EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

AGENDA

11th Meeting, 2004 (Session 2)

Tuesday 11 May 2004

The Committee will meet at 2.00 pm in Committee Room 4.

1. **Promoting Scotland worldwide - an Inquiry into the external relations policy, strategy and activities of the Scottish Executive**: The Committee will hear from—

   As a panel (Tourism)

   Philip Riddle, Chief Executive, VisitScotland
   Tom Wright, Chief Executive, VisitBritain
   Jim McFarlane, Chief Executive, Scottish Enterprise Edinburgh and Lothians

2. **Repatriation of European regional development funds and the UK Government’s proposals - an Inquiry into the impact in Scotland (in private)**: The Committee will discuss its draft Report.

   Stephen Imrie
   Clerk to the Committee
   Tel: 0131 348 5234
   Email: europe@scottish.parliament.uk

******************************************************************************
The following papers are attached for this meeting:

**Agenda Item 1**

| BRIEFING PAPER: “Written submissions of evidence for today’s meeting – Promotion of Scotland Worldwide Inquiry” | EU/S2/04/11/1 |

**Agenda Item 2**

| PRIVATE PAPER: Draft Inquiry Report into Regional Development Funds | EU/S2/04/11/2 |
EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

BRIEFING PAPER

“Written submissions of evidence for today’s meeting – Promotion of Scotland Worldwide Inquiry”

Introduction

1 This paper contains, in Annex A, the written submissions of evidence (where one has been received) from today’s witnesses. Most submissions received so far for this Inquiry can be seen on the Committee’s homepage within the Parliament’s website:

http://www.scottish.parliament.uk/european/index.htm

Recommendation

2 Members are requested to refer to these witness submissions to assist them in their preparations for the meeting.

Stephen Imrie
Clerk to the European and External Relations Committee
The Scottish Parliament
Tel: 0131 348 5234
Email: europe@scottish.parliament.uk
VisitScotland

The Importance of Tourism in the Promotion of Scotland

- One of Scotland’s largest industries.
- Scotland attracted over 1.5 million overseas visitors in 2002, generating a massive £800+ million for the economy.
- A powerful creator of wealth and jobs, injecting £4.5 billion annually into the Scottish economy (5% of GDP) and employing approximately 200,000 people (almost 9% of the workforce, rising to 15% across some of our more fragile, remote areas).
- An indigenous industry which is here to stay – unlike some other economic activities, Scottish tourism cannot be transferred overseas.
- A growing industry, with a predicted global growth rate of 4% per annum until 2020, offering significant opportunities for Scotland if we get it right and invest.
- Impacts on almost every sector of the economy, including the construction industry, manufacturing, transport, retail, design and print, food and drink, and many more.
- Sustainable industry that can contribute to the preservation of our environment and culture.

Realising Our Potential

- Tourism in Scotland is at a crossroads. Following years of decline, we are now starting to recover some lost ground. Scotland has all the raw material for a world class tourism industry but getting into the first division of tourism destinations will take ambition, strong leadership and commitment.
- The potential for tourism is unmatched by any other industry, with the greatest potential coming from the international arena which accounts for 8% of visitors and 15% of value.
- We need to increase our investment in promoting Scotland worldwide – in marketing Scotland overseas, in improving access and in overseas representation. Above all we need to be resourceful and focused on achieving the maximum returns and positive economic outcomes from the limited resources we have available.
- Research has shown that tourism is closely inter-linked with the promotion of exports and inward investment – the national strategy should reflect the opportunities this creates.
**Introduction**

1. VisitScotland welcomes the European and External Relations Committee Inquiry into the promotion of Scotland overseas and the Committee’s recognition of the vital role that tourism plays in enhancing Scotland’s image.

2. One of the key drivers of the Scottish Executive’s external relations policy must be to bring economic benefit to Scotland and to “sell” Scotland as a place to visit, to invest in and to buy from, as well as being a preferred place to live and work. As the economic development agency with responsibility for marketing Scotland overseas as a tourism destination, VisitScotland has a lead role to play in promoting Scotland worldwide.

3. As a relatively small country, Scotland needs to punch above its weight to realise its full potential. To do this, it is essential that the various agencies and organisations, both public and private, unite behind an ambitious but realistic strategy

**VisitScotland’s Strategy for Promoting Scotland Overseas**

4. One of VisitScotland’s key aims is to support economic development through the promotion of Scotland overseas as a must visit/must return tourism destination. We do this by:

- developing a strong brand for Scottish tourism overseas;
- leading and participating in marketing campaigns to promote Scotland to potential visitors from overseas;
- negotiating with airlines and ferry operators to deliver more direct access to Scotland from overseas;
- developing e-business solutions that exploit new technologies to make it much easier to access information about Scotland and to book accommodation etc;
- participating in overseas events like Tartan Day and “Scotland in…”; and
- working collaboratively with the Scottish Executive, Scottish Enterprise, Highlands and Islands Enterprise, VisitBritain, other agencies and, most of all, the private sector.

**Developing a Strong Brand**

5. Essentially, Scotland has a strong identity that can differentiate the country from others. We must use this differentiation to our advantage.

6. Whether interest in Scotland from overseas relates to holidays, business conventions, inward investment, importing from Scotland or immigration, the tourist image is usually the dominant first impression people outside the country have of Scotland. Tourism promotion, encapsulating presentation of a strong brand and closely linked, wherever possible to the promotion of other interests, should therefore be a leading element of Scottish external representation.

7. Brand research carried out by Scottish Enterprise in 1998 found that tourism, exports and inward investment are closely inter-linked and have considerable influence on each other, with the most influential of the three being tourism. The challenge is to build on these links and to generate new wealth for Scotland from overseas promotion.
8. In developing the “Scottish Brand”, VisitScotland built on this earlier research by using the same team to find answers to the following fundamental questions:

- Why should people from overseas invest, locate, visit, study, live in Scotland and not elsewhere?
- What is so special about Scotland compared to elsewhere?
- How do the Scots do business?
- How good is the infrastructure in Scotland?

The responses to these questions have not only enabled us to identify Scotland’s core values as seen by the rest of the world, they have also helped us position how we market Scotland.

9. The research identified Scottish core values as pride, proficiency, innovation and integrity. These values are extremely positive, particularly for organisations looking to invest in capital and labour in a foreign market. They must therefore be central to Scotland’s External Relations policy.

10. These core values were used as the building blocks in developing a new brand for Scottish tourism that was launched in 2002. Through further consumer research, we were able to develop a positioning for Scotland that was meaningful from a consumer perspective. This positions Scotland as:

- **Enduring** - reflecting our culture, history, traditions, and built heritage;
- **Dramatic** - reflecting our scenery, weather and light; and
- **Human** - reflecting the friendly welcome of our people.

Separately these are not unique to Scotland but together they deliver a strong platform from which to position Scotland within the minds of potential visitors as a must-visit destination.

**Marketing Campaigns**

11. Brand campaigns are carried out across our key international markets, the overriding objective of our international marketing strategy being to grow both the volume and value of international visitors in absolute terms and in relative terms to the domestic market.

12. There is potential to encourage visits to Scotland from every country in the world. Due to limited resources, mass communication is not feasible in all markets so segmentation by market, and of the populations in those markets, is required. Our focus is on those markets that will generate the greatest return on investment. In assessing the return on investment, we consider:

- the current size of the market to Scotland;
• its growth potential;
• geographical and seasonal spread potential;
• repeat visitor potential;
• whether there is good carrier access; and
• the balance of consumer needs, expectations and lifestyles against how Scotland can meet these demands.

13. Our core markets are North America, Germany, France, Sweden and Holland. Our second tier growth markets are Belgium, Spain, Italy, Canada, Australia and New Zealand. (See appendix for an analysis of overseas visitors by country).

14. Brand marketing stimulates interest in coming to Scotland, in experiencing Scotland. However, we still have to address the question of what do people do when here. To support the brand, VisitScotland has therefore developed a product portfolio which reflects what visitors want from a visit to Scotland. Five key areas have been identified:

• “freedom” (touring, island hopping, visiting gardens and castles);
• “outdoor activities” (golf, hill walking, water sports, cycling, skiing);
• “culture and heritage” (performing and visual arts, events and festivals, genealogy);
• “city breaks” (shopping, night life, food and drink); and
• “business” (conferences, exhibitions, corporate hospitality).

This approach represents a departure from marketing along potentially competing geographical lines and allows us to target consumers in a more focused manner, providing products to meet their interests and needs.

15. Using the product portfolio, VisitScotland targets each international market differently. For example, in the USA (our largest overseas market), we promote the freedom, cities, culture, genealogy and golf products, using traditional icons; whereas in Germany, our focus is on promoting Scotland as an outdoor destination, with campaigns for walking and golfing holidays, and as a city break destination, with cities being positioned as vibrant and modern.

16. Using this focus, we adopt tailored marketing solutions rather than a “one size fits all” approach, capitalising on the vast number of icons and assets Scotland has to offer. For example, while VisitScotland recognises the need to position the country as a vibrant, modern economy, consumer research from the USA demonstrates that, from a tourism perspective, culture and heritage are key motivators for travel to Scotland. Icons such as tartan and traditional music have therefore featured strongly in VisitScotland’s marketing activity.

17. To contrast this, however, we also ensure that our marketing shows the more modern side of Scotland. The work of our Business Tourism Unit provides a clear example of how we promote the more modern aspects of Scotland, marketing Scotland as the place to do business and highlighting the state-of-the-art facilities available. Tourism is very much a buyer’s market and it is crucial that we use all of Scotland’s assets, deployed where they have greatest impact.

