

**ANNEXE A**

# **A Tourism Strategy for the East Midlands**

## **Consultation Paper**



April 2003

## CONTENTS

1	Your Opinion is Sought	3
1.1	<i>Starting Work on a Tourism Strategy</i>	3
1.2	<i>An Invitation</i>	3
1.3	<i>Responses</i>	4
1.4	<i>This is Not a Draft Strategy!</i>	4
1.5	<i>Regional Tourism Conference</i>	4
2	Discussion Paper	5
2.1	<i>Important Issues for Regional Stakeholders</i>	5
2.2	<i>A Complex Industry</i>	7
2.3	<i>Responding to Changing Circumstances</i>	9
2.4	<i>Strand 1 : Branding and Marketing</i>	10
2.5	<i>Strand 2 : Attractors</i>	14
2.6	<i>Strand 3 : Infrastructure</i>	16
2.7	<i>Strand 4 : Skills and Business Support</i>	17
2.8	<i>Strand 5: Organisation</i>	18
2.9	<i>Strand 6 : Performance Measurement</i>	20
2.10	<i>Strand 7 : Special Projects</i>	21

# 1. Your Opinion is Sought

## 1.1 Starting Work on a Tourism Strategy

As you are probably aware, East Midlands Development Agency (*emda*), have recently been given responsibility for the strategic development of tourism in the East Midlands.

Working with our regional partners, specifically the East Midlands Tourism Advisory Group (EMTAG), we have begun preparing a tourism strategy for the region.

The strategy is not just, however, for *emda*. It is to guide everyone with an interest in tourism in the East Midlands towards a prosperous and successful future.

*emda* has commissioned Locum Destination Consulting to help with the creation of this seven-year strategy.

## 1.2 An Invitation

You are invited to submit your views on what the strategy should contain and you can do this either as an individual or on behalf of your organisation. This discussion document is intended to give you some ideas on the areas you may like to comment on. However, please feel free to provide input on any aspect of tourism in the region.

### 1.3 Responses

Please submit your response, preferably by email, to Aleksandra Milosevic at Locum Destination Consulting at [amilosevic@locum-destination.com](mailto:amilosevic@locum-destination.com)

If you do not have access to email, please send your reply by post to Alexandra Milosevic Locum Destination Consulting, Rockwood House, Perrymount Road, Haywards Heath, West Sussex RH16 3TW.

Locum, emda and EMTAG will combine all responses into a report that will be used in preparation of the tourism strategy.

Please indicate if you would prefer your response to be confidential to Locum Destination Consulting.

**The deadline for responses is 16 June 2003.**

### 1.3 This is Not a Draft Strategy!

Please do not confuse this paper for a draft strategy. It is not. It is simply a prompt for region wide debate.

### 1.4 Regional Tourism Conference

You will also have an opportunity to contribute to the strategy in person at a regional tourism conference, currently scheduled for July. You will be sent an invitation in due course.

## 2 Discussion Paper

### 2.1 Important Issues for Regional Stakeholders

A recent "Visioning Day" for people involved in tourism in the East Midlands showed there are many issues that they would like to see addressed in the tourism strategy. Some of these included:

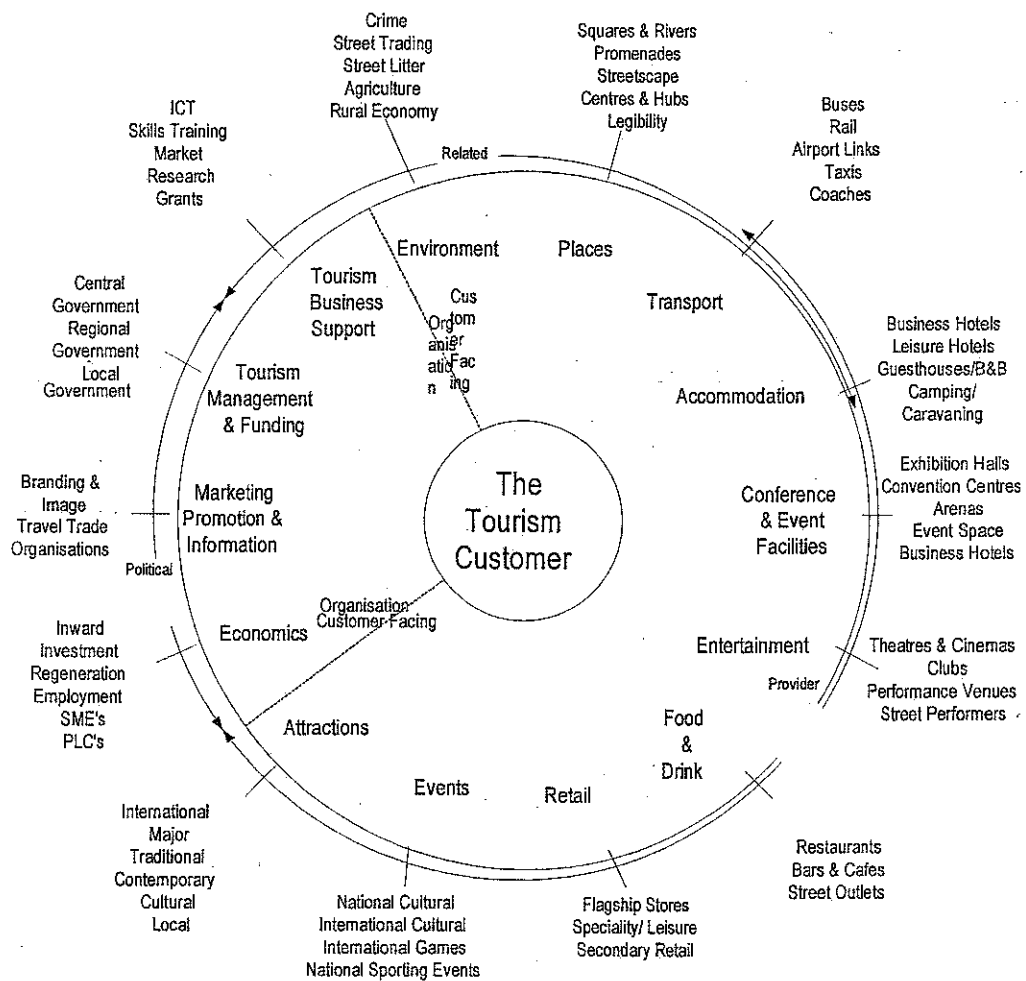
- *Access and transport* - Issues such as how the growth of East Midlands Airport can be used to develop tourism, how the region can exploit its excellent location on the motorway network, the key road projects that could help remote parts of the region – such as the Lincolnshire Coast – attract more visitors, how the rail service could be improved, how the quantity and quality of road signs could be improved.
- *Identity/Brand* - A clear brand strategy that is agreed and supported by all stakeholders would assist the region to communicate the diversity of what it has to offer and fire consumers' imagination to visit. Many stakeholders are concerned that the East Midlands may be promoted as the main brand – this would probably not be popular with tourism operators. What is the alternative? Heart of England? Emphasis on "gateway" brands? If the latter, what would they be and what happens to peripheral areas?
- *The Organisation of Tourism* - The assumption by RDA's of responsibility for the strategic development of tourism is starting to have a significant impact on tourism organisation all over the country, not least in the East Midlands. Private sector stakeholders would certainly like a simpler system with less duplication. How could that be achieved?
- *Product Development and Sustainability* - Stakeholders understand the need for a balance between stimulating tourism and managing the industry in a sustainable way. Sustainability – from a community, economic and environmental perspective – are essential considerations. What, however, does that mean in practice?

