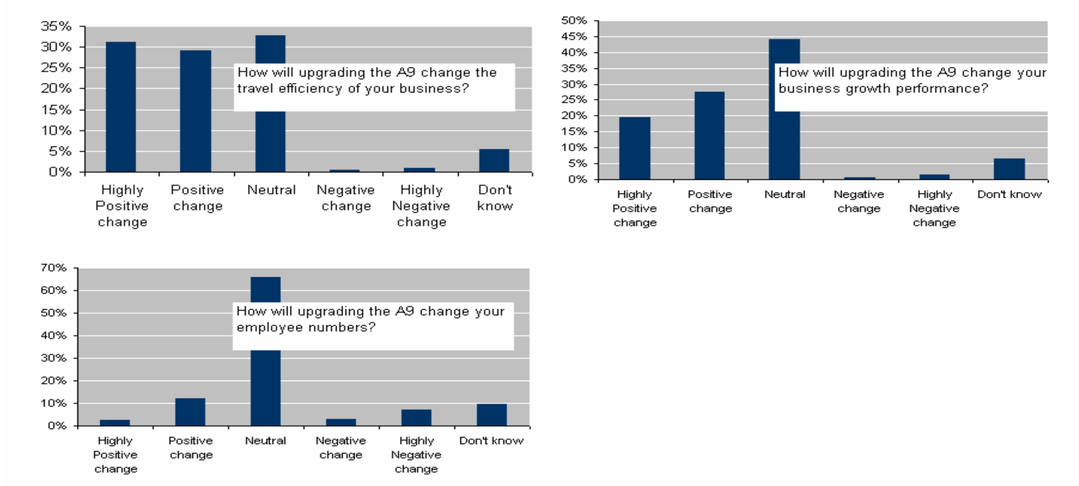
- a smaller proportion of companies in the IT sector claimed that journey times and hold-up events, in particular frequent ones, have a major or fairly major impact on their businesses than businesses as a whole.

2.8 Business Impacts Resulting from Upgrading the A9

2.8.1 Businesses were asked to what extent upgrading the A9 would affect different aspects of their performance and growth prospects. Figure 2.15 shows that about 60% of businesses would expect a positive or highly positive change in travel efficiency of the business as a result, and another third of businesses forecast no change.

2.8.2 A larger proportion of businesses, circa 45%, expect no change to their business growth performance resulting from upgrading the A9, about the same as would expect a positive or highly positive change in business growth performance.

Figure 2.15: Business Reactions to Upgrading of the A9



2.8.3 Perhaps surprisingly about two-thirds of businesses anticipated that upgrading the A9 will have no impact on their employment. Only about 15% of businesses indicated a highly positive change or positive change (or an increase) in employment as a result of investment in the A9.

2.8.4 Furthermore, it is also surprising to see that over 10% of businesses anticipated a negative or highly negative change in employment numbers, or loss in staff, as a result of improvements to the A9. This perhaps reflects concern that these improvements may have a two-way effect on businesses, whereby upgrading to the trunk road network widens the employment catchment area, but by reducing journey times and increasing journey time reliability, may encourage existing employees based in the study area to seek jobs further afield.

2.8.5 HIE have suggested that this response is likely to be closely related to general economic circumstances regarding competitive issues with, especially, the central belt.

2.8.6 For businesses interviewed that were based in the central belt, one in six businesses indicated that upgrading the A9 will have a positive impact in terms of employment, business growth and travel efficiency. Bearing in mind that this is based on a very small sample size, this is a significant effect given the size of the central belt economy compared to that of the Highlands.

3 FEEDBACK FROM IN-DEPTH INTERVIEWS

3.1 Introduction

3.1.1 A set of in-depth interviews were also undertaken to supplement the telephone interviews, which aimed to explore and tease out key findings in some detail on issues raised by stakeholders.

3.1.2 Sixty potential businesses were sampled for interview, of which a third (21) initially agreed to participate. These were selected geographically to ensure strong representation from around the northern end of the A9 including near Inverness. They were also selected sectorally to ensure that all the main sectors in the economy were represented.

3.1.3 In addition, sectors were also targeted which were not covered by the HIE database (such as coach tours), and where impacts appeared to be more significant meriting further investigation. This produced a further sample of six completed interviews, resulting in a total of 27 in-depth interviews.

3.1.4 The structure of the interview is covered in paragraph 2.1.3 of this report. However, being in-depth in nature, these interviews took on average between 45 and 90 minutes to complete.

3.1.5 A summary of the findings from the interviews is shown in Appendix B.

3.1.6 Although the majority of the 27 businesses interviews were conducted face-to-face, in some cases telephone interviews were arranged where this suited the interviewee better. In most cases it was also necessary to follow up the interview with exchanges of correspondence to provide detailed facts and figures not available at the time of the interview.