18. In addition to the traditional marketing activity we undertake (ranging from advertising to consumer PR), we increasingly work with trade partners to maximise private sector leverage for our promotions. Similarly, we work closely with transport operators to introduce
tactical campaigns that provide the consumer with an easy route to Scotland. We also work closely with tour operators and travel agents to encourage them to include Scotland in their programmes and packages. This work is particularly important in the long haul markets.

19. VisitScotland evaluates the impact of its overseas marketing activities in terms of the additional spend that is generated as a direct result thereof. The return is around £25 for every £1 invested. This excludes the returns from other activities like working directly through overseas trade operators and consumer PR. We are currently examining ways of improving our evaluation techniques to take account of changing consumer patterns and new technologies.

**Direct Access**

20. Marketing is only part of the equation; making it easy for people to get to Scotland is also key. Direct access is particularly important in view of the growing consumer trend for short breaks. In line with this trend, VisitScotland’s international focus has increasingly been on near-European countries with direct – and keenly priced - routes to Scotland, running campaigns aimed at developing shoulder and off-season business.

21. VisitScotland works proactively with carriers, such as Superfast Ferries and Ryanair, to produce joint promotions which present Scotland as accessible and affordable. This strategy is paying dividends, with a 23% increase in visitor spend from near-European countries in the first six months of 2003 compared with the same period in 2002.

22. VisitScotland also works through the Route Development Fund to assess the scope for new routes. In doing so, VisitScotland considers the strength of the inbound/outbound potential, the availability of seats, extent of the service, and partnership opportunities.

**e-business**

23. VisitScotland recognises the importance of e-commerce in promoting Scotland. Over 580 million people are online across the world (nearly 1 in 10 of the global population), with forecasts showing that over a third of the travel buying population will purchase travel products online in the future. e-tourism is particularly important for international visitors giving access to vast amounts of information and booking available in several languages, 24 hours a day across the world. Independent studies predict that the European online travel market will be worth over £12 billion by 2006.

24. Against this background, VisitScotland has entered into a successful public private partnership to establish visitscotland.com. Based at Livingston, the National Information and Booking Centre has handled over half a million calls and over 100,000 emails since it opened in September 2002. Online booking is increasing steadily since its launch in October 2003. Our expectation is that traffic via all of these channels will grow exponentially in the coming years.

25. Using the latest technologies, Scotland will be able to service the needs of potential visitors to Scotland on a “24/7” basis, offering them a “one-stop-shop” booking facility. For tourism businesses, this venture offers a major opportunity to market their products on a global scale. In the longer term, the benefits of such a facility include the ability to build a
customer relationship management capability and to tailor products and services to match consumer demands. Already we can see signs of success, with over £8 million worth of bookings being generated to date.

**Events**

26. The “Scotland in” events are a useful marketing tool and constitute a very focused means of marketing Scotland as a tourism destination, while also positioning Scotland in the wider economic context. VisitScotland has participated in a number of successful events including Scotland in Sweden, Scotland at the Smithsonian and Scotland in Catalonia. These events have allowed VisitScotland to carry out brand marketing and tactical promotions with transport operators and other private sector partners.

27. Given the focused nature of these events, measurement of success is often simpler than for more generic campaigns. With regard to Catalonia, for example, VisitScotland worked closely with Ryanair to convert awareness of Scotland into visits, with tactical advertising and promotions. As a result, the Ryanair Girona to Prestwick flight became one of Ryanair’s most popular routes, rising from 80th out of 131 routes to as high as 2nd during one week following the event.

28. VisitScotland is also involved proactively in the annual Tartan Day celebrations in the United States. The primary purpose of Tartan Day is to celebrate Scottish culture. Many of the events surrounding it, like the parade, are not part of VisitScotland’s range of activities. Nevertheless the event provides a good opportunity to promote Scottish tourism (both leisure and business), and thus achieve economic benefits for Scotland at large. VisitScotland undertakes a range of advertising and PR activities in the week running up to Tartan Day (like radio advertising, tartan taxis, tartan day special travel offers and so on).

29. From a tourism perspective, while Tartan Day offers a good short term impact in a small part of the US, it has to be seen in the context of the wide range of activities that VisitScotland undertakes to promote Scotland overseas.

**Collaboration with the Scottish Executive/Other Agencies/Private Sector**

30. VisitScotland works very closely with the Executive’s Tourism, Culture and Sport Group. As a non-departmental public body, our strategic direction on overseas activities is set by Ministers and our business strategies and actions are approved by Ministers.

31. VisitScotland has participated in the Executive’s Scottish International Forum from the outset. The Forum provides a useful platform for the exchange of knowledge and information, thereby enabling the various agencies to better co-ordinate their activities.

32. VisitScotland is contributing its expertise and knowledge on overseas marketing to the Executive’s External Affairs Team. This should enable the Executive to build on the extensive work to date on “Brand Scotland”. It also provides a huge opportunity for all of the relevant agencies to combine their knowledge and expertise to help develop a national strategy for the promotion of Scotland overseas. VisitScotland believes that it has a significant and valuable contribution to make to this work.
33. VisitScotland meets regularly with Scottish Development International. This relationship has not only helped us shape our overseas strategy but it has also proved useful in carrying out our strategy through our co-sponsorship of projects and free exchange of information and ideas.

34. We work closely with VisitBritain (formerly the British Tourist Authority and the English Tourism Council). VisitBritain has a remit not only to market England overseas and to the rest of the UK, but it also supports VisitScotland to promote Scotland overseas.

35. Our relationship with VisitBritain is formalised by an Overseas Marketing Agreement which sets out the principles that underpin the way in which the two organisations work together to promote Scotland. In the wake of the merger of the BTA and the ETC, we are currently reviewing this Agreement to ensure that it adequately reflects the present marketing and strategic priorities of both organisations.

36. VisitScotland is committed to working with VisitBritain, recognising the benefits of leveraging resources and sharing expertise. However, we believe that different markets will require different approaches, particularly in view of changes in consumer behaviour and the international environment. In our priority markets we believe Scotland should take the lead, possibly with our own overseas representation. In developing markets (like Italy and Japan), we propose working in partnership with VisitBritain and in seed markets (like Poland and Russia), where it would be more appropriate to build the Britain brand initially, VisitBritain will take the lead.

37. Most importantly, we also work jointly with the private sector in promoting Scotland worldwide through the production of overseas guides and through joint participation in a range of exhibitions and events like the annual World Travel Market. Indeed, our collaboration with the private sector is the backbone of our activities. This reflects our primary focus which is about generating business for Scotland.

Realising Our Potential – VisitScotland’s Role

38. There is much being done to promote Scotland worldwide but there is also huge potential to achieve so much more for the benefit of Scotland. Scotland already enjoys an excellent reputation overseas and it is important that we capitalise on that to help secure greater economic benefits. VisitScotland believes this can be achieved through greater ambition, strong leadership and increased commitment – particularly in terms of financial investment. These are the key ingredients that have made other countries like New Zealand successful.

39. There is a growing sense of the need for agencies and organisations to work more collaboratively in promoting Scotland overseas. Tourism promotion is a key component of the strategy to promote Scotland overseas and VisitScotland has a pivotal role in delivering that strategy.

40. Tourism in Scotland is also at a crossroads. Following several years of serious decline, the past two years have seen some recovery but we are still some way short of the economic contribution that could be achieved. Scotland has a choice. It can languish amongst the second division of visitor destinations or it can be ambitious and invest in its most important indigenous industry.
41. Tourism is one of the most competitive industries in the world. With a large and growing number of countries increasingly promoting tourism, the risk to Scotland’s global position in tourism has never been greater. However, with tourism seen as one of the few growth industries – predicted to grow globally by 4% per annum until 2020 – the opportunities have also never been greater.

42. Against this background, it is vital that tourism is recognised as a key economic stimulator. Tourism plays a fundamental role in the achievement of a Smart, Successful Scotland and is key to the promotion of Scotland worldwide. VisitScotland’s investment in marketing has an impact beyond tourism: promoting Scotland as a tourism destination is also about promoting the country’s image as a great place to live and work, as well as building the country’s reputation and confidence. Tourism marketing also impacts on exports such as food and drink as the imagery helps to promote all things Scottish.

43. There are a number of opportunities available that would enable VisitScotland to increase and improve the promotion of Scotland worldwide. These include:

- Investment in Marketing
- Investment in Direct Access
- Investment in Events
- Investment in Overseas Representation

**Investment in marketing**

44. Scotland has a strong identity that can differentiate the country from others. There is a huge untapped market worldwide and the potential to capitalise on this identity is significant and the benefits of so doing could be enormous. The importance of a high international profile can be seen only too clearly from a tourism perspective: although only 8% of Scotland’s visitors come from overseas, they account for 15% of the economic benefit to Scotland from tourism (i.e. they are high value visitors). It is therefore the overriding objective of VisitScotland’s international marketing strategy to increase the volume and value of overseas visitors to Scotland.

45. Tourism is, however, an increasingly competitive sector and if Scotland is to capitalise on the predicted global growth of 4% per annum, it is essential that bold decisions are made about investing in marketing. Currently less than 0.1% of the Scottish Executive’s entire budget is spent on marketing Scotland. Given that marketing Scotland as a tourist destination is a key driver to the future prosperity of the country, further investment in marketing is essential if Scotland is to realise its potential on the world stage.

**Investment in access**

46. Marketing alone is not sufficient to ensure Scotland is considered as a preferred place to visit, live and work in. It must be easy to get to Scotland and in this respect, investment in direct routes is essential. The role of the Route Development Fund has been pivotal in securing new routes to Scotland. It is essential that this momentum is maintained and that the benefits of the Fund are shared across Scotland.
47. As new routes into Scotland are announced, we will continue to be proactive in working up partnerships and promotions with carriers. If we are to capitalise on these routes and ensure net economic gain for Scotland, it is essential that we continue to have investment in marketing these routes in their countries of origin. There are, however, limited resources available for such marketing and so there is a real danger that new routes to Scotland will have no net economic benefit for Scotland. Additional investment is therefore crucial.

