Scottish Enterprise

TOURISM PRODUCT DEVELOPMENT - EVALUATION

Final Report

By

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September 2009

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EXECUTIVE SUMMARY

Introduction

Jura Consultants was commissioned by Scottish Enterprise to undertake an evaluation of its tourism product development activity. This report reviews the planning, delivery and implementation of this activity in support of 7 key areas of tourism in Scotland, namely Whisky, Food, Country Sports (including angling), Ancestral, Forest (including mountain biking), Golf, and Built Heritage. The evaluation examines each of the seven product areas separately and assesses the rationale for intervention, project objectives and targets, tourism product development activities, perceived impact (based on feedback from stakeholders, steering group members and a selection of participating businesses), project benefits, management and delivery and future tourism considerations. It provides recommendations regarding future tourism product development activity.

Tourism Product Development

SE tourism activity began with ancestral tourism in 2002 when genealogy was identified as an area of potential in the Tourism Framework for Action (the joint tourism strategy for 2002-2005). In the light of the joint economic development strategy for tourism which was produced in 2006, Scottish Enterprise identified tourism as one of its national priority industries and believed that its intervention could help the industry to be a key contributor to economic growth in Scotland. At the outset of the initiative the Tourism Team in Scottish Enterprise worked in partnership with VisitScotland, HIE and the private sector to identify key priority product areas where Scotland could be internationally competitive and has led product development activity in these areas.

Within each of these areas, Scottish Enterprise intended to stimulate and support a best practice approach to product development which was based on critical factors for success. Those critical factors for success in product development were identified as strong industry leadership, a customer-focussed approach, effective collaboration and partnership working, and learning from best practice.

Each of the key product areas was the subject of a market analysis, which gave an early indication of the scale of opportunity and likely economic impact of the sector at that time. Market failures that were identified overall included information deficiencies (lack of relevant and up-to-date research), timing, quality and collaboration. Scottish Enterprise worked together with partners to devise a product development process which helped guide work in each area. The process involved the following stages:

- Industry engagement
- Market appraisal
- Sharing research
- Identifying opportunities

- Ideas creation
- Collaborative working
- Implementation

Against this background it is apparent that tourism product development activity was developed to contribute to a number of strategic goals and priorities which were relevant at this time and were identified in A Smart Successful Scotland (2006), A Tourism Framework for Change (2006) and the Government Economic Strategy 2007. However the backdrop to tourism product development activity has changed significantly during the last few years due to organisational restructuring (within SE, HIE and VS), a change in approach to development activity with a focus on the longer term impact rather than short-term goals (as witnessed by the success of Ancestral Tourism after seven years of SE involvement), and the downturn in the economy.

Tourism Product Development Interventions & Engagement

Interventions within each of the tourism product areas were developed on the basis of perceived market failure in that particular area. A brief overview of the range of interventions and level of business engagement is provided in Table ES1 below.

TABLE ES1
LEVEL OF BUSINESS ENGAGEMENT IN TOURISM PRODUCT DEVELOPMENT ACTIVITIES

Tourism Area	Intervention/Tourism Product Development Activity	No. of Businesses Engaged
Whisky Tourism	Scotch Whisky Training Schools Whisky Embassies Whisky Bars Initiative ScotlandWhisky Website Whisky Coast Initiative Training Seminars Conference	770 trained Ambassadors 88 Embassies 16 (10 Edinburgh, 6 Glasgow) 170,000 visitors (over last year) 16 whisky distilleries 30 attendees 50 attendees
Food Tourism	Regional Food Tourism Workshops Food Tourism Newsletter Foodkit Website	300 attendees 2,800 recipients 1,077 visitors per month
Ancestral Tourism	Newsletter Seminars Ideas Workshops Conference	860 recipients 60 attendees 100 attendees 100 attendees
Country Sports Tourism	Customer Care Training Country Sports Newsletter Dortmund Exhibition (2008 & 2009) Promotional DVD Shoot in Scotland Magazine Web Portal	12 Estates (46 delegates) 2000 recipients 7 businesses (and sponsors) 419 businesses 25,000 copies 250 businesses
Forest Tourism	Product Development Groups Business Development Pack 7-Stanes business pack Highland & Moray business pack Trossachs business pack Business Insights Seminars	3 groups Over 100 recipients 500 recipients 400 recipients 300 recipients 90 attendees
Golf Tourism	Driving Change Training Course Masterstroke Training Course	155 attendees 27 attendees

	Business Insight Seminar	45 attendees
Built Heritage	Historic Properties Group Industry Seminar	147 properties* 70 businesses
* Comprises businesses open to paying visitors: 75 Historic Scotland properties, 26 National Trust Scotland properties, 46 Historic Houses Association properties		

Table ES2 below summarises original and current areas of market failure for each tourism development area.

TABLE ES2 MARKET FAILURE			
Tourism Development Area	Original Market Failure	Still Exist?	Current Market Failure (if Changed)
Whisky	<u>Imperfect Information & Asymmetric Information</u> *Evidence* • Lack of effective collaboration between whisky and tourism • Failure to capitalise on the iconic status of Scotch internationally for tourism benefits. • Minimal collective consumer market intelligence • Lack of a coherent research base	• No • No • No • No	<u>Positive Externalities & Asymmetric Information</u> *Evidence* • Need to engage more tourism business in development of whisky tourism, particularly tour operators, golf courses and front-of-house staff. • Promoting and disseminating market information.
Food	<u>Asymmetric Information – Co-ordination problems</u> *Evidence* • Mismatch between customer expectations and the quality of the food experience. • Food and tourism sectors not recognising the opportunity to work together to strengthen the supply chain linking food producers and distributors with tourism businesses to mutual benefit. • Lack of prominence of local, Scottish produce on menus	• Yes, particularly in the "mid market" eating area (pubs and cafes). • Yes, although evidence of progress in some regions (West).	<u>Asymmetric Information – Co-ordination problems</u>
Ancestral	<u>Imperfect Information & Asymmetric Information – Co-ordination problems</u> *Evidence* • Information provision • Innovation • Collaboration	• No • No • No	*Evidence* • Promotion of ancestral tourism. Marketing and promotion is not the role of SE.

Tourism Development Area	Original Market Failure	Still Exist?	Current Market Failure (if Changed)
Country Sports	Imperfect Information *Evidence* • Need to engender and stimulate a cultural change with a focus on tourism. • Improvement in the quality of the product/service provided. • Need to develop new markets and encourage younger participants. • Gathering and dissemination of relevant market information.	• No • No • Yes • Yes	Imperfect Information *Evidence* • Further promotion of Scotland as a key country sports destination. This is not the role of SE. • Disseminating information to rural businesses and signposting further sources of business development assistance.
Forest	Negative Externalities Imperfect Information *Evidence* • Ad-hoc development of leisure, recreation and tourism programmes and projects, with minimal resources and deficit in relevant skills and expertise amongst its staff. • Lack of links to businesses – failure to lever out benefits for businesses from visitor activities on the National Forest Estate • Lack of clear monitoring and evaluation of the benefits of such activities.	• No • No • No	Public Goods *Evidence* • Scope for further intervention in relation to mountain biking and development of centres for mixed leisure users.
Golf	Imperfect Information & Asymmetric Information – Co-ordination problems *Evidence* • Lack of co-ordinated activity of national initiatives. • Lack of clear industry leadership. • Lack of relevant market information. • Lack of innovation and collaboration.	• Yes • Yes • No • Partially	Imperfect Information & Asymmetric Information – Co-ordination problems *Evidence* • The new Scottish Golf Framework will aim to provide clearer industry leadership, co-ordinated activity and collaboration.
Built Heritage	Imperfect Information Asymmetric Information *Evidence* • Lack of market information. • Lack of understanding of markets by businesses • Variation in standards of customer service and experience offered.	• No • Yes • Yes	Asymmetric Information *Evidence* • Report detailing “Future Trends for Growth in the Historic Properties Sector” produced in March 2008.

Current Product Areas

Whisky Tourism

The Whisky Tourism Initiative has achieved its overall aim of consolidating the whisky and tourism industries to capitalise on the strength of the whisky brand in promoting Scotland as a visitor destination. The potential increase in domestic and overseas visitors provides a continuing opportunity for the whisky industry to increase the impact of the Whisky Bars and Embassy network by extending its reach and effectiveness. Intervention is required by the industry steering group to “engage” more tourism businesses in the development of whisky tourism, particularly tour operators and front-of-house staff.

Food Tourism

While the Food Tourism Initiative has delivered much, the need for intervention continues to exist. Some of this is down to the current ‘reach’ of the initiative, but the turnover in ownership must also be recognised as an endemic factor. It is clear that those businesses consulted are focussing on improving the quality of the visitor experience rather than business development and/or growth. Intervention is still required to strengthen the supply chain linking food producers and distributors, emphasising the importance of purchasing local quality food products and enabling local produce to be used in local hotels and restaurants. This in turn has the potential to ensure a quality product for tourist visitors, but needs to be coupled with customer care and value for money, providing an overall quality experience for the visitor.

Ancestral Tourism

The Ancestral Tourism Initiative has addressed the original area of market failure, namely lack of information provision to industry players regarding the scale of interest in ancestral tourism and the types of opportunities available to them. Both are available to businesses through the newsletters, best practice case studies, ancestral website and business fact sheets. The promotion of ancestral tourism remains important, particularly in the light of the success of Homecoming Year. Marketing and promotion is not a role for SE.

Country Sports Tourism

The need for intervention still exists in disseminating available information to rural businesses and signposting further sources of business development assistance. Intervention also remains necessary in marketing Scotland as a key country sports destination, to attract international visitors and also new younger enthusiasts. Marketing and promotion is not a role for SE.

Forest Tourism

Intervention remains necessary in disseminating information on Forestry Commission Scotland (FCS) projects and programmes to businesses. Feedback from stakeholders and businesses indicates that the case studies and best practice examples in forest tourism, as well as business fact sheets, have been very successful. However, further distribution of such information is necessary to businesses not located within the “honey pot” forest areas. One of the challenges for forest tourism is to look beyond mountain biking to create multi-activity forest parks that will appeal to families and wider groups. While the Tweed Valley is synonymous with mountain biking, both it and other areas should aim to attract non-mountain bikers. The Galloway Forest Park provides a significant opportunity. While it has mountain biking facilities it has the potential not to become synonymous with mountain biking and create a forest park with wider appeal, as has been achieved at Dalby Forest in North Yorkshire. SE has the skills to recognise, develop and support businesses with potential. Through TIS, SE has the opportunity to disseminate information on FCS projects and programmes to relevant businesses.

<u>Golf Tourism</u>
Further intervention is required to facilitate “greater industry buy in” and a more focused, industry led approach to golf related tourism development, particularly in the light of SE destination development plans and the potential for greater segmentation of this area.

<u>Built Heritage</u>
SE activity in this area is still in its infancy. Market failure still exists regarding the variation in the standards of customer service and experience offered.

Future Tourism Product Development

The current recession has been both rapid in the speed of its impact and steep in terms of the severity of the impacts. This has resulted in, and will continue to result in, changes in consumer behaviour and this is likely to continue through to 2010 and beyond, albeit with reducing impacts. The tourism economy will experience a number of considerable impacts as a result of the combined effects of increasing unemployment, reductions in income, interest rates, exchange rates and costs of travel. The increase in unemployment and reductions in income will lead to an aggregate reduction in consumer demand.

Exchange rates will have an immediate impact on the tourism sector. Sterling is trading unfavourably against the Dollar and the Euro. The contrast with as little as one-year ago emphasises the scale of the turnaround and indicates that the likely impact will be extensive. The immediate impact is that fewer UK residents will holiday abroad in the coming year. The UK is likely to be more attractive to foreign visitors. These impacts may be relatively short run. Even if the exchange rate does not recover UK residents will adjust their expectations and expenditure patterns to absorb the additional costs of foreign travel within 2 or 3 years. The next 3 to 5 years will feature considerable uncertainty with variations in domestic and overseas tourism. Opportunities will exist for all providers from budget to premium but value for money will be a critical factor throughout the quality scale.

Market Drivers

The literature highlights a number of key drivers including globalisation, ageing population and environmental concerns. The rise in the global economy has been confirmed with the global recession. Particular markets noted for their growth potential were India and China. The rise of the global job seeker was encouraged by skill shortages that saw significant economic migration. The rise of the Eastern European workforce in Scotland, particularly in the service sector has been marked in recent years. The recession and the deterioration in the exchange rate will have an adverse impact on this market. The ageing populations in Europe and the UK have led to a growing concern for health and well-being and a reduction in the focus on seasonal holidays with more time flexibility. The increased concern over the environment remains a real issue and the forecast increases in eco-tourism , the desire for more information on the environmental policies of tourism suppliers remains a valid issue, but one that may be superseded in the short to medium term with a value for money consideration.

Product Responses

We have conducted a comprehensive literature review to identify existing and potential product areas to be considered by Scottish Enterprise. Much of this literature is pre-credit crunch and represents a view on the tourism industry and its outlook that has changed markedly since. However, we consider the literature and its findings to be valuable, but to be interpreted with extreme care in the light of current and likely future economic circumstances at home and abroad. The following tourism product development areas have been identified as emerging product areas for potential tourism product development activity:

- Fitness and Wellbeing, defined in this context as spa resorts
- Sailing
- Cruising
- Mountain biking

Future Approach

In recent years, SE has chosen to support sectors within the tourism economy which offer significant potential for growth. The needs of these individual sectors have then been identified and support mechanisms delivered by industry steering groups or project managers appointed by these groups. Critical factors for success in tourism product development were identified at the outset as being strong industry leadership, a customer-focussed approach, increased innovation, effective collaboration and partnership, and learning from best practice. It is evident from our evaluation that such factors remain key to product development success and that the presence of strong industry steering groups has been instrumental in the success of both the Country Sports and Whisky Tourism Initiatives.

In identifying the most appropriate approach to product development there remains a need to assess the scale of the market opportunity for Scotland and to consider the sector's preparedness for product development. This will relate to the structure of the product area and the extent to which it consists of organisations ranging from the very large multi-national to the micro-business operated as a life-style choice. Future tourism product development activity must continue to ensure that relevant information and support is available as widely as possible through TIS, web-based tools and newsletters.

There remains a need for SE (through its involvement in relevant industry steering groups) to encourage and ensure that linkages and connections between the various tourism product development areas are developed and exploited where appropriate, particularly for those product areas where SE will no longer provide financial assistance but rather maintain a catalytic role within the industry steering group. Such linkages will continue to include those across business sectors and between public and private sectors.

Tourism Intelligence Scotland (TIS), a partnership approach to the dissemination of market information by SE, HIE and VS, should continue to collate, present and disseminate relevant market information. It should be the role of the industry steering groups to identify what these information needs are and use the relevant information to challenge and/or drive new projects and products forward. The industry steering groups must also ensure that the future of the respective product areas considers the scope for innovation and challenge to ensure that it remains dynamic and does not stagnate.

Market information would continue to include key market information on the volume and value and should be extended to consider the current and future segmentation of the market. To date the market segmentation has not been particularly sophisticated and an understanding of the current market segmentation and the future development of market segmentation will be invaluable to the product development process.

SE should continue to act as a catalyst to ensure that the industry led groups deliver market focused initiatives that are imaginative and relevant and develop momentum.

SE, in partnership with the Local Authorities, should work with the Business Gateway to address the confusion regarding its role and objectives, encouraging greater levels of understanding and business engagement at a local level. A co-ordinated promotional campaign would be beneficial.

Conclusions

This evaluation has produced evidence of key outputs and outcomes from tourism product development across the 7 areas. In 6 of these areas we have demonstrated, through diagrams, the significant catalytic effect of core tourism product development activity which has resulted in influencing activity at a national and regional level. These areas comprise Whisky, Food, Ancestral, Country Sports, Forest and Golf. However while the information provided clearly demonstrates that such activity has had a direct and/or indirect impact, it has been more difficult to measure this impact in terms of income, employment, and gross value added. This has not been possible for a number of reasons. The most significant reason relates to the initial rationale for tourism product development activity which was to address the need for cultural change within key tourism product development areas rather than specific aims and objectives in terms of income, employment and gross value added. These tangible outputs, while not the specific aim of tourism product development activity, may have been achieved but we have been unable to measure them in a robust manner as part of this evaluation as a result of a number of difficulties. These include the limited tracking of participants, the lack of a baseline for individual businesses involved in tourism product development activities, and the difficulty in attributing tangible impacts to initiatives that are necessarily long-term and quite diffuse.

However, it is clear from consultation with stakeholders, steering group members and a selection of participating businesses that objectives and targets have been achieved across a number of areas. The Whisky Tourism Initiative has achieved its overall aim of consolidating the whisky and tourism industries to capitalise on the strength of the whisky brand in promoting Scotland. Within country sports considerable progress has been made towards its overall aim of realising the potential for country sports tourism through collaborative activity and focusing on improving the overall customer experience and country sports offering available to visitors. This cultural change has had direct and tangible impacts such as at one Scottish Estate where tourism product development activity training led to a 50% increase in the number of wildlife visitors. The original rationale for intervention in Ancestral tourism development no longer exists as activity has resulted in greater innovation, collaboration and information provision in this area. While activity in Food tourism is still in its infancy considerable progress has been made against targets, particularly in relation to training and the success of the online foodkit product. Potential for greater development activity still exists with regard to golf and built heritage tourism development. SE activity in golf began as early as 2001, while activity in Built Heritage began more recently in 2007. While feedback from stakeholders is positive in terms of SE involvement to date it is apparent from these discussions that there still exists scope for further development activity, particularly in relation to Golf Tourism.

The product development process devised by SE and partners has provided a useful and effective tool to support product development across the 7 sectors examined. The project managers and steering group members across the sectors were positive about the management and delivery of the initiative.

Recommendations

The following outlines our recommendations regarding SE's role in tourism product development, in relation to both current and emerging products.

Future Product Development: Current Products

Whisky Tourism – SE should continue to maintain a catalytic role within the industry steering group (ScotlandWhisky) and assist in further encouraging/developing cross industry linkages e.g. developing an Action Plan for developing links with golf clubs and the food industry.

Financial assistance from SE is no longer recommended for this product area, however SE should ensure that Whisky is included in future national food and drink industry development.

Ancestral Tourism – SE no longer has a role in developing Ancestral Tourism in Scotland. There remains a need to promote this area of tourism, however marketing and promotion is not a role for SE.

Golf Tourism – Further SE intervention is required in this area, through involvement in the new Golf Framework Group ("The Future of Scottish Golf – A Vision & Framework for Success") and further appropriate financial assistance depending on the outcome of the current market analysis of this sector. Such intervention needs to facilitate greater "industry buy in" and a more focused, cohesive, industry led approach to golf related tourism development, particularly in the light of a reduction in memberships in the current climate, SE destination development activities and the potential for greater segmentation in this area. The recent change in the economic climate appears to be having a particularly severe impact on golf clubs, particularly the second tier golf clubs rather than the championship courses. There may be a requirement to assist golf clubs develop and refine new business models, including formal mergers, to ensure their continued operation and contribution to the tourism sector.

Country Sports Tourism - SE should maintain a catalytic role in the Country Sports industry steering group and through TIS ensure that relevant market information is disseminated to rural businesses. Intervention is still required in marketing Scotland as a key country sports destination, however this would not be SE's role. Financial assistance from SE for country sports tourism development is no longer recommended.

Forest Tourism – Forest Tourism incorporates a diverse product portfolio. While the original rationale for intervention no longer exists there remains scope for continued intervention in relation to mountain biking and the development of centres for mixed leisure uses.

Food Tourism – SE should maintain a catalytic role in the development of Food Tourism. A Development Strategy is recommended outlining how future food tourism product development could appropriately assist and engage companies of varying size, scale and potential. Intervention continues to be required to ensure that the customer expectation is matched by the quality of the food experience available to visitors, particularly in the "mid market" pub grub area. Further development is also required to enhance the links between suppliers and tourism providers, in the light of environmental sustainability. Further financial assistance, where appropriate, is recommended in this product area.

Built Heritage Tourism – SE activity in this area is still in its infancy and should continue. The standards of customer service and experience offered at different attractions still vary due to properties being owned and managed by a range of operators. Further intervention is required in sharing best practice in customer service as well as encouraging greater collaboration.

Future Product Development: Emerging Products

In addition to the continuing involvement in the existing product development areas the following have been identified as emerging product areas for future SE tourism product development activity:

- Fitness and Wellbeing
- Sailing
- Forest Tourism: Mountain biking & centres for mixed leisure uses
- Cruising

Future Product Development: Process

SE's 7 stage product development process should be refined and refocused to incorporate 9 key steps as follows:

1. Industry engagement – set up of an industry-led steering group with representatives from a wide range of businesses in the sector.
2. Market appraisal – gauging a real sense of the opportunity and aiming to understand the key markets, the size and shape of the market and the needs, wants and preferences of those visitors. This is driven by research and any research gaps are identified and addressed.
3. Product Segmentation Potential- Several of the tourism product development activities have markets that have fragmented and resulted in further product segmentation. This segmentation leads to the need to reappraise the market demand and the potential development opportunity. Initial market appraisals should consider explicitly the scope for further product segmentation and produce scenarios for market change and growth based on possible market fragmentation.
4. Sharing research – through TIS, disseminating market information as widely as possible to businesses and organisations. International best practice research should continue to be gathered and disseminated.
5. Identifying opportunities for growth– the industry steering group should help businesses to identify opportunities, the scale of the opportunity created by the market and drive them forward.
6. Ideas creation and Innovation – helping businesses to develop and challenge new ideas and turn ideas into products.
7. Collaborative working/Identifying Synergies – encouraging businesses to pull resources and ideas and to work together, identifying synergies across business sectors and between public/private sectors.

8. **Implementation** – creation of a product development action plan for the sector, support for industry-led product groups and support to help businesses turn ideas into new products and services.
9. **Linkages** – to consider the linkages with other tourism businesses nationally or locally to identify product and/or market opportunities.

In future SE should collect and collate additional baseline data to allow subsequent evaluations to be able to measure the impacts of the interventions in more detail. In addition, further information about the participants would enable future samples to be based on a structured selection process. The following data would be beneficial for further evaluation purposes:

- A comprehensive list of businesses involved/participating in each tourism product development activity
- Location of such businesses (including post code) and the business activities
- Nature of involvement in tourism product development activity for each business(whether single or multiple activity)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activity)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activity)

1.0 INTRODUCTION

1.1 Introduction

Jura Consultants was commissioned by Scottish Enterprise to undertake an evaluation of its tourism product development activity. The evaluation reviews the planning, delivery and implementation of tourism product development activity in support of 7 key areas of tourism in Scotland. The evaluation also confirms existing and identifies expected market failure in the Scottish tourism economy to inform future planning of tourism product development activity initiatives and intervention.

1.2 Background

SE tourism activity began with ancestral tourism in 2002 when genealogy was identified as an area of potential in the Tourism Framework For Action (the joint tourism strategy for 2002-2005). A joint economic development strategy for tourism was produced in 2006. The document "Scottish Tourism: The Next Decade – A Tourism Framework for Change", building upon the previous strategies of 2000 and 2002, set out aspirations and an action plan for the continued economic success of the tourism industry. The document outlines a target for Scottish tourism of increasing tourism revenues by 50% by 2015. The Moffat Centre for Travel and Tourism reported in 2008 that 10% growth per annum through to 2015 would be required if the target was to be met. This was to be achieved through "*an integrated framework for action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government*"[1].

As the lead economic development agency for Scotland, Scottish Enterprise has identified tourism as one of its national priority industries and believes that its intervention can help the industry to be a key contributor to economic growth in Scotland. The Tourism Team in Scottish Enterprise has been working in partnership with other agencies and the private sector to identify key priority product areas where Scotland can be internationally competitive and has led product development activity in these areas. The product development areas are as follows:

- Whisky Tourism
- Ancestral Tourism
- Food Tourism
- Golf Tourism
- Forest Tourism (including mountain biking)
- Country Sports Tourism (including angling)
- Wildlife Tourism
- Built Heritage Tourism

[1] Scottish Tourism: The Next Decade – A Tourism Framework For Change, 2006

Within each of these areas, Scottish Enterprise intended to stimulate and support a best practice approach to product development which was based on critical factors for success. Such factors were identified by best practice benchmarking research in product development. Those critical factors for success in product development were identified as:

- Strong industry leadership
- A customer-focused approach
- Effective collaboration and partnership working across business sectors and between public and private sectors
- Learning from best practice

Each of the key product areas was the subject of a market analysis, which gave an early indication of the scale of opportunity and likely economic impact of the sector at that time. Scottish Enterprise has worked together with partners to devise a product development process which helped guide work in each area. The process involved the following stages:

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

The tourism product development approach was developed to contribute to a number of strategic goals and priorities identified in “A Smart Successful Scotland”. The project objectives focus directly on the SE priorities of growing businesses and global success in key sectors. Market failures that were identified overall included information deficiencies (lack of relevant and up-to-date research), timing, quality and collaboration.

The evaluation assesses rationale for intervention, project objectives and targets, expected outputs, estimated impact, future tourism considerations and provides recommendations on the future format and delivery of tourism product development activity. The analysis is both qualitative and quantitative in nature to ensure a better understanding of the effectiveness of the development activity in meeting its strategic objectives. Wildlife Tourism has not been included in this evaluation as SE has only contributed a very small amount to this area (supporting a membership group) over the last number of years.

1.3 Report Structure

The remainder of this report is structured as follows:

Section 2.	Strategic Review
Section 3.	Tourism Product Development Overview
Section 4.	Whisky Tourism
Section 5.	Food Tourism
Section 6.	Ancestral Tourism
Section 7.	Country Sports Tourism
Section 8.	Forest Tourism
Section 9.	Golf Tourism
Section 10.	Built Heritage Tourism
Section 11.	Business Survey (including case studies & Stakeholder comments)
Section 12.	Future Trends and Implications for Tourism Product Development
Section 13.	Conclusions and Recommendations

2.0 STRATEGIC REVIEW

2.1 Introduction

This section details the strategic context within which SE's involvement in tourism product activity has occurred and its strategic fit with the following:

- Smart Successful Scotland (2004)
- Government Economic Strategy (2007)
- SE's Business Plan 2008 – 2011
- "Scottish Tourism: The Next Decade - A Tourism Framework for Change" (2006)
- Other SE Activities and Priority Industry Development
- Equity and Equalities Agendas

2.2 Smart Successful Scotland (2004)

Tourism product development activity commenced in 2002 and contributes to a number of strategic goals and priorities in the strategic guidance document "Smart Successful Scotland: Strategic Direction to the Enterprise Networks & an Enterprise Strategy for Scotland", produced by the Scottish Government in 2004. The vision within this document was for "a smart, successful Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness and prosperity". This was based around three key priorities:

1. Growing businesses – global success in key sectors
2. Global connections
3. Learning and skills

Tourism product development activity focuses on the first of these priorities, namely growing businesses and within this facilitating global success in key potential high growth sectors.

2.3 Government Economic Strategy (2007)

The overall purpose of the Government's Economic Strategy is "*to focus the government and public services on creating a more successful country with opportunities for all of Scotland to flourish, through increasing economic growth*"[2]. SE's involvement in tourism product development activity fits with one of the five strategic priorities, namely providing a supportive business environment.

The Strategy highlights the need to focus on a number of key sectors with high-growth potential and the capacity to boost productivity, as well as aiming to expand Scotland's

[2] Government Economic Strategy, 2007

areas of international comparative advantage. It highlights how particular attention is to be given to building a critical mass of activity in the following key sectors, with government helping to create the right environment for their competitiveness and growth:

- Creative Industries (including digital content and technologies);
- Energy (with a particular focus on renewables);
- Financial and Business Services;
- Food and Drink (including agriculture and fisheries);
- Life Sciences (including biotechnology and translational medicine); and
- Tourism

SE, through tourism product development activity, has prioritised potential high-growth areas, maximising Scotland's natural assets and unique market strengths. Within these areas it has aimed to facilitate learning and skills development as well as provide a supportive business environment within which tourism businesses can potentially develop and grow further.

2.4 SE Business Plan (2008 – 2011)

The Scottish Government described raising sustainable economic growth as its key purpose when it launched the Government Economic Strategy in 2007. Within this context SE has recognised that businesses are "the generators of wealth" and are fundamental to economic growth. SE aims to support businesses, of all sizes, which have high growth potential and which are important to the Scottish economy. Tourism product development activity aims, directly and indirectly, to facilitate programmes and services to those involved in tourism, with the objective of helping them increase innovation, improve productivity, compete internationally and increase their contribution to Scotland's economic growth. Within this the main focus is on developing a supportive business environment, growing businesses and global success in key sectors.

The strategy diagnoses Scotland's current poor productivity performance as resulting from shortfalls in enterprise, innovation, investment and skills. SE's involvement in tourism product development activity fits with the criteria of three of these areas. *Enterprise:* responsive and focused enterprise support, helping growth companies and industries to reach their full potential; *Innovation:* stimulating innovation to support business growth; and *skills:* focused training which is responsive to industry needs.

2.5 Scottish Tourism: The Next Decade – A Tourism Framework for Change (2006)

Tourism product development activity responds to the overall aim of the "Tourism Framework for Change" document by contributing to the ambition for *growth in tourism revenues of 50% by 2015.* Professor Lennon from the Moffat Centre for Travel and Tourism reported that 10% growth per annum is required if the 2015 target is to be met.

Due to the growing economic difficulties, Scottish Government chose to undertake an inquiry in October 2008 to determine whether it was still feasible to grow the revenue earned in the tourism sector by 50% by 2015. The investigating committee welcomed the retention of the Scottish Government's previous ambition and concluded that there was no reason to review the target as it provides clarity of vision and a shared objective that the public and private sectors should strive to realise.

SE's tourism product development activity reflects the reference within the Framework to the fact that "*we don't necessarily need to be creating a lot of additional accommodation or visitor attractions but we will want to consider redeveloping or enhancing our current products*". SE has attempted, through its involvement in tourism product development activity, to assist businesses to achieve several of the key activities required across the industry to produce a step change in Scottish Tourism (as highlighted in the Framework), namely:

- Creating a higher level of awareness of what is happening in the marketplace, of consumer trends, what competitors have to offer, and how this intelligence can be used as a basis for delivering new and improved products and services to the market.
- Aiming to exceed visitors' expectations. Managing the quality of the overall visitor experience, including the quality of food and accommodation, the quality of the service that is provided to visitors, and the quality of the environment. Key to this is attracting and developing the skills to deliver this quality.
- Creating a culture of enterprise and innovation across the industry to drive continual investment in new products and services that build on Scotland's tourism assets and deliver fresh, engaging and distinctive visitor experiences which reflect modern consumer interests; and where appropriate, harnessing new technology to deliver those products and services effectively.

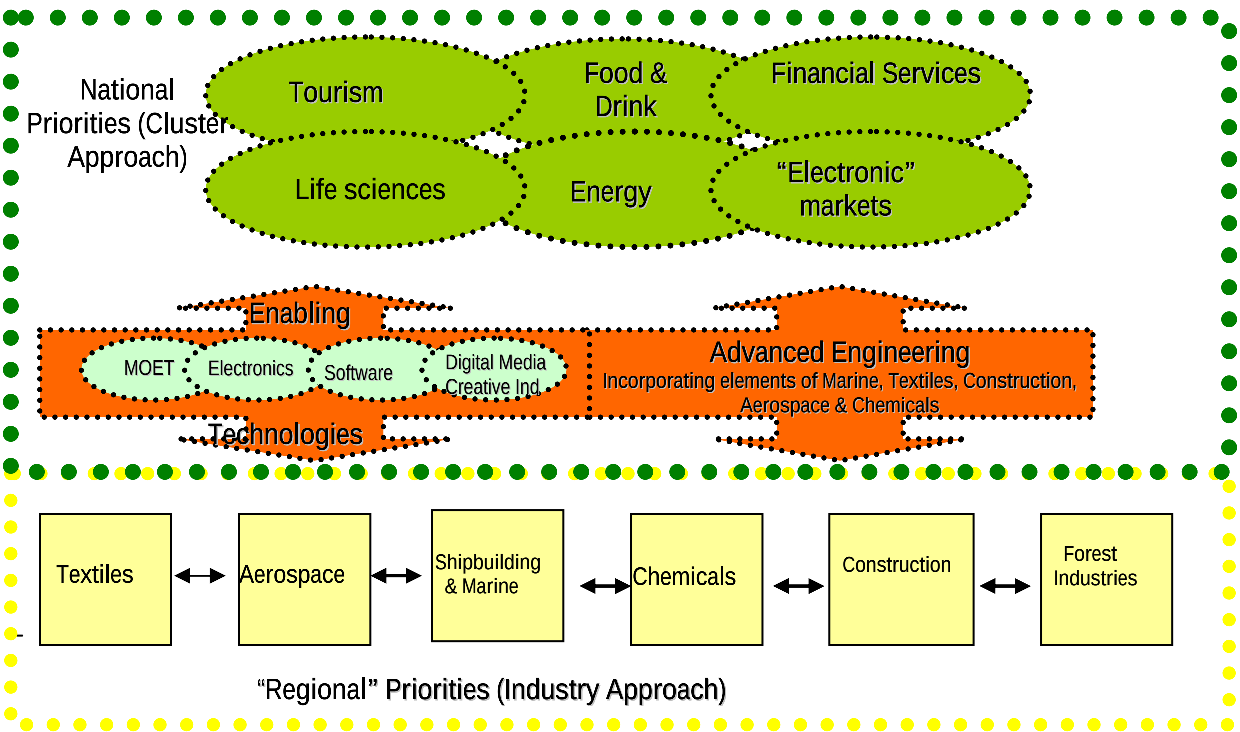
The success of the Framework depends on developing close working relationships between the private and public sectors, reflected in tourism product development activity. The central themes include business entrepreneurship and innovation, business leadership, and a focus on the customer, with the public sector strongly supporting business and industry bodies to grow the sector.

Tourism product development activity occurs within the context of the Tourism Framework Document which describes how "*this level of ambition reflects the opportunity presented by continuing growth in world tourism and the assets Scotland has in its natural environment, its built heritage, its distinctive culture, food and drink, and activities, such as golf and mountain biking.* SE's role in tourism is to encourage and support innovation, to build on the assets that give Scotland a competitive edge. Tourism product development activity reflects three out of the four key criteria of this strategy by focusing on the following areas:

1. Business Leadership – providing opportunities for owners and key staff in Scottish tourism businesses to develop their own knowledge and skills;
2. Innovation – supporting tourism businesses with tools and resources to identify market opportunities, work collaboratively and develop and implement new business ideas; and
3. Product Development – supporting tourism businesses to develop new visitor experiences around key Scottish assets, such as golf, food, whisky, forestry, ancestry and country sports.

2.6 Other SE Activities and Priority Industry Development

Figure 1 below demonstrates how SE's tourism product development activity complements priority industry development.



Tourism product development activity also complements SE's involvement in destination development. The overall aim of this development is to deliver high-quality visitor experiences in key destinations "that will become the foundation of Scotland's international appeal and drive economic growth through tourism"[3]. Tourism product development activity in forest tourism complements various destination development projects including Loch Lomond and the Trossachs National Park and Perthshire Big Tree Country, while

[3] SE: Tourism Destination Development

activity in golf tourism complements “St. Andrew’s World Class” destination development project.

2.7 Equity and Equalities Agenda

The Government Economic Strategy promotes sustainable economic growth. Tourism product development activity has occurred within the context of facilitating greater priority in achieving more balanced growth across Scotland. 96.7% of SE’s area is officially classed as rural and SE’s rural focus concerns enabling greater economic diversification, growing rural businesses linked to priority industries and addressing specific rural barriers to enterprise, innovation and investment. This focus is demonstrated through SE’s tourism product development activity with regard to rural businesses involved in Country Sports Tourism. Activities within each tourism area e.g. Food Tourism Workshops, online Foodkit, Whisky Coast Initiative, Whisky Embassy network etc. provide development opportunities which are open to all businesses in the SE area.

2.8 Summary

SE’s involvement in tourism product development activity aims to contribute to various strategic goals and priorities, as outlined. Whilst activities focus on growing businesses, SE also aims to provide a supportive business environment, encouraging collaboration, innovation and skills development. The overall objective of such activity is to encourage and facilitate an improvement in the quality of the tourism product offered in Scotland.

3.0 TOURISM PRODUCT DEVELOPMENT OVERVIEW

3.1 Introduction

This section provides an overview of SE and other partner involvement in tourism product development activity, the vision for tourism product development, SE funding and development initiation for each tourism area, the industry context, generic market failures and a summary of the level of business engagement in tourism product development activity.

3.2 Partnership Involvement

3.2.1 Introduction

All existing tourism product development activities are based upon partnership, comprising Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and VisitScotland (VS) and industry. The benefit of a joint approach from the outset was that it enabled the agencies to each contribute their core competencies, with the Enterprise Agencies leading product development activity whilst VS brought an understanding of markets and marketing. This was based upon the recognition that joint working by the public sector is better for the industry and for tourism as a whole. However the structures, roles and remit of each of these organisations has changed since tourism product development activity began in 2002 and this has had an effect on businesses' perceptions of public sector support at a regional level. This is investigated in more detail in the business survey and the product area analysis sections.