- *Quality* - Stakeholders are very aware of the need to deliver quality. There are many barriers to achieving this, not least difficulty in recruiting and retaining good quality staff. Commitment to excellence needs to be at the heart of business, but how is this achieved in practice?
- *Business Support* - Many stakeholders are confused by the proliferation of business support initiatives. There is hunger for a "one stop shop". Is that possible? How can support be disseminated more effectively?
- *East Midlands Online* - Stakeholders are also very aware of the growing importance of the Internet as a source of business and they want the region to be ahead of the game. The region has already started work on providing comprehensive destination management systems. This puts a greater onus on the maintenance of reliable databases, which has significant implications, for example, for the organisation of tourism and the operation of Tourist Information Centres.

## 2.2 A Complex Industry

As the above discussion indicates, there are many complicated issues to address in a tourism strategy. Tourism is about much more than simply people taking holidays. It is perhaps better to think of it as a 'visitor economy'. It is a complex industry, with a complex mix of customers. It reaches into many parts of the economy and into every community.

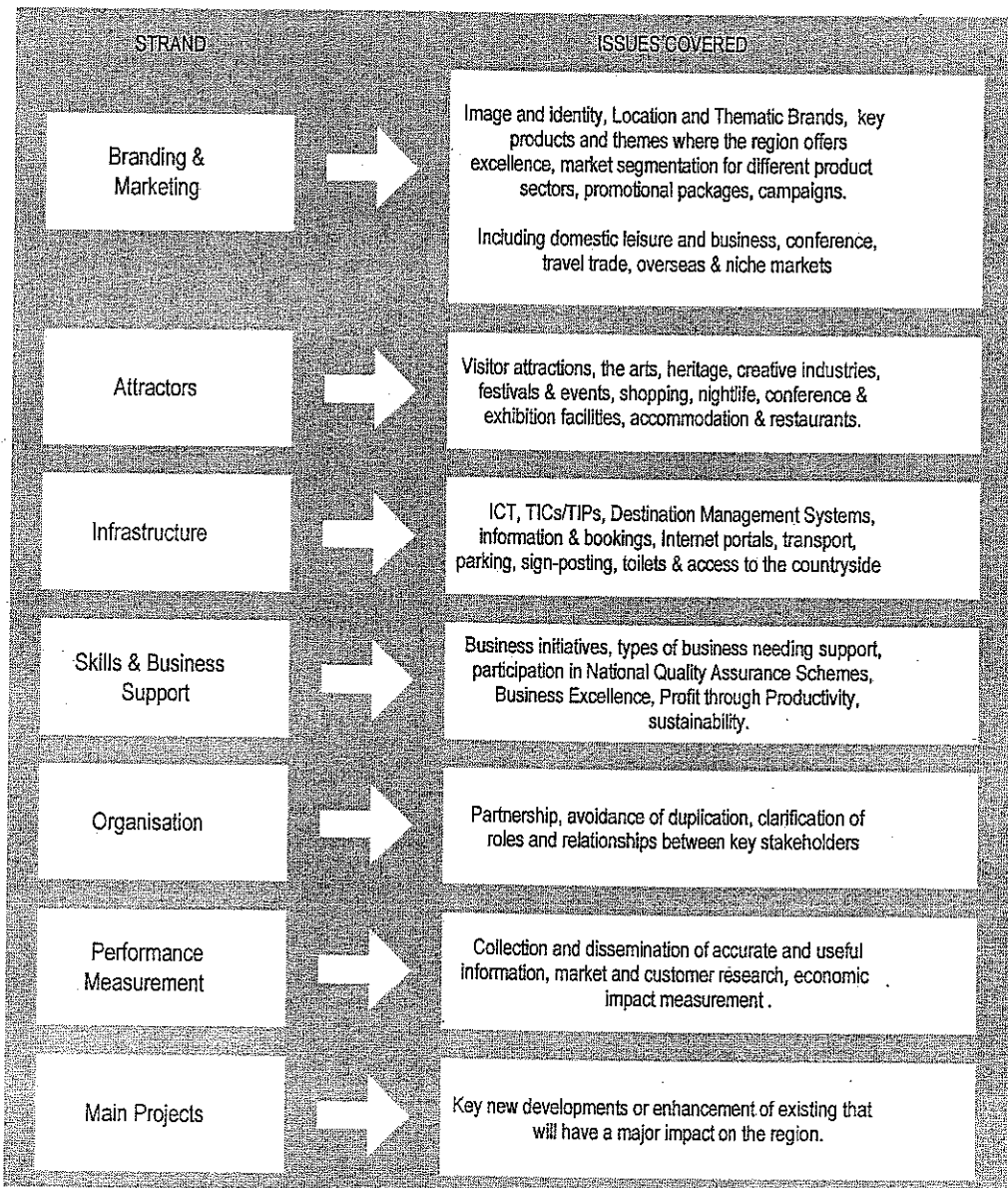
*Exhibit 1: The Locum Tourism Universe*



An effective method of dealing with this complexity when developing a strategy is to parcel it up into 'bite sized chunks'.

For this reason we plan to develop the strategy based on a framework of around seven strands, which is about the number needed to effectively deal with the key components. The sections below have further discussion about some of the issues that will be considered under each of the strands. Exhibit 2 shows how specific issues fit within the indicative strategic framework.

*Exhibit 2 : How Specific Tourism Issues fit into the Proposed Strategic Framework*





## 2.3 Responding to Changing Circumstances

Tourism has been undergoing rapid change. The number of people taking long holidays in the UK has been in decline as the number of British residents taking holidays abroad has risen. Those taking long holidays in the UK have increasingly been demanding self-catering (as opposed to hotels and B&Bs) in attractive rural areas (as opposed to coastal resorts). The low cost budget airlines have had a huge outbound tourism impact and a growing inbound potential.

The number of visits from overseas has declined since sterling appreciated against most currencies in the late 1990s; Britain is, in consequence, possibly the most expensive country in the EU.

