



The Customer Feedback Project 'Listening to Our Visitors' – Project Review

Report for Scottish Enterprise

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Executive Summary

Introduction

The pilot Customer Feedback Project, 'Listening to Our Visitors' (LTOV) commenced in January 2007 and was officially launched by the Tourism Minister, Jim Mather, at the Visitor Experience Conference early March 2009.

As noted in the *Tourism Framework for Change* there is a need to exceed customers' expectations so that Scotland is viewed as a must-visit, must-return destination. The Framework set the ambitious challenge that *'every tourism business, culture and heritage organisation, and local authority will collect feedback from their own customers to help them "know their visitor" - who they are, why they have come and what they want out of their trip - and use this to inform their business strategies.'*

Therefore, the key objectives for the LTOV pilot project are to:

- increase the number of businesses collecting and utilising customer feedback;
- understand and disseminate best practice in this area across the industry; and
- encourage more effective collection and utilisation of customer feedback at individual business, destination and Scottish levels in order to drive innovation in the sector and build a critical mass.

In particular, the LTOV pilot project involves: supplier/industry engagement, practical resource, customer feedback workshops, and area/national activity.

Study Aims and Objectives

The overall objective of the study was to undertake a review of the pilot LTOV Customer Feedback pilot project since it commenced in January 2007. Specific study objectives included assessment of:

- strategic rationale;
- strategic fit;
- project performance and benefits achieved;
- delivery process;

- management information;
- linkage and dependencies;
- contribution to the equity and equalities agenda; and
- the preparation of a Project Monitoring Framework.

Study Method

The study has made use of a range of information sources, such as the relevant strategic and policy documents, SE approval papers and detailed LTOV project information and contacts provided by the SE Project Manager and delivery agents/training providers.

Central to the process was a detailed consultation programme and a beneficiary survey of a small number of participant companies.

Through the consultation programme we engaged with key representatives from SE, the designer/copywriter of the Practical Guide, the project training contractors and members of the pilot project Stakeholder/Working Group including representatives from VisitScotland, SE, the Tourism Innovation Group and the private sector. In total we undertook six face-to-face (including a detailed discussion with Karen Craib, SE Project Manager at the study Inception Meeting) and four telephone consultations.

One of the main components of this study was to obtain feedback from companies that had attended workshop sessions across the SE area.

SE provided EKOS with a list of 14 pre-selected businesses that had participated at either the three pilot workshop events undertaken in January and February this year or the 13 workshop events held during March and June this year. All company interviews were conducted by telephone.

In the short time afforded to this study and given the current summer holiday period (we contacted companies at least three times) we managed to achieve seven completed interviews out of the proposed eight interviews – a response rate of 88%.

Conclusions and Recommendations

The key conclusions and recommendations from the review to be considered for the LTOV project going forward further to the current pilot are outlined below.

What Worked Well

General consensus from consultees and businesses was that the quality of the Practical Guide was of a high standard and had been well received by tourism operations.

Coupled with the practical nature of the workshops, the two elements of the LTOV pilot project were perceived to be mutually beneficial, allowing for continual learning and resulting in impacts that may not have occurred had only one element been provided.

Both the workshop participants and the Working Group partners highlighted the delivery agents as a key success factor of the pilot project. Their extensive knowledge of the customer feedback methods, and the tourism industry in general was felt to be of great benefit to the pilot project, along with their approachable and accessible approach to delivering the material. Participants also highlighted the fact that the delivery agents seemed genuinely interested in individual business issues and concerns.

What Did Not Work

The only real problem highlighted during the fieldwork was with regard to the workshop booking process. There appeared to have been some confusion over which workshops were actually going ahead given the lack of a pan-Scotland approach to workshop delivery.

Going forward a structured process must be set in place with regard to booking workshops. Early release of workshop dates and the ability to book places online have also been highlighted as future changes that would benefit the project. This was felt to be particularly important to small scale businesses.

Future Project Delivery

Market Failure

Further to the delivery of the pilot project it is too early to assess if the underlying market failure rationale of imperfect information that justified the initial development and delivery of the LTOV project has been addressed.

A particular focus needs to be given to:

- the extent and scale of market adjustment through this intervention, ensuring that more SME businesses participate and not just larger businesses that have the available resources (staff and finance) to put customer feedback systems in place; and
- an increased uptake and utilisation of social networking sites – an ideal means to ‘chat’ and share feedback with customers at a global level.

Therefore, in an ever changing dynamic and innovative global tourism marketplace, it is still relevant that information deficiencies continues to be the principal market failure rationale for the LTOV project going forward.

Key Future Improvements

There appears a need for a structured booking process to be set in place with regard to booking workshop attendance. Early release of workshop dates and the ability to book places online have also been highlighted as future changes that would benefit the project. This was felt to be particularly important to small scale businesses with little or no employees.

A number of consultees highlighted the future option of more online supporting resources for the project. Ideas included downloadable materials such as questionnaire templates to allow for continuing learning, and ongoing case studies highlighting the impacts and benefits resulting from the project as well as allowing for the sharing of best practice between participating businesses. It was felt this could best be done through the TIS website.

Both SE and the delivery agents have suggested that the option for more extensive workshops be investigated. Providing longer, more detailed theme-based workshops, such as how to use TripAdvisor, would create the potential for participants to tackle issues specific to their business, as well as allow for more time to discuss and share ideas and best practice. It was felt that this would be of benefit to those businesses that had already grasped the basics with regard to customer feedback.

Similarly, a more intense aftercare process was also suggested by the delivery agents, providing one-to-one support to the participating businesses. Such an approach would have a number of implications with regard to resource.

Suggested New and/or Additional Resources

Quantifying the level of resource needed for the above improvements was difficult for consultees, although the general feeling was that these would not be substantial, with the exception of the introduction of one-to-one aftercare visits with workshop participants.

Responses from participant businesses showed a consensus that the pilot project was highly valued and that in general businesses would be prepared to pay a nominal fee to participate. This was on average around £20 to £30. Given that the initial approval paper suggested a private sector contribution of £40 per workshop and taking into account the identified willingness of the majority of businesses to pay for participation in the project, a fee in this region does not appear to be off-putting to participants. However, in attracting new participants, new case studies are needed to clearly show the impacts and benefits derived from the project.

Further support from VisitScotland was also identified. In particular it was felt that the organisation's Quality Assurance Advisors could be used to actively promote the LTOV project to potential participants, with little resource implication.

Lessons Learned

Feedback from Working Group and workshop participants has highlighted a need for more active promotion of the project in order to increase involvement. A number of the workshop attendees reported having already looked at customer feedback methods prior to becoming involved in the pilot project. Whilst these businesses felt they had benefited from the experience, more work may be needed to engage with those individuals and businesses not currently considering customer feedback.

The same can be true for other SE interventions, where the challenge is often to engage with those who most need support but are not actively or proactively seeking such assistance. However, this needs to be tempered with the requirement for SE to focus on tourism businesses with real growth ambitions in line with SE's remit.

It was also noted by the consultants that a number of workshop attendees were subsequently unwilling to participate in this study. This can partially be explained by the fact that the study has taken place during the peak tourist season. This is likely to also have an impact on the number of businesses taking part in aftercare activities. For this reason, it is suggested that interaction post-workshop attendance, be undertaken outwith the peak tourist months.

Recommendations

Overall Recommendation

In light of the above conclusions, it is recommended that SE continues to develop and evolve the LTOV project for at least another three years.

Some specific recommendations for consideration are highlighted below.

Recommendation 1: going forward it is recommended that the LTOV project should not be perceived as just a range of workshops, but instead as a strategic project aimed at creating a real culture, behavioural and attitudinal change within the tourism industry towards customer feedback activities, which is anticipated to impact positively on the overall customer experience and the product offered.

Recommendation 2: it is suggested that more focus should be given to local destination areas, thus getting businesses involved who are located outwith the six key destination areas in Scotland.

Recommendation 3: limiting the workshops to around 12 participants will allow for greater participation, interaction and sharing of experiences and best practice approaches, which can be more difficult to achieve with larger groups.

Recommendation 4: greater promotion, marketing and signposting of the LTOV section of the TIS website by SE and in particular VisitScotland Quality Assurance Advisors should be considered. In light of this, SE tourism executives will need to continue to liaise with and update the VisitScotland Quality Assurance Advisors on the LTOV project's progress and development. In addition it is recommended that the TIS website should contain downloadable materials, such as case studies to show how businesses have actually benefited from project participation and customer feedback questionnaires.

Recommendation 5: develop and deliver theme-based workshops, such as how to use TripAdvisor effectively, in response to feedback issues raised by businesses that have already attended the generic LTOV workshop.

Recommendation 6: develop and implement charges for workshop participation and one-to-one follow-up activities, in line with those discussed at the recent meeting (Wednesday, 5th August) of SE tourism executives focusing on the project going forward.

Recommendation 7: implement and delivery the proposed Project Monitoring and Evaluation Framework as detailed in the main review report.

1. Introduction

This report, commissioned by Scottish Enterprise (SE), represents the findings of a review of the pilot Customer Feedback Project, 'Listening to Our Visitors' (LTOV) since it commenced in January 2007. It was officially launched by the Tourism Minister, Jim Mather, at the Visitor Experience Conference early March 2009.

1.1 Background

In 2007, almost 16 million tourists took overnight trips to Scotland which generated an annual spend of £4.2 billion¹. Across Scotland, tourism supports over 9% of employment.

As noted in the *Tourism Framework for Change* there is a need to exceed customers' expectations so that Scotland is viewed as a must-visit, must-return destination. The Framework set the ambitious challenge that '*every tourism business, culture and heritage organisation, and local authority will collect feedback from their own customers to help them "know their visitor" - who they are, why they have come and what they want out of their trip - and use this to inform their business strategies.*'

Therefore, the key objectives for the LTOV pilot project are to:

- increase the number of businesses collecting and utilising customer feedback;
- understand and disseminate best practice in this area across the industry; and
- encourage more effective collection and utilisation of customer feedback at individual business, destination and Scottish levels in order to drive innovation in the sector and build a critical mass.

In particular, the LTOV pilot project involves: supplier/industry engagement, practical resource, customer feedback workshops, and area/national² activity.

¹ VisitScotland official data published on www.scotexchange.net

² This review will only cover SE delivery of the project.

1.2 Study Objectives

The overall objective of the study was to undertake a review of the pilot LTOV Customer Feedback pilot project since it commenced in January 2007. Specific study objectives included assessment of:

- strategic rationale;
- strategic fit;
- project performance and benefits achieved;
- delivery process;
- management information;
- linkage and dependencies;
- contribution to the equity and equalities agenda; and
- the preparation of a Project Monitoring Framework.

1.3 Method

The study was conducted in four stages, as follows:

- Stage 1: Study Inception;
- Stage 2: Desk Based Review and Fieldwork Design;
- Stage 3: Stakeholder Consultation and Business Fieldwork; and
- Stage 4: Reporting.

Central to the process was a small but detailed consultation and fieldwork programme. The consultation programme included five face-to-face discussions with key representatives from SE, the designer/copywriter of the Practical Guide and the pilot project training contractors. In addition, one face-to-face interview and four telephone interviews were undertaken with members of the pilot project Stakeholder/Working Group which consisted of representatives from SE, VisitScotland, the Tourism Innovation Group and two private sector businesses.