**Investment in Events**

48. Although events such as “Scotland in Sweden” have been successful, VisitScotland believes that a more strategic approach should be adopted both in the selection of destinations to target and in the organisation of such events. Events must be held in areas that will generate measurable economic gains for Scotland and provide a good return for the investment that goes into them. It is also essential that they should be used to complement our wider efforts in the countries concerned and not detract from or displace the resources that are invested in mainstream activities.

49. To provide these events with a strategic focus and a more professional and consistent delivery, we would like to develop proposals for the creation of a “Scottish village” which could be assembled as a focal point at each event. This would replicate typical rural or urban life, bringing to life, for example, Lauder, Pittenweem, Dornoch, or the Merchant City. The “village” would provide a flexible, yet standardised approach to Scottish promotional events overseas, thereby avoiding the need to re-invent the approach on each occasion. It could be used for Scotland-only events or for incorporation into wider international events.

50. The key message to be conveyed would be “Scotland, a Place to Visit, to Live and to Work”. The “village” would incorporate modules for the participating interests, e.g. banks, food and drink suppliers, textiles and clothes, universities, arts and crafts, tourism, etc. Different module combinations would be used depending on the location and the specific aims. The focal point of the “village” would be a stage for entertainment from both traditional and contemporary performers. The “village” would also provide a business focus, with consumers having the opportunity to book holidays and Scottish businesses building relationships with potential customers.

51. Such an initiative will require professional, overall management. In addition, a permanent committee of participants could act as an advisory board to oversee the project.

**Investment in overseas representation**

52. Tourism plays such a fundamental role in the promotion of Scotland that overseas tourism representation will be vital if Scotland is to deliver on its ambitions for global growth and global positioning. Such representation would put Scotland on a level playing field with some of its major competitors, e.g. Ireland, and would allow us to position Scotland with its own unique brand.

53. Currently VisitScotland does not have any front line staff in overseas offices; rather we take advantage of the VisitBritain network of offices. Although this arrangement has, in the main, been satisfactory, VisitScotland recognises the potential benefits of having dedicated VisitScotland staff located overseas. For some of our more established markets VisitScotland
would prefer to drive its own marketing efforts from the front, with our own overseas representation. This is particularly the case in near-Europe where there is no need to sell “Britain” as a concept as the Germans, Dutch, Scandinavians, French and Spanish are already familiar with where and what Britain is. In these markets, it is more a case of Scotland competing with England, Wales and Ireland, as we do in the UK market. North America is another key market where we see enormous benefits of having Consumer and Trade teams in the market.

54. VisitScotland is keen to explore opportunities for overseas representation in key, target markets. However, further investment will be required in order to enable us to fulfil this aim.

The Scotland Visitor Experience Centre

55. To support the “Scotland in …” events, we believe a more permanent showcase, which could harness and promote the diverse strengths of Scotland, should be established in key locations such as London, Paris, New York. “Scotland Centres” in these locations would allow the key sectors in Scotland to work together to benefit from their individual strengths.

56. In addition to promoting Scotland as a tourism destination, such centres could showcase Scottish retailers; catering could be managed by one of Scotland’s finest culinary ambassadors, using only Scottish produce; textiles could be showcased, likewise arts and crafts. Business, charitable and government functions could be held in the “Scotland Centre”.

57. Preliminary investigations have shown that the private sector would be interested in buying in to this concept. In addition, initial discussions with financial institutions have indicated that this project would require limited financial exposure. It would deliver not only benefits to tourism but would also unite our constituent strengths in Scotland to deliver an aspirational and successful Brand Scotland.

Conclusion

58. Scotland enjoys a positive image and reputation worldwide that is hugely disproportionate to its size. It is important that we have the ambition, strength of leadership and commitment that will enable us to build on that positive positioning. We can be justifiably proud of our achievements to date. But we need to capitalise on the assets that we have and our standing in the world if we are to realise our full potential.

VisitScotland
January 2004
APPENDIX

INTERNATIONAL VISITORS TO SCOTLAND - 2002

<table>
<thead>
<tr>
<th>Country</th>
<th>Trips ('000) (%)</th>
<th>Nights (m) (%)</th>
<th>Expenditure (£m) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>390 25</td>
<td>3.0 20</td>
<td>238 29</td>
</tr>
<tr>
<td>Germany</td>
<td>134 8</td>
<td>1.0 7</td>
<td>54 7</td>
</tr>
<tr>
<td>France</td>
<td>121 8</td>
<td>1.0 7</td>
<td>39 5</td>
</tr>
<tr>
<td>Canada</td>
<td>118 7</td>
<td>1.6 10</td>
<td>56 7</td>
</tr>
<tr>
<td>Australia</td>
<td>100 6</td>
<td>1.3 8</td>
<td>48 6</td>
</tr>
<tr>
<td>Republic of Ireland</td>
<td>80 5</td>
<td>0.4 2</td>
<td>23 3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>66 4</td>
<td>0.6 4</td>
<td>26 3</td>
</tr>
<tr>
<td>Italy</td>
<td>57 4</td>
<td>0.5 3</td>
<td>24 3</td>
</tr>
<tr>
<td>Spain</td>
<td>44 3</td>
<td>0.5 4</td>
<td>23 3</td>
</tr>
<tr>
<td>Denmark</td>
<td>39 2</td>
<td>0.3 2</td>
<td>26 3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>37 2</td>
<td>0.3 2</td>
<td>24 2</td>
</tr>
<tr>
<td>Belgium</td>
<td>34 2</td>
<td>0.2 1</td>
<td>9 1</td>
</tr>
<tr>
<td>All Other Countries</td>
<td>366 23</td>
<td>4.4 29</td>
<td>221 27</td>
</tr>
</tbody>
</table>

North America

<table>
<thead>
<tr>
<th>Trips ('000) (%)</th>
<th>Nights (m) (%)</th>
<th>Expenditure (£m) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>508 32</td>
<td>4.6 30</td>
<td>294 36</td>
</tr>
</tbody>
</table>

Europe

<table>
<thead>
<tr>
<th>Trips ('000) (%)</th>
<th>Nights (m) (%)</th>
<th>Expenditure (£m) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>763 48</td>
<td>5.4 36</td>
<td>318 39</td>
</tr>
</tbody>
</table>

Rest of world

<table>
<thead>
<tr>
<th>Trips ('000) (%)</th>
<th>Nights (m) (%)</th>
<th>Expenditure (£m) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>315 20</td>
<td>5.1 34</td>
<td>199 25</td>
</tr>
</tbody>
</table>

TOTAL

<table>
<thead>
<tr>
<th>Trips ('000) (%)</th>
<th>Nights (m) (%)</th>
<th>Expenditure (£m) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,586 100</td>
<td>15.1 100</td>
<td>811 100</td>
</tr>
</tbody>
</table>
VisitBritain

Introduction

1. VisitBritain (VB) welcomes the opportunity to provide evidence to the European and External Relations Committee’s Inquiry into Promoting Scotland Worldwide. In September 2002, VB submitted evidence to the Enterprise and Lifelong Learning Committee as part of its Inquiry into Tourism and subsequently gave oral evidence. This Memorandum builds on the evidence to the ELL Committee and shows how VB works in partnership with VisitScotland (VS) to promote Scotland overseas as a tourism destination.

2. The role of VB is to promote Great Britain – including Scotland - as a tourism destination in overseas markets. Independently, it is the role of VS to promote Scotland both in the domestic and overseas markets. By working together as partners, we ensure that our work is complementary, thereby avoiding duplication of effort and maximising the resources available to secure inbound tourism business for Scotland.

3. In 2002, this approach helped Scotland to attract 1.58 million overseas visitors who spent £806 million. This means that, on average, each visitor to Scotland spent £510, compared with £499 spent by each overseas visitor to London, £421 to the rest of England and £293 to Wales.

Background

4. Since VB provided evidence to the ELL Committee in September 2002, two significant changes have occurred. Firstly, we have concluded and implemented the strategic review of our international marketing activities. This exercise was undertaken to find ways of further improving operational performance around the world and to increase Britain’s share of the global tourism market. The highlights of this new international marketing strategy, ‘Leading the World to Britain’ included:

   • Establishing eight regional hub offices with specialist expertise to support country offices and develop new markets.
   • Refining and sharpening the brand position of Britain reflecting destination brands and broader public diplomacy.
   • Exploiting further the potential of new media.
   • Engaging public and private sector stakeholders in the marketing of Britain.

5. The strategy is now on course to achieve its objectives, including gains in the overall efficiency of the organisation in terms of both operational and marketing activities that will benefit inbound tourism to Scotland as well as the rest of Britain.
6. Secondly, we have implemented the merger of the British Tourist Authority (BTA) and the English Tourism Council (ETC), announced by the Secretary of State for Culture, Media and Sport on 31 October 2002 to form a new national tourism organisation responsible for the promotion of Great Britain overseas and of England domestically. The new organisation came into being as ‘VisitBritain’\(^1\) on 1 April 2003. A major objective of the merger was to ensure that there would be a clear separation, both financially and strategically, between VB’s domestic and international marketing functions. The England Marketing Advisory Board\(^2\) (EMAB) was therefore established to advise on the strategic direction and priorities for England domestic tourism marketing undertaken by VisitBritain, along with a separate marketing division and Director for England.

