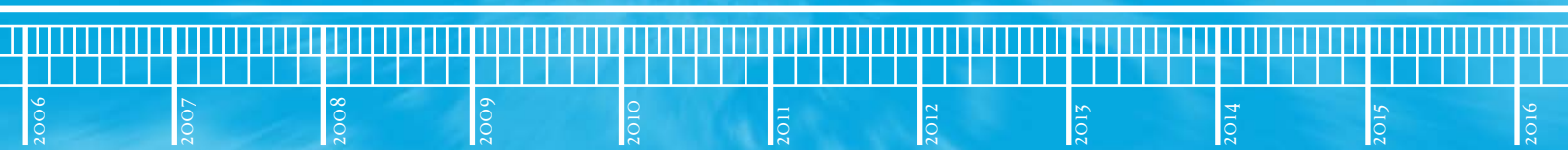


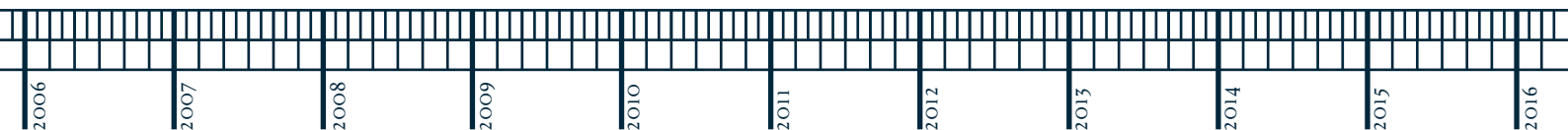
SCOTTISH TOURISM:
theNextDecade

a TOURISM FRAMEWORK FOR CHANGE



SCOTTISH TOURISM:
theNextDecade

a TOURISM framework for CHANGE



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SCOTTISH TOURISM: THE NEXT DECADE

TOURISM IS ONE OF THE WORLD'S BIGGEST AND MOST RESILIENT BUSINESS SECTORS. DESPITE LITTLE GROWTH DURING 2001-2003 BECAUSE OF 9/11 AND SARS, TOURISM BOUNCED BACK ACROSS THE WORLD IN 2004 WITH 10% GROWTH. THE WORLD TOURISM ORGANISATION EXPECTS GLOBAL GROWTH TO RUN AT 4-5% A YEAR LONG TERM. IN SCOTLAND, TOURISM IS ALSO GROWING, PARTICULARLY FROM OVERSEAS MARKETS. HOTEL ROOM OCCUPANCY IS AT RECORD LEVELS, AND TOURISM IS NOW ONE OF SCOTLAND'S MOST VIBRANT SECTORS, HELPED BY AN EXPLOSION OF VISITORS FROM EUROPEAN COUNTRIES.

But tourism is changing. China swapped places in 2004 with Italy as the fourth most popular world tourism destination. Destinations are reinventing themselves, moving up market and offering memorable holiday experiences. Consumers are moving from having one long holiday to several short breaks, often city-based and sourced over the internet. There's increased demand for breaks linked to health (so more demand for activity breaks), well-being (more demand for spa and other pampering experiences), hedonism (more demand for retail, extreme activities and having fun) and extended education (more demand for environmental, historical and cultural experiences), within a unique and authentic experience. So if we want to continue to grow tourism in Scotland, **we must develop and change what we offer our visitors over the next decade.**

In 2000, the Scottish Executive published a "New Strategy for Scottish Tourism", and then in 2002 a "Tourism Framework for Action 2002-2005". Good progress has been made against the aims of the Strategy, but it's now time for another look at what the market's telling us. This document isn't just another government strategy though. It's the result of real collaboration with the private sector throughout 2005. It takes a fresh look at what's happening in tourism markets, both globally and in Scotland, and how the tourism market might change over the next decade. It sets out what tourism and hospitality businesses, related sectors like transport and retail, and the public sector agencies which support them, need to do to keep Scottish tourism growing sustainably in that changing market. Most importantly it stresses that we can't stand still – unless we grow our tourism sector, we'll lose it to the competition.

Tourism Strategy Group**Patricia Ferguson***Minister for Tourism, Culture and Sport (Chair)***Peter Taylor***Scottish Tourism Forum and Pride and Passion***Peter Lederer***VisitScotland***Sir John Ward***Scottish Enterprise***William Roe***Highlands and Islands Enterprise***Councillor Pat Watters***COSLA***Tom Brock***Tourism Environment Forum and**Scottish Seabird Centre***Geoff Fenlon***People 1st and EICC***David McHattie***People 1st***Graham Drew***Springboard Scotland***Bob Kinnaird***Tourism Innovation Group and**Cairngorm Mountain***Catherine Tuff***TFC Food Services***David Govan***Nevisrange***John Mason,***Scottish Executive***John Brown***Scottish Executive***Mairi Macpherson***Scottish Executive***Kirsten Davidson***Scottish Executive*

A document like this can't predict exactly what Scottish tourism will look like in 10 years' time, just as the 2000 Strategy could not have predicted the immense impact of September 11 a year later. What this Framework for Change does do is to use research about what's happening on the ground now to map out some developments that are very likely to take place. It emphasises the need for business leadership and entrepreneurial attitudes, for product development and innovation which focuses on the customer, for building the capability of our people. That's how we will give every one of our visitors to Scotland a welcome that will exceed their high expectations – and turn each one of them into a lifetime ambassador for Scotland. We want Scotland to be one of the world's foremost tourism destinations by 2015. That's our ambition, and we want it to motivate everyone in Scotland, because tourism is everyone's business. We hope you'll find something in this document that will give you ideas about how your business or organisation can contribute even more to the continuing success of one of Scotland's most important business sectors.

**Patricia Ferguson MSP***Minister for Tourism, Culture and Sport**Chair of the Tourism Strategy Group*



- tourism growing strongly across the world
- lots of competition
- market is changing
- 50% revenue growth by 2015



ONE

OUR market



what's happening across the globe?

Strong trends in global growth: Across the world, tourism is growing strongly after 3 years of low growth caused by 9/11 and SARS. The number of international tourism trips in 2004 were up 10% on 2003, and outward travel from the US and Canada is growing again. The World Tourism Organisation is forecasting 4-5% growth until 2020. People are working harder for longer; are wealthier; place increased importance on leisure, health and well-being, and continuing education; and are more able to take holidays and travel more frequently than in the past. The internet is increasingly the method of choice to book a holiday. There is sustained growth in domestic and intra-regional travel to a massively greater choice of destinations.

There are now over 200 countries offering a tourism product.

VisitScotland research shows that the world's leading tourism destinations:

- offer a wide product base and a good variety of holiday experiences which are well marketed and offer discovery and experience as key themes;
- target growing consumer interest in outdoor activities, cities, culture, well-being and business tourism;
- use native/traditional culture and heritage to differentiate themselves from other destinations, and use special events to boost profile and visitor numbers;
- make heavy use of the internet to promote themselves;
- use private/public partnerships to deliver key roles; and
- depend on domestic tourism as well as the international market, and campaign to convince local people of the benefits of tourism and to encourage tourist-friendly attitudes.

These are the things which we have to do very well indeed just to avoid losing market share to the international competition. Major destinations across the world are promoting themselves in similar ways; offering similar products; and targeting similar markets including youth, seniors, city-breakers and business tourists. To grow, we have to do even more.

what's happening in scotland?

Huge importance of UK market: Scottish tourism has grown since 2002; hotel occupancy rates are running at record levels. Growing overseas markets is very important, because overseas visitors stay longer than UK tourists. It's also important to remember, though, that they represent only 19% by value (9% by volume) of Scottish tourism activity (for business tourism 15% by value). 44% of tourism trips in Scotland are by Scots themselves, while 47% are made by visitors from England and Wales. Half of the population of England and Wales have never visited Scotland, so our biggest market is also our nearest one.

Overseas markets are growing faster: overseas visitor numbers were up 20% in 2004 over 2003. The US is still by far our biggest overseas market (in 2004 it was worth over 3 times as much as the next one, Germany), and although the North American market has yet to get back to where it was in 2000, it's starting to grow again after several years of standstill. From the latest statistics available for the first three quarters of 2005, visitor numbers from North America to Scotland were up by 3% against a decline of 3% for the UK as a whole, compared to the same period for 2004. It is the European markets which are growing most strongly, though, helped by better direct air access assisted by the government's Route Development Fund. Arrivals from EU countries were up 23% in 2004 over 2003 and from non-EU Europe they were up by 41%. In the first nine months of 2005, that growth accelerated, with a 35% increase in all overseas visitors, which included a 67% increase in visits from Europe (although that figure is artificially high because 2005 is the first year that Prestwick was an interview point in the International Passenger Survey).

WHAT DO OUR VISITORS THINK OF US?

Overall satisfaction levels are high: VisitScotland's extensive consumer research shows that the most important factors in choice of Scotland as a leisure destination are our scenery, natural environment, the number of things to see and do and the friendly attitude of the local people. Visitors from both overseas and the UK tell us that:

- satisfaction with their holiday was high; 96% had their expectations met or exceeded;
- 97% of visitors were very or quite likely to recommend their holiday experience;
- visiting pubs/bars is extremely popular with all visitors;
- the authenticity of the 'experience' is vital to all visitors; and
- the opportunity for visitors to interact with Scots is important to them, but especially for North Americans, who very much want to meet local people.

The criticisms most commonly mentioned were the weather, prices/exchange rate and quality of accommodation, with many comments on the need to improve the quality of the food in eating places generally.

what are scotland's key markets?

The **UK leisure** tourism market (including Scots themselves and people visiting friends and relatives (VFR)) is worth around 60% of total tourism revenues generated in Scotland;¹ the VFR component is around 7% of the total. This is increasingly a short break market (average stay 3.6 nights).

The **overseas leisure** tourism market including VFR is worth around 13% of total revenues (VFR component around 4%). It sees a longer average stay (9.3 nights in Scotland) but short breaks are increasingly popular.