The study fieldwork element consisted of seven telephone interviews with tourism businesses that attended the pilot workshops sessions – a core element of the LTOV pilot project.

1.4 Structure of Report

The remainder of this report is structured as follows:

- **Chapter 2:** provides a contextual overview covering the strategic and market failure rationale and management information;
- **Chapter 3:** presents the findings of the consultation programme with stakeholders and the working group;
- **Chapter 4:** provides a summary of the beneficiary survey results; and
- **Chapter 5:** outlines conclusions, recommendations and the proposed Performance Monitoring/Measurement Framework for the LTOV project going forward.

2. Contextual Overview

2.1 Introduction

This chapter provides:

- project description;
- contextual overview; and
- market failure rationale.

Market failure issues discussed during the study consultations have been reported here rather than in **Chapter 3** with the rest of the consultation responses.

2.2 Customer Feedback Pilot Project

2.2.1 Project Description

Over recent years, SE has delivered a range of customer feedback projects such as: ‘Knowat’³ at Destination Loch Lomond, Visitrac⁴ at the Glasgow Mackintosh Festival and The Demonstrator Project⁵ in partnership with VisitScotland (VS) and Highlands and Islands Enterprise (HIE).

However, this current pilot LTOV project emerged in response to the industry’s concern that many tourism businesses in Scotland do not gather and use customer feedback effectively to enhance their approach to service provision. Therefore, the pilot project aims to understand and disseminate current best practice by encouraging more effective collection and utilisation of customer feedback at the individual business, destination and Scottish levels.

The key objectives for the LTOV pilot project are to:

- increase the number of businesses collecting and utilising customer feedback;

³ Knowat is a hand held PDA based system which enables feedback information to be quickly gathered and analysed using specially developed software.

⁴ Visitrac is a questionnaire based feedback project which is then analysed by a third party organisation and the results fed back to the client company.

⁵ The Demonstrator Project was a pilot project that encouraged businesses participating within the VS Quality Assurance Scheme to review internal customer feedback processes.

- understand and disseminate best practice in this area across the industry; and
- encourage more effective collection and utilisation of customer feedback at the individual business, destination and Scottish levels in order to drive innovation in the sector and build a critical mass.

One of the key outcomes of the LTOV pilot project is to contribute towards the achievement of the industry's ambition for growth in tourism of 50% by 2015, by "*encouraging innovation, collaboration and better use of technology to enhance the visitor experience leading to an increase in spend per head and a propensity to return*" (Tourism Framework for Change).

To this end, the pilot project involves four elements:

- supplier/industry engagement. This has included a series of meetings and discussions with the following:
- supplier/industry engagement. This has included a series of meetings and discussion with the following:
 - suppliers (organisations providing a support or training service to implement customer feedback technology or solutions, for example TripAdvisor) - to determine the present types of mechanism in place, identify any issues arising and maximise the implementation of best practice where possible
 - stakeholders – a facilitated session involving both the public sector and industry to identify the best delivery approach based on the initial findings
 - working group - identification of a representative working group who will contribute their knowledge and expertise towards the pilot project implementation on an on-going basis;
- The Practical Guide. This practical resource was developed to be disseminated to over 10,000 businesses (11,000 plus across Scotland to date) through:
 - the Tourism Intelligence Scotland (TIS) database, complementing previously issued resources including 'Walking', and 'Tourism in the Future'. Printing and distribution was undertaken by TIS
 - quality assurance assessors
 - established industry groups, such as Pride & Passion, Tourism Innovation Group and Destination-based groups
 - customer feedback workshops;

- customer feedback workshops. In order to embed this best practice across the industry, a series of 15 practical half-day workshops⁶ (three of which were pilots) were delivered across Scotland to approximately 200 businesses. A key output of these workshops was to encourage greater levels of business-to-business networking, sharing of experiences and knowledge and increased opportunities for future collaborative working⁷; and
- area/national activity. An assessment of the most appropriate approach to capturing customer feedback at an area and national level was also made. This involved discussions with partner organisations and identification of best practice, both nationally and internationally, to propose the best way forward. However, to date, the pilot project has principally focused on individual businesses. The key challenge for the project going forward is to increase awareness and understanding, in order to incorporate a number of key questions into all feedback mechanisms gathered across the sector, providing a national baseline for comparison and benchmarking.

The agreed fundamental output required from this study is to provide SE with a robust evidence base and Performance Monitoring Framework in order to develop and scope the project over the next two to three years, informing a Single Approvals Group (SAG) Approval Paper.

2.2.2 Pilot Project Participation

Table 2.1 below categorises the business and organisation participants by geographical location and business type. We have applied the SE regional categorisation to the location. It should be noted, that representatives from public sector organisations and from facilities run and managed by the public sector, such as the Edinburgh City Art Centre, also attended the three pilot workshops (in January and February 2009) and the 13 workshop sessions (between March and June 2009) and have been categorised accordingly.

As depicted in **Table 2.1**, a total of 140 representatives from 116 businesses and 21 attendees from 15 public sector organisations, participated in the workshop sessions (including the three pilot workshops). Therefore, it is apparent that some workshops had more than one participant from a business/organisation in attendance who were involved in discrete functions of that business.

⁶ It should be noted that 16 workshops were delivered in total as detailed in **Section 2.5.2**.

⁷ The primary research (see **Chapter 4**) undertaken as part of this current review examines the actual benefits identified by tourism businesses in the SE area as a result of project participation.

Table 2.1: Categorisation of Business/Organisation Participation

Business/Organisation Type	SE Region					Total	
	AC&S	DCR	East	South	West	Bus/Org	Participants
Private Sector							
Outdoor activity	-	-	10	3	4	17	19
Visitor attraction	-	3	12	3	18	37*	50
B&B	3	1	6	3	3	16	17
Camp/caravan	-	-	-	1	-	1	4
Charitable trust	-	-	-	-	1	1	3
Consultancy/bus associates	1	1	1	-	-	3	3
Destination Man Org/Bus Associates	2	-	-	-	-	2	2
Education (tertiary)	-	1	2	-	3	6	12
Food & drink	-	-	1	-	3	4	4
Hotel	4	1	5	2	10	22	27
Hostel	-	-	2	-	-	2	2
Marketing	-	-	3	-	2	5	5
Restaurant	1					1	2
Retail	-	-	3	-	-	3	3
Self-catering	2	1	2	5	-	10	13
Tour operator	1	1	1	1	1	5	8
Tourism industry/trade org	1	-	3	-	1	5	5
Public Sector							
Historic Scotland	-	1	-	-	-	1	1
Local authority	-	2	-	-	2	4	4
LA Activity	-	-	1	-	1	2	2
LA attraction	-	-	1	-	2	3	3
Unknown	-	2	1	1	1	5	5
Total Businesses	15	10	50	19	44	139	172
Total Public Sector	0	4	4	0	8	16	22
Overall Total	15	14	54	19	52	155	194

Source: Workshop attendance information, SE Project Manager

AC&S: Aberdeen City & Shire

DCR: Dundee City Region

East of Scotland Region.

South of Scotland Region:

West of Scotland Region:

*Note: one attendee from the HIE area

A breakdown of cancellations and no shows by SE region and business/organisational type is outlined in **Appendix A** along with a description of the local authorities that make up each of the four regions.

2.3 Strategic and Policy Context

2.3.1 Introduction

Strategic fit with the following documents has been assessed:

- Scottish Government Economic Strategy (2007);
- Tourism Framework for Change (2006);
- SE Business Plan, 2008-2011; and
- SE Tourism Industry Demand Statement 2010-2013.

2.3.2 Scottish Government Economic Strategy

The tourism sector has been identified as one of the six key sectors in the GES. The sector is viewed as one with significant growth potential and the capacity to boost productivity in Scotland through stimulating investment, innovation and the greater development and utilisation of skills. Therefore in future the 'Listening to Our Visitors' project must be seen to contribute to Scotland's economic growth and productivity through the sustainable and profitable sales generated as a result of project participation.

2.3.3 Tourism Framework for Change

The Tourism Framework for Change, the industry strategy, was published in 2006, and sets out an ambition to grow Scottish tourism revenues by 50% from a 2005 baseline of £4.2bn by 2015. This would match overall world tourism growth rates of around 4% per annum. However, much of overall world growth has been fuelled by emerging economies in Asia and elsewhere, and it is recognised that matching world growth, particularly in challenging economic times will be more difficult for countries such as Scotland which draws heavily on markets in more mature economies such as the UK itself, Western Europe and the USA.

That said, as detailed in the Tourism Framework for Change, there is a need to exceed customers' expectations so that Scotland is viewed as a must-visit, must-return destination. The Framework set the ambitious challenge that *'Every tourism business, culture and heritage organisation, and local authority will collect feedback from their own customers to help them "know their visitor" - who they are, why they have come and what they want out of their trip - and use this to inform their business strategies.'*

One of the greatest gaps identified in this strategy is the lack of effective gathering and utilisation of market intelligence to drive innovation. This has been identified as a priority for growth in Scottish tourism and is supported by organisations including the Tourism Innovation Group, Tourism Intelligence Scotland and Pride & Passion⁸.

Therefore, the aim of the LTOV project is to contribute towards the achievement of the industry's ambition for growth in tourism of 50% by 2015 by encouraging innovation, collaboration and better use of technology to enhance the visitor experience leading to an increase in spend per head and a propensity to return. In order to achieve this, the tourism industry in Scotland needs to capitalise on the key tourism assets in ways that will meet the expectations of discerning travellers. The key themes in the *Tourism Framework for Change* reflect this, as outlined below:

- market intelligence and innovation;
- the customer experience;
- marketing;
- infrastructure and the business environment; and
- sustainability.

2.3.4 SE Business Plan 2008-2011

Strengthening Scotland's position in these areas is the focus of SE's Business Plan for 2008-11⁹:

- enterprise: responsive and focused enterprise support, helping growth companies and industries to reach their full potential;
- innovation: stimulate innovation to support business growth including exploiting new products, processes and technologies; and
- investment: helping to create the right conditions for growth companies and industries to have access to property, markets and finance to help them grow.

The Customer Feedback pilot project specifically addresses the 'enterprise' and 'innovation' thrust of the SE Business Plan by encouraging tourism businesses to become more aware of the customer experience and the

⁸ At the time of writing this report, Pride and Passion was in the process of being wound up due to its inability to secure future funding.

⁹ The current Business Plan, 2009-2012 focuses in particular on working towards economic recovery and growth in light of the current global recession.

impact it has upon the future of the industry. It also encourages utilisation of market intelligence to help drive innovation and business growth.

2.3.5 SE Tourism Industry Demand Statement

As articulated in the SE Tourism Industry Demand Statement 2010-2013 (June 2009) the role of SE is to support delivery of the refreshed industry strategy, Tourism Framework for Change, in ways that align with SE's wider remit around Enterprise, Innovation and Investment and to facilitate wider industry development.

The Tourism Industry Demand Statement highlights the need to focus on maximising the potential of Scotland's key strengths and assets. In particular the LTOV pilot project intervention contributes to the strategic focus of the Tourism Framework for Change and in turn SE's strategic focus on 'market intelligence and innovation' and 'the customer experience' with an objective of establishing a culture of innovation in the tourism industry with tourism businesses showing evidence of:

- a process for gathering and utilising market intelligence including feedback from their own customers;
- active investment in the development of new and improved products and services based on key Scottish natural, cultural or recreational resources; and
- participation in collaborative activity with at least two other tourism businesses resulting in the delivery of new or improved products or services.