The Legislative Framework

7. VisitBritain, together with VisitScotland, the Wales Tourist Board and the England Marketing Advisory Board (the National Tourist Boards (NTBs)), were created by the Development of Tourism Act 1969. Under this Act, VB was charged with encouraging people living overseas to visit Great Britain and the NTBs were given responsibility for promoting their nations domestically. VS was subsequently granted powers in 1984 to conduct marketing activities overseas. Under the Scotland Act, 1998, VB was designated as a ‘cross border’ public authority.

8. VB is funded by the UK Parliament at Westminster via the Department for Culture, Media and Sport (DCMS). Our Funding Agreement takes full account of our cross border role and contains targets related to spreading the benefits of inbound tourism throughout Britain. In 2003/04, VB was allocated £35.5 million in grant-in-aid to promote Britain overseas. To complement this funding, VB generates approximately £15 million a year in income for inbound marketing from joint activities with the travel trade and from public and private sector interests.

9. When the BTA/ETC merger was announced, the UK Parliament at Westminster pledged to grant additional monies to the new organisation for England domestic tourism (£10.4m in total for 2003/4).

---

\(^1\) In strict legal terms, the net assets and undertaking of the English Tourism Council were transferred to the British Tourist Authority which adopted the trading name of VisitBritain.

\(^2\) England Marketing Advisory Board is incorporated as the English Tourist Board under the Development of Tourism Act 1969.
Structure of relationship between VisitBritain, Scottish Executive and VisitScotland

10. VB enjoys an excellent working relationship with VS, characterised by co-operation and goodwill on both sides.

11. As DCMS is VB’s sponsoring government department, VB does not have a formal sponsorship relationship with the Scottish Executive. DCMS and the Scottish Executive published a joint concordat in 1999 setting out the working relationship between the two organisations.

12. Besides general day-to-day communication, DCMS consults specifically the Scottish Executive about appointments to the VB Board, along with the terms of VB’s Funding Agreement, Management Statement and Financial Memorandum. DCMS also shares information with the Scottish Executive on VB’s performance against its targets and budgetary performance.

13. Whilst DCMS civil servants liaise regularly with their Scottish Executive counterparts, UK tourism ministers also meet on a twice yearly basis to discuss relevant tourism matters. VB’s Chief Executive attends these meetings to report on VB’s activities and also has informal contact with Scottish Executive civil servants from time to time.

14. VB maintains close informal links with the Scottish Executive Tourism Division. This is mainly to provide draft answers to Parliamentary Questions raised in the Scottish Parliament on our activities for Scotland, to ensure that we are fulfilling our responsibilities and tasks as detailed in the Executive’s Tourism Strategy for Scotland, and to further enhance our complementary and facilitative role for VisitScotland.

15. The VS Chairman is an ex-officio member of the VB Board, able to advise and influence VB strategy to ensure that the benefits for Scotland are maximised. In addition, the VS Chief Executive provides written reports to the Board summarising current activities, issues and results. Together, these arrangements provide considerable opportunity for Scottish issues to be discussed and taken into full account by the VB Board.

16. The VB and VS Chief Executives, together with their counterparts from the Northern Ireland Tourist Board, VisitLondon and the Wales Tourist Board, meet quarterly to discuss areas of common interest at a strategic level. In parallel, at operational level, there are similar meetings involving staff from Business Planning, Business Tourism, International Marketing, New Media Marketing, Quality Standards, Public Relations, Research and Strategic Planning.

17. Since 1998, the relationship between VB and VS – and the other NTBs - has been formalised by an Overseas Marketing Agreement, the implementation of which is
overseen by a director level steering group. In the case of Scotland, the Agreement sets out the principles that underpin the way we work together to promote Scotland. The overall aim is to ensure that the combined resources of both organisations are deployed in the most effective manner, that target markets and segments are agreed and that customers receive complementary and unified messages about Scotland and Great Britain.

18. VB is currently working with VS on a review of the Overseas Marketing Agreement in order to ensure that it adequately reflects the present marketing and strategic priorities of both organisations.

19. In order to make the Overseas Marketing Agreement work effectively, VB and VS liaise on business planning. The business planning process starts with VS briefing VB on its corporate priorities and targets for the forthcoming year. This is then followed by a week-long series of meetings when VS develops on-territory business plans and discusses the key marketing requirements for Scotland with all of VB’s overseas managers. Finally, VS comments on VB’s corporate business plan before it is submitted to the VB Board for approval.

**Branding of Scotland Overseas**

20. How VB markets Scotland overseas depends entirely on the knowledge that potential visitors in each market have of Scotland. The strategy that has been developed – to be formalised in the revised Overseas Marketing Agreement – is the ‘drillhead’ approach. This recognises that for some market segments Scotland (or England, Wales and London) may already be better known or more relevant than “Britain” – in which case, we would lead the promotion of Britain by promoting Scotland. This strategy is customer and market focussed and optimises the potential to attract visitors to Britain and Scotland by using the collective country assets to the full.

21. During the last twelve months, VB has been working in partnership with VS and the other NTBs to sharpen the brand position of Britain in order to make it a more compelling destination for overseas visitors and to provide clear and complementary brand architecture for the nations and regions of Britain. In essence, a ‘Britain’ brand has been developed that can stand-alone or be combined with one or more of the four main brands (Scotland, England, London and Wales). As a key part of this process, consumer research was undertaken in overseas markets to understand fully the impressions that potential visitors hold about England, Scotland and Wales. This work, when combined with the need for the Britain brand to encompass the existing four main brands, resulted in agreement that the Britain brand values should be ‘depth, heart and vitality’. This reflects and enhances Scotland’s own brand values of ‘enduring, human and dramatic’. A
particular brand focus is to contrast heritage, history and tradition of Britain with more contemporary and active aspects of the visitor experience.

**Marketing of Scotland Overseas**

22. This section explains how VB goes about marketing Scotland overseas as an inbound tourism destination.

**VB’s overseas office network**

23. VB operates in 27 offices covering 31 countries (Annex 1). These international markets are divided into eight regional groupings based on cultural affinities and/or geographical synergies, namely: Americas, Asia, Australasia, Europe Central, Europe Nordic, Europe South, Europe West and Middle East/Africa. This office network operates in countries that account for around 90% of all overseas visitors to Britain, but is expanding to cover other emerging markets with extensive potential for growth such as China, South Korea, Poland and Russiá.

24. Each regional hub office supports the following activities:

- Providing prospective visitors with comprehensive information about Britain by email, letter, telephone or fax, and a brochure and information fulfilment service for VS and the other NTBs. Customer data is collected so that information can be increasingly tailored to individual interests. Some overseas offices have walk-in centres but these are being phased out in most markets as they are resource intensive and achieve a lower return on investment compared with contact centres and websites.

- Developing and maintaining 34 market-specific visitbritain.com gateway websites in local languages, all of which are linked to visitscotland.com. In 2002/03, the total traffic to these sites reached 17.3 million unique visits and 112 million page impressions. VB is a world leader in online marketing, winning the 2003 World Travel Award for Destination Websites. A new generation of VB gateway websites will start to be launched in December 2003 with the Scotland information on them drawn directly from visitscotland.com. The new websites will be expanded to cover more markets and languages whilst featuring new personalised brochure capabilities.

- Promoting, via our extensive network of media contacts, PR and media communications about Britain for the benefit of overseas journalists.
• Undertaking marketing activities, either alone or with NTBs and industry partners, ranging from newspaper and television advertising to direct mail and web advertising. VB engages extensively with the British industry to support inbound tourism to Scotland that benefits significantly from the £15 million of additional income generated.

• Gathering market intelligence and undertaking research to inform marketing activities.

• Briefing travel agents, carriers and tour operators about new products and developments. This includes providing training and familiarisation programmes about Scotland and Britain for the travel trade; organising road shows and trade missions; and attending trade fairs such as Expo VS.

25. In addition to the country offices, VB is using new media technology to create ‘virtual offices’ to cost-effectively reach maximum audiences in emerging markets. To this end, gateway websites are being developed for China, Poland, Russia and South Korea.

26. VS is presently targeting the key markets of France, Germany and the United States, closely followed by Australia, Belgium, Canada, Ireland, New Zealand, Norway, Spain, Sweden and the Netherlands. In these markets, VS takes advantage of VB’s overseas office network by running campaigns through them, rather than incurring the considerable expense of setting up a separate overseas office network. This approach enables VS to maximise the value of its marketing funds and to retain full flexibility in the deployment of its resources.

27. In Scotland’s primary markets, where VS undertakes its own marketing and sales promotion, the two organisations work together to ensure synergy between marketing activities. Elsewhere, VB takes the lead role in promoting Scotland as part of its Britain wide activity, having agreed in advance international marketing plans with VS.

28. As mentioned above, we are currently reviewing the Overseas Marketing Agreement with VS to ensure that we are meeting their needs and to increase our accountability. VS’s requirements of VB differ depending on whether VS has classified a market as primary, secondary or tertiary. There are three key issues that are being negotiated:

• An agreement as to the balance of the Scotland brand message and the Britain brand message.
• A revised protocol regarding customer data in overseas markets.
• Increased co-operation in communicating Scottish messages with industry partners and the travel trade.
28. It should be stressed that VB does not reduce its activity in those markets designated by VS as its primary markets. This means that VS’s activities are truly additional to those of VB. In VS’s secondary and tertiary markets they support our promotional activity on Scotland’s behalf.

Understanding our Customers

29. Over the years, VB has built up a comprehensive understanding of the marketplace, travel trends, and visitors' characteristics, including what entices them to visit Britain and its constituent nations and regions. A major programme of research is now being undertaken to expand this knowledge in order to attract visitors more effectively.

