

Dumfries and Galloway Revised Area Tourism Strategy

The review of the 2001 – 2006 Area Tourism Strategy for Dumfries and Galloway has allowed the main stakeholders and the industry at large to take stock of progress in the context of a changing business environment. The review has highlighted some important issues that impact on the strategy and taken these into account in revising the main aims of the strategy.

This strategy is about enabling Dumfries and Galloway to compete effectively for vital tourism business, on terms that are compatible with its natural and built environment and that meet the aspirations of stakeholders and the wider population at large.

Context

Tourism in Dumfries and Galloway does not exist in a vacuum and the area tourism strategy assists in placing the region in its wider context. Increasing integration of global economies is reducing barriers to travel and creating new markets that compete for customers' attention on their own doorstep.

Recent research tells us that Scotland is seen as an expensive destination and that this deters both overseas visitors from coming and domestic tourists from taking main holidays in the UK. Having said that, Scotland still performs relatively well in attracting overseas visitors, perhaps providing an insight into the potential business to be gained if competitiveness improved. Although growth in world tourism is forecast to continue, there is less buoyancy in Europe. The market for tourism products is now genuinely global, meaning that Dumfries and Galloway as a destination is now affected by exposure to international competition on quality, price, value for money and accessibility. On top of this markets remain volatile.

In Scotland as a whole, the tourism industry has been in gradual decline since 1997 with both long and short holidays showing a downward trend. Before foot and mouth, Dumfries and Galloway was recording consistent growth in tourist trips until 1999 although the amount of spend fluctuated.

Foot and mouth caused a sudden drop of around 25% in terms of trips and spend in Dumfries and Galloway in 2001. Since that time, there are clear signs of strong recovery in the region's tourism business, assisted by a strong marketing response and additional financial resources from Dumfries & Galloway Council and the Scottish Executive.

This review of the strategy recognises that although customers are returning to the region, and the UK market continues to offer the greatest potential, many businesses have not yet recovered fully. Yet, tourism businesses constantly need to be aware of the way the market is changing, and need to be able to respond accordingly.

One of the core issues now facing the tourism sector is a developing demographic problem in the region, which is likely to lead to a shortage of labour and exacerbate a growing skills shortage. This will provide a significant challenge to the tourism sector if it is to continue to improve its competitive position and develop new products in line with market needs.

The main aims in this strategy address these issues while building on the region's main strengths, including its natural environment. They also address basic weaknesses, such as skills and knowledge. But the key to success will be the way that stakeholders and individual businesses are able to identify and capitalise on opportunities by working together in partnership and collaboration.

This strategy review has been informed by consultations with the tourism industry in Dumfries & Galloway and with relevant public sector agencies. It has also considered market and customer research generated by DGTB and VisitScotland and the most recent evaluation of the region's socio-economic and demographic profiles.

Policy Integration

The strategy encourages the main stakeholders to take action to integrate the strategy with other bodies to increase its effectiveness.

Nationally, the Scottish Executive's Tourism Framework for Action (TFFA) is the key driver of policy. This strategy is expected to enable Dumfries and Galloway to make a significant contribution to the achievement of national objectives for tourism, including the three pillars of market position, consumer focus and enhanced status. A table outlining the integration with the TFFA is appended. Another key policy

document is *A Smart Successful Scotland* which will become increasingly relevant in addressing the skills issue.

At regional level, the key linkages are with Dumfries and Galloway Council and Scottish Enterprise Dumfries and Galloway and in particular the new five year Regeneration Strategy with its emphasis on skills and recruitment. Further key linkages are with the South of Scotland Objective 2 Programme and partner organisations such as Scottish Natural Heritage, Forest Enterprise and Historic Scotland.

Vision

There are a number of important themes through the strategy which are reflected in the revised vision statement:

Our vision is...of a vibrant year round destination, which optimises tourism's contribution to a regional sustainable economy....of forward thinking customer focused businesses working in partnership to deliver a diverse and innovative range of quality experiences in balance with the environment.

The vision reflects the themes of economic, social and environmental sustainability that are not only central to the achievement of the strategic aims adopted by the industry but are also important to individual businesses and organisations in the area.

Achievement of the vision is the responsibility of the whole industry but with strong leadership from the principal stakeholders. Leadership means effectively communicating with businesses and other key stakeholders to seek their buy-in to the main ambitions. It also involves motivating partners and stimulating creativity and innovation while minimising risks through creating a supportive culture for the sector.

