

A STRATEGY FOR LEADERSHIP AND GROWTH

THE **FUTURE**
OF OUR INDUSTRY
IN OUR **HANDS**





AUTHENTIC
VISITOR
EXPERIENCES

GROWING OUR
MARKET
PORTFOLIO

Recent years have seen Scotland's tourism industry maintain its position as a key contributor to the nation's economy, generating an annual visitor spend in excess of £4.5bn.

These same years however, have also seen visitor expectations grow ever more sophisticated with a shift away from individual tourism attractions towards more rounded experiences, delivered to a consistently high quality at each point of the customer journey.

The opportunity for Scotland, if we're to accelerate growth and get as close to our full potential as possible, is to up our game collectively and turn our nation's many tourism assets into quality, authentic visitor experiences – inspiring our industry strategy, **Tourism Scotland 2020.**





AT A GLANCE

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& Scottish Tourism Alliance

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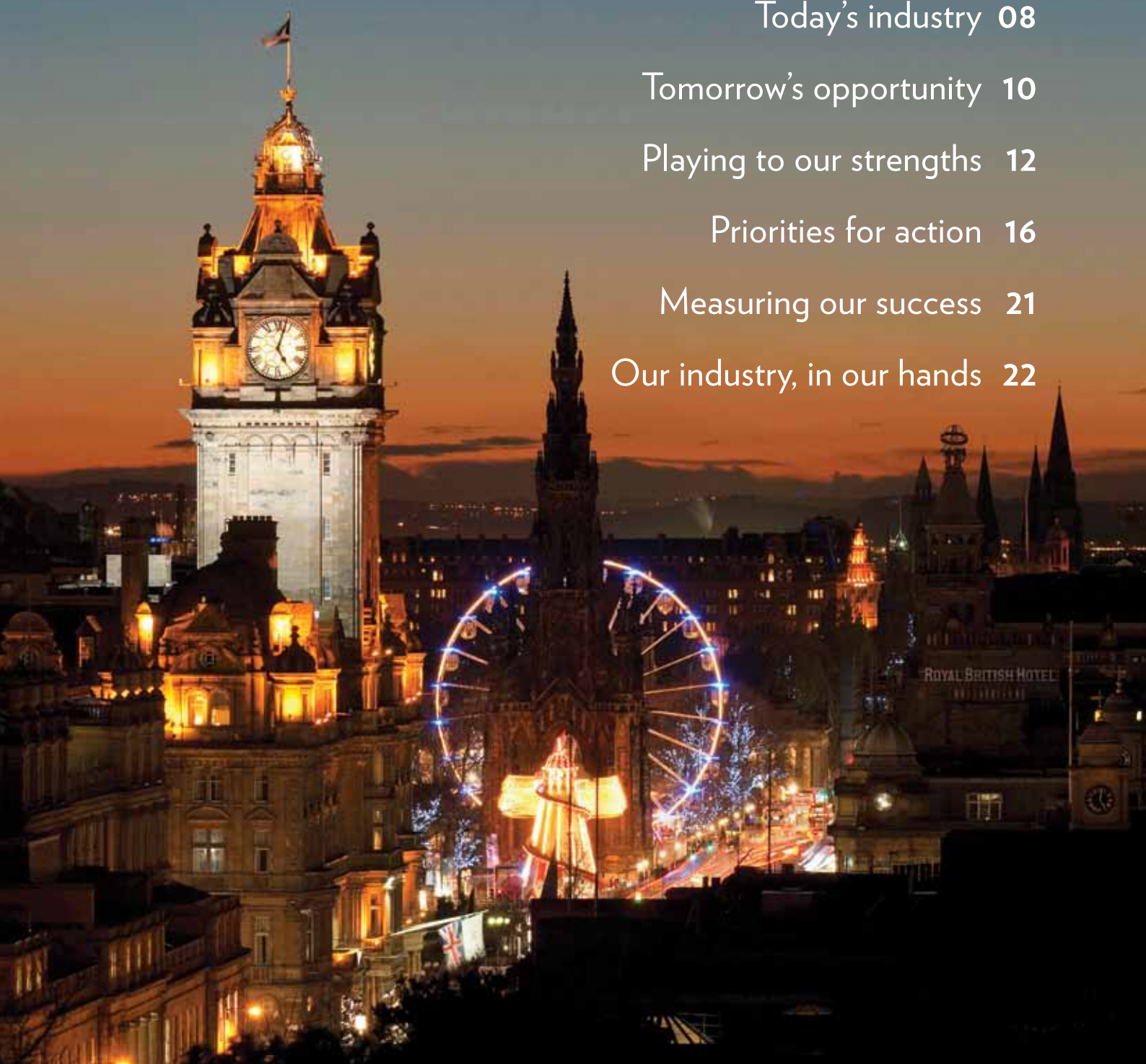
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FOREWORD