2.3.6 Summary

The pilot project is aligned to the Scottish Government's current economic strategy. In particular the pilot project has been consistent with and has contributed to the industry's strategic intent and ambition for growth in tourism of 50% by 2015 by encouraging innovation, collaboration and better use of technology to enhance the visitor experience leading to an increase in spend per head and a propensity to return (as outlined in the industry strategy, Tourism Framework for Change).

It is imperative that the future development and delivery of the LTOV project must complement and contribute to this evolving strategic and policy landscape. Furthermore, it is important that going forward the project contributes to the cross-sectoral aspects of equity and equality outlined in the GES and the associated SE Industry Demand Statement in order to

promote balanced and sustainable economic growth for all across Scotland. In addition, the future delivery of the LTOV project will also need to give due cognisance to the issue of environmental quality, responsibility and sustainability with a specific focus on the business opportunities from green tourism, such as the Green Tourism Business Scheme, and the adoption of renewable energy usage. Given greater customer awareness of and importance of the value placed on sustainability tourism, such a 'green' approach could be competitively advantageous to tourism businesses in Scotland in attracting new customers and encouraging existing customers to make repeat visits.

With regard to rural development, focus needs to be given to increasing the quality of the visitor experience in terms of the product and accommodation, developing and exploiting the activities provision, and pursuing higher yield developments, such as timeshare etc. In order to get this right, there is an ongoing necessity to gather customer feedback to enhance the overall visitor experience in rural and remote rural areas.

2.4 Market Assessment

2.4.1 Market Failure Rationale

Strategic fit in itself is not enough to justify intervention by public agencies. It is essential to identify gaps in provision and to understand why these gaps have come about. Market failure is the key to establishing the rationale for public sector intervention in any local economic development market.

As articulated in the SE Tourism Industry Demand Statement, the main market failures which provide the basis for SE's interventions in tourism are:

- externalities: a need for the promotion of collaboration and co-ordinated action across tourism businesses and public sector;
- information asymmetries: small firms cannot access the data required to help them develop their businesses, for example on markets, competitors and new opportunities; and
- public goods: tourism firms are heavily dependent on the quality of the physical environment and infrastructure and publicly provided facilities.

In particular, as noted in the pilot project approval paper, the LTOV project is designed to address the key market-based constraint of imperfect information/information asymmetries.

Discussions through the consultation programme unanimously confirmed that the key market failure associated with this pilot project was information deficiencies, particularly within a rapidly changing global marketplace. It was highlighted that many businesses (as evidenced during the workshop sessions) still have no appreciation of the positive opportunities that customer feedback could have on their business performance in the longer-term.

With regard to the future focus and direction of the LTOV project it is difficult at this early stage in the process to directly assess the extent to which the pilot project has helped to address this market failure of imperfect information. However, consultees noted that through delivery of this pilot project, participants businesses are now putting appropriate customer feedback systems in place, but it will need some time to pass to evaluate how such mechanisms have increased business performance in terms of increased visitor numbers, increased repeat business year-on-year and ultimately increased turnover and profit margins.

Therefore, future project delivery will need to recognise that this market failure still exists. A particular focus needs to be given to:

- the extent and scale of market adjustment through this intervention, ensuring that more SME businesses participate and not just larger businesses that have the available resources (staff and finance) to put customer feedback systems in place; and
- an increased uptake and utilisation of social networking sites – an ideal means to ‘chat’ and share feedback with customers at a global level.

Due cognisance will also need to be given to the ongoing, complementary, market research and intelligence gathering work being undertaken by TIS. TIS, aims to provide an intelligence database focusing on customer needs to share and increase the understanding of customer requirements with industry stakeholders and businesses across Scotland.

In addition, VisitScotland has considered using the quality assurance star grading to assess if the market failure of imperfect information has been addressed. For example, businesses could demonstrate how through customer feedback they have improved on the 40 different elements of their operation assessed by the VisitScotland Quality Advisor.

2.5 Pilot Project Monitoring Data

2.5.1 Pilot Project Approval

The LTOV Customer Feedback pilot was previously awarded the following monies as shown in **Table 2.2**.

Date	Amount
January 2007	£9,506 inclusive of £1,416 VAT
March 2008	£63,567 inclusive of £9,468 VAT
November 2008	£26,097 inclusive of £3,887 VAT
Total	£99,170 inclusive of £14,771 VAT

Source: SE Approval Paper, November 2008.

The first tranche of funding (£9,506 inclusive of VAT) was approved to expand on the findings of the Demonstrator Project (delivered in partnership with VisitScotland) and the follow up National Park Hospitality Programme to develop an information resource for the industry in general. The principal aims of the development of such an industry resource were to:

- clarify and highlight the benefits of different customer feedback mechanisms, in particular those that had a technology focus;
- provide examples of the business benefits from them being introduced; and
- signpost to existing businesses, tools and approaches that can be readily incorporated into management practices that will measure the results.

The £63,567 (inclusive of VAT) awarded in March 2008, was to support the development of the LTOV Customer Feedback pilot project¹⁰ in order to stimulate better and more effective collection and utilisation of customer feedback from tourism businesses across Scotland in order to drive innovation. Funding was drawn down during the 2008/2009 and 2009/2010 (current) financial years.

Finally, in November 2008 the additional £26,097 (inclusive of VAT) awarded to the LTOV pilot project was required to:

¹⁰ Where the LTOV project comprises of supplier/industry engagement, development and dissemination of The Practical Guide, customer feedback workshops and area/national activity, as detailed above in **Section 2.2.1**.

- meet the higher costs associated with procurement of the services necessary for delivery, including the one-to-one follow-up activities one to three months after workshop sessions, as anticipated in the initial approval paper in March 2008. However, it should be noted that aftercare requirements have tended to vary depending on the needs of and project commitment shown from each of the individual workshop groups; and
- accommodate a significant increase in demand for workshops delivered in the SE area.

This additional funding will be drawn down during the current financial year, 2009/2010.

2.5.2 Progress Against Targets

Table 2.2 outlines the original targets in relation to this pilot project and the progress towards these further to the completion of this initial pilot LTOV project.

Table 2.2: Progress Against Targets to Date

Original Target	Achievements to Date
Delivery of one pilot project	Completed
A series of meetings with industry suppliers (no quantifiable target attributed)	Completed
Delivery and facilitation of one stakeholder session	Completed: 23 rd April 2008
Two working group meetings	Completed: 5 th June 2008 and 12 th August 2008
Dissemination of the Practical Guide to 8,000 tourism businesses	Ongoing: 11,000+ to date
Delivery of 15 practical half-day workshops	16 completed (including three pilot workshops)
Participation of 200 businesses in workshop activity	139 businesses (including the three pilot workshops)

Source: Workshop attendance information, SE Project Manager

In general, the LTOV pilot project has successfully met all its initial targets, bar business participation (70% of target) at these workshop sessions. However, there is a total of 27 individuals who are effectively on the workshop waiting list. In particular the pilot project has exceeded the target of Practical Guide dissemination and workshop delivery by at least 138% and 107% respectively.

3. Consultations

3.1 Introduction

A key component of our approach to this study was to engage with key representatives from SE, the designer/copywriter of the Practical Guide, the project training contractors and members of the pilot project Stakeholder/ Working Group including representatives from VisitScotland, SE, the Tourism Innovation Group and the private sector. In total we undertook six face-to-face (including a detailed discussion with Karen Craib, SE Project Manager at the study Inception Meeting) and four telephone consultations.

The discussions with consultees on issues with regard to market failure have been reported in **Chapter 2**. The findings highlighted in this chapter are centred on the following key issues:

- the role of consultees with respect to the LTOV pilot project;
- the pilot project's fit with and contribution to other customer feedback services delivered by SE and other public/private sector organisations, including any elements of duplication or additional/new resources to enable the pilot project to achieve more added value;
- the LTOV pilot project's success to date, with a particular focus on customer satisfaction;
- pilot project delivery, what has worked and what has not worked and could be improved, with a focus on:
 - The Practical Guide
 - source of referrals
 - management processes
 - communications
 - reporting responsibilities
 - effectiveness of the marketing of the pilot project
 - provision of aftercare activities
 - mechanisms for the sharing of best practice across the Scottish tourism industry
 - effectiveness and efficiency of current customer feedback monitoring activities;
- resource implications associated with any suggested improvements; and

- opportunities for further development of the project in future, specifically with regard to:
 - collaborative working with key Project partners
 - strengthening key destinations.

It should be noted that not all consultees were asked all of the questions. For example, it was not deemed appropriate to ask the training providers to respond to the detailed question regarding management processes as they would effectively be evaluating their own activities.

We present composite reports below with regard to the responses from SE, designer/copywriter of the Practical Guide and Working Group members and one for the project delivery agents/training providers. The sub-headings identify the issues where a response was sought.

3.2 SE, Working Group and Designer/Copywriter of Practical Guide

3.2.1 Pilot Project Role

SE

The representative from SE that was consulted was Tourism Innovation Manager Julie Franchetti. Julie was involved with the Working Group during the pilot project's inception.

Designer/Copywriter of Practical Guide

The designer/copywriter had worked on a number of previous tourism related materials and was also part of the Working Group. Initially contracted to only undertake the copywriting, this role was subsequently increased to include the design element of the guide as well. This worked well as not only did she come from a design background, but the combination of the two elements allowed for a stronger product to be created as it can be difficult to separate the two parts.

Working Group

The respondent representatives of the Working Group were also invited to contribute to the consultation given their involvement with customer feedback activities.

The three respondents from the public sector represented SE, the Tourism Innovation Group and VisitScotland. Their key role, through their involvement with industry businesses on the ground, was to shape and develop the pilot project to meet customers' needs at the local area level and key destination areas. From the VisitScotland perspective their particular role was to ensure that any incentives, recognition and rewards associated with post workshop implementation of actions should be linked to the VisitScotland Quality Assurance (QA) system.

The two private sector interviewees were involved in the two working group sessions as they dealt with, and continue to deal with, customer feedback on a day-to-day basis. In particular, these industry contacts were able to share their learning, expertise and experience of dealing with customer feedback at the sharp end with other group members, thus helping to shape and focus the pilot project's development and delivery content.

3.2.2 Success of the Pilot Project

General Overview

The pilot project was felt to have been very successful thus far. Feedback received at workshops has shown great satisfaction with the entire experience and it was perceived that the pilot project had really tapped into the need of the participants. Demand for places on the workshops was substantial which suggested that people could see the benefits and really wanted to take part. The pilot project also received strong backing from Minister for Enterprise, Energy and Tourism Jim Mather MSP who was seen to promote the pilot project on a number of occasions.

What has Worked

There was an overall consensus that the Practical Guide has been well received by tourism operations. The online issues such as how TripAdvisor works and the ability to download the guide online were viewed as specific plus points by consultees.

All consultees felt that the quality of the workshops was an important element of the pilot project that had worked well and this was attributed to the high standard of the delivery agents. The practical nature of the workshops and the guide was highlighted as a key success factor of the pilot project. The pilot project was felt to have really captured the imagination of participants by using everyday examples that they were likely to have experienced themselves and placing them within the context of their own business.