30. The Public Diplomacy Strategy Board (PDSB) was established in 2002 to bring together key public organisations involved in the promotion of Britain overseas. Chaired by the Permanent Under-Secretary of State at the FCO and Head of the Diplomatic Service, its primary objective is to understand and improve foreign perceptions of the UK. Membership includes VB, the British Council and British Trade International, all of which are represented at Chief Executive level. Jointly, we are carrying out a study to provide data on how Britain is perceived in fifteen countries. Respondents will be asked questions about Britain in comparison to China, France, Germany, Japan and the United States. The results will be available by the end of December 2003.

31. Underpinning this work, VB is currently undertaking a brand tracking survey to look specifically at how Britain and its nations are perceived as a tourist destination/s. The survey – which has been developed in consultation with VS and the other NTBs - will be continuous and enable changes in the perception in Scotland as a destination to be tracked as VS and VB branding work is established in the marketplace.

32. At the same time, a visitor satisfaction study is being undertaken to analyse the experience of visitors to Britain. The aim is to discover which aspects of this experience are the most important for delivering satisfaction to visitors, leading to repeat and referral business, and how well Britain performs in comparison with other international destinations.

33. The results of these studies will then be used by VS and VB to ‘fine tune’ the branding work and target more effectively key marketing campaigns. The visitor satisfaction work will also be used to inform the industry in Scotland and Britain about product development needs.

34. The process of determining market segments is also being refined. Demographic segmentation (e.g., Youth, DINKS and Seniors market segments) will be progressively
replaced by a combination of behavioural and psychographic segmentation in order to provide a greater understanding of potential customers, their attitudes and motivations. Analysis of the extensive VB database is key to the behavioural segmentation (past behaviour) while attitudinal profiling will be supported by the aforementioned research initiatives. This process will result in a product/segment fit, enabling Scottish marketing activity to be targeted using the most effective communication channels. The results of this exercise will similarly be communicated to the tourism industry in Scotland and Britain to assist them with the implementation of their own marketing initiatives.

**Partnership Marketing**

35. VS and VB recently worked in partnership on the “Only in Britain, Only in 2002” Campaign. This £43m multi-media, multi-market, multi-partner campaign, was aimed at regenerating inbound tourism in the aftermath of September 11. Both organisations were represented on the Partners’ Council and Steering Group which oversaw the campaign. In addition, the campaign made extensive use of Scottish imagery and special offers as a motivator to bring visitors back to Scotland.

36. Evaluation results show that this partnership marketing campaign met its targets by attracting 1.01 million additional visitors to Britain who spent £518 million.

37. The main fulfilment mechanism, a dedicated “Only in Britain, Only in 2002” website, containing approximately 3,000 constantly updated special offers, won a Highly Commended Award in the 2003 Direct Response Awards. The judging panel commented that the campaign was: “A clear, tidy project, done in adversity, with good sales results”.

38. Building on the success of the “Only in Britain, Only in 2002” Campaign, the European Short Breaks Campaign (ESBC), comprising of 61 partners, was launched in September 2003 against the backdrop of a significant decline in the US inbound market and in the wake of the military conflict in Iraq. A city break campaign targeting Europe was chosen, among other things, to take advantage of the greater connectivity that low-cost airlines provide between mainland Europe and Britain. This is evident in International Passenger Survey figures that show that, in 2002, tourists to Scotland from continental Europe made 281,000 visits of 1-3 nights’ duration and spent £58.7 million. The 220,000 visits of 4-7 nights’ duration were worth an additional £96.4 million in revenue.

**Marketing through print**

39. In addition to a general visitor guide promoting the nations and regions of Britain, VB produces pan-Britain thematic campaigns for global circulation containing a significant Scottish content. The current campaigns, each with a dedicated webpage and hard copy
print in several foreign languages, include: Britain’s Gardens, Great British Heritage Pass and “Master & Commander” (based around the new Hollywood film).

40. For those customers requiring specific information, for instance on Scottish attractions and services, it is VB’s intention to be able to print-off a personalised brochure for dispatch to the enquirer by harnessing leading-edge content management methods. To facilitate this ‘print on demand’ service, an electronic bank of material is being developed from which individual modules can be selected which are tailored to the interests of the customer. This new initiative will be piloted with the results being used to determine whether to extend this initiative to other overseas markets.

**On-territory campaigns**

41. In addition to the global campaigns aimed at delivering visitors to Scotland, VB’s overseas offices work on promotions tailored to the market in which they are based. In 2003/04, VB’s overseas offices are already implementing, or planning, around 85 promotions designed to deliver benefit in whole or part to Scotland.

**Tartan Day**

42. VB has been closely involved in Tartan Day activities and celebrations for some time. In addition to having a strong presence at the National Tartan Day activities in Washington DC and New York, VisitBritain staff are also involved in Tartan Day activities throughout the USA, mainly in the major conurbations of Chicago, Los Angeles, Seattle and Dallas. We have regular meetings with the American-Scottish Foundation, based in New York, and have been liaising with them on senior UK Government or a Royal presence at celebrations in 2006 to mark the founding of New York’s Caledonian Society in 1756, St Andrew’s Society in 1856 and the American-Scottish Foundation in 1956.

43. In addition to Tartan Day activities, VisitBritain staff are also heavily involved in St Andrew’s Day celebrations and Burns Night Suppers in our major markets of East Coast and West Coast cities.

**Customer Relationship Management**

44. As mentioned above, VB’s work in identifying potential customers for Scotland’s tourism product has become ever more sophisticated with the increasing use of new media technology. This technology is being used to improve customer data capture, data analysis and segmentation, and customer communications in order to develop a Customer Relationship Management (CRM) programme. By increasing the quality of customer data, more personalised, customer-specific communications can be developed that will
provide the information that customers want on Scotland in a timely and cost-effective manner.

45. E-mail newsletters and marketing campaigns will not only help communications to be honed more effectively around visitors’ interests and travel preferences, but also contain relevant offers from Scottish partners.

Press and PR and Trade Relations

46. Another key part of our promotional work is our Press and PR activity which includes bringing overseas journalists to Britain to write about destinations here and arranging for tour operators, agents and other specialists to visit and so encourage them to include British destinations in their brochures and itineraries. In 2002/03, VB arranged, or helped VS to arrange, around 80 visits to Scotland by groups of journalists generating approximately £22.7 million in media coverage for Scotland.

Business Tourism

47. In 2002, there were around 269,000 business travellers to Scotland generating approximately £144 million in revenue for the Scottish tourism industry. Research suggests that this sector is growing in real terms, has a high yield and helps to address the seasonal imbalances of leisure tourism. Business tourism has also been used as a vehicle for resort and urban regeneration, as has been the case with Dundee and Glasgow. VB’s Business Tourism Department collaborates successfully with VS and its specialist organisation, EventScotland and other local convention bureaux to secure important international conferences. Recent successes include:

- **The 11th International Congress of Parasitology**
  Estimated to be worth approximately £3.5 million to the local economy, this event is expected to attract 2,500 delegates to the Scottish Exhibition and Conference Centre in August 2006.

- **Meeting Professionals Council**
  In partnership with VS and the Edinburgh Convention Bureau, we have helped secure this international conference for around 5,000 professional meeting planners and conference organisers in the Scottish capital in March 2004. It is estimated to be worth approximately £5 million to the local economy.

- **The 2008 International Congress of Midwives**
  This event is expected to attract 5,000 delegates to the Scottish Exhibition and Conference Centre in June 2008 and is calculated to be worth approximately £6 million.
Helping the Scottish Tourism Industry to Access Overseas Markets

48. A key part of VB’s remit is to support VS’s work in advising tourism businesses, particularly SMEs, on how best to market their products overseas. For instance, VB facilitated VS’s representation at MICE\(^3\) Event 2003 in Monaco where around 50 meeting and incentive travel specialists met with 250 corporate buyers.

49. However, one of the key difficulties we face is reaching small businesses to let them know what we have to offer. To address this, ‘regional surgeries’ have been established where a team of VB experts is invited to visit a region of Scotland to advise the trade on overseas marketing, including how VB can help them to reach their customers. Regional surgeries have been held with the Edinburgh & Lothians Tourist Board and the Highlands & Islands Tourist Board, and we are now planning two further joint surgeries with VS and the Scottish Tourism Forum: one in Fife on 5 December 2003 and another in January 2004 at a venue still to be agreed.

50. Each April, VB attends VisitScotland Expo and assists VS in identifying and bringing overseas tour operators to the event. VB also sponsors Scotland United, the annual conference at which the industry reviews Scotland’s performance in the tourism sector, and VS’s Thistle Awards for outstanding excellence.

51. Details of the services that VB offers to the Scottish travel trade are mentioned on www.scotexchange.net, which carries a link to our own website for tourism industry professionals and businesses – www.visitbritain.com/ukindustry. This provides free online marketing information for Britain’s inbound tourism industry, a comprehensive diary of industry events, a wealth of research data and statistics and hyperlinks to an extensive range of related third party websites.

52. VB’s website for the UK industry, www.visitbritain.org/ukindustry, was re-launched at the British Trade Travel Fair in March 2003. Since then, the number of visitors to the website has more than doubled registering 30,465 unique visitors in September 2003. A link to www.scotexchange.net is featured on the home page of VB’s industry website. The new monthly bulletin, UK Industry Update is emailed to more than 3,000 contacts on our UK industry database and also contains a hyperlink to VS’s industry website.

53. As well as offering marketing opportunities in our consumer print and websites, VB also organises ‘road shows’ on-territory and provides introductions to key contacts overseas, such as tour operators. For instance, in recognition of the fact that, after London, Scotland is the most popular destination with French Conference and Incentive travel specialists,

\(^3\) ‘MICE’ stands for Meetings, Incentives, Conferences and Exhibitions.
VB’s Paris office has just returned from a tour of Scotland with key French trade specialists. These trade specialists met suppliers of suitable Scottish tourism products, many of which hosted private visits and special events.