The number of short breaks however, has boomed, especially to the advantage of cities. Even more dramatic has been the increase in visits to friends and relatives (VFR). The extent of the increase in VFR tourism is obscured by the way in which the UK Tourism Survey reports its statistics. The increase is largely the result of young people; a large proportion of them now own cars, and they visit friends they meet at college. This trend means that almost all areas of the UK report increasing tourism. It is having a marked impact on the night economies of towns and cities.

Business tourism has also expanded at a rapid pace in line with the growth in the economy, also working to the benefit of urban or near-urban destinations. Day visits continue to increase and represent the majority of trips, however they are increasingly visits to non-traditional destinations – shopping rather than visitor attractions, for example.

These trends are having a visible impact in the East Midlands. Tourism to cities like Nottingham has been booming, as is evidenced by the sparkling new hotels and the vigorous night economy. The same is true of the M1 corridor. Things are more difficult, however, in places with a more traditional holiday tourism base, such as Skegness. Also, as in other parts of the country, many traditional visitor attractions are struggling.

The key for the Strategy is an understanding of how these trends, and others, are going to continue in the future; what impact they will have on the East Midlands and what implications they have on where public and private investment should be targeted.

*Questions you might like to consider in your response:*

- Do these trends resonate with you?
- Are there other trends that are having a big impact on you?
- What are the key market trends in the future likely to be?
- How should the East Midlands respond?
- Are there any market niches that have particular potential?

## 2.4 Strand 1: Branding and Marketing

Tourism marketing strategy in the UK has been moving from a local, district-oriented approach to one that focuses on regions, themes and brands and is market led.

This is a reflection of a number of influences:

- the realisation that customers often do not think in terms of local areas, especially given increased mobility resulting from the dominance of the car as a means of travel;
- the realisation that it is themes and brands that connect with distant markets and the packagers and carriers who form the channels to such markets;
- the advent of the Regional Development Agencies and their role in formulating strategy and distributing funding;
- the need to make better use of limited resources.