STEPHEN LECKIE,
CHAIR OF THE TLG & SCOTTISH TOURISM ALLIANCE



“**Tourism Scotland 2020** is a strategy for the industry, by the industry. It’s the product of extensive consultation, led by the Tourism Leadership Group (TLG), and it’s the means by which the Scottish Tourism Alliance (STA) will lead the many different businesses and stakeholders across the sector to deliver one common goal for 2020 and beyond. **Making Scotland a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people.**”

As strategies go it’s ambitious – just as we are – yet it’s realistic too, based on the collective input of private and public sector; thorough research into consumer trends, our tourism industry and international tourism destinations; and careful analysis of the best available market forecasts.

Driven by the need to adapt to a changing industry and uncertain economic climate, it provides a snapshot of where we currently stand, the step changes we need to bring about in order to fully capitalise on our assets, the potential financial rewards when we do and the priorities for action.

At the heart of the strategy is growth via quality, authentic visitor experiences. In other words, highlighting those aspects of our assets that are uniquely Scottish, be they contemporary Scotland or more traditional, and delivering them to the highest possible standard at each and every point of the customer journey.

Leading delivery and providing a strong industry voice throughout will be the STA. Equally critical however, is that each and every one of us within the industry rallies round the strategy, embracing the common agenda it sets out, giving it our full support and taking the initiative in our own areas.

“Much has been done in recent years to make more of Scotland’s tourism assets at a local level through destination groups and with the support of local authorities. We need to build on this as a collective, sharing experiences and good practice more widely across destinations.

“Completing the picture we need the support of Scottish Government and public sector agencies too, aligning their tourism activities with our industry strategy.

“Then, and only then, will we set ourselves on course to achieving our vision for 2020 and beyond: Scotland – a destination of first choice.

“Thank you to everyone who has given their time and energy so far to help shape the strategy. I look forward to working with you all on the detailed action plan that will follow on from it and the delivery of that plan at business, local and national level.”

TODAY'S INDUSTRY

Without doubt, tourism is one of Scotland's key economic contributors with overnight visitors generating in excess of £4.5bn annually and day visitors contributing a further £6.2bn, giving a total spend close to £11bn (2011 figures).

Not only that but tourism accounts for over 200,000 jobs – many in rural areas, helping less populous communities to prosper – across 20,000 different tourism-related businesses, while also feeding into other sectors such as food and drink, retail, transport and construction.



SCOTLAND'S SPECIAL APPEAL

Drill down further and the appeal of Scotland's mainland and islands can be largely attributed to four groups of assets.

Nature, heritage and activities

With dramatic landscapes and seascapes, a rich and colourful history, and vibrant culture, Scotland serves as a truly unique backdrop for holidays and short breaks, offering visitors a wealth of things to see and do: golf, walking, wildlife-watching, adventure sports, visiting castles and historical sites, to name just a few.

Business tourism

With our quality venues and facilities, a proven track record in staging major conferences and exhibitions, not forgetting plenty to see and do out of working hours, Scotland is a popular destination amongst business tourists.

Destination towns and cities

Our destination towns such as St Andrews, Pitlochry and Oban, along with our internationally-renowned cities including Edinburgh and Glasgow, hold great appeal for leisure and business travellers alike, whether as destinations in their own right or as bases from which to explore our wider visitor offer.