**Evaluation**

54. VB evaluates the impact of its marketing activities each year in terms of ‘incremental spend’, namely the amount of additional inbound tourism expenditure generated to Britain as a direct result of our activities. In recent years, this figure has been around £1 billion a year or around 8% of all inbound expenditure. This represents a return on investment (ROI) of around £30 for every £1 that VB receives in grant-in-aid.

55. VB’s evaluation methodology is based on extensive customer and trade surveys to ascertain the extent to which VB was able to influence decisions about visiting Britain. This work involves sending out around 200,000 questionnaires each year covering some 250 individual marketing campaigns and activities. However, VB would not be discharging its remit properly if we were totally driven by ROI. This would result in concentrating on the honeypots and the expense of achieving regional and seasonal spread needed to benefit those areas most in need of the economic advantages that tourism brings.

56. VB also assesses the value of the coverage obtained by its Press and PR Department using a media evaluation system built, in part, with reference to work undertaken by VS. In 2002/03, the total value of the coverage that VB achieved for Scotland was £22.7 million up from £20 million the previous year. During the first half of 2003/04, VB has already generated 597 media articles on Scotland.

57. Finally, we also evaluate customer satisfaction of the service provided by our overseas offices. This system – *World Class Customer Service Standards* – uses mystery shopper methods to evaluate the service provided by every overseas office to ensure that we are providing accurate information on British and Scottish destinations and products in step with customer requirements. During 2002/03, the average score amongst VB’s overseas offices was 924 out of a maximum of 1,200 points.

**Co-operation with Other Public Bodies**

58. In carrying out our role of promoting Britain overseas we work with a large number of public bodies such as the UK Sports Council, Historic Royal Palaces, Food From Britain and so on whose activities impinge on tourism. As far as possible, we deal with Britain-wide agencies, leaving the NTBs to deal with those bodies whose remit is limited to a single nation. We have already referred to our membership of the Public Diplomacy Strategy Board elsewhere in this Memorandum.
59. Our closest working relationship is with the British Council (BC) and is underpinned by a Memorandum of Understanding and a series of individual agreements covering specific activities. Our objective is to maximise effectiveness and value for money where our respective objectives co-incide by capitalising on each other’s status, experience and expertise.

60. VB and BC have six ‘templates’ for working together overseas:

- In priority markets, we maintain separate offices but work together and liaise closely through the local Public Diplomacy Committee which co-ordinates British campaigns, promotions and events. Additionally, we signpost each other’s offices and link our respective local websites.

- In some of our smaller priority markets – e.g. Dubai, Germany (Berlin) - we maintain separate offices in the same premises to provide an integrated Britain information service.

- In priority markets - e.g. Austria (Vienna) where VB is active but does not maintain a local office, the BC provides a Britain information service on our behalf.

- In markets such as Czech Republic, Hungary, Malaysia, Thailand, Chile and Mexico, where the level of demand is not sufficient to justify VB devoting resources for pro-active marketing the BC provides a re-active tourism information service for us.

- In other territories where VB is not active, if requested, we supply the BC with English language booklets about Britain to display in their information centres.

- In the final type of overseas co-operation, VB provides services to the BC. An example is in Madrid where we handle BC enquiries from Spain and Portugal through our own contact centre and also provide a fulfilment service.

61. In addition to these market specific arrangements, we share strategies, marketing expertise, relevant information and research materials and promote each other’s websites.

62. In all territories where we are active, we work and liaise closely with the British Embassy or High Commission and, in Auckland, New Zealand, we are co-located with the British Consulate. Wherever we have an office, we are members of the local Public Diplomacy Committee together with the FCO and British Council and, in some countries, the British Chamber of Commerce.
63. We also have a very productive relationship with UK Trade & Investment (UKTI), formerly known as British Trade International. UKTI is keen to support businesses that are expanding into new markets or that are exporting for the first time and provides financial assistance to businesses. VB has been successful for several years now in accessing funding for its overseas roadshows and exhibitions from UKTI’s Outward Mission and Support for Exhibitions and Seminars Abroad programmes. As, even if businesses are eligible, this funding must be accessed through an accredited organisation – which VB is – this has enabled many Scottish enterprises to benefit from funding that would not otherwise be available to them. Recent examples of UKTI funded events organised by VB include:

- The Feria Internacional del Turismo held in Spain at the end of January 2003. We took 13 partners including 5 Scottish business: the latter received funding from UKTI of £8,075.

- The Borsa Internazionale del Turismo held in Italy in mid February 2003. We took 19 partners including 6 Scottish businesses: the latter received a total of £7,358 from UKTI.

- The International Luxury Travel Market which will be held in Cannes between 9 & 11 December 2003. We have organised a stand and are taking 19 partners, including 3 Scottish businesses which will receive £4,200 from UKTI.

64. Another vital relationship is with the UK Immigrations Service Ports Directorate, with which we have a Memorandum of Understanding, that we are currently revising, which provides a framework for our work together in expediting the passage of bona fide visitors to Great Britain and to improving customer service. UKIS, VB, DCMS and the BC also meet regularly to discuss matters of mutual interest.

Conclusion

65. It is hoped that this evidence conveys an understanding of the way in which VB works in partnership with VS to promote Scotland in a cost effective and complimentary manner, and how VB’s international partners and network provide a platform for VS’s activities overseas.

66. We would like to take this opportunity to assure the Committee that VB is committed to the task of promoting Scotland overseas and, thereby, contributing to the success of Scotland’s tourism industry by way of stronger economic growth.
Annex 1: VB’s Overseas Structure

VB’s overseas network of regional hub offices is as follows:

- **Americas** – Based in New York covering Argentina, Brazil, Canada and United States.

- **Asia** – Based in Tokyo covering Hong Kong, India, Japan and Singapore plus the new markets of China and South Korea.

- **Australasia** – Based in Sydney covering Australia and New Zealand.

- **Europe Central** – Based in Berlin covering Austria, Germany, Switzerland plus the new markets of Poland and Russia.

- **Europe Nordic** – Based in Stockholm covering Denmark, Finland, Norway and Sweden.

- **Europe South** – Based in Paris covering France, Italy, Spain and Portugal.

- **Europe West** - Based in Dublin covering Belgium, Ireland and The Netherlands.

- **Middle East / Africa** - Based in Dubai covering Saudi Arabia, South Africa and United Arab Emirates.
Scottish Enterprise Edinburgh and Lothians

1. INTRODUCTION

1.1 As part of its Inquiry into the “Promotion of Scotland Worldwide”, the Scottish Parliament is hosting a number of theme based panels at which witnesses will give oral evidence to the European and External Relations Committee. One of the themes is “Promoting Scotland through the arts, culture, sport, tourism and heritage”. Scottish Enterprise Edinburgh and Lothian (SEEL) will participate in the panel. This paper has been prepared as a briefing for the panel discussion. It aims to illustrate how Edinburgh has successfully transformed its tourism product over the last 15 years and, at the same time, how this has brought wider benefits in promoting Edinburgh to a worldwide audience as a contemporary and dynamic City in which to live and work.

1.2 The format of the paper is as follows:

- Overview of Scottish Enterprise’s role in tourism
- Outline of the direct economic benefits of tourism to Edinburgh and its importance as a gateway to the rest of Scotland
- Consideration of the wider benefits of tourism in terms of projecting a positive image of Edinburgh and Scotland to a global audience
- Review of the transformation of the Edinburgh tourism product and the consequent image change.

1.3 The paper then highlights 4 project examples which exemplify the critical role of the tourism product not only in terms of attracting visitors to Edinburgh but also in projecting a positive image of the City to a global audience. The examples are provided under 4 different headings:

- Developing Essential New Product Infrastructure – Edinburgh International Conference Centre and the Edinburgh Ambassadors Programme
- Developing the Capacity of Existing Businesses and Encouraging Collaboration – Scottish Storytelling Centre/Edinburgh Literary Quarter
- Diversifying the Events Product – 10th MTV Europe Awards, Edinburgh 2003
- Ensuring that the Public Realm is World Class – Royal Mile Improvements/Capital Streets.

1.4 The paper concludes with Key Learning Points.

2. SCOTTISH ENTERPRISE’S ROLE IN TOURISM

2.1 Tourism is one of six priority industry clusters within Scottish Enterprise (SE). The focus of SE’s support to the industry is:

- Helping tourism businesses to grow and develop, with an emphasis on e-business adoption, collaboration, innovation, internationalisation, and management development.
- Improving skills and learning levels in the industry, with an emphasis on recruitment and retention and increased levels of workplace training.
- Enhancing the tourism product and infrastructure, with a geographical emphasis on Scotland’s key locations, including Edinburgh, Glasgow, Loch Lomond and St Andrews.

2.2 At the national level, Scottish Enterprise works very closely with VisitScotland and is well placed to respond to the call for joint operational planning, a priority action set out in the Ministerial Review of Tourism Support.
2.3 At a local level, SEEL is the business unit which delivers SE’s tourism priorities in Edinburgh and the Lothians. SEEL’s approach to tourism is founded on a very strong and mature partnership with Edinburgh and Lothians Tourist Board (ELTB), the City of Edinburgh Council (CEC) and the private sector. This partnership now comes together as the Edinburgh Tourism Action Group (ETAG) and is characterised by an increasingly strong degree of private sector leadership which is supported and facilitated by the public sector. ETAG was highlighted in the Ministerial Review as an example of best practice and a role model for the rest of Scotland.

3. THE IMPORTANCE OF TOURISM TO THE EDINBURGH ECONOMY

3.1 Tourism is a vital component of the Edinburgh and Lothians economy. In 2002, the City Region attracted some 4 million overnight leisure visits from UK residents and nearly 900,000 million overnight leisure visits from overseas, this being more than half of all overseas visits to Scotland. Leisure tourism generated over £1 billion spend and helped to support 34,000 jobs in the City Region.