Two consultees felt that the success of the pilot project was also impacted on by the close co-ordination between the practical guide and the workshops. The provision of both was an effective means to reinforce and discuss aspects of the guide in more detail and deemed to have resulted in impacts that might not have been achieved if only one of these elements had been provided. The strong inter-linkages allowed for easy learning and constant improvement and should be continued for future project delivery.

3.2.3 What has Not Worked and could Be Improved

The Practical Guide

In general consultees felt that the Practical Guide has worked well as a useful industry tool. The only improvements suggested were as follows:

- over time, more success stories resulting from the project should be incorporated as examples. It was felt that this would allow for greater awareness of what the actual benefits were, resulting in greater buy-in from other tourism businesses; and
- it was not always clear with regard to detailed questionnaire design, what specific customer feedback issues would be valuable and worth gathering. However, it must be taken into consideration that the pilot project was evolving and such difficulties were ironed out as the project progressed.

Workshop Sessions

The only problem with the workshops was with regard to the booking process, with confusion over which workshops were being run and which were not. This was also exacerbated by the fact that workshops were not delivered using a pan-Scotland approach. This was seen as a major issue and a real missed opportunity by both SE and the copywriter.

With regard to improvements, it was suggested that a more intensive and advanced workshop should also be introduced for businesses that have already grasped the basics with regard to customer feedback issues.

Pilot Project Management and Delivery

The management process of the pilot project was felt to have worked very well with a good working relationship having been formulated between SE, the copywriter, and the delivery agents. As a result, no particular issues or improvement were suggested.

Source of Referrals

The need for a stronger process for booking places on the workshops was highlighted. There had been some confusion over the number of workshops that were being undertaken, and this led to a number of difficulties in organisation. The process of booking places on workshops was undertaken through TIS and some through contact with the SE Project Manager. Going forward, it was suggested that all bookings should be directed through the TIS portal, such as the activities undertaken by the SE Enquiry Research and Fulfilment Service, particularly if the number of workshops is likely to be increased.

As noted by a couple of consultees, including VisitScotland, the VisitScotland Quality Assurance Advisors are well placed to refer businesses to the project, provided these advisors are in turn kept well informed of project progress by SE.

Effectiveness of the Marketing of the Pilot Project

Aside from VisitScotland's Quality Assurance Advisors, it was felt that more online promotion of the project would help in the future to raise awareness of the project.

Overall, it was recognised that such projects tend to attract the same participants. The challenge for the LTOV project going forward is to engage with smaller business, especially those that may not be members of particular tourism-related associations and in general are currently off the industry's radar.

Provision of Aftercare Activities

In terms of aftercare provision, it was felt by SE that this had not really worked as yet and more needs to be done to actively build relationships with the participants post-workshop. The TIS website was highlighted as a potential tool for this in the future by allowing for registration and subsequent interaction. SE highlighted a need to prioritise the businesses, so that aftercare was provided to those with real growth ambitions, in line with SE's remit.

A working group member highlighted that it may be more appropriate to engage with groups of businesses in follow-up sessions, which could either complement or replace the current one-to-one aftercare approach. However, as is reported later, the delivery agents felt that businesses would gain more from individual aftercare sessions, rather than the group approach.

Overall, as noted in **Section 2.5.1**, aftercare requirements have tended to vary depending on the needs of and project commitment shown from each of the individual workshop groups. In particular, theme-based groups with a common interest, such as the Mountain Biking Business Network has tended to show much more interest in follow-up activities than other groups where attendees have come from more disparate business backgrounds.

Mechanisms for the Sharing of Best Practice across the Scottish Tourism Industry

Potential mechanisms for sharing best practice industry-wide were as follows:

- further utilisation of the TIS website as a useful tool for sharing of best practice amongst beneficiaries, including some edited 'hints and tips' taken from the Practical Guide;
- actively promote success stories, again through the TIS website, to not only share best practice but to encourage more businesses to become involved in customer feedback activities;
- a more effective, group focused, aftercare process was also believed to have the potential to allow for greater interaction between businesses which would allow for the sharing and development of ideas;
- take advantage of the VisitScotland Quality Assurance Advisors contact with businesses through encouraging the advisors to signpost businesses to the Practical Guide on the TIS website; and
- encourage sharing of good practice between business groups and networks at local area and key destination area-based level.

3.2.4 Resource Implications of Improvements

The resource implications associated with the above suggested improvement was a difficult issue for consultees to quantify at this stage. The introduction of more intense aftercare provision will increase the level of funding required, depending on the format chosen. However, increased promotional activities such as VisitScotland Quality Assurance Advisors signposting the project to tourism operator would have no such resource implications.

3.2.5 Opportunities for Further Development of the Pilot Project

General Issues

It was felt that the pilot project had only been the tip of the iceberg and that vast potential still lay within the project. As the project develops, the potential was identified for a range of online, downloadable materials such as case studies and templates which allow for past participants to continue to learn and benefit.

SE felt that the project should not be perceived as just a range of workshops, but instead as a strategic project aimed at creating a real culture change within the tourism industry that will impact on the overall customer experience and the product offered.

Further development was also perceived to exist in terms of future collaboration and key destinations development.

Collaborative Working with Key Project Partners

Going forward, the potential for closer working between SE, HIE, VisitScotland and the universities was identified as a particular opportunity.

By bringing the universities on board, the level of support the project provided could be developed. Whilst many businesses will only require, or desire, the level of support provided by the current workshop programme, it was felt that many others may desire a more intensive support system.

Development of the project could allow for a variety of levels of support, with a sliding scale of cost. While an initial entry level support, such as that which is provided currently, would have only a minimal charge, a more intensive service involving university students providing analysis of feedback as well as continuing support from the training providers would result in greater cost effectiveness.

Finally, it was felt by one consultee that more collaboration with the Government in terms of fiscal policies was needed as it was felt that not all tourism initiatives were helping the industry and may instead be distorting tourism development.

Strengthening Key Destinations

Consultees felt that the project had huge potential for area development, particularly through greater collaboration between partners. For example,

by bringing the University of St Andrews on board, would allow for greater interaction between local businesses and the university, strengthening relationships in the area.

However, that said, although strengthening key destinations was deemed important, there was a general sentiment that there should be a local destination focus, getting businesses involved who are located outwith the six key destination areas in Scotland.

Furthermore, one consultee highlighted the potential for destination management groups to become more involved. This would not only allow for more specific focus of ideas relevant to the particular areas, but also impact on the number of businesses getting involved, particularly in areas where uptake of such programmes may not be all that high.

Overall, the project was seen to have the potential to strongly feed into the market intelligence work being undertaken by SE, but there was a real need for the project to be national, incorporating both the SE and HIE areas, so that tourism businesses across the country are able to benefit from the LTOV project.

3.3 Delivery Agents

3.3.1 Pilot Project Role

Ann McAvoy, Corporate Training Ltd and Jenny Lambie, The Lambie Gilchrist Consultancy, undertake the delivery of all the workshops and deal with the follow up work, dependent on group needs, including coffee chats with small groups, one and five months after the workshop.

3.3.2 Success of the Pilot Project

General Overview

It was the feeling of the delivery agents that the pilot project had been extremely successful and had a strong fit with the aims and objectives of the Tourism Framework for Change.

The feedback they have gathered has shown that customers appear very satisfied with the workshop. The timing and guest speakers have both been highlighted as particularly strong points, as well as the practical examples that are used as demonstrations.

It was also believed that the pilot project had helped to change the mindset of individuals. For example, many used TripAdvisor when booking their own holidays but had never thought about using it for their own establishment and were now beginning to embrace such initiatives.

What has Worked

The practicality of the workshop structure works very well. By giving participants real life experiences (they have around 100 potential examples) it allows them to really get involved and take the information on board.

The guide works very well with the workshop and allows for continual learning as participants can focus on one element, then move on to another. It was felt that the whole thing works well together.

The action plans were also a good element of the pilot project. This allowed participants to work their way through things during the workshop and then take a copy away with them to focus on later. This also helped with follow up meetings to see if they had stayed on track.

3.3.3 What has Not Worked and Could be Improved

In terms of elements that did not work so well, the main area highlighted was with regard to group size. Although they are contracted to deliver groups of 20, it was felt that limiting this to around about 12 would be a lot better and allow for greater interaction. Many participants want to share ideas and it is a good opportunity to tackle certain specific issues they may have, but with larger groups this isn't always possible.

Source of Referrals

This could be greatly improved. The booking process is evolving. Bookings were made through the TIS website, but this was not well communicated and could be far better advertised. The dates of the workshops should also be set a lot earlier so people can plan to attend.

In addition it was suggested that some form of focus on the local area where a workshop is being held, would also lead to more involvement and buy in from local tourism businesses.

Effectiveness of the Marketing of the Pilot Project

The original advertisement was meant to be through the TIS website. However, there was no real promotion of the website or the pilot project aside from that which occurred at the launch.

It was felt that there was a huge opportunity to get the project promoted and this was not being fully utilised.

Provision of Aftercare Activities

There should be more warning of the follow up element of the pilot project. Many did not realise that follow-up was part of the project. They thought it was just a workshop, so they were not always willing to participate in such follow-up work.

The chats afterwards were felt by the providers to not be the most effective. Instead it was suggested that a one-to-one meeting at the participants' business would allow for greater discussion about specific issues. However, obviously this would have cost implications for the project.

The aftercare meetings had originally been planned for six months and 12 months after the workshop, but it soon became apparent that this was too long, given the enthusiasm that was evident, so it was changed to accommodate the needs and requirements of the different workshop groups (i.e. generally between one month and five months). Participants were desperate to get things moving therefore they believed it was better to make contact sooner, rather than later when such enthusiasm may have declined.

Mechanisms for the Sharing of Best Practice across the Scottish Tourism Industry

The TIS website was seen as being “there to be utilised”, but as yet this has not happened. It was felt that this could be an ideal resource for showing ideas, as well as the impacts on businesses that have been on previous workshops. The training provided also suggested that it may be worthwhile developing materials, such as questionnaires, that would be downloadable from the website.

Data Collection Methods

The current method they use is to ask participants for their feedback then and there by means of five questions. This not only allows for 100% feedback from participants, but also allows the training providers to “practice what they preach” by highlighting the right way to ask certain questions.

Frequency of Data Collection

By requesting feedback at the end of every workshop before participants leave allows for a greater level of return than if individuals were contacted afterwards as they may not have time or issues may have been forgotten.

Analysis of Data

Whilst all the data gathered is passed on to SE, the training providers also use it to continually improve the quality of the workshops they provide.

Gaps in Data Collected

The only gap highlighted was with regard to benchmarking. The training providers felt that participants got a lot from the pilot project and it was very well received. By highlighting how much people get from it, and the fact that it is free, this should allow SE to ask participants to do a bit more beforehand. By having more information on participants it would be possible to further tailor the workshops and also benchmark the improvements the project has resulted in at a later date.

3.3.4 Resource Implications of Improvements

The resource implications of the improvement suggested was not felt to be very high, with the exception of the proposed change to aftercare meetings. By undertaking them one-to-one in the place of work of the participant, would result in a much higher cost implication in terms of both travelling and the actual time element.

Other changes such as the more effective use of the TIS website were not felt to greatly increase costs.