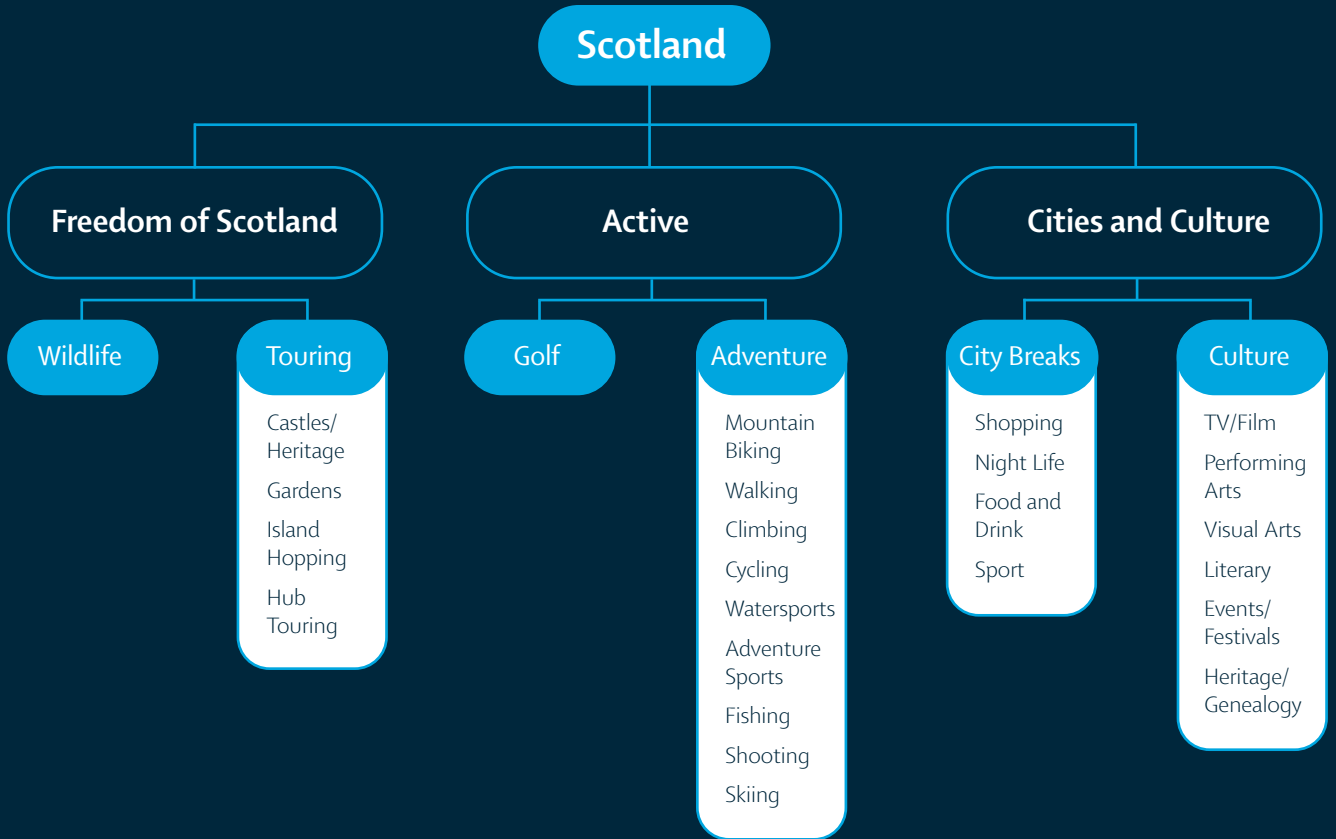
UK and overseas **business tourism** is worth around 22% of total tourism revenues (spend per night is twice that of leisure visitors), with other tourism revenues accounting for the remainder.

There's increasingly strong competition in all of these revenue segments.

Leisure tourists (both from the UK and overseas) are finding that traditional sun and sand destinations as well as eastern European destinations are diversifying into cultural tourism, while the capitals and secondary cities of the new EU entrants offer novelty and low prices, increasingly with direct access. UK and overseas competition for business conferences is also increasing; 35% of all international association conferences held in the UK were hosted in Scotland in 2004, but this was down from 38% in 2002-03 – so there's a challenge here too.

Across the leisure tourism market, the following reasons to visit (product segments) have been identified by VisitScotland as meeting visitor demands while playing to Scotland's strengths, and are the primary focus for VisitScotland marketing activities:

¹ The figure for total tourism revenues generated in Scotland in 2005 will be available later in 2006. This will become the baseline for the 2015 growth ambition.



HOW ARE SCOTLAND'S MARKETS CHANGING?

The growth of the last 3 years in international visitors mustn't lull us into a false sense of security. Our visitors like us and what we offer them. However, the market is changing. Any analysis of how markets are changing will highlight trends which don't necessarily apply across the board, e.g. the strong growth of the short break market doesn't mean that no-one will come to Scotland any more for 2 or 3 week holidays. Nevertheless, VisitScotland's consumer research shows persistent change trends. It confirms that today's travellers want:-

- customised and flexible travel (a package but not a package holiday) to a destination generally within 3 hours' travel time;
- special interest holidays and special experiences;
- an authentic experience (with the experience mattering more than the destination); and
- good value for money (there's sustained pressure on prices at every level, with some Europeans making several calls and internet searches to save a few pounds per night).

Other key trends identified by VisitScotland are the increasing prevalence of late booking, which is related to a rising use of the internet for looking and booking; and a strong trend towards shorter breaks (because of limited time available, greater choice of destination) is driving the increasing popularity of city breaks. From these trends, the main types of break which this research indicates will be in increasing demand in future are those linked to:

- interest in good health (so even more demand for activity breaks of all kinds);
- the use of a break as a personal reward or well-being experience (so strongly increasing demand for more spa/ pampering experience as well as good food and drink and other more hedonistic activities); and
- the increasing interest in extended education (so more demand for history and culture-related holidays).

Of course, some visitors want to experience more than one of these in a single trip. Many also want a truly authentic experience, e.g. ancestral tourism or wildlife watching, where Scotland is a global leader. It is these consumer insights which are currently driving the shape of VisitScotland's current marketing campaigns, tapping increasingly successfully into rising consumer demand in these areas.

WHAT MIGHT OUR MARKETS LOOK LIKE IN 2015?

Building on these trends, VisitScotland has done a lot of scenario-planning work. This paints a picture of what Scottish tourism **could** look like in 2015. It describes a sector with a focus on leisure short-break tourism which will grow strongly based on meeting rising consumer expectations with confidence. Business tourism will also be a strong growth sector. Competition for visitors will be stiff, and visitors will expect a warm welcome and can-do attitude everywhere they go. They are likely to be increasingly time-pressured with expectations that their experience will be smooth and any problems sorted quickly. The vast majority of visitors will live within a 3 hour travelling distance of their final destination in Scotland. Easy booking and good access will be crucial. Visitors will want self-discovery and chances to try new things, and will be ever better travelled and more sophisticated, with an interest in culture and the arts, high and low brow. They will be looking for rich opportunities to experience authentic Scotland, and will be turned off by any hint of a tourist trap. Population changes will mean more older visitors, and this will also have an impact on the workforce. The pool of younger talent will reduce, and more of our workforce will be born outside Scotland. However, the ageing population also presents an opportunity through experienced, enthusiastic second careerists and older entrepreneurs.

This picture suggests that the main opportunities for growth could come more from the UK market, along with Europe and North America. That doesn't mean that the long-stay or long-haul leisure markets will disappear. VisitScotland estimates that the volume of the Chinese market will almost triple by 2010, but it's important to keep this in perspective. That increase is from a very low base, most Chinese tourism will be to other destinations in south east Asia, and it will be a very long time, if ever, before the Far Eastern market replaces the North American or European markets.

Based on all of this research and scenario planning, significant changes are likely to take place in the Scottish tourism market by 2015:

- It is likely that the biggest market increase will continue to come from the strongly growing **overseas leisure market**, including VFR, predominantly from Europe and the eastern US and Canada but also from further afield. Current trends support the view that revenue could more than double.
- **Business tourism** revenues could almost double, and rise from the current level of 22% of all tourism revenues to 25% of all tourism revenues. The UK business tourism market will probably grow more strongly than the overseas market.
- It is likely that the **UK leisure** market will continue to grow but fierce competition will mean that it will probably do so more slowly than the overseas market.

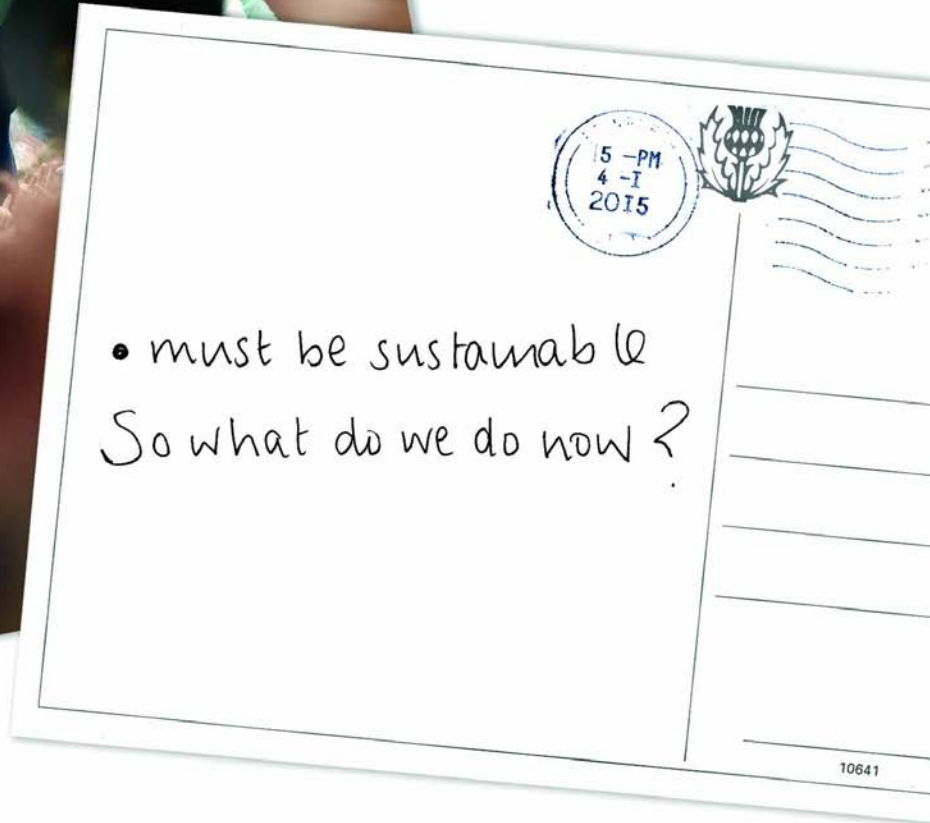
Current estimates therefore suggest that **gross tourism revenues could increase by 50% by 2015.**²

² The figure for total tourism revenues generated in Scotland in 2005 will be available later in 2006. This will become the baseline for the 2015 growth ambition.