3.2.2 Scottish Enterprise

SE's tourism product development activity began with ancestral tourism in 2002 as genealogy was identified as an area of potential in the Tourism Framework For Action (the joint tourism strategy for 2002 – 2005). This served as a "pilot" for development activity and the model/process was subsequently rolled out to the other product areas. SE provides support for tourism product development through all the key strands of its strategy – in business development, destination development and through its core programme. SE's contribution to each of the national tourism initiatives to date has been to provide:

- Leadership
- The majority of the funding for each initiative
- The business development expertise
- The ability to provide best practice examples and facilitate learning
- The link to innovation support through the Tourism Innovation Toolkit and the Tourism Innovation Development Award

- The links to development work in key locations and other sectors such as food and drink
- The link with the work and priorities of Careers Scotland
- The link with the work and priorities of Scottish Development International

SE's Draft Tourism Product Development Strategy (March 2007) describes the strengths and weaknesses of its approach at this time, as follows:

Positive outputs included:

- the fact that the impetus for development is increasingly coming from the industry
- businesses are increasingly recognising the importance of innovation
- more businesses are working in partnership
- businesses are focussing on delivering improved customer service and quality
- businesses have increased access to high quality information on niche markets largely as a result of product development initiatives.

Weaknesses included:

- lack of a consistent local agency approach to national product work
- lack of the long-term commitment required to support each initiative
- the small number of businesses involved in industry leadership
- lack of widely available good consumer research
- lack of clarity over roles and responsibilities has hampered progress or at the very least, not allowed the projects to be the best they could be.

At the initial stages SE was very prescriptive regarding its involvement in product development (with set targets to develop certain key new products within each area). However it then became clear that the development of new products must relate to the groups involved and relevant market analysis. The SE Measurement Framework did not address the needs of the business groups, in terms of their involvement and influence on the industry. The groups needed to understand the market and opportunities that it provided, SE also realised that economic development would not happen in a single year, there was a need to create cultural change initially. The benefits of the "long game" approach is evident in the Ancestral Tourism product which commenced in 2002 and only now (7 years later) is it making an impact in terms of Homecoming 2009, etc.

Stakeholders' views regarding SE's involvement in tourism product development activity are described in Section 11.

3.2.3 Highlands and Islands Enterprise

Tourism in the Highlands and Islands is undergoing change and so, too, is how HIE supports tourism activity. This evolution in tourism requires HIE to adopt a highly focused, collective approach that reflects clearly the objectives of the Scottish Government

Economic Strategy and HIE's commitment to the Tourism Framework for Change.

To achieve these goals, the HIE-wide strategy for tourism sets out three over-arching priorities, namely:

• Business Leadership and Productivity

• World Class Destination Development

• Internationalisation

Tourism activities in the Highlands and Islands concentrate on providing high quality, high value visitor experiences. The aim of tourism activity is to ensure tourism in the Highlands and Islands continues to prosper and flourish in a global tourism marketplace. On this basis HIE tourism product development activity has prioritised ancestral, whisky and golf related tourism.

Stakeholders' comments regarding HIE's involvement in tourism product development activity are described in Section 11.

3.2.4 VisitScotland

While SE's role in tourism product development activity is to help develop collaborations and examine development opportunities for products, VisitScotland assists with the marketing and communications of these products. Its role is to:

- Gather market data
- Understand markets
- Help to communicate with those markets

VS historically had a Product Development Department, Marketing Department and Promotions Department and therefore sometimes duplicated SE expertise. However the Product Development Department no longer exists. SE assisted with the market analysis for product development within key areas and funded the overall tourism product development activity action plans (including the marketing element). VS assistance in tourism product development activity is influenced by where the products sit on their "Brand Wheel". There are three main aspects to the promotion of Scotland: (i) policy; (ii) brand strategy; and (iii) delivery. The Scottish Government sets international policy and the strategic framework for its implementation. It also owns and determines the brand strategy in respect of the overall national brand for Scotland. VisitScotland's role is focused on the brand strategy and delivery from a tourism perspective, although, in partnership with the Scottish Government.

Stakeholders' comments regarding VisitScotland's involvement in tourism product development activity are described in Section 11.

3.3 SE's Vision for Tourism Product Development

Against this background, SE's product development in tourism "*focuses on providing the highest quality of visitor experience in those niche areas which make up the essence of the Scottish offering*".[4] SE's tourism product development activity is based upon the belief that success in developing its tourism product can be achieved by businesses collaborating and learning from each other in order to offer customers a high quality experience. Its vision is that key components of the Scottish offering such as food, golf, whisky and outdoor environment will be presented to customers in an "*innovative, accessible and high quality way, enabling visitors to maximise their enjoyment and motivating them to stay longer, spend more and return*".[4]

It is believed that the vision for growth in tourism of 50% by 2015 can only be achieved by encouraging public and private sector collaboration in order to develop new market-led products and offerings, share best practice and new ideas and improve Scotland's competitive position, building a long-term sustainable future for the tourism industry.

3.4 National Product Development Initiatives

National initiatives focus on developing those key areas of activity where Scotland can compete on a world stage by maximising its natural assets, history, culture and unique products. These initiatives have been developed in partnership with industry and other agencies and currently include ancestral tourism, whisky tourism, forest tourism, food tourism, country sports (and angling) tourism, wildlife tourism, built heritage tourism and golf tourism. Each of these initiatives differs in origin, whisky and country sports tourism development were industry driven, while other areas of tourism development were initiated by the public sector. In order to provide a consistent framework for activity across all areas, a product development process was devised and applied by SE, key elements of this process were:

- Industry engagement – industry led steering group
- Market appraisal – research, research gaps identified and addressed
- Sharing research – disseminating market information as widely as possible
- Identifying opportunities – helping businesses to identify opportunities created by the market
- Ideas creation – helping businesses develop new ideas and turn them into products
- Collaborative working – encouraging businesses to pull resources and ideas and work together

[4] SE Draft Tourism Product Development Strategy, March 2007

- Implementation – creation of product development action plan for the sector, help businesses turn ideas into products/services

The approach was piloted with ancestral tourism and resulted in the Ancestral Tourism Initiative. It has subsequently been rolled out to each of the other product areas. However, each project is at a different stage in its life cycle (Table 3.1 below) and SE recognises that different forms of intervention will add varying levels of value depending on the businesses and markets involved. It is also recognised that changing behaviour, building industry leadership and encouraging innovation can take time.

TABLE 3.1
FUNDING AND AREA DEVELOPMENT INITIATION

Area	Date of First Approval Paper	SE Total Funding* (£)
Golf	2001	488,000
Ancestral	Oct-02	140,000
Whisky	May-03	180,000
Forest Tourism	Nov-04	150,000
Country Sports (and Angling)	Jan-05	189,000
Food	Jun-06	350,000
Built Heritage	Sep-07	15,000

Note: The total funding figure for each area is based on the information provided by SE in the approval papers. The figure for food includes the figures for the SE Food and Drink department, as well as that of the tourism section and thus it is the highest figure. It also includes £50k from HIE.
*Funding for National projects.

The SE contribution to each of the national initiatives has included leadership, funding, business development expertise, provision of best practice examples, facilitating learning and providing links to innovation support and development work.

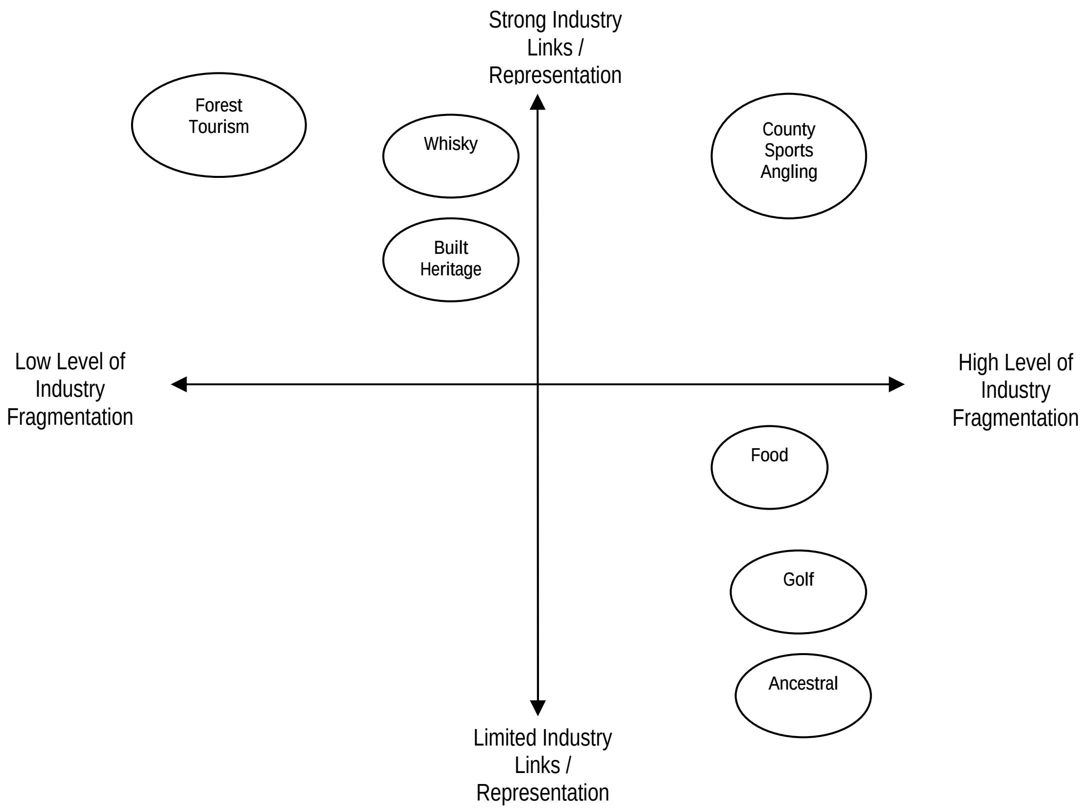
SE's product development priorities are currently as follows:

- Top Priority – food, golf, whisky and forest tourism
- Legacy Projects – ancestral, country sports
- Emerging Areas – historic properties, sailing, cruise

Legacy projects (ancestral and country sports) are those projects where SE is providing support but for a finite period of time after which it expects to exit. The emerging areas of sailing and cruise activity are regional priorities but are currently being appraised to examine Scotland-wide opportunities.

3.5 Industry Context

The product areas selected for tourism product development are not homogeneous and these differences will result in varying levels of support being required. There are 2 key differentiating features across the tourism product development areas: the extent of industry fragmentation; and the existing links and representation. The following diagram summarises the differences in these variables across the product areas.



We have concluded that ancestral, golf, food and country sports tourism have a high level of fragmentation. These product areas comprise many independent organisations. In contrast built heritage, whisky and forest tourism have a different structure with a number of dominant organisations, e.g. built heritage – Historic Scotland and the National Trust for Scotland; whisky – leading whisky brands; forest tourism – Forestry Commission/ Forest Enterprise.

We have further concluded, based on our knowledge of the sectors, that the industry representation of the product area is strong and well established in some areas and less so in others. Country Sports, while fragmented, has strong industry representation through groups such as the British Association of Shooting and Conservation and the Scottish Estates Business Group. Whisky has the Scotch Whisky Association. In comparison the industry links and representation with the areas of food, ancestral and golf tourism is not at the same level.

3.6 Market Failure

While the 7 product areas examined have each generated their own approval process (as detailed in the following sections), several generic market failures were identified across all areas in relation to:

- Information deficiencies: lack of relevant and up-to-date research regarding market trends, market opportunities, consumer preferences, etc.
- Timing: projects would not happen as quickly without SE intervention, i.e. it could take several years longer for something to happen without support.
- Quality: projects would not necessarily be of a high enough standard, i.e. a project might happen, but could be delivered much more successfully and be of a higher quality with public sector support.

3.7 Tourism Product Development Interventions

Interventions within each of the tourism product areas were developed on the basis of perceived market failure in that particular area. A brief overview of the range of interventions is provided in Table 3.2 below.

TABLE 3.2
SUMMARY OF KEY TOURISM PRODUCT AREA INTERVENTIONS

Sector	Training	Develop Your Business	Expanding Key Markets	Marketing
Whisky	Scotch Whisky Training School.	Whisky Embassies. Whisky Ambassadors. Whisky Bars Initiative. Conference.	ScotlandWhisky Website. Festival/Events. Market Research Information. Collaborative/Joint Projects.	Whisky Coast. Whisky Ambassadors. ScotlandWhisky Website. Communications Manager.
Ancestral Tourism	Ancestral tourism Training Seminars. Ideas Workshops.	Newsletter. Industry Database. Business Support Fact Sheets/leaflets. Ancestral Forums/Initiatives.	Local events and conferences e.g. Hopetoun House. Market Research. Support for Homecoming Events (2009).	Ancestral Tourism Website. Newsletter.
Food Tourism	Regional Food Tourism Workshops.	FoodKit Website. Supplier Database.	FoodKit Website. Market Research.	Foodkit Website. Articles in trade newsletter & other publications. Seminars/events/festivals.
Built Heritage	n/a	Joint Mystery Visits Industry Seminar	Joint Ticket – Homecoming 2009 Market Research	Joint EXPO stand
Forest Tourism	Innovation Days. Business Insight Seminars.	Mystery Visits. Business Develop. Pack. 7 Stanes Business Fact Sheet.	Market research – cycling, walking, paddle sports, wildlife. Exhibitions e.g.	Mountain Biking Brochure. Mountain Biking DVD.

TABLE 3.2 SUMMARY OF KEY TOURISM PRODUCT AREA INTERVENTIONS				
Sector	Training	Develop Your Business	Expanding Key Markets	Marketing
		Forest Tourism Fact Sheets. Case Studies/Best Practice examples. Product Development Groups e.g. Trossachs.	EXPO.	
Country Sports	Customer Care Training.	Assynt Trout Project. Database of Country Sports Organisations.	Dortmund Hunting Exhibition. Welcome Scheme. Market Research.	Shoot In Scotland Magazine. Fishing magazine. Web portal. Bank of photos/images. Country Sports Promotional dvd.
Golf	Driving Change Training. Masterstroke Training. Business Insight Seminar.	Collaborative Projects e.g. East Lothian. Golf Embassies. Golf Development Officers.	Golf Tourism Monitor Market Research. Regional Golf Development.	Golf Tourism Scotland Website.

3.8 Level of Business Engagement

Table 3.3 below demonstrates the level of business engagement in the various tourism product development activities.

Table 3.3 Level of Business Engagement in Tourism Product Development Activities		
Tourism Area	Intervention/Tourism Product Development Activity	No. of Businesses Engaged
Whisky Tourism	Scotch Whisky Training Schools Whisky Embassies Whisky Bars Initiative ScotlandWhisky Website Whisky Coast Initiative Training Seminars Conference	770 trained Ambassadors 88 Embassies 16 (10 Edinburgh, 6 Glasgow) 170,000 visitors (over last year) 16 whisky distilleries 30 attendees 50 attendees
Food Tourism	Regional Food Tourism Workshops Food Tourism Newsletter Foodkit Website	300 attendees 2,800 recipients 1,077 visitors per month
Ancestral Tourism	Newsletter Seminars Ideas Workshops Conference	860 recipients 60 attendees 100 attendees 100 attendees
Country Sports Tourism	Customer Care Training Country Sports Newsletter Dortmund Exhibition (2008 & 2009) Promotional DVD Shoot in Scotland Newsletter Web Portal	12 Estates (46 delegates) 2000 recipients 7 businesses (and sponsors) 419 businesses 25,000 copies 250 businesses

Forest Tourism	Product Development Groups Business Development Pack 7-Stanes business pack Highland & Moray business pack Trossachs business pack Business Insights Seminars	3 groups Over 100 recipients 500 recipients 400 recipients 300 recipients 90 attendees
Golf Tourism	Driving Change Training Course Masterstroke Training Course Business Insight Seminar	155 attendees 27 attendees 45 attendees
Built Heritage	Historic Properties Group Industry Seminar	147 properties* 70 businesses
* Comprises businesses open to paying visitors: 75 Historic Scotland properties, 26 National Trust Scotland properties, 46 Historic Houses Association properties		

3.9 Area Analysis

The remainder of the report examines each of the product development areas, as follows:

- Whisky Tourism
- Food Tourism
- Ancestral Tourism
- Country Sports Tourism
- Forest Tourism
- Golf Tourism
- Built Heritage Tourism

Each area is examined under the following headings:

- Rationale for Intervention
- Project Objectives and Targets
- Tourism Product Development Activities
- Perceived Impact
- Business Survey Feedback
- Summary

Golf tourism businesses were not included in the business survey as involvement in measurable tourism product development activity (e.g. golf training) had occurred too long ago to assess impact. In contrast tourism product development activity within Built Heritage Tourism is still in its early stages (commenced September 2007). For this reason businesses involved in this area of tourism were not included in the survey.

4.0 WHISKY TOURISM

4.1 Introduction

The Scotch Whisky Tourism Initiative, now known as ScotlandWhisky, is an industry-led project, which began in 2002. The initiative has been supported since its inception by the Scotch Whisky Association, Scottish Enterprise, VisitScotland, Highlands and Islands Enterprise and the Scotch Whisky Experience (formerly the Scotch Whisky Heritage Centre).

The initiative recognised at the outset the “iconic” and “monetary” importance of the whisky industry to Scotland. The industry has a long standing heritage, since 1494, and is worth approximately £2.5 billion annually through export sales to over 200 countries. The industry employs 15,000 people directly in Scotland and 35,000 indirectly. The majority of these jobs are in geographically remote locations, therefore making a particular contribution to supporting rural communities. Involvement in tourism is demonstrated by the fact that, by 2003, 45 distillery visitor centres (DVCs) existed throughout Scotland, currently facilitating over 1 million visitors per annum (2008). Commitment to this tourism asset included investment of around £40 million in DVC infrastructure at this time. Sales from DVCs contribute approximately £17.3m per annum to the Scottish economy.

4.2 Rationale for Intervention

Against this background, the industry recognised that little activity had taken place to capitalise on whisky as a brand in selling Scotland as a visitor destination. On this basis, in 2002 members of the Scotch Whisky industry began working in partnership with Scottish Enterprise and VisitScotland to explore opportunities. This partnership formed a steering group which aimed to use the strong identity of whisky in the development and promotion of Scotland as a tourist destination in ways that would bring mutual benefit to both the whisky and tourism industries.

A study commissioned from RGA in 2002 identified the following areas of market failure at this time:

- Lack of generic marketing of Scotch Whisky.
- Minimal collective market intelligence on consumption, attitudes or motivations of scotch whisky drinkers. Such information was extensively collected at the brand, rather than the industry level.
- The lack of a research base which hindered the ability to make recommendations or assess market opportunities for the whisky industry collectively.
- The Scotch Whisky Association (SWA) had attempted generic marketing activity in the past, but this had not been judged a success and they had no plans to introduce such activity (at that time).

- The Scottish whisky brands were deeply competitive and brand marketing had created and sustained differentiation.

The RGA study identified three target audiences for whisky tourism:

Scotch whisky enthusiasts – A group highly likely to want to visit Scotland as the "home of Scotch", wishing to visit specific distilleries and stay in high quality accommodation. RGA felt that there was significant potential to capture more of these visitors.

Current visitors to Scotland – Scotch does not currently feature significantly in the visitor experience of the average visitor to Scotland. RGA felt that there was scope to improve this – raising the profile of Scotch whilst also improving the quality of the visitor experience.

Broader global audience – A group interested in coming to Scotland and also having the propensity to buy and enjoy Scotch whisky. RGA indicated that the profile of Scotland as a tourist destination must be highlighted to the audiences that Scotch whisky was reaching at this time (2002), with the assistance of Scottish Development International.

RGA identified the key requirements of whisky tourists as follows:

- High quality tourism products and experiences.
- Convenience and accessibility.
- Information on the full scope of related activities – culture and heritage, activities and accommodation
- A better experience of whisky during their visit.
- Effective packaging of the visitor experience.
- Year-round visits.

These market requirements were the driver for the initial idea behind ScotlandWhisky and subsequent activity in this area.

4.3 Project Objectives and Targets

The overall aim of the project is to bring together the whisky and tourism industries and encourage them to work together to capitalise on the strong brand identity of whisky in the development and promotion of Scotland as a tourist destination. It is hoped that this would bring mutual benefit to both the whisky and tourism industries, leading to increased tourism revenue and increased number of whisky consumers.

The first phase of the initiative occurred during 2003-2005, and the second phase during 2005-2007. The initiative is currently in its third and final phase which will conclude in 2010, at which point it is hoped that it will be self sustaining. The project has the following strategic objectives for the period 2007 - 2010:

- To reinforce Scotland's position as a quality destination using the global reputation of Scotch.
- To develop the consumer experience of Scotch whisky for visitors to Scotland, providing a commercial opportunity for tourism businesses through product development and collaborative ventures.

The table below summarises the expected outputs of the initiative (as outlined in the approval papers).

TABLE 4.1
SCOTCH WHISKY TOURISM INITATIVE EXPECTED OUTPUTS

Phase 1 (2003-2005)		Phase 2	Phase 3
2003/2004	2004/2005	(2005-2007)	(2007-2010)
3 projects 20 active participants in the cluster 4 joint ventures	3 projects 25 active participants in the cluster 4 joint ventures	1 project 3 active businesses 1 collaborative cluster network 15 businesses attending events 2 new products	120 whisky embassies 10 golf club embassies 10 whisky tourism projects/initiatives 1 commercial website 120 people trained in the sales and service of Scotch

Source: Approval Papers May 2003, July 2005 and April 2007

4.4 Tourism Product Development Activities

The Scotch Whisky initiative (ScotlandWhisky) was originally delivered on behalf of the partners through the Scotch Whisky Heritage Centre (SWHC) via a Scotch Whisky Tourism Development Manager. Day-to-day management of the role is currently provided by the project manager employed by the Scotch Whisky Experience (formerly SWHC) and the overall strategic management of the project is provided by the steering group, with membership as follows:

- Scotch Whisky Industry (SWE/SWA/3 industry reps) 5
- Scottish Enterprise/Scottish Development International/ HIE 2
- VisitScotland 1

The initiative has received total cumulative funding of £180k (£60k for each phase) with the overall aim that it is self financing by 2010 and no longer dependent upon public sector support.

Tourism product development activities for whisky tourism include the following:

<u>Training</u>
Scotch Whisky Training Schools
<u>Develop Your Business</u>
Whisky Embassies
Whisky Ambassadors
Whisky Bars of Edinburgh
Whisky Bars of Glasgow
<u>Marketing</u>
Whisky Coast Initiative
Whisky Ambassadors
ScotlandWhisky Website (including online Alumni Society)
PT Communications Manager
<u>Expand Key Markets</u>
Whisky Festivals/Events
Market Research Information (through TIS)
Collaborative/Joint Projects

During the first two phases, the project focused on three key areas of activity:

- **product development** – setting up and developing a network of embassies (businesses which provide a recognised quality of whisky experience to customers), facilitating business collaboration and the development of new whisky related tourism products e.g. Perthshire Golf Passes, Whisky Month (May) etc.
- **communication** – raising awareness of the business opportunities available and disseminating market information and best practice.
- **networking** – building awareness of the initiative with key industry contacts and encouraging collaboration between the tourism and whisky sectors.

The third phase of the project is specifically concentrating on the following:

- **Embassy Network –** Targeting new entrants and developing the network to a group of 120 accommodation businesses and 20 golf businesses across Scotland, with 90 of those being in the Scottish Enterprise area. These outlets will offer a high quality experience of Scotch to visitors and work together with local distillers to offer new and varied products.

- **Skills and Development** – widening the understanding of Scotch whisky throughout the hospitality sector in Scotland by developing existing training facilities and encouraging trained staff to share their skills and knowledge with others in order to offer new experiences to guests.

- New Product Development Initiatives – encouraging business collaboration in order to develop 10 locally focused whisky tourism projects and initiatives.

- Communication – building awareness of the project and the opportunities amongst both the trade and consumers through the delivery of a communications strategy and action plan.

- Web Development – the reconstruction of the website in order to provide a commercial tool, capable of raising advertising revenue and enabling the project to generate funds.

To date the project, through ScotlandWhisky and supported by Scottish Enterprise, has achieved the following:

- Scotch Whisky Training Schools have been held throughout Scotland (total of 770 attendees since 2003: 258 during first phase, 233 during second phase and 279 2007-to date)
- A Whisky Embassy Network with 88 establishments throughout Scotland (mainly hotels but includes 3 golf courses: Gleneagles, Turnberry and Kingsbarns).
- A Whisky Bars network comprising 16 bars in Edinburgh and Glasgow
- The Whisky Coast, a destination marketing organisation comprising 16 distilleries, a not for profit company involving west coast distillers and tourism operators from both the HIE and SE areas. It was launched in 2007 and is now operating entirely independently. Associate members outwith the main group include tour operators and golf courses.
- A joint venture has been established with VisitScotland.com, enabling consumers to book accommodation at each of the embassies in the form of a commercial website (www.ScotlandWhisky.com).
- Awareness raising of Scotch whisky as an iconic Scottish product and building the whisky experience into tourism – activities have included a national whisky tourism conference and a series of workshops for hospitality businesses enabling them to incorporate whisky into the experience of their guests.
- Two collaborative groups generated by the project have won Tourism Innovation Development Awards and have launched their joint projects to market (Whisky Loch Lomond Group and The Honorary Stillman)

The project has therefore been successful in meeting the following targets:

- Development of a commercial website (including on-line Alumni Society)
- 120 people trained in the sales and service of Scotch
- Development of collaborative cluster networks, including Whisky Loch Lomond and The Honorary Stillman

Substantial progress has been made since 2007 in meeting the following targets:

- 120 whisky embassies (85 businesses currently in the network)
- 10 Golf Club embassies (3 currently involved)
- Whisky Bars Initiative (10 in Edinburgh and 6 in Glasgow)
- Communication – raising awareness of business opportunities available and disseminating market information and best practice (a part-time communications manager has been appointed within the last year)
- Development of 10 whisky tourism projects/initiatives (including Whisky Coast Initiative, Whisky Bars Initiative, Highland Whisky Festival, Perthshire Whisky Initiative, Perthshire Golf Passes, East Lothian Golf Whisky Group, and increased liaison with TIG Food subgroup regarding connecting with Scottish bars).

Progress against Phase 3 targets has been greater than expected with key strengths including the training provided (resulting in a network of 'Whisky Ambassadors'), the Whisky Embassy and Whisky Coast Initiatives as well as the 'newer' Whisky Bar Initiative which has strong potential to be developed in other key areas.

4.5 Perceived Impact

Discussions with the project manager and members of the steering group for whisky tourism highlighted the following:

- SE's involvement with the project (in terms of knowledge, support, direction and input) has been very valuable. It has also been consistent.
- SE has encouraged involvement with the TIG Food Group, highlighting the cross-over between the whisky and food sectors. SWE is developing this further.
- The three most effective tourism products are the Whisky Embassies, Whisky Coast and Whisky Bars in Edinburgh
- Key projects within the whisky tourism initiative would have greater impact if they had dedicated project managers at the outset to drive them forward, to gain momentum e.g. Whisky Coast Initiative and Loch Lomond Whisky project.
- It is felt that the importance of Scottish Tour Operators is underestimated (important for them to be involved in the "mix" as a route to the market).
- The introduction of a membership charge within the Embassy network (to assist the initiative to become self sustaining) is challenging in the current environment, it must be associated with real tangible benefits. The fee has had to be lowered and several businesses have left the network since charges have been imposed.
- The success of the Embassies is dependent upon how much the individual businesses are willing to put in. Those that are passionate will raise the standard of the sector.
- The initiative has been successful in facilitating collaborative partnerships (Whisky Coast, Auchentoshan and Glengoyne).

- In order to achieve maximum impact, it is vital that the ScotlandWhisky brand/logo is aggressively promoted and associated with any success stories e.g. Involvement in the Whisky Coast. It should be the “hub” for all whisky tourism in Scotland (a key point for bars, hotels, distilleries and DVC’s to link into).
- Businesses association with ScotlandWhisky and Embassies etc. is “about profile not profit”. It is also viewed as an access point to developing cross industry links to golf, ancestral tourism etc.
- A national strategy for whisky tourism would be beneficial, allowing key organisations to feed into the process and 5 year plan. It is felt that this does not currently take place, this could perhaps be led by ScotlandWhisky.

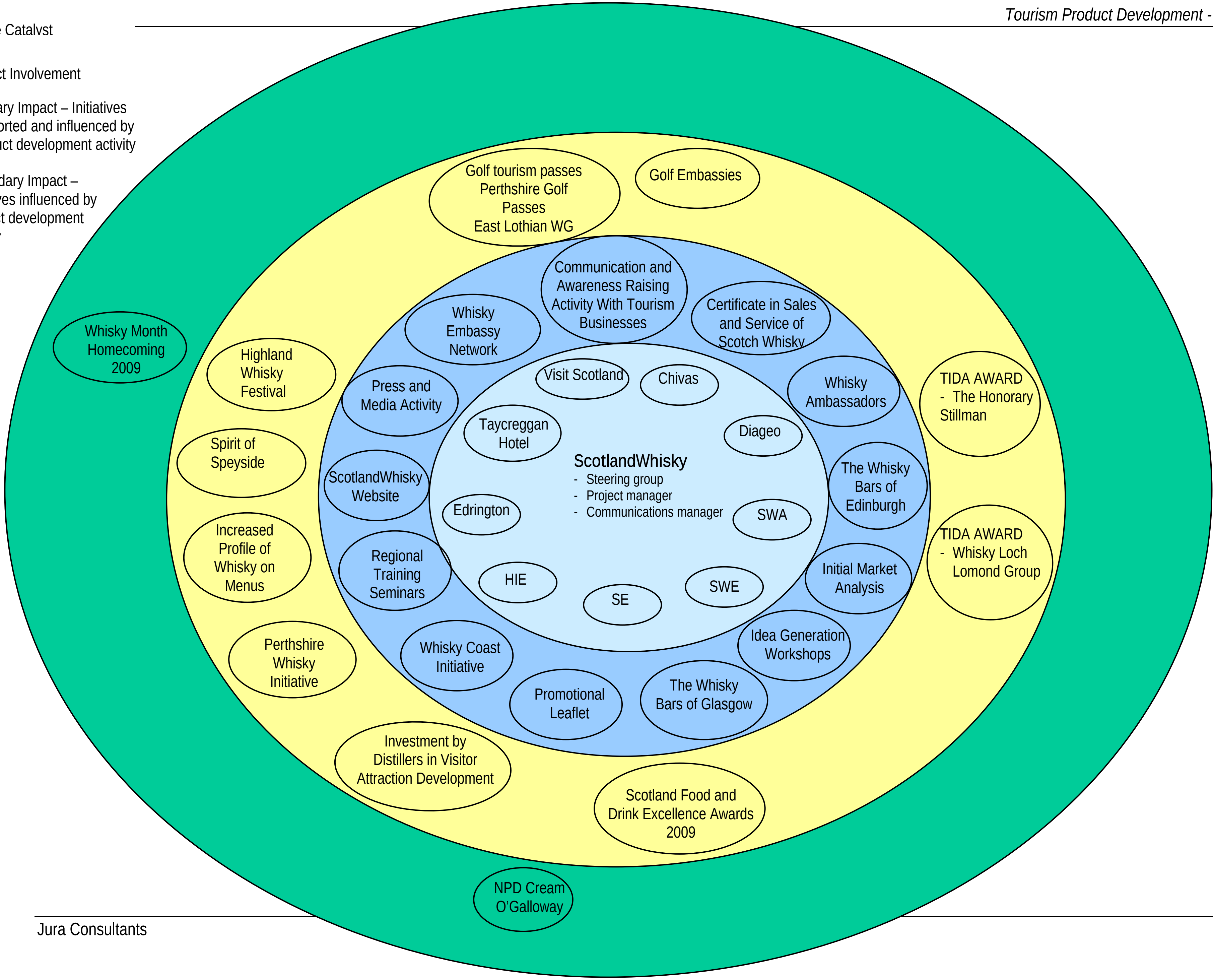
Figure 2 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to whisky tourism. It highlights the catalytic effect of this involvement on whisky tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

The industry steering group is the core catalyst and has been directly involved in developing those activities outlined within the dark blue area, including the Whisky Embassy network, ScotlandWhisky website, Whisky Bars of Edinburgh and Glasgow and regional training seminars. The initiatives highlighted in the yellow area demonstrate the primary impact of the core product development activity. These initiatives are supported and/or influenced by the industry steering group’s product development activity, and include developing links with golf embassies and investment by distillers in visitor attraction development. Those activities/initiatives in the green area, the greatest distance from the core initiative, demonstrate the secondary impact and influence of the industry steering group’s core tourism product development activities.

WHISKY TOURISM

Key

- Core Catalvst
- Direct Involvement
- Primary Impact – Initiatives supported and influenced by product development activity
- Secondary Impact – Initiatives influenced by product development activity



4.6 Whisky Tourism Business Survey

4.6.1 Introduction

The business survey outlined in Section 11 included discussions with 10 businesses involved in whisky related tourism: 3 distilleries, 3 hotels, 3 bar/restaurants, and 1 golf course. Key findings are summarised below:

4.6.2 Awareness of SE Tourism Product Development

Businesses were questioned regarding their awareness of the various activities delivered by ScotlandWhisky and supported by Scottish Enterprise. Highest levels of awareness related to the Scotch Whisky Training Schools, Whisky Embassies, ScotlandWhisky website and whisky festivals/events.

4.6.3 Involvement in SE Tourism Product Development

Most businesses were involved in the Scotch Whisky Training Schools, while several were involved in the Whisky Coast and Whisky Bars Initiatives.

The main reasons for involvement included:

- Personal development (increase knowledge of product)
- Exchange/develop new ideas
- Improve/develop product currently offered (broaden appeal, “sharpen up the whisky product”)
- Understand market opportunities (tap into markets that are “drivers”)
- Target new customers/encourage repeat business
- To be associated with the “ScotlandWhisky” brand as a route to the market

4.6.4 Delivery and Management: Process of Engagement

Overall levels of satisfaction were high regarding support delivered/currently being delivered through the Initiative. This relates to management and delivery, co-ordination, planning, content/relevance and responsiveness to needs. No improvements were suggested.

4.6.5 Impact

Businesses were asked what they expected to happen as a result of their involvement in the project/ programme. Expectations included:

- Gain credibility/profile

- Create new ideas (innovation)
- Develop new products
- Greater market awareness/product knowledge resulting in increased sales
- Growth in confidence/take more risks

Involvement with the project/programme has led to:

- More customer focused approach
- Improvement in customer service (through brand awareness)
- Growth in confidence/knowledge
- Targeting new customers
- Enhanced product/new ideas e.g. development of whisky marmalade, whisky ice-cream, whisky mustard (award winning)

Three businesses were able to quantify the effect this activity has had on their business performance:

1. *Bar: 5% increase in turnover from £250k, anticipate further 5% - 10% increase over next 3-5 years - directly attributable to involvement..*
2. *Restaurant: whisky accounts for 10% overall turnover (i.e. £50k), 20% increase in whisky sales, directly attributable to involvement.. Further 20% anticipated over 3-5 years.*
3. *Distillery: 10% increase in visitors, 5% increase in turnover, 5% increase in on-site expenditure, directly attributable to involvement.*

4.6.6 Future Development

Businesses were asked to what extent they were aware or perceived that the key objectives of SE’s tourism product development activity had been achieved. Businesses perceived the following objectives as having been achieved:

- Helping businesses to develop new ideas
- Encouraging businesses to work together
- Helping businesses to identify opportunities created by the market

However there remains a need to address the following:

- Identifying and addressing research gaps
- Sharing research

Businesses described the following as the main threats faced by their businesses over the next 5 years:

- Changing consumer preferences/attitudes (although also viewed as an opportunity by some)
- Decrease in the number of visitors to Scotland
- Greater competition from other whisky businesses in Scotland

Potential areas for growth include:

- Domestic market (increase in those “holidaying at home”)
- Festivals/events
- Developing further links with beer/real ale e.g. making whisky beer
- Customer service excellence

Businesses views of ways in which SE could help with this include:

- Work more closely with the private sector (and area groups, e.g. Pitlochry Partnership)
- Further training courses, focusing on service excellence, changing culture/attitude, awareness and inspiration
- Provide more funding (for collaborative projects)

4.7 Summary

4.7.1 Does the rationale for intervention still exist?

The original rationale for SE intervention in the development of whisky tourism no longer exists. Intervention in the development of whisky tourism resulted from the lack of activity in relation to capitalising on whisky as a brand in selling Scotland as a visitor destination. This included lack of generic marketing of Scotch Whisky, minimal collective market intelligence and lack of a coherent research base. The success of the Whisky Coast Initiative, growth in the number of “Whisky Ambassadors” as a result of the successful training programme, strength of the Whisky Embassy network and potential of the Whisky Bars Initiative (which is still in its infancy) demonstrates that the original rationale for intervention no longer exist. Intervention is currently required to “engage” more tourism businesses in the development of whisky tourism, particularly tour operators and front-of-house staff. The recent employment of a part-time Communications Manager within ScotlandWhisky assists in the continued development of the whisky brand as a “hook” in attracting tourists to Scotland, however further intervention is required in promoting and disseminating market information, reducing barriers to access and facilitating greater benefit of such information to businesses of all sizes currently participating in the development of whisky tourism.