There are four principal aims in the strategy.

Aim 1: To implement focussed, cost-effective strategies for integrated product development and marketing

Experience gained from the marketing campaigns undertaken in the past three years shows that niche marketing (typically targeting visitors who have a specialised interest in one type of activity on a holiday or short break) can attract new types of visitors to Dumfries & Galloway. However these markets are small and will not deliver significant volumes of visitors.

If we are to see a growth in the volume and value of tourism to the regional economy then the marketing strategy should continue to attract more of the types of visitors who, we know, enjoy what the region has to offer. These are most likely to be more mature couples.

This group make up over 50% of the visitors to the region. Families in addition make up 27% of our total visitors and our marketing activity should not exclude this group. These visitors enjoy the diverse range of experiences that the region has to offer and are likely to engage in a range of different activities.

In addition, visitor research highlights that the domestic market continues to offer the greatest potential for attracting more visitors to the region from, in particular, areas within a 2-4 hour drive time. The key message should continue to focus on promoting the region for shorter breaks throughout the year, helping to address our seasonal occupancy issue.

There is a substantial body of existing, largely loyal, customers to Dumfries and Galloway that should be nurtured as they provide the critical mass of visits that support the industry. These visitors are

also 'converted' and are therefore easier targets for marketing. By using effective database marketing techniques, campaigns will be aimed at encouraging these visitors to 'trade up' by visiting more frequently, staying for longer and spending more.

The review of the strategy highlights that additional public money for marketing the region will be difficult to sustain at the current levels. Therefore there will be an increasing need for the industry and local communities to continue to invest in marketing to ensure a healthy tourism sector in the long term.

In support of the overall vision, partners and the industry should continue to reinforce the regional branding, "The natural place". This should ensure that all tourism communications convey the core values and unique positioning of the region. However, the development of a more detailed brand development plan should lead to specific product development initiatives which in turn will reinforce the region's credentials as a sustainable destination.

There is also recognition within the industry and main stakeholders that while current marketing activity needs to focus on targeting our core customers and ensuring our offering continues to exceed their expectations. We must also take a longer term view. This means that new product development activity should continue to be encouraged in order to attract new types of visitors to the region in the future.

The areas identified for potential product development in Dumfries & Galloway are Culture, Heritage and Gardens; Walking; Cycling and Golf. However, it is likely that efforts need to be sustained over a ten year period before significant results can be expected. During this time therefore the level of marketing investment to support these initiatives needs to be tempered with the length of time it will take to generate a return.

Aim 2: Build sustainable and competitive tourism businesses, with enhanced management professionalism

The issues and actions in this aim are closely allied to the five year Regeneration Strategy for Dumfries and Galloway and are intended to support the broad aims of that document.

Feedback from the consultation exercise for the strategy review confirmed that many tourism businesses remain in a fragile condition, leading to concerns over their ability to reinvest in business improvements. Seasonality and profitability remain major concerns to businesses.

A key concern is the rapid change in the region's population structure, forecast to reduce by 15% by 2015. This is a major problem affecting all sectors of the Dumfries and Galloway economy but is likely to be particularly acute in the tourism sector where jobs are perceived to be less attractive due to wage rates, working hours and seasonality.

In addition to the decline in working age population, there is evidence of a growing skills problem in the region, with fewer applicants for tourism sector vacancies and increasing difficulty in attracting staff with the right skills.

Futureskills Scotland, in its most recent tourism sector profile indicates that labour turnover in tourism is nearly double that of other industries, that skills gaps are an increasing problem and that training is generally not a priority in the sector – findings backed up by DGTB research and the e-consultation exercise for this strategy. This issue lies at the heart of the challenge to create a sustainable tourism economy in D&G.

Research and consultation also revealed that there is a low level of importance attached to gathering and using customer

feedback as a tool in business planning. This is linked to low awareness of tourism markets. In response, there are a number of actions identified, including:

- Ensuring that there is adequate provision of training to address known skills gaps in management, marketing and ICT skills.
- Improving the flow of market information to businesses to make it easier to incorporate current information into the management of businesses using D&Gexchange.net.
- Reinforcing the links between DGTB and the Business Gateway to ensure that tourism businesses are able to access the full range of business support services available through the Scottish Enterprise Network.