3.1.7 The results of the survey partially reflect the sample of only 27 businesses, so the results are not necessarily representative of views of all sectors or locations affected by the A9. However when set in the context of the wider data and survey programme, the results provide a detailed insight into the factors affecting business attitudes and behaviour.

3.2 Locational, Sectoral Trends, and Business Development

3.2.1 In nearly all cases business location decisions were substantially affected by at least one of the following two reasons:

- larger companies wanted to have a network of business locations to serve the population of the area. (e.g. Royal Bank of Scotland and Tesco). The growth of these business sectors was therefore closely linked to population trends. The growing population at the northern end of the A9 was therefore the main driver for change in these businesses; and
- smaller companies were usually based near to where the founder lived. In some cases it was recognised that the business could perform better if it moved location but in most cases the businesses had succeeded since their trading activities were well adapted to the locational characteristics.

3.2.2 The main factors highlighted by businesses as affecting their future growth and location choice were:

- Inverness as a growing population centre;
- emergence of new markets (e.g. biofuels);
- regulatory barriers (e.g. SEPA, avoiding burdens on larger companies by staying small);
- increasing competition (e.g. central belt builders taking more of the market in the north);
- some businesses saw potential for growth but did not wish to grow;
- lack of public transport and the resultant cost of transport;
- availability of natural resources (e.g. harvesting of forestry, availability of spring water);
- large capital invested in building and plant so moving would be costly; and
- brand is associated with the Highlands.

3.2.3 Companies whose business depended on a particular location (e.g. Glenmorangie for local springwater), were generally less concerned about transport as an issue than organisations whose location was less resource-specific and whose decisions regarding site choice were based largely on factors related to the competitive environment of the company concerned (e.g. Tesco).

3.2.4 Increased quality was critical for profitable growth and some sectors (e.g. printing) at the north end of the A9 were finding that customers would go to the central belt to obtain higher quality and new products, unless the investment could be made locally in new equipment. Increasing the size of the local market was therefore critical to improving the viability of more expensive new methods.

3.2.5 Investment by businesses located in the study area, both in the vicinity and further afield, is based on factors such as local population growth, availability of local resources and the regulatory environment rather than on the local trunk route network, including the A9.

3.2.6 Nevertheless, many of the more ‘lifestyle businesses’ saw growth as something they would consider if it made running their business a more satisfactory experience (e.g. IT companies). Anything such as stressful journeys on the A9 that made trading in particular locations less pleasant could affect the prospects for these businesses.

3.3 Transport Factors and Business Competitiveness

3.3.1 The main transport factors identified as affecting the ability of businesses to meet the needs of clients include:

- customer travel;
- freight/haulage/couriers; and
- staff travel.

3.3.2 The lack of options in transport systems is the greatest concern of the businesses interviewed:

- if a road is closed then there is no fall back option or other routes that can easily be used;
- there is no real choice of mode to provide options when one mode is facing problems; and
- there is less choice of couriers and haulage contractors.

3.3.3 Large companies such as Tesco use their own transport but most companies sub-contract to other providers and do not consider that transport is important.

3.3.4 Business travel by staff was perceived to be the type of business activity most likely to be affected by changing conditions on the road network. However, even companies that relied on high levels of staff travel (e.g. the Royal Bank of Scotland) considered that increased congestion and delays would only have a small impact on their business.

3.3.5 Business trips to the central belt were perceived by most companies to be one of the few trips where there was a practical rail alternative making the A9 less critical for business travel than some other roads.

3.3.6 Staff travel to work is only perceived to be a problem where there are recruitment difficulties for relatively low cost labour. The level of skills was perceived to be much more important than any transport factor.

3.3.7 Many companies rely on some staff travelling considerable distances to work. The A9 is perceived to be of a much higher quality than most other roads so is not a major constraint for staff access.

3.3.8 Businesses need staff to be flexible and the ability to travel by car in the relatively uncongested Highlands is seen as one of the competitive advantages of doing business in the North.

3.4 Supplies and Sub-Contractors

3.4.1 Transport and location potentially affects the choice of suppliers and sub-contractors in many ways but most of the companies interviewed sourced products and services locally, regionally and nationally and the quality of transport was not a major consideration.

3.4.2 Prices were generally quoted for delivered products and services and most suppliers would be expected to absorb marginal transport price changes.

3.4.3 Where transport was identified as being relevant to obtaining supplies or the choice of sub-contractors the factors affecting this were identified as:

- buying from local suppliers helps to underpin the local economy so some companies make an effort to buy locally when they can;

- if delays in deliveries could be time critical then this encourages higher levels of stock to be held locally. However, this only adds very marginally to overall business costs; and

- developing business relationships within wider markets can help to overcome the perception that businesses located in Inverness are remote. Purchasing services within the larger markets in Glasgow and Aberdeen helps to link the business into these networks.

3.4.4 However, all of these factors were considered to be relatively minor issues in relation to the business operation making the transport impact on supplies fairly unimportant for the businesses interviewed.