However, revenue growth of around 50% over the next decade doesn't mean an increase in visitor numbers of 50%. It's more likely to be driven by an increase in visitor numbers of perhaps 20% by 2015, with the rest of the growth coming from increased spend per head as we get better at offering a wider variety of experiences and products to meet our visitors' expectations. This view is based on extrapolation of current spending trends and experience in other countries, e.g. in Austria, where visitors spend half as much again per head as they do in Scotland. And given the different product mix and profile of visitors attracted to different parts of Scotland, this growth will not be uniform throughout the country.

So changes in spending patterns could look like this:





two
OUR ambition

IS 50% REVENUE GROWTH SUSTAINABLE?

Our ambition is to keep pace with global trends over the next 10 years – if we do this we will achieve 50% revenue growth (in real terms). It will be vital to achieve that growth sustainably – by this we mean social, economic and environmental sustainability. Tourism growth must not be at the expense of our environment, or our culture and communities. The key to doing that is growing value faster than volume. Volume growth of around 2% a year should not produce sudden capacity problems, especially if some of it happens away from the busiest areas and outside peak periods (a lot of city breaks are in the shoulder months). That means that we don't necessarily need to be creating a lot of additional accommodation or visitor attractions but we will want to consider redeveloping or enhancing our current products. If we are successful in extending our season beyond the peak months, this will benefit our smaller communities which rely on the tourist trade, and if we ensure our industry is as green as possible, we will protect the environment that many of our visitors come to see.



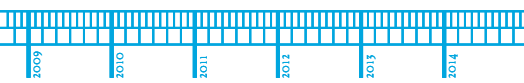
an action plan for the next decade

If, in the market context set out above, Scotland is to achieve its ambition of growing tourism by 50% by 2015, then some key changes need to take place across the industry:

- There needs to be a higher level of awareness of what is happening in the marketplace, of consumer trends, what our competitors have to offer, and how this intelligence can be used as a basis for delivering new and improved products and services to the market.
- Our enduring philosophy must be to exceed our visitors' expectations. We must manage the quality of the overall visitor experience, including the quality of our food and accommodation, the quality of the service that is provided to our visitors, and the quality of the environment. Key to this will be attracting and developing the skills to deliver this quality.
- There needs to be a culture of enterprise and innovation across the industry to drive continual investment in new products and services that build on Scotland's tourism assets and deliver fresh, engaging and distinctive visitor experiences which reflect modern consumer interests; and we need to harness new technology to deliver those products and services effectively.
- Access to and around Scotland will be critical, especially in the context of a market largely dominated by short breaks. Ease of travel must also be balanced, though, with the need to protect the environment which many of our visitors come to see.

- We will need to have an integrated marketing effort bringing the destination marketing activities of VisitScotland and VisitBritain and those of the private sector in line behind a common brand. A key component of this will be effective use of the Internet as an information and sales channel for the industry.
- Finally, our whole approach to tourism development must be sustainable – economically, socially and environmentally. Otherwise, our efforts to grow our industry could result in a significantly underperforming industry by 2015.

The remainder of this document sets out these changes in more detail. Underpinning all of them is the driving ambition to succeed and prosper in one of the world's most competitive business sectors, the ambition to make Scotland one of the world's foremost visitor destinations by 2015. The central themes are business entrepreneurship and innovation, business leadership, and a focus on the customer, with the public sector strongly supporting business and industry bodies to grow the sector.



THREE

a framework for change for the next decade

KNOWING YOUR market

We need to exceed our customers' expectations so that they have a great time in Scotland and want to come back – and recommend us to their friends. In order to do that, we need to know who our customers are and what they'll want from us. We're in a fast-changing and competitive consumer marketplace, though, and consumer expectations are continually changing. We therefore need to stay ahead of the game, keep on top of market trends and new developments and be quick to respond with development and enhancement of our own products and services. Only then can we ensure we're always ready to exceed our customers' expectations, however they may change, and so build our reputation as a must-visit, must-return destination.

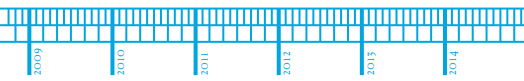
target 1 – BY 2006, THE SCOTTISH EXECUTIVE WILL ESTABLISH A TOURISM RESEARCH NETWORK, INVOLVING THE INDUSTRY, CULTURE AND HERITAGE ORGANISATIONS, THE ENTERPRISE AGENCIES, ACADEMICS, LOCAL AUTHORITIES AND VISITSCOTLAND TO ENSURE THAT APPROPRIATE RESEARCH TAKES PLACE, IS DISSEMINATED APPROPRIATELY AND MEANINGFULLY TO ALL STAKEHOLDERS, AND IS USED TO DRIVE INNOVATION AND PRODUCT ENHANCEMENT.

The Tourism Research Network will set the research agenda to provide the information that's critical for all stakeholders. It will work with tourism businesses, the Scottish Tourism Forum and the Tourism Innovation Group to identify the information that would be most useful for businesses and the best means to get it out to the people who need it. It will benchmark against international best practice in the collection and use of tourism research and it will work with stakeholders to ensure that research is used to drive product enhancement and development.



The Network won't have all the answers though. While it will be able to provide information about international trends, and trends across Scotland, it won't be able to provide individual businesses with information about their business and customers. The majority of Scotland's visitors might come from the UK, with the US being our biggest international customer, but your business might attract a lot of German visitors, so you need to know not only about national trends, but also about your own business trends. In fact, the only way the Network will be able to provide useful information about national trends is if businesses gather and share this kind of information about their own businesses and customers – so the more businesses and other organisations are willing to collect this kind of information and to share it, the more useful the research findings will be to everyone.

target 2 – 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.



Case Study

The Hebridean Celtic Festival is a world-class music event set amidst the unique landscape, culture and heritage of the Outer Hebrides. Consistent year-on-year growth has been led by the quality experience of the Festival, a loyal and growing worldwide audience and sound knowledge of its market. The Festival has consciously utilised emerging Internet technologies to profile its audience and gather feedback to ensure it continues to develop its market and maintains close relations with its steadfast fanbase.

The Enterprise Agencies will advise businesses how best to collect relevant data and make it meaningful to inform their business and staff development strategies. The Tourism Research Network will explore the possibility of setting up an online data collection portal to collect data in a consistent format and frequency. The Scottish Executive will work with the Tourism Research Network and with culture and heritage organisations to ensure that the information these organisations are being asked to provide is consistent across the Executive.

The Tourism Research Network will also look at whether there is a more useful way to measure how much visitors enjoy their stay than the current 'satisfaction' rating system which does not allow us to understand their views in detail. After all, if our aim is to surprise and delight our visitors, we need to know more than that they were satisfied.

exceeding visitors' expectations

You now know what your market looks like and what the future market might look like. You know how your business is doing in relation to others across Scotland and internationally. We now need to make sure that everything we do will exceed our visitors' expectations. There are a number of ways to do this – all are important and intertwined.

Quality of Visitor Experience

Most holiday decisions are influenced by personal recommendation. We want to increase our visitors' propensity to return and to become ambassadors for Scotland, so we need to make sure that the quality of visitor experience that we are offering will surprise and delight – and if people enjoy themselves while they're here, they are also likely to spend more.

Getting the quality right every time is increasingly important. Technology is such these days that if someone has a bad experience during their stay, they won't just keep it to themselves. They'll tell the world about it in their Blog or on a website like Trip Advisor. Then everyone else will know about it too.

The quality of the visitor experience is partly about making sure our hotel bedrooms, visitor attractions, food and shops are all of a high standard and that our visitors experience pleasant, litter-free places. Tourism is everyone's business, so businesses of all kinds, not just the traditional tourism businesses, need to improve the quality of their product to ensure they are staying ahead of what visitors want. **Every tourism and related business – including those operated by the public and voluntary sectors – will be strongly encouraged to become part of VisitScotland's Quality Assurance (QA) schemes**, where they will be supported in raising their standards. VisitScotland currently works only with those accommodation businesses who participate in the QA scheme, and as more QA schemes are introduced (e.g. EatScotland for restaurants and other food outlets), businesses will have to participate in the appropriate scheme if they want to work with VisitScotland.

target 3 – VISITSCOTLAND WILL INCREASE THE PROPORTION OF BUSINESSES IN THEIR ACCOMMODATION QA SCHEMES TO 90% BY THE END OF 2008, DEVELOP AND EXTEND QA SCHEMES FOR MORE SECTORS, AND ENSURE THAT THE QA SCHEME CRITERIA ARE CONSTANTLY REVIEWED TO REFLECT CHANGING AND RISING CONSUMER EXPECTATIONS.

target 4 – PRIDE AND PASSION WILL INCREASE THE NUMBER OF “FRIENDS” EACH YEAR RESULTING IN OVER 3000 FRIENDS BY 2010, WITH EACH FRIEND MAKING A COMMITMENT TO IMPROVING THE VISITOR EXPERIENCE AND TO PASSING ON THE QUALITY MESSAGE TO OTHERS.

Pride and Passion and the Enterprise Networks will support tourism businesses in collecting customer feedback which they can use to continually improve the quality of their product, and the Tourism Research Network will ensure that useful research is provided which allows tourism businesses and others to learn from best practice. (See also “Knowing your market”.)

Industry, public sector support agencies, and local authorities will work together to manage the overall quality of the visitor experience in Scotland’s tourism destinations. This will address all aspects of visitor experience in an integrated way, building on international and UK best practice in the field of destination management.

The Scottish Executive and local authorities will explore the possibility of ensuring that all accommodation for travel on official Executive and local government business must be accredited under the VisitScotland QA Scheme (or equivalent) where it offers equivalent value for money (as non QA-accredited accommodation) and is suitably located.