4.7.2 Which project objectives and targets have been achieved?

Current

The whisky tourism initiative has achieved its overall aim of consolidating the whisky and tourism industries to capitalise on the strength of the whisky brand in promoting Scotland as a visitor destination. This is demonstrated through the success of the Whisky Coast Initiative which is organised the "Spirit of the West" Food and Drink Festival (16th and 17th May 2009) at Inveraray Castle, Argyllshire. The event highlights the collaboration between whisky and other tourism businesses, involving 16 distilleries, hotels, ancestral tourism businesses, local chefs (including Nick Nairn) and aimed to attract 6,000 visitors to the area.

The development of a commercial website has been achieved through www.ScotlandWhisky.com, which has recently been updated and includes an online Alumni Society. One of the most successful interventions has been the training programmes provided through ScotlandWhisky. Discussions with participants indicate very high levels of satisfaction with regard to delivery and planning as well as content and relevance of training provided. The target for phase 3 was to train 120 people between 2007– 2010. Progress against this target has been better than expected with 279 people attending training courses held since 2007.

Future

Tourism product development activity in whisky tourism (through ScotlandWhisky) will focus on continuing to develop the Whisky Embassy and Whisky Bar products. The Whisky Embassy Network currently includes 88 business (target is 120 businesses), progress towards the target of 10 golf club embassies has been witnessed by the inclusion of Gleneagles, Kingsbarns and Turnberry golf courses in the Embassy Network. The success of the Whisky Bar Initiative in Edinburgh (comprising 10 bars) has resulted in the concept being rolled out to Glasgow (currently 6 bars) and Speyside.

The success of the Perthshire and Highland Golf Passes and Whisky Loch Lomond Group demonstrate the potential for the development of further whisky tourism projects.

4.7.3 What project benefits have been created?

Current

The project has resulted in the term "whisky" becoming synonymous with "tourism" in small and larger scale businesses in this sector. The project has encouraged and facilitated successful collaborative partnerships, both at a local, sector and cross sectoral level, encouraging links between whisky businesses, hotels, golf clubs and those involved in ancestral tourism and country sports. The success of the Scotch Whisky Training Schools has resulted in the development of a network of 770 whisky ambassadors, whose role is paramount in improving the quality of the whisky product provided to tourists and promoting the benefits of whisky tourism to other similar businesses. The Whisky Coast and Whisky Embassy Initiatives have resulted in businesses working together rather than in competition with each other, to offer new and varied products to visitors based in and around the whisky brand.

Future

Further benefit will be gained from the inclusion of more golf courses within the Embassy Network and development of the Whisky Bar Initiative in Speyside and Glasgow. Greater involvement of tour operators in whisky tourism would also serve as a route to the visitor market, (Rabbies and JAC Travel are currently involved) benefiting those businesses currently involved in the various initiatives, particularly the Whisky Coast Distilleries. Benefits will also be derived from the work of the ScotlandWhisky Communications Manager, in terms of promoting whisky as a reason or part of the reason for visiting Scotland. The relationship between the food and whisky industry is one that is currently being developed (with SWE and TIG), this has great cross industry potential for the future with benefits to be gained by both sectors.

4.7.4 How effective has the management and delivery been?

Current

Discussions with the Whisky Tourism Project Manager and steering group members indicate that management and delivery of the initiative on the whole has been very effective. However it was felt that a dedicated Project Manager would be beneficial for each of the larger whisky tourism product initiatives during the initial stages, as the Whisky Coast and Whisky Loch Lomond projects stalled at the outset, with the Project Manager having to dedicate himself to getting these projects of the ground at the expense of other tourism product development activities. Management and delivery of the initiative would benefit "if the SE regional offices could point businesses in the direction of the Whisky Project manager". Stakeholders felt that SE's role should be to actively engage with businesses and also to help run the training courses as well as provide and undertake further market research. However it should be stated that training is not part of SE's role in tourism product development activity and market research is VisitScotland's role.

Businesses, through the business survey, were asked to give their views regarding the management and delivery of the particular programme/project that they were involved in including training, Whisky Bar Initiative, Whisky Coast Initiative and Embassy network. Feedback was very positive with most respondents indicating that they were very satisfied with the programmes management and delivery.

Future

Feedback from the project manager, steering group members and businesses indicates that the current method of managing and delivering the initiative has been successful. However stakeholders feel that future delivery would be further enhanced by:

- Greater involvement and communication with the regions.
- A dedicated Project manager for key products within the initiative at the initial stages.
- Working more closely with the private sector.
- Focussing on developing and enhancing existing products, e.g. Whisky Bars and Embassy network. However it is recognised that there is also a need for new products.

4.7.5 Data required for future evaluations.

The following data would be beneficial for further evaluation purposes, enabling a clear baseline to be established upon which impact could be succinctly measured:

- A comprehensive list of businesses involved/participating in each tourism product development activity in relation to whisky tourism
- Location of such businesses
- Nature of involvement in tourism product development activity for each business(whether involved in multiple activities)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activities)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activities)

5.0 FOOD TOURISM

5.1 Introduction

The Food Tourism Initiative, known as Food Tourism Scotland, was initiated by the public sector in 2006. The initiative has been supported by Scottish Enterprise, VisitScotland, the Tourism Innovation Group (TIG) and Highlands and Islands Enterprise Tourism and Food and Drink Teams. It recognises the importance of food related tourism. Food service, on an international basis is currently worth £41bn per annum, accounting for 37% of consumer food purchasing and is expected to grow by 2.8% per annum, rising to a total of 50% of all consumer food purchases by 2025. This represents a significant growth in the trend for eating out. In addition, each year over 18 million people take an overnight trip to Scotland and each experiences Scotland's food offering. However, research by the Henley Centre into trends which are shaping tourism, identified that the quality of the visitor experience is highly variable. The research described how places to eat and drink and pubs and cafes "scored poorly" amongst visitors. Furthermore, the Food Attitudes Survey carried out by VisitScotland also indicated poor perceptions of food service and lack of high quality, affordable, local food.

The growing interest in high quality, local food and culinary pursuits amongst the local population, combined with the growth in the importance placed on eating as part of the tourism experience provided the background to launch this initiative which is focused on improving the quality of food and drink.

5.2 Rationale for Intervention

The project aims to address market failure in the following areas:

- An information failure on the part of tourism businesses in relation to the changing trends and expectations of modern tourists resulting in a mismatch between customer expectations and the quality of the food experience available to visitors in Scotland.
- A further information failure on the part of the food and tourism sectors in not recognising the opportunity to work together to strengthen the supply chain linking food producers and distributors with tourism businesses to mutual benefit.

5.3 Project Objectives and Targets

SE's work in food tourism aims to highlight market opportunities to businesses and motivate and encourage both suppliers and providers to make a substantial step change in approach in order to improve Scotland's image as a destination where visitors can experience the best in locally grown food produce. The Food Tourism Initiative aims to build on the strengths of Scotland's food resources to capitalise on this potential source of competitive advantage. It also aims to create a change in attitude on the part of the tourism industry, with greater emphasis being placed by businesses on the importance of food to the overall visitor experience.

Scotland's food reputation in the international market is focused on its key strengths which include whisky, red meat, seafood and salmon. By working together the Food and Drink and Tourism teams hope to be able to combine their knowledge of the two areas of activity to develop a project which maximises the potential of both sectors and ensures that visitors are able to experience the best local produce at affordable prices.

The overall objectives of the project are:

- To improve the profile of Scotland as a destination where food is of a consistently high quality.
- To improve the quality of the food offering to visitors by working with businesses to improve the quality of their foodservice.
- To work with suppliers to improve their linkages with customer facing tourism businesses.

Work to achieve the first of these has been carried out in partnership with VisitScotland (VS) whilst work to tackle the second and third has been led by the SE Tourism and Food and Drink teams respectively. The key areas of focus for food tourism development involve addressing product development and skills issues through these key components.

The expected outputs from Phase 1 of the initiative were:

- 30 active businesses (focusing on accommodation, food service/supply, visitor attractions and/or events organisations).
- 200 businesses attending events.
- 4 collaborative cluster networks (chef training project, supplier development network and product knowledge).

It is hoped that the current second phase of the project will result in the following quantifiable outputs:

- 18 workshops delivered in SE key destinations
- 250 businesses attending workshops
- 3000 businesses actively accessing support through the on-line resource
- 50 businesses attending regional food supply visits
- 15 businesses attending a food tourism learning journey

Non-quantifiable outputs expected from Phase 2 include:

- Tourism providers engaging with suppliers will drive up quality and result in a better food service experience for our visitors.
- Improvement in Scotland's reputation as a producer of high quality food and drink.
- Higher visitor spend as a result of an improvement in the available product.
- Higher satisfaction experienced by tourists leading to higher numbers of visitors, longer stays and more repeat visits.

5.4 Tourism Product Development Activities

Food tourism development is now in its second phase, the first phase of the initiative was completed in 2008. This second phase runs from 2008 – 2010 and has received cumulative funding of £350,000 (£130,000 during phase 1 and £220,000 in phase 2). The first phase of the project was informed by the TIG Food sub Group. The primary role of the TIG Food sub-group was to provide strategic leadership for the initiative and to motivate the food and tourism sectors to become involved. The aim was that industry representatives would help to inform development through membership of a project steering group. This group would further assist by acting as champions for the roll out of specific projects.

A part-time project manager was appointed in 2006 and day-to-day management of her activity has been overseen by the SE Tourism Product Development Manager. The steering group was responsible for agreeing the overall objectives and had a consultative role. This group included the following:

- Scottish Enterprise Tourism Team - Tourism Product Development Manager
- Scottish Enterprise Food and Drink Team – Food Project Manager
- VisitScotland – Product Development Manager
- Highlands and Islands Enterprise – Tourism Business Manager
- Tourism Innovation Group – Project Director

Key tourism development activities to date, in relation to food tourism include:

<u>Training</u>
Regional Food Tourism workshops
<u>Develop Your Business</u>
Foodkit Website
Supplier Database
<u>Marketing</u>

Articles in trade newsletters and relevant publications
Foodkit Website (www.foodtourismscotland.com)
Seminars/Events/Festivals (Taste of Arran, Taste Scottish Borders etc)

Expand Key Markets
Scottish Enterprise Market Research Information
Collaborative/Joint Projects

Actual outputs from Phase 1 of the Food Tourism Initiative were:

- An international, national and regional market analysis.
- Industry demand analysed through questionnaires, focus groups and telephone interviews.
- Awareness raising of issues and opportunities through PR and media – coverage in key Scottish papers and BBC.
- The widespread adoption of food tourism as a key emerging product.
- A full report on food tourism activity in both the HIE and SE areas.
- The development and roll out of the Tourism Foodkit – www.foodtourismscotland.com (an on-line resource for businesses).
- A food tourism business insights seminar.
- Assistance with the development and delivery of the Scotland Food and Drink Launch Conference.
- The development and delivery of pilot Breakfast Workshops held in Edinburgh and St Andrews attended by 66 people.
- The development and delivery of a pilot Game workshop held in Loch Lomond, attended by 17 people.
- The development of a food tourism action plan for SE.

Outputs from Phase 2 to date include:

- Launch of a food tourism newsletter now going to 2,800 recipients each month.
- 5 workshops completed with a total of 160 businesses attending, a further three will be completed by the end of March (2009). 100 businesses are booked to attend these workshops of which 2 will be pilots for a new food theme – "traditional Scottish dishes with a modern twist".
- Regular updates to the online Foodkit.
- Developing the supplier visits, the learning journeys and the front-of-house food tourism 'course'.

It is apparent that the Food Tourism Initiative is still in the early stages of development. Significant progress has been made against targets, particularly in relation to training workshops as well as development and use of the Tourism Foodkit on-line facility and supplier database.

5.6 Perceived Impact

Discussions with stakeholders in food tourism highlighted the following:

- SE has provided an "enabling" role, the project would not have proceeded without SE support.
- SE has provided consistent strategic direction.
- The three tourism product development activities that have been the most successful are the Food Tourism Workshops, online Foodkit (through Food Tourism Scotland), and Supplier Database.
- Importance of food service and quality of produce to food related tourism is recognised within the regions, e.g. success of the Dunbartonshire Food Initiative.
- Food businesses within the regions perceive the Business Gateway network to be for "start up" companies, they do not realise that support is available.
- Grampian Food and Drink Forum and Food Forum West have been very successful, development of a National Food and Drink Forum (recently approved) will be beneficial to the industry, facilitating further collaboration, sharing best practice/industry knowledge, updating industry trends and allowing exchange between suppliers and providers of food produce.
- The Supplier Database is very important and is linked to the Food Distribution Project (SE West) which emphasises purchasing goods locally, enabling local produce to be used in local hotels.
- Knowledge of the food product must now be transferred to Front of House staff within hotels.
- The initiative has led to the development of other products, e.g. "A Taste for Events" publication encouraging the uptake of Scottish food at homecoming events. Post 2009 it will be de-branded from Homecoming for more general use.
- An overarching strategy is required for all key stakeholders to contribute and buy into, as there are many food related initiatives happening throughout the regions.
- There is further work required in influencing the "mid market" eating area i.e. pubs. There is a need to engage this sector and convey the importance of their role in food tourism. TIG is happy to lead this.

Figure 3 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to food tourism. It highlights the catalytic effect of this involvement on food tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

The core team, comprising the Management Group and project manager, has been the catalyst in developing those activities outlined within the dark blue area, including the Foodkit website, regional food tourism work shops and Foodkit public relations articles. The initiatives highlighted in the yellow area demonstrate the primary impact of the core product development activity. These initiatives are supported and/or influenced by the teams' product development activity, and include supplier showcases, Dining Clubs, and the Cairngorms National Park Food Strategy. Those activities/initiatives in the green area, the greatest distance from the core initiative, demonstrate the secondary impact and influence of the team's core tourism product development activities.

FOOD TOURISM

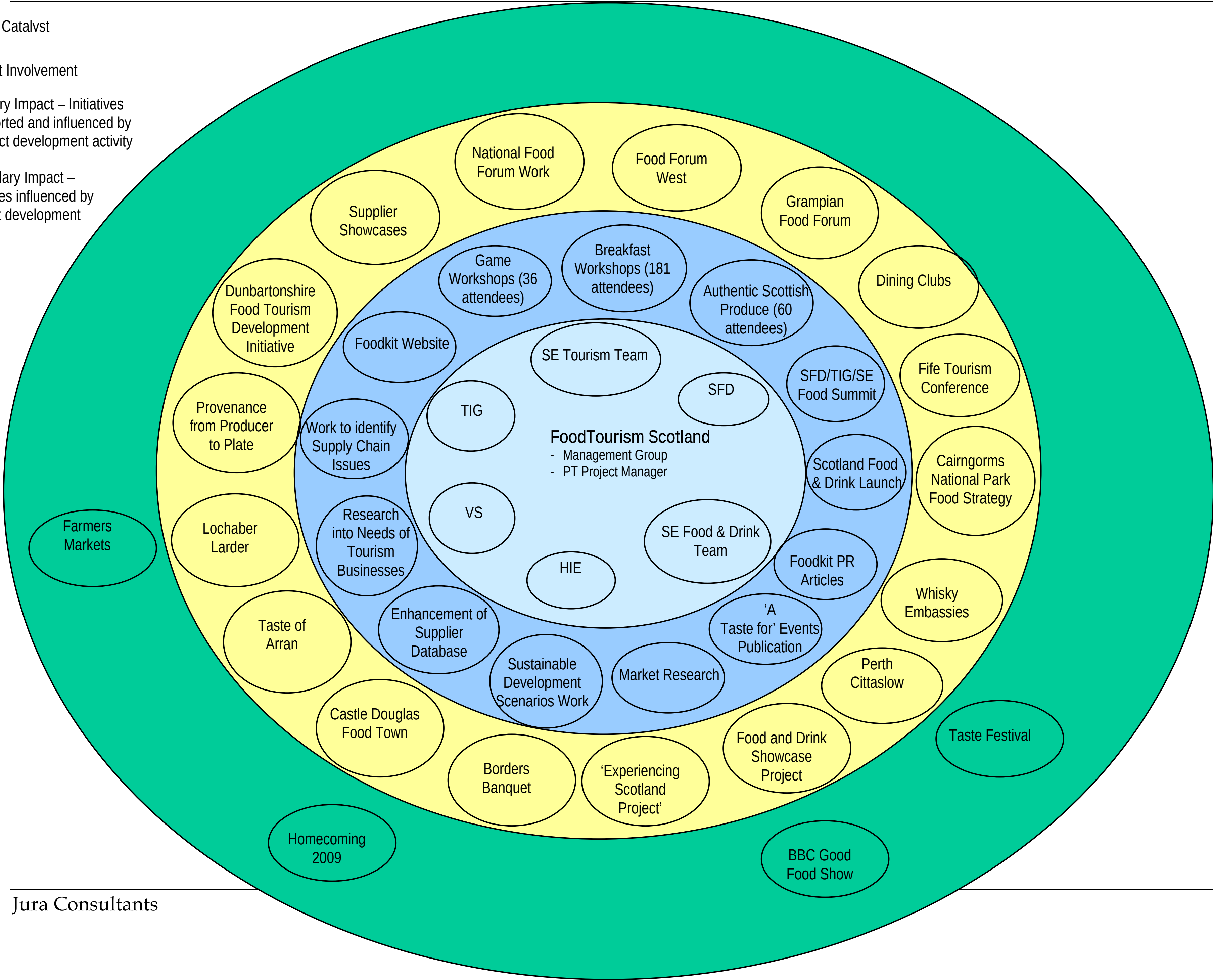
Key

Core Catalvst

Direct Involvement

Primary Impact – Initiatives supported and influenced by product development activity

Secondary Impact – Initiatives influenced by product development activity



5.7 Food Tourism Business Survey

5.7.1 Introduction

The business survey outlined in Section 11 included discussions with 10 businesses involved in “food tourism”. Key findings are summarised below:

5.7.2 Awareness

Businesses were questioned regarding their awareness of the various activities delivered by Food Tourism Scotland and supported by Scottish Enterprise under its Tourism Product Development Initiative. All respondents were aware of the food workshops and there was also a high level of awareness of the Food Tourism Scotland website and the supplier database.

5.7.3 Involvement in SE Tourism Product Development

All those businesses contacted had attended a food workshop, just under half had used the foodkit website and the supplier database. Several businesses also mentioned involvement with “Kit-Out The Park”.

Businesses’ reasons for involvement included:

- Exchange and develop new ideas
- Learn from best practice organisations
- To gain a better understanding and awareness of the market opportunities
- Improve the product currently on offer

5.7.4 Delivery and Management: Process of Engagement

The majority of respondents were ‘very satisfied’ with all aspects of support delivered during their involvement with the programme/project, including management and delivery, co-ordination, planning, and responsiveness to needs/relevance.

5.7.5 Impact

Businesses were asked what they expected to happen as a result of their involvement in the project/programme. Expectations included:

- Creating new ideas
- Developing new products
- Sharing information
- Growth in confidence

- Greater market awareness
- Partnership with other food businesses
- Improvement in customer services

In addition, some respondents noted that they wished to gain knowledge and develop more interesting and varied recipes.

Involvement with the project/programme has led to:

- A more customer focused approach
- Improvement in customer service
- Creating new ideas (in terms of more interesting and varied recipes)
- No change (2 businesses)

While 8 out of the 10 businesses felt that involvement had led to an improvement in business performance, most were not able to quantify this. It should be noted that these businesses have not had a season since they completed the training. 2 businesses stated that it had led to an increase in the number of visitors and 1 business stated that it had led to an increase in the range of visitors. The business considered that this would not have happened without involvement in the training programme.

5.7.6 Future Development

Businesses were asked to what extent they felt that the key objectives of SE's tourism product development activity had been achieved. "Helping businesses to develop new ideas and turn them into products" and "encouraging businesses to pool resources and work together" were noted as being achieved by just under half of those businesses contacted. "Identifying and addressing research gaps and sharing research" was perceived as "not achieved" by just under half of the participants.

Businesses described the following as the main threats over the next 5 years:

- Changing consumer preferences (although also seen as an opportunity)
- Increasing importance of environmental considerations

Most businesses noted an increase in bookings this year, with the economic climate leading to a greater demand from domestic visitors and the strength of the Euro leading to more bookings from Europe. In terms of the future, most of the businesses contacted were focusing on improving the quality of their existing product by improving customer service and the quality of the food provided.

Participants described how SE could assist with this by providing more training courses, networking opportunities and having greater involvement at local level, which they believe did occur while the LEC's were still in operation. This suggests that LEC involvement when food tourism product development activity began may have made a significant impact at this time.

Businesses felt that small tourism operators needed to be nurtured, there was a misunderstanding regarding the role of the Business Gateway Network, with many businesses believing that it only exists to provide assistance for "business start-ups". It was also noted that in the current climate micro businesses were less likely to want to be involved in collaborative projects, rather they tended to protect their own business.

5.8 Summary

5.8.1 Does the rationale for intervention still exist?

The rationale for intervention in food tourism still exists i.e. there remains a mismatch between customer expectation and the quality of the food experience available to visitors in Scotland, particularly in the 'mid market' eating area (pubs). Although there is evidence of progress in some regions (West) intervention is still required to strengthen the supply chain linking food producers and distributors, emphasising the importance of purchasing local food products and enabling local produce to be used in local hotels and restaurants.

5.8.2 Which project objectives and targets have been achieved?

Current

The Food Tourism Initiative is still in its early stages and is scheduled to continue until March 2010. For this reason the initiative has been successful in partially achieving its objectives, by building on the strengths of Scotland's food resources to capitalise on this as a competitive advantage. However, further work is still required in highlighting market opportunities to businesses, as well as motivating and encouraging both suppliers and providers to make a step change in approach so that visitors can experience the best in locally grown food produce. As the initiative is still in its early stages, progress is required to improve the profile of Scotland as a destination where food is of a consistently high quality. To assist this, further work is needed with suppliers to improve their linkages with customer facing tourism businesses.

Substantial progress has been made in improving the quality of the food offered to visitors, by working with businesses to improve the quality of their food service through regional food tourism workshops which have been very well received and are responsive to industry needs.

Future

Future activities, as outlined in the Approval Papers, will focus on achieving the following targets:

- 18 workshops delivered in SE key destinations (8 completed to date)
- 3000 businesses accessing the on-line Foodkit resource
- 50 businesses attending regional food supply visits
- 15 businesses attending a food tourism learning journey

Food Tourism activities should focus on delivery of training workshops as well as regional food supply visits. Such activity should build on the success of previous workshops and aim to strengthen the supply chain linking food producers and distributors, emphasising the importance of purchasing local food products and enabling local produce to be used in local hotels and restaurants.

5.8.3 What Project benefits have been created?

Current

The majority of those businesses involved in the Food Tourism Workshops felt that it had led to an improvement in business performance (although they were unable to quantify this) highlighting the benefit of this tourism product development activity. The on-line Foodkit resource currently receives 1,000 users each month and benefits users by serving as a link to suppliers, food facts, tips and techniques. The project has created an awareness of the importance that a quality food product plays in attracting visitors to Scotland.

Future

Further potential benefits will be delivered from the initiative's future work in:

- Developing and strengthening links between producers and distributors of food products.
- Further training targeting front-of-house staff in hotels and the staff within the 'mid-market' area i.e. "pub grub".
- Strengthening links between the food and drink industries.

5.8.4 How effective has the management and delivery been?

On the whole management and delivery of the project has been effective. Discussions with regional contacts highlight how various food related initiatives and activities occur throughout the regions. However, development of a National Food and Drink Forum would be beneficial (recently been approved) and enable a more cohesive approach to food tourism (similar to that operating in Grampian and just commencing in the West region).

Those businesses who participated in training were very satisfied with the management and delivery. However, since the reorganisation businesses perceive that they do not have the same level of communication with SE in terms of its delivery of products/services. They perceive that the Business Gateway Network is for business start-ups and does not provide support for existing businesses. Further work is required to ‘engage’ businesses, particularly smaller micro businesses, in the delivery of tourism product development activities.

5.8.5 Data required for future evaluation

The following data would be beneficial for further evaluation purposes, enabling a clear baseline to be established upon which impact could be succinctly measured:

- A comprehensive list of businesses involved/participating in each tourism product development activity in relation to food tourism
- Location of such businesses
- Nature of involvement in tourism product development activity for each business(whether involved in multiple activities)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activities)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activities)

6.0 ANCESTRAL TOURISM

6.1 Introduction

The Ancestral Tourism Initiative, originally known as Genealogy Tourism, was initiated by the public sector in 2002. At this time the New Strategy for Tourism and the subsequent Tourism Framework for Action identified “genealogy tourism” as a potentially significant niche market. VisitScotland had carried out initial research and consultation in order to inform the development of a genealogy tourism strategy and marketing plan. This work resulted in the development of www.ancestralscotland.com, launched in January 2002. The Initiative was originally supported by Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland and delivered in partnership with industry. The initiative is now in its final year and is currently funded by Scottish Enterprise.

Research conducted by DTZ Pieda in 2003 and funded by all the partners estimated that ancestral tourism was the key motivator behind 260,000 trips to Scotland at this time and indicated that there was the potential for this to grow to between 300,000 and 800,000 trips annually. Overseas markets provided the greatest area for potential growth and although overseas visitors only accounted for 30,000 of the 260,000 visitors, their spend alone was estimated at £19.5m. The research revealed that the main overseas markets were the USA, Canada, Australia and New Zealand. Markets such as the USA offered considerable potential at this time as although they accounted for only 2% of all visitors to Scotland, within this they accounted for 19% of ancestral tourists. The ancestral tourism market currently comprises 50 million people worldwide and is worth in excess of £150million a year to the Scottish economy.[5]

6.2 Rationale for Intervention

The areas of market failure originally addressed by the ancestral tourism initiative included information provision, innovation and collaboration. Industry players were unaware of the scale of interest in genealogy and of the types of opportunity that could be available to them. It was hoped that by filling these information gaps, it would be possible to establish a platform which made the generation of new businesses and new alliances possible (Approval Paper, 2002).

6.3 Project Objectives and Targets

The Ancestral Tourism Initiative’s original aim (2002) was to encourage tourism businesses to maximise the opportunities presented by the growing interest in those wishing to visit Scotland to trace their roots and understand more about their ancestors. In addition, it aimed to identify key commercial opportunities for genealogy led tourism, capitalising on the identified potential of genealogy as a driver in attracting visitors to Scotland.

[5] Ancestral Tourism Action Plan, 2008

By 2007, the initiative's overall strategic objective was to communicate the opportunities afforded by ancestral tourism to tourism businesses, in order that they work together to develop new products and services which would enhance the visitor experience in Scotland. Within this, the specific aims of the ancestral tourism initiative during this phase were:

- To consolidate the work of the initiative to date.
- To support businesses in the development of new products which are consumer focused.
- To improve the quality of the visitor experience on the ground.

The expected outputs from Phase 1 of the initiative included:

- A broad picture of current activity in the area of genealogy tourism.
- A clear understanding of the scale of the market and the opportunities for genealogy tourism.
- The identification and dissemination of at least five key transferable lessons from national and international best practice.
- An assessment of likely benefits from specific initiatives and from genealogy tourism as a whole.
- The establishment of a small industry steering group by end October 2002.
- One industry event for at least 20 businesses held by December 2002/January 2003.
- Thirty new participants in the tourism cluster by March 2003.
- Implementation plans in place for three specific industry led commercial product ideas which focus on developing linkages between genealogy and tourism, allowing for project launches in the 2003 season.
- The establishment of a web-based genealogy tourism community.

Table 6.1 summarises the expected outputs for Phases 2 and 3 of the initiative.

TABLE 6.1
EXPECTED OUTPUTS

Phase 2: 2004-2006	Phase 3: 2007 – 2009
20 active businesses 50 businesses attending events 3 collaborative cluster networks 6 new products launched	1 project 6 active businesses 1 collaborative cluster network

The Ancestral Tourism Initiative is currently in its final phase of activity (Ancestral Tourism Initiative Action Plan 2008/09). Key areas of focus during this phase will include:

- Encouraging the ancestral tourism community to work together to maximise the opportunity presented by ancestral tourism, especially in the year of Homecoming in 2009, by providing world class visitor experiences that meet (and exceed) the expectations of ancestral tourists.
- Providing and communicating relevant information, advice, networking opportunities and best practice examples to the ancestral tourism business community.

Outputs and milestones in this phase will include:

- Devising an action plan for the work of the Ancestral Tourism Initiative from July 08 to December 09.
- Preparing and circulating e-newsletters quarterly and e-blasts as appropriate.
- Updating the ancestral pages on the VisitScotland website.
- Collating and disseminating market information (usually via e-newsletters or websites).
- Signposting businesses to sources of help and information on the ground.
- Liaising with the Homecoming team at EventScotland to increase awareness of Ancestral Tourism.
- Gathering and disseminating examples of best practice in relation to 2009.
- Organising up to 4 Ancestral Tourism Steering Group meetings.
- Providing quarterly updates on activity to the SE Project Manager.

6.4 Tourism Product Development Activities

The Ancestral Tourism Initiative has received cumulative funding of £140,000 since 2002 - £90,000 during the first phase (2002-2004), £30,000 during the second phase (2004 - 2007), and £20,000 for third and final phase (2007- 2010). Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and VisitScotland (VS) have worked together with an industry led steering group to identify opportunities for the development of tourism using ancestral tourism as a driver.

During the first phase of the initiative (2002-2004) the agencies worked collaboratively to achieve the following:

- A product audit of current web based activity in the area of ancestral tourism.
- A market appraisal outlining the scale and nature of the market and describing the expectations and experiences of the customer was commissioned from DTZ Pieda and the results disseminated in a summary form.
- An ancestral tourism event at Hopetoun House which was attended by 120 people.
- 150 businesses and individuals active in the ancestral tourism community in Scotland.

- Four opportunity workshops held across Scotland, attended by 107 people.
- Ideas for sixty product ideas obtained from the opportunity workshops.
- Twelve project ideas explored more fully with assistance from business advisors.

The research conducted in the initial stages of the project resulted in a much clearer picture of both the available product and the existing and potential market. Information was disseminated to businesses through workshops, seminars and newsletters and assistance was given with the development of new innovative ideas.

A project manager is employed for 3 days each month by the agencies to take forward actions on behalf of the steering group and to help groups of businesses develop their ideas. An evaluation of the project, carried out by Compass (in association with Rowan Tree Consulting) in 2005 for Highlands and Islands Enterprise on behalf of the partners, concluded that a significant amount had been achieved in promoting the opportunities for businesses afforded by ancestral tourism and that efforts in the future should be focused on addressing the ongoing information market failure and providing coordination and support for activities and events associated with Scotland's year of Homecoming. The primary role of the steering group would continue to be to provide strategic leadership for the initiative and to motivate the ancestral and tourism sectors to recognise the opportunities for development.

Tourism Product Development activities in relation to ancestral tourism include:

<u>Training</u>
Ancestral Tourism Training/Seminars
<u>Develop Your Business</u>
Industry Database
Business Support Fact Sheets/Leaflets
Ancestral Forums/Initiatives
<u>Marketing</u>
Ancestral Tourism Website
Newsletter
<u>Expand Key Markets</u>
Local Events/Conferences e.g. Hopetoun House
Support for Events Linked to Homecoming 2009
Scottish Enterprise Market Research Information
Collaborative/Joint Projects

Such activities within Ancestral Tourism have been successful in achieving the following:

- Raising awareness of ancestral tourism as a new market .
- An extensive database containing information on hundreds of businesses in the sector.

- A successful newsletter which has been well received.
- Introducing different partners, such as the National Archives and General Register of Scotland to tourism.
- A well used ancestral tourism website.
- Good quality business support fact sheets and leaflets.

In contrast the product development groups (and associated business advisors) which were created in the early stages of the initiative were not successful and did not make any real impact. SE was not involved in these groups.

The current focus of the initiative is communication to ancestral tourism businesses through the newsletters and ancestral tourism website. Both have proved to be a very successful way of keeping businesses informed about this area of tourism.

6.5 Perceived Impact

Discussions with stakeholders highlight the following in relation to ancestral tourism:

- The ancestral product development groups that were set up originally (with business advisors) were not successful and did not make any significant impact. One of the problems with such groups was that they comprised too many representatives from other public sector organisations, local authorities, societies etc. and not enough businesses.
- The success of the Ancestral Forum Groups subsequently set up at local level was dependent on the level of involvement of the local authority. Success varied from area to area, e.g. Aberdeen City and Shire Ancestral Group, the Angus and Dundee Ancestral Tourism Initiative as well as the Border's Initiative have been very successful with a high level of involvement by the relevant Local Authorities. In contrast the Fife Ancestral Group collapsed in part due to lack of local authority support and the fact that the project was not focused sufficiently.
- SE's involvement has been consistent, including involving Ancestral Tourism in Homecoming 2009 (which has raised its profile), providing advice and support to trade (through leaflets, trips, and training) and providing a support network.
- The most effective products/initiatives that have been undertaken are the Ancestral Forum Groups, the Business Support Leaflet and the Business Support Fact Sheet.
- One stakeholder indicated that he was uncertain whether all three public sector organisations were required to sit on the Ancestral Tourism Steering group. He felt that it may have been more beneficial to have one body representing them all.
- tourism product development activity in this area raised awareness of ancestral tourism as a new market and encouraged growth. It has also introduced different partners, such as National Archives and General Register of Scotland, into

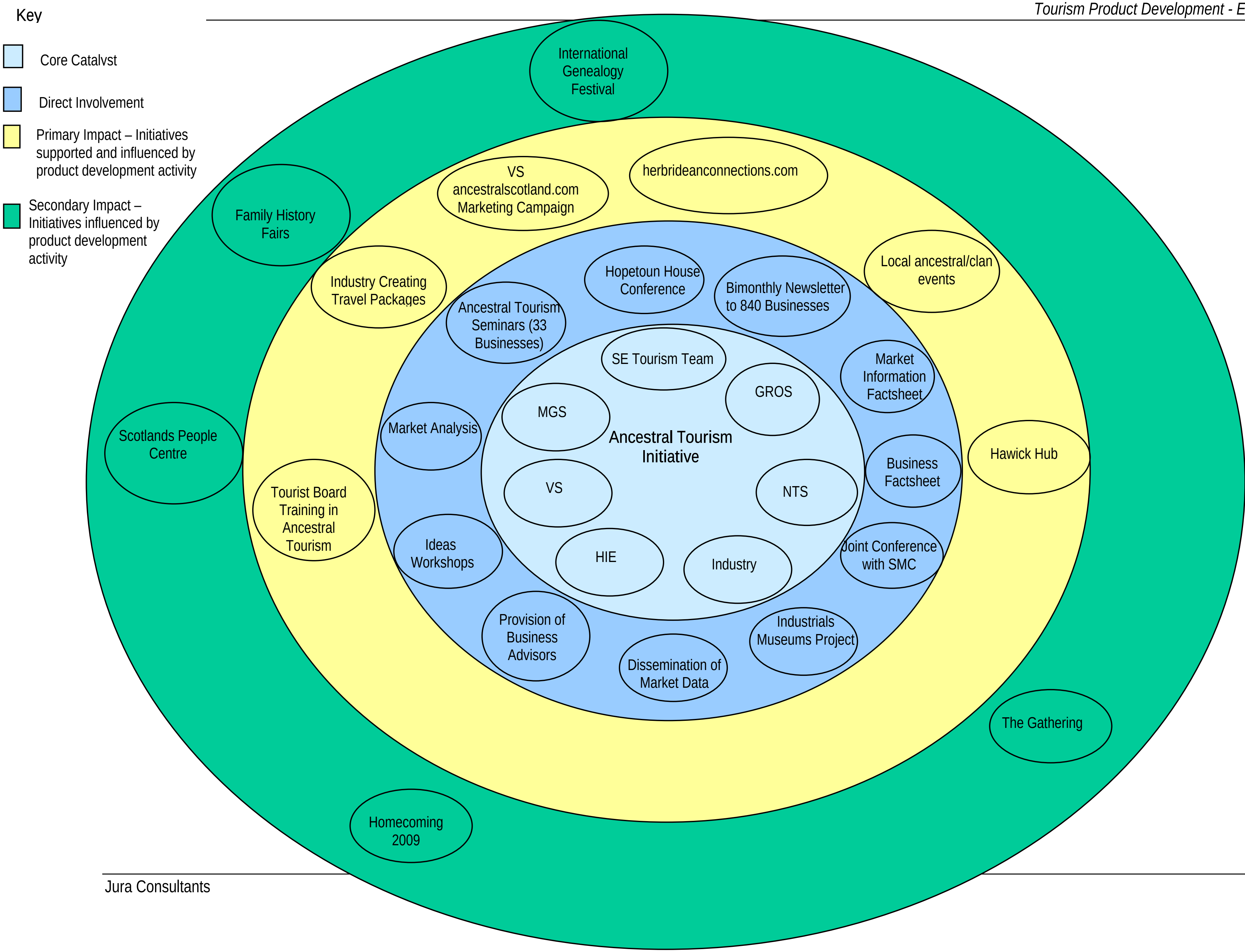
tourism. They were previously unaware of how to exploit this and the group has allowed them to become involved.