Events and festivals

International attractions including the Edinburgh Festivals, high-profile events such as the Commonwealth Games, Ryder Cup and Year of Homecoming, or smaller, local initiatives like the Tiree Wave Classic that help to extend the tourism season – Scotland's events and festivals add to the uniqueness of the experiences on offer.

All of which contribute to our brand essence as being a "dramatic, enduring and human" destination.

It's not just our tourism assets that set us apart but our people too, with the renowned pride and friendliness of our nation earning us a reputation for being a very welcoming destination. So far, so positive.

Where we could do better

Customer feedback tells us that there are also areas in which we could be doing better. In particular, by addressing variations in quality when it comes to accommodation, eating out, travelling to and around Scotland, and internet and mobile phone coverage.

Each of these has an important role to play in shaping visitor impressions, with today's travellers expecting a high level of service at each and every turn. Yet in Scotland, we're told, quality still varies from one provider to the next. We need to act now and we need to act together – the more of us that do, the greater the likelihood of Scotland encouraging visitors to return again in the future and recommend us to others.

That's not the only area in which we need to up our game. Increasingly, visitors are seeking more rounded experiences with a variety of things to see and do. Our international research shows that competitor destinations have been quick to respond, integrating their efforts across their respective industries to offer experiences that are tailored to visitors' personal interests.

Scotland, on the other hand, has still to react as a collective. We need to think not just about what our own individual businesses can offer, but also the way in which other attractions, activities and places to eat and drink might make visitors' stay all the more enjoyable – and be in a position to recommend local providers who can be relied on to deliver.

Changing with the times

So what does this tell us as an industry? It tells us that there is much work to be done if we are to meet visitor expectations of a consistently high level of quality and customer service. It tells us that whilst we have in our favour some fantastic tourism assets, we are not maximising our potential – we are focusing too intently on our individual businesses and products, and not enough on customers' overall experiences. And it tells us that we have to work together more at business, local and national level to start shaping Scotland's many different assets into the authentic experiences that visitors are seeking.



TOMORROW'S OPPORTUNITY

Despite 2011 delivering an encouraging improvement on 2010 with overnight visitors increasing by 9% and a similar increase in real terms spend, longer term performance has been more modest.

In fact, if the long-term trend in overnight visitor spend witnessed since 1973 was to continue, we would see little or no real growth in the coming decade – a reflection of increasing costs, new competitor destinations and the fact that Scotland is a mature tourism destination operating largely in well-established markets such as Western Europe and North America.

Add to this the realisation that opportunities in emerging markets will naturally take some time to produce notable results, along with the continuing economic uncertainties facing our traditional markets, and the long-standing picture doesn't look set to change any time soon. Unless that is, we as an industry change.

Fresh focus, new goals

What is our potential for growth if we do change? Using forecasts by internationally recognised experts Tourism Economics as the best available indicator of our full potential, and official long-term tourism statistics as the baseline, our ambition for the industry as a whole is to break from the status quo and achieve an annual visitor spend of between £5.5bn and £6.5bn by 2020. This would generate an additional £1bn or more (at 2011 prices).

While this ambition does take into account the fact that different opportunities and challenges exist for different parts of the tourism industry, it is not without risk or uncertainty. But it does indicate just how much growth is possible – *if* as we hope, the economic trend reverts to one of global growth and *if* we collectively get right the factors that are within our control.





OUR GROWTH MARKETS

So where does the greatest potential for growth exist? Visitors to our country come from all over the world, but Tourism Scotland 2020 purposely focuses on a small group of countries which, for a variety of cultural and practical reasons, are particularly important to Scottish tourism and are forecast to remain so in the future. Other markets are, and will probably continue to be, relatively small in individual worth to Scotland, although we will keep our selection under review.