3.4.5 It may be that this reflects the location choice of businesses in remote areas. If efficient production depends critically on low stock holding and time critical supplies then it is unlikely that a business would locate in a less accessible area.

3.5 Perceptions of the A9

3.5.1 The A9 was generally perceived to be a key route for most businesses. However, it is also a long distance route and small changes of up to 15 minutes as traffic flows increased were not expected to make a significant difference on business location or competitiveness.

3.5.2 The most important factors about the level of service on the A9 for the businesses were:

- regular unreliability adds to costs but there is no sign that changes on the A9 will be as significant as the congestion in the central belt or in Inverness;

- the brown tourist signs are not appropriate for the complexity of tourist destinations from the A9;

- weather disruption in winter and keeping traffic moving in all weather is the main concern of many businesses;
- it would take a very large growth in traffic to make any difference for travel times for HGVs exceeding 7.5t, due to the 40mph limit; and
- some businesses saw the increased competition from the central belt as a threat which could be mitigated by a declining level of service on the A9.

3.5.3 If the level of service on the A9 were to decline significantly then most companies said there would be little impact. The impacts suggested included:

- the train would become a more attractive option for journeys to the central belt;
- frustration with driving the route would increase meaning that staff would arrive in poor shape to do business;
- trips to the central belt and return in the same day would become more difficult adding to costs for overnight stays;
- in supply chains time is critical for drivers hours so increased time could significantly affect operations; and
- northbound traffic is often heading for ferries so delays have a much larger knock on impact in that direction.

3.5.4 When asked specifically about upgrading options most businesses were very supportive, although some noted that they would not wish to see investment in the A9 at the expense of other priorities such as roads around Inverness or the upgrading of the A96.

3.5.5 The main impacts of upgrading the A9 were perceived to be:

- huge savings from increasing the speed limit for HGVs;
- employees would be less stressed;
- hauliers might provide a more efficient and economical service but it is doubtful whether it would be possible to secure cost reductions in practice;
- more reliable journey times on a dual carriageway would help to plan driver rosters and break times better;
- easier for tourists to get north of Perth;
- more people would want to move north leading to population growth;
- more enjoyable and relaxing journeys for tourists meaning that coach tours could fit more into their itineries;
- more visitors from the central belt would travel further north on day trips;

- businesses also commented on local parts of the A9 that needed particular improvements as follows:

    - several businesses suggested that dualling of the Drumochter to Kingussie section and from Ballinluig to Perth would make the biggest difference to the experience of the route;

    - continuity of standards is essential since the mix of dual and single carriageway sections is very dangerous on a long distance route;

    - information is especially important to improve the tourist experience of the route; and

    - improved facilities are needed for drivers along the A9 since HGV drivers have to stop for breaks, sometimes overnight.

4 SUMMARY OF KEY FINDINGS

4.1 Introduction

4.1.1 This chapter presents the key findings drawn from both the CATI telephone surveys and the more detailed in-depth surveys, mostly undertaken on a face-to-face basis and carried out simultaneously.

4.1.2 The chapter summarises the locational and sectoral trends, transport factors that impact on business competitiveness, staff travel, both business and commuting, and transport factors that influence the performance of suppliers and sub-contractors. Business perceptions of the A9 are also revisited in this section as are the preferred choice of improvements to the A9 by most businesses.

4.2 Business Locational Issues

4.2.1 For the majority of businesses, their location was not a big problem. The general view held was that the business had adapted to the challenges that their location produced. Those unable to adapt moved. However, the survey revealed that:

- business location does impact on the ability of businesses to recruit both skilled, and in particular general staff;
- business locational was not ideal for access to the trunk road network, and impacted on recruitment;
- access to markets and customers, was by and large not a problem; and
- many businesses depended on a particular location and where measures to minimise transport related disadvantages were built into their *modus operandi*.

4.3 Business Growth and Competitiveness

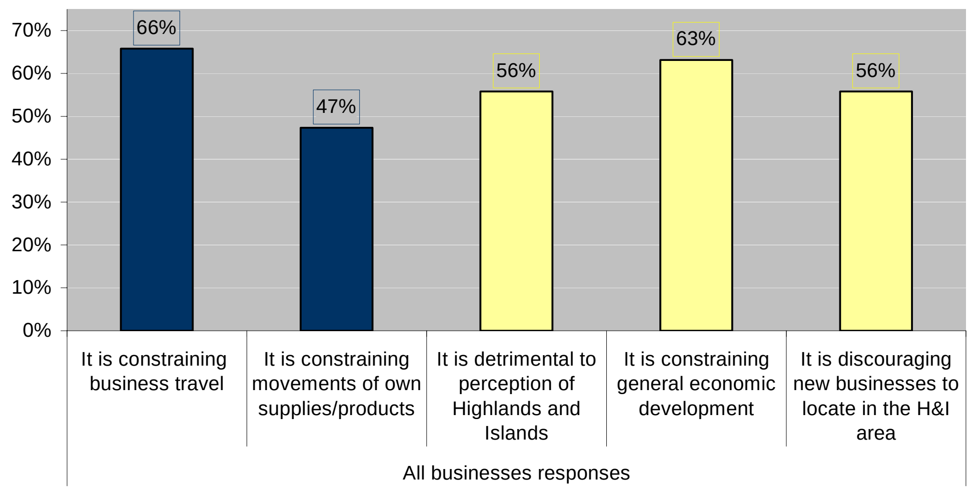
4.3.1 The main findings of the surveys regarding business growth and competitiveness were:

- a significant proportion of companies were optimistic about the future, with a quarter of businesses anticipating expanding their employment roll by more than 20% over the next five years;
- the growing population at the northern end of the A9 Perth-Inverness route was seen by most businesses as the main driver of growth;
- concern was expressed by some companies of the increasing competition posed by central belt businesses;
- increasing the size of the local market was essential for inward investment for most large companies and necessary to compete with companies based in the central belt in particular; and
- smaller companies were most concerned with non-transport related factors such as the regulatory environment preventing opportunities for expansion.

4.3.2 Although the size of the telephone interview questionnaire precluded detailed questions on business travel requirements as per use of the A9, a flavour of these have been obtained from business responses to questions on the current impact of the A9 on their business.

4.3.3 The percentage responses for five variables are shown in Figure 4.1. The Figure illustrates the responses in terms of the A9 directly affecting the business interviewed (the dark blue bars) compared with the A9 affecting business development in the Highlands and Islands as a whole (the pale yellow bars). The results may be interpreted as the degree to which the A9 currently fails to meet business requirements, both directly on firms, and on the wider business environment.

Figure 4.1: The Degree to Which the A9 Fails Business Requirements



4.3.4 Clearly the A9 currently appears to fall short on meeting business travel, with two-thirds of businesses indicating the A9 does not meet their requirements for this activity. A smaller percentage of businesses, slightly less than half, felt that the A9 constrained the movement of their own goods and supplies. The fact that the A9 does not appear to satisfy most business needs for business travel indicates the importance of alternatives, such as travel by rail for this purpose.

4.3.5 Setting these results against the broader impacts of the A9 on businesses in the Highlands and Islands, these deficiencies of the A9 in meeting individual business requirements do not particularly stand out.

4.4 Staff Travel

4.3.6 The business surveys revealed that:

- most employees lived close to the business premises, less than 10 miles, and although the majority commuted by car, a significant minority walked or cycled;
- for employees travelling to work by car and using the A9, the road was perceived to be of a much higher quality than most other roads and is not regarded as a problem for commuting;

- staff travel to work is only perceived to be a problem where there are recruitment difficulties for relatively low cost labour, partly a result of lack of alternatives cars for those commuting longer distances;
- companies relying on significant staff travel considered that increased congestion and delays have only a small impact on their business; and
- businesses with a large share of their markets and customers in the central belt considered rail links as a practical alternative, so the A9 was seen as less crucial for business travel than some other major roads in the region.

4.5 Other Road Transport Issues

4.5.1 The overall message of the surveys was that safety and journey reliability were the most important issues regarding road transport. However:

- the tourism and leisure sector is heavily dependent on road access to the region, including the A9 for tourist businesses based in the north and north-east of the study area, but the A9 was not a specific requirement for access for parts of the tourist sector sited in the western parts of this region;
- most companies sub-contracted their transport arrangements out to hauliers and other providers, and did not appear to be sensitive to transport related constraints; and
- the greatest concern regarding transport as a whole was not about a specific mode but how transport was organised across the study area – in particular lack of alternatives in the road network, mode of transport and transport contractors.

4.6 Business Perceptions of the A9 on Business Performance

4.6.1 The A9 was perceived to be a key route for most of the businesses interviewed, however:

- fewer businesses were prepared to blame the A9 directly for their performance than for the negative impression of the A9 on the region;
- because it was a long distance route small changes in journey times, either longer or shorter, would be expected to have little impact on business location or competitiveness. Relatively bigger problems remained with congestion in the central belt and in Inverness itself;
- journey time reliability and safety issues rather than overall journey times were more important to businesses. Congestion on the A9 would have to get very bad to have an effect because of the speed limit governing HGV traffic;
- journey time unreliability hampered business planning and added to costs in a number of ways, with a particularly severe impact on the lifeline routes to the northern and western isles; and
- significant increases in journey times would have an important impact on business operations given the tight regulation governing driver hours.