3.3.5 Opportunities for Further Development of the Pilot Project

The exclusion of the HIE area was believed to promote an unclear message. A pan-Scotland approach would be far better. VisitScotland was very interested and positive about the pilot project originally, but the subsequent withdrawal of the HIE area appears to have led to that interest waning. The training providers believed that VisitScotland had huge potential as a promotion tool for the pilot project given their close working with so many businesses across the country and this was not being fully utilised.

TripAdvisor and VisitScotland are also about to start a joint initiative for promoting Scottish accommodation providers and a pan-Scotland “Listening to Our Visitors” pilot project was felt to have the potential to possibly feed into this.

Theme-based workshops, such as how to use TripAdvisor effectively, have been requested a number of times and should be considered as a useful addition for the project going forward.

Finally, a change of name focusing on “feedback” and not “visitors” was also suggested as many do not use the term “visitors”, instead using words such as “customers” or “guests”.

4. Beneficiary Survey

4.1 Introduction

One of the main components of this study was to obtain feedback from companies that had attended workshop sessions across the SE area.

SE provided EKOS with a list of 14 pre-selected businesses that had participated at either the three pilot workshop events undertaken in January and February this year or the 13 workshop events held during March and June this year. All company interviews were conducted by telephone.

In the short time afforded to this study and given the current summer holiday period (we contacted companies at least three times) we managed to achieve seven completed interviews out of the proposed eight interviews – a response rate of 88%.

4.2 Nature of Respondent Businesses

The types of respondent businesses were made up of:

- two self-employed businesswomen;
- one partnership, comprising of 60% male and 40% female;
- one limited company with male and female owners; and
- three charitable trusts, comprising a mix of male and female management.

One respondent noted that the current market for their product was growing strongly, for three it is growing, one is currently static and one respondent highlighted that they have witnessed a decline in their market. However, it is encouraging that for the period up to 2012/13 all businesses are optimistic about an upturn in the marketplace.

4.3 Respondent Companies' Attendance

Respondent companies attended workshops in the following locations:

- Deeside (Ballater) - pilot workshop;
- Glasgow - pilot workshop;
- Edinburgh – Open (two respondents);

- Glasgow – Open; and
- South (Newton St. Boswells) – Open (two respondents).

4.4 Employment

Outlined in **Table 4.1** are details of the current gross employment for the seven respondent companies. We had requested past employee numbers for 2007/2008 and anticipated employee numbers for 2012/2013. However, this information was very incomplete compared with current data and provided a misleading picture of changes in employee numbers over time.

These employment figures were derived from businesses with current employee numbers as presented in **Table 4.2**.

Table 4.1: Gross Employee Numbers by Respondent Businesses

2009/2010	FT	PT	SFT	SPT	FTEs
Business 1	361	95	266		541.5
Business 2	84	133			150.5
Business 3	10		30		25.0
Business 4	3	4	1		5.5
Business 5	2	2			3.0
Business 6	18	1	30	16	37.5
Business 7	15	3	9	11	23.75
Total	493	238	336	27	786.75

Source: EKOS Beneficiary Survey, July and August 2009

4.5 LTOV Pilot Project: Awareness and Drivers

4.5.1 Awareness

Five of the respondents became aware of the workshop events through direct contact from SE and two had been contacted directly by one of the training providers.

4.5.2 Drivers for Business Participation

The main reasons for respondent companies' participation at the workshops sessions were as follows:

- awareness that there is continually need to revitalise business and become more discerning in terms of looking for better and new ways to improve their business service offering and approaches to customer feedback (five respondents);

- gain an insight into and focus on the delivery of actions to improve services to customers by listening thus being able to meet customer expectations (two respondents);
- business contact had no marketing background, so welcomes all opportunities to learn how to market (one respondent);
- better awareness and understanding of good/best practice approaches to customer feedback activities across the business (three respondents);
- the nature of such discussion provides for an opportunity to meet, network and potentially collaborate with other businesses, learn what others are doing and share common experiences (four respondents);
- reinforce customer services training already undertaken (one respondent); and
- free to participate and delivered out of season (pilot workshop attendee).

4.6 Benefits from Participation

4.6.1 Customer Feedback Methods

There was a consensus that The Practical Guide supplemented by the workshop sessions provided the best means to actively encourage businesses to gather and effectively utilise customer feedback.

Current Business Performance Measures

The current business performance measures tracked by one respondent business are customer numbers and occupancy rates. Although the other respondents are tracking visitor feedback it was not apparent what type of measures they were monitoring. Indeed, many gained a focus on business performance measures to put in place post workshop attendance.

A key element of the workshop sessions is for business representatives to complete an Action Plan which includes business goals/measures to be actioned within a particular timescale.

Further to workshop participation, one respondent devised a new customer feedback questionnaire using the advice gained and had it printed and ready for use the next day.

Another respondent has now implemented the use of comment cards further to project support. Previously this business had relied upon customers approaching them with feedback.

Data Collection Methods

A number of the respondents already had data collection methods in place, but the advice gained helped them to formalise such mechanisms. For example:

- one participant now has paper-based questionnaires, one for food and one with regard to the accommodation, which they did not have prior to workshop attendance, supplemented by verbal feedback;
- feedback forms in another business are now all collaged and signed off by the various heads of department before sending them to the support office;
- as a matter of course one business now ensures that they ask every guest if they enjoyed their stay and if there are any areas where they need to improve or change. An e-mail is also sent out to all guests with an e-mail address after their visit to thank them for staying and to give them an opportunity to provide more feedback. A sealed suggestions box is also used and no contact details are required apart from the room number and what needs to be improved, changed, etc. They also have a visitors' book, but are aware that this method tends to record positive feedback only and not complaints; and
- another business now has a new system in place to monitor customer feedback, networked with other visitor attractions.

Common methods of data collection reported by respondents included:

- comment cards and questionnaires;
- verbal feedback;
- use of survey monkey; and
- use of social networks.

Frequency of Data Collection

Encouragingly five of the respondents collect customer feedback on an ongoing daily basis. The remaining respondents did not answer this question.

Analysis of Data

Most respondent businesses tend to act on rather than analyse responses. The self-employed respondent sends an e-mail back to the person who raised a particular issue to advise that action has been taken and the issue resolved.

Two participants from large business concerns monitor web-based and paper feedback on a monthly basis.

The representative from the respondent visitor attraction uses their new electronic monitoring system to analyse customer feedback data.

One of the charitable trusts logs and actions feedback which, is then forwarded to his marketing colleagues in order to share such information and knowledge across the business.

A further respondent has yet to make changes in terms of their approach to customer feedback data analysis.

Gaps in Data Collected

Only one business highlighted that they still had to set-up an online facility to capture customer feedback through referral sites such as TripAdvisor, Expedia and laterooms.com.

Another respondent reported that their biggest problem was that not enough customers completed feedback forms. This suggests that this particular business should try and collect more verbal comments through asking customers where improvements could be made before they leave.

No other gaps were reported by pilot project participants in terms of the data collected.

Summary

Overall respondent businesses have implemented some changes in the way they collect, analyse and utilise customer information following pilot project participation.

4.6.2 Overall Benefits

This section highlights some of the overall benefits gained through participation on the LTOV pilot project. However, it should be noted that

some respondents found it difficult to attribute some of the specific benefits directly to attendance at a workshop, as discussed below.

Changes in Product/Service Offering

Some of the resultant changes in the product/service offering were as follows:

- as noted above, one respondent always replies (mainly by e-mail) to issues raised by customers to advise that a specific been rectified. The adoption of this approach by the business has resulted in an effective and efficient use of time and has helped the company to generate repeat business as people do return as they know that their suggested improvements have been implemented;
- new customer feedback questionnaire in place which can be analysed;
- upgraded staff training requirements with respect to attaining and addressing customer comments and feedback; and
- one business which provided self catering accommodation now has increased its service offering at one location by having restaurant facilities available at breakfast time and when people check out.

Better Awareness of your Market (Destination Area) and Key Customer Base

In general businesses were aware of their market prior to workshop attendance and continually strive to offer a high standard visitor experience. However, two participant companies did report that the workshop had provided them with a more focused, complete and broader picture of the need to pay attention to your customers in terms of what makes for an excellent visitor experience. In addition one of these businesses has found that customer feedback has helped to focus their retail purchasing activities.

Strengthened the Overall Destination Area where your Business is Located

The majority of respondents were not sure how to answer this question. This is something that could be addressed by the project going forward as more businesses get better at providing a high quality business experience and in turn helping to strengthen their area as a key and preferred destination year-on-year. That said, one business had the view that such gather customer information will help to strengthen the overall destination area in the longer term.

One comment was made in terms of gaining a shared understanding between businesses and the appropriate local authority of what facilities and services are required at the local level. For example, the B&B business interviewed felt their council continues to stress the need for more hotels in the city, with a perception that B&B businesses are at the bottom of the accommodation chain compared with hotels, even although the service provided by a B&B is just as high if not better.

Sharing of Good/Best Practice Approaches with Other Businesses

The workshops provided an opportunity to speak and share experiences and ideas with other businesses in terms of:

- an understanding of the marketing and marketing strategies/approaches applied; and
- customer feedback experiences gained by other businesses, and businesses of a similar type such as visitor attractions, in their local area.

Collaborative Working with Other Businesses

In general, participants had yet to enter into any formal collaborative working with other businesses. However, further to workshop participation one business representative did visit another visitor attraction to see the electronic customer feedback system in place before it was installed at their premises.

The B&B business already collaborated with nine other B&Bs and guest houses in the their local area prior to the workshop attendance. In particular every three to four days these businesses send each other a completed spreadsheet of vacancies, so if their B&B is full they can suggest one which has a vacancy. In total five of these B&Bs attended the LTOV workshop session.

4.7 Feedback on Workshop Sessions

4.7.1 Overview

All respondent businesses were asked to provide feedback on appropriateness of the workshop content and if it met with their expectations. In addition, views were also gathered and scored with respect to the organisation and delivery of the workshops, with a specific focus on the trainer providers.

4.7.2 Workshop Content

Overall the feedback was extremely positive with regard to the appropriateness of the workshop content and it more than met with participant businesses' expectations. Responses to specific issues outlined in the company questionnaire are discussed below.

Discussion Points

Respondent businesses were generally impressed by the overall relevance of discussion points and the wealth of knowledge, motivation and enthusiasm of the training providers portrayed during discussions. In addition, the businesses felt at ease being able to ask questions, as both training providers were very accessible and very interested in each individual business.

The fact that workshops were also attended by small groups of people was felt by respondents to be conducive to undertaking group discussions. However, this contradicts the earlier opinion of the delivery agents for even smaller group sizes.

However, in one particular workshop session there was a tendency for participants to get bogged down on local issues and stray from the discussion point in question.

Guest Speaker

The guest speakers were well received, with talks ranging from the business benefits to be realised through undertaking marketing activities and incorporating customer feedback mechanisms for a campsite/caravan park to that of a five-star visitor attraction. One business was able to tailor and implement the suggestions raised by the guest speaker into their own business.

That said one respondent, had the opposite experience as the methods presented by a large hotelier in order to reward staff for exceeding customer feedback targets were not deemed as appropriate or easily transferable into a small business model.

Action Plan Preparation and Delivery

The preparation of an Action Plan provided a focus for the businesses in terms of concrete changes and new ideas that could be embedded into their business. One respondent was so keen and motivated after participating at the workshop event, that she addressed one key action point the very next

day through copying and printing the questionnaire pro formas for business use.