People and Skills

However, it doesn’t matter how clean our streets are, or whether there are fresh flowers in every hotel bedroom if our people working in tourism and its related sectors provide anything less than a warm welcome, a professional service and an authentic experience. Anything less can ruin even the best visitor experience. People and skills affect your bottom line. We therefore need to ensure that everybody working in tourism and its related sectors has the skills and attitude to give visitors a warm welcome and an enjoyable and interesting stay, to add positively to every visitor experience. After all, our visitors say they love the friendliness of the Scottish people. **Our ambition is to have the best regarded tourism workforce in the world, with highly-skilled managers and leaders who nurture and value their staff.** This, in turn, will improve the employee experience which will, in turn, provide a better customer experience – and visitors will be more likely to spend more, and to return.

Case Study

Cairngorm Mountain's commitment to staff training recently won the company a highly prestigious National Training Award – one of only two awarded to Scottish companies last year (and the other went to Rolls-Royce plc!). Cairngorm Mountain's customer care philosophy means that everything they do is geared towards presenting a better product, a better service and a more enjoyable experience for visitors. They recognise that this cannot be achieved unless staff members know what is expected of them and are given the correct skills to deliver.

The Scottish Tourism Forum called a series of Skills Summits, bringing together the organisations working in people development, training, and education in tourism who have agreed to work together to deliver our ambition. Following these Skills Summits, there is a clear consensus and agreement about the way forward with all parties working together to achieve our ambitious aspirations. People 1st, the Sector Skills Council, has undertaken a large piece of industry research to identify the key challenges, and will now work with the industry to address these.

target 5 – to help managers and business owners, people 1st will work with government and education to ensure industry has the opportunity to get the skills industry needs. people 1st will develop a training action plan (tap) which will focus on three areas identified in the research and at the skills summits as crucial to the competitiveness of Scottish tourism. these are:

- management & leadership;
- workforce skills especially customer service and chef skills; and
- retention – of staff within businesses and within the industry as a whole.

our aspiration is that this will result in year-on-year improvement in staff satisfaction (working towards 80% by 2015) and customer satisfaction (working towards 90% by 2015), leading to year-on-year improvement in productivity.

Managers and business owners must value training, have the right management and leadership skills and training themselves, and ensure that their staff have the skills they need to provide a high quality service. This is crucial to growing their businesses. People 1st will work with private and public partners to develop a leadership and management development programme to strengthen leadership skills in tourism businesses. Just making a programme available won't be enough though – managers and business owners must increase their take-up of the appropriate training if a real change is to be made.

If managers and staff are well trained, they will not only be able to provide a high quality service for visitors. They will have the skills to gather information about their visitors (see “Knowing your market”), to provide effective information and marketing to visitors (see “Marketing your product”), to develop and enhance their product (see the “Innovation and product development” heading under “Exceeding visitors’ expectations”), to make the most of e-technology (see “E-business”), and to do all of this sustainably (see “Being sustainable”). Gathering customer feedback should in turn assist businesses in identifying where their training needs are. Both Pride and Passion (the industry-led movement to improve the visitor experience) and VisitScotland Quality Advisors will stimulate demand for training by selling to tourism businesses the bottom line benefits of management and staff development.

It's not just about leaders and managers though. We need to ensure that **everyone** working in tourism has the skills they need. There are a number of existing initiatives which will assist businesses in this area. The Hospitality Assured business improvement tool will help businesses identify what their training and development needs are. The development of “100k Welcomes” – a single portfolio of courses being developed by the Enterprise Agencies – will replace a number of other courses to enhance tourism businesses’ productivity and competitiveness.

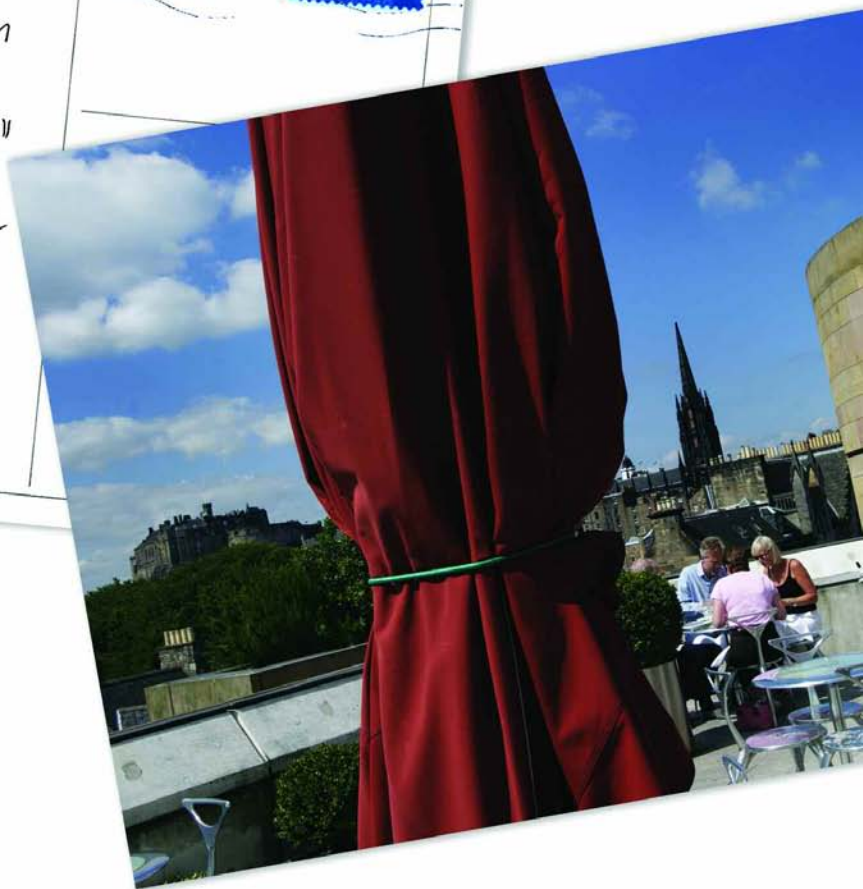
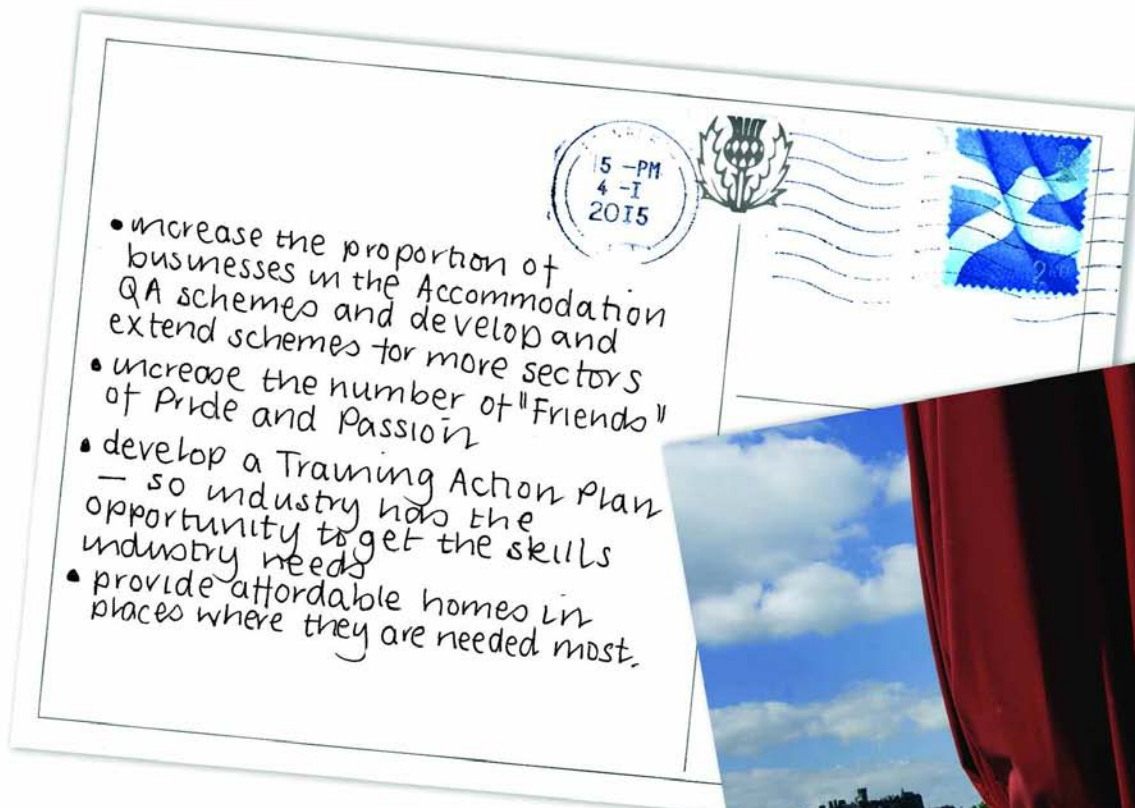
In addition to core customer service skills, we know that there is a shortage of chefs and other staff with key craft skills. People 1st will work with government and education to ensure that the skills and training opportunities available match what businesses need – and are relevant, effective, accessible, high quality and deliver an excellent return on investment. People 1st will deliver research on behalf of the industry which identifies

the qualifications which are “fit for purpose”. This will ensure that provision meets the needs of industry – a key component of appeal and retention. People 1st will also work to develop an online “skills passport” which will enable staff to record their skills and qualifications and allow these to be recognised by all tourism employers. Again, though, it will be down to tourism businesses to increase the amount of training done by staff if we are to succeed. Our aspiration is that by 2010, all tourism businesses – including those operated by the public and voluntary sectors – will use and accept the skills passport, and it will be those businesses who will be able to take advantage of VisitScotland support.

Management training and staff development is, however, only part of the answer. We need to make tourism the first-choice career for talented and motivated people. One way to do that is to ensure our industry nurtures and values its staff. In addition to that, we need to make sure we take every opportunity to tell people what a good industry it is to work in. Recruitment problems and high staff turnover hurts the bottom line and as the population ages, competition for the best home-grown and international talent will get tougher. The Fresh Talent initiative will encourage more people born outside Scotland to live and work here, and the industry must ensure that tourism can compete for the best staff.