4.6 Business Impacts of A9 Improvements

4.6.1 Most businesses were very supportive of the options available, many of which anticipated that:

- improvements would encourage population growth at the northern end of the A9 Perth to Inverness corridor, encouraging business growth;
- improvements would boost day visitor numbers to the region;
- improvements would provide a positive or highly positive change in their travel efficiency, in particular:
  - large cost savings from increasing the speed limit for HGVs;
  - reduced stressful and difficult driving conditions leading to less stressed and more productive staff at work;
  - help to plan driver rosters and break times better;
- full dualling of the entire route between Perth and Inverness would have the most impact on their business, and dualling should be complemented by ancillary services for HGV drivers;
- dualling between Drumochter and Kingussie and between Ballinluig and Perth would make the biggest difference, and a mix of dual and single carriageway in any part of the route was very dangerous;
- upgrading the A9 would have no impact on their recruitment policy;
- improvements may encourage locally employed staff to seek work further afield; and
- they would not wish investment in the A9 at the expense of other transport priorities.

Appendix A

Stakeholder Questionnaire (Telephone)

Stakeholder Questionnaire (telephone)

INTERVIEWER SIGN ______________________________

INTERVIEWER PRINT ______________________________

DATE OF INTERVIEW ______________________________

Q1 How do you describe what your business does at this location? **ROUTE**

	(1)	(2)	
Agriculture, hunting and forestry	0	1	
Fishing	0	2	
Mining and quarrying	0	3	
Manufacturing	0	4	
Electricity, gas and water supply	0	5	
Construction	0	6	
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	0	7	**GO TO Q2**
Hotels, Restaurants and B&B's	0	8	
Transport, storage and communication	0	9	
Financial intermediation	1	0	
Real estate, renting and business activities	1	1	
Public administration and defence; compulsory social security	1	2	
Education	1	3	
Health and social work	1	4	
Other community, social and personal service activities	1	5	
Private households with employed persons	1	6	
Extra-territorial organisations and bodies	1	7	
Leisure/ Tourist Industry	1	8	
Other	1	9	**GO TO Q1A**

Q1A Please specify **ROUTE**

____ (3) (4)

Please confirm this business location, the location of your HQ if different, and the locations of any other parts of the business.

Q2	Location of business contacted			**ROUTE**
	PROMPT IF NECESSARY	(5)	(6)	
	Inverness & East Highland	0	1	
	Caithness & Sutherland	0	2	
	Skye & Wester Ross	0	3	
	Lochaber	0	4	
	Orkney	0	5	
	Lewis & Harris	0	6	
	Moray	0	7	
	Central Belt	0	8	
	Other Scotland	0	9	
	UK – other	1	0	
	Other Highlands & Islands (please specify)	1	1	

Q3	Is this your company's Head Office?		**ROUTE**
		(7)	
	Yes	1	Q3b
	No	2	Q3a

Q3a	Where is the company's Head Office?		**ROUTE**
	PROMPT IF NECESSARY	(8)	
	Highlands & Islands	1	
	Central Belt	2	
	Rest of Scotland	3	
	Rest of UK	4	
	Overseas	5	

Q3b	Does the company have premises in any other locations? If so, where		**ROUTE**
	PROMPT IF NECESSARY	(9)	
	Highlands & Islands	1	
	Central Belt	2	
	Rest of Scotland	3	
	Rest of UK	4	
	Overseas	5	

Q4 Which of the following issues are important to your business location? (please use a five point scale where 1 = very important and 5 = not important) **ROUTE**

	Very Important	**Important**	**Neither / Nor**	**Not Especially Important**	**Not Important**	**Don't know**	
Access to workforce	1	2	3	4	5	6	(10)
Access to skilled labour	1	2	3	4	5	6	(11)
Proximity to customers/markets	1	2	3	4	5	6	(12)
Proximity to supplies/suppliers	1	2	3	4	5	6	(13)
Proximity/location of HQ	1	2	3	4	5	6	(14)
Access to road trunk routes	1	2	3	4	5	6	(15)

Access to airports	1	2	3	4	5	6	(16)
Access to ports	1	2	3	4	5	6	(17)
Access to rail	1	2	3	4	5	6	(18)

Q5 To what extent are the following factors a strength or a weakness of the current location of your business? (tick appropriate box) **ROUTE**

	Big Strength	**Moderate Strength**	**Neutral**	**Moderate Weakness**	**Big Weakness**	**Don't know**	
Recruitment of workforce	1	2	3	4	5	6	(19)
Recruitment of skilled labour	1	2	3	4	5	6	(20)
Retention of skilled labour	1	2	3	4	5	6	(21)
Proximity to customers/markets	1	2	3	4	5	6	(22)
Proximity to supplies/suppliers	1	2	3	4	5	6	(23)
Access to road trunk routes	1	2	3	4	5	6	(24)
Access to airports	1	2	3	4	5	6	(25)
Access to ports	1	2	3	4	5	6	(26)
Access to rail	1	2	3	4	5	6	(27)
Location of HQ	1	2	3	4	5	6	(28)

Q6 How many employees are there in the business at this location? **ROUTE**

PROMPT IF NECESSARY (29)

Less than 10	1
10 – 25	2
25 – 50	3
50 – 100	4
100 – 400	5
More than 400	6
Don't know	7

Q6a Throughout the company? **ROUTE**

PROMPT IF NECESSARY (30)