3.2 Visitor feedback on the quality of the Edinburgh visitor experience is very positive. In the most recent Edinburgh Visitor Survey, visitors gave Edinburgh an overall rating of 8.4 out of 10 and 9 out of 10 said they were likely to return. Edinburgh’s standing and quality as a visitor destination is further evidenced by it having been voted Favourite UK City by Guardian/Observer readers for 5 consecutive years from 1999.

3.3 Business tourism is the single largest growth market for Scottish tourism. Expenditure by business visitors to Scotland rose by 27% between 1995 and 2002. In 2002, 692,300 business/conference trips were made to Edinburgh, generating expenditure of around £320m. Of these trips, 20% were made by overseas visitors. In 2003, the International Convention and Congress Association announced figures showing Edinburgh to have climbed to be the world’s 9th most popular conference city. This was the first occasion that Edinburgh has featured in the top 10 in this prestigious world ranking.

3.4 The appeal of Edinburgh as a European city break destination and Edinburgh’s role as an international gateway to the rest of Scotland has been reinforced by the proliferation of new flight routes to Edinburgh Airport and a significant increase in visitors to Edinburgh from north-west Europe.

3.5 It is clear from the above that Edinburgh’s tourism industry makes a major direct contribution to the local and national economies and its future performance will be central to Scotland achieving continued growth in the sector. It is also clear that the overseas share of our visitor market, both leisure and business, is very significant.

4. WIDER BENEFITS OF TOURISM IN PROMOTING A CITY IMAGE TO A GLOBAL AUDIENCE

4.1 Whilst this economic impact and growth potential is important in its own right, tourism has another equally critical role. The tourism product and visitor experience is important in shaping visitors’ perceptions and images of Edinburgh and Scotland. Visitors to Edinburgh are global ambassadors for the City. They will take away with them images and memories of the City. These images will influence not only their decision to make a return visit, but also their thought processes with regard to whether they see Scotland as a place in which they would choose to live and work.
4.2 Non visitors to Edinburgh are equally important. Their perceptions of Edinburgh are critical to Edinburgh’s ability to attract them as visitors; and also to attract them as workers. If their image of Edinburgh is a negative one of a traditional, declining, introverted, conservative city, it is unlikely that they will consider Edinburgh as a place to live or work. In today’s knowledge economy, it is young, mobile, highly qualified, creative people that we wish to attract. They are the critical factor of production. These talented individuals are increasingly making location decisions based on lifestyle choices as well as economic opportunities. Factors such as housing, education, transport and social diversity are all cited as major influences in attracting talent, as are leisure, culture and place attractiveness.

4.3 Presenting the right image to the global audience is therefore an important challenge. If the right image is presented in the right way, it will not only help to attract additional visitors to the City but it will also play an important role in attracting the increasingly young and mobile workforce. Tourism, through marketing campaigns, and major high profile events, will play a crucial role in presenting that image. The MTV project, highlighted later in this paper, is an excellent example of the role of a high profile event in projecting a strong and vibrant message about Edinburgh.

4.4 The next section of the paper reflects on how the Edinburgh tourism product has been transformed over the last 15 years and how this has generated not just direct economic benefits in its own right, but also how it has played a pivotal role in projecting a positive and contemporary image of the City to a global audience.

5. LOOKING BACK OVER 15 YEARS - THE ROLE OF TOURISM IN CHANGING THE IMAGE OF THE CITY

Edinburgh’s Enduring Appeal – History, Heritage and Architecture

5.1 The cornerstone of Edinburgh’s appeal to visitors is its history, heritage and architecture. The Edinburgh Visitor Survey, which SEEL has commissioned on a regular basis for many years, has repeatedly returned the message that it is these three factors that most influence people to visit the City. They are also the three aspects that most impress them. This is hardly surprising - Edinburgh’s City Centre (both the Old and New Towns) was designated as a UNESCO World Heritage site in 1995 and visitors to the City enjoy a unique cultural experience that provides an education in Scotland’s social and political history.

5.2 However, Edinburgh cannot rest on its laurels and it cannot afford to be complacent. Tourism is an increasingly competitive industry and it has long been recognised within the City that winning new visitors and encouraging repeat trips will only happen if the City’s tourism product is reviewed and refreshed on an ongoing basis. Over the past 15 years, there has been a subtle but significant growth and diversification of the tourism product.

5.3 The underlying philosophy has been the need to find and to strike the right balance between maintaining and maximising our core strengths which revolve around the cultural tourism product (the history, heritage and architecture of the City) whilst injecting new events, products and infrastructure which will project Edinburgh as a dynamic and contemporary City to a worldwide audience. The success in striking this balance is perhaps best encapsulated by the Hogmanay celebrations and the MTV Concert in the Gardens – where two contemporary, dynamic 21st century events have been delivered against the iconic and historical backdrop of the 11th century Castle.

5.4 The strategic approach taken over the last 15 years has been consistent and has been characterised by a 4-pronged approach:
Developing Essential New Product Infrastructure
- Developing the Capacity of Existing Businesses and Encouraging Collaboration within the Sector
- Diversifying the Events Product
- Ensuring that the Public Realm is World Class.

A Mature Partnership – the key to success

5.5 Delivering this strategic approach has been championed by a strongly committed and results driven public sector partnership initially set up under the auspices of the Edinburgh Tourism Review in 1989. In the intervening years, the partnership has responded to the needs of the customer and evolved in line with changing market conditions. What has been achieved in Edinburgh over the last 15 years has been possible only through the quality and effectiveness of a well honed partnership team, with each organisation supporting and complementing the efforts of the other.

5.6 On the back of a clearly defined strategic approach, led and delivered by that partnership, of which SEEL has been a key player, Edinburgh’s cultural tourism product and visitor experience has grown and evolved over that 15 year period. It is perhaps best encapsulated by the following snapshot of “then” and “now”:

5.7 In the mid 1980’s, Edinburgh was perceived as a visitor destination with a product based on its history, heritage and architecture and an internationally renowned Festival programme. But, its visitor season was short and largely confined to the summer months; its events programme was limited; it had no conference centre or theatre venue which reflected its status as a festival city; its public realm and streetscape was deteriorating; there were just a handful of direct flights to Edinburgh; there was an insufficient stock of quality budget hotels; the industry lacked the confidence to be innovative and risk-taking and its tourism businesses worked in isolation seeing fellow businesses as competitors rather than allies.

5.8 In 2004, we have a very different tourism product – it is still based around the core product of history, heritage and architecture but the tourism season is year round (as evidenced by major hotel occupancies in the City reaching 83% in the traditionally quiet first week of November last year); there is a year round programme of Festivals which play a powerful and developmental role in Scottish culture; the Edinburgh Festival Fringe is the world’s largest arts festival – a unique event in a unique City; the Hogmanay celebrations are successfully established as a global event which presents the modern face of Scotland’s culture; the City has attracted iconic international events including the “Oscars” of the music industry, the MTV Europe Awards; the EICC has been built and has played a crucial role in Edinburgh’s positioning in the top 10 of world conference cities; the Festival Theatre has been constructed; there has been significant investment in the public realm of the Old Town, most notably the Royal Mile with a further phase of investment planned for the City Centre; the diversity and stock of hotels has increased; and tourism businesses increasingly work in collaboration, developing new products in response to the needs of the market.

5.9 It has been an exciting and amazing transformation, which SEEL has been privileged to play a lead role in. It has delivered very real tourism benefits and at the same time has been instrumental in presenting a modern, vibrant and outward-looking image of Edinburgh to a global audience.

5.10 An extensive array of projects and initiatives has been delivered by the partnership over this time period. The paper now highlights just 4 of them which provide further evidence and insights into the important role of the tourism product in promoting Edinburgh to a global audience.
6. DEVELOPING ESSENTIAL NEW PRODUCT INFRASTRUCTURE
Project Example: EICC/Edinburgh Ambassadors

6.1 In the mid 1980’s, Edinburgh was seen as a highly desirable conference destination, but available facilities tended to focus on Council facilities and universities, with hotels being limited in what they could offer. Relative to competing cities in the UK and Europe, many basic conference facilities were unavailable in Edinburgh. Edinburgh was ranked 37th in the “league table” of international conference venues and was not recognised globally as a leading conference venue. Edinburgh now ranks in the top ten. This performance showcases Edinburgh internationally to an important business audience. This remarkable success story for Edinburgh can largely be attributed to 2 interlinked projects – the creation of the Edinburgh International Conference Centre (EICC) and the running of the Edinburgh Ambassadors Programme.

6.2 Delivered by a joint venture spearheaded by SEEL and CEC, the EICC has provided a world class facility for the hosting of major conferences. In 2002, it generated net additional expenditure of £22.7m and supported 450 jobs. It hosts major international conferences attended by leading decision makers and influencers from across the world.

6.3 Helping to create the clients for the EICC and other conference venues is the work of ELTB’s Edinburgh Convention Bureau and its Ambassadors Programme which provides an important mechanism for attracting International Association Conventions to Edinburgh. SEEL has funded this Programme over many years. The Ambassadors are a group of leading academics and industrialists who secure high quality international conferences for the City. The Programme is widely recognised as one of the leading International Association programmes. The concept has been widely adopted by competing destinations both in the UK and internationally.

6.4 Whilst the economic impact of this work is very significant in its own right (£30million from the Ambassadors work alone over the last 3 years), the wider benefits are, yet again, equally important. Delegates at International Conventions in Edinburgh will take home with them images and memories of Edinburgh as a place to visit. Many of these delegates will be important and influential decision makers, operating in some of the key growth sectors of the City Region economy such as Financial Services and Biotechnology. A good experience in Edinburgh as a conference delegate could trigger a major investment decision with hundreds of thousands of jobs coming to the City. It is therefore impossible to put a value on the importance of the business tourist leaving the City with an outstanding memory of his or her visit and of the wider quality of life that the City offers.