Forecasts indicate that three main pillars will account for most of our visitor spend in 2020, just as they do now:

Home turf:

£3,127m in 2011, potential £3,586m–£4,238m in 2020

England, Scotland, Northern Ireland, Wales

Near neighbours:

£731m in 2011, potential £875m–£1,035m in 2020

Scandinavia, Germany, France, Spain, Ireland, Netherlands, Italy

Distant cousins:

£414m in 2011, potential £505m–£598m in 2020

USA, Australia, Canada

In addition to these main pillars of growth, we will also step up our efforts in the emerging markets. Whilst growing strongly globally, they are unlikely to deliver significant returns for Scottish tourism in the short to medium-term, due in part to challenges posed by transport links and visa requirements:

Emerging markets:

£33m in 2011, potential £70m–£83m in 2020

India, China, Russia, Brazil

Longer term however, their contribution to Scottish tourism does look set to grow more markedly. If we want to be in a position to service and capitalise fully on these and other emerging markets we need to act now by aligning our tourism offer with what our market intelligence tells us about them.

A balanced portfolio

Combined, these markets add up to a balanced portfolio based on our greatest growth potential but one that also gives us the flexibility to adjust our plans in the event of any significant market changes.

Ambitious? Undoubtedly. Achievable? Yes, if we build our capabilities and if we play to our collective strengths.

PLAYING TO OUR STRENGTHS

Key to us achieving our growth ambitions will be turning Scotland's tourism assets into the more rounded, added value experiences that today's visitors want.

It's a change in focus and approach that needs to happen at two levels: within assets and across assets.

Developing our assets

Market analysis has identified that some assets offer significant potential for growth. Indeed, many of our main tourism destinations now have in place clear strategies for growth. For example, Edinburgh, Glasgow and their surrounding areas already account for almost £1.8bn tourism revenue per year and they have ambitions to grow this substantially.

In many of our rural destinations meanwhile, where tourism is often the mainstay of the local economy, businesses and industry groups are also working together to grow the value of tourism in their areas by making more of assets such as walking and cycling, adventure tourism, food and drink, and local history and culture.





Other assets identified as having real growth potential include:

ASSET	ESTIMATED VALUE	IDENTIFIED GROWTH POTENTIAL
Activities & adventure	£759m	Extra £89m by 2015 <i>Source: Adventure Tourism in Scotland 2010</i>
Business tourism	£817m	Being prepared <i>Source: International Passenger Survey 2006-10 and UK Tourism Survey 2006-10</i>
Cruise	£32m	Potential for 1.1m visitors by 2029 <i>Source: Cruise Tourism in Scotland 2010</i>
Golf	£220m	10%-53% over 10 years <i>Source: Scottish Golf Tourism Market Analysis 2009</i>
Mountain biking	£119m	Extra £36m by 2015 <i>Source: Economic Value of Mountain Biking in Scotland 2009</i>
Sailing	£101m	Extra £44m by 2020 <i>Source: Sailing Tourism in Scotland 2010</i>

Comparison should not be made between the estimated values and growth potentials for different assets as research methodologies vary between studies.

What do we need to do to turn this potential into real profit? First and foremost, we need to build local and national networks consisting of partners who are equally committed to quality and customer service, identifying where we can combine complementary products and services to offer visitors an easier, more enjoyable experience.

We also need to develop assets in response to specific market opportunities. For example:

- **Nature, heritage and activities** – embracing the opportunity presented by Year of Natural Scotland to more widely promote all that we have to offer: from wildlife-watching, hill-walking and sailing, through country sports, farm stays and visiting castles, to adventure sports and learning about our ancestors
- **Destination towns and cities** – more widely promoting the diversity of things to see and do, contemporary and traditional, within our destination towns and cities in order to extend their visitor seasons
- **Events and festivals** – developing further our reputation as a world-leading events destination, building on our enviable position in the sporting arena and our ability to host major cultural events such as the Edinburgh Festivals and Celtic Connections
- **Business tourism** – maximising the return on investment delivered via the new facilities being developed at the SECC and EICC by showcasing Scotland's proven track record in successfully staging international conferences and events.



Turning assets into experiences

In tandem with developing specific assets we also need to collaborate across assets in order to offer visitors a diverse range of authentic experiences. In other words, experiences which are underpinned by elements unique to Scotland, and therefore cannot be easily replicated by our competitors.