Less than 10	1
10 – 25	2
25 – 50	3
50 – 100	4
100 – 400	5
More than 400	6
Don't know	7

Q7 What percentage of your employees live…(Give % if possible) **ROUTE**

PROMPT WITH SCALE

	All	**More than 75%**	**50% - 75%**	**25% - 50%**	**Less than 25%**	**None**	**Don't know**	
Less than 10 miles from site	1	2	3	4	5	6	7	(31)
Between 10 - 40 miles from site	1	2	3	4	5	6	7	(32)
Elsewhere in the Highlands	1	2	3	4	5	6	7	(33)
Further afield	1	2	3	4	5	6	7	(34)

Q8 What percentage of your employees commute to and from work by…….? **ROUTE**
PROMPT WITH SCALE

	All	More than 75%	50% - 75%	25% - 50%	Less than 25%	None	Don't know	
Car	1	2	3	4	5	6	7	(35)
Bus	1	2	3	4	5	6	7	(36)
Train	1	2	3	4	5	6	7	(37)
Taxi	1	2	3	4	5	6	7	(38)
Cycle/ Walk	1	2	3	4	5	6	7	(39)

Q9 For which of the following reasons do any of your staff travel at least once a month? **ROUTE**
READ OUT CODE ALL THAT APPLY

Meetings with (potential) customers?	1	(40)
Meetings with (potential) suppliers?	1	(41)
Delivering goods?	1	(42)
Picking up supplies?	1	(43)
Internal business meetings?	1	(44)
Access to business services- banking, legal, financial etc?	1	(45)
None of the above	1	(46)
Don't know	1	(47)

ASK Q10 FOR EACH REASON CODED ABOVE

Q10 How frequently do employees travel for the following reasons? **ROUTE**
PROMPT WITH SCALE IF NECESSARY

	Once a week or more	Once every fortnight	Once a month	Once every 6 months	Less frequently than once every 6 months	Never	Don't know	
Meetings with (potential) customers?	1	2	3	4	5	6	7	(48)
Meetings with (potential) suppliers?	1	2	3	4	5	6	7	(49)
Delivering goods?	1	2	3	4	5	6	7	(50)
Picking up supplies?	1	2	3	4	5	6	7	(51)
Internal business meetings?	1	2	3	4	5	6	7	(52)
Access to business services- banking, legal, financial etc?	1	2	3	4	5	6	7	(53)

Q11 What percentage of all staff business travel is by: **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	All	More than 75%	50% - 75%	25% - 50%	Less than 25%	None	Don't know	
Air	1	2	3	4	5	6	7	(54)
Rail	1	2	3	4	5	6	7	(55)
Road (car)	1	2	3	4	5	6	7	(56)
Road (bus/coach)	1	2	3	4	5	6	7	(57)

Q12 Where percentage of your clients are based: (please give % if possible) **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	All	More than 75%	50% - 75%	25% - 50%	Less than 25%	None	Don't know	
Within 20 miles	1	2	3	4	5	6	7	(58)
20 – 50 miles	1	2	3	4	5	6	7	(59)
Rest of Highlands and Islands	1	2	3	4	5	6	7	(60)
Central Belt	1	2	3	4	5	6	7	(61)
Elsewhere in Scotland	1	2	3	4	5	6	7	(62)
Elsewhere in UK	1	2	3	4	5	6	7	(63)
Rest of world	1	2	3	4	5	6	7	(64)

Q13 In terms of ***physical*** sales (thinking in terms of weight and volume rather than price), what percentage of these are delivered using: **ROUTE**

INTERVIEWER INSTRUCTION – IF RESPONDENT ASKED, WE MEAN BY WEIGHT/VOLUME

	All	More than 75%	50% - 75%	25% - 50%	Less than 25%	None	Don't know	
Haulage Companies (Contract out)	1	2	3	4	5	6	7	(65)
Own account (own fleet)	1	2	3	4	5	6	7	(66)
Road transport (Total)	1	2	3	4	5	6	7	(67)
Rail transport	1	2	3	4	5	6	7	(68)
Air transport	1	2	3	4	5	6	7	(69)
Transport by Sea	1	2	3	4	5	6	7	(70)

Q14 In terms of ***physical*** inputs (thinking in terms of weight and volume rather than price), what percentage of these are brought in using: **ROUTE**

INTERVIEWER INSTRUCTION – IF RESPONDENT ASKED, WE MEAN BY WEIGHT/VOLUME

	All	More than 75%	50% - 75%	25% - 50%	Less than 25%	None	Don't know	
Haulage Companies (Contract out)	1	2	3	4	5	6	7	(71)
Own account (own fleet)	1	2	3	4	5	6	7	(72)
Road transport (Total)	1	2	3	4	5	6	7	(73)
Rail transport	1	2	3	4	5	6	7	(74)
Air transport	1	2	3	4	5	6	7	(75)
Transport by Sea	1	2	3	4	5	6	7	(76)