7. DEVELOPING THE CAPACITY OF EXISTING BUSINESSES TO GROW THE CORE PRODUCT
Project Example: Scottish Storytelling Centre

7.1 Whilst the headlines about Edinburgh’s tourism success story over the last 15 years have focussed on the major, iconic projects like the EICC and Festival Theatre, equally important has been the emphasis on maintaining and maximising Edinburgh’s core cultural tourism product and building the capacity of the key tourism businesses.

7.2 Cultural tourism is a large and growing element of the global tourism market, currently accounting for 37% of world travel. In 2002, SEEL initiated a Cultural Tourism Network to act as a forum for bringing together the wide range of cultural businesses to develop new, innovative and collaborative projects which will help ensure the most effective packaging and
marketing of Edinburgh’s cultural product. A good example of the type of approach to have emerged from this is ongoing work with the Scottish Storytelling Centre.

7.3 The art of live storytelling has flourished in Scotland over many centuries, and is currently enjoying a renaissance nationally and internationally. It is an area where Scotland has a real competitive edge thanks to its rich storytelling heritage. At a time when there is revived interest in Scottish identity, storytelling has immense potential to link the contemporary creative arts to Scotland’s cultural heritage.

7.4 In November 2002, SEEL ran a Cultural Tourism Innovation Network Workshop, bringing together around 20 businesses with an interest in this niche market. A major project to arise through the Network has been the concept of developing the Edinburgh Literary Quarter, bringing together a wide range of literary organisations within the Old Town, including the Scottish Poetry Library, the Scottish Book Trust, Writer’s Museum, Museum of Childhood Library, Canongate Press, the List and the Edinburgh Book Festival. These organisations, together with the Scottish Arts Council and the City of Edinburgh Council are also working to secure Edinburgh the UNESCO designation of a “World Literature City”, a designation which is also being sought by London, Paris, New York and Dublin. Success in winning this designation would have immediate tourism benefits but equally importantly would be an important contributor to the image and promotion of Edinburgh globally.

7.5 Aside from these headline projects, this large group of organisations has recognised the wider benefits of working collaboratively to create a significant critical mass which will generate synergies through joint ticketing, events and marketing. The Netherbow Scottish Storytelling Centre is being redeveloped to create a state-of-the-art storytelling centre, which will act as the physical focus for the Literary Quarter and will provide the public “gateway” to the Quarter. SEEL has played an important support role in this project, advising the SSC as to how to develop its business capability and providing gap funding to enable the physical development to proceed.

8. **DIVERSIFYING THE EVENTS PRODUCT**

**Project Example: MTV Europe Awards, Edinburgh 2003**

8.1 Edinburgh’s positioning as a “Festival City” ensures that it is seen as a culturally attractive location to a diverse global audience. The City’s profile was extended further by the MTV Europe Music Awards which Edinburgh hosted in a purpose built temporary arena at the Western Harbour in Leith in November 2003.

8.2 The Awards are known as the “Oscars” of the music industry and have previously been held in cities such as Berlin, Paris, Milan and Barcelona. With the event being watched by an audience of over 1 billion across the globe, the event provided Edinburgh and Scotland with a unique opportunity to project itself to a new, younger audience and to present Edinburgh and Scotland as a dynamic and contemporary destination. Led by SEEL, the project partnership grasped that opportunity with both hands. In addition to the main Awards show at Leith, the partners encouraged MTV to stage a separate outdoor show in Princes Street Gardens against the iconic backdrop of the Castle. Elements of this show were broadcast to the global audience as part of the main Awards show. Consequently, images of Edinburgh positioning it as a modern vibrant City with a unique heritage and architecture were transmitted to a worldwide youth audience – potentially our visitors and mobile workers of the future.

8.3 The MTV Awards show was an unprecedented success story. It generated net additional expenditure of £6.4m in the Edinburgh economy and £8.9m at the Scottish level. Perhaps even more importantly, the value of the media coverage was enormous. The value of the TV coverage of the Awards show was estimated at £8.6m and the value of the press coverage was
£4.8m. Not only was the media coverage very significant in value it was also of a very high quality sending out dynamic promotional messages about Edinburgh to the rest of the world. Quotes included:

“the MTV Awards demonstrated how the event can be used to showcase a city - or indeed a country - to the world”, Billboard

“a truly Scottish affair and the 6,000 strong crowd made sure the Award will be one that lives long in the memory”, The Sunday Times

“Scotland makes it great on the night”, Dagbladet (Norway)

Musikmarkt, a German music magazine, described the MTV Awards as an example of near perfect organisation judging the overall event to be the “pop spectacular deluxe”

And France’s Tele 7 Jours, the largest selling TV guide and magazine, called Edinburgh, the “flamboyant capital of Scotland”.

These are powerful endorsements of Edinburgh’s tourism product and important contributors to Edinburgh’s global image.

8.4 The legacy of MTV will leave Edinburgh closer to the forefront of the mind of a new generation of city break visitors and will add to the cultural mix that will interest the young, talented and creative individuals that may wish to select Scotland as the place they choose to live, work and enjoy the quality of life.

9. ENSURING THAT THE PUBLIC REALM IS WORLD CLASS
Project Example: Royal Mile/Capital Streets

9.1 Visitors come to Edinburgh largely to experience the history, heritage and architecture, spending the majority of their time in the City Centre - both the Old and New Towns. The City Centre is the abiding image that is known to people across the world. It is imperative that it continuously benefits from investment and maintenance.

9.2 Edinburgh has to present a world class city centre with a high quality public realm which can compete at an international level in face of competition from established and newly emerging competitors. Edinburgh has recognised this for a number of years and substantial investment has been made in regenerating strategic areas of the City Centre.

9.3 The streets and spaces that make up the public realm link all the activities that take place within the City Centre – economic, social and cultural – and impacts on everyone, whether a worker, resident or visitor. Its quality directly impacts on people’s experience and perceptions of the City Centre.

9.4 In the mid 1990’s SEEL led a partnership approach to a series of environmental improvements to the Old Town – focussing on the Royal Mile area. The series of streets that make up the Royal Mile are of immense historic and architectural importance and together they form one of the most important streetscapes in Europe. However, in the early 1990’s, the volume and pace of traffic was increasingly detracting from the environment and visitor experience of the Street. A programme of improvements was designed and implemented in the mid 1990’s – the results are tangible. Traffic is restricted from the area, there is much greater pedestrian space, cafes have introduced outdoor seating and overall there is a greater ambience and environment for visitors to enjoy the magnificent and unique medieval environment.

34
9.5 The current focus of public realm improvements is now the City Centre. An exciting and ambitious Masterplan, known as “Capital Streets”, has been prepared and endorsed by a wide ranging City Centre partnership and the first phase, focusing on Castle Street, George Street and St Andrew’s Square will be delivered with funding from SEEL and CEC over the next 5 years.

10. CONCLUSIONS

10.1 This paper has provided evidence of the important role that Edinburgh’s tourism product and visitor experience contributes in terms of creating an image of the City that will subsequently influence perceptions of the City by a global audience. These perceptions will be an important influencing factor in investment and locational decisions by businesses and by an increasingly young and mobile global workforce. The paper has provided an overview of the transformation of the Edinburgh tourism product over the last 15 years and has set out project examples of how this has impacted on global perceptions of the City. In closing, three key learning points can be drawn:

**Partnership Working**

10.2 In changing the product and image of Edinburgh over the last 15 years, the key to success has been the consistency of the partnership approach that has been embraced by all stakeholders. SEEL has played a crucial leadership role, working closely with colleagues in the area and national tourist boards, the local authorities and crucially the tourism industry itself.

**Continuous Reassessment and Improvement**

10.3 Arguably, the greatest danger to the tourism industry in Edinburgh and the Lothians is its own apparent success. With some justification, both the public and private sectors can be proud of what has been achieved but cannot afford to dwell on the idea that the work is complete. Tourism is an increasingly global and competitive industry. Our customers are better travelled, more experienced and more demanding than ever before and the product in Edinburgh must rise to meet these expectations. Edinburgh may have succeeded in outperforming other areas of Scotland in recent years, but the true competition is further afield.

10.4 Over the last 15 years, SEEL has engaged in a programme of research which has given us a continuous barometer of visitor feedback. In addition, through a programme of learning journeys, we have sought to learn from international best practice.

10.5 Likewise, our partners have benchmarked Edinburgh against other leading city destinations throughout the world. SEEL firmly believes that Edinburgh is worthy of consideration as a world class tourism destination but recognises the need to guard against complacency and to ensure continuous review and improvement of our product.

**Challenge to Conventional Wisdom**

10.6 Some of the greatest successes in Edinburgh’s transformation have been major headline projects and events like the EICC, MTV and the Hogmanay celebrations where the City has been prepared to challenge conventional wisdom and has achieved outcomes that would previously have been considered unthinkable.

10.7 The Hogmanay celebrations have attracted hundreds of thousands of visitors to the City at a time when capacity could scarcely have been greater. Accommodation, attractions, restaurants and other associated businesses now enjoy one of their busiest periods of the year; a far cry from the very low occupancy levels and the shut doors prevalent in the mid 80’s.
Similarly, the prospect of some of the world’s most famous superstars gathering in Leith on a November evening may initially have sounded somewhat far fetched and overly ambitious; but the subsequent success of the MTV Music Awards have defied scepticism and have been instrumental in presenting a modern and dynamic image of Edinburgh to a global audience.