The Enterprise Agencies, Careers Scotland and Springboard Scotland will deliver a recruitment and retention project to support businesses in improving their recruitment and retention of staff. Enthusing people about working in tourism needs to start in schools. The Scottish Tourism Forum will work with these organisations and local authorities to support businesses in developing links with schools through the Scottish Executive’s “Determined to Succeed” programme to assist young people to develop the skills, knowledge and confidence they need to work in tourism. Tourism businesses and Springboard Scotland will work with Careers Scotland to support the development of tourism skills in schools and colleges and highlight tourism as a career opportunity. If tourism businesses are successful in extending their season (see “Being sustainable”), they will be better able to retain their staff year-round and more career opportunities will be developed. If more people can be persuaded to work in their local tourism businesses, that will be all the better for our local communities (see “Being sustainable”).

Finally, though, we also need to ensure that there is sufficient affordable housing to allow people to live in the areas where they are required to work.



target 6 – the scottish executive will help provide affordable homes in places where they are needed most. this will include £1.2 billion of direct investment in affordable housing over 3 years, a shared equity home ownership scheme, and a massive investment programme to address infrastructure shortages.



Innovation and Product Development

We must think creatively, innovatively and collaboratively to develop new products and enhance existing ones – from accommodation to visitor attractions to conference venues to eating places – to ensure that they appeal to potential visitors – whether business or leisure visitors – and then exceed their expectations. We also need to use our research findings to identify the new products which are needed to meet our visitors' changing tastes. There needs to be a particular focus on driving innovation and product development around those key assets that provide the basis for Scotland's competitive advantage and that will be the main contributors to achieving the 50% growth target. These assets include key product areas such as golf, outdoor activities, history and culture, food and drink, natural environment, genealogy, etc. A collaborative approach will be required, involving the industry working with public sector partners in a co-ordinated way to deliver a high quality visitor experience. This will involve groups working on a Scotland-wide basis in areas such as golf or forestry tourism, and also industry working with agencies at a local destination level to ensure that all the various aspects of the industry and the supporting infrastructure come together to deliver an outstanding experience for the visitor. Visitors will only return if we exceed their expectations first time round. We must therefore ensure that what we're offering is always one step ahead of expectations.

target 7 – the tourism innovation group will foster collaborative working between tourism operators, encouraging them to use innovation tools to come up with creative ideas. tig, groups of tourism businesses and trade associations such as asva will work with local authorities, the enterprise agencies and visitScotland to spot emerging trends of visitor needs and progress the product and sectoral development needed to meet them. this may include the development and delivery of product and destination development plans. culture and heritage organisations will also develop new activities and experiences in response to emerging markets. the result will be an increased propensity to return, and to recommend Scotland as a great destination.

Case Study

St Andrews Bay Golf Resort & Spa recognised the potential to capitalise on the huge upsurge in interest in family history and genealogy. Working in partnership with tour operator Scottish Ancestral Trail and a local genealogist, they developed a range of packages giving guests the opportunity to research their family history, and then take a guided tailor-made trip to visit the towns and villages where their ancestors lived. The packages have been promoted widely to the St Andrews Bay North American consumer database, New York-based media, and via the partners' own websites. The initiative is an excellent example of how partnership working can help businesses to target new niche markets in an innovative and exciting way.

The Enterprise Agencies will deliver a tourism innovation programme to support the Tourism Innovation Group in stimulating higher levels of innovation and product development by groups of businesses. This programme will cover innovation in relation to our key products and destinations, as well as ideas for individual businesses. The Enterprise Agencies and local authorities will also provide support for industry and partners to deliver Destination Development and Management Plans for the key tourism destinations.

VisitScotland's Business Tourism Unit will carry out a benchmarking project to examine best practice among National Convention Bureaux worldwide, identify the key success factors, draw out the key lessons, and apply them within the Scottish context to improve Scotland's competitiveness. It is anticipated that this will cover areas such as bid support, inter-agency relationships, relationships with transport operators, industry engagement and overseas representation, and will be a valuable input to the Business Tourism Unit in achieving the ambitious growth targets for business tourism.

The Scottish Executive will ensure that the impact on the tourism industry is considered as part of its policy development, and will maintain a dialogue with the industry – through the Scottish Tourism Forum – on future issues which are likely to have implications for the industry. The Scottish Tourism Forum will consult the industry to identify any regulations which cause particular problems for tourism businesses, and these could be submitted to the Regulatory Sub-Group of the Small Businesses Consultative Group for consideration.

Finally, the Scottish Executive will work with local authorities to improve the planning system to speed up the production of development plans, improve the service provided by planning authorities in processing planning applications, and enhancing the involvement of communities and individuals in decisions which affect them.

Culture, Events and Sport

Large numbers of visitors come to Scotland to participate in, or watch, cultural, sporting, business or other events, or because they know that there will be events to choose from when they arrive. We need to make sure that we are providing the events that they will want to be involved in.

The Mountain Biking World Cup brought 18,000 people to Scotland in 2005, and introduced Scotland to a whole new audience. The Mountain Biking World Championships will be held in Scotland in 2007, and are expected to bring an audience of 30,000–40,000 people. The Ryder Cup in 2014 will bring a different audience of sports fans, and if we are successful in our bid to bring the Commonwealth Games to Glasgow, it too will bring with it a huge audience who might otherwise never have come to Scotland, but who – if we treat them well – can become ambassadors for Scottish tourism. The Manchester Commonwealth Games brought 1 million visitors to Manchester over the 10 days of the Games, and a similar number is anticipated for Glasgow. The London 2012 Olympic Games will also bring an increased number of visitors to the UK and a Scottish Steering Group has been set up to ensure that Scotland receives its full share of the benefits – including attracting new visitors to Scotland.

Edinburgh's Hogmanay celebrations welcome people from all over the world to celebrate the new year the Scottish way – and have a great time – and the Year of Highland Culture in 2007 and Year of Homecoming in 2009 will give our visitors the opportunity to immerse themselves in our culture and heritage – and perhaps even introduce them to their Scottish ancestry. By hosting the G8 Summit in 2005, Scotland proved itself as one of the world's leading conference and events destinations and continues to be at the top of the list for both UK and international events for meeting planners.

Case Study

The Loch Lomond Food and Drink Festival gives visitors the opportunity to experience the fine food and drink that is available all over the region as well as introducing them to the beauty of the Loch Lomond and The Trossachs National Park. The Festival was initiated in 2005 with great success. The events on offer ranged from barbecues to whisky tasting to a scone competition and a teddy bears' picnic, and featured a number of local award-winning food and drink companies. The Festival attracted in excess of 29,000 visitors in its first year.

There's a lot going on. You can be part of it.

target 8 – tourism businesses will work with local authorities and culture, heritage and sport organisations to set up local product development networks for the heritage, history and events segment of the market. these networks will develop and market, with visitScotland support, new products which anticipate and exceed visitor demands, and as a result increase the number of visitors to Scotland. eventScotland will contribute to this target by attracting and marketing major events which meet changing visitor demands.

The Enterprise Agencies and local authorities will provide support for the development of events where these deliver significant economic benefit and support product and destination development plans.

E-Business

Tourists increasingly want to find out about trips and activities online, and to book them online in real time. If we can't provide this service, visitors are likely to go elsewhere, regardless of the quality product we have to offer them. We therefore need to ensure that tourism businesses, local authorities and culture and heritage organisations are able to provide this service, either themselves or through visitScotland.com, perhaps by using the latter's "web-in-a-box".

But it's not just about information and booking. Technology today is like electricity 100 years ago – it provides countless opportunities for tourism businesses to change the way they work – whether it's creating a customer feedback system (see "Knowing your market"), providing visitors with hand-held electronic guides to your visitor attraction, or texting visitors on their arrival to let them know about events likely to interest them, suggesting a restaurant for dinner and providing tonight's menu. Better use of technology could also allow tourism businesses to work smarter, thus leaving them with more time to enhance their product or spend valuable time with their guests, and it will allow businesses to communicate more effectively with each other – a vital part of collaborative working.

target 9 – BY 2007 EVERY TOURISM BUSINESS – INCLUDING THOSE OPERATED BY THE PUBLIC AND VOLUNTARY SECTORS – WILL BE ON AT LEAST THE FIRST RUNG OF THE e-TECHNOLOGY LADDER AND WILL CONTINUE BEYOND 2007 TO WORK THEIR WAY UP THAT LADDER.

The first rung is to have a computer and email address for your business. From 2007 VisitScotland industry engagement will be done predominantly on an e-basis. Every tourism business wishing to work with VisitScotland will therefore have to have an email address, although we would hope that most businesses would have made much more progress by then in using e-technology. The ultimate aim is for businesses to provide 24-hour online booking facilities, as well as making use of other technology which will meet the needs of their particular customers. The Scottish Tourism Forum, the Enterprise Agencies, visitscotland.com and VisitScotland's area office network will work together to support tourism operators in becoming e-enabled and improving their use of e-business by ensuring access to training and advice. A series of e-commerce roadshows will be piloted by the above partners. They will look at how these can be built upon to spread good e-business practice.

target 10 – THE SCOTTISH EXECUTIVE AND VISITSCOTLAND WILL STUDY HOW BEST TO DEVELOP A NATIONAL BOX OFFICE WHICH WILL PROVIDE ONLINE BOOKING OF PERFORMANCES, AND PROMPT PARALLEL ONLINE PURCHASE OF LINKED PRODUCTS SUCH AS TRAVEL TICKETS. (SEE ALSO "MARKETING YOUR PRODUCT".)



visitscotland.com will develop closer links with culture and sporting venues, events organisers, local authorities, Traveline Scotland and Transport Direct to present visitors with up-to-date information about what's on in Scotland and offer tailor-made packages to encourage visitors to attend.

Access and Transport

The journey is an essential part of the visitor trip. Our tourism product needs to include excellent transport provision, both to and within Scotland. Visitors will increasingly want to reach their destination within 3 hours, so we need to make sure we can get them here quickly. The destination of choice for business events, in particular, is influenced by direct flight routes and proximity to airports. As most people will only be here for a short break, but will want to pack in as much as possible, we also need to make sure they can get around Scotland quickly, easily and comfortably. This will not always be easy. The rugged beauty of our Highlands and Islands, for example, is one of our unique selling points, but presents particular challenges for travel. In addition, we must always bear in mind that it is our great environment which is the draw for many of our visitors. If we pollute our environment it is likely that some of our visitors will no longer find Scotland an attractive destination – and it will no longer be a great place to live. So we need to encourage more visitors to use sustainable transport wherever possible.

target 11 – the Scottish executive will publish a national transport strategy in 2006 which will consider all modes of travel and the needs of everyone using transport, including visitors. Consideration of our future transport infrastructure needs will be addressed by the strategic projects review which will begin by 2006. The Scottish executive will also undertake specific research into the travel behaviour of visitors to Scotland and will consider any actions arising from this research which will improve the visitor experience.