Suggested Improvements to Workshop Content

There were only two suggested improvements noted, as follows:

- to have a longer workshop session given the wealth of issues that could have been discussed over and above those that were addressed; and
- to use five minutes or so, to provide one-to-one support for participants in populating their Action Plans.

4.7.3 Satisfaction with Workshop Arrangements and Training Providers

Overall Satisfaction Rating

Six respondent businesses ‘strongly agreed’ and one ‘agreed’ that workshop participation had met their company needs. Attendance had provided businesses with new ideas, being able to ‘think out of the box’, and a helpful opportunity to gain advice from face-to-face contact which supplemented and complemented the guidance outlined in The Practical Guide. One business is now witnessing more feedback responses coming in further to the implementation of recommended feedback processes and mechanisms.

Satisfaction with Booking System and Training Providers

Businesses scored the web-based booking and registration system and the training providers involved with the delivery of the LTOV pilot project workshops from very poor to excellent.

The overall satisfaction was extremely high – with the majority of respondents reporting scores of ‘excellent’ for most user factors - as presented in **Table 4.4** overleaf.

Table 4.4: Satisfaction Ratings (absolute number of responses, n=7)

Factors	Score					
	Very Poor	Poor	Average	Good	Excellent	Don't Know
Web-based booking & registration system	-	-	-	2	2	3
Responsiveness of trainer to enquiries	-	-	-	1	6	-
Knowledge of trainer	-	-	-	-	7	-
Technical ability of trainer	-	-	-	-	6	1
Level/degree of support provided by trainer	-	-	-	1	6	-
Follow-up activity of trainer post workshop	-	-	-	1	6	-
Additional Factors Identified	-	-	-	-	-	-
Catering	-	-	-	-	1	-
Venue and facilities	-	-	-	-	2	-
Parking	-	-	-	-	1	-

Source: EKOS Beneficiary Survey, July 2009

All respondents were very complementary about the delivery agents given their in-depth knowledge of the tourism industry and good practical examples which participant businesses could relate to. In particular, the trainers were considered very approachable, accessible and genuinely interested in individual business issues and concerns. The proactive aftercare with businesses was also considered welcomed by tourism businesses.

4.7.4 Complementary of Pilot Project Support

Respondents were asked how the support gained through the workshops complemented or integrated with other public and/or private sector support.

One respondent felt that the support afforded through the LTOV pilot project was more thorough and better than any other projects – although no detailed examples were given.

For one business the workshop sessions complement their own staff customer feedback training activities, whereby managers who attended the LTOV sessions would then discuss specific issues gleaned from participation with staff.

Another respondent business attends meetings of their new local destination management organisation, where proposed customer feedback activities will complement and integrate with the activities of the LTOV pilot project.

There was a recognition that it was good that workshop delivery followed on immediately after the pilot project's formal launch at the Visitor Experience Conference in March 2009, promoting a clear and integrated approach.

4.7.5 Business Action in the Absence of the LTOV Project

Respondent businesses were asked to assess what the company would have done if support through the LTOV pilot project had not been available. The responses were as follows:

- one company would not have been able to attain such knowledge elsewhere (the LTOV pilot project was totally additional);
- two companies would have been able to attain such knowledge online and from other contacts, but a much smaller scale (not able to quantify);
- three businesses would have attained the knowledge from another source, but at a later date, such as:
 - existing network of contacts – no timescale given
 - internet – no timescale given; and
- one business would have attained knowledge from another source.

Therefore, apart from one company that would have attained the knowledge anyway, the LTOV pilot project was absolutely additional for one business and partially additional for the remaining five businesses.

4.8 Future Support

Businesses were asked to score their potential for future growth on a scale of one being very poor to five being excellent. It is encouraging that future growth prospects for two respondent companies are generally good, with one being excellent. One viewed their future growth prospects as middling, two respondents found it difficult to assess this issue due the current economic climate and one company did not know. However, as noted in **Section 4.2** six businesses were fairly optimistic about the future market for their products, which would hopefully result in business growth.

With regard to the LTOV project going forward the following outlines the support required by tourism operators:

- further opportunities for group follow-up sessions either on a sectoral or geographical basis;
- advanced workshops to take original participants to the next stage; and
- more suggestions on businesses to approach that have best practice customer feedback mechanisms in place; and

On the issue of funding the project going forward, there was a consensus that respondent businesses valued the pilot project but only five would be prepared to pay a nominal fee to participate, on average around £20 to £30. However, if a fee of £100 or so was required many businesses would have to seriously consider attendance and be assured that the medium to longer-term benefits would outweigh the cost.

4.8.1 Additional Comments

At the end of the questionnaire respondent companies were invited to provide any further comments on the pilot project. The comments were very positive with companies welcoming the experience and hoping that the LTOV project continues.

5. Conclusions and Recommendations

5.1 Introduction

This chapter draws on the various elements of the work programme to present a brief set of conclusions. The conclusions are organised around the specific review outputs articulated in the study brief:

- what works well and what does not work well;
- evidence to inform the future delivery of the project;
- suggestions on any additional/new resources required to maximise the potential for the project to deliver and achieve more added value, particularly with regard to co-ordinated complementary provision;
- lessons learned of relevance to this and other projects (transferable learning) that could impact on future strategy or policy; and
- a recommended Performance Monitoring and Evaluation Framework including:
 - key baseline measures on which to gauge changes to future project performance, such as cost savings, investment (new or increased) in innovation, research and development, and increases in productivity and profitability (including consideration of significant changes in such measures due to repeat business)
 - data and information gaps and deficiencies that may trigger the need for further research/investigation
 - the identification of project milestones with regard to the timing of interim and full impact evaluation exercises.

5.2 What Worked Well

General consensus from consultees and businesses was that the quality of the Practical Guide was of a high standard and had been well received by tourism operations.

Coupled with the practical nature of the workshops, the two elements of the LTOV pilot project were perceived to be mutually beneficial, allowing for continual learning and resulting in impacts that may not have occurred had only one element been provided.

Both the workshop participants and the Working Group partners highlighted the delivery agents as a key success factor of the pilot project. Their extensive knowledge of the customer feedback methods, and the tourism industry in general was felt to be of great benefit to the pilot project, along with their approachable and accessible approach to delivering the material. Participants also highlighted the fact that the delivery agents seemed genuinely interested in individual business issues and concerns.

5.3 What Did Not Work

The only real problem highlighted during the fieldwork was with regard to the workshop booking process. There appeared to have been some confusion over which workshops were actually going ahead given the lack of a pan-Scotland approach to workshop delivery.

Going forward a structured process must be set in place with regard to booking workshops. Early release of workshop dates and the ability to book places online have also been highlighted as future changes that would benefit the project. This was felt to be particularly important to small scale businesses.

5.3.1 Future Project Delivery

Market Failure

Further to the delivery of the pilot project it is too early to assess if the underlying market failure rationale of imperfect information that justified the initial development and delivery of the LTOV project has been addressed.

A particular focus needs to be given to:

- the extent and scale of market adjustment through this intervention, ensuring that more SME businesses participate and not just larger businesses that have the available resources (staff and finance) to put customer feedback systems in place; and
- an increased uptake and utilisation of social networking sites – an ideal means to ‘chat’ and share feedback with customers at a global level.

Therefore, in an ever changing dynamic and innovative global tourism marketplace, it is still relevant that information deficiencies continues to be the principal market failure rationale for the LTOV project going forward.

Key Future Improvements

There appears a need for a structured booking process to be set in place with regard to booking workshop attendance. Early release of workshop dates and the ability to book places online have also been highlighted as future changes that would benefit the project. This was felt to be particularly important to small scale businesses with little or no employees.

A number of consultees highlighted the future option of more online supporting resources for the project. Ideas included downloadable materials such as questionnaire templates to allow for continuing learning, and ongoing case studies highlighting the impacts and benefits resulting from the project as well as allowing for the sharing of best practice between participating businesses. It was felt this could best be done through the TIS website.

Both SE and the delivery agents have suggested that the option for more extensive workshops be investigated. Providing longer, more detailed theme-based workshops, such as how to use TripAdvisor, would create the potential for participants to tackle issues specific to their business, as well as allow for more time to discuss and share ideas and best practice. It was felt that this would be of benefit to those businesses that had already grasped the basics with regard to customer feedback.

Similarly, a more intense aftercare process was also suggested by the delivery agents, providing one-to-one support to the participating businesses. Such an approach would have a number of implications with regard to resource.

5.3.2 Suggested New and/or Additional Resources

Quantifying the level of resource needed for the above improvements was difficult for consultees, although the general feeling was that these would not be substantial, with the exception of the introduction of one-to-one aftercare visits with workshop participants.

Responses from participant businesses showed a consensus that the pilot project was highly valued and that in general businesses would be prepared to pay a nominal fee to participate. This was on average around £20 to £30. Given that the initial approval paper suggested a private sector contribution of £40 per workshop and taking into account the identified willingness of the majority of businesses to pay for participation in the project, a fee in this region does not appear to be off-putting to participants. However, in

attracting new participants, new case studies are needed to clearly show the impacts and benefits derived from the project.

Further support from VisitScotland was also identified. In particular it was felt that the organisation's Quality Assurance Advisors could be used to actively promote the LTOV project to potential participants, with little resource implication.

5.3.3 Lessons Learned

Feedback from Working Group and workshop participants has highlighted a need for more active promotion of the project in order to increase involvement. A number of the workshop attendees reported having already looked at customer feedback methods prior to becoming involved in the pilot project. Whilst these businesses felt they had benefited from the experience, more work may be needed to engage with those individuals and businesses not currently considering customer feedback.

The same can be true for other SE interventions, where the challenge is often to engage with those who most need support but are not actively or proactively seeking such assistance. However, this needs to be tempered with the requirement for SE to focus on tourism businesses with real growth ambitions in line with SE's remit.

It was also noted by the consultants that a number of workshop attendees were subsequently unwilling to participate in this study. This can partially be explained by the fact that the study has taken place during the peak tourist season. This is likely to also have an impact on the number of businesses taking part in aftercare activities. For this reason, it is suggested that interaction post-workshop attendance, be undertaken outwith the peak tourist months.

5.4 Recommendations

Overall Recommendation

In light of the above conclusions, it is recommended that SE continues to develop and evolve the LTOV project for at least another three years.

Some specific recommendations for consideration are highlighted overleaf.

Recommendation 1: going forward it is recommended that the LTOV project should not be perceived as just a range of workshops, but instead as a strategic project aimed at creating a real culture, behavioural and attitudinal change within the tourism industry towards customer feedback activities, which is anticipated to impact positively on the overall customer experience and the product offered.

Recommendation 2: it is suggested that more focus should be given to local destination areas, thus getting businesses involved who are located outwith the six key destination areas in Scotland.

Recommendation 3: limiting the workshops to around 12 participants will allow for greater participation, interaction and sharing of experiences and best practice approaches, which can be more difficult to achieve with larger groups.

Recommendation 4: greater promotion, marketing and signposting of the LTOV section of the TIS website by SE and in particular VisitScotland Quality Assurance Advisors should be considered. In light of this, SE tourism executives will need to continue to liaise with and update the VisitScotland Quality Assurance Advisors on the LTOV project's progress and development. In addition it is recommended that the TIS website should contain downloadable materials, such as case studies to show how businesses have actually benefited from project participation and customer feedback questionnaires.