These trends are evidently being felt in the East Midlands. There is an opportunity to create a clearer, customer-focussed brand framework for the region.

We think of tourism marketing in three dimensions:

- *Thematic* - There are themes where the region as a whole, or parts of it, has or could have excellence. As a simplistic example, many Americans think of 'heritage' and 'pageantry' as themes at which Britain as a whole excels. You might like to offer a view on what themes the East Midlands excels in. Business hotels? Forests? Churches? Motorsport? Space? Multi-culture? Which have the most potential as attractors? Which, perhaps, could give a more contemporary edge to the marketing?
- *Locational* - The areas that have excellence as tourism attractors. Again as a simplistic example, Americans think of York and Stonehenge as 'must see' destinations. There are some difficult issues to address here. The region has some strong – or potentially strong – location brands that are not determined by political boundaries, such as the Peak District or Sherwood Forest, but they cover only a part of the region. Stakeholders recognise that East Midlands is not a strong regional brand – is Heart of England better? Or should there simply be focus on a series of "gateway" brands? If so, what should those "gateway" brands be, and how should other areas in the region relate to them?
- *Product/Customer Clusters* - Destinations typically appeal to certain types of customer. Stonehenge, for example, generates an exceptionally high proportion of its business from overseas coach parties. Its iconic status, its convenient position on the Bath/Salisbury/Oxford circuit and the short duration of the visit all contributes to its success in this market. Whereas Stonehenge has the right combination of product circumstances to attract that market, most parts of the East Midlands probably do not. The region needs to identify the segments where its product matches the requirements of types of consumer, then concentrate on developing that product and marketing it to the customers who are most likely to be attracted by it (i.e. to fish where the fish are). What, however, are the key product/market segments for the East Midlands?

A primary task in doing this is to identify those market segments that offer the most potential and then to identify what can be done to attract them.

There are many ways of segmenting the tourism market and it is multi-dimensional. One can start, for example, by segmenting according to type of visits (Staying Leisure, Staying Business, Day Leisure etc.) and then sub-segment by primary purpose of visits (Culture, Shopping, Conference etc.) and then further sub-segment by age and socio-demographic status. Or one could do the same thing in a different order, or choose different segments.

Exhibit 3 below shows some of the top-level segmentation models that are used by different organisations.

Exhibit 3 : Examples of Market Segmentation Models

	<i>English Tourism Council</i>	<i>Scottish Tourist Board</i>	<i>ACORN</i>	<i>Commercial 'Airmiles' Company</i>
UK Resident	Youth	Young Urbanites	Thriving	Go Native
Overseas	Pre-family	Young Activists	Expanding	Adventurers
Business Traveller	Families	Family Escapees	Rising	People Like Us
Tour Group	Young Families	Grey Panthers	Settling	Packaged
Special Interest	Older Families		Aspiring	
School Group	Empty Nesters		Striving	
	Greys			
	Singles			
	Couples			



This requires consideration of the economic value of different sectors. In our increasingly mobile society, day trips dominate when it comes to the total number of tourism trips but day-trippers spend much less than staying visitors.

The matter is complicated by the fact that the appropriate target market segments will vary for different sections of the industry.

It is of little value for the region to say that it is going to target certain types of customer – it needs to target different types of customer for different elements of its product. The long stay holiday trade on the Lincolnshire coast, for instance, has an entirely different mix of product offer and customer to the short stay leisure break trade in Nottingham.

*Questions you might like to consider in your response:*

- Should marketing of the region focus on a region-wide brand such as Heart of England or East Midlands? If so, which?
- Do you favour, instead, focus on sub regional areas? If so, which?
- What do you think the “star” destinations in the region are?
- How would you like your area to feature in a “brand map” of the East Midlands?
- What themes do you think the East Midlands excels in and should be used to attract visitors?