The research into travel behaviour of visitors to Scotland will map the current trends and patterns of visitors' travel behaviour within Scotland. The study will also identify gaps in the literature and areas for further research on tourist travel behaviour in Scotland.

The Executive will extend direct air routes through its Route Development Fund (RDF), targeting routes that have the greatest benefit to Scotland. In the Highlands and Islands, the RDF is managed by a steering group which includes the Scottish Executive, Highlands and Islands Airports Limited, HI Trans, Highlands and Islands Enterprise and VisitScotland. The main RDF is managed by a steering group which includes the Scottish Executive, Scottish Enterprise and VisitScotland. It is administered by Scottish Enterprise. The Executive will work with First ScotRail to provide innovative solutions to meet visitors' needs – to maximise opportunities to run additional or late services or to provide service improvements to support major events; to promote services which link with onward travel opportunities (such as ferry links); and to ensure that they are aware of, and act on, visitor needs and preferences. All First ScotRail Ticket Vending Machines now have a five language facility – English, French, German, Spanish and Italian – and First ScotRail are happy to consider all proposals relating to the provision of passenger information. The Executive's current 10-year transport infrastructure programme includes the development of rail links to Edinburgh and Glasgow Airports and the completion of the central Scotland motorway network, and the Executive supports the construction of the Borders Rail Link, which will open up the south of Scotland to a new audience. To make ports of entry more attractive for the increasing numbers of cruise ships visiting Scotland, substantial investment has taken place recently or is planned to take place at a number of ports, including Lerwick, Kirkwall, Scrabster and Oban, where new ferry terminal facilities will offer a much more attractive environment.

Likewise, local authorities will prepare strategies to ensure the provision of the most innovative, accessible, sustainable and joined-up public transport, which takes into account the needs of visitors and adds to their experience in a positive way.

But most visitors travel to, and around, Scotland by car. So the Executive will work to maximise the efficiency of national motorways and trunk roads. It will take forward the findings of the “View from the Road” study which is looking at how best the road network meets visitor needs – e.g. for stopping points in scenic areas, and information displays – and it will provide grants from the Rural Transport Fund to improve public transport services in rural areas and to ensure a network of viable filling stations in rural areas. Providing clear signs to those driving to tourist attractions is also a very important aspect of making a visit to Scotland as pleasurable as possible, so the Scottish Executive is in the process of reviewing its Trunk Road and Motorway Tourist Signposting Policy. VisitScotland also uses its own distinctive signs to direct visitors to attractions participating in its Quality Assurance Schemes. This helps visitors to find attractions that offer a quality experience. VisitScotland’s Signposting Working Group will ensure that there is a consistent and effective tourist signposting system throughout Scotland.

Our future infrastructure needs will be determined by the Strategic Projects Review, which is due to begin by 2006. Growing the economy will be one of the key factors taken into consideration as part of this Review, and part of this will be recognising the important role that tourism plays in Scotland’s economy.

It is important that we find innovative transport solutions that meet and exceed the needs of our visitors. It’s not just about what the Scottish Executive and local authorities can do though. Tourism businesses and culture and heritage organisations must make themselves aware of local transport issues facing their visitors and their staff will be able to signpost travel information and suggest best routes and modes of transport. Traveline Scotland and Transport Direct will be able to assist in transport information and journey planning options. Tourism businesses and culture and heritage organisations will introduce innovative and sustainable ways of transporting their visitors around, and will work with transport providers and VisitScotland to develop linked ticketing and promotional schemes. The Tourism Innovation Group will support tourism businesses to do this.

Case Study

A number of Drumnadrochit accommodation providers, including the Clansman and the Drumnadrochit Hotel, run a joint “Drive and Dine” service. Taxis can be hard to come by in the area, so these businesses work together to take their guests out for dinner and bring them back later in the evening. A collaborative and innovative approach which exceeds their visitors’ expectations.

VisitScotland will work with transport operators to market Scotland as a destination at the other end of air, rail and ferry links, and to highlight ease of access to Scotland. VisitScotland will work with transport operators to ensure they are aware of visitors’ needs and expectations at transport hubs. Events organisers will work with transport providers to develop transport to events, and to develop ticketing schemes, with the support of EventScotland.

marketing YOUR PRODUCT

So now you know who your market is and what it wants, and you’ve enhanced the quality of your product so that you’re providing something you know your customers will love. How will they know about your product? How can they be persuaded to spend their money on it?

Every destination is getting better at marketing itself. We must have world-class marketing which sells Scotland as a must-visit leisure and business destination. VisitScotland already carries out world-class, award-winning marketing which promotes leisure and business tourism in both cities and rural Scotland to sell Scotland as the place to visit. **Nevertheless it cannot be complacent.** It must continue to find ever more innovative ways of getting its message out there.

VisitScotland will develop linkages with other industries, such as Scottish food and drink producers, to promote Scotland to its target audience through many different channels to increase the reach of its communications. It will explore the use of New Media – such as Podcasting – to reach a younger and more mobile target audience to sell Scotland as an exciting, innovative and vibrant destination. As part of its role to promote Britain and its constituent parts, VisitBritain provides an additional platform to VisitScotland and the Scottish tourism industry to promote themselves in the international arena. VisitScotland’s increased investment in major near markets will now enable VisitBritain to focus more on investing in emerging markets, so VS and VB will work closely together to develop the future potential for Scotland in these markets.

VisitScotland's Business Tourism Unit will work closely with City Convention Bureaux, convention centres and other business tourism operators, encouraging them to work together in a collaborative way to maximise the real growth potential of this sector. It will identify new ways of selling Scotland as a leisure destination to business visitors, so that they will either stay on after their conference, or come back at a later date, and it will continue to develop strong relationships with Scottish Development International to target the overseas corporate market.

EventScotland will work with organisers of major events to assist with their marketing, maximise the number of participants and spectators and maximise the media coverage in key markets. This media coverage will itself act as a valuable marketing tool, promoting Scotland as a vibrant and exciting destination with a thriving culture, which offers a diversity of experiences for our visitors.

It's not just about promoting Scotland itself as a destination though. If visitors are considering coming to Scotland, we need to be able to tell them about individual businesses, visitor attractions and events so that they know exactly what they can do when they're here, and VisitScotland's information and sales services will play an important role in this. These services are currently being reviewed to ensure the provision of cutting-edge services delivered in new ways, making best use of technology and in partnership where appropriate with local authorities, the industry and others. The Tourism Innovation Group will also assist tourism businesses to identify their own core customers and what they're looking for (see also "Knowing your market") and to develop new ways of marketing their products to them (see also the E-Business listing under "Exceeding visitors' expectations"). Tourism businesses – including those run by the public and voluntary sectors – will find it particularly useful to collaborate with culture and heritage organisations and other non-core tourism businesses (retail, restaurants, etc.) to market their community or area to visitors, and VisitScotland will provide advice and support to businesses on this (as well as funding through the Challenge Fund), in the context of the Area Tourism Partnerships and Area Tourism Plans.

Tourism businesses, culture and heritage organisations, local authorities and others will take advantage of joint marketing opportunities with VisitScotland. visitscotland.com will build a world-class customer relationship management system to provide detailed knowledge of the customer base to allow effective marketing and delivery across all pre- and post-arrival channels.



- we already have world-class marketing which sells Scotland as the place to visit
- can't be complacent
- use increasingly effective marketing techniques to increase the number of visitors who come to Scotland.

Scottish Development International (SDI) will also support tourism businesses to sell overseas with a range of International Business Development tools, providing assistance with international strategy through to in-market support via SDI's overseas offices. The "Win Worldwide" guide was launched in May 2005, providing a comprehensive overview of sources of support as well as detailed advice on Channels to Market for tourism businesses.

target 12 – TOURISM BUSINESSES, CULTURE AND HERITAGE ORGANISATIONS, LOCAL AUTHORITIES, VISITSCOTLAND AND VISITSCOTLAND.COM WILL USE EFFECTIVE MARKETING TECHNIQUES TO INCREASE THE NUMBER OF VISITORS WHO COME TO SCOTLAND.

Case Study

Musselburgh Racecourse identified a gap in the market: a Ladies Day. They aimed to create a unique event and transform the racecourse for the day. The challenge was to effectively communicate the image of horseracing and the facilities at Musselburgh as glamorous and stylish to the target market. A fully integrated and effective campaign was undertaken and the stretching targets for attendance and hospitality figures and revenues were achieved. This campaign demonstrates the importance of innovation and identifying and communicating with your target market.

BEING sustainable

We've now identified how to provide a product which will attract visitors to Scotland and will surprise and delight them once they're here; which will encourage them to spend more money while they're here; and which will encourage them to come back again and to recommend us to family and friends. We've identified how to promote our product to our market, and we've identified how to stay ahead of the game in knowing what our visitors are likely to want in the future, what our competitors are providing and how our businesses are performing.

So we've broadly identified how to achieve growth in both visitor numbers and visitor revenues, aiming at 50% revenue growth in real terms by 2015. However, is this sustainable? For our economy, our communities, and our environment?

Sustainable tourism in its purest sense is an industry which attempts to make a low impact on the environment and local culture, while helping to generate income, employment and the conservation of local ecosystems. It is responsible tourism, which is both ecologically and culturally sensitive. **We want to be Europe's most sustainable tourism destination.**

VisitScotland will produce increasingly effective marketing campaigns which will promote both cities and rural Scotland. (See "Marketing your product".) Visitors increasingly want to pack lots into their stay so they will want to experience city and countryside. If we get this right, it means that we shouldn't have a huge number of additional visitors packing into our tourism hotspots at peak season. Instead, our visitors will be attracted to experience every part of Scotland. It is therefore unlikely that a large increase in accommodation will be needed.

