

Scottish Enterprise Tourism

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**USAID LINC Study Tour to Scotland
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Sector facts

- £4.1 billion visitor spend, 15 million tourist trips, 68 million visitor nights
- 208,000 jobs across 18,500 businesses
- £3 billion 'export earnings' - spend by tourists from outwith Scotland; from overseas and the rest of the UK tourism
- Internationally competitive assets: Cities and National Parks
- Internationally competitive products: Golf, walking, mountain biking, and individual visitor attractions
- Reported as main strength behind Scotland's reputation - Anholt Nations Brand Index Report for 2010
- Mainstay of many rural economies across Scotland and has mutually supportive links to other sectors, including food and drink, agriculture and retail

Strategic background

- Government Economic Strategy strategic priorities

- *Key sectors....."offer the opportunity to strengthen Scotland's international comparative advantage, through achieving critical mass..."*
- *"Scotland has distinctive capabilities and businesses with the potential to be internationally competitive"*
- *"....they currently account for a significant part of the economy....."*
- *"....government intervention can make a significant difference to future success by facilitating or accelerating development where the market alone cannot deliver the best outcomes"*

- Tourism Framework for Change (2006) ambition

".....to grow the value of Scottish tourism by 50% by 2015 to around £7bn"

- Key themes:

- Knowing your market
- Exceeding visitor expectations
- Marketing your product
- Being sustainable



Key delivery partners

- **Scottish Development International**, aims to assist in the growth of the Scottish economy, by encouraging inward investment and helping Scottish-based companies develop international trade
- **VisitScotland**, who focus on the consumer including quality assurance, and the marketing of Scotland as a tourist destination, complementing SE's focus on tourism businesses
- **Highlands and Islands Enterprise**, key partner in delivering Scotland wide responses to the industry strategy
- **Local authorities**, investing in local tourism related infrastructure and events, as well as supporting new and growing businesses through uptake of Business Gateway services
- **Tourism Industry Leadership Group**, providing strategic leadership to and on behalf of the industry at a national level
- **Destination Partnerships and Key product groups**, such as the Edinburgh Tourism Action Group and Golf Tourism Scotland who provide industry leadership at a local level and around key products





- Scotland's environmental, cultural and sporting assets represent a basis for international competitiveness in tourism
- These assets include places e.g. cities and National Parks, thematic assets e.g. golf, walking, mountain biking, Scottish food etc, and individual facilities e.g. attractions, resorts etc.





Scottish Enterprise Role in tourism...

To help the tourism sector optimise its potential, focusing on specific opportunities which generate additional industry growth and contribute sustainable impact in Scotland's economic performance and reputation



How do we do this in practice ?

In responding to the Tourism Framework for Change, SE has taken an approach which is focused around those tourism assets that offered the strongest basis for international competitiveness and growth.

These include:

- The six strongest local **destinations** within the SE area
- Those **product areas** where there was greatest growth potential e.g. golf, mountain biking and business tourism
- A portfolio of **growth tourism businesses**
- Attraction of **inward investment** in tourism where this could contribute to growth

This approach is underpinned by a Tourism Innovation Programme and support to develop industry leadership

How do we do that in practice ?

- **Destinations**, *Edinburgh, Glasgow, St Andrews, Loch Lomond & the Trossachs National Park, Highland Perthshire, Royal Deeside*
- **Products**, *Golf, mountain biking, business tourism*
- **Intensive support** *to around 150 companies with growth potential*
- *Encourage* **international investment**: *developers, operators and investors*
- **Innovation programme** *engaging industry on product and service development – collaborative working*
- **Industry leadership support**

Destinations

- *Objective: to realise the full tourism and economic value of the main tourism destinations in the SE area through a coordinated approach to investment in improving the quality of the visitor experience*
- Focus on the biggest growth opportunities and the wider sharing of best practice
- SE contributes to a development plan for each destination focusing on:
 - Business networking and collaboration;
 - Market intelligence and customer feedback;
 - Product development around local assets and opportunities;
 - Business leadership skills and service quality;
 - Key infrastructure projects.
- Fresh estimates of show that the six key destinations have the potential to generate additional visitor expenditure in the range of £656m-£781m by 2020

Destination Edinburgh



Scottish Enterprise

Product Development

- *Objective: to encourage investment to maximise the value of key Scottish tourism assets such as golf, the outdoor environment and business tourism*

The coming year's focus:

- **Golf**, where a recent SE commissioned study identified the potential for golf tourism expenditure to grow by nearly 30%, generating total visitor spend of £300m by the end of the decade;
- **Mountain Biking**, where Scotland has built an enviable international reputation in recent years. The potential growth in visitor expenditure over the next five years is estimated at £36 million;
- **Business tourism**, currently contributing around £800m spend p.a. where a huge opportunity exists to capitalise on new SE supported facilities such as the National Arena at the SECC and the EICC expansion

Product Development

- Industry engagement
- Market appraisal
- Sharing research
- Identifying opportunities
- Ideas creation
- Collaborative working



Support for Product Development

- Market Intelligence
- Support for collaborative groups
- Product development projects
- Infrastructure



“7 Stanes” mountain bike centres project
in the South of Scotland, in which SE was a major partner
found that visitor numbers more than doubled from 2004 reaching
394,000 in 2007 with the project delivering £4.14m net additional GVA
p.a

Company Growth

- *Objective: to develop strong leadership and management skills within those tourism businesses with growth potential and those that will be key to realising the potential of our key destinations and products.*

Focus on leadership and management skills in tourism businesses with growth potential and those important to our destinations and products

- **Account Management**
- **Wider Company Engagement**
- **Tourism Framework For Change Skills Group**
- **International Leadership School in Scotland**