## 2.5 Strand 2: Attractors

When people think of tourism attractors, they commonly think only of visitor attractions. As our tourism universe suggests (Exhibit 1), while attractions are an important part of the tourism product, they are not the only part. Other attractors that are just as important, if not more so, include scenery, events, general urban experience, multicultural environment, food and beverage, restaurants, shopping, sport, nightlife and so on.

Many new visitor attractions have opened in recent years, often with funding from the National Lottery; Leicester's National Space Centre and Conkers are good examples.

Nationally, many of the new attractions are finding it difficult to sustain themselves; their visitor numbers are typically less than forecast and on the way down.

Events likewise have a mixed record. They can have a significant impact (as Manchester's Commonwealth Games has shown), but they also often require significant financial subsidy and, as they largely attract day visitors, sometimes the wider economic impact can be questionable.

There are many opportunities to be creative outside the realms of traditional tourism. For example:

- Taking initiatives to actively stimulate the food and beverage offer, in particular local product;
- Taking an innovative approach to develop a safe, mature night-offer;
- Looking for events that are distinctive and have a strong appeal to outsiders.

*Questions you might like to consider in your response:*

- How should the tourism product – traditional attractions and non-traditional attractors- in the region be developed in order to attract visitors?
- Should there be greater focus on establishing new attractions or supporting existing ones?

## 2.6 Strand 3: Infrastructure

The strategy also needs to address all the factors relating to tourism infrastructure including information provision, IT, transport and so on.

If East Midlands's tourism product is to be outstanding from the point of view of the customer, it will be easy to:

- make the decision to visit;
- find information that is relevant to customer needs;
- book;
- get there;
- get information on arrival;
- get around;
- enjoy the experience – accommodation, food, experiences etc;
- and be persuaded to return.

Some of these infrastructure issues, transport for example, are beyond the scope of tourism to deal with on its own initiative. Although tourism is only one consideration in transport planning, the quality of transport infrastructure has a huge impact on tourism development.

*Questions you might like to consider in your response:*

- How could the region make it easier for visitors in each of the dimensions listed above?
- How should the region provide comprehensive on line information and reservations facilities?
- Is the tourist information centre network adequate? Should it be changed on any respect?
- Are the facilities for conferences and exhibitions good enough?



- How can the influence of tourism on vital infrastructure concerns such as transport planning be improved?

## 2.7 Strand 4: Skills and Business Support

Business support and skills development is at the heart of any RDA's mission and will inevitably be a core part of the strategy.

Shortage of people with appropriate skills is a particular problem for the tourism industry all over the country. It is a consequence of a number of factors, not least the perception (which may be reality) that the industry does not offer high quality career paths and employment conditions.

The other key issue is how SMEs, especially in the accommodation sector, can be encouraged to improve their quality. There is a plethora of schemes, at national, regional and sub regional level to tackle these issues. Many projects are undertaken as a result of localised initiatives, but are discontinued after the funding has run out.

There is typically a need to identify the schemes that work, and then to focus on them. This includes endorsement of national quality assessment schemes.

*Questions you might like to consider in your response:*

- What could be done in the East Midlands to help operators deal with skills shortages?
- What kind of business support initiatives would be most useful?
- What should be done to raise quality in the industry?
- Are there any specific initiatives that you feel ought to be supported?
- Should the region be endorsing national quality assessment schemes? If so, which?
- How could a "one stop shop" approach to business support be developed?

## 2.8 Strand 5: Organisation

We are entering a new era for tourism in England. The Regional Development Agencies now have a leading role at regional level and there are new structures at national level.

At the same time, many people in the tourism industry all over the country are looking for better co-ordination of tourism development and marketing, less duplication, more focus on the customer and more efficient use of resources.