Consumer research shows that people want to feel that they have had an authentic experience, taking in a wide range of things to see and do: from gleaning an insight into a destination's past to appreciating its contemporary offer, interacting with its people and sampling its local produce.

We need to respond to this with a diverse range of experiences that bring together the different touch points along the customer journey – accommodation, travel, activities, eating out – and are underpinned by authenticity, quality and a strong ethos of customer service.

Get it right and we will significantly increase the perceived value to the visitor and offer them a greater incentive to visit, return and recommend us to others, helping make Scotland a destination of first choice.

What's more, doing the legwork on behalf of our visitors and making it easier for them to use a wider range of tourism products and services once here will also help boost takings and profits.

Building our capabilities

Playing to our strengths is one half of the step change required of us. In order to develop quality, authentic tourism experiences that meet the needs and wants of our markets, we must also build the capability of our businesses and the industry as a whole in certain key areas:

- **Leadership and collaboration**

Delivering our growth ambitions will rely on industry-wide collaboration on a common agenda, with strong leadership at business, local and national level

- **Sustainable tourism**

With sustainable economic growth as our goal, we must seek to maximise our operational efficiency and environmental performance, minimise our impact on the local environment and connect with our communities to deliver real benefits.

- **Quality and skills**

All of us, as an industry, must commit to gaining and enhancing the relevant skills, knowledge and customer-focused attitude required to deliver consistently high quality experiences for all visitor profiles

- **Marketing**

Utilising the market intelligence at our disposal we need to align our tourism offer with visitor expectations, present Scotland's assets as experiences and promote these experiences more consistently by building on our overarching Scottish tourism brand

It is by building our capabilities in each of these four areas and by turning our assets into experiences targeted at our growth markets that we will give ourselves the best possible chance of achieving our ambitious growth aspirations.

BY 2020, SCOTLAND IS A DESTINATION OF FIRST CHOICE...

VISION

GROWING VISITOR SPEND THROUGH QUALITY TO £5.5-£6.5 BILLION

MISSION

OUR GROWTH MARKETS

NEAR NEIGHBOURS
£875 - £1,035M

HOME TURF
£3.6 - £4.2BN

DISTANT
COUSINS
£505 - £598M

EMERGING
MARKETS
£70 - £83M

PROVIDING AUTHENTIC EXPERIENCES

STRATEGY

NATURE, HERITAGE
& ACTIVITIES

DESTINATION
TOWNS & CITIES

EVENTS
& FESTIVALS

BUSINESS
TOURISM

IMPROVING THE CUSTOMER JOURNEY

FOOD & DRINK

TRANSPORT

ACCOMMODATION

DIGITAL
CONNECTIVITY

BUILDING OUR CAPABILITIES

QUALITY & SKILLS

MARKETING

SUSTAINABLE TOURISM

CAPABILITY

LEADERSHIP & COLLABORATION

PRIORITIES FOR ACTION

Bringing about the necessary step changes in our industry will require collective action based on shared goals, delivered at business, local and national level.

Work has already begun on drawing up the detailed action plan that will deliver our national strategy, Tourism Scotland 2020.



Building on the good work being done by local tourism groups, local authorities and others, this action plan will provide a fresh challenge to all of us in the industry, with the STA playing a central role in encouraging businesses, destinations, sectors and other stakeholders to get involved.

The wider opportunity however, starts here today. It starts with Scotland's tourism industry committing to work together on one common agenda: **turning our nation's assets into authentic, value added visitor experiences that appeal to our key growth markets.**

AMBITION INTO ACTION

With this drive to turn assets into experiences as our priority, the action plan for delivering Tourism Scotland 2020 will detail a number of specific steps we must all take to build our capabilities, and in doing so make us better placed to achieve our aspirations:

Knowing our markets

Focusing on our three main pillars for growth – home turf, near neighbours and distant cousins – along with the longer-term opportunities presented by the emerging markets,

we will use the market intelligence available to us to better understand visitor motivations and expectations in each market. For example, we will look at how we can respond to the demand for accessible tourism, which contributed more than £325m in Scotland in 2009.