- The database has been a significant success and now contains information on hundreds of businesses in the sector.
- Newsletters have been well received and provide a link to the market. Businesses would benefit from them being produced more regularly.
- Activities have helped to encourage visitors to move away from the "honey pots" and discover areas that they otherwise may not have visited, e.g. Angus (also encouraged visitors to come during the shoulder months).
- There were sometimes funding gaps between the phases and this meant that the project lost momentum.

Figure 4 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to ancestral tourism. It highlights the catalytic effect of this involvement on ancestral tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

The industry steering group is the core catalyst and has been directly involved in developing those activities outlined within the dark blue area, including bimonthly newsletters (to 840 businesses), ideas workshops, and business factsheets. The initiatives highlighted in the yellow area demonstrate the primary impact of the core product development activity. These initiatives are supported and/or influenced by the industry steering group's product development activity, and include local ancestral/clan events, Hawick Hub and Tourist Board training in ancestral tourism. Those activities/initiatives in the green area, the greatest distance from the core initiative, demonstrate the secondary impact and influence of the industry steering group's core tourism product development activities.

ANCESTRAL TOURISM



6.6 Ancestral Tourism Business Survey

6.6.1 Introduction

The business survey outlined in Section 11 included nine businesses involved in ancestral tourism, comprising four guest house operators, two museums, one self-catering lodge, one tour operator and one visitor centre. Key findings are summarised below:

6.6.2 Awareness of Tourism Product Development Activity

Those businesses involved in ancestral tourism were asked which activities delivered by the Ancestral Tourism Group and supported by Scottish Enterprise's Tourism Product Development they were aware of. The majority of respondents were aware of the Ancestral Tourism Training Seminars and the ancestral newsletter. Several businesses were aware of the local events held, the Welcome Scheme, the support available for events linked to Homecoming and the market research information available.

6.6.3 Involvement in SE Tourism Product Development Activity

Most businesses participated in/used/received the following:

- The newsletter
- The training and seminar days
- Industry database

Reasons for involvement included:

- To improve/develop the product
- To gain a better understanding/awareness of market opportunities
- Personal development

6.6.4 Delivery and Management

Amongst those businesses who had participated in training, the majority were very satisfied with the delivery and management of the programme and the support services offered.

6.6.5 Impact

Businesses were asked what they expected to happen as a result of their involvement in the project/programme. Expectations included:

- Sharing relevant market information
- Growth in confidence
- Greater market awareness/awareness of opportunities

Involvement with the project/programme has led to:

- More customer focused approach
- Improvement in customer service
- Creating new ideas

Several businesses noted an increase in visitor numbers/customers, however they were unable to quantify this figure.

6.6.6 Future Development

Those ancestral tourism businesses consulted felt that tourism product development activity had been successful in identifying and addressing research gaps and sharing research. The main threat for ancestral tourism businesses was felt to be the current economic climate and increased competition from similar businesses. Businesses felt that SE could assist by providing further funding and more up-to-date market research. One business (tour operator) located in the Highlands felt that the industry steering group had "failed to roll out the initiative to the industry", they felt "excluded" and that the initiative was "not working for them". He described how there was a need for further consultation with those involved in the industry rather than more funding: "We don't need more money. We just need money in the hands of people who will use it intelligently". However he felt that the really useful part of the initiative was the work conducted by the project manager, who he described as "excellent and should be given the resources to do more". The project manager is fully funded by SE.

6.7 Summary

6.7.1 Does rationale for intervention still exist?

The original rationale for SE intervention in ancestral tourism no longer exists and no other area of market failure is evidenced. Ancestral tourism product development activity has addressed the original area of market failure, namely lack of information provision to industry players regarding the scale of interest in ancestral tourism and the types of opportunities available to them. Both are available to businesses through the newsletters, best practice case studies, industry database, ancestral website and business fact sheets.

6.7.2 Which project objective and targets have been achieved?

The Ancestral Tourism Initiative is currently in its third and final stage. It has been successful in achieving Phase 1 and 2 targets and expected outputs. Tourism product development activity is now successfully focussing on encouraging ancestral tourism businesses to work together to maximise the opportunity presented by ancestral tourism especially in the year of Homecoming.

6.7.3 What project benefits have been created?

Businesses that have been involved in tourism product development activity describe the subsequent benefits as being a more customer focused approach, an improvement in customer service and creating new ideas.

Stakeholders state that tourism product development activity has led to a clear understanding of the opportunities presented by ancestral tourism. It is felt that the activity has influenced Homecoming 2009 and vice versa. It has resulted in a support network, which has benefited businesses by providing advice and support to trade, through leaflets, trips, training and the welcome scheme.

6.7.4 How effective has the management and delivery been?

Discussions with stakeholders indicate that management and delivery of tourism product development activity within ancestral tourism has been effective. SE's involvement in the steering group has provided clear objectives as well as focused strategic direction during the three phases of the project. Those businesses involved in ancestral tourism training were very satisfied with its management and delivery.

6.7.5 Data required for future evaluations

The following data would be beneficial for further evaluation purposes, enabling a clear baseline to be established upon which impact could be succinctly measured:

- A comprehensive list of businesses involved/participating in each tourism product development activity
- Location of such businesses
- Nature of involvement in tourism product development activity for each business(whether multiple activities)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activity)

- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activity)

7.0 COUNTRY SPORTS TOURISM

7.1 Introduction

Country Sports Tourism is an industry-led initiative which began in 2004 as a response to the recognition that the potential of country sports to contribute more effectively to tourism was not being maximised. The Initiative has been supported since its inception by a range of private sector organisations, representing estates and rural businesses, and the public sector through Scottish Enterprise, VisitScotland and Highlands and Islands Enterprise. At the outset of the initiative angling was developed by a separate group, the Angling Tourism Development Group (ATDG). The growing realisation that there was potential to further develop the various sub sectors of angling for the benefit of both the tourism and fishing industries led to the creation of this development group in 2004 with representatives from all the major fishing interests as well as VisitScotland, Scottish Enterprise & Highlands & Islands Enterprise.

ATDG co-ordinated and gathered existing market research and devised a 2 year action plan, focussing on addressing the opportunities and gaps in order to better understand the potential for growth and to contribute towards the improved visitor experience. One of the primary drivers for the group was the initial success of a project carried out on the Tweed which worked in a coordinated way to market additional capacity to visitors by letting surplus fishing which could not be met by existing means and also provided additional information to visitors. An evaluation of the project demonstrated that £100,000 worth of extra bookings were captured by the second year which resulted in an economic impact in the Borders of £400,000. This project demonstrated the potential to grow the industry through better co-ordination and management and through rolling out this best practice to other rivers and other forms of angling. This group was disbanded in 2007 and key angling tourism activities are now addressed by the Country Sports Tourism Group.

TNS Travel and Tourism Consultants valued Country Sports Tourism in Scotland at £200m per annum in 2004. Freshwater angling was valued independently by the Scottish Executive in 2004 as being worth £113m whilst sporting shooting and deer stalking were re-valued in 2006 through the Government approved UK PACEC Report as being worth £240m alone to the Scottish economy. The sector is therefore a significant contributor towards Scotland's £4bn tourism industry.

There is still significant potential for industry growth within the overseas market. There are 6.5 million hunters (non angling) in Europe. In addition in the US there are 34 million angling participants and 13 million hunters. To date, Scotland has relied largely on its reputation to fill demand for the main sports (salmon angling, red deer stag stalking, grouse shooting and pheasant shooting) but by targeting these destinations with specific campaigns and attractive options it is expected that increases in participant visits from these countries would easily be achieved.

7.2 Rationale for Intervention

The TNS study (2004) gathered information on current country sports tourists, agents and intermediaries, assessed Scotland's strengths and weaknesses as a destination, identified future trends and gathered examples of best practice. The conclusions of the work were that to grow the industry the following were required:

- A need for an emphasis on value for money and for providing a high quality product.
- Improved communication about the available product which emphasises Scotland's unique strengths as a country sports destination and which tackles misperceptions about cost and availability.
- A need for the training of frontline staff in customer service skills.
- An emphasis on the 'Scottishness' of the product to certain markets.
- The improvement of overnight accommodation.
- Ensuring that a full variety of sporting and non-sporting activities are available to visitors.
- Action must be taken to reverse the decline in the number of salmon that may be caught in Scotland.
- The development of sports where there is still significant capacity for additional participation such as rainbow or wild brown trout angling, deer stalking and walked-up shooting.
- The development of new markets and the encouragement of younger participants.

7.3 Project Objectives and Targets

The overall aim of the project is to realise the potential for country sports tourism through collaborative activity, which focuses on improving the customer experience and raising awareness of Scotland as a key destination. It seeks to improve the country sports offering available to visitors, to grow the market and to maximise the tourism potential of the sector.

To achieve this, the country sports tourism group (CSTG) agreed an action plan (2004) which covered the following key areas of activity during the first phase:

- Co-ordination - the gathering and dissemination of research and best practice information, the encouragement of networking and collaboration, improved communication within the industry.

- Product Development – working to improve the customer experience, staff training, generating new product ideas and signposting further sources of business development assistance.

- Marketing – providing marketing advice to groups of businesses, helping develop a synergy with the VisitScotland brand messages and marketing Scotland as a key country sports destination.

The second phase of the project aims to stimulate innovation and development in the country sports tourism sector "whilst nurturing its valuable cultural heritage". In order to do this it has the following specific aims:

- To stimulate new thinking and innovation.
- To demonstrate the value of the sector to businesses and highlight opportunities.
- To enable providers to understand changing consumer requirements and expectations and help them to deliver an excellent experience.
- To assist with the development and growth of businesses.
- To promote Scotland as a country sports destination.

The Country Sports Tourism Group (CSTG) has worked to achieve these objectives through a range of proposed projects within the key areas of communication, product development and training and customer service.

The following table summarises the planned outputs.

TABLE 7.1
COUNTRY SPORTS TOURISM PLANNED OUTPUTS

2005-2008	2008/2009	2009/2010	2010/2011
20 active businesses 1 collaborative cluster network 30 businesses attending events 6 new products launched	1 Project 1 new product 20 businesses attending events 1 collaborative cluster network 10 active participants	1 project 1 new product 30 businesses attending events 1 collaborative cluster network 10 active participants	1 project 1 new product 30 businesses attending events 1 collaborative cluster network 10 active participants

7.4 Tourism Product Development Activities

The Country Sports Tourism Initiative has received £189,000 cumulative funding to date: £99,000 for activity during the first phase from 2005-2007 and £90,000 for the second phase (2008-2011). The project is managed by the Country Sports Tourism Steering Group which is chaired by the Senior Trustee of Atholl Estates.

Members of the group include:

- British Association of Shooting and Conservation
- The Association of Deer Management Groups
- The Gamekeepers' Association
- The Association of Salmon Fisheries Boards
- The Scottish Estates Business Group
- Scottish Rural Policy Business Association
- The Scottish Countryside Alliance Educational Trust
- VisitScotland
- Scottish Enterprise
- Highlands and Islands Enterprise

The project manager is employed by the British Association of Shooting and Conservation (BASC). During the first phase, the project focused on addressing four key areas of activity – research, communication, product development and marketing. During that period specific outputs included:

- Collation and dissemination of market information to country sports tourism businesses.
- Development of a database of over 300 country sports providers
- Creation and distribution of a newsletter, sharing best practice with businesses
- Delivery of a communications and PR programme
- Introduction of a Field Sports Welcome Scheme
- Development of a Newcomers into Country Sports Experiences Programme
- Development of a Wild Trout Project
- Development and delivery of a pilot Country Sports Customer Care Training Programme for Ghillies.
- Development and promotion of a Country Sports website
- Development and distribution of a promotional DVD
- A coordinated presence for Scottish country sports at the international hunting fair in Dortmund.
- Support for estates wishing to explore individual business ideas.

Tourism product Development activities in relation to country sports tourism, delivered through the CSTG, include:

<u>Training</u>
Country Sports Customer Care Training
<u>Develop Your Business</u>
Assynt Trout Project
Database of Country Sports Organisations
<u>Marketing</u>

Shoot in Scotland Magazine
Web Portal
Bank of Photos/images
Country Sports DVD
<u>Expand Key Markets</u>
Dortmund Hunting Exhibition
Welcome Scheme
Scottish Enterprise Market Research Information
Collaborative/Joint Projects

The Action Plan for the current second phase of the project focuses on communication, product development, training and customer service. Apart from encouraging more existing participants to come to Scotland, it is based on the need to attract new country sports users. Traditional repeat business is described by CSTG as "no longer the certainty it used to be and the market is changing" [6]. In order to educate and encourage newcomers into country sports, CSTG has created images that will appeal to them in a modern context. They promote country sports as being:

- Welcoming and Accessible to Young People
- Welcoming and Accessible to Females
- Fun and Relaxing
- Ideal as a Backdrop for 'Romantic Breaks'
- Fashionable and Technically Advanced

SE's involvement in country sports tourism has been catalytic in encouraging product development through improving the customer experience, through customer care staff training and generating new product ideas. Tourism product development activity has also created a culture change amongst those involved in training, emphasising the importance of the role that they play in developing the quality of the country tourism product. However progress remains to be made in terms of disseminating information to those rural businesses involved in country sports tourism. Based on feedback from those attending the Dortmund Exhibition, further work is also required in marketing Scotland as a key country sports destination.

7.5 Perceived Impact

Discussions with key stakeholders regarding the impact of SE involvement are summarised below:

- SE's role in country sports tourism has been that of a "catalyst", initiating progress in various areas of product development.

[6] CSTG Newsletter. March 2007

- The three most effective products have been the Assynt Trout Project, customer care training and the Dortmund Exhibition.
- Country sports tourism development has benefited from a strong and cohesive steering group, with key organisations involved in this group.
- One of the key products from the initiative has been the development of a database of organisations that are involved with country sports, incorporating shooting, hunting, fishing businesses as well as accommodation providers and eating places. There are currently 256 organisations on the database, but it is estimated that there are over 1000 organisations involved in country sports and associated activities in Scotland.
- SE has been instrumental in directing the strategic approach of the CSTG. They have influenced the type of projects that the group has undertaken.
- Involvement in the Dortmund Exhibition revealed that Scotland had not "been seen as a player on the world stage". There was a perception that Scotland was "a closed shop", that country sports activity was expensive and only for families who lived in Scotland. Presence at the exhibition provided the opportunity to correct this misinformation and let people know that the product was available at all levels (including smaller budgets) for all ages. It also highlighted the opportunities to be gained from attending other hunting fairs in America and Europe.
- SE, through its strategic approach, realised that country sports is the foundation of the rural economy and provides the backbone of communities in many remote areas. This has been reflected through its involvement.
- SE's involvement has been very beneficial in terms of the knowledge and contacts that they have brought to the project.
- There remains a need for more "on the ground" involvement, particularly in terms of business skills training and website development. While CSTG can develop products/ideas at the embryonic stage there remains a need to roll these out in terms of collaborative projects within the industry (engage all the estates) and across other areas including food, golf, accommodation providers etc. The by product of country sports activity is that it produces authentic produce which can be put back into the food industry.
- Business Gateway is not perceived to be engaging with businesses involved in and associated with country sports activity.
- The country sports sector was perceived to be "a bit old fashioned", however tourism product development activity has led to a "culture change" in terms of ghillies, etc. realising that they are part of the "tourist package" and must be proactive.
- Market research has made the sector aware of the potential of new markets including younger groups, females etc. and also the need to provide a range of activities, e.g. shooting in the morning and golfing in the afternoon. Consumers prefer a "mix" of activities.

- Further work is required by HIE to develop the Assynt Trout Project (in order to roll it out), it was felt that it had “not come off the ground yet”, the website and promotional booklet have not yet been completed due to lack of funding. The project was launched in March 2008 and the booklet was due to be produced in Spring 2008, but it has now lost momentum. A dedicated project manager is required for this project to drive it forward, it is felt that direction has been lost since the re-organisation.

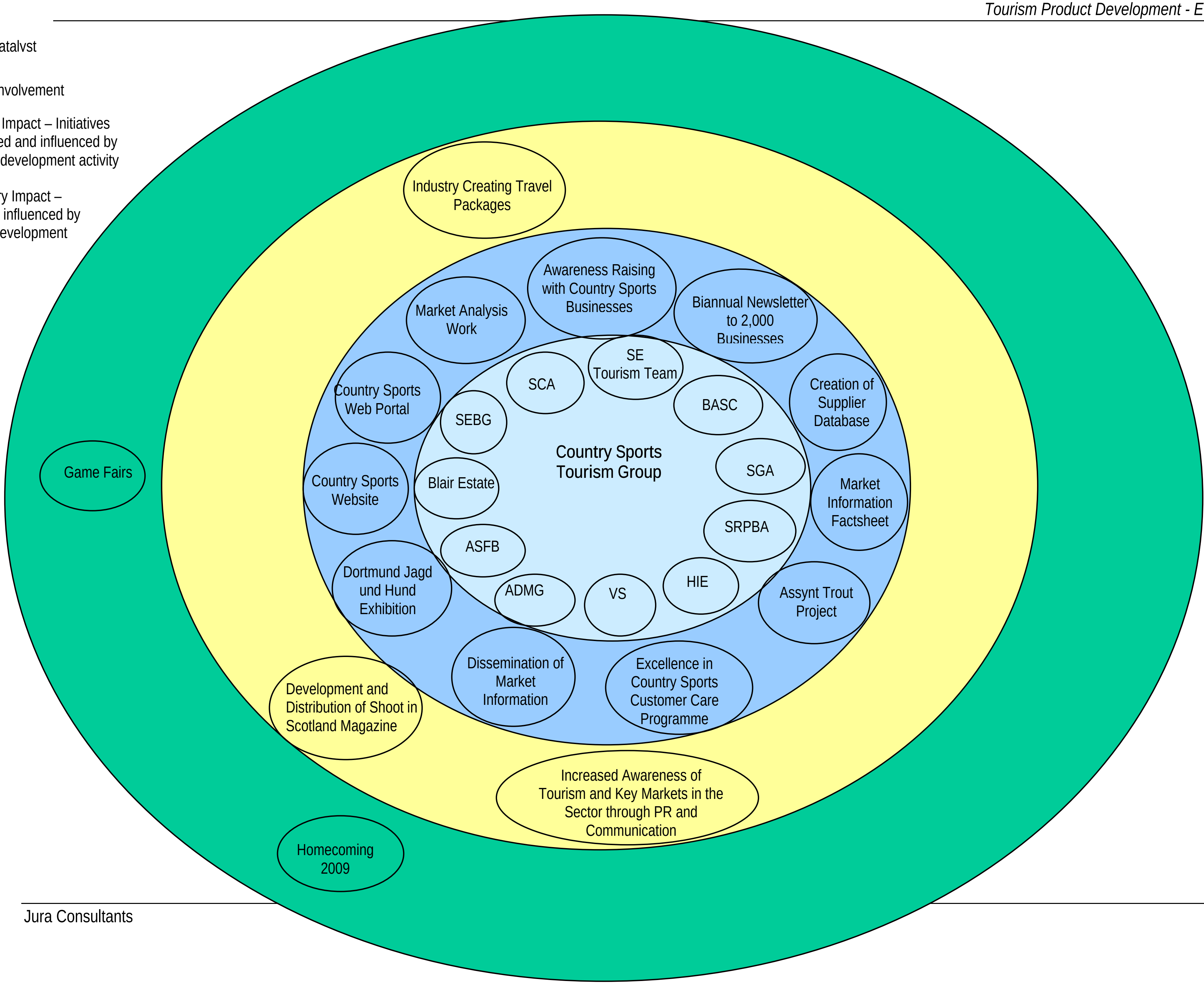
Figure 5 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to country sports tourism. It highlights the catalytic effect of this involvement on country sports tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

The industry steering group is the core catalyst and has been directly involved in developing those activities outlined within the dark blue area, including the country sports customer care programme, supplier database and biannual newsletter (to 2,000 businesses). The initiatives highlighted in the yellow area demonstrate the primary impact of the core product development activity. These initiatives are supported and/or influenced by the industry steering group’s product development activity, and include the development and distribution of Shoot in Scotland magazine. Those activities/initiatives in the green area, the greatest distance from the core initiative, demonstrate the secondary impact and influence of the industry steering group’s core tourism product development activities.

COUNTRY SPORTS TOURISM

Key

- Core Catalvst
- Direct Involvement
- Primary Impact – Initiatives supported and influenced by product development activity
- Secondary Impact – Initiatives influenced by product development activity



7.6 Country Sports Business Survey

7.6.1 Introduction

The business survey outlined in Section 11 included discussions with Estate Managers from 4 Estates, and relevant contacts involved with the Assynt Trout Project and Dortmund Exhibition. Key findings are summarised below.

7.6.2 Awareness of SE Tourism Product Development Activity

Participants were questioned regarding their awareness of tourism product development activities. Highest levels of awareness related to customer care training, Shoot in Scotland Magazine and the Dortmund Exhibition.

7.6.3 Involvement in SE Tourism Product Development Activity

All the estates were involved in country sports customer care training. The main reasons for involvement included:

- Improve hospitality and customer service.
- Enhance personal skills/broaden personal experience: develop better service.
- Help engender a "cultural change" within a traditional mindset and strive for a better product.
- Create a greater awareness of customer needs.
- Target new customers/markets.
- Improve/develop product offered.

7.6.4 Delivery and Management: Process of Engagement

Overall there were high levels of satisfaction with support delivered in terms of management and delivery of programme/project, co-ordination, planning, responsiveness to needs/relevance.

7.6.5 Impact

Businesses were asked what they had expected to happen through their involvement in the project/programme. Expectations included:

- Create new ideas (innovation)
- Grow in confidence/take more risks
- More collaboration with similar businesses (fishing)
- Greater market awareness

Businesses described how involvement has led to:

- More customer focused approach
- Improvement in customer service
- Greater collaboration with others (accommodation providers)
- Creating new ideas
- Developing new products within existing markets
- Targeting new customers within existing markets

Estate managers/owners felt that staff involvement in training had “helped to engender change” which was needed and was demonstrated by the fact that one of the ghillies at the beginning of the training session commented “nobody’s ever complained about the service!” It has made the idea of change and product development seem easier. Staff now realised that by providing better information, a better service and improved communication with customers it would encourage repeat business, which was beneficial to the estate and the area.

Most estate managers felt that involvement had led to an increase in visitors, although most were not able to quantify this figure. One estate manager/owner stated that through more targeted promotion they have experienced a change within their existing visitor base with 25% of their visitors now younger. Another estate manager/owner described how involvement had led to an increase in visitor numbers and turnover (unable to quantify), which was directly attributable to involvement. Furthermore they described how involvement in training had led to a staff member developing a new product on the estate, he had developed bird hides and an artificial fishing pond to facilitate wildlife visitors who wished to photograph Ospreys. This product has lead to a 50% increase in wildlife visitors to the estate.

7.6.6 Future Development

Those businesses involved in country sports felt that tourism product development activity had been successful in:

- Helping businesses to develop new ideas
- Encouraging businesses to work together
- Helping businesses to identify opportunities created by the market

However they perceived that tourism product development activity had been less successful in:

- Identifying and addressing research gaps
- Sharing research

The main threats that country sports providers felt they faced over the next 5 years were:

- The economic climate
- Changing consumer preferences
- Increasing importance of environmental considerations

They felt that SE could assist by providing funding and working more closely with the private sector.

7.7 Summary

7.7.1 Does the rationale for intervention continue to exist?

SE intervention in country sports has been successful in addressing the need to engender and stimulate a cultural change within country sports, leading to greater “empowerment” and involvement of staff at all levels in the “tourist experience”. This has led to an improvement in the quality of the product/service provided. However the need for intervention still exists in terms of disseminating available information to rural businesses and signposting further sources of business development assistance, in the wake of re-organisation. Intervention is also required in terms of the timing of projects (as reflected in the delayed roll out of the Assynt project, resulting in it losing momentum). Intervention also remains necessary in marketing Scotland as a key country sports destination, to attract international visitors and also new younger enthusiasts.

7.7.2 Which project objectives and targets have been achieved?

Current

The project has made considerable progress towards its overall aim of realising the potential for country sports tourism through collaborative activity (particularly through the efforts of the industry-led steering group), and focusing on improving the overall customer experience and country sports offering available to visitors. The latter has been achieved through customer care training courses, which have been very well received throughout the industry. The other key aim of country sports tourism product development activity, i.e. that of demonstrating the value of the sector to businesses and highlighting opportunities to them has only been partially achieved to date. Although it is clear that such information exists, businesses seem unsure how to access it and feel that it has not been disseminated to their level. Greater communication with the industry as well as clear dissemination of such information is vital for businesses to gain an understanding changing consumer requirements and expectations to help them to deliver a quality experience.

Future

The project has been less successful in raising awareness of Scotland as a key destination for country sports, particularly on a world stage. Further activity is required in this area. In addition, improved communication with industry is required in order to overcome a perceived lack of availability regarding up-to-date market research.

Timing of tourism product development activity should also be re-examined in the light of the Assynt Trout Project experience. While the Assynt project itself has been successful, the promotional booklet (completed in Spring 2008) and website has not yet been completed. The project has not yet been rolled out to other areas and as a result it is felt that it has lost momentum.

7.7.3 What project benefits have been created?

Current

One of the overall benefits of the country sports tourism initiative has been to bring together a strong, cohesive, industry-led steering group which has worked together to achieve agreed aims and objectives. Through the involvement of this group, tourism product development activity to date has resulted in a "cultural change" amongst those attending customer care training, stimulating new thinking and innovation. An example of this is the development of bird hides at one Scottish Estate referred to earlier in paragraph 7.6.5, this product development has led to an increase in the number of wildlife visitors to the Estate (by 50%). Most of those involved in training stated that it had resulted in an increase in visitor numbers, and one Estate manager experienced a change within their existing visitor profile with 25% of visitors now younger.

Future

The development of an industry database of over 250 organisations involved in country sports has been perceived as a key benefit by stakeholders. However there are potentially 1,000 organisations involved in country sports in Scotland, indicating further potential for this product.

Further potential benefits will be gained by greater use of the new bank of "modern images" available for promotional material, in order to target other new markets including younger enthusiasts and female enthusiasts. Further development of the existing web portal will also bring additional benefits to country sports tourism in the future.

7.7.4 How effective has the management and delivery been?

Current

Discussions with the country sports project manager and steering group members indicate that management and delivery of the initiative as a whole has been very effective, particularly in terms of providing clear aims and objectives, influencing product development and providing focused strategic direction.

Those businesses that participated in training were very satisfied with its management and delivery.

Future

Management and delivery would be improved further by greater involvement and communication with each of the regions, as well as working more closely with the private sector.

7.7.5 Data required for further evaluations

The following data would be beneficial for further evaluation purposes, enabling a clear baseline to be established upon which impact could be succinctly measured:

- A comprehensive list of businesses involved/participating in each tourism product development activity
- Location of such businesses
- Nature of involvement in tourism product development activity for each business (whether multiple activities)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activity)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activity)

8.0 FOREST TOURISM

8.1 Introduction

The Forest Tourism Initiative began in 2004 and was developed to improve the tourism product delivered by the National Forest Estate and its management by Forestry Commission Scotland, for the benefit of tourists, tourism operators and other businesses. In order to maximise the potential of this asset, Scottish Enterprise, in partnership with VisitScotland, HIE and the Forestry Commission developed a joint approach to Forest Tourism.

A recent report produced for FCS by TNS Travel and Tourism (February 2008), entitled “All Forests Visitor Monitoring” estimated that there are 8.7 million visits to FCS forests per year, which result in £38.9 million in visitor expenditure. These visitors comprise mainly domestic tourists (85%) and include 10% from England and only 1% from overseas.

8.2 Rationale for Intervention

Forestry Commission Scotland (FCS), the public body responsible for the management of the National Forest Estate, is the single largest land manager in Scotland, responsible for 670,000 hectares of public land. The Estate is distributed across much of rural Scotland and includes many nationally recognised day visitor and tourist attractions and destinations. Although the original remit of the Forestry Commission was to develop the Estate for forestry purposes this has progressively diversified, particularly in the last decade.

FCS has developed new leisure, recreation and tourism programmes and projects often in an ad-hoc manner, with minimal resources and a deficit in relevant skills and expertise amongst its staff. There has also been a lack of clear monitoring and evaluation of the benefits of the leisure, recreation and tourism activities to the organisation and to other local businesses, local economies and communities. In order to address these weaknesses a joint approach to tourism was initiated in 2004.

8.3 Project Objectives and Targets

Tourism Product Development activity was intended to bring about a step change in the relationship between those organisations involved and the contribution which they jointly made to growing and developing forest based tourism products and services. It aimed to do this by “ensuring synergy with the VisitScotland brand and ensuring a seamless link between the infrastructure and key product offerings and the way in which they are marketed”. The specific objectives of such activity were:-

- To develop and implement a strategy for tourism on the National Forest Estate in collaboration with key partners and in consultation with stakeholders.

- To improve the awareness of existing and potential tourism operators and other businesses of the business opportunities available, resulting from the National Forest Estate.

- To provide tourists and day visitors with an enhanced experience and a higher quality service which will encourage extended and repeated use.

- To develop and promote new ideas, products and services in collaboration with the tourism industry.

- To develop and implement a tourism marketing strategy for the National Forest Estate which builds on the product development work and increases and diversifies the number and type of visitors utilising the estate throughout the year.

- To undertake a number of priority projects on the estate including a number of key infrastructure projects.

Tourism product development activity aimed to deliver the following outputs during Phase 1 (outputs are not provided for phase 2):

- 20 active businesses
- 6 active stakeholders
- 3 collaborative cluster networks
- 6 new products launched

It was anticipated that businesses engaged in this activity would be primarily in the accommodation and activities sectors and those which would benefit from working with the National Forest Estate. The active stakeholders involved key organisations such as Scottish Natural Heritage, the RSPB and the National Trust for Scotland, together with the project's key partners. The Initiative also aimed to develop collaborative cluster networks around significant projects such as the Glentress initiative, the Seven Stanes project and Big Tree Country.

8.4 Tourism Product Development Activities

SE provided £150,000 towards the Forest Tourism Initiative during 2004 – 2007.
The project is a partnership comprising Scottish Enterprise, Forestry Commission Scotland and VisitScotland. A Management Team of key stakeholders was established at the outset

and is responsible for overseeing the overall direction of the initiative. The members of the management team are as follows:

Forestry Commission Scotland – Head of Communities, Recreation and Tourism
Scottish Enterprise - Tourism Product Development Manager
VisitScotland – Head of Product Development
Highlands and Islands Enterprise – Head of Tourism

Interventions for Forest Tourism include:

<u>Training</u>
Innovation Days
<u>Develop Your Business</u>
Mystery Visits
Business Development Packs (7Stanes)
Business Fact Sheets (7Stanes)
Forest Tourism Fact Sheets
Product Development Groups e.g. Trossachs
<u>Marketing</u>
Mountain Biking Brochure
Mountain Biking DVD
<u>Expand Key Markets</u>
Scottish Enterprise Market Research Information
Events
Exhibitions e.g. EXPO
Collaborative/Joint Projects

A Draft Activity Plan, 2008 – 2011 (All Forests Visitor Monitoring 2008) describes how Phase 2 of the Forest Initiative aims to build on the themes, relationships and achievements of Phase 1, to continually enhance the visitor experience. However it describes how the project format has changed as the product development role has been created within the Forestry Commission Scotland, but the partners have agreed that further collaboration is important to maximise the forest tourism resource across Scotland. Two main strands of activity to date include:

1. Working within Forestry Commission Scotland to boost involvement and understanding of tourism, its importance to FCS and FCS' importance to Scotland's tourism product;

2. Working with private businesses, the wider tourism industry and partner agencies to boost their involvement in and understanding of the national forest estate and its benefit to tourism.

Activities have resulted in tangible resources (research, new businesses, enhanced wild life viewing). Priority themes for Phase 2 include:

- Heritage
- Wildlife
- Activity (emphasis on accessible adventure)
- General tourism/Freedom

Overall, tourism product development activity has been successful in providing important groundwork for future development , including culture change and tourism training/awareness within FCS, partnership working and relationship building with the tourism community, market analysis and best practice gathering and dissemination, new product ideas generation, training, new product development and promotion, as well as sectoral strategy work.

8.5 Perceived Impact

Discussions with stakeholders regarding tourism product development activity to date highlighted the following:

- SE involvement has provided a new perspective to the national strategy and provided a vital link to government.
- The informal nature and smaller size of the steering group and the range of knowledge that is brought by the individual group members is very useful.
- Tourism product development activity to date has resulted in a culture change within the Forestry Commission, which has permeated from senior management through to Visitor Centre staff.
- Business Development Packs and associated activities (including Innovation Days and access to a business advisor) have been very successful.
- The work of the steering group has helped to make the Forestry Commission a main player in tourism, with the project manager presenting at the ASVA conference, Scottish Tourism Forum etc. It is now recognised and approached as a major tourism player, which it was not perceived as being before.
- Mystery visits have been very successful at Forestry Commission (FC) sites. They have resulted in a significant improvement in the quality of the visitor experience.
- It is felt that SE's future role in developing forest tourism could include the following:

    1. Provision of a library of expertise and in particular private sector expertise
    2. Serve as a springboard for innovation

3. Act as a conduit between FC and businesses, as currently FC has no direct link
4. Provision of examples of best practice, addressing the gaps that the FC currently cannot address
5. Provision of general business information and a body of market research
6. Identifying further market opportunities
7. Trialling initiatives
8. Assist with some forms of funding when appropriate and if required.

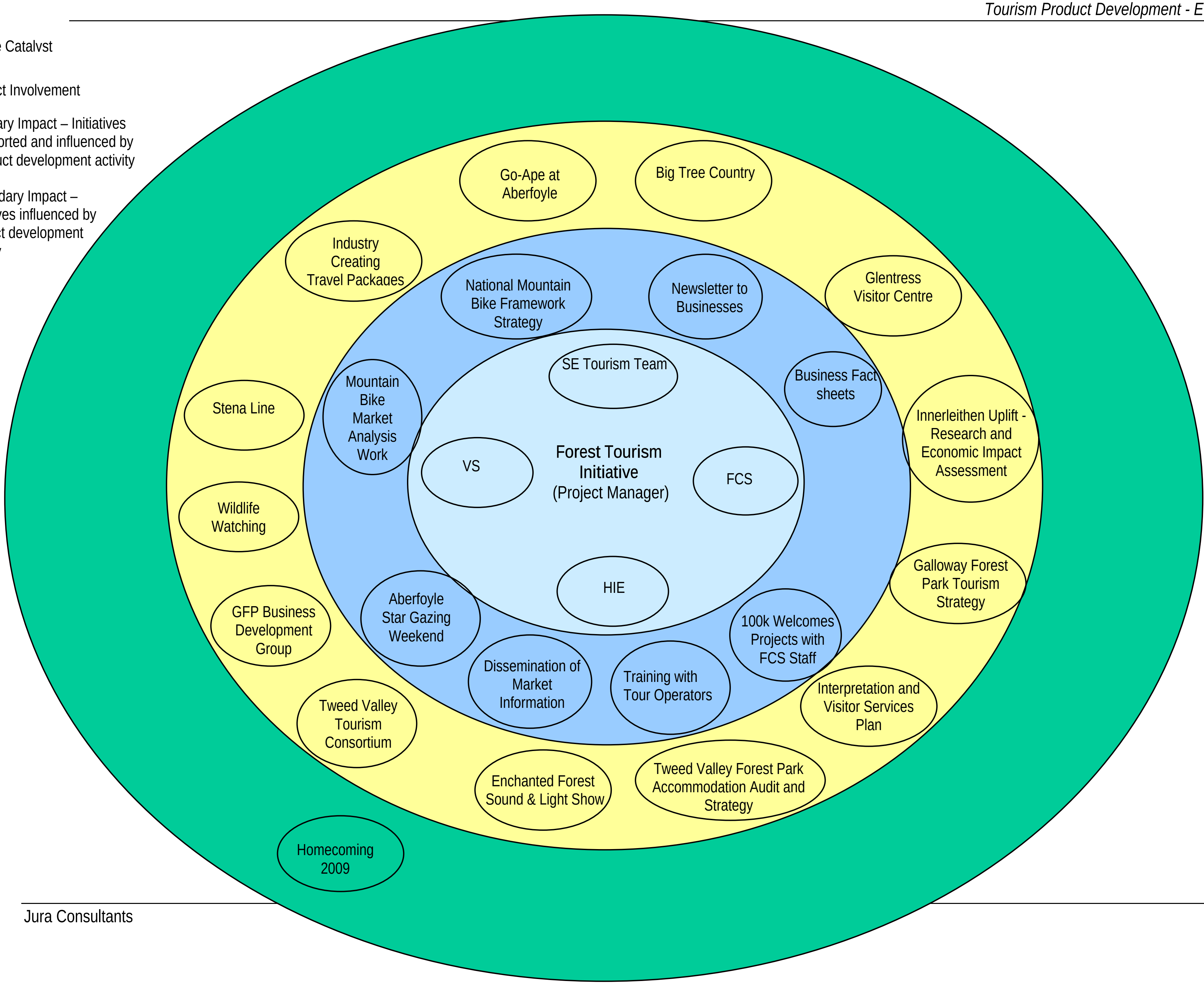
Figure 6 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to forest tourism. It highlights the catalytic effect of this involvement on forest tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

The management team (including project manager) is the core catalyst and has been directly involved in developing those activities outlined within the dark blue area, including business factsheets, newsletters and training with tour operators. The initiatives highlighted in the yellow area demonstrate the primary impact of the core product development activity. These initiatives are supported and/or influenced by the team's product development activity, and include the Tweed Valley Tourism Consortium, Big Tree Country, and Go-Ape at Aberfoyle. Those activities/initiatives in the green area, the greatest distance from the core initiative, demonstrate the secondary impact and influence of the team's core tourism product development activities.