Similarly, VisitScotland marketing campaigns will promote both leisure and business tourism. We know that business tourism has good growth potential, and that it takes place throughout the year. Likewise, cultural, sporting and other events, and particular types of activity such as wildlife tourism, often take place off-peak. If we can maximise this potential for off-peak events, more tourism businesses can stay open all year round. This has the benefit of providing year-round employment, so staff don't leave at the end of the season and need replaced again next year. It also helps to support local communities. The tourism industry has the potential to make a real contribution to the successful transformation of many of our neglected or deprived communities. Area

Tourism Partnerships will therefore work to ensure that tourism engages with local communities and provides benefits for them. Initiatives such as the Scottish Executive farm diversification schemes are already making a real difference by assisting the creation of tourism businesses in rural areas.

Many of our visitors are attracted to Scotland because of our clean, unspoiled environment and our diverse wildlife. Scotland is now established as Europe's leading wildlife tourism destination and we want to build on this. If we are going to be Europe's most sustainable tourism destination, though, we need to ensure that tourism growth doesn't result in the degradation of the very environment which is one of our unique selling points.

We are all well aware of the potential impacts of climate change and the contribution which transport – particularly aviation – makes to this. We must make it as easy as possible for our visitors to use sustainable transport options, and sustainability must be taken into account when new transport infrastructure projects are being considered. The Scottish Executive has recently published a Sustainable Development Strategy, which aims to tell a clear, compelling and concise story of what sustainable development means for Scotland's people, communities and natural heritage; the end results to be achieved; and the connections between the Executive's policies and programmes which will help to deliver them. Heritage and environment organisations will work to ensure that the Scottish natural, urban and built environment is conserved for future generations of visitors. Scotland's National Parks will promote tourism as an important part of sustainable social and economic development of the communities within their boundaries. The Scottish Executive's new Planning Bill (see the "Innovation and product development" heading under "Exceeding visitors' expectations") will ensure that environmental considerations are taken into account in planning decisions. However, tourism businesses have a real responsibility to ensure that they too are protecting the environment which brings so many of their visitors.

target 13 – tourism businesses and VisitScotland will increase the membership of the Green Tourism Business Scheme each year, so that by 2010 30% of businesses who participate in the VisitScotland QA scheme are also at GTBS entry level or above. Our aspiration is to have all QA tourism businesses – including those operated by the public and voluntary sectors – at at least entry level by 2015.

VisitScotland will create a new entry level to the Green Tourism Business Scheme (Bronze standard or equivalent) and ensure it is easily accessible, so that more businesses are able to get on board more easily, and get access to the support they need to go greener and work their way up through the scheme. Various options will be considered for the entry level, including partial self-assessment, online registration, spot checks and businesses able to get on board to entry level initially at no cost.

This isn't just about getting to entry level and stopping there though. Tourism businesses will be strongly encouraged to move up the GTBS ladder. It may be, for example, that tourism businesses can only stay at entry level for a limited period (3 years perhaps) before they must either progress up the ladder or fall off the scheme. In any case, tourism businesses must develop their understanding of how their business practices can affect the environment and local community and move to using business practices which are more sustainable and benefit the local community.

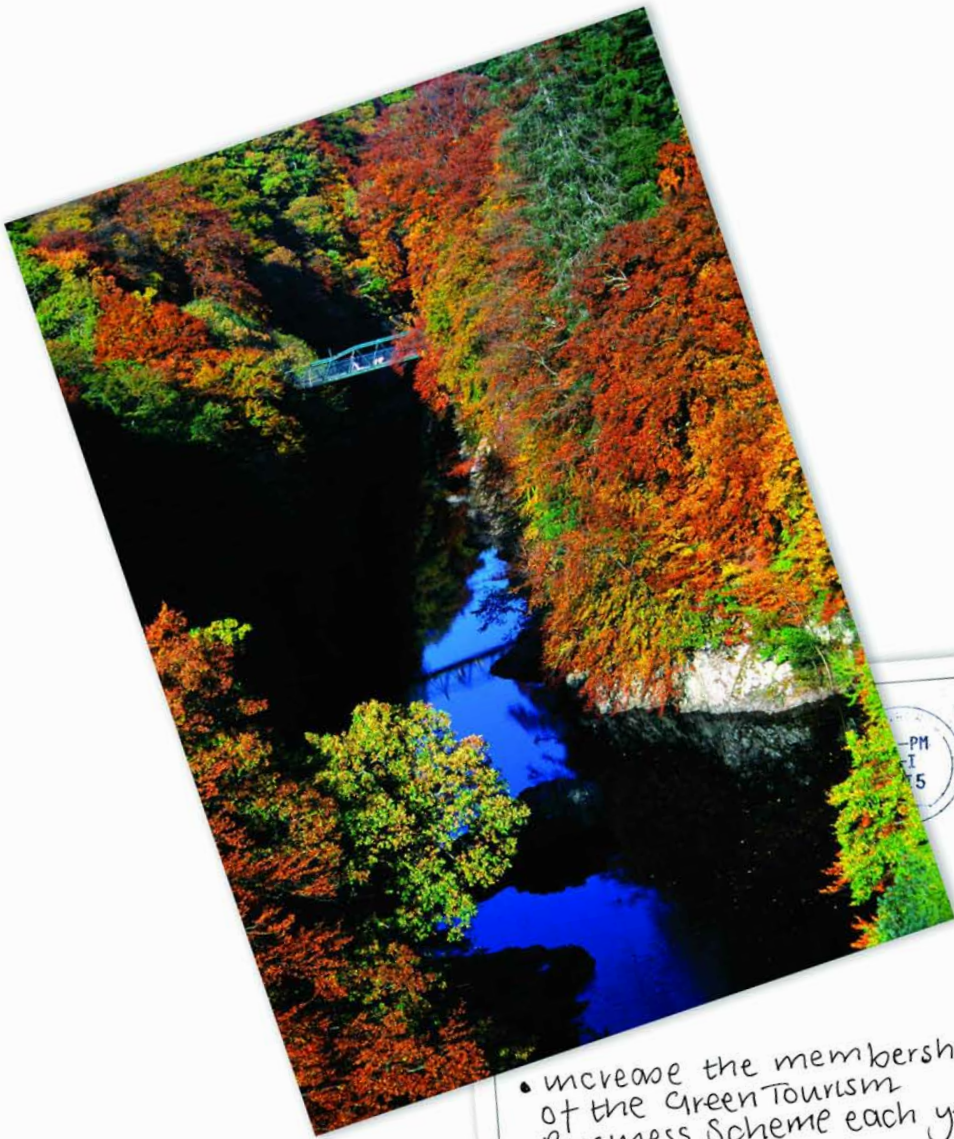
Indeed the Green Tourism Business Scheme is about a lot more than just environmental sustainability. It's also about supporting your local community (e.g. using local produce and suppliers), getting competitive advantage (your investment in green business practices is likely to be a real draw for the increasing number of sustainably-minded visitors) and deriving economic benefit (you will see a real difference in your energy bills). So there are real advantages here. This is by no means just another financial burden for your business.

Case Study

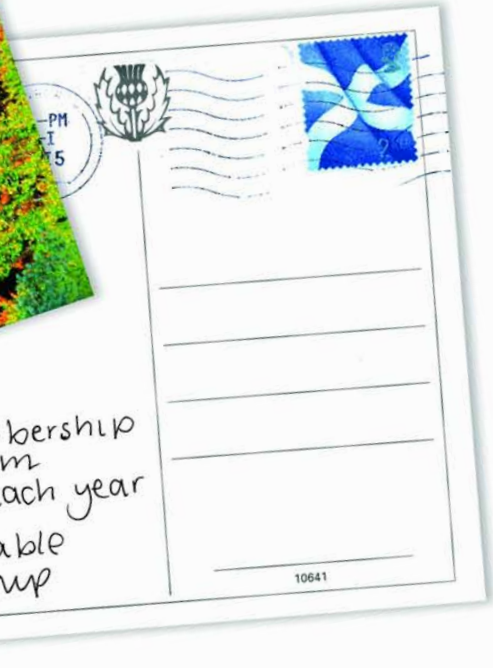
The Edinburgh International Conference Centre recognises that it makes environmental and economic sense to put sustainability issues at the heart of business planning. The EICC has saved a cumulative total of £70,000 on energy costs since 1998, showing a continuous year-on-year percentage fall in energy consumption. As tourists today value their environment as well as good service, the EICC's green business practices have also allowed them to meet their customers' increasing environmental demands. The GTBS gold accreditation sends a strong message to potential customers that the EICC goes further than just well-intentioned words, and is fully committed to all aspects of sustainable development.

From 2015, all businesses wishing to work with VisitScotland will have reached at least entry level of GTBS, and others are taking a similar position. The Cairngorms National Park Authority (CNPA) has taken the decision that any tourism businesses seeking to use the Cairngorms brand must participate in VisitScotland's and/or the AA's Quality Assurance scheme and be committed to achieving at least bronze level of GTBS within one year. This is to ensure that the use of the brand will become a 'kite mark' of quality and positive environmental management. Some 20 tourism businesses have already met the criteria, and to increase the number of eligible businesses 2 GTBS seminars were held in December 2005 funded jointly by the CNPA and VisitScotland. Following the seminar, businesses were offered a free onsite advisory/grading visit and if it was found that they could meet the criteria for the bronze level of the GTBS the joining fees and first year's membership fees were waived by VisitScotland. Likewise, in the Loch Lomond and the Trossachs National Park, Scottish Enterprise is actively supporting businesses to become involved in GTBS.

So you're not on your own. Support will be available.



- increase the membership of the Green Tourism Business Scheme each year
- set up a sustainable Tourism Partnership

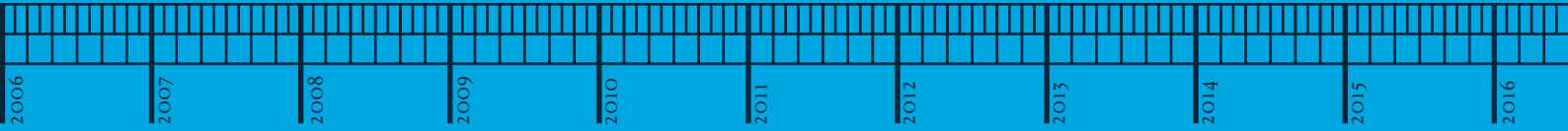


target 14 – a sustainable tourism partnership will be set up from march 2006, building on the tourism environment forum, to promote sustainable tourism throughout scotland. this will involve private industry partners, as well as organisations such as visitScotland, the enterprise networks, local authorities, scottish natural heritage, historic scotland, and the national parks.