We will then shape our assets into tourism experiences accordingly, detailing this in clear market plans.

That done, we'll integrate our marketing efforts to promote our tourism experiences in ways that are relevant to the target market and make greater use of the Scottish tourism brand at business, local and national level, reinforcing VisitScotland's work promoting Scotland as a destination.

We will also tap into audiences' increased usage of digital technology such as apps, SMS, email and web to communicate with our customers by their preferred means before, during and after their visit.



Managing the customer journey

Throughout, we will do whatever we can within our individual businesses and beyond our businesses to provide a consistently high quality of visitor experience at all points along the customer journey.

It's about asking ourselves: 'Which local products, places and services could I proactively recommend to my customers to help make the visitor experience more memorable?' 'What could I be doing to make the experience more accessible – and therefore, appealing – to all visitor profiles?' 'And who could I partner to help make all of this happen?'

It's about making a firm commitment to quality and delivering on it, whether that's by acting on consumer feedback, participating in industry quality schemes, investing in training and development, attracting new talent to address skills or knowledge gaps, or leading by example in terms of attitude and exemplary service.

It's also about addressing fundamentals such as providing a consistently good standard of accommodation regardless of location. This includes investing in new and upgraded accommodation, and developing the skills needed to make a convincing case for such investment.

Likewise, we need to offer a consistently high quality of experience when it comes to eating out, making greater use of local food and drink produce.

Every business must play its part. Even those businesses with no aspirations to grow their market share any further. Because it's only by building local quality networks, putting our collective weight behind those and developing people's skills and knowledge that we will bring about the step change necessary to improve visitor satisfaction. And satisfied visitors can only be good news for any of us earning our livelihoods from Scotland's tourism industry.

**CONSISTENT
QUALITY OF
CUSTOMER
JOURNEY**



GROWING OUR MARKET PORTFOLIO

Building sustainable tourism

In tandem with shaping a better quality visitor experience, we will also be building a more sustainable industry. Because this is not a strategy for growth at any cost, this is a strategy for sustainable growth – economic, environmental and social.

Our market-driven approach, with collaboration at its heart, will help ensure long-term economic sustainability. Reinforcing this we will be looking to, and learning from, examples such as M&S Plan A or the Scotch Whisky Industry's Environmental Plan, and proactively seeking out more efficient practices that benefit business, communities and environment alike.

We will use our local provenance wherever possible, drawing on what makes Scotland unique to create authentic, distinct tourism experiences. Related to this we will think about ways to build business, and with it our profit throughout the year – not just during peak season – helping us achieve our full potential and our vision of making Scotland a destination of first choice.

Strengthening leadership and collaboration

These are big step changes for our industry; changes that none of us can bring about on our own. We need to work together more at business, local and national level to maximise the potential of our rich tourism assets, and we need strong leadership to help guide us and support us along the way.

It starts with clear leadership within our own businesses: understanding and acting on market needs, promoting Scotland's tourism assets as authentic experiences rather than disparate products, presenting a convincing case for investment, and playing our part in delivering quality across all aspects of the customer journey.

But it also needs a strong network of destination and local partnerships working with sector organisations, local authorities and others to share best practice and improve both the quality and consistency of the overall visitor experience, while at the same time delivering on local and national priorities.



AUTHENTIC VISITOR EXPERIENCES

Bringing it all together will be our industry leadership organisation – the Scottish Tourism Alliance – which will lead the process of drawing up a detailed action plan and co-ordinate its delivery, as well as providing a common voice on key issues for the industry.

The STA will also work with sectors such as transport and finance, along with others including the Scottish Government, to address the barriers to growth that can't be fixed by tourism alone. For example, by helping to influence decisions that will:

- Increase the number of direct air routes from our main growth markets and enhance road, rail and ferry routes within Scotland
- Improve digital connectivity including free wi-fi hot spots in cities, towns and visitor hubs
- Open up access to investment
- Reduce the burden of taxation such as VAT rates and Air Passenger Duty, and other regulations that can put our industry at a competitive disadvantage.