Internationalisation

Through SDI, our objectives in this area are:

- **Attracting investment in facilities** *e.g. hotels and resorts that help to deliver more economic value from SE's destinations and products;*
- *Helping to develop **more international trade** on the back of new products and services resulting from our work in areas such as the destinations, products, innovation and company growth.*

Tourism Innovation Programme

Objective: to establish a culture of innovation in the industry based around effective use of market intelligence, business collaboration and investment in new products and services



Tourism Innovation Workshops over 3200 businesses

Tourism Innovation Fund over 40 new products

Tourism Innovation Day over 1500 businesses

Tourism Intelligence Scotland over 3500 businesses

Listening to our Visitors over 200 businesses



Tourism Innovation Programme

Tourism Innovation Workshops

To support tourism businesses to think more creatively, improve their performance and boost profits. Support is delivered through in-house or group workshops helping attendees become more innovative and collaborative

Tourism Innovation Fund

Funding up to £30,000

Professional one-to-one advice

Competitive process



**tourism
intelligence
scotland**

INNOVATION THROUGH KNOWLEDGE

Tourism Intelligence Scotland

Understand their customers' needs better

Develop innovative products and services based on good market intelligence

Understand the global trends that matter to them

Learn from other businesses and share useful insights



Industry Leadership

Objective: to generate higher levels of industry ownership of, and commitment to the development and delivery of the industry strategy.

- **Why important ?**

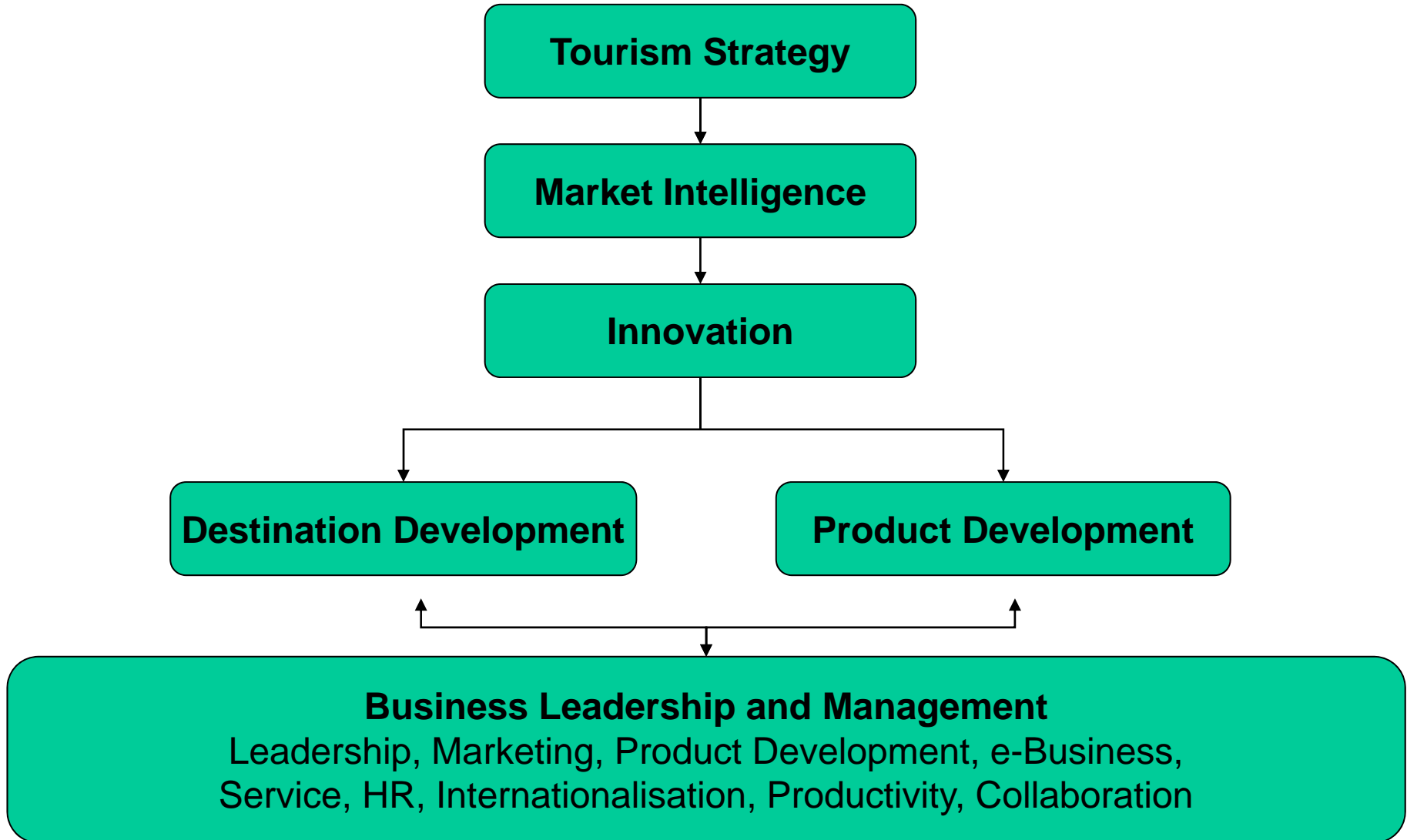
- Learn from past delivery arrangements
- Wider industry engagement needs to drive the level of change and growth

- **Challenges**

- Tourism by its nature is an SME dominated industry
- Wide range of existing groups, associations and partnerships

- **Future requirements**

- Strong and sustainable industry-led mechanisms to foster higher levels of self-reliance for the future
- Structure to increase levels of business engagement and drive strategy delivery working with agencies, destination partnerships etc.





Discussion

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