ASK Q15 OF LEISURE/ SERVICE COMPANIES INCLUDING B&Bs, HOTELS, RESTAURANTS, ETC. (CODE 08 OR 18 AT Q1)

Q15 For other types of sales, what percentage of these are sold using: **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	All	**More than 75%**	**50% - 75%**	**25% - 50%**	**Less than 25%**	**None**	**Don't know**	
Own premises	1	2	3	4	5	6	7	(77)
Client premises	1	2	3	4	5	6	7	(78)
Door to door calling	1	2	3	4	5	6	7	(79)
Telephone calling (Inbound and Outbound)	1	2	3	4	5	6	7	(80)
IT & Web based sales	1	2	3	4	5	6	7	(81)

ASK Q16 OF LEISURE/ TOURIST COMPANIES ONLY - B&Bs, HOTELS, RESTAURANTS, ETC. (CODE 08 OR 18 AT Q1)

Q16 What percentage of your clients come from…… **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	All	**More than 75%**	**50% - 75%**	**25% - 50%**	**Less than 25%**	**None**	**Don't know**	
Highlands & Islands	1	2	3	4	5	6	7	(82)
Central Belt	1	2	3	4	5	6	7	(83)
Rest of Scotland	1	2	3	4	5	6	7	(84)
Rest of UK	1	2	3	4	5	6	7	(85)
Overseas	1	2	3	4	5	6	7	(86)

ASK Q17 OF LEISURE/ TOURIST COMPANIES ONLY - B&Bs, HOTELS, RESTAURANTS, ETC. (CODE 08 OR 18 AT Q1)

Q17 *Approximately* what proportion of clients arrive ***to the area*** by….. **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	All	**More than 75%**	**50% - 75%**	**25% - 50%**	**Less than 25%**	**None**	**Don't know**	
Air	1	2	3	4	5	6	7	(87)
Road – car	1	2	3	4	5	6	7	(88)
Road – bus/coach	1	2	3	4	5	6	7	(89)
Rail	1	2	3	4	5	6	7	(90)
Of the clients that come by road – what proportion use the A9	1	2	3	4	5	6	7	(91)

Q18 Can you please confirm your annual turnover at these premises: **ROUTE**

PROMPT WITH SCALE IF NECESSARY	(92)	
Less than £50k	1	
£50k – £250k	2	
£250k – £500k	3	
£500k – £1m	4	
£1m – £3m	5	
More than £3m	6	
Don't know	7	
Refused	8	

Q19 Throughout the company? **ROUTE**

PROMPT WITH SCALE IF NECESSARY	(93)	
Less than £50k	1	
£50k – £250k	2	
£250k – £500k	3	
£500k – £1m	4	
£1m – £3m	5	
More than £3m	6	
Don't know	7	
Refused	8	

Q20 By how much do you see your business developing in the next five years in terms of - **ROUTE**
PROMPT WITH SCALE

	Up by more than 40%	**Up by 20% - 40%**	**Up by 5% - 20%**	**Between 5% up and 5% down**	**Down by more than 5%**	**Down by 20% - 40%**	**Down by more than 40%**	**Don't know**	
Turnover growth/(decline)	1	2	3	4	5	6	7	8	(94)
Employment growth/(decline)	1	2	3	4	5	6	7	8	(95)
Growth/(decline) in land area occupied by the business	1	2	3	4	5	6	7	8	(96)
Growth/(decline) in number of subsidiaries	1	2	3	4	5	6	7	8	(97)

Q21 Can you comment on what reasons underscores these changes (or indeed the lack of change)? For instance how much effect will each of the following have on your business: (please use a five point scale where 1 = major effect and 5 = minor effect) **ROUTE**
PROMPT WITH SCALE IF NECESSARY

	Major Effect	**Fairly Major Effect**	**Neither / Nor**	**Fairly Minor Effect**	**Minor Effect**	**Don't know**	
Change in demand for your products or services	1	2	3	4	5	6	(98)
Changes in costs of suppliers and inputs	1	2	3	4	5	6	(99)
Road network issues connecting your area	1	2	3	4	5	6	(100)
Other transport infrastructure connecting your area	1	2	3	4	5	6	(101)
Recruitment of employees	1	2	3	4	5	6	(102)
Recruitment of skilled staff	1	2	3	4	5	6	(103)

Retention of staff	1	2	3	4	5	6	(104)
Broader economic issues	1	2	3	4	5	6	(105)

Q22 Which of the following (other) issues are important to your business? (please use a five point scale where 1 = very important and 5 = not important) **ROUTE**
PROMPT WITH SCALE IF NECESSARY

	Very Important	**Important**	**Neither / Nor**	**Not Especially Important**	**Not Important**	**Don't know**	
Lower Journey Times	1	2	3	4	5	6	(106)
More Reliable Journey Times	1	2	3	4	5	6	(107)
Reduced Platooning	1	2	3	4	5	6	(108)
Improved Driving Safety	1	2	3	4	5	6	(109)
Reduced Stressful/Difficult Driving	1	2	3	4	5	6	(110)