The Sustainable Tourism Partnership will support businesses in becoming more sustainable, and this will be underpinned by key research and projects in relevant areas. Local authorities will support businesses in becoming more sustainable – for example, by providing more recycling schemes. The public sector will do its bit as a consumer too. The Scottish Executive will explore the possibility of requiring accommodation for travel on official Executive business to be accredited under the Green Tourism Business Scheme (or equivalent) where it offers comparable value for money (to non-GTBS accommodation) and is suitably located. As a first stage, the Scottish Executive is moving towards having its hotel booking agency offer GTBS accommodation as a first option and promoting GTBS accommodation on the Scottish Executive intranet site. Following the award of a new hotel booking contract in Spring 2006, the Scottish Executive will work with the new hotel booking agent on measures to introduce an arrangement whereby accommodation for official Executive business in Scotland will require to be accredited under the GTBS scheme (in the circumstances set out above). Local authorities will consider introducing similar arrangements for their staff.

VisitScotland will work with tourism businesses to market sustainable tourism to socially and environmentally-conscious visitors. VisitScotland's research has identified a growing green consumer base of people who care about the environmental impact of their purchasing choices. France and Spain in particular have large proportions of consumers who said it was worth paying more for environmentally-friendly products. Tourism businesses and culture and heritage organisations will therefore want to make increased use of GTBS status as part of their own marketing in order to maximise interest from green tourists. (See "Marketing your product".)

There is also scope for creating new products which allow visitors to experience our environment, but which are sustainable in themselves. (See the "Innovation and product development" heading under "Exceeding visitors' expectations".) Tourism businesses, culture and heritage organisations and local authorities will consider and implement innovative ways of creating "virtual" visits to areas of extremely sensitive environment. Current examples are virtual tours of the Flow country from Thurso, and the Scottish Seabird Centre in North Berwick.



2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

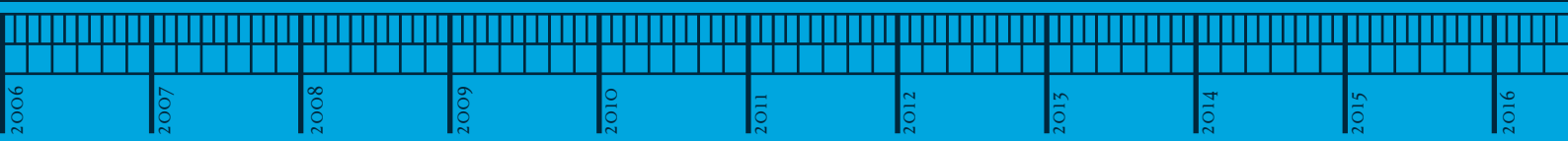
2016

four
taking it forward

This Framework for Change sets out broadly the things the industry will need to do to produce a step change in Scottish tourism, and the ways the public sector agencies will support the industry to do this. The success of the Framework will depend on close working relationships between the private and public sectors. Although some of the changes will happen centrally – such as the Sustainable Tourism Forum – it is only by embracing local activity that we will achieve a real step change.

An Implementation Group will be established centrally to drive and monitor progress and to report back on this progress on an annual basis. More importantly, though, the Area Tourism Partnerships will play a key role in driving and supporting change at local levels. Using locally-focused research, the Area Tourism Partnerships – which include local tourism businesses and the relevant local public agencies – will interpret the national picture set out in this Framework in a detailed local way, to reflect local opportunities and aspirations, and they will work with local businesses, culture and heritage organisations, local authorities and other public sector support agencies to share best practice and identify the best way forward at a local level.

If you haven't already heard from your Area Tourism Partnership, get in touch with them now. Get involved, and make the change!



2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

five

ANNEX – targets and measurements of success

Target 1 – By 2006, the Scottish Executive will establish a Tourism Research Network, involving the industry, culture and heritage organisations, the Enterprise Agencies, academics, local authorities and VisitScotland to ensure that appropriate research takes place, is disseminated appropriately and meaningfully to all stakeholders and is used to drive innovation and product enhancement.

Measure – Creation of Tourism Research Network and qualitative feedback on its operation.

Target 2 – 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.

Measure – Culture and heritage organisations, local authorities and the Tourism Innovation Group will provide qualitative feedback about the collection of data and its impact. Feedback will also come from the Tourism Research Network, which will require this information to be submitted.

Target 3 – VisitScotland will increase the proportion of businesses in their Accommodation QA schemes to 90% by the end of 2008, develop and extend QA schemes for more sectors, and ensure that the QA scheme criteria are constantly reviewed to reflect changing and rising consumer expectations.

Measure – VisitScotland will report an increase in QA businesses, and will provide qualitative feedback on extensions and amendments to the scheme.

Target 4 – Pride and Passion will double the number of “Friends” each year until 2010, with each friend making a commitment to improving the quality of their product and to passing on the quality message to others.

Measure – Pride and Passion will register over 3,000 “Friends” by 2010.

Target 5 – To help managers and business owners, People 1st will work with government and education to ensure industry has the opportunity to get the skills industry needs. People 1st will develop a Training Action Plan (TAP) which will focus on three areas identified in the research and at the Skills Summits as crucial to the competitiveness of Scottish tourism. These are:

- Management and Leadership;
- Workforce skills especially customer service and chef skills; and
- Retention – of staff within businesses and within the industry as a whole.

Our aspiration is that this will result in year-on-year improvement in staff satisfaction (working towards 80% by 2015) and customer satisfaction (working towards 90% by 2015), leading to year-on-year improvement in productivity.

Measure – People 1st will report on the creation and implementation of the Training Action Plan, and its outcomes. All agencies involved in the development of people and skills will report a year-on-year improvement in staff satisfaction (working towards 80% by 2015) and customer satisfaction (working towards 90% by 2015), resulting in year-on-year improvement in productivity.

Target 6 – The Scottish Executive will help provide affordable homes in places where they are needed most. This will include £1.2 billion of direct investment in affordable housing over 3 years, a shared equity home ownership scheme, and a massive investment programme to address infrastructure shortages.

Measure – The Scottish Executive to provide over 16,500 social rented homes and nearly 5,000 low-cost homes over the period 2005-06 to 2007-08.

Target 7 – The Tourism Innovation Group will foster collaborative working between tourism operators, encouraging them to use innovation tools to come up with creative ideas. TIG, groups of tourism businesses and trade associations such as ASVA will work with local authorities, the Enterprise Agencies and VisitScotland to spot emerging trends of visitor needs and plan the product and sectoral development needed to meet them. Culture and heritage organisations will also develop new activities and experiences in response to emerging markets. The result will be an increased propensity to return and to recommend Scotland as a great destination.

Measure – Visitor propensity to return to Scotland and to recommend Scotland as a great destination will increase. TIG, ASVA, Enterprise Agencies, VisitScotland and culture and heritage organisations will provide qualitative feedback on product development.

Target 8 – Tourism businesses will work with local authorities and culture, heritage and sport organisations to set up local product development networks for the heritage, history and events segment of the market. These networks will develop and market, with VisitScotland support, new products which anticipate and exceed visitor demands, and as a result increase the number of visitors to Scotland. EventScotland will contribute to this target by attracting and marketing major events which meet changing visitor demands.

Measure – The Area Tourism Partnerships will report back on establishment of Product Development Networks. Number of visitors will increase. Product Development Networks and EventScotland will provide qualitative feedback.

Target 9 – By 2010 every tourism business – including those operated by the public and voluntary sectors – will be using e-technology to maximise sales and improve the visitor experience (from internet booking to e-marketing to hand-held e-guides), and will continue beyond 2010 to improve the e-service they provide.

Measure – Scottish Tourism Forum will provide evidence that all tourism businesses are using e-technology effectively by 2010. STF will provide qualitative feedback on progress each year.

Target 10 – The Scottish Executive and VisitScotland will study how best to develop a National Box Office which will provide online booking of performances, and prompt parallel online purchase of linked products such as travel tickets. (See also “Marketing your product”.)

Measure – The Scottish Executive and VisitScotland will provide qualitative feedback on development of National Box Office.

Target 11 – The Scottish Executive will publish a National Transport Strategy in 2006 which will consider all modes of travel and the needs of everyone using transport, including visitors. Consideration of our future transport infrastructure needs will be addressed by the Strategic Projects Review which will begin by 2006. The Scottish Executive will also undertake specific research into the travel behaviour of visitors to Scotland and will consider any actions arising from this research which will improve the visitor experience.

Measure – Our National Transport Strategy will be completed in 2006, and will set the context for the Strategic Projects Review which is to follow. The research project will be completed by spring 2006.

Target 12 – Tourism businesses, culture and heritage organisations, local authorities, VisitScotland and visitScotland.com will use effective marketing techniques to increase the number of visitors who come to Scotland as a direct result of marketing.

Measure – Number of visitors who come to Scotland as a direct result of marketing will increase. VisitScotland will report on Return on Investment and visitScotland.com will report on conversion rates. The Scottish Tourism Forum and culture and heritage organisations will report back on where their customers heard about them – from customer feedback.

Target 13 – Tourism Businesses and VisitScotland will increase the membership of the Green Tourism Business Scheme each year, so that by 2010 30% of businesses who participate in the VisitScotland QA scheme are also at entry level or above. Our aspiration is to have all QA tourism businesses – including those operated by the public and voluntary sectors – at at least entry level by 2015.

Measure – Membership of Green Tourism Business Scheme will increase year on year.

Target 14 – A Sustainable Tourism Partnership will be set up from March 2006, building on the Tourism Environment Forum, to promote sustainable tourism throughout Scotland. This will involve private industry partners, as well as organisations such as VisitScotland, the Enterprise Networks, local authorities, Scottish Natural Heritage, Historic Scotland, and the National Parks.

Measure – Establishment of Sustainable Tourism Partnership. and qualitative feedback on its work.

Other quantitative indicators

Value of tourism revenue

Number of visitors

Number of visitors who were very satisfied

Number of visitors whose expectations were exceeded

Other qualitative feedback

Each organisation listed in this Framework for Change will report annually to the Tourism Strategy Implementation Group on the work undertaken to accomplish the supporting actions listed throughout this document. Supporting actions undertaken by tourism businesses will be reported by the Scottish Tourism Forum.



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