Aim 3: Influence the development of infrastructure to enable the region to meet visitor needs and compete effectively

This aim matches the needs of the market with the area's product, and is aligned with both the analysis of market trends and the views of businesses during consultation. Product development therefore needs to follow the markets identified for development, in the shorter and longer terms – i.e. the two pronged approach described in Aim 1 which should contribute to the achievement of the strategic vision.

The vision for tourism in Dumfries and Galloway will be better achieved through concentration on developments that are intended to assist in future business and community developments. Other developments will be pulled along by these keynote projects and will be included in operational plans prepared by partner organisations.

The main themes are therefore likely to continue to focus on events, the promotion of the region's forests; information and communications technology (ICT) and other sustainable tourism products.

The importance of developing key events means reinforcing the regional brand values, which address the needs of priority customer groups and therefore enhancing their holiday experience. This should renew impetus for the revision of the region's Events Strategy, to ensure that it provides a workable framework within which events can be developed.

The opportunities in the region's forests and the production of a marketing plan for the Galloway Forest Park should continue to be a priority, coupled with a detailed review of how the Galloway Forest Park product is developed.

In light of the continuing expansion in ICT usage throughout the tourism industry worldwide, there will continue to be an emphasis on building the capacity of the tourism industry to utilise this technology. Improved usage of ICT will enable businesses to build a variety of different routes to market for their products in a cost effective manner and will also assist in improved communications, information and best practice exchange.

To establish further the region's credibility as a short-break tourism destination, it is proposed to develop a portfolio of tourism products using examples of best practice and disseminating and promoting exemplar developments. It will also be important to demonstrate integration with other economic sectors, such as food and agriculture.

The key to unlocking the region's future competitive advantage will be through improving customer perceptions of value through product and service excellence. The enthusiastic implementation of VisitScotland's quality assurance process has an important part to play in developing Dumfries & Galloway as a competitive destination.

Aim 4: Develop systems for performance monitoring and evaluation, and knowledge management – for use by all the partners and the industry.

The consultation exercise and research undertaken during the strategy review confirmed a low level of knowledge of markets and competition. For example, low priority was given to partnership marketing activities, acting upon consumer and market research in developing products and services. These should be the cornerstones of quality management.

There are therefore some basic issues in understanding competition and the nature of customer needs that can usefully be addressed in setting out to achieve the strategic vision.

There is a wealth of information now available to aid decision making from the strategic level to the daily operation of the micro businesses. But much of this information needs interpretation and explanation, so the job of dissemination is not likely to be simple.

There have been attempts to encourage businesses to seek customer feedback in a systematic manner. This is vitally important in the current era of increasing competition. Efforts should therefore continue to find a solution to introducing quality management principles into businesses as a means of developing future business and retaining current customers.

To assist the region and its component enterprises understand the nature of competition and also to help assess issues such as price, quality, value for money and customer satisfaction, a greater emphasis should be placed on benchmarking. In particular a destination benchmarking exercise should be undertaken.

Targets

The targets in the strategy are described as aspirational because they are not able to be achieved by a single organisation but are the combined efforts of the sector. The following table presents

revised targets for the remainder of the strategy period. These have been shaped by the sharper market intelligence now available.

	Baseline	2006 Target	Long Term Target	2002 Full Year	% Change over base	Revised Target to 2006	Annual Growth Rate 2003-6
Hotels	38	50	65	39	+2.6	45	3.5%
Guest House, B&B	28	35	55	29	+3.6	37	6.5%
Self Catering	41	48	50	47	+17	54	3.6%
Caravan & Camping	33	33	40	35	+6.0	49	8.6%
Spend Per Night £ (UKTS)	40	55	65	47.68	+37.5	55	6.1%
Notes:							
The rate of growth in percentage points is not the same as the annual growth rate.							
Self Catering growth has been reduced by half as the current rate is not felt to be sustainable over the period							
Caravan & Camping growth has been restricted							