FOREST TOURISM

Key

- Core Catalyst
- Direct Involvement
- Primary Impact – Initiatives supported and influenced by product development activity
- Secondary Impact – Initiatives influenced by product development activity



8.6 Forest Tourism Business Survey

8.6.1 Introduction

6 businesses involved in forest tourism were contacted as part of the business survey (Section 11). They included 2 accommodation providers (one bed and breakfast, one self catering facility), 3 active holiday providers and 1 cycle hire business.

8.6.2 Awareness of SE Tourism Product Development Activity

Participants in the business survey were questioned regarding their awareness of tourism product development activity. Highest levels of awareness related to training "Innovation Days" and business fact sheets relating to the 7Stanes project.

8.6.3 Involvement in Tourism Product Development Activity

Participants were asked whether their business/organisation had been involved in any tourism product development activities. Most stated that they had been involved in Training Innovation Days (this reflects the fact that the sample was drawn from those businesses that had been involved in training and received the newsletter).

The main reasons for involvement in this training included:

- To gain a better understanding/awareness of market opportunities
- Improve/develop the product we currently offer
- Funding available/financial assistance
- Gain a better understanding of market opportunities

8.6.4 Delivery and Management: Process of Engagement

Participants were asked how satisfied they were regarding the quality of support delivered during their involvement. Overall there were high levels of satisfaction with support delivered in terms of management and delivery, co-ordination, planning, responsiveness to needs/relevance.

8.6.5 Impact

In order to understand the impact of involvement on these businesses, participants were asked what they had expected to happen as a result of their involvement in the project/programme. Expectations included:

- Create new ideas (innovation)
- Grow in confidence/take more risks

- More collaboration with other areas/sectors e.g. wildlife, country sports
- Greater market awareness

Participants described how involvement in tourism product development activity has led to:

- More customer focused approach
- Improvement in customer service
- Greater collaboration with others (accommodation providers)
- Creating new ideas
- Developing new products within existing markets.

8.6.6 Future

Participants were asked to what extent they felt that the key objectives of tourism product development activity had been achieved. All participants stated that they did not know whether such objectives had been achieved. This may be due to a lack of understanding on their part as to SE's role in tourism product development activity, assuming that such activity is the role of the FCS.

The participants perceived that the main threats faced by their business over the next 5 years included:

- Lack of collaborative thinking
- Seasonality issue
- Misconception of what tourism is (leading to a lack of engagement of certain businesses)
- Lack of effective marketing of the Dumfries & Galloway area, in contrast to the "over promotion" of the Central and Highlands areas
- Poor transport links to Dumfries & Galloway

Ways in which participants believed that SE could help address these problems included:

- Provision of more up-to-date market research
- Provision of more funding
- Creating stronger industry leadership (to help promote all areas)

8.7 Summary

8.7.1 Does the rationale for intervention still continue to exist?

The rationale for SE's initial intervention in forest tourism no longer exists, i.e. FCS now develops leisure, recreation and tourism programmes and projects in a more cohesive manner and through tourism product development activity has made significant progress in developing relevant skills and expertise amongst its staff. There is also clear monitoring and evaluation of the benefits of the leisure, recreation and tourism activities to the organisation and to other local businesses, local economies and communities. However intervention remains necessary in disseminating such information to businesses. The development of case studies and best practice examples in forest tourism as well as business fact sheets have been very successful, however further penetration of such information is necessary in order to capture businesses located beyond the "honey pot" forest areas.

While the original rationale for intervention no longer exists there remains scope for continued intervention. This would be in relation to the continued strategic development of the forest estate in relation to mountain biking and the development of centres for mixed leisure uses. Mountain biking, while well established, continues to be a product that is evolving. Mountain biking, while a useful generic description for marketing purposes, is undergoing a continued fragmentation and specialisation in the market. The evolving markets are looking for increasingly specialist facilities to meet the needs of cross-country, downhill, freeride, and trials with the emergence of four cross, cyclo-cross and mountain bike orienteering. The need to monitor the changing demands of users and respond to their requirements is essential to maintain the benefits gained from the existing investment and infrastructure. The development of the current centres needs to reflect existing demand and emerging demands and an explicit recognition of the cross-overs between the different disciplines is essential to the success of future developments.

The development of the infrastructure to support mountain biking also allows forests the ability to service other users. The need to avoid all forests being viewed as exclusively for mountain bikers can be addressed with the appropriate marketing of these visitor facilities, e.g. access roads, car parks, toilets, cafes, ranger services.

8.7.2 Which project objectives have been achieved?

Current

The project has been successful in achieving most of its objectives including developing and implementing a strategy for tourism on the National Forest Estate in collaboration with key partners and in consultation with stakeholders. Training has assisted in providing forest tourists and day visitors with an enhanced experience and a higher quality service, while overall tourism product development activity has helped to develop and promote new ideas, products and services in collaboration with the tourism industry e.g. development of Go Ape and Bluebell café within the Trossachs area.

Future

Feedback from the business survey would indicate that further work is required in diversifying the number and type of visitors utilising the estate throughout the year. As outlined above, this could be addressed by the continued strategic development of the forest estate in relation to mountain biking and the development of centres for mixed leisure uses.

8.7.3 What project benefits have been achieved?

One of the key benefits of this project has been to bring together those bodies involved in tourism, forest estate management and business development. This has resulted in a more cohesive approach to forest tourism development activities. Potential business opportunities associated with forest tourism have also been clearly developed through case studies, best practice examples etc. However, as indicated, such information needs to be disseminated further at a smaller micro-business level.

8.7.4 How effective has the management and delivery been?

Management and delivery of tourism product development activity in forest tourism has been effective in facilitating a cultural change within the FC and its staff. Those participating in Innovation days and Mystery Visits have been very satisfied with management and delivery of these activities. There seems to be less clarity (amongst those businesses consulted) regarding SE's role in the management and delivery of tourism product development activities in forest tourism.

8.7.5 Data required for future evaluations.

The following data would be beneficial for further evaluation purposes, enabling a clear baseline to be established upon which impact could be succinctly measured:

- A comprehensive list of businesses involved/participating in each tourism product development activity
- Location of such businesses (including post code)
- Nature of involvement in tourism product development activity for each business(whether multiple activities)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activity)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activity).

9.0 GOLF TOURISM

9.1 Introduction

Currently more than half a million people regularly play golf in Scotland. Golf Tourism Scotland (GTS) estimates that in 2008 just less than £30 million was spent on visitor green fees. A recent report by SQW Consulting [7] indicates that around £119 million is currently spent by staying visiting golfers. Including "multiplier" effects this figure increases to £191 million in additional economic output. Allowing for those that both attend events and play golf, the combined economic impact is estimated to be £220 million. This represents around £120 million of Gross Value Added (GVA) for the Scottish economy.

In tourism terms, the golf product in Scotland has a number of particular competitive strengths including:

- Its genuinely unique market advantage and appeal as "The Home of Golf"
- Regular hosting of the Open Championship – Scotland is home to 5 of the 8 Open Championship Venues
- Its strong golf product – large numbers of golf courses (c.550), variety and geographic spread of courses
- Scotland represents value for money compared to some destinations, such as Ireland and Portugal, which are frequently referred to as expensive.
- Gleneagles hosting the Ryder Cup 2014.

SE's involvement in golf tourism began in 2001and it has contributed approximately £488k since 2002 towards the development of golf tourism in Scotland, including support for Golf Development Officers, the Golf Tourism Monitor and Golf Tourism Scotland.

The Scottish Golf Tourism Executive (SGTE), a group comprising key public and private sector players (including Scottish Enterprise, the (then) Scottish Tourist Board, HIE and the Scottish Golf Union) was established in 2000 to implement "The New Strategy for Golf Tourism" prepared by The Scottish Executive in 2000. The strategy set out the following objectives:

- To increase golf tourism expenditure in Scotland
- To increase the number of visitors (UK and overseas) taking golf breaks in Scotland
- To increase the number of golfers playing the less well known courses around the country
- To increase the number of golfing visitors outside the main season
- To ensure product development is in line with market needs

[7] Scottish Golf Tourism Market analysis, SQW Consulting, June 2009

Following publication of the Strategy SE worked with HIE, VisitScotland and the private sector to progress the Strategy and its Action Plan which were in line with SE's overall national tourism, business development, skills and product development remit namely:

- Supporting strategy
- Product and technology development
- Regional Golf Development Officers

The SE Network's intervention in the sector at this time was co-ordinated by SE Fife.

9.2 Rationale for Intervention

In 2002 the "fading away" of the SGTE created a void in the co-ordinated delivery of the national initiatives outlined in the Strategy. Consequently the pan-Scotland effort to position and develop Scottish golf tourism "became much more opportunistically driven and regionally, rather than nationally focussed"[8]. While there was concerted effort at regional levels with many leading initiatives, including Freedom of the Fairways etc. opportunities were identified to enhance Scotland's brand strength as the "Home of Golf" through further co-ordination of activity between businesses and agencies.

The Scottish Enterprise National Golf Strategy (Draft), 2006, set out an activity framework for achieving this co-ordination within the SE Network. Key issues needing to be addressed and which provided the framework for SE's intervention in the sector included:

1. Facilitating and/or undertaking nationally important research;
2. Dissemination of research data;
3. Stimulating commercial aspirations and a consumer led approach by businesses;
4. Encouraging collaborative working at national level;
5. Promoting and developing industry leadership by encouraging and supporting Golf Tourism Scotland (the private sector leadership group for golf tourism in Scotland, established in 2005) and Club Managers' Association of Europe (developed in 2005, focuses on training Golf Club Managers);
6. Business development support for the key businesses that offer potential to have impact at the ex-Scottish level;
7. Facilitating more easy to sell product/packages; and
8. Business development activity.

[8] Scottish Enterprise National Golf Strategy (Draft), July 2006

9.3 Tourism Product Development Activities

Interventions for golf tourism which SE has been involved in include:

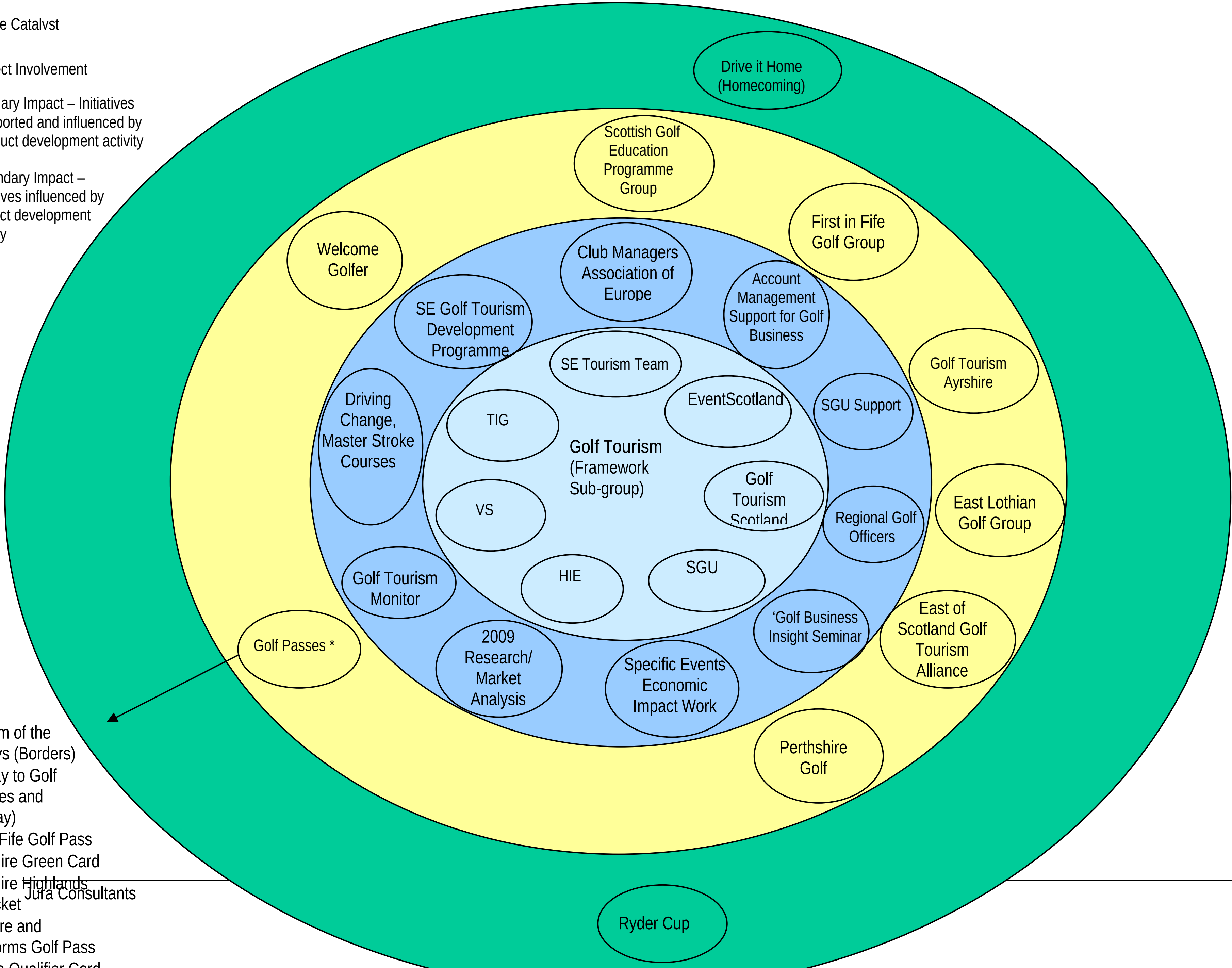
<u>Training</u>
Master stroke (27 clubs)
Driving Change (155 clubs)
Golf Business Insight Seminar
<u>Develop Your Business</u>
Collaborative projects e.g. East of Scotland Golf Alliance
Golf Embassies
Support for Golf Development Officers
<u>Marketing</u>
Golf Tourism Scotland website
<u>Expand Key Markets</u>
Golf Tourism Monitor
Golf Tourism Development Programme

Figure 7 below demonstrates the direct and indirect impact of SE involvement in tourism product development activity with regard to golf tourism. It highlights the catalytic effect of this involvement on golf tourism in Scotland. The circles represent spheres of influence and demonstrate the degree of distance from the core initiative.

SE has been directly involved in developing/supporting those activities outlined within the dark blue area, including the Golf Tourism Development Programme, Regional Golf Development Officers and Driving Change/Master Stroke courses. The activities highlighted in the yellow area demonstrate the primary impact of core product development activity, including Welcome Golfer, Golf Passes and East of Scotland Golf Tourism Alliance. These activities are supported and/or influenced by core activity. Those activities in the green area (Ryder Cup and "Drive it Home"), the greatest distance from the core initiative, demonstrate the secondary impact and influence of SE's core tourism product development activities.

Key

- Core Catalyst
- Direct Involvement
- Primary Impact – Initiatives supported and influenced by product development activity
- Secondary Impact – Initiatives influenced by product development activity



- Freedom of the Fairways (Borders)
- Gateway to Golf (Dumfries and Galloway)
- First in Fife Golf Pass
- Perthshire Green Card
- Perthshire Highlands Golf Ticket
- Aviemore and Cairngorms Golf Pass
- Ayrshire Qualifier Card

9.4 Future Role

Based on consultations with various stakeholders and a review of relevant reports and documents we would make the following recommendations regarding SE's future role in golf tourism:

- Continue to develop and maintain relationships with Industry groups such as Golf Tourism Scotland, Scottish Golf Union and Club Managers Association of Europe, to assist in the promotion and development of industry leadership. The new framework, "The Future of Scottish Golf – A Vision & Framework for Success" is expected to address this.
- Encouraging collaboration and innovation at a regional, inter-regional and national level by continuing to work with public sector partners and industry groups.
- Utilise Industry partners to demonstrate best practice and deliver master classes, particularly in relation to customer service.
- Support the industry in identifying and developing potential new product and market opportunities, through the Innovation Toolkit, e-commerce etc.
- E-business – Promote and encourage the use of e-business including Internet and on-line booking systems with a view to getting the product to market.
- Support nationally important research– e.g. Golf Tourism Monitor, Economic Impact of the Open etc. and strategic research on future trends & markets, Scotland's performance, niche markets and market opportunities.
- Through TIS, facilitate dissemination of research data and encourage its use.

Given its fragmented structure, the golf tourism industry still requires some measure of co-ordination to service the market and identify and seize opportunities to expand that market. With the exception of the regional golf development project no other mechanism has been in place to provide such co-ordination. In response to this, a group representing all the key strands of golf activity in Scotland has been working to develop a coordinated approach which will present a clear strategy and action plan with defined areas of responsibility for those involved. The resulting framework will help maximise the potential contribution of golf to the economy by aligning existing initiatives, identifying new, innovative approaches, sharing best practice and providing leadership for the industry. This framework ("The Future of Scottish Golf – A Vision & Framework for Success") proposes an ambition that Scotland will be the world leading golfing nation by 2020 and defines five key areas including tourism which will drive success. Scottish Enterprise involvement in this process is through the tourism strand of activity and SE is currently working with key partners in the public and private sector to develop and deliver an action plan.

A detailed market analysis of the golf sector is also currently ongoing, this analysis will determine the importance of golf tourism in Scotland and further develop SE's future role in this sector.

10.0 BUILT HERITAGE TOURISM

10.1 Introduction

Tourism is worth around £4.1bn to Scotland. VisitScotland research shows that key highlights for visitors include the culture and heritage of Scotland, particularly the built heritage, castles, country houses and monuments. Recent research[9] indicates that just over 9 million tourists visited heritage attractions (which are open to the public) in 2006, and approximately 20% of tourists visited a historic property or museum as part of their trip. Historic Scotland alone receives around 3m visitors to its paying properties each year. Scottish Enterprise's involvement in built heritage tourism began in 2007, through support for the Historic Properties Group, which was established in 2006 to help develop a successful heritage attractions sector through the sharing of best practice and joint working between the key heritage organisations in Scotland. These organisations include Historic Scotland, The National Trust for Scotland and the Historic Houses Association. SE became involved in this tourism area in September 2007 and has contributed by funding a market analysis and its dissemination.

10.2 Rationale for Intervention

The importance of the heritage sector to tourism in Scotland has been identified through research undertaken by VisitScotland. Further work undertaken for Scottish Enterprise by the Henley Centre found that tourists seek focused short breaks which include authenticity and cultural heritage offered by Scotland's built heritage. It is considered, however, that the standards of customer service and experience offered at different attractions can vary significantly due to properties being owned and managed by a range of operators. This results in it being difficult to promote best practice and quality. Furthermore, while individual operators collect visitor information, comparisons are difficult due to variations in what is collected.

10.3 Project Objectives and Targets

The built heritage approval paper (13/09/2007) states the following objectives for this area of product development:

- *To ensure a greater understanding of the tourism market for built heritage in Scotland amongst operators.*
- *To share best practice amongst operators in order to improve the customer experience.*

A number of action plan points for the sector have also been developed.

[9] Future Trends for Growth in the Historic Properties Sector, Rob Robinson Consulting, March 2008

10.4 Expected Outputs

The output of the first stage of the SE support for built heritage was the report, *Future Trends for Growth in the Historic Properties Sector.* The report included the following recommendations for the sector and for individual properties.

Recommendations for the Heritage Attraction Sector

Leadership and Profile (to include)

1. *To unite the sector and agree a strategic vision*
2. *To improve the image of the sector*
3. *To promote a good fiscal policy for encouraging the maintenance of historic buildings through amelioration of VAT on repairs and a limited income tax relief on the maintenance of buildings open to the public*
4. *To encourage the funding and delivery of innovative and engaging visitor experiences*
5. *To provide a stronger voice for the heritage attraction sector*

Collaborative Working (to include)

6. *To improve / co-ordinate the collation and dissemination of visitor research and monitoring*
7. *To continue to encourage inter-property collaboration (between historic properties)*
8. *To encourage greater extra-property collaboration (between historic properties and other tourism or service providers)*
9. *To ensure that necessary skills and knowledge are shared and developed throughout the sector*
10. *To continue to work towards extending the season*

Recommendations for Individual Properties

Targeting Visitors (to include)

1. *Know your customers and share the data*
2. *Target markets with the greatest growth potential for your property*
3. *Cater for both the time rich, cash poor and the cash rich, time poor visitor*
4. *Link with national marketing campaigns and initiatives*
5. *Cater for individuals and add value*

Developing Products (to include)

6. *Balance a clear mission with a differentiated product*
7. *Co-operate with others*
8. *Look for new sources of investment for innovation*
9. *Deliver total quality and service standards*
10. *Provide engaging experiences*

10.5 Product Development Activities

One of the main activities has been the production of the market appraisal report cited above. A seminar was also undertaken in order to disseminate information to the sector.

10.6 Comments from Stakeholders

Comments from steering group members are summarised below:

- Built heritage is hugely ingrained in Scottish tourism, unlike other areas including food and country sports.

- The aim of the built heritage tourism group is to provide a more complete tourist product, sharing knowledge and share best practice.

- There is a misconception that the majority of built heritage is public funded but all those buildings in the Historic Houses Association are privately owned.

- Two thirds of built heritage is privately owned.

- Homecoming 2009 has resulted in Historic Scotland and the National Trust working more closely together.

- Benefits of SE involvement in the Historic Properties Group include:

    - Sharing joint knowledge
    - Industry seminars
    - Presenting built heritage in an appropriate way to the visitor
    - One stakeholder commented that there are difficult times ahead and described how money is thrown at developing new “visitor centres” which are perceived as having a heritage quality, when it would be better to help conserve the true heritage buildings that exist currently in Scotland. She described a need to encourage visitors to visit the “real thing”. For this to happen there is a need to engage the tour operators.
    - The Historic Properties Group has helped to raise awareness of the issues in the sector and through the involvement of Historic Scotland, National Trust Scotland and the Historic Houses Association it has meant that a large part of the sector is included. It also means they are more able to influence the rest of the sector and thus help improve the quality.

10.7 Achievements

Achievements to date include:

- A joint EXPO stand, in Aberdeen with all the organisations representing 'built heritage' in Scotland as a whole.
- Joint Ticket for Homecoming 2009 with all three groups covering many of the properties in Scotland.
- Mystery Visits – same company used so they can be benchmarked against each other.
- Historic Scotland role is perhaps larger than the others in the group as they have a bigger role due to their statutory requirements.

10.8 SE Role

Current

The role of SE has been to:

- Provide funding for specific pieces of research.
- Help to bring an outside perspective to the group, as all involved are from within the industry.
- Emphasise SE priorities as well as wider national tourism priorities.

Future

- If the action plan identified by the group was to be taken forward there would be a requirement for a Project Manager. It is felt that this is important for any successful project as the organisations often do not have the capacity to develop it further.

11.0 BUSINESS SURVEY, CASE STUDIES AND STRATEGIC STAKEHOLDER FEEDBACK

11.1 Introduction

This section considers the feedback from a sample of businesses who engaged in tourism product development activity and serves as a further element of the evaluation. The business survey was designed to collect quantitative and qualitative information regarding the level of understanding, involvement and benefits of Scottish Enterprise's tourism product development activity. The study brief anticipated that the survey would comprise approximately 50 companies engaged with the SE supported tourism product development activities.

During February and March 2009, representatives of Jura Consultants conducted a telephone survey with businesses that had been involved in one or more tourism product development activities. Project managers in each of the product areas provided Jura Consultants with contact details for companies who had participated in activities associated with tourism product development activity. A telephone survey was developed and agreed with SE staff, prior to being piloted with three businesses. A random sample was selected. A representative sample would have been preferable, however this was not possible as there was no detailed record of every business that had engaged with the tourism product development activity. The reason for this was that much of the activity was delivered through industry-led groups and not directly by SE.

This section provides the findings of the following research:

- Survey of businesses conducted by telephone
- Case studies undertaken to highlight the impact of tourism product development activity on businesses
- Interviews conducted with strategic stakeholders

11.2 Business Survey Aims

The business survey was designed to provide an assessment of both the current economic contribution that each of the tourism product areas provided and, also, an appraisal of the potential for growth in revenue from each of these areas both with and without Scottish Enterprise interventions. The survey also sought to gain an understanding of why businesses participated in tourism product development activities, delivery and management and impact of these activities.

In setting out these aims the study brief also recognised the potential difficulties of assessing this type of impact:

- by its very nature, this programme provides specific challenges in relation to quantifying attributable direct economic impact figures;

- the robustness of such calculations may lead to misleading conclusions.

11.3 Business Survey Conduct and Constraints

The business survey encountered a number of constraints as follows:

- The ability of project managers to provide contact details for those businesses involved in tourism product development activities varied, with no comprehensive record of engagement in all relevant tourism product development activities available.
- The most comprehensive contact details were available regarding tourism product development activities that involved training. Where these were available there was a concern from the study Steering Group that some of these training activities were too recent to have had any measurable impact, or too old to allow any meaningful response.
- These training activities were delivered by third parties, with SE support, but not by SE itself which led to a misunderstanding by participants regarding the level of SE involvement in this area of activity.
- Where participant lists were provided, they were not accurate. When contacted in some cases contacts stated that they had not attended the training session (due to unforeseen circumstances, other commitments etc.) or had never received the (relevant) newsletter.
- On several occasions we found that members of staff involved in the tourism product development activity had subsequently left the organisation. The remaining staff were unaware of the tourism product development activity and its impact.
- Where respondents recalled the tourism product development activity many were reluctant to disclose confidential information concerning the business activity or the impact of the tourism product development activity. In all cases the respondents were assured of the anonymity and purpose of the business survey but remained unwilling to divulge sensitive information on turnover, profitability and changes in these measures.

The level of non-response on the key performance variables was much higher than we had anticipated or have experienced in other impact studies. This may be because of several reasons but the lack of association by the company between the tourism product development activity and SE is one cause, as is the current economic climate, where performance information is regarded as highly sensitive.

Businesses were more open in providing responses to the qualitative questions concerning their motivations for involvement with the tourism product development activity and the business development benefits.

The business survey has insufficient data for any of the tourism product development activity areas of activity to produce a quantitative response to the questions posed in the study brief.

11.4 Business Survey Summary

The businesses referred to in this survey are the same businesses described in the previous individual product sectors. On the basis of the constraints outlined above the resulting survey is based on feedback from a random sample of 38 businesses and does not represent the views of the whole population of participating companies. These results therefore need to be interpreted with care.

11.4.1 Why do businesses participate in the tourism product development activity?

The main reasons for engaging with tourism product development activity amongst those businesses contacted were as follows:

- To improve / develop the product currently offered (n=21).
- To develop a better understanding or awareness of market opportunities (n=16).
- To learn from other best practice organisations (n=14).
- Personal/organisational development (n= 13)
- Exchange/develop new ideas (n=12)
- Target new markets (n=11)
- Funding available/financial assistance (n=8)

11.4.2 Delivery and Management

The following table summarises the views of businesses who engaged with tourism product development activity in terms of delivery and management. It should be stated that such activities were supported but not delivered by SE, they were delivered by other third parties.

TABLE 11.1
VIEWS ON DELIVERY AND MANAGEMENT OF TOURISM PRODUCT DEVELOPMENT ACTIVITY

	Very Satisfied	Satisfied	Neither	Dissatisfied	Very Dissatisfied	Don't Know
Management of Programme	18	8	1	0	0	0
Delivery of Programme	19	8	1	0	0	0
Coordination	15	10	1	0	0	0
Planning	16	9	2	0	0	0
Responsiveness to Your Needs	18	8	2	0	0	1
Content / Relevance	16	10	1	0	0	0

There is a high level of satisfaction across all aspects of tourism product development activity administration and development.

11.4.3 What did you expect to happen as a result of your involvement?

SE was keen to identify the impact which businesses expected from their engagement with tourism product development activity. The following summarises the views reported by businesses consulted:

- Greater market awareness/awareness of opportunities (n=20)
- Creating new ideas (n=18)
- Growth in confidence/willing to take more risks (n=18)
- Sharing relevant market information (n=14)
- Develop new products/proposals (n=12)
- More collaboration with other businesses (n=9)

Businesses expected to gain a greater awareness of market opportunities, encouragement or impetus to create new ideas and develop their confidence to take more risks as a result of their involvement with tourism product development activity. Taking these three issues in aggregate suggests that businesses expected to be empowered to develop new business opportunities from the tourism product development activity programme.

Participants were also invited to indicate other expectations of engagement with tourism product development activity in addition to those aspects identified above and tested with the respondents. Businesses indicated that they expected benefits to be achieved in two key areas; namely customer satisfaction and business performance. Clearly, these two areas are linked and it is interesting to note how different businesses responded to this question. We consider customer satisfaction and business performance answers below separately.

11.4.4 Customer Benefits

Businesses reported that they expected their involvement in tourism product development activity to result in an improved product which responded more effectively to customer needs and would result in enhanced customer satisfaction. It appears that tourism product development activity has been successful in encouraging businesses to take a market-focused approach to their own business, identifying the requirements of customers and how they can meet these. One respondent indicated that the concept of improving the business for the benefit of the guest was ‘inspirational’, whilst another indicated that they would ‘involve’ customers more in the future to inform product and service development.

11.4.5 Business Performance Improvements

Some businesses had clearly defined expectations of their engagement with tourism product development activity. One business reported that it expected to increase the number of visitors / customers, whilst others wanted to learn what other businesses were doing to inform network development, or perhaps to learn from good practice with the intention of enhancing business performance.

Awareness of market opportunities leading to business performance improvements was a key driver which resulted in involvement in tourism product development activity for some. One respondent indicated that they expected their involvement to lead to a better understanding of marketing opportunities, and market intelligence. One particular comment highlights this issue, ‘who is an ancestral tourist?’

Businesses also engaged in tourism product development activity with an expectation of better developing their own knowledge with the expressed intention of increasing sales. One business indicated that their involvement was to develop their knowledge of whisky so that they could increase sales.

11.4.6 What are you doing now that you hadn’t been doing prior to involvement in tourism product development activity?

Respondents were asked to indicate against pre-determined set of criteria, the impact that involvement in tourism product development activity has had on their business. Changes in business as a result of involvement (totalling prompted and unprompted responses) include:

- Improvement in customer service (n=17)
- More customer focused approach (n=14)
- Creating new ideas (n=10)

The most common answer was improvements in customer service, with almost 50% of respondents indicating that this benefit has been secured. This has been supported, or perhaps driven by 1 in 3 businesses surveyed indicating that they are now taking a more customer focused approach to the operation of their business. There has also been a good level of innovation as a result of tourism product development activity with 27% of businesses surveyed indicating that they have created new ideas. The top three issues are perhaps linked. Creativity, driven by enthusiasm stimulated by the tourism product development activity, in tandem with a customer focus has facilitated improvements in customer service.

Several businesses provided examples of the impact that tourism product development activity has had on the operation of the business:

- Sourcing of locally produced food, e.g. use of locally produced Loch Fyne kippers

- Improved dining experience, e.g. laying of tables and presentation of food
- Enhanced advertising on door and website
- More aware and up-to-date with changes in the market

Within businesses consulted, tourism product development activity has been less successful in extending collaboration in the industry, either within industry groups, e.g. whisky, or across the sector as a whole. Only 13% of businesses consulted (n=5) reported that collaboration had improved / extended as a result of tourism product development activity. In addition, businesses consulted indicated that there was a low level of entering or targeting new markets with existing or new products. This, alongside the findings discussed above, suggests that tourism product development activity has encouraged businesses to more effectively concentrate on its existing customers and provide better service. We suggest that this illustrates the need to maximise the individual business's own potential and opportunity before it extends into new products or markets, or considers the need to collaborate more extensively.

Only 4 businesses consulted reported that nothing had changed as a result of their involvement in tourism product development activity. The most common expectation which was not met by tourism product development activity was the development of greater market awareness (3/4 businesses) and sharing of relevant market information (2/4). Two businesses in both food and ancestral tourism product area reported that they were doing nothing different following involvement with tourism product development activity. We were also interested to identify whether the length of time involved was an issue. This was not the case with non-beneficiaries being involved for 0-1 year, 1-2 years and 2-3 years.

11.4.7 Effect on Business Performance

The survey aimed to identify the impact of tourism product development activity on a series of business performance indicators including volume of visitors / customers, turnover, margins etc. 8 businesses consulted indicated that they experienced an increase in visitors / customers. Very few businesses could quantify this, however:

- 1 business reported that customer numbers increased by circa 10%
- another reported growth of 15-20% over the last 3 years
- 4 businesses reported an increase in turnover
- 1 business reported a 15-20% increase in turnover
- another a £10,000 increase in turnover and
- 2 businesses reported an increase of 5% as a direct result of their involvement in tourism product development activities.

Respondents found it challenging to specify the impact on business performance. Several businesses indicated that their involvement in tourism product development activity has helped to sustain previous levels of performance and in some cases assist in delivering modest growth. One respondent indicated that there was no impact on visitor numbers but there was an increase in the 'quality' of visitors.

It was acknowledged by several respondents that Visit Scotland grading schemes were important and these have assisted in increasing visit numbers, turnover and other metrics of business performance.

11.4.8 Direct Impact of Involvement in Tourism Product Development Activity

8 businesses indicated that the improvements reported in recent trading or operations would not have been secured without the benefits achieved from involvement in tourism product development activity. A further 6 businesses indicated that improvements/development would have gone ahead, but probably at a smaller scale without involvement in tourism product development activity.

11.4.9 Future Effects of Involvement

Participants were asked to identify the medium-term (i.e. 3-5 years) effect of their involvement in tourism product development activity in terms of business performance. One in four businesses reported that there would be an increase in the number of visitors / customers using their services. One business indicated that they thought the increase would be circa 15-20% in 3 years, whilst another was more conservative, reporting an expected increase of 5-10%. 4 businesses indicated that they thought that they would benefit in terms of increased turnover in the next 3-5 years. Two respondents indicated that they expected this to be in the region of 20%. One business indicated that they thought tourism product development activity would have an impact on staffing levels, improved margins or increasing spend on-site by customers.

11.4.10 Threats to Business

The four most common threats reported by businesses consulted relate to consumer preferences and international competition. Changing preferences can be in terms of activity and location but also link to environmental considerations, with tourists / day trippers considering the environmental damage caused by their holidays, etc. Consumer preferences may well be the stimulus which results in a decrease in the number of visitors to Scotland. Action is therefore required to ensure that Scottish businesses are aware of changing preferences and are encouraged to act to address these issues.

TABLE 11.2 THREATS TO BUSINESS	
Threat	No. of Businesses
Changing Consumer Preferences	10
Decrease in number of visitors to Scotland	9
Increase in competition from other countries	9
Increasing importance of environmental considerations	8
Lack of finance to develop products further	8
Greater competition from companies in Scotland	6
Greater competition from international comparable companies	6
Lack of relevant research information re market opportunities	3
Lack of partnership / linkages with other related tourism products	1

While changing consumer preferences is the greatest threat, only 3 businesses surveyed identify the lack of market information as a threat. In order to address changing preferences, Scottish tourism businesses need to understand these and this understanding will be developed through market intelligence.

Businesses were also offered the opportunity to highlight other threats to their business. The most commonly reported threat in addition to those discussed above, was the current state of the economy and the impact that this has on discretionary spend and the tourism industry. However, businesses also acknowledged a fragmented approach to marketing within the industry which was affecting the development of the sector and causing difficulties for niche businesses.

11.4.11 Potential Growth Areas for Your Business

Respondents were asked to identify key growth areas for their business. This attracted a range of very specific ideas and suggestions. This section draws together the key issues identified by businesses involved in the process.

Businesses are interested in the opportunities provided by green tourism and this specifically links into meeting changing consumer preferences. Several businesses acknowledged environmental considerations.

There is a mixed view on how the current exchange rate and economic conditions will affect the tourism market. Some believe that the weak pound will encourage foreign tourists whilst others believe that there will be an increase in people holidaying at home and therefore an increase in domestic tourism.

Businesses recognise the need to provide a high quality product, which diversifies into new markets or develops existing small markets. For instance, one business highlighted the need for whisky businesses to engage more effectively with young people through the use of whisky in new ways, such as cocktails, etc. Similarly, developing new activities for visitors as complementary packages, e.g. sports or cultural packages linked to conference events, etc. were suggested as new ways for businesses to grow. These areas of product development link to the need for businesses to react to changing customer preferences, whilst also engaging with existing and new markets to identify opportunities to develop their business.

11.4.12 Scottish Enterprise Assistance

Businesses were asked to identify how Scottish Enterprise could help them pursue potential growth areas. The following summarises the responses provided.