In effect, there are currently four tiers in tourism development and marketing in every region:

- Local Authorities – district and county
- Destination Management Organisations and Partnerships
- Tourist Board
- Regional Development Agency

The current situation – countrywide – has numerous weaknesses, including:

- Local authority budgets are invariably small – most of their activity is more in the way of information provision than true marketing.
- Local authority boundaries and names typically have little meaning to consumers and therefore marketing spend is ineffective.
- There is duplication of marketing activity between the tourist boards, destination management organisations and local authorities – this causes considerable annoyance to private sector operators who are asked to advertise in a variety of publications covering, more or less, the same territory.
- Due to small and dispersed budgets, the level of professionalism is often not as high as it might be.

- As entries in "official" visitor guides are paid for, they are not comprehensive and objective. In consequence some publications are very misleading to consumers.
- As both Tourist Boards and destination management organisations/ partnerships have membership, many operators have to choose between them or pay for both.
- As Tourist Boards have limited real authority and resources, their capacity to make a difference is limited. The private sector is sometimes sceptical of their relevance.
- The management of Tourist Information Centres is dispersed amongst a variety of organisations with weak co-ordination.
- Important tourism related functions, such as events, are typically divorced from tourism management.
- The situation is further complicated in the East Midlands by the fact that the Regional Tourist Board covers two RDA areas.

In the East Midlands *emda* works closely with its regional, sub regional and local partners and considers these partnerships vital in the promotion and development of the tourism industry. The East Midlands Tourism Advisory Group (EMTAG) was set up to facilitate these partnerships and represents a cross section of the industry in the East Midlands.

A further consideration in the region is that tourism organisation could more closely match the way in which *emda* works through Sub Regional Strategic Partnerships (SSP's) in other aspects of its work.

*Questions you might like to consider in your response:*

- Are you satisfied with the organisation of tourism currently?
- If not, how do you think it should be improved?
- Is there a better model? Should there, for example, be stronger destination management organisations at county level and a co-ordinating body at regional level?

## 2.9 Strand 6: Performance Measurement

The measurement and *dissemination of timely and reliable* information is a key issue for tourism.

Tourism operators would often welcome statistics about the performance of similar businesses in their vicinity so that they can see how they are doing compared to others. Even though the advent of e-mail has made it easier to collect and disseminate such data promptly, it is rarely done well. Furthermore, failure to agree meaningful definitions (for example, separating paid admissions from free admissions for visitor attractions) often means that data comparisons are not reliable.

The first challenge therefore, is to look at better systems of collecting and disseminating information that is of value to operators.

This in turn allows stronger foundations for economic impact assessment, which is of importance, especially, to the public sector. Measuring the value of tourism is a contentious matter and has traditionally suffered from a credibility problem, particularly when assessed against other more easily defined and monitored industries. It has either been too *narrowly* defined as culture, leisure and recreation (and therefore its importance has been undervalued), or so *broadly* defined that it could encompass virtually anything that contributes to quality of life. Neither approach is conducive to sound economic analysis.

Current models that are used for measuring the value of tourism, typically STEAM or Cambridge, were developed for particular circumstances and the results they produce when applied to dissimilar circumstances are often questionable.

The creation of regional Tourism Satellite Accounts (TSA) is gaining momentum both in and outside the UK (as, for example, in Denmark, Norway, Canada and the USA). A TSA enables the user to examine the economic impacts of a distinct activity such as tourism where that activity is not explicitly identified in the national (or regional) accounting framework.

*Questions you might like to consider in your response:*

- How could the collection and dissemination of data be improved in such a way that it would benefit you?
- How could the region more effectively measure the size and importance of its tourism industry?
- What research would be of benefit to you and/or to the tourism industry as a whole in the region?

## 2.10 Strand 7: Special Projects

There are likely to be ideas/plans for projects that could have a major impact on the number of people visiting the region. This could include transport and IT infrastructure projects. Some might be in an advanced stage and others such as 'Countryside Carers' or developments in green and 'eco' tourism are ideas that could be further developed.

*Question you might like to consider in your response:*

- What major projects could be undertaken in the region that would have a *major* impact on tourism?