Strategy Outputs to 2006

Aim	Action	Lead	Comment
Aim 1	Prepare Brand Development Plan	DGTB	Develop a plan to reinforce the 'natural place' regional branding to establish the region's sustainable credentials and brand values.
	Revise market research plan	DGTB	Review research to ensure that revised vision and main aims are accounted for in ongoing programme. In particular, the greater emphasis on brand values should be monitored.
	Produce new Product Development & Marketing Plans	DGTB	Work with businesses to create innovative product development and marketing ideas in line with revised strategy.
	New market development	DGTB	Consider new type of markets in line with the current product portfolio of walking, cycling and golf.
Aim 2	Improve business development support	SEDG	To be delivered through enhanced liaison between DGTB and Business Gateway (i.e., the Joint Action Plan).
	Tourism Business Network established	DGTB	This should develop out of the industry-led marketing initiatives.
	Produce skills development programme	SEDG/DGTB	Ensure that there is adequate provision of relevant training to address known skills gaps in management, marketing and ICT skills.
	Promotion of sustainable tourism products	SEDG/DGTB	In order to establish the credentials of the brand, a range of flagship products needs to be promoted.
	Encourage use of ICT to improve business and marketing performance in tourism industry	DGTB/SEDG	Using staff resources available in both organisations, create joint ICT development strategy.

Aim	Action	Lead	Comment
Aim 3	Roll out of events/festivals strategy	DGC	Review currently underway with partner agencies to look at the way forward.
	Review tourism signposting and encourage use of Natural Place Guidelines	DGC	Review of signage ongoing. Natural Place Brand Guidelines should stimulate consistency for new interpretation panels.
	Review investment in D&G Council leisure and cultural facilities	DGC	New Cultural Strategy looking at the feasibility of a theatre and multi-use facility in Dumfries. Also art gallery for Kirkcudbright. New leisure complex being considered for Dumfries.
	Development of a marketing plan for forest parks	Forestry Commission Scotland/ SEDG	Current project to look at a plan for the Galloway Forest Park and to look at future product development within the park.
	Improve average levels of QA grading in all sectors	DGTB	By working with individuals and networks of tourism businesses, emphasise the importance of quality to customer experience.
Aim 4	Benchmarking programme determined and initiated	SEDG/DGTB	Establish means of measuring progress towards the overall vision in relation to key competitors and/or comparative destinations.
	Disseminate market research to industry	DGTB	Using ICT cascade market research findings to industry and partners, to improve business performance.

Tourism Framework for Action	Dumfries and Galloway Tourism Strategy to 2006
Market Position	
High brand awareness among target groups	<p>Brand development plan for ‘Natural Place’ branding, creating a distinctive identity for D&G within the overall Scottish product.</p> <p>Continued work to develop new niche markets through product development and marketing plans.</p> <p>Maintain a flexible and responsive marketing approach to ensure that customer needs are met and that new distribution channels are developed.</p>
Increased Conversion from Awareness from Sales in our target markets	<p>Maintain and develop independent D&G customer database; develop CRM capabilities to support marketing.</p> <p>Support developing visitscotland.com system</p> <p>Develop market awareness among businesses and provide management and ICT training opportunities to ensure that marketing opportunities are taken.</p> <p>Maintain and develop market research programme to assist in identification of markets and evaluation of marketing.</p> <p>Encourage community initiatives and partnerships in providing added value packages for visitors.</p> <p>Revised events strategy to provide framework for development of key events.</p>
Increased direct access from our target consumer markets into Scotland	<p>Capitalise on all access routes through D&G.</p> <p>Lobby for improved local transport infrastructure</p>
Consumer Focus	
Successful business leadership	<p>Address management skills through training programmes</p> <p>Encourage sectoral networking</p> <p>Support collaborative initiatives between businesses and organisations.</p> <p>Providing access to information and advice from market research programme and specialist staff. Develop web presence to improve access to this information.</p> <p>Utilise market information for evidence-based policy making</p> <p>Encourage use of small business gateways for business</p>

	development advice and assistance.
Enhanced products and services	<p>Providing access to information and advice from market research programme and specialist staff. Develop web presence to improve access to this information.</p> <p>Ensuring leisure and cultural facilities, signposting and other services meet visitor as well as resident needs.</p> <p>Promotion of Quality Assurance, quality management and customer feedback schemes.</p> <p>Promote use of Internet among business</p> <p>Support, where appropriate, development strategies arising from national initiatives.</p> <p>Support keynote developments with regional benefits.</p>
Enhanced Status	
Working together	<p>Strategy promotes partnership working at all levels and integrated policy making at regional level.</p> <p>Commitment to improvements in communication eg through industry website</p> <p>Working closely with EU through SOSEP and new Objective 2 programme.</p>
Taking account of tourism	<p>Commitment to improving status of tourism</p> <p>Strategy contributes tourism-specific content to a variety of tourism businesses.</p>
Increased profile	<p>Tourism industry profile an underlying theme throughout the strategy. Particularly important in developing skills agendas.</p>