Q23 Now considering the A9 – what impact does this trunk road have on your business – specifically if it….(please use a five point scale where 1 = major impact and 5 = no impact) **ROUTE**
PROMPT WITH SCALE IF NECESSARY

	Major Impact	**Fairly Major Impact**	**Neutral**	**Fairly Minor Impact**	**Minor Impact**	**Don't know**	
were to take 15 minutes ***less*** to travel between Inverness and Perth on the A9	1	2	3	4	5	6	(111)
were to take 15 minutes ***more*** to travel between Inverness and Perth on the A9	1	2	3	4	5	6	(112)
there is a 2-hour hold up ***once a month*** on the A9	1	2	3	4	5	6	(113)
there is a 2-hour hold up ***once a year*** on the A9	1	2	3	4	5	6	(114)
The A9 was dualled the entire length between Perth & Inverness	1	2	3	4	5	6	(115)

INSTRUCTION: IF CODED 1 OR 2 AT Q23E GO TO Q24. ALL OTHERS GO TO Q25

Q24 If you said that fully dualling the A9 – would have either a major or fairly major impact. How much do you think it would impact on each of the following aspects of transport? (please use a five point scale where 1 = major impact and 5 = no impact) **ROUTE**
PROMPT WITH SCALE IF NECESSARY

	Major Impact	**Fairly Major Impact**	**Neutral**	**Fairly Minor Impact**	**Minor Impact**	**Don't know**	
reduce general transport costs to the business	1	2	3	4	5	6	(116)
specifically reduce costs of inputs and supplies	1	2	3	4	5	6	(117)
specifically reduce costs sending products to marketing outlets	1	2	3	4	5	6	(118)
facilitate meetings with other parts of your business	1	2	3	4	5	6	(119)
facilitate meetings with suppliers	1	2	3	4	5	6	(120)

and/or clients							
facilitate access to regional airports	1	2	3	4	5	6	(121)
facilitate access to railway stations	1	2	3	4	5	6	(122)
facilitates access by visitors/tourists to your location	1	2	3	4	5	6	(123)

Q25 How much do you agree with the following statements about the current state of the A9 and its impact on your business? (please use a five point scale were 1 = strongly agree and 5 = strongly disagree) **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	Strongly Agree	**Agree**	**Neither / Nor**	**Disagree**	**Strongly Disagree**	**Don't know**	
It is producing a negative perception on the H&I area	1	2	3	4	5	6	(124)
It is constraining general economic development	1	2	3	4	5	6	(125)
It is producing a negative impact on business travel	1	2	3	4	5	6	(126)
It is producing inefficiencies in movement of own supplies/products	1	2	3	4	5	6	(127)
It is discouraging new businesses to locate in the H&I area	1	2	3	4	5	6	(128)

Q26 What improvements to the A9 Perth – Inverness are needed to raise the road to required standard? (please use a five point scale where 1 = strongly required and 5 = not required at all) **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	Strongly Required				**Not Required at All**	**Don't know**	
More 2+1 and other similar level of upgrade	1	2	3	4	5	6	(129)
More 2+1 and other similar level of upgrade – but full dual carriageway in long term	1	2	3	4	5	6	(130)
Strategic dualling along the route length	1	2	3	4	5	6	(131)
Dual carriageway for full length	1	2	3	4	5	6	(132)

Q27 The impacts of new A9 Improvements on your Business: (where high positive change = 1 & negative change = 5 **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	Highly Positive change	**Positive change**	**Neutral**	**Negative change**	**Highly Negative change**	**Don't know**	
How will Upgrading the A9 change the travel efficiency of your business?	1	2	3	4	5	6	(133)
How will Upgrading the A9 change your business growth performance?	1	2	3	4	5	6	(134)
How will Upgrading the A9 change your employee numbers?	1	2	3	4	5	6	(135)

ASK Q28 OF LEISURE/ TOURIST COMPANIES ONLY - B&Bs, HOTELS, RESTAURANTS, ETC. (CODE 08 OR 18 AT Q1)

Q28 How large an impact will upgrading the A9 have on each of the following tourism market sectors? **ROUTE**

PROMPT WITH SCALE IF NECESSARY

	Large Impact	**Some Impact**	**No Impact**	**Don't know**	
Day trips/short breaks to H&I from Central Belt	1	2	3	4	(136)
Day trips/short breaks to H&I from elsewhere	1	2	3	4	(137)
Day trips/short breaks from H&I to Central Belt	1	2	3	4	(138)
Day trips/short breaks from H&I to other parts	1	2	3	4	(139)
Other visitors and holidays to H&I	1	2	3	4	(140)
Other visitors and holidays from H&I	1	2	3	4	(141)

THANK RESPONDENT & CLOSE