Better data

Helping us make informed decisions as we deliver the strategy will be a drive to improve the accuracy, reach and relevance of the data sources currently available to the industry, address any gaps in our knowledge and ensure that up to date information gets where it's needed, when it's needed.



**CONSISTENT
QUALITY OF
CUSTOMER
JOURNEY**

MEASURING OUR SUCCESS

Overnight visitor spend and visitor satisfaction will be the key measures by which we'll gauge how well we are doing as an industry.

Why these two measures specifically? Because they reflect the changes we're trying to bring about: increased spend in Scotland's tourism industry achieved by meeting and exceeding visitor expectations.

Overnight visitor spend

Overnight visitor spend has the added benefit of being consistently measurable over time, enabling us to accurately gauge our progress towards our ambition of generating an annual overnight visitor spend of between £5.5bn and £6.5bn (in real terms at 2011 prices), equating to an additional £1bn or more by 2020.

Visitor satisfaction

Visitor satisfaction will offer us crucial insights into whether we are delivering the high quality, value for money, authentic experiences that today's visitors seek. Therefore gathering and acting upon visitor satisfaction information needs to be a major focus for the industry at all levels: national, destination and business.

Across the sector we must put in place the mechanisms to ensure we are able to gather information on a comprehensive and consistent basis in line with the visitor experience and customer journey themes of our industry strategy.

Adding to the picture

Helping to provide an even fuller picture still, we will also be tracking:

- **Overnight visitor numbers and length of stay** – we want to encourage those holidaying to stay in Scotland for longer, while also capitalising on the growing demand for short breaks
- **Average spend (per night and visitor)** – we want to encourage visitors to spend more when with us by providing them with the types of authentic experiences they want
- **Day visitor spend and numbers** – day visitors are a highly valuable contributor to the sustainability of many tourism businesses.

Monitoring, reporting, acting

Our growth ambition is a dynamic indicator, and as such we will review progress annually, tracking updated Tourism Economics forecasts, industry performance data and progress against our action plan.

After three years, when we have a better idea of how the economic situation is developing and have new actions underway with clearer indications of their likely impact, we'll carry out a more fundamental review.

OUR INDUSTRY, IN OUR HANDS

That there is potential to grow our industry is without doubt. By how much exactly depends on a number of factors, some of them outwith our control. One of the single biggest requirements for growth however, lies in our own hands – working together as a collective to a common agenda.

There are some great examples of this being done well already across the industry. For example, a huge amount of progress has been made by strong destination partnerships including the Edinburgh Tourism Action Group, Cairngorms Business Partnership and St Andrews Partnership, along with sector organisations such as Golf Tourism Scotland and the Scottish Country Sports Tourism Group. Solid foundations are also in place for developing our industry's skill-set, thanks to the work of the Tourism Skills Group.

Tourism Scotland 2020 therefore, is not about starting completely from scratch. But it *is* about doing more collaborative working – *much* more – something that the STA will lead, encourage and support throughout.

It's about being clear on where our greatest growth opportunities lie, focusing on what we must do to convert those opportunities, and wasting no time in getting on and doing it.

It's also about being responsive to change and adapting when necessary. Because this is a strategy that will evolve in tune with what visitors want or in response to wider economic conditions, in order to make the most of the opportunities available to us.

So please, join the STA or make sure that you're a member of a STA-affiliated organisation in order to get involved and be kept fully informed of progress against our action plan. And in the meantime, start thinking about what you can do at business and local level.

The more of us that give the strategy our full support, the sooner we'll realise our collective ambition for 2020 and beyond: **Scotland – a destination of first choice for a high quality, value for money and memorable customer experience, delivered by skilled and passionate people.**

To find out more about Tourism Scotland 2020, the Tourism Leadership Group and the Scottish Tourism Alliance, or to get involved, visit www.scottishtourismalliance.co.uk, email mail@stalliance.co.uk or call 01786 459235.







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