TABLE 12.3
SE ASSISTANCE TO HELP BUSINESS GROWTH

SE Assistance	No. of Businesses
Provide more funding	15
Work more closely with the private sector	11
Provide more up-to-date market research	9
Create stronger industry leadership	8
Work more closely with other public bodies	2
Continue to focus on 9 product areas	1

Funding was identified as the most popular type of assistance required. In addition, businesses acknowledge the need for SE to work more closely with the private sector and to provide more up-to-date market research. It is interesting to note that there is little support for continuation of current focus on the 9 defined product areas.

We note that funding is the most popular form of future support required. However, section 11.4.1 above which considers the reasons why businesses engaged with tourism product development activity indicates that funding was the least common reason for engagement. This alongside the feedback presented above, may suggest a shift in the requirements of business, expecting tourism product development activity to provide resources to empower businesses to develop new areas for growth.

11.5 Summary

This section provides an overview of responses to a business survey conducted with a range of businesses involved in tourism product development activity. It includes businesses involved in whisky tourism, food tourism, ancestral tourism, forest tourism and country sports tourism. The following summarises the key issues identified by those businesses consulted:

- The most commonly reported reasons for engaging in tourism product development activity were to develop existing products offered, gain a better understanding of market opportunities and learn from best practice.
- Businesses expected tourism product development activities to generate awareness of market opportunities and empower businesses to pursue these through the development and application of creative ideas.
- Several businesses expected involvement in tourism product development activity to improve business performance, through increasing the size of the customer base and turnover. There is little evidence of the direct contribution made, however 10% of businesses consulted reported an increase in turnover (2 businesses reported a 5% increases in turnover and a further business reported a £10,000 increase)
- Almost 50% of businesses consulted reported that involvement in tourism product development activity has led to an improvement in customer service. This is an output of businesses taking a more customer focused approach and implementing creative ideas as a result of tourism product development activity.
- Respondents indicated that tourism product development activity was less successful in encouraging or delivering collaboration.
- Businesses consulted are positive about the future impact of their involvement in tourism product development activity. One in four businesses indicated that they expect customer or visitor numbers to increase in the next 3-5 years as a result of their involvement
- Tourism businesses are most concerned about changes in consumer preferences and a downturn in the Scottish tourist industry in terms of scale. The economic climate is unsurprisingly considered to be a key threat at present, affecting both the volume and value of the tourism industry and the ability of individual businesses to obtain working capital and investment.
- Businesses reported that Scottish Enterprise should provide funding to support / enable them to pursue growth opportunities. 11 businesses reported that SE should also work in closer partnership with the private sector to support growth opportunities.

Tourism product development activities appear to have had a number of strategic and operational benefits for the businesses. The strategic impacts appear to be more widespread and resulted in a number of key changes to the businesses with increased focus on market opportunities and customers. This has resulted in improved customer experiences and enhanced customer satisfaction. The operational impacts are less evident. In part this may be a result of the limited response to detailed questions about the business, or that it is too early for the strategic changes to have impacted on the business operations. However, where operational impacts have been reported they include increases in the customer base, increased customer expenditure, and increases in turnover.

The strategic benefits have also allowed businesses to see the benefits of benchmarking, collaboration and the introduction of new ideas. The measurement of these changes is difficult as they represent changes in approach which will have a long-term impact rather than a short-term impact on operational performance.

The case studies identify that involvement in relevant tourism product development activity can work and have measurable operational benefits. However, tourism product development activities are not sufficiently isolated from other factors influencing business performance to identify the specific, measurable contribution that they make. Tourism product development activities do provide a catalyst for strategic change within nearly 50% of the tourism businesses surveyed.

11.6 Case Study Analysis

As all of the product development initiatives are pan-Scotland, the case studies have been chosen to reflect that. Four case studies are presented which demonstrate the impact of involvement in tourism product development activity. They include the following:

1. A bed and breakfast business with self catering facilities
2. A restaurant with a malt whisky bar
3. A guesthouse/bed and breakfast business which targets ancestral tourists
4. An estate focusing on country sports activities

<u>Case Study One</u>

This business is a bed and breakfast with self catering facilities also available. It employs two people and has an average of 80% utilisation. It is based in Loch Lomond and has been in operation for eleven years. Target markets for the business include the UK and American markets.

The business owner participated in the food workshops, but also uses the foodkit website. Involvement with these activities started in 2007 and the main reason for involvement in training was “the chance to network with similar organisations”. It was hoped that more collaboration with other food businesses would occur as a result of the involvement with the programme.

The business reported that there was an improvement in customer service and greater collaboration with other organisations in the food industry as a result of the involvement but there was no direct effect in terms of the number of visitors or turnover as yet. It is hoped that the involvement will increase the number of visitors to the business over the next 3-5 years.

In terms of the main threats to the business, a lack of partnerships and linkages with other related tourism products was viewed as a key threat. The business owner wished to increase the number of visitors by improved customer service and a high quality food product. This owner reported that he would like to see practical help with his business, e.g. with information technology and felt that Scottish Enterprise could work more closely with the private sector.

Case Study Two

This business is a restaurant/coffee shop with a malt whisky bar, situated in the Highlands and Islands. The restaurant has 60 covers and is described as 'busy in summer'. The business has been in operation for 15 – 20 years and targets local, domestic, and overseas visitors. The business employs four full-time staff who work throughout the year, and an additional 20 staff who work part-time during the busier summer season.

The owner of the business took part in the Scottish Whisky Training School, but is also aware of the ScotlandWhisky website, whisky related festivals and events and relevant market research information. Involvement in tourism product development activity began in 2008, over one year ago.

The reasons for participating in tourism product development activity included a need to increase knowledge of malt whisky as well as the following:

- Personal development (which could then cascade down to staff)
- To gain a better understanding/awareness of the market opportunities
- Target new markets/ customers
- Improve/ develop the product current on offer
- Exchange and develop new ideas (collaboration)
- Learn from best practice organisations

Since involvement began, the business now has a more customer focused approach, it has led to an improvement in customer service and it has helped to create new ideas and therefore target new customers within existing markets. The business also reported that the staff training had improved knowledge and confidence which has led to an increase in the sale of whisky.

Whisky sales account for 10% of overall turnover (i.e. account for £50k in turnover per annum). Involvement in tourism product development activity has resulted in a 20% increase in whisky sales (i.e. an additional £10k). The business reported that this change is directly related to the involvement with the ScotlandWhisky training project. The business hopes, through continued involvement in tourism product development activity, to increase whisky sales by a further 20% over the next 3-5 years.

Case Study Three

This business is a guest house/ bed and breakfast located in Aberdeenshire, it has six bedspaces and employs 2 people. The business is four years old and has been involved in ancestral tourism since opening. The involvement with ancestral tourism started as a personal interest, as the owners were involved in the local family history society. This society has grown from around 6 members a few years ago to over 40 members.

A large proportion of their target market is business tourism (reported at around 60%) as well as Scottish and UK visitors.

The business has participated in ancestral seminars and has also used the industry database, the business support fact sheets as well as the ancestral tourism website and newsletter. The primary reason for participating in training was to improve/develop the product they currently offer. It was expected that involvement would lead to creating new ideas, developing new products and a growth in confidence. Involvement has resulted in improved customer service and more targeted marketing/promotion.

Involvement in tourism product development activity has led to an increase in the number of visitors and subsequent increase in turnover, however the owner was unable to quantify these figures. Greater competition for similar businesses in Scotland and lack of finance for marketing purposes were viewed as the main threats faced by this business over the next 5 years.

Case Study Four

This business is an estate located in the Highlands and Islands which focuses on country sports activity. It employs 40 people and is involved in hunting/shooting, deer stalking, pheasant shooting, loch fishing and farming. The business has been in operation for over 10 years and targets international and UK visitors.

Estate staff have been involved in Country Sports Customer Care training. Reasons for involvement include personal/organisational development and to improve/develop the product currently offered. It was expected that involvement would lead to the creation of new ideas, as well as a growth in confidence (and willingness to take more risks). Involvement has led to a more customer focused approach, improved customer service, the creation of new ideas and the development of new products to existing markets.

This activity has led to an increase in the number of visitors to the estate and an increase in turnover, however it was not possible to quantify these figures. One direct result of involvement in the training programme was that one of the participants subsequently developed bird hides on the estate to attract wildlife photographers. They are also currently building an artificial fishing pond for the ospreys to fish (so that they can then be photographed). This development has led to a 50% increase in wildlife visitors to the estate.

11.7 Strategic Stakeholder Feedback

Discussions were held with the following regarding involvement in tourism product development:

- Scottish Enterprise
- Highlands and Islands Enterprise
- Visit Scotland
- Steering Group Members
- Project Managers
- Regional Contacts

Feedback is summarised below.

Scottish Enterprise Involvement

SE considers the diverse range of collaborative working to be one of the key outcomes of tourism product development activity. This has involved other agencies, representative organisations, and leading industry players. SE's interaction with the industry has matured since tourism product development activity began and more recent interventions and approaches are considered to be more developed than earlier ones.

SE is keen to ascertain the validity of the approach which sees support for key destinations and for the tourism product areas, and to consider whether the tourism product areas remain valid and if themes exists which could cut across the key destinations and the tourism product development.

Discussions with regional tourism contacts indicate that weaknesses still exist in terms of the local approach to national product development (the fact that due to restructuring small business support is now the role of the Business Gateways remains unclear to businesses). Lack of clarity over roles and responsibilities and lack of engagement with the regions are viewed as weaknesses in the current approach. It was felt that in the past there was a structural failure in delivery and communication between SE, HIE and what were then the Local Enterprise Companies (LECs). Businesses had "close" contact with a network of people within the LECs, due to restructuring and prioritising of "high growth businesses" this "closeness" is perceived to have been lost and businesses feel "abandoned". This view is reiterated in responses from the business survey.

Comments from project managers and steering group members in relation to SE's involvement with tourism product development activity are summarised as follows:

- Consistent approach – clear roles and responsibilities
- SE served as a "catalyst" for progress
- Focused strategic direction
- Knowledge of the tourism sector was a key strength
- Facilitated collaborative projects
- Influenced product type
- Provided ongoing support

HIE Involvement

HIE's role within tourism product development activity is viewed as one of "challenging ideas" at a later stage of product development (particularly in terms of whisky, country sports and ancestral tourism). HIE has funded whisky related training activity in the LEC areas, however discussions with stakeholders indicate that there has been a lack of continuity and consistency regarding HIE's involvement in tourism product development activity. It is recognised that this is in part due to re-organisation and changing staff member involvement. Discussions with HIE indicate that achievements to date with regard to tourism product development activity include:

- Provision of suitable market intelligence to identify market requirements.
- Identifying the industry and the skills gaps and addressing these.
- Development of steering groups (the effectiveness of such groups has been partially dependent on the businesses and individuals that were involved).
- Getting organisations and groups working together that were not used to working in a collaborative manner.

HIE's tourism product development has focused on training activity and collaborative marketing in relation to ancestral tourism, and two other key initiatives: "Wild Scotland" and "Golf Highland". HIE does not fund projects at a national level, only at a local level. HIE's approach to tourism is currently more "destination based" e.g. currently focusing on Aviemore and what is required here to unlock growth. It is felt that the presence of one public sector body on each tourism product development activity steering group would perhaps be more beneficial with one agreed strategy from the public sector bodies. Stakeholders' views regarding HIE involvement are summarised as follows:

- Inconsistent involvement due to restructuring of HIE.
- Greater involvement at the outset, intermittent involvement subsequently (and only on specific processes e.g. whisky).
- HIE funding does not necessarily fit with SE's Strategy.
- There is a mismatch of procedures and priorities between HIE and SE.

VisitScotland Involvement

Discussions with VisitScotland indicate that from 2000-2008 the sector development was based on a product portfolio which matched the UK and Ireland's tourism strategy, focusing on maximising what was then provided in Scotland. While several product development ideas were informed by VisitScotland's marketing priorities others were industry led, e.g. country sports and whisky. VisitScotland will continue to undertake research to understand customer requirements but is also focusing on examining the impact of the current economic situation.

Market research has identified sailing as a growth area (yachting). The cruise market is considered to be fragmented, small, and generating only limited visitor expenditure in Scotland. Additional market research continues to be required across many areas with insufficient research and visitor data currently being collected.

Future strategic activities will also focus on the accommodation and transport sectors (providing strategic guidance).

Accommodation

Accommodation is one activity that is being considered by VisitScotland. Its involvement would be at a strategic level but the identification of accommodation as a potential product area is based on the fragmented nature of the activity and the split between the corporate operators and the lifestyle businesses.

The accommodation offered by lifestyle businesses will require a different form of support during the current recession. Where these businesses experience poor performance there may be a tendency to sell the business to release the capital value tied up in the business and the associated property, where this is owned. This could lead to an increase in the concentration of the corporate accommodation providers, although more likely is the influx of new lifestyle operators. The turnover in ownership of the lifestyle accommodation establishments is a recognised phenomenon and this results in a requirement for constant support in terms of customer care training, understanding changing trends and customer requirements, local supplier initiatives, and delivering a value for money experience.

The fact that most visitors, excluding those visiting friends and relatives, will experience the Scottish tourist accommodation means that this activity must be given due consideration. However, the key products are market intelligence, customer care, and creating local supplier linkages. While supplier initiatives are currently based around food, the opportunity exists to encourage more networking between service providers, e.g. accommodation, restaurant, retail, bars, equipment and facilities hirers, and activity locations.

Transport Services

Transport Services is another activity that is being considered by VisitScotland, again its involvement would be strategic. As with accommodation, many tourists will use transport services during a visit. Even independent car drivers may use ferry services, and other transport services. The exposure of the sector to visitors makes it paramount that customer care is understood and delivered to a consistently high standard. Transport providers may also be viewed by visitors as a source of information about other tourist services.

Accommodation and transport demonstrate the inter-connectedness and confirm that the inter-dependency between the providers of different services. No single provider is responsible for the entire tourist experience. Even operators of coaches with hotels visit attractions operated but independent third-parties. Therefore, collaboration is essential between industry sectors on a geographic and non-geographic basis.

Stakeholders’ comments regarding VisitScotland’s role in tourism product development to date are summarised as follows:

- Involvement has been inconsistent since restructuring has occurred.

- Involvement in the key product areas identified has been variable and is dependent on their fit with VisitScotland's "Brand Wheel", e.g. greater involvement in Ancestral Tourism with Homecoming 2009.

12.0 FUTURE TRENDS AND IMPLICATIONS FOR TOURISM PRODUCT DEVELOPMENT

12.1 Introduction

The evaluation has also to consider the future direction and delivery of tourism product development support from Scottish Enterprise. The following specific questions were posed in the study brief:

- what (if any) market segments are most relevant for the future, including any views on prioritisation

- what developments or modifications should be made to the project, its operation and delivery for the future with reference to SE's Tourism and Enterprise Strategies

12.2 Current Economic Climate

Before considering the specific questions posed above and the evidence from the evaluation, we have conducted a comprehensive literature review to ascertain the potential future direction of tourism development globally and nationally. The literature review has highlighted a number of significant issues. While these are discussed below, any interpretation of issues and trends has to be made with a clear understanding that much of the research evidence and analysis supporting them was conducted in the period prior to the credit crunch. The obvious impact of the credit crunch globally is a reduction in economic output, leading to reductions in employment and income. These impacts in turn will lead to reductions in aggregate demand for many goods and services.

The current recession has been both rapid in the speed of its impact and steep in terms of the severity of the impacts. Whether the recession becomes a depression only time will tell, but the scale of the monetary and fiscal stimulus in North America and Europe suggests that we may avoid repeating the policy mistakes that led to the Great Depression. However, the recession has resulted in, and will continue to result in, changes in consumer behaviour and this is likely to continue through to 2010 and beyond, albeit with reducing impacts.

The tourism economy will experience a number of considerable impacts as a result of the combined effects of increasing unemployment, reductions in income, interest rates, exchange rates and costs of travel. The increase in unemployment and reductions in income will lead to an aggregate reduction in consumer demand. The tourism sector will not be immune from this. This is likely to manifest itself in a number of ways including reductions in demand. The scale of any reduction in demand is difficult to forecast but this will be offset by the ability of domestic tourists to trade down (reduced quality and/or shorter durations) and achieve value for money. While reductions in interest rates have released household expenditure (where they have mortgages and other borrowings) this has, for many, introduced an opportunity to accelerate the repayment of mortgages and has not led to increased discretionary consumer expenditure. Given the duration of the recession and the possible slow recovery it would be prudent to assume that such behaviour may prevail in the longer term with a decrease in debt for those homeowners in employment. This recession may signal an increase in the long-term savings rate and, as interest rates increase, discretionary expenditure on tourism and leisure will experience a further squeeze. In short, the impacts of the recession may be felt for a very long time, and the UK consumer may not revert to the pattern of behaviour and activity that prevailed during the last decade.

While many households have benefited from the reductions in interest rates (those who are net borrowers) the majority of households in the UK are savers and the reduction in interest rates has reduced the income from those savings. The retired households have seen catastrophic reductions in income from savings accounts from as high as 7% per annum in early 2008 to 0.1% in 2009.

Exchange rates will have an immediate impact on the tourism sector. Sterling is trading unfavourably against the Dollar and the Euro. The contrast with as little as one-year ago emphasises the scale of the turnaround and indicates that the likely impact will be extensive. The immediate impact is that fewer UK residents will holiday abroad in the coming year. The UK is likely to be more attractive to foreign visitors. These impacts may be relatively short run. Even if the exchange rate does not recover UK residents will adjust their expectations and expenditure patterns to absorb the additional costs of foreign travel within 2 or 3 years. The 2009 season will experience a significant reduction in UK residents travelling abroad, but this will begin to recover in 2010 and continue to improve, albeit slowly. The rate of recovery will be affected directly by exchange rates and indirectly by interest rates, unemployment and salary settlements.

The next 3 to 5 years will feature considerable uncertainty with variations in domestic and overseas tourism. Opportunities will exist for all providers from budget to premium but value for money will be a critical factor throughout the quality scale.

12.3 Potential Product Areas

12.3.1 Introduction

We have conducted a comprehensive literature review to identify existing and potential product areas to be considered by Scottish Enterprise. The literature reviewed is detailed in Appendix H. It should be noted that much of this literature is pre-credit crunch and represents a view on the tourism industry and its outlook that has changed markedly since. However, we consider the literature and its findings to be valuable, but to be interpreted with extreme care in the light of current and likely future economic circumstances at home and abroad.

12.3.2 Market Drivers

The literature highlights a number of key drivers including globalisation, ageing populations and environmental concerns.

The rise of the global economy has been confirmed with the global recession. However, in advance of the recession the impact of globalisation highlighted the growth in bi-national marriages, the growth in holiday homes abroad, the increase in international students and improved access to information. Particular markets noted for their growth potential were India and China. These factors will have been affected by the recession in both direct and indirect ways.

The rise of the global job seeker was encouraged by skill shortages that saw significant economic migration. The rise of the Eastern European workforce in Scotland, particularly in the service sector has been marked in recent years. The recession and the deterioration in the exchange rate will have an adverse impact on this market. Other countries including Australia and the United States of America have seen more recent calls to protect local jobs for local people.

The growth of holiday homes abroad will be affected by the adverse movements in European property markets. There may be a short term reduction and growth is unlikely to recommence until the exchange rate is considerably more favourable or property prices have fallen so far as to be sufficiently attractive even with the prevailing exchange rates. There would appear to be no short term stimulus that will assist this.

The growth of international students may be assisted by the current exchange rate attracting students to the UK. However, such decisions are taken with a long-term view as many courses have a duration of at least one year and frequently up to 3 years.

The ageing populations in Europe and including the UK have led to a growing concern for health and well-being and a reduction in the focus on seasonal holidays with more time flexibility. However, the reduction in income from savings will have affected this market adversely in the short term and will require some recovery in interest rates for savings accounts before this market resumes the previously forecast increase in demand.

The increased concern over the environment remains a real issue and has resulted in a growth in eco-tourism/ecological tourism (travel to fragile, pristine, and usually protected areas, that strives to be low impact and often small scale), as well as the desire for more information on the environmental policies and credentials of tourism suppliers. However this concern may be superseded in the short to medium term with a value for money consideration. Given the current climate only a minority will consider value for money and environmental considerations on an equal footing. Value for money will be the key determinant. If a business can offer value for money and enhanced environmental credentials then this will have impact on some segments of the market, although not all.

Environmental concerns were thought to be likely to lead to a reduction in the number of short and frequent holidays abroad. The rise of the no-frills airline has supported the overseas short-break market. The current recession has probably done more to reduce the overseas short break market as the effects have been more widely spread than the issue of environmental awareness.

12.3.3 Product Responses

In response to the market drivers identified above from the literature review, a number of product responses were forecast. The products were all connected to the same agenda but explored different dimensions of eco-tourism, environmental responsibility, and sustainability. Particular issues that were identified as influencing the behaviour of tourists included the following:

- Environmental management
- 'Pay for Play' strategies
- Research on 'labelling' holidays (much like the food labelling increase in recent years to show organic and free range foods)
- Provide information about 'eco destinations' that minimize impact to environment
- Build environmental and cultural awareness and respect
- Provide direct financial benefits and empowerment for local people
- Incentives to use fewer resources in hotels
- Encouraging customer feedback
- Increasing proportion of local or 'near' holidays
- Increased focus on the holiday journey not only the destination(s)
- Fitness and well-being as a focus for tourist trips

12.3.4 Emerging Product Areas

Fitness and Wellbeing

A 'Holistic Tourism' Mintel Report (February 2007) showed that the UK is the main holistic tourism market in Europe. It highlights research undertaken by Alternative Futures, who estimate that 5 million adults suffer from work-related stress in the UK and would be interested in a more healthy and balanced life. The market for tourism and wellness has seen a rapid increase and was chosen as the topic for the Innovation and Tourism International Seminar held in Mallorca. It focused on the spa market, but there are also markets in alternative health, wellness tourism and activity holidays. Recuperation and rejuvenation informs holiday choices as much as escapism and relaxation. A search for wellness motivates tourists today, whether it is opting for a hotel with a spa or a holistic holiday. Health-consciousness will increase still further, according to the *Megatrends* report 2005 by the European Travel Action Group

(ETAG), thereby increasing demand for 'wellness' products. ETAG comments that a higher level of awareness and education will also lead to a greater demand for 'spiritual travel'. As people take more frequent breaks, we are witnessing a trend of taking recuperation breaks, in addition to a main holiday, particularly close to home, in Europe. Judging by repeat business, this restorative type of holiday is viewed as a necessity for a healthy life, rather than a luxury.

Smith and Kelly studied 450 operators offering holistic, spiritual and yoga holidays worldwide in their paper, *Journeys of the Self: The Rise of Holistic Tourism,* and confirmed that the growth of holistic tourism is difficult to quantify. This is because many operators engaging in this form of tourism are small-scale entrepreneurs who rely almost solely on the Internet to promote their products.

In 2009, Mintel reported that sports hotels were continuing to grow in popularity. A new hotel in Barcelona, which opened in September 2008 – the four-star Hesperia Sagrada Familia Sport & Spa Hotel – will be the first of the Spanish chain to feature rooms specifically designed with sport and fitness in mind. All the rooms are equipped with an exercise guide, isotonic drinks in the mini-bar, sports magazines and sports TV channels. In addition, Wii-Sports and Wii-Fit are available to hire at reception so guests can exercise in their rooms.

The growth of spa resorts appears to be supported in the recent literature. The wider appeal and attraction of the outdoors and activities is also commented upon but this is extremely broad and applicable to many locations and products and therefore lacks a focus for product development, although provides a valuable marketing message for many service providers.

Within the scope of this study we have been unable to determine the value of the Scottish Spa resort market.

Sailing

Sailing is recognised as a growth area for Scotland as a result of being one of the top six sailing destinations in the world[10]. This inherent advantage is developed further as a result of the improved transport links with other parts of the UK and cheaper berthing fees than other parts of the UK. A 2006 report estimated the total economic value of the marine leisure industry to be £250 million. This can be compared to the economic figure for all golf of £300 million and all freshwater angling of an estimated £100 million in 2004.

The advantages for UK yacht owners berthing in Scotland remain despite the recession. The recession may reduce the value of the yachts but existing and new owners will be considering carefully the ownership costs and ways of achieving value for money. Scotland remains poised to continue to take advantage of the wider UK market. This will require development of marina and harbour capacity and enhanced marketing of the facilities and events to attract mobile yacht owners.

[10] Sail Clyde Strategy, SE 2008

Mountain Biking

Mountain biking in Scotland has been hugely successful, as evidenced by Glentress and the Seven Stanes developments. However, Scotland's competitive advantage and attraction to UK mountain bikers is being eroded with strong competitor developments at Dalby Forest (North Yorkshire), Hamsterley (County Durham), and Keilder (Northumberland), to name a few, providing the market with comparable facilities thus avoiding the need and replacing the attraction of travelling to Scotland.

Scottish mountain biking needs to maintain its competitive edge and, while there are signs of the sector responding, the need to explicitly recognise and provide facilities for the further fragmentation and specialisation of the mountain biking market is key. Innerleithen is already a dedicated downhill centre, Fort William has the world cup course and a four cross course. Each of the Seven Stanes will have to develop an identifiable niche. However, these will be replicated at other centres and Scotland will need to develop further advantages. These could be based on the ability to enjoy a range of activities while visiting Scotland and the use of the country's unique (within the UK) access laws that permit mountain bikers the same access rights as walkers. This would allow the promotion of wilderness mountain biking as an alternative to the trail centre experience. The ability to package a mountain bike experience with good value accommodation, food and drink, and equipment hire will also be paramount.

Cruising

Over the last year or so there has been an increasing drive from the private sector (mainly port operators) to increase Scotland's share of the cruise market. Based on evidence of strong growth potential, particularly in the European market, key ports, and other partners including specialist cruise tour operators, SE, VS, HIE, and SDI, have come together to form CruiseScotland – a private sector led group whose primary remit is to increase Scotland's Cruise activity.

The group have developed a 3-year market development plan (and secured a 3-year funding package), their focus – as a result of recent growth in cruise calls to Scotland - is to build on the increasing interest from Cruise operators and maximise the utilisation of Scotland's existing cruise port facilities. In tandem with this they are about to commission a National Cruise Study to explore further the longer term scale of opportunity for Scotland, to identify future shared target markets, and assess the infrastructure requirements going forward.

Existing evidence[11][12] highlights the overall growth in Cruise Tourism over the last 10 years, and also future growth prospects particularly at a European level. Through the CruiseScotland National Study, SE are hoping to gain clarity around what this means in terms of potential.

[11] UK & European Cruise Market, Passenger Shipping Association (PSA) & European Cruise Council (ECC), 2008
[12] Contribution of Cruise Tourism to Economies of Europe, G.P Wild International Ltd. & Business Research and Economic Advisors, February 2007

There is also the potential for Cruise business to link with other key products such as golf, wildlife and the built heritage, and for much wider opportunities to increase the economic impact of Cruise business in Scotland by developing the industry supply chain; this is something that CruiseScotland is keen to facilitate.

Europe remains the fastest growing Cruise source market. The trend is moving towards Cruising closer to home (i.e. within Europe) which provides an opportunity for Scotland. There remains strong confidence from Cruise operators demonstrated by the 38 new Cruise Ships which are currently under construction and due to be introduced in the market between 2009 and 2012.

12.4 Current Product Areas

12.4.1 Introduction

The future prospects for each of the product areas will be affected by the current and future economic climate. These are considered in turn below.

12.4.2 Whisky Tourism

The Whisky Tourism Initiative has achieved its overall aim of consolidating the whisky and tourism industries to capitalise on the strength of the whisky brand in promoting Scotland as a visitor destination. The potential increase in domestic and overseas visitors provides a continuing opportunity for the whisky industry to increase the impact of the Whisky Bars and Embassy network by extending its reach and effectiveness. Intervention is required by the industry steering group to “engage” more tourism businesses in the development of whisky tourism, particularly tour operators and front-of-house staff. The recruitment of a communications manager by ScotlandWhisky should further assist with this.

12.4.3 Food Tourism

While the Food Tourism Initiative has delivered much, the need for intervention continues to exist. Some of this is down to the current ‘reach’ of the initiative, but the turnover in ownership must also be recognised as an endemic factor. It is clear that those businesses consulted are focussing on improving the quality of the visitor experience rather than business development and/or growth. Intervention is still required to strengthen the supply chain linking food producers and distributors, emphasising the importance of purchasing local quality food products and enabling local produce to be used in local hotels and restaurants. This in turn has the potential to ensure a quality product for tourist visitors, but needs to be coupled with customer care and value for money, providing an overall quality experience for the visitor.

12.4.4 Ancestral Tourism

The Ancestral Tourism Initiative has addressed the original area of market failure, namely lack of information provision to industry players regarding the scale of interest in ancestral tourism and the types of opportunities available to them. Both are available to businesses through the newsletters, best practice case studies, ancestral website and business fact sheets. The promotion of ancestral tourism remains important, particularly in the light of the success of Homecoming Year. Marketing and promotion is not a role for SE.

12.4.5 Country Sports Tourism

The need for intervention still exists in disseminating available information to rural businesses and signposting further sources of business development assistance. Intervention also remains necessary in marketing Scotland as a key country sports destination, to attract international visitors and also new younger enthusiasts. Marketing and promotion is not a role for SE.

12.4.6 Forest Tourism

Intervention remains necessary in disseminating information on FCS projects and programmes to businesses. Feedback from stakeholders and businesses indicates that the case studies and best practice examples in forest tourism, as well as business fact sheets, have been very successful. However, further distribution of such information is necessary to businesses not located within the "honey pot" forest areas. One of the challenges for forest tourism is to look beyond mountain biking to create multi-activity forest parks that will appeal to families and wider groups. While the Tweed Valley is synonymous with mountain biking, both it and other areas should aim to attract non-mountain bikers. The Galloway Forest Park provides a significant opportunity. While it has mountain biking facilities it has the potential not to become synonymous with mountain biking and create a forest park with wider appeal, as has been achieved at Dalby Forest in North Yorkshire. SE has the skills to recognise, develop and support businesses with potential. Through TIS, SE has the opportunity to disseminate information on FCS projects and programmes to relevant businesses.

12.4.7 Golf Tourism

Further intervention is required to facilitate "greater industry buy in" and a more focused, industry led approach to golf related tourism development, particularly in the light of SE destination development plans and the potential for greater segmentation of this area.

12.4.8 Built Heritage

SE activity in this area is still in its infancy. Market failure still exists regarding the variation in the standards of customer service and experience offered.

12.5 Future Approach

12.5.1 Overview

This section considers the potential future involvement of SE in terms of tourism product development. In recent years, SE has chosen to support sectors within the tourism economy which offer significant potential for growth. The needs of these individual sectors have then been identified and support mechanisms delivered by industry steering groups or project managers appointed by these groups. Critical factors for success in tourism product development were identified at the outset as being strong industry leadership, a customer-focussed approach, increased innovation, effective collaboration and partnership, and learning from best practice. It is evident from our evaluation that such factors remain key to product development success and that the presence of strong industry steering groups has been instrumental in the success of both the Country Sports and Whisky Tourism Initiatives.

In identifying the most appropriate approach to product development there remains a need to assess the scale of the market opportunity for Scotland and to consider the sector's preparedness for product development. This will relate to the structure of the product area and the extent to which it consists of organisations ranging from the very large multi-national to the micro-business operated as a life-style choice. Future tourism product development activity must continue to ensure that relevant information and support is available as widely as possible through TIS, web-based tools and newsletters.

There remains a need for SE (through its involvement in relevant industry steering groups) to encourage and ensure that linkages and connections between the various tourism product development areas are developed and exploited where appropriate, particularly for those product areas where SE will no longer provide financial assistance but rather maintain a catalytic role within the industry steering group. Such linkages will continue to include those across business sectors and between public and private sectors.

Tourism Intelligence Scotland (TIS), a partnership approach to the dissemination of market information by SE, HIE and VS, should continue to collate, present and disseminate relevant market information. It should be the role of the industry steering groups to identify what these information needs are and use the relevant information to challenge and/or drive new projects and products forward. The industry steering groups must also ensure that the future of the respective product areas considers the scope for innovation and challenge to ensure that it remains dynamic and does not stagnate.

Market information would continue to include key market information on the volume and value and should be extended to consider the current and future segmentation of the market. To date the market segmentation has not been particularly sophisticated and an understanding of the current market segmentation and the future development of market segmentation will be invaluable to the product development process.

Examples exist within the current product development areas. Within Forest Tourism an understanding of mountain biking must reflect the future fragmentation and specialisation of market segments as cross-country, downhill, dirt-jumping and free ride develop. The variety of types appeal to different audiences, require different facilities and equipment and existing centres may appeal to some or all of the types. This would benefit from a National Strategy with a clearly defined Action Plan.

Within Golf there is a need to screen the participants and identify those clubs, courses and other providers that would benefit from product development. This would screen out the very largest golf resorts and the smaller courses that had limited market prospects or no willingness to accept tourists. This segmentation of the golf sector would allow the product development to respond to the opportunities of those providers who were visitor orientated and focus on achieving change with them and not trying to develop all clubs and courses irrespective of the existence of any potential.

Sailing provides a further example where previous studies may obviate the need for a National Strategy but suggest a Regional Strategy for the Clyde Estuary and possibly for the Banff Coast.

SE should continue to act as a catalyst to ensure that the industry led groups deliver market focused initiatives that are imaginative and relevant and develop momentum.

SE, in partnership with the Local Authorities, should work with the Business Gateway to address the confusion regarding its role and objectives, encouraging greater levels of understanding and business engagement at a local level. A co-ordinated promotional campaign would be beneficial.

13. CONCLUSIONS AND RECOMMENDATIONS

13.1 Conclusions

This evaluation has produced evidence of key outputs and outcomes from tourism product development activity across the 7 sectors. However, demonstrating impact in terms of income, employment, and gross value added has not been possible for a number of reasons. The most significant reason relates to the initial rationale for the development activity which was to address the need for cultural change within key tourism product development areas rather than specific aims and objectives in terms of income, employment and gross value added. These tangible outputs, while not the specific aim of tourism product development activity, may have been achieved but we have been unable to measure them as part of this evaluation as a result of a number of difficulties. These include the limited tracking of participants, the lack of a baseline for individual businesses involved in the tourism product development activities, and the difficulty in attributing tangible impacts to initiatives that are necessarily long-term and quite diffuse.

However, objectives and targets have been achieved across a number of sectors. The Whisky Tourism Initiative has achieved its overall aim of consolidating the whisky and tourism industries to capitalise on the strength of the whisky brand in promoting Scotland. Within Country Sports considerable progress has been made towards its overall aim of realising the potential for country sports tourism through collaborative activity and focusing on improving the overall customer experience and country sports offering available to visitors. This cultural change has had direct and tangible impacts such as at one Scottish Estate where tourism product development activity training led to a 50% increase in the number of wildlife visitors. The original rationale for intervention in Ancestral tourism development no longer exists as activity has resulted in greater collaboration and information provision in this area. While activity in Food tourism is still in its infancy considerable progress has been made against targets, particularly in relation to training and the success of the online foodkit product. Potential for further development activity still exists with regard to golf and built heritage tourism. While feedback from stakeholders is positive in terms of SE involvement to date it is apparent that there still exists scope for further development activity in these areas.

The product development process devised by SE and partners has provided a useful and effective tool to support product development across the 8 sectors examined. The project managers and steering group members across the sectors were positive about the management and delivery of the initiative. Individual businesses also reported satisfaction with the management and delivery.

The effect of the tourism product development approach cannot be captured by the direct impacts on output, employment and income. This is in part due to difficulties firms had in attributing impacts to the product development activities (and this in part reflects that the initiative was not originally established to create such impacts) and the fact that interventions are not delivered directly by SE but through the product groups which are supported by SE. The current data on the businesses participating in each tourism product development activity is not comprehensive and should include essential details on name, ownership and location (including post code). The data on businesses did not include a baseline in terms of either their turnover or employment pre-tourism product development activity involvement.

The rationale for intervention has been addressed in some product development areas and continues to exist in several areas. In part this reflects the early stage of implementation of some of the tourism product development activity and the scale of the overall task in tourism businesses that have significant turnover in business owners and staff. Table 13.1 summarises the original and current market failure for each tourism development area.