Recommendation 5: develop and deliver theme-based workshops, such as how to use TripAdvisor effectively, in response to feedback issues raised by businesses that have already attended the generic LTOV workshop.

Recommendation 6: develop and implement charges for workshop participation and one-to-one follow-up activities, in line with those discussed at the recent meeting (Wednesday, 5th August) of SE tourism executives focusing on the project going forward.

Recommendation 7: implement and deliver the proposed Project Monitoring and Evaluation Framework as detailed below.

5.5 Project Monitoring & Evaluation Framework

5.5.1 Introduction

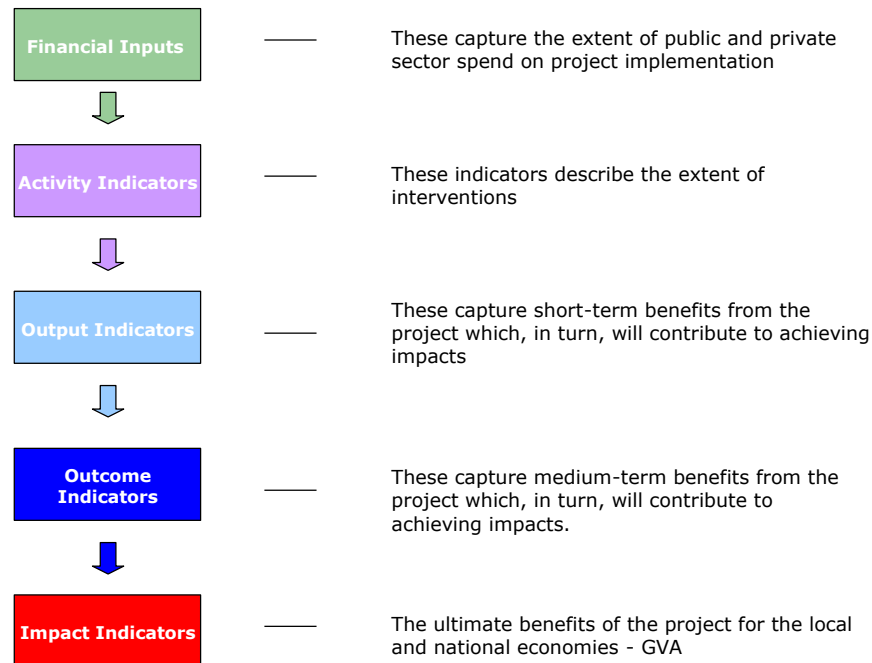
This outline performance monitoring framework provides guidance on the monitoring of the activities of the LTOV pilot project. Its main purpose is to assist the SE Tourism Team in measuring the project's progress going forward. However, at some point in the future it will be necessary to assess the ultimate benefits from tourism operators establishing mechanisms to gather, analyse and act upon customer feedback. This is an issue for **evaluation** rather than monitoring. Monitoring activities extend to the point of recording short to medium-term project outputs and outcomes respectively rather than impacts. To ensure that the ultimate benefits/impacts are assessed for the LTOV project in the longer-term, we have prepared a Performance Monitoring and **Evaluation** Framework (PM&EF).

5.5.2 Basic Requirements

As discussed above, the PM&EF is concerned with the activities, outputs, outcomes and ultimate impacts on businesses from support provided through the LTOV project.

We have adopted the general 'pathway to impact' approach to the development of the PM&EF as outlined in **Figure 5.1** overleaf.

Figure 5.1: Pathway to Impact



This approach has been implemented to define a menu of indicators. A list of all the input, activity, output, outcome and impact indicators together with data sources and how to generate the required data are outlined in the sections below. A detailed definition for each indicator and sub-indicator is summarised in **Table B1** in **Appendix B**.

At the outset of the next section, we identify some company baseline information.

5.5.3 Baseline Information

Baseline Measures

Baseline measures/indicators capture the detailed company information and characteristics, as follows:

- B1: number of beds available;
- B2: annual occupancy rate;
- B3: number visitors to non-accommodation tourism businesses;
- B4: annual sales/ turnover; and

- B5: number of employees.

Data Sources and How to Generate the Data

Baseline data should be within the direct control of SE and recorded in the booking form, via the TIS website, prior to attendance at a LTOV workshop event.

5.5.4 Inputs

Input Indicators

Input indicators measure the total cost to the public and private sector with regard to the LTOV project. All financial inputs should be recorded in current values (with no allowance for inflation or discounting) covering contributions from:

- I1: Scottish Enterprise;
- I2: other public sector partners as appropriate e.g. VisitScotland;
- I3: private sector e.g. project participants paying to attend the workshop sessions;
- I4: key partners' time contributions; and
- I5: in-kind contributions.

In addition, it will be necessary to capture the phasing of expenditure to enable cost effectiveness calculations.

Data Sources and How to Generate the Data

Although funding for the LTOV project going forward may come from a number of different sources, spend will all be within the direct control of SE. Therefore, all of the monies will be recorded within SE's financial system and it would simply involve accessing the relevant data from this system.

5.5.5 Activities

Activity Indicators

The extent of intervention afforded by the project can be captured through the monitoring of the following activity indicators:

- A1: number of workshop sessions delivered;

- A2: overall number of workshop participants;
- A3: overall number of businesses participating at each workshop;
- A4: number of businesses receiving aftercare support;
- A5: number of case studies developed; and
- A6: number accessing The Practical Guide.

Data Sources and How to Generate the Data

The data for these indicators should be within the direct control of SE through the TIS website and through the feedback reports required from training providers commissioned by SE. It will simply be a case of recording the relevant data for each of the indicators and sub-indicators during a discussion with supported tourism operators and the relevant training providers.

In particular, indicators A1 to A4 and their associated sub-indicators for A2 to A4 (as detailed in **Table B1** in **Appendix B**) should be recorded by a training provider commissioned by SE.

Indicators A5 should be tracked by SE executives and SE executives. With regard to indicator A6 should be recorded by SE executives, training providers and the number of downloads from the TIS website.

Summary

All of the data required for the activity indicators will be within the direct control of SE through the TIS website and through the feedback reports required from training providers commissioned by SE. As noted, for some of the sub-indicators it will be possible to request the data in the form of bandings rather than exact figures.

5.5.6 Outputs

Output Indicators

The output indicators measure the short-term (in-year) benefits from the LTOV project which in turn will contribute to achieving impacts.

The extent of outputs generated further to LTOV project intervention can be captured through the monitoring of the following output indicators:

- O1: number of hits on the TIS website;

- O2: percentage satisfaction with the LTOV project measured on a scale of 1 being 'very poor' and 5 being 'excellent';
- O3: percentage of participants that learned new things about customer feedback as a result of LTOV project activities measured on a scale of 1 being 'did not learn anything new' and 5 being 'learned a lot of new things';
- O4: percentage of workshop attendees that want to find out more about customer feedback mechanisms and activities as a result of the LTOV project measured on a scale of 1 being 'very unlikely' and 5 being 'very likely';
- O5: number of businesses highlighting the need for theme-based workshops;
- O6: percentage of participants that implemented planned changes in product/service offering noted in their Action Plans prepared during workshop sessions;
- O7: number of business collaborations and networks established further to attendance at LTOV project workshops.

Data Sources and How to Generate Data

For O1, an automatic counter can be included as part of the TIS website development to record the number of hits received.

Data for O2 to O4 can be acquired through 'happy sheets' distributed to participants at workshop events. To access data for the other output indicators (O5 to O7) will be assessed during aftercare discussions between the business and the training provider, either by telephone or through a detailed (chargeable) one-to-one meeting. The training providers should liaise closely with SE project executives throughout.

Follow-up consultations are required to monitor important aspects of the LTOV project's performance over time that cannot easily be observed by any other means. In particular, the surveys will capture the extent to which a course of action has been taken by businesses since receiving varying degrees of support through the LTOV project.

With regard to timing, the follow-up activities should mirror those already in place for the pilot project, between one to five months and dependent on the needs of individual workshop groups. In particular, it is anticipated that this data is more likely to be captured through the one-to-one follow-up sessions with businesses rather than through a short follow-up call by telephone.

Initially follow-up should be undertaken with all organisations that have received one-to-one support through LTOV project. However, this could be reviewed as the number of participants increases, as it may then be more appropriate to undertake follow-up consultations with a representative sample of companies that have received in-depth support via the LTOV project.

Summary

The output indicators help to demonstrate what has actually occurred as a result of the activities undertaken through the LTOV project and show progress towards the ultimate impacts. For output indicators O2 to O4 data will be gathered through 'happy sheets' distributed to participants at workshop events. Follow-up consultations with participant tourism businesses will be required to access data for indicators O5 to O7.

5.5.7 Outcomes

Outcome Indicators

The outcome indicators measure the medium-term benefits from the LTOV project which in turn will contribute to achieving impacts. The extent of outcomes generated further to the LTOV project intervention can be captured through monitoring the following outcome indicators:

- OC1: increase in sustainable company sales;
- OC2: increase in business operational cost savings;
- OC3: increase in operating profit;
- OC4: increase in company existing investment in innovation, research and development;
- OC5: increase in company new investment in innovation, research and development;
- OC6: increase in company productivity;
- OC7: percentage of participant businesses that have witnessed improvements in the level of their customer feedback; and
- OC8: percentage of participant businesses that have witnessed fewer complaints further to addressing negative customer feedback issues as they arise.

Data Sources and How to Generate Data

The focus at this stage is on conducting an **interim evaluation** to assess the quantitative and qualitative outcomes, building on in-year outputs, within the first year to 18 months further to project participation (i.e. end of 2010, early 2011). For example, the extent to which SE has delivered the services envisaged, the participants' satisfaction with these services and the extent to which they have achieved any business performance benefits further to participation.

Summary

The outcome indicators, as for the in-year output indicators, help to demonstrate what has actually occurred as a result of the activities undertaken through the LTOV project and show progress towards the ultimate impacts. An interim evaluation with tourism businesses will be required to access the appropriate data and to capture qualitative benefits.

5.5.8 Impacts

Final Impacts

The final impacts that could potentially be realised further to the support provided via the LTOV project are as follows:

- IM1: attributable increase in sustainable gross and net jobs created and retained:
- IM2: attributable increase in GVA¹¹.

Data Sources and How to Generate Data

A **full impact evaluation** will be required after a period of three years has passed to assess the ultimate benefits to companies further to LTOV project participation. It will be necessary to prepare a questionnaire that not only covers the quantitative and qualitative issues outlined in the output and outcome indicators sections above, but also captures information with regard to the companies' main supplier base, competitors, market trends and what the business would have done in the absence of LTOV project support (Q.5, Q.6, Q.7 and Q.12 respectively in the current review). Such information will be required to assess the regional multipliers, substitution, displacement and additionality factors in order to calculate the net attributable impacts derived from participation on the LTOV project.

¹¹ Total GVA = operating profit + employee costs + amortisation + depreciation.

Therefore, we would suggest that an independent full impact evaluation is undertaken during 2012/2013.:

5.5.9 Key Procedures

Audit Trail

All of the source data accessed, which are used in compiling annual monitoring reports, must be retained on file, along with details of:

- who supplied it and when; and
- how data have been manipulated along with explicit statements of any assumptions made.