Table 13. 1
Market Failure

Tourism Development Area	Original Market Failure	Still Exist?	Current Market Failure (if Changed)
Whisky	Imperfect Information & Asymmetric Information • *Evidence* • Lack of effective collaboration between whisky and tourism • Failure to capitalise on the iconic status of Scotch internationally for tourism benefits. • Minimal collective consumer market intelligence • Lack of a coherent research base	• No • No • No	Positive Externalities & Asymmetric Information *Evidence* • Need to engage more tourism business in development of whisky tourism, particularly tour operators, golf courses and front-of-house staff. • Promoting and disseminating market information.
Food	Asymmetric Information – Co-ordination problems *Evidence* • Mismatch between customer expectations and the quality of the food experience. • Food and tourism sectors not recognising the opportunity to work together to strengthen the supply chain linking	• Yes, particularly in the "mid market" eating area (pubs and cafes). • Yes, although evidence of progress in some regions (West).	Asymmetric Information – Co-ordination problems

	food producers and distributors with tourism businesses to mutual benefit. • Lack of prominence of local, Scottish produce on menus		
Tourism Development Area	Original Market Failure	Still Exist?	Current Market Failure (if Changed)
Ancestral	<u>Imperfect Information & Asymmetric Information – Co-ordination problems</u> *Evidence* • Information provision • Innovation • Collaboration	• No • No • No	*Evidence* • Promotion of ancestral tourism. Marketing and promotion is not the role of SE.
Country Sports	<u>Imperfect Information</u> *Evidence* • Need to engender and stimulate a cultural change with a focus on tourism. • Improvement in the quality of the product/service provided. • Need to develop new markets and encourage younger participants. • Gathering and dissemination of relevant market information.	• No • No • Yes • Yes	<u>Imperfect Information</u> *Evidence* • Further promotion of Scotland as a key country sports destination. This is not the role of SE. • Disseminating information to rural businesses and signposting further sources of business development assistance.
Forest	<u>Negative Externalities</u> <u>Imperfect Information</u> *Evidence* • Ad-hoc development of leisure, recreation and tourism programmes and projects, with minimal resources and deficit in relevant skills and expertise amongst its staff.	• No	<u>Public Goods</u> *Evidence* • Scope for further intervention in relation to mountain biking and development of centres for mixed leisure users.

	• Lack of links to businesses – failure to lever out benefits for businesses from visitor activities on the National Forest Estate • Lack of clear monitoring and evaluation of the benefits of such activities.	• No	
Tourism Development Area	Original Market Failure	Still Exist?	Current Market Failure (if Changed)
Golf	<u>Imperfect Information & Asymmetric Information – Co-ordination problems</u> *Evidence* • Lack of co-ordinated activity of national initiatives. • Lack of clear industry leadership. • Lack of relevant market information. • Lack of innovation and collaboration.	• Yes • No • Partially	<u>Imperfect Information & Asymmetric Information – Co-ordination problems</u> *Evidence* • The new Scottish Golf Framework will aim to provide clearer industry leadership, co-ordinated activity and collaboration.
Built Heritage	<u>Imperfect Information Asymmetric Information</u> *Evidence* • Lack of market information. • Lack of understanding of markets by businesses • Variation in standards of customer service and experience offered.	• No • Yes	<u>Asymmetric Information</u> *Evidence* • Report detailing "Future Trends for Growth in the Historic Properties Sector" produced in March 2008.

13.2 Recommendations

The following section outlines our recommendations regarding SE's role in tourism product development, in relation to both current and emerging products.

Future Product Development: Current Products

Whisky Tourism – SE should continue to maintain a catalytic role within the industry steering group (ScotlandWhisky) and assist in further encouraging/developing cross industry linkages e.g. developing an Action Plan for developing links with golf clubs and the food industry. Financial assistance from SE is no longer recommended for this product area, however SE should ensure that Whisky is included in future national food and drink industry development.

Ancestral Tourism – SE no longer has a role in developing Ancestral Tourism in Scotland. There remains a need to promote this area of tourism, however marketing and promotion is not a role for SE.

Golf Tourism – Further SE intervention is required in this area, through involvement in the new Golf Framework Group and further appropriate financial assistance (depending on the outcome of the current market analysis of this sector). Such intervention needs to facilitate greater "industry buy in" and a more focused, cohesive, industry led approach to golf related tourism development, particularly in the light of a reduction in memberships in the current climate, SE destination development activities and the potential for greater segmentation in this area. The recent change in the economic climate appears to be having a particularly severe impact on golf clubs, particularly the second tier golf clubs rather than the championship courses. There may be a requirement to assist golf clubs develop and refine new business models, including formal mergers, to ensure their continued operation and contribution to the tourism sector.

Country Sports Tourism - SE should maintain a catalytic role in the Country Sports industry steering group and through TIS ensure that relevant market information is disseminated to rural businesses. Intervention is still required in marketing Scotland as a key country sports destination, however this would not be SE's role. Financial assistance from SE for country sports tourism development is no longer recommended.

Forest Tourism – Forest Tourism incorporates a diverse product portfolio. While the original rationale for intervention no longer exists there remains scope for continued intervention in relation to mountain biking and the development of centres for mixed leisure uses.

Food Tourism – SE should maintain a catalytic role in the development of Food Tourism. A Development Strategy is recommended outlining how future food tourism product development could appropriately assist and engage companies of varying size, scale and potential. Intervention continues to be required to ensure that the customer expectation is matched by the quality of the food experience available to visitors, particularly in the "mid market" pub grub area. Further development is also required to enhance the links between suppliers and tourism providers, in the light of environmental sustainability. Further financial assistance, where appropriate, is recommended in this product area.

Built Heritage Tourism – SE activity in this area is still in its infancy and should continue. The standards of customer service and experience offered at different attractions still vary due to properties being owned and managed by a range of operators. Further intervention is required in sharing best practice in customer service as well as encouraging greater collaboration.

Future Product Development: Emerging Products

In addition to the continuing involvement in the existing product development areas the following tourism product development areas have been identified as emerging product areas for future SE tourism product development activity:

- Fitness and Wellbeing, defined in this context as the spa resorts
- Sailing
- Forest Tourism: Mountain biking
- Cruising

Future Product Development: Process

SE's 7 stage product development process should be refined and refocused to incorporate 9 key steps as follows:

10. Industry engagement – set up of an industry-led steering group with representatives from a wide range of businesses in the sector.
11. Market appraisal – gauging a real sense of the opportunity and aiming to understand the key markets, the size and shape of the market and the needs, wants and preferences of those visitors. This is driven by research and any research gaps are identified and addressed.
12. Product Segmentation Potential- Several of the tourism product development activities have markets that have fragmented and resulted in further product segmentation. This segmentation leads to the need to reappraise the market demand and the potential development opportunity. Initial market appraisals should consider explicitly the scope for further product segmentation and produce scenarios for market change and growth based on possible market fragmentation.
13. Sharing research – through TIS, disseminating market information as widely as possible to businesses and organisations. International best practice research should continue to be gathered and disseminated.

14. **Identifying opportunities for growth**– the industry steering group should help businesses to identify opportunities, the scale of the opportunity created by the market and drive them forward.
15. **Ideas creation and Innovation** – helping businesses to develop and challenge new ideas and turn ideas into products.
16. **Collaborative working/Identifying Synergies** – encouraging businesses to pull resources and ideas and to work together, identifying synergies across business sectors and between public/private sectors.
17. **Implementation** – creation of a product development action plan for the sector, support for industry-led product groups and support to help businesses turn ideas into new products and services.
18. **Linkages** – to consider the linkages with other tourism businesses nationally or locally to identify product and/or market opportunities.

In future SE should collect and collate additional baseline data to allow subsequent evaluations to be able to measure the impacts of the interventions in more detail. In addition, further information about the participants would enable future samples to be based on a structured selection process. The following data would be beneficial for further evaluation purposes:

- A comprehensive list of businesses involved/participating in each tourism product development activity
- Location of such businesses (including post code) and the business activities
- Nature of involvement in tourism product development activity for each business(whether multiple activity in more than one tourism product development activity element)
- Type of involvement by year for each business
- Level of turnover/employment within these businesses (pre and post involvement in tourism product development activity)
- Customer/visitor profile information for these businesses (pre and post involvement in tourism product development activity)

APPENDIX A

CONSULTEES

CONSULTEES

Whisky

David Stewart – Joint Managing Director, DM Stewart Ltd. (5 bars in Edinburgh, including 2 whisky bars)
Mark Barton – Steering Group Member, Owner Taycreggan Hotel (Whisky Embassy)
Chris Conway – Scotland Whisky
Susan Morrison – Scotch Whisky Experience
Nicky Murphy – Project Manager Whisky Coast
10 Businesses

Country Sports

Colin Sheddon – BASC
Alistair Rutherford – Project Manager Country Sports
Cathel MacLeod – Assynt Trout Project
Peter Hendrich – Assynt Trout Project
Sarah Troughton – Blair Atholl Estate
Doug McAdam – Chief Executive SRPBA
Victoria Brooks – CSTG Scotland
5 Estates – Estate Factors/Owners

Forest Tourism

Fiona Murray – Forest Tourism Initiative Manager
Paul McCafferty – Scottish Enterprise
Stephen Bailie – Scottish Enterprise Management Development Programme
Louise Vickers – Scottish Enterprise
Alice Blazy-Winning – 7stanes Development Officer
Keith Muir – Forestry Commission Scotland
6 forest tourism businesses

Food

Sheena Kitchin – Project manager Food Tourism
Chris Taylor - Head of Tourism, Food & Drink, HIE
Rachel Stewart – Project manager – Industries, Scottish Enterprise
Rosemary Findlay – Scottish Enterprise West Region
Sue Crossman – Tourism Innovation Group
10 Businesses

Ancestral

Gillian Harrower – Project manager, T & L Solutions
Ian Gardner – Chair of Steering group, National Trust Scotland
Keith Newton – Aberdeen “City & Shire Ancestral Group” October (e mail)
Nicola Watt – The Heritage Hub
9 Ancestral Tourism businesses

Built Heritage

Ian Gardner – Historic Properties Group
Sarah Troughton – Blair Atholl Estate

Golf

Lynne Pringle – SE Ayrshire (West)
Karen McLeod – Scottish Enterprise
David Roy – Club Managers’ Association of Europe
Nick Hunter - Golf Tourism Scotland

Regional Contacts

Scottish Enterprise West: Lynne Pringle , Rosemary Findlay
Scottish Enterprise Grampian: Elaine Booth
Scottish Enterprise East – Gillian Swanney TBC
Scottish Enterprise South – Allan Elliot , Nicola Watts

APPENDIX B

INTERVIEW SCRIPTS: PROJECT MANAGERS AND STEERING GROUP MEMBERS

Consultation Interview Script- PROJECT MANAGERS

SCOTTISH ENTERPRISE

- What has been SE's involvement to date?
- How do you feel about the role that Scottish Enterprise plays or the support that they provide to (state tourism product development activity area) Tourism / the sector?
- What is the process for the development of the product's that SE is involved with?
- Who primarily leads products development? PM's? Stakeholder group? Members? Scottish Enterprise?
- What do you perceive the role of other bodies to have been? Visit Scotland? HIE?
- Have the targets that SE has set (e.g. the number of products to be set up each year) been useful?

IMPACT OF PRODUCTS

What do you think are the 3 most effective products / initiatives that have been undertaken?

1.

2.

3.

- What product / initiative do you think was least successful / had least impact?
- What do you think the perception of SE's role is? Are businesses / stakeholders appreciative of their involvement?
- Details of the most appropriate organisations to contact?
- What impact have these products had on the sector/area?

FUTURE DEVELOPMENTS / INITIATIVES

- What do you think are the main opportunities / areas of development are?
- What initiatives are happening now or in future that may or should affect the project?
- What do you think Scottish Enterprise's future involvement should be?
- What do you think the overall impact of the initiative has been?

INFORMATION REQUIREMENTS

List of products that SE has participated in and level of involvement.

Any additional information available?

Consultation Interview Script- Steering Group Members

Products

- What has been your own involvement with the (name) group?
- What were the initial aims and objectives of the group?
- Do you think these aims were achieved?
- What products do you think have had the most impact?
- Which products do you think have been least successful? (Or which have there been lessons learned from?)
- How do you feel the project has benefited your organisation?
- What do you think the actual benefit to the sector has been from the activities?
- Do you feel there is still further work to be in this area in the future?

Steering Group

- What has been the input of the other businesses on the steering group?
  Do you think that the Steering Group has worked well?
- Have the aims of the Steering Group changed as the project has developed?
- What are the Steering Group's future plans/activities?
- Do you think that the role of the Project Manager has been successful?

Scottish Enterprise

- What role do they think SE has played in the development of the area and its products?
- What has been the role of the other agencies? Visit Scotland and HIE?
- What do you think the future role of SE should be?

APPENDIX C

BUSINESS SURVEY QUESTIONNAIRES (N=5)

TOURISM PRODUCT DEVELOPMENT – EVALUATION

Business Questionnaire – Ancestral Tourism

Background

A joint strategy for tourism was produced in 2006 which aimed to increase the value of Scottish tourism by 50% by 2015. It was hoped to achieve this through joint action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government. Scottish Enterprise has identified tourism as one of its national priority industries and has been working in partnership with other agencies and the private sector to identify key product areas where Scotland can be internationally competitive, including ancestral tourism. To assist in assessing the impact of Scottish Enterprise's involvement to date Jura has been commissioned to undertake research to identify the level of awareness, involvement in and impact of product development programmes/projects. As a participant, we are very interested in your views.

All information received will be treated as confidential and results will reflect the impact of SE involvement across the industry as a whole, rather than individual business cases.

Profile

1. Contact Name

   …………………………………………………………………………………………………

2. Position

   …………………………………………………………………………………………………

3. Company Name

   …………………………………………………………………………………………………

4. What is your business?

Tour Operator	❒	Guest House/B & B	❒
Visitor Attraction	❒	Self Catering	❒
Museum	❒	Event Organiser	❒
Hotel	❒	Family History Society	❒
Genealogy Society	❒		

Other (please specify)…………………..…………..

5. How many people does your business/estate employ?

0 – 10 employees	❒
11 – 50 employees	❒
51 – 100 employees	❒
101– 500 employees	❒
500+ employees	❒

6. What is your current level of business turnover?

----

7. How many visitors/customers do you receive currently? (per annum)

____

8. Where is the business located?

Fife	❒	Ayrshire	❒
Borders	❒	Grampian	❒
Tayside	❒	Glasgow	❒
Edinburgh	❒	Central Scotland	❒
Lothians	❒	Highlands & Islands	❒
Dumfries & Galloway	❒		

9. How old is the business? (probe how long has it been open to the public?)

0 – 3 years	❒
3 – 5 years	❒
5 – 10 years	❒
10 + years	❒

10. What would you describe as being your target markets?

Local	❒
Scotland	❒
All of UK	❒
International	❒
All of the above	❒

Awareness of Scottish Enterprise Tourism Product Development

11. Various activities are delivered by the Ancestral Tourism Group and supported by Scottish Enterprise under its Tourism Product Development Initiative. Are you familiar with any of these activities?

	Unprompted	Prompted
<u>Training</u>		
Ancestral Tourism Training/Seminars	❒	❒
<u>Develop Your Business</u>		
Industry Database	❒	❒
Business Support Fact Sheets/Leaflets	❒	❒
Ancestral Forums /Initiatives	❒	❒
<u>Marketing</u>		
Ancestral Tourism Website	❒	❒
Newsletter	❒	❒
<u>Expand Key Markets</u>		
Local Events/Conferences e.g. Hopetoun House	❒	❒
Support for Events Linked to Homecoming 2009	❒	❒
Welcome Scheme	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) …………………………………………………..		
None of the above		❒

Involvement in Scottish Enterprise Tourism Product Development

12. Have you / your organisation been involved in any of these activities? (tick all appropriate):

	Unprompted	Prompted
Training		
Ancestral Tourism Training/Seminars	❒	❒
Develop Your Business		
Industry Database	❒	❒
Business Support Fact Sheets/Leaflets	❒	❒
Ancestral Forums/Initiatives	❒	❒
Marketing		
Ancestral Tourism Website	❒	❒
Newsletter	❒	❒
Expand Key Markets		
Local Events/Conferences e.g. Hopetoun House	❒	❒
Support for Events Linked to Homecoming 2009	❒	❒
Welcome Scheme	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) …………………………………………………..		
None of the above		❒

(If none of the above go to Q.23)

13. How long ago did this involvement start?

Current		❒
0 – 1 years	(2008)	❒
1 – 2 years	(2007)	❒
2 – 3 years	(2006)	❒
3 – 5 years	(2003-05)	❒
5+ years	(before 2003)	❒

14. What was your turnover at that time (approximately)?

Start of Involvement £______________________

15. Why did you participate / are you participating in this activity?

		Unprompted	Prompted
a.	Personal/organisational development	❒	❒
b.	To gain better understanding/awareness of market opportunities	❒	❒
c.	Target new markets/customers	❒	❒
d.	Improve/develop the product we currently offer	❒	❒
e.	Exchange/develop new ideas (collaboration)	❒	❒
f.	Funding available/financial assistance	❒	❒
g.	Learn from other best practice organisations	❒	❒
h.	Other (please specify) ………………………………………………………………		

Delivery and Management: Process of Engagement

16. How satisfied were you/are you regarding the quality of the support delivered during your involvement?

	Very Satisfied	Satisfied	Neither Satisfied or Dissatisfied	Dissatisfied	Very Dissatisfied	I don't know
Management of programme/project	❒	❒	❒	❒	❒	❒
Delivery of programme/project	❒	❒	❒	❒	❒	❒
Co-ordination	❒	❒	❒	❒	❒	❒
Planning	❒	❒	❒	❒	❒	❒
Responsiveness to your needs	❒	❒	❒	❒	❒	❒
Timing of funding	❒	❒	❒	❒	❒	❒
Content/ relevance	❒	❒	❒	❒	❒	❒

If dissatisfied probe reasons and how it could be improved?

Impact

17. What did you expect to happen as a result of your involvement in the project/programme?

		Unprompted	Prompted
a.	Creating new ideas (innovation)	❒	❒
b.	Develop new products	❒	❒
c.	Sharing of relevant market information	❒	❒
d.	Growth in confidence/willing to take more risks	❒	❒
e.	Greater market awareness/awareness of opportunities	❒	❒

f.	More collaboration/partnership with other similar businesses	❒	❒
g.	More collaboration/partnership with other areas/sectors e.g. built heritage	❒	❒
h.	Learning from best practice	❒	❒
i.	Other (please specify) …………………………………………………………………..		

18. What are you doing now that you hadn't been doing prior to involvement in the project/programme?

a.	More customer focused approach	❒	❒
b.	Improvement in customer service	❒	❒
c.	Creating new ideas (greater innovation)	❒	❒
d.	Greater collaboration / partnership with other organisations in the ancestral tourism industry	❒	❒
e.	Greater collaboration / partnership with other organisations in other tourism sectors	❒	❒

(please specify) …………………………………………………………………..

f.	Developing new products within existing markets	❒
g.	Developing new products targeted at new markets	❒
h.	Entering/targeting new markets with existing products (if so where) ………………………………………………………………………….	❒
i.	Targeting new customers within existing markets	❒
j.	More targeted marketing / promotion	❒
k.	Nothing has changed	❒ (please go to Q22)

19. What effect has this activity / involvement had on your business performance to date?

a.	Increase in number of visitors/customers (quantify % if possible……………….) also go to Q20	❒
b.	Increase in turnover (quantify % if possible……………….)	❒
c.	Increase in range of visitors (probe where from…………………….) also go to Q20	❒
d.	Increase in staffing levels (quantify if possible…………………..)	❒
e.	Improved margins (by how much…………………………)	❒
f.	Increase in on-site expenditure by visitors (quantify if possible……………………)	❒
g.	Other (please specify) …………………………………………………………………..	

Please go to Q.21

20. Do you think that your growth has been at the expense of other businesses?

Yes ❒ (to what extent? High ❒ Medium ❒ Low ❒)
No ❒ (75%) (50%) (25%)

21. To what extent do you think that this change is directly related to your involvement with the Ancestral Tourism Group project/programme? (probe for further details/try to quantify in each case)

a. It wouldn't have gone ahead without it ❒
b. It would have happened on smaller scale ❒
How much smaller? ______________________
c. It would have happened at a later date but on the same scale ❒
How much later? ________________________
d. It would have proceeded at a later date and on a reduced scale ❒
How much later and how reduced? ____________________
e. It would have proceeded without Scottish Enterprise support ❒
How in terms of finance and delivery? _______________________

22. What do you see as being the effects of involvement on your business over the next 3-5 years?

a. Increase in number of visitors/customers ❒
(quantify % if possible……………….)
b. Increase in sales ❒
(quantify % if possible……………….)
c. Increase in type of visitors ❒
(probe where from…………………….)
d. Increase in staffing levels ❒
(quantify if possible…………………..)
e. Increase in pricing ❒
(by how much…………………………)
f. Increase in on-site expenditure ❒
(quantify if possible…………………….)
g. Other (please specify) ………………………………………………………………….

Future Development

23. To what extent do you think the following key objectives of Scottish Enterprise's Tourism Product Development have been achieved?

	Achieved	Partially Achieved	Not Achieved	Don't know
To set up an industry led steering group	❒	❒	❒	❒
Identifying and addressing research gaps	❒	❒	❒	❒
Sharing research	❒	❒	❒	❒
Helping businesses to identify opportunities created by the market	❒	❒	❒	❒
Helping businesses to develop new ideas and turn them into products	❒	❒	❒	❒
Encouraging businesses to pull resources and work together	❒	❒	❒	❒

24. What do you believe the main threats that your business faces over the next 5 years?

<u>Market based</u>

a. Changing consumer preferences/attitudes ❒
b. Decrease in numbers of visitors to Scotland ❒
c. Increase in competition from other countries/destinations ❒
d. Increasing importance of environmental considerations ❒
e. Lack of relevant research information re: market opportunities ❒

<u>Product based</u>

f. Greater competition from other similar businesses within Scotland ❒
g. Greater competition from other international businesses ❒
h. Lack of finance to develop products further ❒
i. Lack of partnership/linkages with other related tourism products ❒

(please specify)…………………………………………………
………………………………………………………………………………

25. What do you see as being potential growth areas for your business? (please describe)

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

26. How do you think that Scottish Enterprise could help with this? (if possible probe further detail on each answer)

a. Work more closely with other public bodies ❒
b. Work more closely with the private sector ❒
c. Provide more funding ❒
d. Provide more up-to-date market research (probe for detail) ❒
e. Continue to focus on the 9 product areas (prompt list) ❒
f. Create stronger industry leadership ❒
g. Other (please specify)

……………………………………………………………………………………….

Thank you for taking part in this survey.

TOURISM PRODUCT DEVELOPMENT – EVALUATION

Business Questionnaire – Country Sports

Background

A joint strategy for tourism was produced in 2006 which aimed to increase the value of Scottish tourism by 50% by 2015. It was hoped to achieve this through joint action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government. Scottish Enterprise has identified tourism as one of its national priority industries and has been working in partnership with other agencies and the private sector to identify key product areas where Scotland can be internationally competitive, including Country Sports tourism. To assist in assessing the impact of Scottish Enterprise's involvement to date Jura has been commissioned to undertake research to identify the level of awareness, involvement in and impact of product development programmes/projects. As a participant, we are very interested in your views.

All information received will be treated as confidential and results will reflect the impact of SE involvement across the industry as a whole, rather than individual business cases.

Profile

1. Contact Name

   ……………………………………………………………………………………………………

2. Position

   ……………………………………………………………………………………………………

3. Name of Company/Estate

   ……………………………………………………………………………………………………

4. What is your business?

Hunting/Shooting	❒	Deer Stalking	❒
Fishing/Angling	❒	Conservation	❒

Deer Management	❒	Other	❒

Other (please specify)…………………..…………..

5. How many people does your business/estate employ?

0 – 10 employees	❒
11 – 50 employees	❒
51 – 100 employees	❒
101– 500 employees	❒
500+ employees	❒

6. What is your current level of business turnover?

----

7. How many visitors/customers do you receive currently? (per annum)

____

8. Where is the estate/business located?

Fife	❒	Ayrshire	❒
Borders	❒	Grampian	❒
Tayside	❒	Glasgow	❒
Edinburgh	❒	Central Scotland	❒
Lothians	❒	Highlands & Islands	❒
Dumfries & Galloway	❒		

9. How old is the estate/business? (probe how long has it been open to the public?)

0 – 3 years	❒
3 – 5 years	❒
5 – 10 years	❒
10 + years	❒

10. What would you describe as being your target markets?

Local	❒
Scotland	❒
All of UK	❒
International	❒
All of the above	❒

Awareness of Scottish Enterprise Tourism Product Development

11. Various activities are delivered by the Scottish Country Sports Tourism Group and supported by Scottish Enterprise under its Tourism Product Development Initiative. Are you familiar with any of these activities?

	Unprompted	Prompted
<u>Training</u>		
Country Sports Customer Care Training	❒	❒
<u>Develop Your Business</u>		
Assynt Trout Project	❒	❒
Database of Country Sports Organisations	❒	❒
<u>Marketing</u>		
Shoot in Scotland Magazine	❒	❒
Web Portal	❒	❒
Bank of Photos/images	❒	❒
Country Sports DVD	❒	❒
<u>Expand Key Markets</u>		
Dortmund Hunting Exhibition	❒	❒
Welcome Scheme	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) …………………………………………………..		
None of the above		❒

Involvement in Scottish Enterprise Tourism Product Development

12. Have you / your organisation been involved in any of these activities? (tick all appropriate):

	Unprompted	Prompted
<u>Training</u>		
Country Sports Customer Care Training	❒	❒
<u>Develop Your Business</u>		
Assynt Trout Project	❒	❒
Database of Country Sports Organisations	❒	❒
<u>Marketing</u>		
Shoot in Scotland Magazine	❒	❒
Web Portal	❒	❒
Bank of Photos/images	❒	❒
Country Sports DVD	❒	❒
<u>Expand Key Markets</u>		
Dortmund Hunting Exhibition	❒	❒
Welcome Scheme	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) ………………………………………………..		
None of the above		❒

(If none of the above go to Q.23)

14. How long ago did this involvement start?

Current		❒
0 – 1 years	(2008)	❒
1 – 2 years	(2007)	❒
2 – 3 years	(2006)	❒
3 – 5 years	(2003-05)	❒
5+ years	(before 2003)	❒

15. What was your turnover at that time (approximately)?

Start of Involvement £______________________

16. Why did you participate / are you participating in this activity?

		Unprompted	Prompted
h.	Personal/organisational development	❐	❐
i.	To gain better understanding/awareness of market opportunities	❐	❐
j.	Target new markets/customers	❐	❐
k.	Improve/develop the product we currently offer	❐	❐
l.	Exchange/develop new ideas (collaboration)	❐	❐
m.	Funding available/financial assistance	❐	❐
n.	Learn from other best practice organisations	❐	❐
o.	Other (please specify) …………………………………………………………………….		

Delivery and Management: Process of Engagement

17. How satisfied were you/are you regarding the quality of the support delivered during your involvement?

	Very Satisfied	Satisfied	Neither Satisfied or Dissatisfied	Dissatisfied	Very Dissatisfied	I don't know
Management of programme/project	❐	❐	❐	❐	❐	❐
Delivery of programme/project	❐	❐	❐	❐	❐	❐
Co-ordination	❐	❐	❐	❐	❐	❐
Planning	❐	❐	❐	❐	❐	❐
Responsiveness to your needs	❐	❐	❐	❐	❐	❐
Timing of funding	❐	❐	❐	❐	❐	❐
Content/ relevance	❐	❐	❐	❐	❐	❐

If dissatisfied probe reasons and how it could be improved?

Impact

18. What did you expect to happen as a result of your involvement in the project/programme?

		Unprompted	Prompted
p.	Creating new ideas (innovation)	❐	❐
q.	Develop new products	❐	❐
r.	Sharing of relevant market information	❐	❐
s.	Growth in confidence/willing to take more risks	❐	❐
t.	Greater market awareness/awareness of opportunities	❐	❐

u. More collaboration/partnership with other similar businesses ❐ ❐
v. More collaboration/partnership with other areas/sectors
e.g. wildlife, food, whisky etc. ❐ ❐
w. Learning from best practice ❐ ❐
x. Other (please specify) ……………………………………………………………………….

19. What are you doing now that you hadn't been doing prior to involvement in the project/programme?

y. More customer focused approach ❐ ❐
z. Improvement in customer service ❐ ❐
aa. Creating new ideas (greater innovation) ❐ ❐
bb. Greater collaboration / partnership with other organisations in the Country sports industry ❐ ❐
cc. Greater collaboration / partnership with other organisations in other tourism sectors ❐ ❐

(Please tick all appropriate)

- food ❐
- accommodation ❐
- golf ❐
- whisky ❐
- other (please specify) ……………………………………………………………………….

dd. Developing new products within existing markets ❐
ee. Developing new products targeted at new markets ❐
ff. Entering/targeting new markets with existing products (if so where)
……………………………………………………………………………. ❐
gg. Targeting new customers within existing markets ❐
hh. More targeted marketing / promotion ❐
ii. Nothing has changed ❐ (please go to Q22)

20. What effect has this activity / involvement had on your business performance to date?

jj. Increase in number of visitors/customers ❐
(quantify % if possible……………….) also go to Q20
kk. Increase in turnover ❐
(quantify % if possible……………….)
ll. Increase in range of visitors ❐
(probe where from…………………….) also go to Q20
mm. Increase in staffing levels ❐
(quantify if possible…………………..)
nn. Improved margins ❐
(by how much………………………….)

oo. Increase in on-site expenditure by visitors ❒
(quantify if possible……………………)

pp. Other (please specify) ………………………………………………………………….

Please go to Q.21

21. Do you think that your growth has been at the expense of other businesses?

Yes ❒ (to what extent? High ❒ Medium ❒ Low ❒)
No ❒ (75%) (50%) (25%)

22. To what extent do you think that this change is directly related to your involvement with the Scottish Country Sports Tourism Group project/programme? (probe for further details/try to quantify in each case)

qq. It wouldn't have gone ahead without it ❒

rr. It would have happened on smaller scale ❒
How much smaller? _______________________

ss. It would have happened at a later date but on the same scale ❒
How much later? _________________________

tt. It would have proceeded at a later date and on a reduced scale ❒
How much later and how reduced? _____________________

uu. It would have proceeded without Scottish Enterprise support ❒
How in terms of finance and delivery? ________________________

23. What do you see as being the effects of involvement on your business over the next 3-5 years?

vv. Increase in number of visitors/customers ❒
(quantify % if possible……………….)

ww. Increase in sales ❒
(quantify % if possible……………….)

xx. Increase in type of visitors ❒
(probe where from……………………)

yy. Increase in staffing levels ❒
(quantify if possible…………………..)

zz. Increase in pricing ❒
(by how much…………………………)

aaa. Increase in on-site expenditure ❒
(quantify if possible……………………)

bbb. Other (please specify) ………………………………………………………………….

Future Development

24. To what extent do you think the following key objectives of Scottish Enterprise's Tourism Product Development have been achieved?

	Achieved	Partially Achieved	Not Achieved	Don't know
To set up an industry led steering group	❐	❐	❐	❐
Identifying and addressing research gaps	❐	❐	❐	❐
Sharing research	❐	❐	❐	❐
Helping businesses to identify opportunities created by the market	❐	❐	❐	❐
Helping businesses to develop new ideas and turn them into products	❐	❐	❐	❐
Encouraging businesses to pull resources and work together	❐	❐	❐	❐

25. What do you believe the main threats that your business faces over the next 5 years?

<u>Market based</u>

ccc. Changing consumer preferences/attitudes ❐
ddd. Decrease in numbers of visitors to Scotland ❐
eee. Increase in competition from other countries/destinations ❐
fff. Increasing importance of environmental considerations ❐
ggg. Lack of relevant research information re: market opportunities ❐

<u>Product based</u>

hhh. Greater competition from other estates/country sports facilities within Scotland ❐
iii. Greater competition from other international estates/country sports facilities ❐
jjj. Lack of finance to develop products further ❐
kkk. Lack of partnership/linkages with other related tourism products e.g. food, golf, accommodation providers etc. ❐

Other (please specify)……………………………………………………
………………………………………………………………………………

26. What do you see as being potential growth areas for your business? (please describe)

…………………………………………………………………………………………………
…………………………………………………………………………………………………

…………………………………………………………………………………………………
…………………………………………………………………………………………………

26. How do you think that Scottish Enterprise could help with this? (if possible probe further detail on each answer)

Work more closely with other public bodies	❒
Work more closely with the private sector	❒
Provide more funding	❒
Provide more up-to-date market research (probe for detail)	❒
Continue to focus on the 9 product areas (prompt list)	❒
Create stronger industry leadership	❒
Other (please specify)	

………………………………………………………………………………….

Thank you for taking part in this survey.

Scottish Enterprise

JURA CONSULTANTS
ECONOMIC & FINANCIAL ANALYSIS

TOURISM PRODUCT DEVELOPMENT – EVALUATION

Business Questionnaire - Food

Background

A joint strategy for tourism was produced in 2006 which aimed to increase the value of Scottish tourism by 50% by 2015. It was hoped to achieve this through joint action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government. Scottish Enterprise has identified tourism as one of its national priority industries and has been working in partnership with other agencies and the private sector to identify key product areas where Scotland can be internationally competitive, including food related tourism. To assist in assessing the impact of Scottish Enterprise's involvement to date we wish to undertake research to identify the level of awareness, involvement in and impact of product development programmes/projects. As a participant, we are very interested in your views.

All information received will be treated as confidential and results will reflect the impact of SE involvement across the industry as a whole, rather than individual business cases.

Profile

1. Contact Name

   ………………………………………………………………………………………………….

2. Position

   ………………………………………………………………………………………………….

3. Company Name

   ………………………………………………………………………………………………….

4. What is your business?

Hotel	❐	Guest House	❐
Bed and Breakfast	❐	Bar/Pub grub	❐
Restaurant	❐	Other	❐

Other (please specify)…………………..…………..

5. How many people does your business employ?

0 – 10 employees ❐
11 – 50 employees ❐
51 – 100 employees ❐
101– 500 employees ❐
500+ employees ❐

6. What is your current level of business turnover?

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7. How many visitors/customers do you currently receive? (per annum)

____

8. Where is the business located?

Fife	❐	Ayrshire	❐
Borders	❐	Grampian	❐
Tayside	❐	Glasgow	❐
Edinburgh	❐	Central Scotland	❐
Lothians	❐	Highlands & Islands	❐
Dumfries & Galloway	❐		

9. How old is the business?

0 – 3 years ❐
3 – 5 years ❐
5 – 10 years ❐
10 + years ❐

10. What would you describe as being your target markets?

Local	❒
Scotland	❒
All of UK	❒
International	❒
All of the above	❒

Awareness of Scottish Enterprise Tourism Product Development

11. Various activities are delivered by FoodTourismScotland and supported by Scottish Enterprise under its Tourism Product Development Initiative. Are you familiar with any of these activities?

	Unprompted	Prompted
<u>Training</u>		
Food workshops	❒	❒
<u>Develop Your Business</u>		
Foodkit Website	❒	❒
Supplier Database	❒	❒
<u>Marketing</u>		
Foodkit Newsletter	❒	❒
Foodkit Website	❒	❒
<u>Expand Key Markets</u>		
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) ………………………………………………..		
None of the above		❒

Involvement in Scottish Enterprise Tourism Product Development

12. Have you / your organisation been involved in any of these activities? (tick all appropriate):

	Unprompted	Prompted
<u>Training</u>		
Food workshops	❒	❒

<u>Develop Your Business</u>		
Foodkit Website	❒	❒
Supplier Database	❒	❒
<u>Marketing</u>		
Foodkit Newsletter	❒	❒
Website	❒	❒
<u>Expand Key Markets</u>		
Food Festivals/Events	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) ……………………………………………..		
None of the above		❒

(If none of the above go to Q.23)

13. How long ago did this involvement start?

Current		❒
0 – 1 years	(2008)	❒
1 – 2 years	(2007)	❒
2 – 3 years	(2006)	❒
3 – 5 years	(2003-05)	❒
5+ years	(before 2003)	❒

14. What was your turnover at that time (approximately)?

Start of Involvement £____________________

15. Why did you participate / are you participating in this activity?

		Unprompted	Prompted
a.	Personal/organisational development	❒	❒
b.	To gain better understanding/awareness of market opportunities	❒	❒
c.	Target new markets/customers	❒	❒
d.	Improve/develop the product we currently offer	❒	❒
e.	Exchange/develop new ideas (collaboration)	❒	❒
f.	Funding available/financial assistance	❒	❒
g.	Learn from other best practice organisations	❒	❒
h.	Other (please specify) ………………………………………………………………		

Delivery and Management: Process of Engagement

16. How satisfied were you/are you regarding the quality of the support delivered during your involvement?

	Very Satisfied	Satisfied	Neither Satisfied or Dissatisfied	Dissatisfied	Very Dissatisfied	I don't know
Management of programme/project	❒	❒	❒	❒	❒	❒
Delivery of programme/project	❒	❒	❒	❒	❒	❒
Co-ordination	❒	❒	❒	❒	❒	❒
Planning	❒	❒	❒	❒	❒	❒
Responsiveness to your needs	❒	❒	❒	❒	❒	❒
Timing of funding	❒	❒	❒	❒	❒	❒
Content/ relevance	❒	❒	❒	❒	❒	❒

If dissatisfied probe reasons and how it could be improved?

Impact

17. What did you expect to happen as a result of your involvement in the project/programme?

		Unprompted	Prompted
a.	Creating new ideas (innovation)	❒	❒
b.	Develop new proposals	❒	❒
c.	Sharing of relevant market information	❒	❒
d.	Growth in confidence/willing to take more risks	❒	❒
e.	Greater market awareness/awareness of opportunities	❒	❒
f.	More collaboration/partnership with other food businesses	❒	❒
g.	More collaboration/partnership with other areas/sectors e.g. whisky, golf, country sports etc.	❒	❒
h.	Learning from best practice	❒	❒
i.	Other (please specify) …………………………………………………………………		

18. What are you doing now that you hadn't been doing prior to involvement in the project/programme?

a.	More customer focused approach	❒	❒
b.	Improvement in customer service	❒	❒
c.	Creating new ideas (greater innovation)	❒	❒
d.	Greater collaboration / partnership with other organisations in the		

	food industry	❒	❒
e.	Greater collaboration / partnership with other organisations in other tourism sectors	❒	❒

(Please tick all appropriate)

- whisky ❒
- accommodation ❒
- golf ❒
- country sports ❒
- other (please specify) …………………………………………………………………….

f.	Developing new products within existing markets	❒
g.	Developing new products targeted at new markets	❒
h.	Entering/targeting new markets with existing products (if so where) ……………………………………………………………………………	❒
i.	Targeting new customers within existing markets	❒
j.	More targeted marketing / promotion	❒
k.	Nothing has changed to Q22)	❒ (please go

19. What effect has this activity / involvement had on your business performance to date?

a.	Increase in number of visitors/customers (quantify % if possible……………….) also go to Q20	❒
b.	Increase in turnover (quantify % if possible……………….)	❒
c.	Increase in range of visitors (probe where from……………………..) also go to Q20	❒
d.	Increase in staffing levels (quantify if possible…………………..)	❒
e.	Improved margins (by how much…………………………)	❒
f.	Increase in on-site expenditure by visitors (quantify if possible……………………)	❒
g.	Other (please specify) …………………………………………………………………….	

Please go to Q.21

20. Do you think that your growth has been at the expense of other businesses?

Yes	❒	(to what extent?	High ❒	Medium ❒	Low ❒)
No	❒		(75%)	(50%)	(25%)

21. To what extent do you think that this change is directly related to your involvement with the FoodTourismScotland project/programme? (probe for further details/try to quantify in each case)

a. It wouldn't have gone ahead without it ❒
b. It would have happened on smaller scale ❒
How much smaller? ________________________
c. It would have happened at a later date but on the same scale ❒
How much later? __________________________
d. It would have proceeded at a later date and on a reduced scale ❒
How much later and how reduced? ______________________
e. It would have proceeded without FoodTourismScotland support ❒
How in terms of finance and delivery? _________________________

22. What do you see as being the effects of involvement on your business over the next 3-5 years?

a. Increase in number of visitors/customers ❒
(quantify % if possible……………….)
b. Increase in sales ❒
(quantify % if possible……………….)
c. Increase in type of visitors ❒
(probe where from…………………….)
d. Increase in staffing levels ❒
(quantify if possible…………………..)
e. Increase in pricing ❒
(by how much………………………….)
f. Increase in on-site expenditure ❒
(quantify if possible……………………)
g. Other (please specify) ………………………………………………………………….

Future Development

23. To what extent do you think the following key objectives of Scottish Enterprise's Tourism Product Development have been achieved?

	Achieved	Partially Achieved	Not Achieved	Don't know
To set up an industry led steering group	❒	❒	❒	❒
Identifying and addressing research gaps	❒	❒	❒	❒
Sharing research	❒	❒	❒	❒
Helping businesses to identify opportunities created by the market	❒	❒	❒	❒
Helping businesses to develop new ideas and turn them into products	❒	❒	❒	❒
Encouraging businesses to pull resources and work together	❒	❒	❒	❒

24. What do you believe the main threats that your business faces over the next 5 years?

<u>Market based</u>

a. Changing consumer preferences/attitudes ❒
b. Decrease in numbers of visitors to Scotland ❒
c. Increase in competition from other countries/destinations ❒
d. Increasing importance of environmental considerations ❒
e. Lack of relevant research information re: market opportunities ❒

<u>Product based</u>

f. Greater competition from other food businesses within Scotland ❒
g. Greater competition from other international hotels/restaurants ❒
h. Lack of finance to develop products further ❒
i. Lack of partnership/linkages with other related tourism products e.g. whisky, golf, accommodation providers etc. ❒

Other (please specify)……………………………………………………
………………………………………………………………………………

25. What do you see as being potential growth areas for your business? (please describe)

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

26. How do you think that Scottish Enterprise could help with this? (if possible probe further detail on each answer)

a. Work more closely with other public bodies ❒
b. Work more closely with the private sector ❒
c. Provide more funding ❒
d. Provide more up-to-date market research (probe for detail) ❒
e. Continue to focus on the 9 product areas (prompt list) ❒
f. Create stronger industry leadership ❒
g. Other (please specify)

……………………………………………………………………………………….

Thank you for taking part in this survey.

TOURISM PRODUCT DEVELOPMENT – EVALUATION

Business Questionnaire – Forest Tourism

Background

A joint strategy for tourism was produced in 2006 which aimed to increase the value of Scottish tourism by 50% by 2015. It was hoped to achieve this through joint action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government. Scottish Enterprise has identified tourism as one of its national priority industries and has been working in partnership with other agencies and the private sector to identify key product areas where Scotland can be internationally competitive, including forest tourism. To assist in assessing the impact of Scottish Enterprise's involvement to date Jura has been commissioned to undertake research to identify the level of awareness, involvement in and impact of product development programmes/projects. As a participant, we are very interested in your views.

All information received will be treated as confidential and results will reflect the impact of SE involvement across the industry as a whole, rather than individual business cases.

Profile

1. Contact Name

   ………………………………………………………………………………………………….

2. Position

   ………………………………………………………………………………………………….

3. Company Name

   ………………………………………………………………………………………………….

4. What is your business?

Retailer	❒	Hotel	❒
Activity Holiday Provider	❒	Self Catering	❒
Visitor Attraction	❒	Guest House/B & B	❒
Transport	❒	Festival/Event Organiser	❒

Other (please specify)………………….……………..

5. How many people does your business employ?

0 – 10 employees	❒
11 – 50 employees	❒
51 – 100 employees	❒
101– 500 employees	❒
500+ employees	❒

6. What is your current level of business turnover?

----

7. How many visitors/customers do you receive currently? (per annum)

____

8. Where is the business located?

Fife	❒	Ayrshire	❒
Borders	❒	Grampian	❒
Tayside	❒	Glasgow	❒
Edinburgh	❒	Central Scotland	❒
Lothians	❒	Highlands & Islands	❒
Dumfries & Galloway	❒		

10. How old is the business? (probe how long has it been open to the public?)

0 – 3 years	❒
3 – 5 years	❒
5 – 10 years	❒
10 + years	❒

11. What would you describe as being your target markets?

Local	❒
Scotland	❒
All of UK	❒
International	❒
All of the above	❒

Awareness of Scottish Enterprise Tourism Product Development

12. Various activities are delivered by the Forest Tourism Initiative Scotland and supported by Scottish Enterprise under its Tourism Product Development Initiative. Are you familiar with any of these activities?

	Unprompted	Prompted
<u>Training</u>		
Innovation Days	❒	❒
<u>Develop Your Business</u>		
Mystery Visits	❒	❒
Business Development Packs (7Stanes)	❒	❒
Business Fact Sheets (7Stanes)	❒	❒
Forest Tourism Fact Sheets	❒	❒
Product Development Groups e.g. Trossachs	❒	❒
<u>Marketing</u>		
Mountain Biking Brochure	❒	❒
Mountain Biking DVD	❒	❒
<u>Expand Key Markets</u>		
Scottish Enterprise Market Research Information	❒	❒
Events	❒	❒
Exhibitions e.g. EXPO	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) …………………………………………………..		
None of the above		❒

Involvement in Scottish Enterprise Tourism Product Development

13. Have you / your organisation been involved in any of these activities? (tick all appropriate):

	Unprompted	Prompted
<u>Training</u>		
Innovation Days	❒	❒
<u>Develop Your Business</u>		
Mystery Visits	❒	❒
Business Development Packs (7Stanes)	❒	❒
Business Fact Sheets (7Stanes)	❒	❒
Forest Tourism Fact Sheets	❒	❒
Product Development Groups e.g. Trossachs	❒	❒
<u>Marketing</u>		
Mountain Biking Brochure	❒	❒
Mountain Biking DVD	❒	❒
<u>Expand Key Markets</u>		
Scottish Enterprise Market Research Information	❒	❒
Events	❒	❒
Exhibitions e.g. EXPO	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) ………………………………………………..		
None of the above		❒

(If none of the above go to Q.23)

14. How long ago did this involvement start?

Current		❒
0 – 1 years	(2008)	❒
1 – 2 years	(2007)	❒
2 – 3 years	(2006)	❒
3 – 5 years	(2003-05)	❒
5+ years	(before 2003)	❒

15. What was your turnover at that time (approximately)?

Start of Involvement £____________________

16. Why did you participate / are you participating in this activity?

	Unprompted	Prompted
Personal/organisational development	❒	❒
To gain better understanding/awareness of market opportunities	❒	❒
Target new markets/customers	❒	❒
Improve/develop the product we currently offer	❒	❒
Exchange/develop new ideas (collaboration)	❒	❒
Funding available/financial assistance	❒	❒
Learn from other best practice organisations	❒	❒

Other (please specify) ………………………………………………………………….

Delivery and Management: Process of Engagement

17. How satisfied were you/are you regarding the quality of the support delivered during your involvement?

	Very Satisfied	Satisfied	Neither Satisfied or Dissatisfied	Dissatisfied	Very Dissatisfied	I don't know
Management of programme/project	❒	❒	❒	❒	❒	❒
Delivery of programme/project	❒	❒	❒	❒	❒	❒
Co-ordination	❒	❒	❒	❒	❒	❒
Planning	❒	❒	❒	❒	❒	❒
Responsiveness to your needs	❒	❒	❒	❒	❒	❒
Timing of funding	❒	❒	❒	❒	❒	❒
Content/ relevance	❒	❒	❒	❒	❒	❒

If dissatisfied probe reasons and how it could be improved?

Impact

18. What did you expect to happen as a result of your involvement in the project/programme?

	Unprompted	Prompted
Creating new ideas (innovation)	❒	❒
Develop new proposals	❒	❒
Sharing of relevant market information	❒	❒
Growth in confidence/willing to take more risks	❒	❒
Greater market awareness/awareness of opportunities	❒	❒
More collaboration/partnership with other similar businesses	❒	❒

More collaboration/partnership with other areas/sectors
e.g. wildlife, country sports etc. ❐ ❐
Learning from best practice ❐ ❐
Other (please specify) ……………………………………………………………….

19. What are you doing now that you hadn't been doing prior to involvement in the project/programme?

More customer focused approach ❐ ❐
Improvement in customer service ❐ ❐
Creating new ideas (greater innovation) ❐ ❐
Greater collaboration / partnership with other organisations in the Forest tourism industry ❐ ❐
Greater collaboration / partnership with other organisations in other tourism sectors ❐ ❐

(Please tick all appropriate)

- Food ❐
- Accommodation ❐
- Wildlife ❐
- Country Sports ❐

Other (please specify) ……………………………………………………………….

Developing new products within existing markets ❐
Developing new products targeted at new markets ❐
Entering/targeting new markets with existing products (if so where)
………………………………………………………………………… ❐
Targeting new customers within existing markets ❐
More targeted marketing / promotion ❐
Nothing has changed ❐ (please go to Q22)

20. What effect has this activity / involvement had on your business performance to date?

Increase in number of visitors/customers ❐
(quantify % if possible……………….) also go to Q20
Increase in turnover ❐
(quantify % if possible……………….)
Increase in range of visitors ❐
(probe where from……………………) also go to Q20
Increase in staffing levels ❐
(quantify if possible…………………..)
Improved margins ❐
(by how much…………………………)
Increase in on-site expenditure by visitors ❐

(quantify if possible…………………….)

Other (please specify) ……………………………………………………………….

Please go to Q.21

21. Do you think that your growth has been at the expense of other businesses?

Yes ❐ (to what extent? High ❐ Medium ❐ Low ❐)

No ❐ (75%) (50%) (25%)

22. To what extent do you think that this change is directly related to your involvement with the Forest Tourism Initiative Scotland project/programme? (probe for further details/try to quantify in each case)

It wouldn't have gone ahead without it ❐

It would have happened on smaller scale ❐

How much smaller? ______________________

It would have happened at a later date but on the same scale ❐

How much later? ________________________

It would have proceeded at a later date and on a reduced scale ❐

How much later and how reduced? ____________________

It would have proceeded without Scottish Enterprise support ❐

How in terms of finance and delivery? _______________________

23. What do you see as being the effects of involvement on your business over the next 3-5 years?

Increase in number of visitors/customers ❐

(quantify % if possible……………….)

Increase in sales ❐

(quantify % if possible……………….)

Increase in type of visitors ❐

(probe where from…………………….)

Increase in staffing levels ❐

(quantify if possible…………………..)

Increase in pricing ❐

(by how much………………………….)

Increase in on-site expenditure ❐

(quantify if possible…………………….)

Other (please specify) ……………………………………………………………….

Future Development

24. To what extent do you think the following key objectives of Scottish Enterprise's Tourism Product Development have been achieved?

	Achieved	Partially Achieved	Not Achieved	Don't know
To set up an industry led steering group	❐	❐	❐	❐
Identifying and addressing research gaps	❐	❐	❐	❐
Sharing research	❐	❐	❐	❐
Helping businesses to identify opportunities created by the market	❐	❐	❐	❐
Helping businesses to develop new ideas and turn them into products	❐	❐	❐	❐
Encouraging businesses to pull resources and work together	❐	❐	❐	❐

25. What do you believe the main threats that your business faces over the next 5 years?

<u>Market based</u>

- Changing consumer preferences/attitudes ❐
- Decrease in numbers of visitors to Scotland ❐
- Increase in competition from other countries/destinations ❐
- Increasing importance of environmental considerations ❐
- Lack of relevant research information re: market opportunities ❐

<u>Product based</u>

- Greater competition from other forest tourism businesses within Scotland ❐
- Greater competition from other international companies ❐
- Lack of finance to develop products further ❐
- Lack of partnership/linkages with other related tourism products e.g. wildlife, country sports etc. ❐
- Other (please specify)……………………………………………………
  ………………………………………………………………………………

26. What do you see as being potential growth areas for your business? (please describe)

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

26. How do you think that Scottish Enterprise could help with this? (if possible probe further detail on each answer)

Work more closely with other public bodies ❐
Work more closely with the private sector ❐
Provide more funding ❐
Provide more up-to-date market research (probe for detail) ❐
Continue to focus on the 9 product areas (prompt list) ❐
Create stronger industry leadership ❐
Other (please specify)
………………………………………………………………………………….

Thank you for taking part in this survey.

TOURISM PRODUCT DEVELOPMENT – EVALUATION

Business Questionnaire - Whisky

Background

A joint strategy for tourism was produced in 2006 which aimed to increase the value of Scottish tourism by 50% by 2015. It was hoped to achieve this through joint action across public and private sector bodies including Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland and the Scottish Government. Scottish Enterprise has identified tourism as one of its national priority industries and has been working in partnership with other agencies and the private sector to identify key product areas where Scotland can be internationally competitive, including Whisky related tourism. To assist in assessing the impact of Scottish Enterprise's involvement to date Jura has been commissioned to undertake research to identify the level of awareness, involvement in and impact of product development programmes/projects. As a participant, we are very interested in your views.

All information received will be treated as confidential and results will reflect the impact of SE involvement across the industry as a whole, rather than individual business cases.

Profile

1. Contact Name

   ……………………………………………………………………………………………………….

2. Position

   ……………………………………………………………………………………………………….

3. Company Name

   ……………………………………………………………………………………………………….

4. What is your business?

Distillery	❒	Bar	❒
Hotel	❒	Restaurant	❒
Golf Club	❒	Other	❒
Bed and Breakfast	❒	Other (please specify)………………….…………...	

5. How many people does your business employ?

0 – 10 employees	❒
11 – 50 employees	❒
51 – 100 employees	❒
101– 500 employees	❒
500+ employees	❒

6. What is your current level of business turnover?

   ----

7. How many visitors/customers do you receive currently? (Capacity/covers for hotels Restaurant)

   ____

8. Where is the business located?

Fife	❒	Ayrshire	❒
Borders	❒	Grampian	❒
Tayside	❒	Glasgow	❒
Edinburgh	❒	Central Scotland	❒
Lothians	❒	Highlands & Islands	❒
Dumfries & Galloway	❒		

10. How old is the business?

0 – 3 years	❒
3 – 5 years	❒
5 – 10 years	❒
10 + years	❒

11. What would you describe as being your target markets?

Local	❒
Scotland	❒
All of UK	❒
International	❒
All of the above	❒

Awareness of Scottish Enterprise Tourism Product Development

12. Various activities are delivered by ScotlandWhisky and supported by Scottish Enterprise under its Tourism Product Development Initiative. Are you familiar with any of these activities?

	Unprompted	Prompted
<u>Training</u>		
Scottish Whisky Training School	❒	❒
<u>Develop Your Business</u>		
Whisky Embassies	❒	❒
Whisky Bars in Edinburgh	❒	❒
<u>Marketing</u>		
Whisky Coast Initiative	❒	❒
Website	❒	❒
<u>Expand Key Markets</u>		
Whisky Festivals/Events	❒	❒
Scottish Enterprise Market Research Information	❒	❒
Collaborative/Joint Projects	❒	❒
Other	❒	❒
Other (please specify) ………………………………………………..		
None of the above		❒

Involvement in Scottish Enterprise Tourism Product Development

(If none of the above go to Q.23)

13.How long ago did this involvement start?

Current		❒
0 – 1 years	(2008)	❒

1 – 2 years	(2007)	❐
2 – 3 years	(2006)	❐
3 – 5 years	(2003-05)	❐
5+ years	(before 2003)	❐

13. What was your turnover at that time (approximately)?

Start of Involvement £______________________

14. Why did you participate / are you participating in this activity?

	Unprompted	Prompted
• Personal/organisational development	❐	❐
• To gain better understanding/awareness of market opportunities	❐	❐
• Target new markets/customers	❐	❐
• Improve/develop the product we currently offer	❐	❐
• Exchange/develop new ideas (collaboration)	❐	❐
• Funding available/financial assistance	❐	❐
• Learn from other best practice organisations	❐	❐
• Other (please specify) ………………………………………………………………		

Delivery and Management: Process of Engagement

15. How satisfied were you/are you regarding the quality of the support delivered during your involvement?

	Very Satisfied	Satisfied	Neither Satisfied or Dissatisfied	Dissatisfied	Very Dissatisfied	I don't know
Management of programme/project	❒	❒	❒	❒	❒	❒
Delivery of programme/project	❒	❒	❒	❒	❒	❒
Co-ordination	❒	❒	❒	❒	❒	❒
Planning	❒	❒	❒	❒	❒	❒
Responsiveness to your needs	❒	❒	❒	❒	❒	❒
Timing of funding	❒	❒	❒	❒	❒	❒
Content/ relevance	❒	❒	❒	❒	❒	❒

If dissatisfied probe reasons and how it could be improved?

Impact

16. What did you expect to happen as a result of your involvement in the project/programme?

	Unprompted	Prompted
• Creating new ideas (innovation)	❒	❒
• Develop new proposals	❒	❒
• Sharing of relevant market information	❒	❒
• Growth in confidence/willing to take more risks	❒	❒
• Greater market awareness/awareness of opportunities	❒	❒
• More collaboration/partnership with other Whisky businesses	❒	❒
• More collaboration/partnership with other areas/sectors e.g. food, golf etc.	❒	❒
• Learning from best practice	❒	❒

- Other (please specify) …………………………………………………………………….

17. What are you doing now that you hadn't been doing prior to involvement in the project/programme?

- More customer focused approach ❒ ❒
- Improvement in customer service ❒ ❒
- Creating new ideas (greater innovation) ❒ ❒
- Greater collaboration / partnership with other organisations in the whisky industry ❒ ❒
- Greater collaboration / partnership with other organisations in other tourism sectors ❒ ❒

(Please tick all appropriate)

- food ❒
- accommodation ❒
- golf ❒
- country sports ❒
- other (please specify) ……………………………………………………………….

- Developing new products within existing markets ❒
- Developing new products targeted at new markets ❒
- Entering/targeting new markets with existing products (if so where) …………………………………………………………………………. ❒
- Targeting new customers within existing markets ❒
- More targeted marketing / promotion ❒
- Nothing has changed ❒ (please go to Q22)

18. What effect has this activity / involvement had on your business performance to date?

- Increase in number of visitors/customers ❒
  (quantify % if possible……………….) also go to Q20
- Increase in turnover ❒
  (quantify % if possible……………….)
- Increase in range of visitors ❒
  (probe where from…………………….) also go to Q20
- Increase in staffing levels ❒
  (quantify if possible…………………..)
- Improved margins ❒
  (by how much………………………..)
- Increase in on-site expenditure by visitors ❒
  (quantify if possible……………………)
- Other (please specify) ……………………………………………………………….

Please go to Q.21

19. Do you think that your growth has been at the expense of other businesses?

Yes	❒	(to what extent? High ❒ Medium ❒ Low ❒)
No	❒	(75%) (50%) (25%)

20. To what extent do you think that this change is directly related to your involvement with the ScotlandWhisky project/programme? (probe for further details/try to quantify in each case)

- It wouldn't have gone ahead without it ❒
- It would have happened on smaller scale ❒
  How much smaller? ________________________
- It would have happened at a later date but on the same scale ❒
  How much later? __________________________
- It would have proceeded at a later date and on a reduced scale ❒
  How much later and how reduced? ______________________
- It would have proceeded without Scottish Enterprise support ❒
  How in terms of finance and delivery? _________________________

21. What do you see as being the effects of involvement on your business over the next 3-5 years?

- Increase in number of visitors/customers ❒
  (quantify % if possible……………….)
- Increase in sales ❒
  (quantify % if possible……………….)
- Increase in type of visitors ❒
  (probe where from…………………….)
- Increase in staffing levels ❒
  (quantify if possible…………………..)
- Increase in pricing ❒
  (by how much………………………..)
- Increase in on-site expenditure ❒
  (quantify if possible……………………)
- Other (please specify) ………………………………………………………………….

Future Development

22. To what extent do you think the following key objectives of Scottish Enterprise's Tourism Product Development have been achieved?

	Achieved	Partially Achieved	Not Achieved	Don't know
To set up an industry led steering group	❒	❒	❒	❒
Identifying and addressing research gaps	❒	❒	❒	❒
Sharing research	❒	❒	❒	❒
Helping businesses to identify opportunities created by the market	❒	❒	❒	❒
Helping businesses to develop new ideas and turn them into products	❒	❒	❒	❒
Encouraging businesses to pull resources and work together	❒	❒	❒	❒

23. What do you believe the main threats that your business faces over the next 5 years?

<u>Market based</u>

- Changing consumer preferences/attitudes ❒
- Decrease in numbers of visitors to Scotland ❒
- Increase in competition from other countries/destinations ❒
- Increasing importance of environmental considerations ❒
- Lack of relevant research information re: market opportunities ❒

<u>Product based</u>

- Greater competition from other whisky companies within Scotland ❒
- Greater competition from other international Whisky companies ❒
- Lack of finance to develop products further ❒
- Lack of partnership/linkages with other related tourism products e.g. food, golf, accommodation providers etc. ❒

Other (please specify)……………………………………………………
…………………………………………………………………………………

24. What do you see as being potential growth areas for your business? (please describe)

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

26. How do you think that Scottish Enterprise could help with this? (if possible probe further detail on each answer)

- Work more closely with other public bodies ❒
- Work more closely with the private sector ❒
- Provide more funding ❒
- Provide more up-to-date market research (probe for detail) ❒
- Continue to focus on the 9 product areas (prompt list) ❒
- Create stronger industry leadership ❒
- Other (please specify)

………………………………………………………………………………….

Thank you for taking part in this survey.

APPENDIX D

POST SURVEY REPORT

POST SURVEY REPORT

During February and March 2009, representatives of Jura Consultants conducted a telephone survey with businesses that had engaged with Scottish Enterprise Tourism Product Development initiatives.

Project managers in each of the product areas (excluding built heritage) provided Jura Consultants with contact details for companies who had participated in activities associated with tourism product development activity. A random sample was selected from those business details provided by each of the project managers. A representative sample would have been preferable, however this was not possible as a comprehensive record of every business that had engaged with the tourism product development activity does not exist. The reason for this was that much of the activity was delivered through industry-led groups and not directly by SE. It was agreed that those businesses provided in relation to golf tourism had participated in tourism product development training activity too long ago (February 2006) for relevant impact information to be sourced.

To avoid survey fatigue, potential contact details were sent to SE to assess whether they were account managed firms prior to contact being made. It was concluded that no businesses were account managed.

A questionnaire for each of the 5 areas, namely Whisky Tourism, Food Tourism, Country Sports Tourism, Forest Tourism and Ancestral Tourism, was drafted and agreed with SE at the outset. The questionnaire was subsequently piloted on three businesses.

The aim of the business survey, as outlined in the study brief, was to "consult with key beneficiaries of the project from a population of approximately 50 companies". While over 100 businesses were contacted, full consultations took place with 38 businesses. This was due to a number of constraints as follows:

- The ability of project managers to provide contact details for those businesses involved in tourism product development activities varied, with no comprehensive record of engagement in all relevant tourism product development activities available.
- The most comprehensive contact details were available regarding tourism product development activities that involved training. Where these were available there was a concern from the study Steering Group that some of these training activities were too recent to have had any measurable impact, or too old to allow any meaningful response.
- These training activities were delivered by third parties, with SE support, but not by SE itself which led to a misunderstanding by participants regarding the level of SE involvement in this area of activity.
- Where participant lists were provided, they were not accurate. When contacted in some cases contacts stated that they had not attended the training session (due to unforeseen circumstances, other commitments etc.).
- On several occasions we found that members of staff involved in the tourism product development activity had subsequently left the organisation. The remaining staff were unaware of the tourism product development activity and its impact.

- Where respondents recalled the tourism product development activity many were reluctant to disclose confidential information concerning the business activity or the impact of the tourism product development activity. In all cases the respondents were assured of the anonymity and purpose of the business survey but remained unwilling to divulge sensitive information on turnover, profitability and changes in these measures.

The level of non-response on the key performance variables was much higher than we had anticipated or have experienced in other impact studies. This may be because of several reasons but the lack of association by the company between the tourism product development activity and SE is one cause, as is the current economic climate, where performance information is regarded as highly sensitive.

Businesses were more open in providing responses to the qualitative questions concerning their motivations for involvement with the tourism product development activity and the business development benefits. The business survey has insufficient data for any of the tourism product development activity areas of activity to produce a quantitative response to the questions posed in the study brief.

A total of 38 businesses were consulted during the business survey. This included 6 bed and breakfasts, 6 guesthouses, 4 distilleries, 1 golf club and 8 multiples, i.e. businesses which offered more than one service (e.g. bar and restaurant, hunting /shooting and tourism, etc). The consultation also included discussions with 2 museums and a visitor attraction.

The study team were successful in engaging businesses located throughout Scotland in the evaluation process. Over 60% of businesses consulted were operational within the Scottish Enterprise area, 14% in the south of Scotland (i.e. Scottish Borders and Dumfries and Galloway), 17% in Tayside and 19% in Central Scotland (including 3% from both Glasgow and Edinburgh). Businesses located in Fife represented 5% of all companies consulted and 3% were from both Ayrshire and Grampian. Almost 40% of businesses participating in the study were located in the Highlands and Islands area.

APPENDIX E

LITERATURE REVIEW

Resources	Literature	URL Links
Scottish Enterprise Evaluation Database	Evaluation of the tourism innovation approach	http://www.evaluationsonline.org.uk/evaluations/eval/advancedSearch.do?searchFor=tourism+evaluation&pubYear=All&commBy=&region=All&relavence1=0&action=advancedSearch&dateAddedFrom=&dateAddedTo=&style=altavista&pager.offset=0
	developing people in tourism 2003- 2005: evaluation	http://www.evaluationsonline.org.uk/evaluations/eval/advancedSearch.do?searchFor=tourism+evaluation&pubYear=All&commBy=&region=All&relavence1=0&action=advancedSearch&dateAddedFrom=&dateAddedTo=&style=altavista&pager.offset=1
	evaluation of the tourism training programme	http://www.evaluationsonline.org.uk/evaluations/eval/advancedSearch.do?searchFor=tourism+evaluation&pubYear=All&commBy=&region=All&relavence1=0&action=advancedSearch&dateAddedFrom=&dateAddedTo=&style=altavista&pager.offset=2
	interim evaluation of the tourism growth programme 2001- 2004: report	http://www.evaluationsonline.org.uk/evaluations/eval/advancedSearch.do?searchFor=tourism+evaluation&pubYear=All&commBy=&region=All&relavence1=0&action=advancedSearch&dateAddedFrom=&dateAddedTo=&style=altavista&pager.offset=3
Scottish Enterprise	Econ Benefits	http://www.scottish-enterprise.com/publications/economicbenefitsofresorttourism.doc
	Tourism Intelligence Reports	http://www.tourism-intelligence.co.uk/guides.aspx
VisitScotland	Research and Stats- International/National and Scottish	http://www.scotexchange.net/research_and_statistics/leisure_visitors/overseas-profiles.htm
	Insights into Visitor Experience- what people expect in Scotland 2007	http://www.scotexchange.net/insights_from_visitor_experience_2007.pdf
	Tourism in Scotland 2007 Overview of Facts and Figures	http://www.scotexchange.net/tourism_in_scotland_2007__updated_.pdf
	The Visitor Experience 2007 Exec Summary	http://www.scotexchange.net/overall__executive_report-2.pdf
	Tourism Industry Trends (Dec 08, Nov 08 and Oct 08)	http://www.scotexchange.net/research_and_statistics/economic_forecast/industry_trends.htm
	Growth and Niche Markets	http://www.scotexchange.net/research_and_statistics/scenarios-old/scanning/scenarioplanning_tourist/growthmarkets.htm
	ambitions magazine	http://www.visitscotland.org/ambitions_autumn_2008.pdf
VisitBritian		http://www.visitbritain.org/
	FORESIGHT Dec 08	http://www.tourismtrade.org.uk/Images/Foresight%20Issue%2062_tcm12-44469.pdf
	Top Global Destinations 07	http://www.tourismtrade.org.uk/Images/Top%20Tourism%20Destinations%202007_tcm12-42756.pdf
	Key tourism facts	http://www.visitbritain.org/
Visit Wales	Destination management and tourism marketing report	http://wales.gov.uk/depc/publications/tourism/tourismdevelopment/Develop/consultation?lang=en
	Tourism growth area review	http://wales.gov.uk/depc/publications/tourism/tourismdevelopment/Develop/tourismgrow?lang=en

Resources	Literature	URL Links
	Sustainable Framework for Wales	http://wales.gov.uk/depc/publications/tourism/tourismdevelopment/sustainable/frameworkeng.pdf?lang=en
Tourism Alliance		http://www.tourismalliance.com/
	March 08 Economic Case for Visitor Economy	http://www.tourismalliance.com/attach.pl/226/260/Economic%20case%20for%20the%20Visitor%20Economy%20-%20Deloitte's%20%20Final%20Report.pdf
	November newsletter	http://www.tourismalliance.com/attach.pl/229/262/November.pdf
	Oct 08 The Likely Impact of Tourist Activity in UK	http://www.tourismalliance.com/attach.pl/227/261/TOURISM%20AND%20LEISURE%20INDUSTRIES%20SDST%20Report.pdf
	Newsletter Dec 08- Concern	http://www.tourismalliance.com/attach.pl/230/263/August%20Tourism%20Figures.pdf
	NEWS Dec 08 Positive for Future	http://www.tourismalliance.com/showarticle.pl?ft=;id=231;n=0;p=1
The Future Laboratory	No suitable info available	http://www.moshtix.com.au/event.aspx?id=22617
Marketresearch.com	No suitable info available	
OECD	News- 9th international forum on tourism stats NOV 08	http://www.oecd.org/home/0,2987,en_2649_201185_1_1_1_1_1,00.html
	seminar on culture and tourism Jan 09	http://www.oecd.org/dataoecd/23/36/41880973.pdf
	News- 10th Oct 08- what's needed/ indicators	http://www.oecd.org/document/22/0,3343,en_2649_34389_41473494_1_1_1_1,00.html
World Tourism Organisation	World Tourism Barometer	http://www.unwto.org/index.php
ETC_ European Travel Commission	Annual Report 2007 (PDF)	http://www.etc-corporate.org/
	Tourism trends for Europe Sept 08 (PDF)	http://www.etc-corporate.org/modules.php?name=Content&pa=showpage&pid=100&ac=8
ASVA	No suitable info available	
BBC News	poor service risks tourism jobs	http://news.bbc.co.uk/1/hi/uk/7817081.stm
	is tourism the answer?	http://www.bbc.co.uk/caribbean/news/story/2008/12/081212_tourismforum.shtml
	China hit by Tourism	http://news.bbc.co.uk/1/hi/world/asia-pacific/7817262.stm
	Tourism to promote jobs in Scotland (Perth)	http://news.bbc.co.uk/1/hi/scotland/tayside_and_central/7815429.stm
	world economic forum -	http://www.weforum.org/en/index.htm & http://news.bbc.co.uk/1/hi/business/7200069.stm

Resources	Literature	URL Links
	overview of all	
tourism trade	England visitor attraction monitor quarter three report- hot topic credit crunch	http://www.tourismtrade.org.uk/Images/173396%20-%20EAM%20Q3%202008%20Report%20FV_tcm12-44417.pdf
TOURISM NEWS WEBSITES_		
Travel Mole	NA	http://www.travelmole.com/signout.php
e-tid.com	NA	http://www.e-tid.com/
Travel Daily News	Study by ABTA regarding tourism and popular spends	http://www.traveldailynews.com/
OTHER_		
pro-poor tourism		http://www.propoortourism.org.uk
international centre for responsible tourism		http://www.theinternationalcentreforresponsibletourism.org/
centre for tourism and cultural change		http://www.tourism-culture.com/
Google	2 presentations for conferences	
	UNWTO Future Vision until 2030	http://www.htrends.com/modules.php?op=modload&name=trends&file=detail&sid=35872
	News article Nov 13th 2008	
	Prospects Employment Website- article about future	http://www.prospects.ac.uk/cms/documents/Explore_job_sectors/Tourism.pdf?id=1887
	Visit Britain Tourism Trends Slideshow	http://www.slideshare.net/lancashire/tourism-trends-from-visit-britain
	www.futureoftourism.com- four key articles saved (Mark Rowe, Justin Francis, Geotourism and Graph)	http://www.futureoftourism.com/travel-trends.htm
	VisitScotland 50% by 2015	http://www.visitscotland.org/print/research_and_statistics/scenarios-old/scanning/scenarioplanning_tourist/growthmarkets.htm
	Visitscotland snapshots from the future	

Resources	Literature	URL Links
	tourism intelligence Scotland- Scottish tourism in the future	http://www.tourism-intelligence.co.uk/
	tourism framework for change	http://www.scottish-enterprise.com/sedotcom_home/sig/sig-tourism/tourismpublications.htm
		http://www.eea.europa.eu/themes/tourism/indicators
	National Sustainable Tourism Indicators DCMS	http://www.culture.gov.uk/images/publications/NationalSustainableTourismIndicators.pdf
	refer to visitscotland/ visitbritain Full Web Searches	
	refer to tourism alliance Full Web Search	
Google Scholar	Book- Global Tourism by William F Theobald	http://books.google.co.uk/books?hl=en&lr=&id=Ar8izYYf-ugC&oi=fnd&pg=PR9&dq=Future+trends,+tourism,+global&ots=hWJBPDwmOx&sig=VyFSWaMnQi-6RRuaxM6eYp09oL4#PPA5,M1
	Book- Niche Tourism by Marina Novelli	http://books.google.co.uk/books?hl=en&lr=&id=JCce_AZgRxIC&oi=fnd&pg=PR7&dq=Future+trends,+tourism,+UK&ots=P0qMC7jrRP&sig=uBQwucB9mZVdKEQNcW-n9XRx6-k
	Book-Cultural Tourism by Greg Richards	http://books.google.co.uk/books?hl=en&lr=&id=-LXgdr3hbkgC&oi=fnd&pg=PA329&dq=Future+of+tourism&ots=QCpk8BxWNM&sig=ndQKf_FftTD0p6NblSL8eIZqRnM
	Book- Tourism Management by Stephen Page	http://books.google.co.uk/books?hl=en&lr=&id=l2Ck__TmIIYC&oi=fnd&pg=PR19&dq=future+trends+tourism+scotland&ots=gej2msQQBc&sig=8koAHpe9P4cEpMb_IVD8sDP_83g
	tourism stats international perspectives and current issues	http://books.google.co.uk/books?hl=en&lr=&id=6D7beUPQCv8C&oi=fnd&pg=PA199&dq=henleys+future+forecast+tourism&ots=tzFgJb6mVZ&sig=5tu00sWbb8KMwDb_19-WJ2vuky8#PPP1,M1
Economist	Trends in tourism Page 7	http://www.scottishchambers.org.uk/downloads/PressReleaseq42008Final.pdf
International Passenger Survey		http://www.statistics.gov.uk/ssd/transport.asp
		http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1391&More=N

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