For follow-up consultations, it is necessary that each is written up separately, providing details of the:

- timing of surveys;
- method of implementation;
- questionnaires used; and
- key results.

Ideally, all survey results will be stored electronically and will be available to allow further analysis as required by the evaluators for the interim and full impact evaluations.

Claiming Attribution

The key issue for SE is to establish attribution between project activities and subsequent actions undertaken by companies. The rationale for claiming attribution can be captured and stored as part of the follow-up consultations.

Data Gaps

Where difficulties arise in accessing or recording monitoring data this should be highlighted as soon as possible, as this is likely to influence the level and degree of project monitoring and reporting activities.

Benchmarking

The proposed ongoing monitoring of the LTOV project could enable SE to undertake benchmarking activities between and within SE's geographical

regions, through comparing and contrasting the benefits derived by the various types and sizes (employee numbers) of businesses further to project participation. However, this will be dependent on an increase in the number of participants, as the project moves forward, to provide an adequate area-based sample size.

Appendices

Appendix A: Categorisation Findings

Appendix B: Summary of Indicators

Appendix A: Categorisation Findings

‘No Shows’

Table A.1: Categorisation of Business/Organisation ‘No Shows’

Business/Organisation Type	SE Region					Total Business/Organisation
	AC&S	DCR	East	South	West	
<u>Private Sector</u>						
Outdoor activity	-	-	-	-	-	0
Visitor attraction	1	1	1	1	3	7
B&B	1	-	2	-	-	3
Camp/caravan	-	-	-	-	-	0
Consultancy	-	-	1	-	-	1
Education (tertiary)	-	-	-	-	-	0
Food & drink	-	-	-	-	1	1
Hotel	-	-	-	1	4	5
Hostel	-	-	-	-	-	0
Marketing	-	-	-	-	-	0
Retail	-	-	1	-	-	1
Self-catering	-	-	1	-	-	1
Tour operator	-	-	-	-	-	0
Tourism industry/trade org	-	-	2	-	-	2
Training	-	-	-	-	1	1
<u>Public Sector</u>						
Local authority	-	-	-	-	-	0
LA Activity	-	-	-	-	-	0
LA attraction	-	-	-	-	1	1
Unknown	-	-	-	2	1	3
Total Businesses						25
Total Public Sector						1
Overall Total	2	1	8	4	11	26

Source: Workshop attendance information, SE Project Manager

‘Cancellations’

Table A.2: Categorisation of Business/Organisation ‘Cancellations’

Business/Organisation Type	SE Region					Total Business/Organisation
	AC&S	DCR	East	South	West	
<u>Private Sector</u>						
Outdoor activity	-	-	1	1	-	2
Visitor attraction	-	1	-	-	-	1
B&B	-	-	1	1	-	2
Camp/caravan	-	-	-	-	-	0
Consultancy	-	-	1	-	-	1
Education (tertiary)	-	-	-	-	1	1
Food & drink	-	-	-	-	2	2
Hotel	-	-	-	1	1	2
Hostel	-	-	-	-	-	0
Marketing	-	-	-	-	-	0
Retail	-	-	-	1	-	1
Self-catering	1	-	-	-	-	1
Tour operator	-	-	-	-	-	0
Tourism industry/trade org	-	-	-	-	-	0
Training	-	-	-	-	1	1
<u>Public Sector</u>						
Local authority	-	-	-	-	-	0
LA Activity	-	-	-	-	-	0
LA attraction	-	-	-	-	-	0
Unknown	-	-	-	-	1	0
Total Businesses						14
Total Public Sector						0
Overall Total	1	1	3	4	6	14

Source: Workshop attendance information, SE Project Manager

With regard to the data presented in **Tables A1** and **A2** is disappointing to note that the number of ‘no shows’ was almost double the number of ‘cancellations’ intimated to the training providers and SE prior to the workshop event.

Geographical Definitions

AC&S: Aberdeen City & Shire: This comprises the local authority areas of Aberdeen City and Aberdeenshire.

DCR: Dundee City Region: This comprises the local authority areas of: Dundee, Angus, Perth & Kinross and the parliamentary constituency area North East Fife.

East Region: This comprises the local authority areas of: Clackmannanshire, East Lothian, Edinburgh City, Falkirk, Fife (excluding North East Fife), Midlothian, Stirling and West Lothian.

South of Scotland Region: which comprises the local authority areas of: This comprises the local authority areas of Dumfries & Galloway and the Scottish Borders

West Region: This comprises the local authority areas of: Argyll and Bute, East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire and West Dunbartonshire.

Appendix B: Summary of Indicators

Table B1: Summary of Indicators

Indicator		Definition	Sub-indicators
Baseline			
B1	No. of beds available	Simple count by accommodation businesses only to be included as a question in workshop booking form on the TIS website.	
B2	Annual occupancy rate	Measured as percentage for accommodation businesses only to be included as a question in workshop booking form on the TIS website.	
B3	No. of visitors	Count for non-accommodation tourism businesses only to be included as a question in workshop booking form on the TIS website.	Broken down by place of origin: <ul style="list-style-type: none"> • Scottish • other UK • overseas
B4	Level of annual sales/turnover	<p>Level of annual sales/turnover to be included as a question in workshop booking form on the TIS website.</p> <p>The provision of a question to allow for the actual level of annual turnover to be recorded would enable further segmentation by turnover bandings as detailed in the adjacent box.</p>	Broken down by the following bandings of annual turnover (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> • under €2 million • €2-10 million • €10-50 million • over €50 million.

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Baseline			
B5	No. of employees	No. and type of employees to be included as a question in workshop booking form on the TIS website.	Broken down by: <ul style="list-style-type: none"> • full-time • part-time • seasonal full-time • seasonal part-time Then split by the following bandings (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> • 0-9 • 10-49 • 50-249 • 250-499 • 500-999 • 1,000+
Inputs			
I1	SE financial contributions	Expenditure at nominal values (i.e. does not take account of inflation). There is a requirement to capture the phasing of expenditure to enable cost effectiveness calculations to be undertaken.	Separate identification by organisation
I2	Other public sector partner financial contributions e.g. VS		
I3	Private sector financial contributions/income e.g. project participants paying to attend the workshop sessions and receive detailed one-to-one aftercare.		

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Inputs (continued)			
I4	Key partners' time contributions	Number of days provided to deliver the project.	Separate identification by partner organisation
I5	In-kind contributions	Where companies/organisations have provided resources at no cost or below market value. This would be the monetary value for these products/services or the amount below market value.	Separate identification by organisation
Activities			
A1	No. of workshop sessions delivered	Simple count recorded by a training provider commissioned by SE.	
A2	Overall no. of workshop participants	Simple count recorded by a training provider commissioned by SE.	Broken down by place of origin: <ul style="list-style-type: none"> • private sector businesses • public sector agencies/ organisations, including local authority run facilities and attractions

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Activities (continued)			
A3	Overall no. of business participating at each workshop	Simple count recorded by a training provider commissioned by SE.	Categorised by: <ul style="list-style-type: none"> • private sector businesses • public sector organisations Then split for each of the above by: <ul style="list-style-type: none"> • geographical location (postcode) • business type (as listed in Table 2.1 in the main report) • business size i.e. no. of employees using the following bandings (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> ➢ 0-9 ➢ 10-49 ➢ 50-249 ➢ 250-499 ➢ 500-999 ➢ 1,000+ • annual turnover (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> ➢ under €2 million ➢ €2-10 million ➢ €10-50 million ➢ over €50 million.

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Activities (continued)			
A4	No. of businesses receiving aftercare support	Simple count recorded by a training provider commissioned by SE.	<p>Broken down by:</p> <ul style="list-style-type: none"> • group format including specialised, theme-related, workshops • one-to-one session with a training provider at business premises <p>Then split for each of the above by:</p> <ul style="list-style-type: none"> • geographical location (postcode) • business type (as listed in Table 2.1 in the main report) • business size i.e. no. of employees using the following bandings (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> ➤ 0-9 ➤ 10-49 ➤ 50-249 ➤ 250-499 ➤ 500-999 ➤ 1,000+ • annual turnover (compatible with the EU definition of SME companies): <ul style="list-style-type: none"> ➤ under €2 million ➤ €2-10 million ➤ €10-50 million ➤ Over €50 million

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Activities (continued)			
A5	No. of case studies developed	Simple count recorded by SE executives	
A6	No. accessing The Practical Guide	Simple count recorded by SE executives, training providers and the number of downloads from the TIS website.	
Outputs			
O1	No. of hits on the TIS website	An automatic counter can be included as part of the TIS website development to record the number of hits received. Information could then feed into an interim evaluation with regard to assessing project outcomes.	
O2	Percentage satisfaction with the LTOV project	Measured on a scale of 1 being 'very poor' and 5 being 'excellent' acquired through 'happy sheets' distributed to participants at workshop events.	Then split by satisfaction ratings with regard to: <ul style="list-style-type: none"> • The Practical Guide • workshops • theme-based workshops • aftercare provision. Then assessed by: <ul style="list-style-type: none"> • organisation • content • delivery

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Outputs (continued)			
O3	Percentage of participants that learned new things about customer feedback as a result of LTOV project activities.	Measured on a scale of 1 being 'did not learn anything new' and 5 being 'learned a lot of new things' acquired through 'happy sheets' distributed to participants at workshop events.	
O4	Percentage of workshop attendees that want to find out more about customer feedback mechanisms and activities as a result of the LTOV project.	Based on a scale of 1 (very unlikely) to 5 (very likely) acquired through 'happy sheets' distributed to participants at workshop events and in aftercare telephone calls.	
O5	No. of businesses highlighting the need for theme-based workshops.	Simple count during aftercare discussions between the business and the training provider, either by telephone or through a detailed (chargeable) one-to-one meeting.	
O6	Percentage of participants that implemented planned changes in product/service offering noted in their Action Plans prepared during workshop sessions	To be assessed during aftercare discussions between the business and the training provider, either by telephone or through a detailed (chargeable) one-to-one meeting.	
O7	No. of business collaborations and networks established further to attendance at LTOV project workshops.	Simple count during aftercare discussions between the business and the training provider, either by telephone or through a detailed (chargeable) one-to-one meeting.	

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Outcomes			
OC1	Increase in sustainable company sales further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	Broken down by: <ul style="list-style-type: none"> increase in sustainable company sales due to repeat business
OC2	Increase in business operational cost savings further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	
OC3	Increase in operating profit further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	
OC4	Increase in company existing investment in innovation, research and development further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	
OC5	Increase in company new investment in innovation, research and development further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	
OC6	Increase in company productivity due further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	
OC7	Percentage of participant businesses that have witnessed improvements in the level of their customer feedback further to LTOV project participation.	To be assessed in an interim evaluation by independent evaluator.	

Table B1: Summary of Indicators (continued)

Indicator		Definition	Sub-indicators
Outcomes (continued)			
OC8	Percentage of participant businesses that have witnessed fewer complaints further to addressing negative customer feedback issues as they arise.	To be assessed in an interim evaluation by independent evaluator.	
Impacts			
IM1	Attributable increase in sustainable jobs created and retained	Calculation of gross and net attributable sustainable jobs created and retained further to a full impact evaluation undertaken by an independent evaluator.	
IM2	Attributable increase in GVA	Calculation of GVA (total GVA = operating profit + employee costs + amortisation + depreciation) further to a full impact evaluation undertaken by an independent evaluator.	